



Review: [Untitled]

Reviewed Work(s):

Gray Dawn: How the Coming Age Wave Will Transform America and the World by Peter G. Peterson

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laypeople concerned about trade policy, trade law, and international relations.

PATRICK GRADY, Global Economics Ltd.

Gray Dawn: How the Coming Age Wave Will Transform America and the World

by Peter G. Peterson. New York: Times Books, 1999. Pp. 280.

In the unheralded 1980s movie *Red Dawn*, the omnipresent Reagan-era evil lurking over the horizon is communism. In the 1999 book *Gray Dawn* that omnipresent evil is the aging of the world's population. In both cases, if a society lets its guard down the inevitable apocalypse can only be overcome by some extremely quick and drastic moves. To delay means destruction. This is the message that continually emerges from Peterson's book on how the coming age wave will transform America and the world.

The book is filled with metaphors rather than academic research. On the dust jacket, global aging is likened to a looming iceberg — failure to change course now will result in disaster (read Titanic). Peterson is ringing the alarm bell. And what new directions are recommended to avoid this fate? With the US firmly in mind, the author recommends longer working lives, more immigration, increasing fertility, stressing (his words) filial obligation, requiring individual retirement savings and targeting public benefits on the basis of need.

Some background on the author may be useful in providing a context for these recommendations. Again the dust jacket is helpful. Peter G. Peterson is a 72-year old former US Secretary of Commerce who is currently chairman of an investment bank and a director of the Federal Reserve Bank of New York. He chairs the Council on Foreign Relations and the Institute for International Economics. Perhaps of most importance, however, he is one of the founders of the Concord Coalition, which he currently directs with Paul Volcker and others. The Coalition claims success at achieving its first goal

of a balanced US federal budget and currently is working on bringing the future cost of federal entitlement spending under control. Given this background, many readers would see this as another book on apocalyptic demography promoting the neo-conservative agenda to dismantle or hamstring government on important issues of social and economic policies (Gee and Gutman 2000).

There is no doubt that the underlying premise of this book is correct. Declining fertility rates worldwide and rising longevity, especially in the developed world, have resulted in population aging. Moreover, he is also undoubtedly correct that this trend will raise unprecedented political, social, economic, and moral challenges in the new millennium. Also, he is substantially correct in observing that policymakers have largely ignored the implications of societal aging. Whether it is a time bomb as he maintains, especially for pensions and health care, or a growing challenge, however, remains more of a judgement than the result of research, especially in this book.

Raising the retirement age and immigration levels are considered important to offset the emerging labour shortage and presumably, the inevitable rise in wages and labour income. Increasing fertility and filial responsibility (provide home care, etc.) repositions women in traditional roles, although Mr. Peterson is far too politically correct to state this implication. These roles likely mean withdrawing female labour from the workplace thereby potentially aggravating the impending labour shortage. The direct contradiction of these recommendations never seems to occur to Mr. Peterson.

Moreover, the recommendations demonstrate a misunderstanding of current demographic facts. Over the first decade and a half of the twenty-first century in North America the children of the "boomers," the "echo" generation, enter the labour market (Foot and Stoffman 1998). In the US this group is now almost as large as their boomer parents because US fertility has remained around replacement levels (2.1 children per woman), which

is much higher than Europe (1.4) or Japan (1.3). Consequently the continuing labour force participation of the boomers in their fifties combined with the labour force entry of their echo children in their twenties result in no shortage of workers or taxpayers. Is this demographic fact ignored either because it requires more than a cursory knowledge of demographics by the author or because it conflicts directly with the neo-conservative political agenda that underlies the recommendations?

Ignoring the resulting decline in dependency allows the author to proselytize on the total dependency fallacy. In essence he argues that because much of the costs of dependency have been socialized and seniors cost more than children (two to three times, not ten times, as he implies), the impending demands of the seniors for public pension and health care outstrip any resources that will be released from expenditures on the young, primarily education. While this may be true in the US, it is not nearly so apparent in the lower fertility countries of Europe, Japan, and even Canada. However, even more revealing is Peterson's belief that there is a fundamental difference between spending on one's own children and on some anonymous retiree. This position ignores the fact that the retiree may be one's own parent and certainly reinforces the individualistic, self-interested values underlying the recommendations.

This is not to say that there are not a few useful insights in this book. Two examples will suffice. First, mainly for the fertility reasons outlined above, North America does not face nearly the aging crisis (!) that Europe and Japan face. This means in the author's view, that the coming upheaval and draconian policy measures will have to be even more dramatic in these older developed nations. Second, Peterson draws on personal anecdotal evidence to reinforce his claim that the political response has been denial resulting in political gridlock on aging issues. Because the aging trend is gradual, current politicians have little incentive to be proactive since, as Peterson quotes, the problems "won't hit on my watch."

Perhaps surprisingly, Canada receives more than passing recognition in this book. There are 18 page references in the index to Canada compared to 41 for the United Kingdom, 15 for Japan, 14 for Sweden, 13 for Germany, 10 for Western Europe, 6 for Eastern Europe, and 5 for Mexico.

For an academic audience this book smacks of the alarmist journalism that has now become too familiar in media that rely on sensationalist headlines to push their wares. The treatment of the issues is attention getting (not necessarily bad), superficial, and lacks careful research. Liberal use is made of population projection data, but socio-economic life-cycle data are ignored. For example, charitable giving increases with age, yet there is no discussion of the role of the not-for-profit sector in this book. Also, saving for retirement peaks in one's fifties after family raising in one's thirties and forties and the vast majority of the boomers are not there yet, so it is not surprising that surveys find that "one-third of boomers have saved nothing at all, and another third have saved too little to make a difference in retirement." There are numerous other places where references to life-cycle information could have improved both the academic and policy content of the book.

It is interesting that all of Peterson's recommendations from raising the retirement age and immigration levels through targeting benefits and stressing (read mandating) individual saving and filial responsibility require a strong government for their implementation. No responsibility is placed on the corporate sector to contribute to the solutions either through funding or through reduced profitability, especially in the financial (pension management) or health-care sectors. In this regard, the neo-conservative agenda of this book is also its Achilles' heel. It is doubtful if the challenges identified by the author and the implementation of his recommendations can take place without the cooperation of individuals, strong governments, and business. To leave the latter out of the solutions guarantees their failure. Peterson's book provides a useful international

perspective to the discussion on aging, but a different agenda is required to deal successfully with the challenges identified here and elsewhere (Mullan 2000).

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Enter at Your Own Risk: Canadian Youth and the Labour Market

by Richard Marquardt. Toronto: Between the Lines, 1998. Pp. ix, 165. \$25.00.

The title of Richard Marquardt's monograph on Canadian youth and the labour market, *Enter at Your Own Risk*, captures one of the new salient features of Canadian society in the 1990s — the uncertainty young people face in linking their education to jobs and careers. Poll data show increasing public pessimism and anxiety about employment prospects of the next generation. Thus, young people who are entering the now more difficult terrain of the transition to adulthood can use Marquardt's well-written and thoroughly researched study as a guide. The study has general appeal because, by drawing on history, sociology, economics, and policy debates across a fairly wide time span, Marquardt manages, in a relatively few pages, to write a comprehensive description and analysis of the issue of youth and the labour market which is currently definitive.

Beginning with a chapter setting out the youth employment issue, Marquardt then takes an histori-

cal tour of youth, family, education, labour market, and the state in five periods between 1850 and 1945. His next chapter focuses on the postwar years in which Canada reaches its Fordist pinnacle, followed by its transition to neo-liberalism and the risk society. The rapid moves after leaving secondary education into stable and well-paying, blue-collar work and from universities into the professional and semi-professional occupations of the expanding public and private bureaucracies have given way to an uncertainty about whether young people will ever be able to leave secondary labour market jobs for primary sector employment where their work will match their educational attainment and their interests and be well-paid.

The four chapters that constitute the main portion of *Enter at Your Own Risk* focus on the contemporary period roughly from the 1980s — the changes to and pressures on the educational system, the restructuring of the labour market as a result of de-industrialization and downsizing both in the private and public sectors, consideration of earnings, income, and life-styles, and examination of public policy responses to labour market restructuring especially various training programs. Here as throughout his book, Marquardt continues to emphasize the complexity of the issue of youth employment. The choices that youth (and their parents) make in the transition to adulthood are very much conditioned by class, gender, race and ethnicity, and by region, the latter factor not only pointing to differences between provinces across Canada, but differences within provinces including urban/rural contrasts.

The broad documentary evidence that Marquardt brings to bear in describing the youth, education, and employment relationship over time is an outstanding quality of his monograph. In addition to drawing extensively on academic and non-academic scholarship, he presents the arguments and data from numerous government and other studies not generally known or now forgotten and many hard to locate. In his conclusion, Marquardt highlights policy