Population and Prosperity

Summary

The UK’s rapid population growth is unsustainable and decreases overall prosperity for people living within the country. Although there is clear evidence that prosperity decreases with population growth, the relationship between them continues to be downplayed. The purpose of this briefing is to identify some of the factors that are affected by population growth and discuss how they reduce potential for prosperity and affect living standards.

Oil

As the population grows, there is a higher demand for oil and other non-renewable resources to enable people to perform basic day-to-day activities. However, the supply is limited and overconsumption is placing strains on oil resources across the globe. In 2013, the Ministry of Defence published a report that warned that converging global trends will dramatically affect UK economic prosperity through to 2040. The report predicts that depletion of cheap conventional “easy oil” will sustain rocketing energy prices and these long-term price spikes are likely to lead to a long recession in Western economies. It is possible that this could even fuel internal unrest and lead to the rise of nationalist movements. ¹

The finite oil supply has caused a significant increase in oil prices. For example, between October 2010 and November 2013, energy prices increased by 37% while in that same period, average earnings rose by 4.4%. This exemplifies the types of concerns that are raised about the impact that energy price rises are having on people’s ability to maintain a decent standard of living. Citizens Advice says it often sees clients in financial despair and warns that a growing number of parents are facing tough choices between putting the heating on, clothing their children and feeding the family. ²

Fewer people would place less demand on oil resources, which would inevitably decrease prices and enable the average person to have a more prosperous life without considering the financial implications.

Food

An increasing level of food consumption in the UK is directly related to the growing population. However, as the country’s population grows, its food resources are becoming strained as a result of increased demand. The UK imports roughly 40% of the food that it consumes so it is at the mercy of global prices. Another contributory factor to pressure on food supplies is the rise in production of bio-diesel, which uses up land that could be used to grow crops. ³

These strains on food commodities combined with a growing population have led to increasing food prices across the country. In 2012, economists estimated that the cost of the weekly shop will continue to rise by around 4% a year until 2022 at least. ⁴ In a poll commissioned by the City of London in 2012, 51% of those surveyed said they would consider growing their own fruit, vegetable and herbs – or growing more – if food prices rose further. ⁵

Limiting population growth would reduce food consumption levels, which would decrease the demand as well as global prices. This trend would be beneficial for people living in the UK, as it would allow them higher levels of prosperity.

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² http://www.theguardian.com/money/2013/nov/16/energy-prices-rise
³ http://www.bbc.co.uk/news/business-18822853
⁵ http://www.bbc.co.uk/news/uk-18094945
Increasing population growth is linked to rising unemployment levels. In recent years there have been unprecedented numbers of unemployed young people in the UK. If population levels were more stable, more people would have opportunities for employment. Roger Martin, Chair of Population Matters, said, “A stable population would also give workers more leverage. Companies would have to invest more in training; and with labour in shorter supply, wages would tend to rise, spreading our country’s wealth more equitably.\(^6\)

**Education**

High birth rates in recent years have caused a shortage in school places, particularly in densely populated areas where many schools are struggling to keep up with the demand. Despite the Department for Education’s investment of more than £5 billion to create more than 445,000 new school places, England is facing a growing crisis over the demand for primary and secondary school places. In 2015, applications for places in schools in London were up 4% compared to last year and only 68% of families received their first choice secondary school place. However, in other parts of England that are much less densely populated, such as Cornwall, almost 98% of applicants received their first choice.\(^7\) These statistics provide clear evidence that high population levels decrease families’ ability to determine or choose the schools for their children.

The Department for Education predicts the school population will grow to 8 million by 2022 as a result of the growth in birth rates since 2002.\(^8\) High demand for school places also threatens the overall quality of education that children receive. Large numbers of pupils in one classroom can reduce the attention that the teacher can give to improving each child’s development.

It is clear that fewer births and a more sustainable population growth rate would reduce the strain on resources allocated for state-funded education. It would increase the chance for families to be placed in their first choice school and increase the quality of education that each child receives from his or her teacher.

**Hospitals**

The negative impact of high population numbers on prosperity and health was recently reflected in the Accident & Emergency (A&E) crisis in which the A&E was unable to meet waiting time targets in many hospitals across the country. The Care Quality Commission conducted inspections after A&E repeatedly missed its waiting time targets and found widespread evidence of staff shortages and overcrowding.\(^9\) Some delays in patients being seen at hospitals have been attributed to limited bed capacity.\(^10\)

At the beginning of January, the UK’s health leaders announced a £10 million investment to expand the NHS and use the money to recruit new GPs, retain those who are thinking of leaving the profession and encourage doctors to return to general practice to better meet the needs of patients now and for the future.\(^11\)

A smaller population would enable services that are available through the NHS to provide better quality care, as there would be less demand on

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\(^6\) http://www.populationmatters.org/2012/population-matters-news/uk-population-growth-contributes-rising-unemployment/

\(^7\) http://www.bbc.co.uk/news/education-31698086

\(^8\) http://www.bbc.co.uk/news/education-25367935


\(^10\) http://www.healthcaredaily.co.uk/news/hospital-capacity-blamed-for-emergency-admission-delays/21394/

\(^11\) http://www.england.nhs.uk/2015/01/26/boost-gp-workforce/
resources. Nurses and doctors would have more time to devote to each patient’s needs.

**Infrastructure**

High population numbers are directly related to increasing amounts of people using public infrastructure such as roads and transport systems on a daily basis. Overcrowding and congestion has caused the government to consider expanding the infrastructure throughout the UK. However, these improvements increase the costs for people to use the roads and transport systems. For example, in London there is an ever-increasing demand for improved public transport services, which has caused Transport for London to increase the cost of travel fares each year. Another example is the development of the M6toll in the Midlands, which provides an alternative route for people to bypass the most congested section of the M6. However, to use this road, drivers must pay a fare.

Lower population numbers would place less strain on the infrastructure, reduce the maintenance costs and ultimately limit the increase in prices to use it.

**Housing**

Although the UK’s population is significantly increasing, the average household size has been decreasing, with most households having only 2 people living in them. Population growth has placed strains on demands for housing, which has supported increased prices across the country, particularly in London. Shelter, a housing charity, says affordability is preventing first time buyers from entering the property market. 15 years ago, average house prices were 5 times the average income of first-time buyers, where now property is almost 10 times their average wage. Major lenders calculate house prices are rising at roughly 10% a year — the highest since the credit crisis of 2008.

A BBC article from 2014 stated that a former government advisory body has said the UK needs to build almost 300,000 homes a year until 2031 to meet the current demand. If this number of homes is built to match the population growth and the country’s housing needs, it will have disastrous environmental impacts and reduce green spaces significantly.

Slower population growth would decrease the demand for homes and allow housing prices to fall, which would enable greater numbers of people to purchase property. It would also limit the harmful impacts that population growth has on the environment.

**GDP**

Although the UK’s economy and national GDP is recovering and has nearly reached the level it was at prior to the financial crisis of 2008, its per capita GDP has not recovered as well. The decreasing GDP per capita can be attributed to increasing population growth. During 2008 to 2014, the UK’s population increased by about 2.7 million people, which is partly a result of more births but also higher levels of immigration.

It is clear that fewer people and population stabilization would help increase the per capita

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13 [https://www.m6toll.co.uk/using-the-m6toll/benefits/](https://www.m6toll.co.uk/using-the-m6toll/benefits/)


GDP as increasing population numbers have a negative impact on the per capita GDP.\(^\text{18}\)

**Recommended policies**

The factors identified in this brief demonstrate how fewer people would significantly increase prosperity for people living in the UK. It highlights the urgent need for government officials to focus on creating policies that encourage smaller families.

If population growth in the UK is addressed through targeted policies, it is possible to increase people’s potential for prosperity.

- Making sex and relationships education in schools compulsory and encouraging women to use family planning services that are available through the NHS may help reduce unwanted or unplanned pregnancies.
- Limiting family subsidies to the first two children, while simultaneously protecting those who are in need, can encourage people who are having children to consider the social, environmental and financial implications of more births.
- Promoting balanced levels of migration will contribute to reducing exponential levels of population growth.

\(^{18}\) http://www.theguardian.com/uk-news/2014/apr/07/rising-uk-population-gdp-recovery-ons