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Falling fertility rates means fewer workers

BY DAWN WALTON, CALGARY

Immigration will become one of the most crucial issues of the century for countries such as Canada that have declining birth rates, according to the demography guru at the United Nations.

Joseph Chamie, director of the UN's population division, said a decline in fertility rates will mean labour shortages for industrialized countries unless immigrants step in as replacement workers or residents start having more babies.

"It will be the hot topic for many countries," he said in an interview yesterday, after speaking to the Calgary Chamber of Commerce.

"[There will be] competition for talented, skilled, unskilled and semi-skilled workers."

As a result, Mr. Chamie predicts that in the not-so-distant future many more people will move from country to country.

Statistics Canada this week revealed census figures that show the country's fertility rate at 1.5 children, representing the average number of children a woman will have during her lifetime.

That's far lower than a rate of 2.1 children per woman needed to maintain the population.

At the current rate, the country's population, which now stands at a little more than 30 million, will stop growing within nine years, an expert suggested earlier this week.

Before the census was released, the UN predicted Canada's population would reach 40 million by the year 2050.

Canada is not alone in facing potential population problems.

In the 1950s, women worldwide had an average of five children during their lifetimes.

That global figure has dropped to 2.7 children, according to the UN. Italy and Japan, for example, have even lower fertility rates than Canada.

A lot of people are holding off having children and are having fewer of them as women increasingly focus on their careers and education, and as contraception has become more widely available, Mr. Chamie explained.

"This is a concern for many governments because of the declining, aging population," Mr. Chamie said.

"People making small, individual decisions, [are] having enormous national and global consequences," he said. Governments, he added, are beginning to consider the implications of what's going on in the bedroom.

The population decline affects not only the labour force, but schools, pensions, investment, consumption, taxation rates and individual households.

Mr. Chamie noted that countries such as Germany, which in the past has been reluctant to open its borders to immigration, are now considering relaxing immigration policies in order to prop up their population base.

The article EM0213 reprinted above is used in Chapter 4 of the STAT 231 Course Materials.