

## Children or Migrants as Public Goods?

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A central question in the normative debate over the welfare state concerns the fair division of the costs of child-rearing between taxpayers and the family. All sides in this debate agree that taxpayers must support the basic needs of children whenever families are unable to do so. The question is whether families ought to meet a greater share of the costs of child-rearing than they currently do, assuming they are able to do so. The most influential and frequently invoked argument in this debate is the *public goods argument*, most fully elaborated and defended by Nancy Folbre (1994, 1994b, 2001, 2008) and Rolf George (1987; 1993) and endorsed by a number of other scholars (Alstott, 2005; Anderson, 1999; Esping-Andersen, 2009; Engster, 2007, Rose 2016; Shelby 2016; Strober 2004). It maintains that child-rearing costs must be shared between taxpayers and the family in a way that reflects the fact that child-rearing generates human capital from which all citizens benefit, regardless of whether they have children themselves.<sup>1</sup> The public goods argument plays an important role both in

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<sup>1</sup> The language used to convey the public goods argument may inadvertently suggest that children only have instrumental value. However, all proponents of the public goods argument

determining the extent to which the state should support individuals in founding and raising a family and as a component of the feminist case for sharing the costs of, given that women do the lion's share of the work in raising children.

Although the public goods argument has been criticised (Rakowski 1991; Casal and Williams 1995; Casal 1999) and defended against criticisms (Olsaretti 2013; Gál, Vanhuysse and Vargha 2018) it has not been closely examined against the assumption that states are able to receive human capital from skilled immigration, or “replacement migration” (UN 2001).<sup>2</sup> The availability of replacement migration reduces the extent to which citizens need to rely on the family as a source of human capital. This article thus asks: does the possibility of replacement migration weaken or undermine the public goods argument?

This question is likely to become more pressing given two large demographic contexts that will frame and condition the evolution of the welfare state in many societies in the foreseeable future. The first of these contexts is population ageing and the fiscal challenges it poses for the welfare state. The “old-age dependency ratio” of elderly persons to persons of working age is expected to double across most OECD states by 2060, using 2015 as a baseline (OECD 2019, 10). The second is the fact that reversing this ratio by encouraging increases in the fertility-rate is increasingly questioned as a defensible strategy, given the environmental pressures of population growth, especially in advanced economies (Conly 2016; McKibben 1998). These evolving contexts make it increasingly important to evaluate the merits of resorting to replacement migration as a source of human capital.

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assume that children have the same intrinsic worth that all persons have. Throughout, we have attempted to avoid language that suggests otherwise.

<sup>2</sup> Nancy Folbre (2008, 178) and Rolf George (1993, 216) do briefly consider the relevance of immigration for the defensibility of family support policies, but not in a sustained fashion.

This article defends the public goods argument in favor of family policies in a context in which replacement migration is available. This defence is significant, we believe, not only because it improves our understanding of what is likely to become an increasingly important policy controversy – i.e. the extent of public support for families – but also because it improves our understanding of public good arguments in general, which are frequently used in policy debates. We begin by clarifying the kinds of family policies we focus on in this article. We next explain the concept of “replacement migration” and the reason it poses a challenge for the public goods argument in favor of family policies. The remainder of the article analyses whether this challenge is decisive by pursuing a close discussion of the public goods argument. We distinguish between three different versions of the public goods argument and argue that only one version of that argument– the *pro-natalist* version - is threatened by the availability of replacement migration. Two other versions of the public goods argument – which we call, the *pro-investment* and the *fairness* versions – are not vulnerable to the challenge posed by replacement migration. The article thus shows that the case for family policies remains robust despite the availability of replacement migration in a context of demographic change.

## **Family Policies**

Many public policies indirectly affect how the costs of rearing children are distributed between the taxpayer and parents.<sup>3</sup> Think of policies regulating the availability of safe and

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<sup>3</sup> By “parents”, we refer to adults who have children - typically though not necessarily through procreation - and who raise those children. Many of our claims below apply to adoptive as well as procreative parents. Throughout we talk about “parents” as a group, rather than referring to individual parents. Also, we do not engage with questions that arise because of differences among parents, such as, for example, whether variation in the needs or

inexpensive public transport which children can use, the existence of a universal and publicly funded health care system, or tax exemptions on food basics, for example. These publicly subsidised amenities and services divert some costs of child-rearing away from the family onto taxpayers. In principle our discussion in what follows bears on the justification of all of these policies. However, we will primarily focus on the policy-packages provided by all welfare states, in some form and to varying degrees, that have an intended and substantial impact on the distribution of the *morally required* costs of raising children – i.e. the costs that must be incurred by *someone* (whether by parents or society at large) in order to give children what they have a right to.<sup>4</sup> These “family policies”, as we will call them, include some combination of at least the following three types of provision: (i) publicly-funded parental leave, (ii) free or subsidized pre-school childcare and public schools, and (iii) child tax credits or family allowances. We assume that these policies ought to be generous enough to meet certain recognised benchmarks of children’s and parents’ needs (e.g. UNICEF 2017).<sup>5</sup>

The family policies we focus on do not distribute certain further costs that are generated when people have and rear children. Our discussion is thus only part of a more comprehensive analysis of the just distribution of the costs of child-rearing. These further capacities of their children generates different claims to support for them under the public goods argument. For discussion of these further questions, see Olsaretti (2013) and Wasserman (2017).

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<sup>4</sup> These can be contrasted with *morally optional* costs of raising children, e.g. the cost of ensuring that children eat expensive food or travel widely and engage in expensive sports. For a more detailed distinction between “morally required” and “morally optional” costs of child-rearing, see Olsaretti (2018).

<sup>5</sup> For detailed overviews and analyses of how different welfare state regimes arrange these policies, see Gornick, Meyers and Ross (1999), Lewis (2003), and Saraceno (2010).

costs include some *non-financial* costs of children, of which some may be morally required, e.g., the costs in terms of forgone free time which parents incur in order to care for their children (see Folbre and Bittman 2004; Rose 2016), or the costs in terms of personal autonomy which parents may incur in order to provide their children with continuity of care and stability (Alstott 2005). There are also further costs which arise from people's having children, namely, the costs of children as *added members of society*: these are the costs which children generate as they join the ranks of fellow citizens and lay a claim to their fair shares of social resources. Among these we can include the lifetime environmental cost of an added child, often measured in terms of the child's predicted carbon footprint, which figures prominently in debates over whether the choice to procreate accords with climate justice (see Casal 1999; Young 2001; Heyward 2012; Overall 2012; Conly 2016; McIver 2016; Hickey et al 2016; Cripps 2017).<sup>6</sup>

Our discussion also sets aside the question of what form, exactly, the package of family policies should take. We focus on the justification of the sharing of some of the costs of children between parents and the taxpayer or on what is sometimes referred to as the "collective provision" (Lewis 2003) or the "socialisation" (Olsaretti 2013) of the costs of children –where this is compatible with different views regarding whether family policies that distribute the costs of children should do so in a way that aims at the "defamilialization" of care (e.g. subsidised daycare for babies and toddlers) or at supported familialism (e.g. longer and/or more generous parental leaves) (Saraceno 2010). We also do not discuss further ways in which parents might be benefited - for example, through a pro-parenthood-adjusted pension system (see Sinn 2005; Gál, Vanhuyse and Vargha 2018).

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<sup>6</sup> While we do not discuss the environmental costs of children in this article, we assume that any claim we make about the just distribution of the costs of children must be constrained by the demands of a plausible theory of climate justice.

In sum, we will focus on family policies that have an intended and substantial impact on the distribution of the financial costs that are morally required for adequate child-rearing. These family policies currently divide a large proportion of those costs equally between all citizens, regardless of whether they are parents or not, and yet seem primarily to benefit parents and children. This asymmetry is of both practical and theoretical significance. Practically, it makes it important to offer a justification of these policies in the face of what some authors perceive as a “backlash” against them from non-parents (Fineman 2004 and Wolf et al 2011; Burkett 2000). Theoretically, the justification of these policies raises a special challenge, because while many welfare state policies do not benefit all taxpayers equally, this is typically in order to meet needs people are not responsible for having (as in the case of most medical needs or involuntary unemployment). By contrast, it seems harder to justify policies which, while paid for by all citizens, appear to benefit only or mostly some of them as a result of life-plans that they, and not others, embrace (not everyone values parenting), and which people can choose whether or not to pursue (parents generally choose to have children). Family policies thus seem to be under pressure from what political theorists refer to as the challenges of *personal responsibility* and *neutrality* see (Rakowski 1991; Casal and Williams 1995; Clayton 2006). A successful justification of family policies must explain why taxpayers must share the costs of children with parents, despite the fact that people choose to be parents and even if the state must remain neutral as between the different life-plans that people choose to pursue in life.

The public goods argument is well placed to meet these challenges. Nancy Folbre elaborates the core idea of the argument as follows:

Parents who raise happy, healthy, and successful children create an especially important public good. Children themselves are not the only beneficiaries.

Employers profit from access to productive workers. The elderly benefit from Social Security taxes paid by the younger generation... Fellow citizens gain from having productive and law-abiding neighbors. (2001, 50).<sup>7</sup>

By emphasising the contribution of parenting rather than the interest in parenting, the public goods argument promises to meet head-on the challenges of personal responsibility and neutrality mentioned earlier. In response to the personal responsibility challenge, the public goods argument can say that people must be required to bear the costs of their choices only if their choices would otherwise generate costs for others, as is the case, for example, when an imprudent motorcyclist prefers to ride without a helmet, and potentially creates costs for others in having to provide him with emergency healthcare (Fleurbaey 1995). Because parents benefit society at large by having and rearing children, the challenge from personal responsibility is mistargeted when it is directed against parents (see Casal and Williams 1995).

In response to the neutrality challenge, the public goods argument can offer the following rejoinder. Because the basis for sharing child-rearing costs with parents is the contribution they make through child-rearing, rather than their interests in parenting, cost-sharing does not presume any controversial judgement that parenting is an intrinsic part of a good life. True enough, the concern with state neutrality has implications regarding which of the various benefits that parents create are relevant for justifying cost-sharing with them.

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<sup>7</sup> While much can be said about whether these goods are appropriately characterized as *public* goods in the technical sense used by economists (i.e. they are non-excludable and non-rival), as opposed to what some have called “normative public goods” (White 2003) or “socialised goods” (Olsaretti 2013), and whether and why this matters, we do not need to take up these questions here.

Cost-sharing with parents could not be justified, compatibly with neutrality, if child-rearing generated benefits that are regarded as such only from the perspective of one or another controversial conception of the good life. It is important to observe, therefore, that child-rearing creates benefits which all, if not most, members of society can reasonably be presumed to want (these are what John Rawls famously calls “social primary goods” (1999, 54)). One of the central benefits of demographic renewal – the maintenance of or enlargement of the tax base – is an uncontroversial benefit from the perspective of most conceptions of the good life.

### **The Challenge of Replacement Migration**

So-called “replacement migration” can contribute some of the very same public goods that parents contribute by having and rearing children. The question we address in the remainder of the article is this: *assuming* that replacement migration does provide the same public goods that figure in the public goods argument for sharing the costs of children with parents, does the availability of replacement migration undermine the public goods argument? This challenge has received barely any attention in the literature (although see Folbre 2008, 279; and George 1993, 216 for brief references to it). In this section we begin by clarifying the challenge.<sup>8</sup>

The term “replacement migration” originated in a 2001 report issued by the United Nations Population Division.<sup>9</sup> It refers to immigration that makes up for a demographic deficit, where a “demographic deficit” is a deficit either in a country’s population as a whole,

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<sup>8</sup> For a thought-provoking discussion of the related but more general question, of *how much* of the cost of child-rearing others are required to share with parents, see Shields (2021).

<sup>9</sup> See UN (2001). Our usage of “replacement migration” in this article is in line with how the term is used that report.

or in a particular group of persons within its population (e.g. working-age adults). Different kinds of “replacement migration” are thus possible, depending on the demographic deficit it replaces.<sup>10</sup> In this article, we focus on replacement migration that aims to replace a deficit in skilled workers because this kind of replacement migration substitutes most closely for the public goods that parents are said to contribute in raising children, and thus constitutes the most serious challenge to the public goods argument for cost-sharing with parents. Different policies can be used to facilitate this kind of replacement migration. Countries can adopt a points-based immigration system that issues visas to immigrants according to their skills (e.g. Australia and Canada), or an employer-based immigration system that issues visas to immigrants who have accepted job-offers within a certain range of occupations (e.g. USA). These policies can be adjusted in order to attract immigrants with certain kinds of skills and who belong to certain age-groups, and they can vary in their specific provisions, e.g. the extent to which they permit immigrants to bring relatives with them (Gosseries and Zwarthoed 2017; Bou-Habib 2018.)

A simple example helps to illustrate the challenge that replacement migration poses for the public goods argument. In 1996, some 254,000 children were born in Australia (ABS 1996, 10). In 2014, when this cohort turned 18 years of age, Australia admitted around 125,000 skilled immigrants (DIBP 2014, 4) The Australian government could have influenced the sizes of these two groups of persons through various policy avenues. It could have offered less generous public support for families just prior to 1996, which would have discouraged some families from having as many children, and it could have adjusted its immigration policy, so as to increase the number of skilled immigrants entering in 2014.

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<sup>10</sup> The 2001 UN report estimated the number of immigrants that various low-fertility countries needed in order to make up for various kinds of demographic deficit, including population size, and the ratio of working adults to retirees.

Stated more generally, the government could have shifted, in some degree, from relying on procreation to relying on immigration as a source of human capital. (This is, of course, a recurring possibility: the Australian government, like almost every government, can affect the balance between these two sources of human capital today and in the future.) Now assume that the cost for Australian taxpayers of obtaining human capital *via* replacement migration is lower than the cost of obtaining human capital *via* procreation. This assumption is plausible: replacement migration is certainly not costless, to be sure, but it is doubtful that the average public cost of integrating a skilled migrant into the labor force exceeds the average public cost involved in the rearing of children from birth to adulthood (cf. Bou-Habib 2018). A critic of family policies could now say that the public goods argument cannot justify an obligation for Australian taxpayers to share the costs of child-rearing with Australian parents, at least for any amount of human capital that Australia could obtain *via* replacement migration. For there is, presumably, no obligation for taxpayers to share costs with producers of a given public good if the public good in question can be obtained at lesser cost in some other way (cf. Shields 2021). Thus, to the extent that replacement migration is possible, the public goods argument for cost-sharing with parents seems to fail.

The replacement migration challenge applies regardless of whether or not there are concerns about overpopulation, but it is worth noting that the latter concerns seem to reinforce it. As one writer notes, “[i]n an age of actual or prospective overpopulation.... the suggestion that an allowance for children is justified by parents’ serving a societal function” is “entirely unpersuasive” (Brazer 1977, cited in George 1993, 216). Indeed, in a context of global overpopulation, parents may be argued to produce, instead of a public good, a public *bad* (Casal 1999).<sup>11</sup> We believe our defence of the public goods argument against the

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<sup>11</sup> Folbre (1994, 2008) also anticipates the concern with overpopulation as a possible objection to the public goods argument.

replacement migration challenge holds, even once that challenge is reinforced by concerns about overpopulation and we briefly indicate why this is so, after fully stating our defence (see fn. 22 below). However, given the complexities involved, a detailed discussion of how concerns about overpopulation bear on our defence must await a separate discussion.

### **Three Versions of the Public Goods Argument**

To assess the replacement migration challenge, we now suggest a three-fold distinction between different versions of the public goods argument. These three versions of the argument are generally collapsed in the literature.<sup>12</sup> Disaggregating the public goods argument is important because this enables us to determine whether it is vulnerable to the replacement migration challenge in any or all of its possible versions.

On the first, *pro-natalist* version of the public goods argument, family policies are justified insofar as they are necessary or effective means for incentivising people *to have* children. If families produce the important public goods mentioned earlier by having children, and if it is true that, absent public support for the costs of child-rearing, people have too few children, then, given independent, moral or prudential reasons that we have, as a society, to ensure that public goods of this sort are produced, family policies that enable this to happen are justified. We call this version of the public goods argument “pro-natalist” because it emphasises boosting the fertility-rate as an aim that justifies family policies.

A second, *pro-investment* version of the public goods argument points to the importance of supporting a certain kind of parental investment in children, rather than supporting procreation. Here, unlike the pro-natalist argument, it is assumed that adults do

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<sup>12</sup> An exception is Casal and Williams (1995), who distinguish between our first two versions of the public goods argument, on the one hand, and the third version, on the other.

have enough children (fertility rates are not what is in question), and that there are public goods-based reasons to ensure that children are raised as productive members of society. The pro-investment version of the public goods argument assumes that investment in the family is necessary or effective for ensuring that children are raised in this way. It allows that in the absence of public support for families, people will continue to have children. Where it differs from the pro-natalist version of the public goods argument is that its aim is to ensure *effective parenting* rather than a higher fertility rate (see, for example, Heckman and Masterov 2007; Heckman 2013; Putman 2015).

Note that both the pro-natalist and the pro-investment versions of the public goods argument are *forward-looking*: they justify sharing the costs of children by pointing to certain further consequences that sharing the costs of children is predicted to bring about. By contrast, the third version of the public goods argument is *backward-looking*, in the sense that it justifies sharing the costs of children by reference to what we owe parents. We call this the *fairness version* of the public goods argument. It states that family policies that share costs of child-rearing are justified as a way of achieving a fair distribution of the burdens as well as of the benefits of child-rearing between parents and others. The argument rests on two main premises. The first, empirical premise, which we have already stated a number of times, is that by having and raising children, parents generate valuable human capital for a society from which all citizens benefit. The second, normative premise is a principle of distributive fairness.<sup>13</sup> This demands that some of the burdens, as well as the benefits, of socially

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<sup>13</sup> A full elaboration of the fairness version of the public goods argument would specify what exactly constitutes fair burden sharing among producers and beneficiaries of a public good. The two main views of this are (a) the *equal ratio* view – i.e., that beneficiaries must contribute towards the costs of production in proportion to the share of benefits they obtain (Nagel and Murphy 2004) and (b) the *equal net benefit* view – i.e., that beneficiaries must

necessary activities be shared between those who undertake them and their beneficiaries, so that no unfair freeriding takes place.<sup>14</sup> We do not defend here the normative premise of the fairness version of the public goods argument; this brief description of it should serve our purposes for now.<sup>15</sup>

Having distinguished three versions of the public goods argument, we now briefly assess the replacement migration challenge for the first two, forward-looking versions of the argument. The implications of the replacement migration for the fairness version of the argument require a more detailed discussion, which we turn to in the following section.

It is relatively clear that the *pro-natalist* version of the public goods argument is undermined by the possibility of replacement migration. As Bou-Habib (2018) argues, if the inclusion in our societies of migrant adults, including migrant adults who come with children, can offset the need to increase the local fertility rate, then the pro-natalist version will not support sharing the costs of child-rearing.

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share costs with producers so that they and the producers end up as equal net beneficiaries of public goods-producing activities (Miller and Taylor 2018). Nothing in our discussion below depends on which of these views (or other views of fair burden sharing) is justified.

<sup>14</sup> By “socially necessary” activities we refer those activities that help maintain society as an ongoing and just scheme of social cooperation. For example, a society would not continue without demographic renewal, and it could not be just if individuals did not comply with a system of shared rules that work to the benefit of all. Child-rearing and complying with a system of shared rules are then both “socially necessary” activities as we use that term.

<sup>15</sup> One frequently adduced defense of the normative principle is the so-called “principle of fair play” first set out by Hart (1955) and Rawls (1968; 1971) and elaborated in many directions by subsequent scholars (Klosko 1987; Cullity 1995; Simmons 2001). We do not have space here to discuss this principle.

By contrast, the *pro-investment* version of the public goods argument *can* survive even in the face of replacement migration. This is true, recall, so long as three conditions hold: (i) our fellow citizens will continue to have children, with or without the support of family policies (fertility rates are not what is in question), (ii) there are reasons (both of childhood justice and in terms of what is in the common interest) to ensure that children are raised in certain ways (e.g. not in poverty; as productive members of society; as law-abiding citizens), and (iii) public support for parents is effective for ensuring that most or all children are raised in these ways.

However, while the pro-investment version of the incentive argument is not undermined by replacement migration, this version of the argument is limited in two respects. First, it only grounds public support for low-income parents, given that wealthier parents can already afford to cover the morally required costs of children – and typically do already incur substantial expenses to raise children (Putman 2015; Burggraf 1993). Thus while the pro-investment version of the public goods argument survives the challenge posed by replacement migration, this is small comfort for many proponents of the public goods argument, given that it does not yield a case for publicly funded parental leave for all parents, nor for publicly funded universal health care, childcare and education for all children, but only for children in low-income households. Second, and furthermore, low-income parents would only be entitled to the benefits of family policies *assuming* that other means of escaping poverty (e.g. through effective welfare-to-work policies) are not available or are less effective than family policies in ensuring that their children are adequately raised. In summary, the pro-investment version of the public goods argument has application to a narrow context; it will not necessarily support the universal provision of the kinds of family policies we discussed in the previous section.

Whether or not we believe that this fact constitutes a point against the pro-investment version (whether or not, that is, we have antecedent convictions that family policies should be available for *all* parents rather than just low-income parents), we believe the first two forward-looking versions of the public goods argument do not, in any case, fully capture the underlying convictions that move people to embrace the public goods argument. To see why, imagine that those who have children go to great lengths, even in the absence of family policies, to ensure that their children are duly cared for, have adequate healthcare and receive a good education; and that in so doing, in addition to benefiting their children, they thereby help to produce essential public goods for others in society. (In other words, imagine that family policies are not *necessary* to induce parents to have children and to invest in raising them well.) A society in which parents are made to pay entirely for the costs of having and raising children, while at the same time ensuring that those public goods are shared among everyone, seems, on its face, to distribute the burdens and benefits of social cooperation unfairly, and to the detriment of the “producers”, in this case parents (cf. Olsaretti 2013). It is thus particularly important to consider whether the replacement migration challenge undermines the fairness version of the public goods argument.

### **Fairness and Public Goods: A Question of Baselines**

The availability of replacement migration poses a challenge to the fairness version of the public goods argument because that argument assumes that those who are said to incur obligations to do so as a result of *benefiting* from the producers’ activities. To the extent that some replacement migration is available as a more cost-effective source of human capital, it could be said that the fact that parents have and rear children at their current rate (say, 1.55

children per woman, to use the 2018 average European fertility rate)<sup>16</sup> is no longer beneficial to society at large, or no longer beneficial enough to justify sharing the costs of all children.

The following parallel helps to illustrate this challenge. Suppose a society is deciding on a policy to reach its collective emissions target. It can meet the target in two ways: (a) by subsidizing weekday train-travel or (b) by subsidizing only weekend train-travel but then importing some amount of cleanly produced energy from a neighboring country.

Furthermore, suppose that policy (b) is cheaper than policy (a). Under these circumstances, weekday train commuting does not benefit society relative to the available alternative, and it might then be thought unreasonable for weekday train-commuters to insist that taxpayers subsidize some of the costs of their weekday train-travel. Similarly, if the benefits that parents provide by rearing children can be provided by replacement migration in a more cost-effective way, this seems to challenge the fairness-based case for public support for parents.

Parents do not benefit others in society relative to the available alternative of replacement migration. In this scenario, it would thus appear that appealing to the fact that parents are producing benefits for society at large as a reason to share costs with them is out of place.

Rolf George (who opposes this line of thinking) puts the point in a deliberately blunt way:

“Why should one pay for locally produced children if they can be obtained so much more cheaply by import?” (1993, 216; cf. Shields 2021). More precisely, if it were successful, this challenge to the fairness version of the public goods argument would establish the following:

Parents do not have claims to having the costs of child-rearing shared by others *beyond the level at which others would begin benefitting less from parenting than they would from available replacement migration.*

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<sup>16</sup> See the Eurostat “Fertility Statistics” available at [https://ec.europa.eu/eurostat/statistics-explained/index.php/Fertility\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php/Fertility_statistics).

To defend the public goods argument against the challenge of replacement migration, we now bring to view and address a crucial question that, to our knowledge, discussions of public goods arguments have neglected. This is the question of the baseline by reference to which we should judge whether other people's activities benefit us such that we incur obligations to share costs with them (as the public goods argument maintains).<sup>17</sup> We show that the challenge from replacement migration relies on an implausible view of this baseline, and offer a more defensible view of it, in light of which cost-sharing with parents is justified despite the availability of replacement migration.

To appreciate the kind of baseline that is assumed by the replacement migration challenge, note that replacement migration cannot under any realistic scenario fully supplant a society's reliance on local child-rearing; the continuous renewal of a population is only possible if at least some local people continue to have and rear children. The replacement migration challenge is thus not that local child-rearing is completely dispensable, but that the number of children local parents have exceeds some desirable level. More specifically, the challenge assumes what we will call an *optimal baseline view*: this is the view that producers only "benefit" the beneficiaries if they produce up to and no more than the amount that is optimal for the beneficiaries. The number of children reared beyond that optimal level are no longer public goods: when parents engage in this additional child-rearing they are, in effect,

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<sup>17</sup> The question of the relevant "baseline" for comparison arises in many discussions in political theory in which a decision needs to be made about the moral consequences that follow when some persons affect the outcomes of others. These include discussions about the nature of "harm" (Bradley 2012), "coercion" (Nozick, 1969), and "exploitation" (Wertheimer, 1999). We are suggesting that the question of the baseline is also relevant in public goods arguments; this is not surprising, because whether someone "benefits" others is yet another instance of action that affects others that can have important moral consequences.

“oversupplying” their services, such that, on balance (i.e. taking into account the costs of children as well as their benefits), the additional children constitute negative externalities, rather than public goods. To illustrate: if the availability of replacement migration meant that the desirable fertility rate, as judged by the lights of the optimal baseline, were one child per woman, then the public goods argument – when it employs the optimal baseline view - would not justify sharing the costs of any children in excess of that amount, and family policies should be adjusted to reflect that fact, for example, by only offering child tax credit or publicly funded parental leave for one child per woman.

Having clarified that the replacement migration assumes an optimal baseline view, our response to the challenge now proceeds in three steps.

The first step observes that the optimal baseline is not the only possible baseline that a public goods argument can employ. Consider an alternative view of the baseline, which we will call the *no production baseline view*. It says that we should judge whether others are benefitted by child-rearing by asking whether they are made better off by it than they would be if *no new* children were born. If the public goods argument employed the no production baseline, others would have obligations of fairness to parents to share costs of child-rearing with them for *whatever* number of children they have, provided only that that number of children makes them better off compared to no new children. Depending on whether it employs the optimal baseline or the no production baseline, the public goods argument thus yields very different implications for when others must share the costs of child-rearing with parents.

Our second step argues that the optimal baseline view, which underpins the replacement migration challenge, is implausible for the context of child-rearing. The optimal baseline view is, to be sure, a highly plausible view for other contexts. Consider, for example the provision of a paradigmatic public good, namely national defence. If weapons factories

were to produce military equipment in excess of the optimal amount needed by a society, it seems right that taxpayers do not have an obligation to shoulder the costs of producing the oversupply. By contrast, our contention is that the optimal baseline is implausible when the activity that generates public goods is child-rearing. To see why these different judgements seem justified, it is helpful to imagine a proposal that will strike many as unacceptable (and rightly so, in our view). Suppose that everyone in a given society would be better off if the fertility rate were higher than it is. In view of this, the proposal is made that people who do not have children should be held liable for the under-supply of children on the grounds that their procreative choices (i.e. in this case, their choices to not have children) make others worse off than they would be relative to the optimal number of children.<sup>18</sup> We can suppose that people who do not have children in this society would be held liable for this by being deprived of some of the benefits others bring about by rearing children, such as access to publicly funded pensions. We believe most people would find this proposal unacceptable (for a contrary view, see Sinn 2005).

The reason for this, we submit, is that everyone has a compelling interest in being able to decide whether or not to have children, and should not be penalised for pursuing this compelling interest in one way or another, provided they do not violate anyone's rights. Note that we are not claiming that people may not be denied economic benefits they need to pursue their compelling interests. Although people have, we assume, a compelling interest in freedom of conscience, others are not required to share with them the costs of building their churches, for example. But provided that they exercise their freedom of conscience in ways that respect other people's rights, they may not be charged, say, higher taxes for exercising it

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<sup>18</sup> See Mulgan (2006) for a critique of utilitarian moral theories for entailing that there is a moral duty to have children. For the view that that there may be such a duty under some circumstances, see Smilansky (1995) and Gheaus (2015).

in one rather than another way, only because fellow citizens would benefit from an alternative exercise of their freedom of conscience. Similarly, people may not be deprived of publicly funded pensions just because their exercise of procreative choice fails to yield the optimal number of children for a society. Thus, whether the compelling interests of people are implicated in the activities that produce benefits matters in identifying which baseline we should adopt when determining cost-sharing with them: their compelling interests set the parameters for how *much we can legitimately expect* to be benefited from their activities before we must share with them the costs of their productive activities.

We define “compelling interests” in line with John Rawls’ account, as interests that are of central importance to all citizens, despite their having different conceptions of the good life, and that merit the protection afforded by a principle of equal basic liberty. On Rawls’ well-known view, those interests – including the interest in freedom of speech, conscience, and association, and occupational choice - are ones which people have in virtue of being “moral persons”, that is, persons with the capacity to develop and pursue their own plans of life and a sense of justice (1996, 293). For Rawls, the protection of these interests has priority over socio-economic justice, at least once a society reaches a certain minimal threshold of economic well-being (1999, 266). The priority of freedom of occupational choice over claims of justice to income and wealth entails, for example, that we may not choose a regime in which people are coerced to work at their most productive occupation in order to maximally improve the prospects of the least well off. We claim that the interest in procreative choice – understood as the freedom to choose whether or not to bring into the world and parent at least one child counts as a compelling interests by the standard Rawls adopts.<sup>19</sup> That being said,

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<sup>19</sup> Rawls does not list procreative liberty as one of the basic liberties; while noting his injunction that the list of basic liberties should be limited (1996, 296), we believe this is an

we do not assume that only the interests that merit protection as a “basic liberty” by Rawls’ lights are compelling interests. It is possible that the latter include further, very weighty interests of persons.

Three brief points need to be emphasised in regard to the compelling interest in procreative choice. First, the interest that we claim is of central importance to all citizens is not an interest in *procreation*, but in procreative *choice*. Second, we do not assume (indeed, we deny) that procreative choice is of greater value or importance to citizens than the choice to parent by adoption. Third, we will not attempt to state the number of children persons must be able to have in order for their interest in procreative choice to be satisfied. This is a complex and profound question in ethics (McKibben 1998; Overall 2012; Conly 2015). We assume that there is an upper threshold beyond which parents cannot reasonably claim that having additional children is still of central importance to their lives, or at least as great in importance as is the choice to have just one or two children. However, for lack of space, we cannot explore the arguments that would need to be made for specifying such a threshold and we acknowledge that the implications of our argument in this article are sensitive to this issue.

To see the relevance of construing procreative choice as a compelling interest, consider the following analogy to the compelling interests people have in freedom of occupational choice. Suppose it were suggested that we regard the tax-revenue that the state could obtain if everyone worked at their most productive occupation as the baseline relative to which we should judge whether individuals are benefiting others in their occupational choices. On this view, someone who chose to work as a teacher, say, but who could have worked more productively as a lawyer, would count as producing a negative externality for

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oversight on Rawls’ part. Note that the right to family life, including the right to found a family, is proclaimed in Article 16 of the Universal Declaration of Human Rights.

which he may be held liable (this might, for example, be reflected in his tax liability). This, we submit, is unacceptable for the reason that Rawls gives. Freedom of occupational choice, as a basic liberty, protects the teacher against liability for pursuing a less than optimally productive occupation. The same should be said of procreative choice: it, too, protects parents against liability for having fewer or more than the optimally productive number of children. The optimal baseline is therefore not plausible for determining whether and when taxpayers must share the costs of child-rearing with parents. It *is* plausible, by contrast, in our earlier national defence example, because no compelling interest is exercised in the course of producing military equipment. In that context, it *is* reasonable to hold people liable for over-supplying (or under-supplying) relative to the optimal amount that a society needs.

In a third and final step, we now explain the most plausible baseline view for the public goods argument when it is used for the context of child-rearing. Note, to begin with, that we should reject what we earlier called the “no production baseline” view. According to the no production baseline view, beneficiaries must share costs with producers so long as beneficiaries benefit *to any extent*, no matter how minimal, relative to the absence of production altogether (e.g. compared to how society would fare if no new children were brought into existence). The example of weapons production for national defence clearly illustrates the implausibility of the no production baseline view. If weapons’ producers produce in excess of the optimal amount of weapons, they cannot reasonably expect taxpayers to share with them the costs of that oversupply just because an excess of weapons is at least better than no weapons.

We can state the most plausible baseline view if we first observe the common problem that the optimal and the no production baseline views share: neither view is appropriately sensitive to the fact that compelling interests are sometimes implicated in the activity that produces public goods. To employ the optimal baseline view across-the-board –

that is, for all activities that produce public goods – is to overlook the fact that compelling interests are implicated in some of those activities and that those compelling interests set limits to the maximising demands made by the optimal baseline view (this is the case, we believe, when it comes to child-rearing). The no production baseline view, for its part, overlooks the fact that producers of public goods can only reasonably expect others to share with them the costs of non-optimal production if their productive activities are necessary for satisfying a compelling interest (that is why weapons producers cannot reasonably expect cost-sharing for an oversupply of weapons).

We therefore propose that public goods arguments must employ what we call the *interest-sensitive baseline view*, so named because it selects the relevant baseline for establishing cost-sharing obligations with producers according to whether a compelling interest is, or is not, implicated in the activity that produces the public good in question. If, on the one hand, no compelling interest is implicated in the activity that produces a public good, the correct baseline that triggers an obligation to share costs with producers is the optimal baseline (so, this is the correct baseline for producing weapons for national defence). If, on the other hand, a compelling interest *is* implicated in the activity that produces a public good, the correct baseline is more complex. Beneficiaries have an obligation to share costs with producers if they benefit relative to the absence of the productive activity and are brought as close as possible to the optimal baseline as is compatible with the producers' compelling interest being respected. If beneficiaries either do not benefit relative to the absence of that activity, or if the productive activity stretches beyond what is necessary for securing the relevant compelling interest (so that the departure from the optimal baseline is not required to satisfy the compelling interest), no obligation to share costs with producers arises.<sup>20</sup> Because

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<sup>20</sup> In this scenario, some other argument might still be able to support an obligation for taxpayers to share the costs of child-rearing with parents. What distinguishes the public

the interest in procreative choice is a compelling interest, this complex baseline is the correct baseline to use for determining whether taxpayers must share the costs of child-rearing with parents.

If, as we have argued, the public goods argument should employ the interest-sensitive baseline, then the threat posed by replacement migration to the justification of family policies is significantly diminished. That challenge assumes, recall, that family policies that support parents are justified only for that number of children which is optimal - which, given the availability of replacement migration, may be much lower than the number of children parents would like to have. This assumption, we have argued, is mistaken. Family policies are justified even for children “in excess” of the optimal baseline, if it is true that parenting those children still benefits others in society relative to the absence of those children altogether *and* that number of children is necessary for everyone’s exercising their compelling interest in procreative choice. So, while we have not sought to specify an upper threshold of children that parents must be able to have in order to satisfy that compelling interest, we can at least establish the following general conclusion: family policies that support parents who rear children below this upper threshold are justified, so long as parents thereby benefit others relative to the absence of those children. We believe this is likely to be true under realistic conditions in many scenarios, even when we take into account concerns about overpopulation.<sup>21</sup>

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goods argument from a “pure” interest-based case for sharing the costs of children should be apparent here. Unless condition (i) is satisfied, no public goods argument exists; the appeal to compelling interests, in our view, only enters into the argument by constraining how much we can legitimately expect to be benefited by others’ productive activities.

<sup>21</sup> As we mentioned earlier, the replacement migration challenge to family policies is reinforced by concerns about overpopulation, but if the relevant baseline for assessing

## **Conclusion**

The public goods argument is the most influential argument in the long-running debate amongst political theorists and social scientists over how the costs of child-rearing should be shared between the taxpayer and the family. Yet it has not been examined under the assumption that replacement migration is available as an alternative source of the public goods that child-rearing provides. To assess its robustness under this assumption, we have developed the public goods argument in a new direction which emphasises the relevance of the fact that the activities through which we produce public goods sometimes involve our most compelling interests. As well as improving our understanding of the normative underpinnings of family policies, we believe our discussion can improve our understanding of other controversies in which the public goods argument plays a central role. We wish to close with one example that illustrates the broader relevance of our discussion.

Consider the frequently made claim that higher education produces public goods for everyone in society – a well-educated citizenry is of vital importance for the health of democratic institutions, as well as for a strong economy - and that the state should therefore share the costs of higher education with students (Barr and Crawford 2005; Martin 2017). Suppose someone were to argue that the state need share the costs only of that kind and level of higher education that is optimal for producing public goods. It might be the case, for instance, that students would contribute the optimal amount of public goods if they shifted, in some number, from pursuing degrees in Humanities subjects, towards degrees in STEM subjects (science, technology, engineering and mathematics). Our discussion of the public

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whether parents make a social contribution is the interest-sensitive baseline that we have defended, then child-rearing may well make such a contribution, even once we take on board concerns about overpopulation.

goods argument suggests that we must ask whether citizens have a compelling interest in being able to choose the kind of higher education they should pursue. If they do, it might be unfair for the state to support only those degrees in the Humanities that are needed for producing an optimal amount of public goods from higher education and to ask students to privately fund any Humanities degrees beyond that number. Here, too, as in the case of child-rearing, the fact that a benefits-producing activity involves the exercise of a compelling interest matters; the public goods argument can, and must, do justice to that interest, as well as to the interests of beneficiaries in receiving the public goods.

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