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Ordnungspolitische Diskurse

Discourses in Social Market Economy



Stefan Kolev

Individualism and Demographic Change

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Abstract

This paper aims to provide a counterweight to the omnipresent gloomy analyses of demographic change in Western societies. The central argument is that the strains and challenges which demographic change poses for different sub-orders of society can lead to a higher appreciation of the individual in these sub-orders, possibly entailing self-correcting properties of the process of demographic change.

First, a two-fold division is provided for the causes of demographic change, distinguishing between “materialistic” and “idealistic” causes. While today’s public debate often concentrates on materialistic causes, entailing materialistic-focused policies, the paper presents a set of idealistic causes and discusses their relevance. Second, a number of possible effects are studied as to how the changes induced by demographic change in selected sub-orders of society – labor market, education system and political system – can qualitatively change these sub-orders. These thought experiments show that, under realistic assumptions, demographic change can lead to a higher appreciation of the individual as employee, entrepreneur, student and citizen.

The policy implications are twofold. First, the analysis shows that an individualist perspective of economy and society generates much less gloomy and less deterministic scenarios than the ones on which “over-activist” policies in Germany and elsewhere are often based. Second, if the “idealistic” focus of the paper is at least partially warranted, the legitimacy of paternalist government interventions into the highly personal decisions regarding fertility appears even more questionable.

Keywords

Demographic Change, Ageing, Labor Market, Education System, Individualism

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Individualism and Demographic Change

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Introduction

One of the omnipresent issues in the discourse of Western societies today is the transformation of their demographic structure. Although the trend and potential impact of these processes have been discernible at least since the 1970s (Biedenkopf / Miegel 1978, Miegel 1981), political debates have particularly intensified over the last years. As a major reason for this intensification appear the recent debates on immigration which engage the public attention in Europe and America as seldom before. Since these debates have pronounced specificities in the individual countries due to the different speed of the ageing process, different post-colonial histories as well as variations in the relative weights of political parties, the following analysis will primarily focus on developments in Germany (Seitz / Werding 2008), but parts of the analysis are tentatively applicable to other Western societies.

One of the striking characteristics of the German literature on demographic change has been, especially most recently, its polarization. Recurrent topoi are often doom, decline and debacle, with several authors of the “Dr. Doom” type, the most prominent being best-seller author Thilo Sarrazin (Sarrazin 2010) – in stark contrast to authors like Thomas Straubhaar who take demographic challenges very seriously but warn that apocalyptic scenarios and rhetoric can hardly help society in coping with these challenges (Straubhaar 2016). While the current paper is in line with authors like Straubhaar, it attempts a different take. I will abstain from forecasts and also from recommending policy measures. Instead, my aim is to show a scenario how demographic change can by itself generate shifts within society and the polity which are capable (at least partially) to reverse the current quantitative trends and, above all, alter some qualitative aspects within ageing society. The most important fixed point will be the claim that demographic change can lead a society towards a higher appreciation of the individual, as opposed to patterns of thought and analysis which employ collectivist rhetoric and see society as an organic entity.

Is it all Individualism's Fault?

The explanations for the sharp decline in the fertility rates during the last decades vary significantly. Let me pick out one as a starting point: the claim that the decline is attributable to the increasing individualism in Western societies. In this, mostly colloquial sense individualism is understood as the defragmentation of the units of community and family, a development which corresponds with a lower appreciation for these units, including more non-family-based relationships and – possibly – also a lower willingness over one's lifetime to bear and raise children.

At the same time, the concept of individualism is a core pillar of a system of liberty – both for analyzing social processes which can only be understood from the individual's point of view in the sense of Joseph A. Schumpeter's "methodological individualism", as well as for judging the outcomes of social processes in the sense of James M. Buchanan's "normative individualism" (Vanberg 2012). Regarding the latter, it is the individual with his or her valuations who is the only generator of legitimate norms in society. Thus if a couple resolves the potential trade-off between career and children in favor of the former, then according to normative individualism there is no higher set of values that could overrule the choice of the couple. Accordingly the patterns of fertility in society are left to the individuals alone, and collectivist considerations such as "the demographic future of the nation" do not possess any legitimacy if they play no significant role in the mind of the individual.

Of course society exists as an object of analysis, but it does not act – and accordingly it does not value: this is the seminal demarcation line between the individualist and the collectivist view in social sciences (Vanberg 1975). Such a perspective can of course be (and is) highly counter-intuitive or even repugnant to individuals to whom "the demographic future of the nation" represents a value, citizens who often belong to the conservative part of the ideational spectrum, which incidentally – as shown by the case of Sarrazin's social democracy affiliation – must not coincide with the political spectrum. However, in a free society they can hardly correct the choices of individuals who think otherwise and decide to live differently. Still, this discontent and indignation about the state of affairs and the prophecies about the bleak future of liberal society is a common leitmotif in today's media, both traditional and social. Attempts to change the ideational set of society are also on the agenda, for example by attacking the "ideology of Western individualism" as being an antisocial construct

which in the end creates uprooted individuals deprived of their sensitivity for community and of responsibility for the common good (Miegel / Wahl 1994). A case of point for this stance is a letter to the editor of FAZ by Marco Arndt, former representative of Konrad Adenauer Foundation in Sofia, who juxtaposes the model of traditional family during the early decades of the Federal Republic to the “liberalization and arbitrariness” in today’s role and prestige of marriage and family, directly attributing demographic decline to this “cultural revolution” within German society (Arndt 2015).

There are at least two fundamental problems with such lamentos. First, they come in a tone of romanticism and backwardness, idealizing previous decades and their social structures which, for good or bad, belong irreversibly to the past. Second, and more importantly, they simply extrapolate developments in Western societies of recent decades into the decades to come, which can be assessed as rather naïve and undercomplex. The purpose of the paper is to show that while the world resulting from depressive romanticism and mechanical extrapolation certainly stands for one alternative path of development, it is by far not the only one conceivable.

As deems normative domains, I want to be explicit regarding my underlying value judgments: individualism, defined as taking the individual as the ultimate unit of analysis in social sciences (methodological individualism) and as the ultimate unit of legitimacy in society and the polity (normative individualism), is to me an indispensable principle of social orders and something highly desirable and worth protecting in reality. Such an individualist perspective on society has been, at least since the mid-19th century, in constant conflict with the collectivist view of society which puts its analytical and political focus primarily on the organic properties of society, but also with notions of “false individualism” which disregard the imperfections, limited knowledge and fallibility of individuals and extol instead a seemingly limitless human reason (Hayek 1945). In the following I would like to explore whether and how demographic change interacts with individualism, and whether demographic change, as we observe it, can lead to an even more individualist society than the one of today.

Demographic Change: Materialistic vs. Idealistic Causes

Let me propose an ordering principle for the changes in the patterns of fertility in Western societies which, together with the increase of life expectancy, has led to the process of ageing. I would like to subdivide the groups of causes for the decreasing

number of children within a couple into two: the first group of reasons may be called “the materialistic hypothesis”, the second “the idealistic hypothesis”, in line with one of the principal subdivisions within philosophy. Even though not every cause can be clearly subsumed into this classification, many can, and it proves to introduce a helpful conceptual division.

Causes of declining fertility that can be subsumed under the “materialistic hypothesis” are above all the cost of raising a child and the opportunity cost involved, among them the cost of possibly giving up one’s career as the most prohibitive one, regardless of the sex of the partner who would bring this sacrifice. Interestingly, public debates in Germany almost exclusively circulate around this materialistic perspective, and thus it is not surprising that the solutions, proposed by politicians or intellectuals, almost always gravitate towards materialistic solutions of the problem, mostly with the overarching motto of “better compatibility of career and family”. A noteworthy detail is the ideological loading of this debate. Whereas conservatives voice skepticism towards pushing or “nudging” women into the labor market and still recoil from giving up the traditional role of women, progressives pursue the opposite agenda and even endorse the former GDR as a role model for combining a higher fertility and a higher participation rate of women in the labor market. Such references to former socialist societies are flawed on one crucial point: whereas the underlying assumption in making them is that it was the role of women’s emancipation in socialism which enabled women to combine job and children, in many cases it was sheer material need which pushed both partners to work since the income of the male partner was insufficient to guarantee a decent living standard.

The materialistic complex of motives is most certainly not irrelevant, but it can also be overrated, and that for several reasons. First and foremost, given our unprecedented wealth today, couples could potentially afford many more children than the observable number – an effect additionally reinforced by the historically low level of interest rates today which makes financing anything, including “investing” in one’s children, as easy as it has seldom been before. Second, if lowering the cost or opportunity cost of raising children was the key leverage for solving the demographic problem, the almost infinite number of programs of the federal government during the three mandates of Chancellor Merkel must have generated some sizable effects, if only “flash-in-the-pan”, short-term rises in the birth rate. While it is true that during the last few years the number of births exhibits a slight increase, statistical analyses can

identify several other reasons for this small jump which are unrelated to the government programs (Ragnitz 2016). Another materialistic aspect which has been often referred to is the historical fact that in the past children were an instrument to secure oneself for old-age, a necessity which is by far not as dominant today because of the welfare state and its pension schemes. While at first glance this cause sounds convincing, it would mean that countries with particularly generous public pension systems should exhibit, on average, a significantly lower fertility than countries without such systems. A pattern of this kind is hardly observable among countries, with fertility rates being in a global secular decline and fertility rates in Western society showing relatively homogeneity, despite gigantic differences in the structure and generosity of the pension systems in the varieties of today's capitalism (CIA World Factbook 2017).

Thus a different set of reasons is needed to better explain why fertility has fallen and why we live in ageing societies: let us call it the "idealistic hypothesis". This depicts an explanation where the key changes have not happened in the sphere of the income and wealth, but rather in the sphere of ideas and norms. In this view, preferences for bearing and raising fewer children result from what institutional economics has called "shared mental models" (Denzau / North 1994). These represent common understandings of specific phenomena within society, in this case the common attitude towards children. What might be key features of today's predominant mental model regarding fertility?

A first trait often quoted as characteristic for many citizens in today's Western societies is hedonism. Hedonism can be characterized as an attitude to life which stresses strictly individual, "egoistic" happiness, often combined with a "high time preference", i.e. a strong preference for indulging oneself today or in the short-run (Moore 2013). If this attitude is indeed characteristic for many citizens, then these individuals will tend to consume their income rather than saving and "investing" the income in children. Even if such rhetoric might sound overly economic, from a purely economic point of view children can be modelled as investment projects with high risk, manifold and recurrent displeasures as well as a very long duration – quite a contrast to the preferred projects of a typical hedonistic individual.

A second factor within the idealistic set can be the issues of trust. Along with the extensive literature on trust in recent economics (Berggren / Jordahl 2006), trust has been a key topos of sociology and political science ever since these sciences exist.

Trust can be portrayed as the social capital which a social order possesses at a point of time, and it is enhanced by actions of individuals who believe this order is legitimate and will thus persist (Anter 2007, pp. 164-166). Of course, the level of trust can also decline if some members of the order start developing and expressing doubts about the stability of the order, so that other agents coexisting in the order might also change their actions, which makes the pay-offs everybody's actions and reactions fundamentally uncertain. Here the crucial concept of "order security" (Popitz 1992, pp. 223-227) comes into play – and it may well play a role in the individual patterns of fertility. As pointed out above, children can be modelled as projects with a particularly high duration, so a decline of trust in the long-term stability of the social order – i.e. not any more perceiving the order as security-generating – can become prohibitive for projects of this kind. Practically speaking, if a person starts believing that the order he or she lives in is destabilizing and that correspondingly the world in 20 years' time will be a significantly worse place than the one today, a decision for another child becomes less likely – both for "egoistic" reasons, i.e. the individual is uncertain of one's own material position in 20 years, as well as for "altruistic" reasons, i.e. that hardly anybody would wish one's child to grow up in chaos and instability.

Have Western societies been characterized by a declining level of general trust? While this would probably be too general a statement to make, the recent instability of the West with its overlapping crises – be they economic or geopolitical – may additionally contribute to a state of affairs where sizable parts of the population in Germany have been characterized by skepticism and uncertainty regarding the general development of the country, the European Union, the West and the world. Even though such an uncertainty is difficult to justify by a materialistic perspective in times of record-low unemployment, rising wages etc. (Allensbach 2010, VBW 2012, Forsa 2015), sentiments of this kind cannot be ignored, especially from the subjectivist perspective of individualism. In this vein, it is noteworthy how much the rhetoric of the "Wirtschaftswunder" in Germany, the "Trente Glorieuses" in France or the "Golden Age of Capitalism" in the USA are omnipresent in these countries' debates today – these phases have seemingly remained key points of reference in Western societies, mostly mentioned with a romantic and nostalgic undertone of better worlds that no longer exist (Skidelsky 2009, pp. 101-131). All of these phases ended in the 1970s – and their end marks the end of post-war demographic expansion in the West. In a materialistic manner this is mostly attributed to the "baby pill", but it may also be

worth considering this break of trust in the economic order as an additional reason. Extrapolated in the future, if trust declines even more, fertility may keep plummeting.

A third component of the change in shared mental models can be explained with the concept of habitus, as developed by Pierre Bourdieu (Bourdieu 1984). Such a habitus-based perspective about more than just about habits: instead it discusses dispositions of the individual which are shaped collectively and which henceforth guide its behavior in lieu of case-by-case discretion – with this they resemble the heuristics which are at the basis of F.A. Hayek’s rule-based rationality (Vanberg 2017). A disposition in favor of numerous children can coincide with high social status – as is the case in today’s France where rich families are among the most populous. In a different time and space setting, a disposition against children can equally correspond with high social status, as has been the case in West Germany among women with a university degree over the last decades (Rostocker Zentrum 2005, p. 62-63, Kreyenfeld / Konietzka 2008). As stressed by Bourdieu, the notion of habitus entails a high degree of persistence – while it must not include a crude form of determinism, dispositions of that kind require difficult and time-consuming social processes to change them.

Demographic Change: Effects on Individualism in Society

After having sketched some important drivers of demographic change, the next step is to explore possible effects of demographic change. As in the section above, this analysis by no means claims presenting a definitive or an exhaustive list – instead, it focuses on links which appear under-represented in the current debates, and it also focuses on the individualism vs. collectivism set of questions.

To put the research question about these effects in somewhat provocative terms: Can demographic change possibly generate a “better” society, if “good” is understood as a society with a high appreciation of the individual?

The tentative answer is: yes, it can. Even though the risks of demographic change should never be underestimated, the observer should also not neglect the opportunities it may bring about. A fixed point in the following argumentation should be set at the very beginning: if the primary drivers of demographic change are “idealistic”, as discussed above regarding hedonism, trust and habitus, any analysis should be particularly careful in extrapolating current developments into the mid- and long-run. The

reason is rather obvious: while it is inevitable that demographic change will change society, this very same changed society may well also reflect on demographic change itself. There are several conceivable endogenous processes which can happen at this interface – and this very much in the absence of any exogenous political interventions. It is these endogenous processes which will be at the center of the following discussion of several arenas where these processes are likely to unfold. As stressed above, the analysis is primarily a qualitative one – given the level of uncertainty involved, assessing quantitative magnitudes would come close to a Hayekian “pretence of knowledge” (Hayek 1974).

1) There certainly will be (and already are) fundamental, demography-induced transformations of the labor market. The public discussion is characterized by an anxiety regarding the forthcoming shortages of labor, both at the upper, skilled spectrum (e.g. engineers) and at the lower, less skilled spectrum (e.g. elderly care personnel). This development is not unlikely, even though it may underestimate the substitution of labor by capital in the course of the current digital transformation in very much every sector of the economy. However, also a number of less worrisome effects deserve attention. First and foremost, despite all rigidities in the process of wage formation, if shortages do occur, they will at least in the mid run lead to higher wages in the sectors of the labor market where these shortages occur. Even if currently many entrepreneurs in peripheral regions of Germany still prefer to lament about the shortages, at the point of retirement of the baby-boomers they will be forced to bid higher wages. The post-reunification generations who currently enter the labor market are often 50% less numerous than the usual size of earlier cohorts, also compared to the ones who leave the labor market (Statistisches Bundesamt 2012, pp. 7-15). Especially in peripheral regions like large parts of the Neue Länder which suffer not only from demographic change but also from emigration to larger cities in the Neue Länder and to the Alte Länder, the bargaining power of new labor market entrants will increase significantly. Such developments are already clearly observable on the level of professional education: while in the 1990s a school graduate perceived him-/herself lucky to obtain a training position, currently companies have increasing difficulties to fill their positions and are lucky to find a fitting school graduate (Kunze 2013). But the shift of bargaining power will probably not be the only effect here. Once qualified labor has been recognized as increasingly scarce, the companies’ strategies to retain employees will also become an increasingly important competitive success factor. Important

to underscore, this development is likely to affect employees of all age, not only the young ones: also elderly employees, seen earlier often as burden, are recognized as increasingly important due to their human capital, and correspondingly the efforts to retain them as long as possible, also beyond retirement age, have risen significantly (Kaiser 2017). Recognizing the increasing scarcity of labor is likely to generally boost a human capital-focused approach to employer-employee relationships, entailing multiple measures to foster the employees' accumulation of human capital. And if this new human capital leads to a higher productivity, it is likely to generate even higher wages in the mid run. Apart from higher wages, another likely result of the increasing bargaining power of employees is the improvement of working conditions, notably further proliferation of flexible working hours schemes or home office availability.

To sum up the labor market effects, demographic change is likely to lead to a higher appreciation of the individual: instead of perceiving the employee as a mechanic entity which is easily interchangeable in a "hire-and-fire" process, the increasing scarcity of labor can force employers to think in new directions and to treat employees as unique individuals whose human capital, working conditions, health etc. are a decisive factor for the company's success. These changes can on their part induce several changes regarding the drivers of demographic change within the "idealistic hypothesis". Regarding hedonism, higher wages and flexible working hours endow the individuals with more financial and temporal resources, so couples could now financially and temporally afford to indulge in their hedonistic activities (e.g. expensive tourism, luxury cars), but also to have the money and time for simultaneously engaging in painful and long-term activities related to children. Regarding trust, a higher appreciation on the labor market can easily raise the self-confidence of individuals and their level of optimism about the future of the social order. This reduced subjective uncertainty about the sustainability of one's future professional situation can also lead to a new, higher willingness to engage in risky activities related to children. Regarding habitus, it may well be that the previous strain on young cohorts in Germany after 1990 regarding labor market uncertainty solidified a fertility habitus of previous generations that a low number of children is a sign of prosperity and successful career. The new certainty from the upgraded relevance of the individual on the labor market can well contribute to the breakthrough of new patterns in the fertility habitus different from the ones today.

The issues of innovation and entrepreneurship are related to the developments on the labor market. One of the principal anxieties of ageing societies is their fear of becoming less innovative due to the increasing risk aversion of an ageing population. As will be discussed later on in the context of the political system, such an increasing risk aversion must not always be seen as a disadvantage. But even if demographic change leads to a lower number of start-ups due to the lower number of younger citizens, as has been the case in Germany in recent years (RKW Kompetenzzentrum 2015, pp. 2-3), this must not remain so. If society and the polity realize that innovation becomes increasingly rare, it is easily imaginable that the appreciation for innovation and the entrepreneurs who generate it can increase. If this is the case, policies which foster entrepreneurship are likely to follow – not only in the materialistic sense of subsidies and the like, but also as changes of education practices and possibly a positively changing general attitude toward innovation and entrepreneurship.

2) As mentioned above, education and the education system understandably play a key role in an analysis of demographic change based on the “idealistic hypothesis”. The education system will certainly be (and already is) affected by demographic change. In their current shape, both the school system and the higher education system in most Western countries were conceived long before demographic change of recent decades “hit in”. Thus these systems have little in-built flexibility and adaptability, especially due to the high degree of state control, entailing rigidities in the adjustment to new circumstances instead of the necessary flexibility and adaptability. Today’s scales of both the school and the higher education systems in Germany are actually based on larger cohorts than the current and the forthcoming ones, and it remains to be seen how they can cope with the process of shrinkage which, regardless of the quantitative uncertainty, will most probably characterize the qualitative trends of the next two decades – even if demographic trends inverse, the impact of these inversions will affect the education system only with a lag. However, one characteristic of the current state-dominated system is particularly interesting and possibly advantageous in the sense of this analysis: the focus on numbers (of admissions, graduates etc.). With the decreasing number of potential applicants and the unwillingness of the state to close down schools and universities, the obvious result will be a steady intensification of competition for the increasingly scarce applicants. Several effects of competition can unfold here to the advantage of the applicant: 1) allocation of the individuals to these institutions who are best suitable for them, 2) improvement

of the quality provided (of state-run institutions) and of the price-performance ratio (of private institutions), 3) disempowerment of the institutions vis-à-vis the applicant who is offered an increasing menu of options (programs), 4) constant pressure on institutions to innovate in their products, processes and locations, thus discovering new or previously unused knowledge of how to continuously improve their offer.

To sum up, such trends in the education system are likely to improve the importance of the individual in the eyes of the education institutions, and of the role of the education system in the eyes of society – possibly pushing the polity towards higher and more effective investments into the education system. Apart from the increasing quality and the other pros of intensifying competition, a shift in the position of students “from supplicant to customer” occurs, even though the metaphor “customer” is imperfect and may be supplemented by the metaphor “partner”. Given the immense amount of time a student spends at school (and possibly later at higher education institutions), this shift can imbue tomorrow’s students with a new sense of certainty from early age on, inducing yet again – as in the above discussions of the labor market and of entrepreneurship – a higher trust in the order of society, possibly also changing the habitus of balancing between risk and certainty as well as between short-term and long-term activities. This new certainty for young citizens and the induced effects can again change the patterns of fertility, with positive effects on future demographic change.

3) Last but not least, demographic change will (and already does) affect the political system of Western societies, and that in various ways. Again, today’s debates mostly focus on threats and risks, all the way to constructing a “conspiracy of Methuselah”, as prominently done by the late FAZ editor Frank Schirrmacher (Schirrmacher 2004). It is empirically true that the elderly tend to be more active as voters (Rostocker Zentrum 2005, p. 40), and their increasing relative weight in society will certainly lead to an increasing importance of their political preferences. But is this a necessarily negative development? Demographic change will certainly pose serious challenges for Western societies and their governance, especially for the social security systems which – like the education system discussed above – are the products of demographically different times. But this pressure on previously stable systems will – sooner or later – urge political entrepreneurs to find new, more sustainable solutions. This can certainly happen on all levels of a federal state like Germany. Interestingly, political problems awaiting solutions have become increasingly diverse due to the observable

polarization of the regional development in a country like Germany – urban vs. rural, West vs. East, central vs. peripheral etc. (Burkert 2007 et al., Schlitte et al. 2010, Bräuninger et al. 2014). Such a polarization of problems obviously calls for solutions different from the “one-size-fits-all” type, and this could possibly mean that an increasing number of problems must be solved on the local level with the necessarily decentralized tacit knowledge of local citizens, entailing a *de facto* decentralization of the political system, despite the observable *de jure* trends, in Germany and the EU, towards centralization. For these decentralized solution mechanisms, local political units will need resources. Given the “debt brake” and the very recent renegotiations of the fiscal constitution in Germany with its assumed stability for the near future, such resources can primarily come from attracting labor and capital at the local level – thus an intensification of the competition for the increasingly scarce factor labor is a probable outcome, despite the remaining disincentives in the new German fiscal constitution. Seen from the individual’s perspective, this is a “race to the top”: the political units will be under the pressure to provide the best price-performance ratio for their packages of publicly provided services. One of the results of such a process may be that the levels of taxation and regulation would mirror with an increasing precision the individuals’ preferences, as compared to today’s situation with a relative slack in the discretion of politicians and bureaucrats.

Apart from the possible trend towards decentralization and competition of locations, another advantage of ageing for a democratic political system could be the time budget of elderly citizens, which to a much higher extent includes leisure. One of the key arguments for a purely representative democracy is the necessity for professionalization of politics due to the increasing complexity of the political agenda and the lack of time of citizens to acquaint themselves adequately with this agenda. Given the much softer time budget constraint of the elderly, this argument for always delegating politics to professional politicians and bureaucrats can prove much less convincing in the future, adding yet another argument for the increasing capability of civil society self-governance on the local level and/or for introducing elements of direct democracy into the political system. These developments all mean an “upgrade” in the importance of a single individual in the democratic process and would empower the individual to shape the political agenda to a higher extent than is currently the case in most Western societies. The individual could thus increasingly become, objectively as well as subjectively in one’s self-perception, the genuine driver of democracy – as

opposed to the trend towards “massification” of democracy, a trend which filled many 20th century liberal economists with apprehension and skepticism about modern democracy (Nientiedt/Köhler 2016, pp. 1745-1751).

The complex of foreign policy is related to the transformations of the political system. A tentative hypothesis can be formulated also here, one which can already be “tested” due to the availability of long-lasting historical experience: ageing societies tend not only to shun risk, but also to be less aggressive and less prone to engage in military conflicts. The length and scope of earlier conflicts, especially the two World Wars, have sometimes been linked to the specific demographic situation at the time which was characterized by a unique population growth and a uniquely high proportion of young men in the population – a constellation which indeed can endow society and the polity with an overdose of belligerent “heroism” (Staveteig 2005, Toft 2005). Given the size of today’s Western family, the aptitude for war aggression and the willingness to accept casualties is certainly lower – and the recent convergence in family size in non-Western regions towards the one in the West adds some optimism for the future of global peace.

Conclusion

Beyond doubt demographic change entails multiple challenges, threat and risks. But a picture which only focuses on these phenomena is one-sided – and many draw this picture in the public debate in a rather ubiquitous manner. The purpose of this paper was to produce a counterweight for this one-sidedness and to provide a set of arguments why demographic change must not be seen in uniformly gloomy colors.

Regarding the causes of demographic change, the analysis stressed that it may not be primarily material conditions (materialistic hypothesis) but rather the individual’s patterns of thought (idealistic hypothesis) which is at the root of the ups and downs in the willingness of couples to bear and raise children. Such patterns are much more difficult to change by means of politics – and from a liberal, anti-paternalist perspective plenty of caution is in place before politics can claim legitimacy to exogenously change these patterns. Interesting enough, simple thought experiments could show that numerous channels are imaginable how the demography-induced changes in various sub-orders of society can endogenously change the individual’s attitudes towards patience, trust, risk as well as the general habitus towards children.

“Forecasts are difficult, especially when they regard the future” is a popular bon mot by German comedian Karl Valentin. This is also true about forecasts of demographic change: while the immediate future can be forecasted by statisticians with a fairly high precision – even though also here precision sometimes fails, as shown by the impact of the current immigration influx – more skepticism is in place when it comes to mid- and long-term projections. The assumption that today’s patterns of fertility can be extrapolated into the future is rather problematic. Be it through exogenous impulses from politics or through endogenous mechanisms within society: demographic change can lead society towards a higher appreciation of the individual, and such a change can be equally fundamental as the changes of earlier decades which brought the effects so many are worried about today.

One way or the other, decisions about bearing and raising children are among the most intimate ones a person can take, and so Buchanan’s “normative individualism” is particularly relevant here: these decisions should be especially respected by the polity, as opposed to today’s “over-activism” in Germany and elsewhere, pseudo-justified by gloomy projections and the implied urgency of political action. For scholars who focus on the self-organizing properties of economy and society, such exaggerated pessimism is seldom warranted – and the analysis here showed only a few out of many possible channels how self-confident individuals in a society with trust and a sense of “order stability” can cope with the problems ahead without the coercion and moralism of paternalist politics. Given the explicit value judgments at the beginning, in the process of solving these problems demographic change can even change society “for the better”.

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