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Cross-cutting issues and policies in countries experiencing low fertility

Policy Brief No. 1

A growing number of countries around the world are facing declining levels of childbearing and consequent ageing of their populations. Seventy-five countries already have fertility levels below the replacement level (2.1 children per woman), and this number is projected to increase to 120 by 2050. These trends have profound implications for a broad range of economic, social and health-care policies and programmes.

Building on a series of 18 studies in low-fertility countries across Asia, Europe, North America and Oceania, this brief summarizes cross-cutting features and key policy approaches that directly or indirectly hinder or facilitate childbearing. Such features include flexibility of the labour market, education systems, factors that help or hinder parents in balancing work and family obligations, the link between marriage and childbearing, governmental subsidies for the cost of child-rearing, gender equity at home and in the workplace, the housing market, and international migration, among others.

Labour market: Working conditions that involve long working hours, expectation to work outside the normal working hours at short notice, short entitlement for annual leave, and lack of provision for family leave when a child is sick make it harder for parents to balance work and family responsibilities. In countries where such conditions are prevalent and where the social expectation is that it is the mother who makes compromises rather than the father, women tend to be reluctant to have children. On the other hand, low unemployment rates, shorter work hours, flexible work schedules, availability of decent part-time work with benefits, and the flexibility for mothers to re-enter the labour market in jobs commensurate with their qualifications tend to facilitate childbearing and child-rearing.

Financial and labour-market insecurities tend to be associated with later and fewer childbearing. Such insecurities tend to have a bigger negative effect on fertility in contexts where the extended family, rather than the state, is expected to provide a safety net for those in precarious positions.

Education systems: An education system that operates as a constraint on mothers' continued employment could create incentives to postpone or forego childbearing. Education systems that place more demands on parents, such as the necessity to enrol children in high-cost afterschool tutoring programmes, not providing school lunches, or ending the school day at a relatively early hour without the provision of afterschool programmes, tend to discourage women from having children. In countries where the pathways to adult success and happiness are rigidly determined by secondary school educational success, pressures to invest in children are usually higher, and so represent more of a constraint on fertility.

The global expansion of higher education for both men and women has contributed to delayed transition to adulthood. Flexible education systems that allow students to return to tertiary education with relative ease after having dropped out tend to facilitate childbearing. Whereas, women tend to have fewer children in contexts where cost of tertiary education is high and families pay for most of the education. Moreover, rigid ranking of institutions of higher education together with strong association of the ranking and employment opportunities after graduation tend to suppress childbearing.

Leave policies: Maternity, paternity and parental leaves paid at a high level of wage replacement and for moderate durations appear to have a positive influence on fertility behaviour. Excessively long parental leave entitlements may result in serious human capital deterioration, and they may be ineffective in removing the forced choice between having a career and childbearing. Parental leave entitlements that are not paid at sufficiently high rates tend to be similarly ineffective because they do not provide the necessary income security.

Financial benefits: Financial benefits and subsidies for families with children are typically provided in tax credits, in cash with different sorts of child-related benefits or through tax deduction of certain childcare costs. The evidence suggests that financial benefits to (potential) parents of the size of the financial benefits that have been offered so far seem to have a limited impact on fertility, perhaps because they offset only a fraction of the cost generated by the birth and care of children.

Childcare services: The availability of subsidized high-quality childcare centres open during normal working and commuting hours tends to reduce parental-work incompatibilities and contribute to higher fertility. Evidence suggests a positive association between attendance at formal childcare centres and fertility rates. Easy availability of informal childcare by relatives, mostly grandparents, and affordable access to domestic help may also contribute to higher fertility. The effect of increased availability of formal childcare centres on fertility behaviour may be limited in contexts where societal values and cultural norms expect mothers to stay home while children are young and where informal childcare is easily available and affordable.

Gender considerations: Gender inequity at home, characterized by women doing most of housework and family care, may make women postpone or avoid marriage and childbearing. Gender inequality at work, characterized by lower pay or discrimination of women in opportunities for promotion or job security, may result in women working longer hours for adequate income, delayed marriage and childbearing, or fewer children in their lifetime. Evidence suggests that women tend to have more children in countries where the sharing of domestic work is more gender equitable and where gender equality in workplaces is higher.

Marriage-childbearing link: In countries with a strong value system against non-marital childbearing, as in most countries in East and South-East Asia, marriage and childbearing remain tightly linked. In such contexts, the increase in age at marriage and the proportion remaining unmarried throughout childbearing years tend to delay childbearing and lower overall fertility, but the effect does not appear to be strong. In countries outside of Asia, cohabiting unions have increased, so has the share of non-marital fertility. Evidence suggests that even in countries where it has been decisively decoupled from the transition to parenthood, marriage retains some institutional and cultural meaning as a preferred setting for raising children.

Housing market: There are a variety of housing-related factors that are relevant for fertility behaviour, including supply of housing units, size of the dwelling unit, affordability, availability of subsidies, mortgage availability and the related aspects of down payments or loan-to-value level, degree of intergenerational transfer, financial markets and the differing legal and judicial systems. The evidence suggests that the easier it is to obtain a dwelling unit for an independent household, owned or rented, the earlier childbearing occurs and the more children couples tend to have.

Immigration: Many low fertility countries, especially in Europe and North America, have immigration streams coming from higher fertility countries. Migrant women tend to have slightly higher fertility than their native-born counterparts. In the short run, from a period perspective, this effect tends to be magnified both because migrants tend to be at the peak of their childbearing ages and because many migrants tend to wait to have children until they have settled in the destination country. Fertility behaviour of migrants who arrive as children and that of children born to immigrants tends to converge to that of the destination country. The overall effect of immigration on the fertility level of the destination country tends to be small.

Conclusion: Fertility changes occur within, and mediated by, the institutional context of a country, involving both formal policies and informal norms associated with cultural and sociopolitical structures and history. There is no one pathway to very low fertility or one policy or policy package that can ensure near replacement-level fertility. Factors that are associated with easier entry into adult roles, such as finishing school, obtaining a job, and establishing an independent household tend to facilitate earlier and higher fertility. Further, any factors that reduce the incompatibility of parental and work roles tend to lead to earlier and higher fertility.

NOTES

This policy brief was prepared as background material for the United Nations Expert Group Meeting on Policy Responses to Low Fertility. It can be found online at <http://esa.un.org/PopPolicy/publications.aspx>. Queries can be sent to PopPolicy@un.org.

The brief is based on a comparative analysis of 18 studies in low fertility countries from Asia, Europe, North America and Oceania: Australia, Austria, Canada, China, Czech Republic, France, Hong Kong Special Administrative Region of China, Hungary, Italy, Japan, the Netherlands, Norway, the Republic of Korea, Singapore, Spain, Taiwan Province of China, the United Kingdom and the United States.

The findings, interpretations and conclusions expressed herein are those of the authors and do not necessarily reflect the views of the United Nations or the East-West Center.

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