Demographic changes in Europe: Implications for family policy

Paper presented to the Committee of Experts on Children and Families
Council of Europe, Strasbourg, 24-25 May 2005

Hubert Krieger
Introduction

The analysis of fertility has left the narrow realm of specialist discussions among demographers and become an important topic among politicians and economic and social researchers. Its importance was highlighted recently in a Green Paper published by the European Commission (2005), entitled *Confronting demographic change: A new solidarity between the generations*. Initiatives have also been explored by certain EU Member States (Ireland, Germany and Austria) within the remit of their EU Presidencies, in organising an exchange of experiences on innovative initiatives relating to sustainable family policy. The Council of Europe has dealt with this issue for many years and has recently discussed it comprehensively at its European population conference on 'Demographic challenges for social cohesion' in April 2005.

Within these political initiatives, the question of whether low fertility should be a public concern, and thus taken up by public policy, has become more of a rhetorical question. The question now is — which rationales should guide public policies and how to relate the policy mix of narrow and wider family policy measures to the preferences of citizens and to existing challenges?

A key focus of sustainable family policy in several of the EU15 countries is related to the twin objectives of increasing fertility and the employment rate of women.¹ A recent German government initiative on family policy, based on the report of the Ruerup Commission (2003), takes up this issue. This twin-fold approach is also supported by the report of the High Level Expert Group (2004) on the future of social policy in an enlarged European Union. It identifies three main components of future EU social policy — the extension of working life for all; an increased female employment rate; and policies to allow European couples to have the number of children they want. In addition to the mainstream policy proposals on these issues, the Expert Group also suggests measures to increase the availability of proper housing for families and more support for societal dialogue on a fairer distribution of household work and care responsibilities between couples.

In the remit of this short report, three questions are examined:

- What is the relationship between the combined processes of de-institutionalisation and re-institutionalisation of the family and fertility?
- How does the increasing active participation of women in paid employment affect fertility?
- How can public policy create framework conditions and support for making decisions on having children?

This report is based on recent empirical evidence of various comparative studies, which cover either individual survey data or macro data on the country level. Due to the availability of data, most of the analysis covers the EU25 or EU28 (including the three candidate countries of Bulgaria, Romania and Turkey).

¹ It remains an open question to what extent this is true also for the 10 new Member States (NMS10).
1 The changing nature of the family and fertility

Family support and partnership

In examining the first issue — the relationship between the combined processes of de-institutionalisation and re-institutionalisation of the family and fertility — the first point to make is the high importance attached to the family and family functions by the citizens of Europe. Good family relations are key demands for their quality of life. However, good family relations are more related to the availability of family support and living in a partnership than to having children. The availability of positive outcomes of family life seems therefore more important than the long-term commitment to family via children. Country differences are important: family appears to be more relevant in the 10 'new' EU Member States (NMS10) and in the 'old' southern European Member States (e.g. Italy) than in the average of the 'old' EU15 Member States.

Family is a key facet in a multidimensional concept of quality of life of Europeans. *Having family support* is regarded in the EU15 as the third most important determinant of quality of life. It is preceded by 'good health' and 'sufficient income' as the No. 1 and No. 2 priorities respectively. In the NMS10, as well as in the 3 candidate countries (CC3) of Bulgaria, Romania and Turkey, family support is placed even higher — as the No. 2 priority, on an equal footing with 'sufficient income' (Delhey, 2004).

*Living with a partner* is seen by 84% of the respondents in the NMS10 as an essential part of quality of life; in the EU15, the figure is slightly lower (79%). In the NMS10, it is accorded a considerably higher priority than in the EU15. Having children is viewed as a much less important prerequisite for quality of life — with 73% in the NMS10 and 57% in the EU15 mentioning this item (Delhey, 2004).

*Intergenerational solidarity* is also an important part of the functioning of the European family. Analysis of this issue reveals a remarkably vital network of informal help throughout the EU. In the NMS10, roughly 25% of the respondents are engaged in some form of regular help to someone who is ill or dependent (Alber and Fahey, 2004). In the EU15, the figure is about 21%. The strength of intergenerational relations becomes evident when Europeans are asked who should pay for the care of elderly parents. The choice was between ‘their children’, ‘the elderly parents themselves’ or ‘the state or other public authorities’. In both the NMS10 and EU15 countries, older respondents tended to be more in favour of shifting the cost of care to elderly people themselves rather than to younger people. In fact, in 24 of the 25 EU Member States, shifting the burden of financing to the elderly is more popular among older respondents than among younger ones.

Older citizens are willing to shoulder their part of the cost of care and do not advocate shifting the cost to the younger generation any more frequently than do the young themselves. The younger generation, in turn, seems to be willing to shoulder care tasks and to advocate extended family responsibilities, even where they would have to carry the resulting burdens themselves. These results reveal a much higher degree of intergenerational solidarity than reflected in the public debate on the ‘war between the
generations’ and presents a realistic view on a fair burden-sharing between the generations.

**1st conclusion:** Leaving aside any institutional changes of family and partnership structures, one can conclude that European citizens value such family functions as reliable partnership, intimacy, love, unconditional support, trust and effective management of day-to-day life.

**Crisis in the family structure?**

How do these positive perceptions concur with the observed de-institutionalisation of the family, as seen in high divorce rates, high levels of cohabitation outside marriage and increased numbers of births out of wedlock? Certainly, many indicators do seem to point to a process of de-institutionalisation of the family (see, for example, Beck-Gersheim, 1998; Lewis, 2001; Daly and Rake, 2003), if not of outright disruption (Fukuyama, 1999; Roudinesco, 2002). For example:

- delay in entering marriage and parenthood;
- increasing popularity of cohabitation, which in many European countries precedes and often substitutes for marriage;
- increasing numbers of births out of wedlock in a framework of overall low fertility;
- increasing instability of marriage and more generally of couple relationships.

Many observers interpret these indicators as signs of a loss of commitment, a self-seeking individualism, a parenting deficit and a moral decline. In their view, consumerism has fostered an individual acquisitiveness, which has infected domestic life. Williams (2004) calls this the ‘demoralisation thesis’.

Yet, there is another side to the story — one sees an increasing demand for acknowledgement of so-called 'new family forms', which points to the willingness, even the need, by individuals to assume and perform within these ‘new’ forms of relationships those obligations which were traditionally the preserve of the legitimate, traditional family. Most natural births in Europe, different from the recent past, now occur within a stable couple relationship (Eurostat, 2003) and that is what is perceived by all people involved (particularly the children) as a ‘family’.

The law itself in all European countries (including those that still do not offer any kind of acknowledgement to cohabiting couples as such) has removed any difference between natural and legitimate children. When cohabiting heterosexual and homosexual partners ask for social acknowledgement, they ask not for a de-institutionalisation of the family, but for a degree of institutionalisation of their relationship and of the other relationships created through it. In reconstituted families, (i.e. families where one or both partners have a previous marriage in their background), new obligations are created between a parent’s new spouse and his/her children and new kinds of kin networks are developed. Some observers see these changes in family life and intimate relationships as heralding the emergence of self-actualising men and women, less bound by formal obligations and duties, who have greater independence to pursue their individual objectives within a partnership. Williams (2004) calls this the ‘optimistic democratisation thesis’.
What is perceived as a weakening of the family may just be the result of an increasing demand for the acknowledgement of so-called 'new family forms'. According to Williams (2004), the shape of social commitment is changing but there is no loss of commitment. Within new forms of partnership, intimacy, love, unconditional support, trust and effective management of day-to-day life will remain of utmost importance. Giddens (1992) argues in the same vein, when he talks about the transformation of intimacy in modern societies. He emphasises the quality characteristics of personal relationships freed from traditional forms of duty and obligations, and increasingly based on communication and negotiations.

The co-existence of traditional and new forms of partnership is also confirmed by recent German results of the European Population Policy Acceptance Study (BiB, 2005). Among other things, it finds:

- a clear majority accepts marriage as an institution (only 25% are against it);
- a majority (55%) regards marriage as not necessary for having children;
- a clear majority (72%) regards a stable relationship with mother and father present as beneficial for the welfare of a child.

2nd conclusion: What we are witnessing is a parallel process of de- and re-institutionalisation of families. One finds an increasing plurality of forms of partnership and partnership biographies, with new shapes of social commitment but without a loss of commitment. However, despite the re-institutionalisation, there are serious challenges to establish a (longer-term) partnership, which seems to be an important condition for having children.

Family policy in Europe in the 21st century is confronted with these developments. It has to consider if it wants to base its policies on an increasing plurality of various forms of partnerships of couples, different durations of partnerships and various types of partnership biographies. It is argued that effective family policy, which wants to influence fertility, has to consider both the importance of family and partnership for the quality of life of its citizens and the process of re-institutionalisation of partnerships. The former will give it increased legitimacy, while the latter should have an influence on its direction.

The argument for a new direction for family policy based on a plurality of various forms of partnership is also supported by new empirical evidence, which demonstrates an unexpected reversal of the direction of association between traditional aspects of union formation and fertility. This evidence is based on a comparison between the 21 OECD countries (Castles, 2003). In 1975, traditional union formation had a positive influence on fertility outcomes: then, a high marriage rate, a low divorce rate and a low proportion of births out of wedlock had a direct correlation with a high overall fertility rate. By 1999, the direction of relationship between all three indicators had changed: now, a low marriage rate, a high divorce rate and a high percentage of births out of wedlock are associated with higher fertility rates in Europe.

This change marks a major turnaround, which is closely combined with the so-called ‘reproductive paradox’ between ‘weak’ (Scandinavia) and ‘strong’ (southern Europe) family-centred welfare systems in Europe. In contemporary Europe, countries with
strong, family-centred welfare regimes have a significantly lower fertility rate than countries with weak, formal family links (Saraceno, 2004).

- In the former group of countries (Italy, Spain and Greece), family ties and intergenerational solidarities and interdependency are high, divorce rates and births out of wedlock are low, the female employment rate is lower, the formation of new families occurs later and the fertility outcome is significantly lower than the European average (lowest-low fertility countries).
- Conversely, in the latter group of countries (Scandinavia), traditional patterns of family formation have been most weakened and the de- or re-institutionalisation process has been furthest advanced. At the same time, these countries achieve relative higher fertility rates by European standards.

In the long-term, this would lead to the paradoxical consequence that strong, family-centred welfare regimes in Europe would weaken the very basis of their specific welfare regime.

3rd conclusion: A proactive and sustainable family policy should recognise the new trends in union formation and their positive relationship with fertility outcomes. In particular, family-centred welfare regimes in southern Europe and in the NMS10 have to reconsider their policies towards new forms of partnership and to fill the existing policy vacuum (Hantrais, 2005).

Partnership formation

Having identified the importance of finding a partner and establishing a firm and reliable partnership for having children, it is of interest to identify the relative importance of this condition in relation to other conditions, such as financial considerations or the conciliation of work and family life. The recent European Population Policy Acceptance Study asks for reasons for not having children or for not having more children (BiB, 2005). Looking at the age group between 20 and below 30 years of age, the most important reason (nearly 85%) is related to partnering issues, as people were living on their own. In addition, more than a quarter of the respondents reveal deficits in the functioning of the actual partnership as an important reason for being childless. Even in the next age group, between 30 and below 40 years, not living in an established partnership is the most important reason cited, together with the argument of already having enough children. In both age groups, the conciliation of work and family scores only half this percentage and material reasons only two-thirds of it. Finally, in both groups, concern for the future of children is a serious consideration for having children at all.

4th conclusion: Family policy has to be aware of the high relative importance of partnership formation and stability for fertility outcomes. It has to analyse the underlying reasons, identify challenges and consider possible support without interfering unduly in this private sphere of citizens.

Changing nature of partnerships
An important structural condition of finding a partner for having children is related to the emerging trend of a diversification and instability of life biographies of adult partnerships. This increases uncertainties and risks, which are combined with a long-term commitment for having children. These various life biographies are structured, inter alia, by the following changes:

- later transition from parents’ to own household, with or without marriage;
- stronger differentiation of old and emergence of new partnership phases (single phase, cohabitation phase);
- different duration of various phases (significant numbers of people remain single most of their life);
- new sequence of phases (single phase before cohabitation phase before marriage);
- characteristics of various phases (search phase for partner, pre-school child phase, school child phase, teenager phase, ‘empty nest’ phase, etc);
- higher numbers of transitions due to break-up of partnerships or divorce.

Possible results are an increasing plurality of partnership biographies:

- traditional long-lasting partnerships;
- patch-work biographies of partnerships (various partners, many changes and various forms);
- family break-up leading to reconstituted families;
- longer education phase, followed by an employment entry and first career phase, combined with a longer search phase for partner, finally leading to cohabitation or marriage, with the result of a reduced time-window for child-bearing;
- various forms of transition into adulthood and their long-term effects on partnership formation.

These reflections may raise various policy issues, such as:

- equal rights for cohabiting couples of different forms and different sexual orientation;
- increasing acceptance and practical support for reconstituted families in relation to child upbringing;
- a reform of adoption and inheritance laws, tax regimes and social security arrangements and, if necessary, a change in divorce laws;
- removal of any discrimination for reconstituted families.

The results may also stipulate a discourse on the following questions:

- To what extent is divorce a life risk, which should be covered by collective forms of insurance or by collectively provided services? See, for example, the emerging debate over new distribution of coverage of life risks over the life course in the Netherlands; the ‘Goodswaard Commission’ (Leijnse et al, 2002) suggests a 40 (collective)/60 (private) risk distribution in the case of a divorce (with children).
- Should governments or other collective funds improve the financial, social and psychological capabilities of individuals to deal with increased risks over the life course of partnership break-up and single parenthood in order to reduce uncertainty and improve fertility? How to implement those measures

6
effectively and avoid the problem of ‘moral hazard’ of lone parents, who abuse the available support?

• Should governments support partnerships in transition (e.g. privileged access to childcare services and/or care for the elderly) in order to reduce uncertainties?
• Should governments support training in parenting and in partnership management as preventive measures to deal with partnership instability?

5th conclusion: Family policy should not only react to new forms of partnership but also to new partnership biographies (process dimension). It has to decide on the collective/private risk-sharing of divorce or partnership break-up with children. In addition, it should consider the need for preventive and support initiatives that reduce break-ups or enable parents and children to cope better with their negative effects.

Effect of union formation and marriage on fertility

Within the context of new partnership biographies, the process and timing of union formation has an important influence on fertility. Leaving home is one of the crucial points of the life biography and a central event in early adulthood. It implies greater autonomy for younger people in all aspects of life, including decisions related to fertility. Even more important in the present context is the fact that child-bearing in Europe takes place almost invariably after leaving the parental home and thus home-leaving is a central correlate of union formation and fertility (Billari and Kohler, 2004).

Union formation

Union formation is a part of the pattern of entry into adulthood and thus strongly connected with other parts of this process. This pattern consists of three main components and their combinations:

• transition from education to work;
• transition from parental home to own home;
• transition from single and unstable relationships to living in a stable relationship, which may finally result in marriage.

Research identifies various patterns of transition into adulthood. Contrasting the Mediterranean and Scandinavian patterns is revealing.

a. Mediterranean pattern
• late transition from third-level education to work;
• late transition from parental home to own home;
• strong synchronisation between leaving parental home and forming a first stable union;
• strong synchronisation between first union and marriage;
• late timing of first union.

b. Scandinavian pattern
• earlier transition from third-level education to work;
• early transition from parental home to own home;
• high percentage living as a single person before first union;
• high percentage living in cohabitation (first union) before marriage;
• early timing of first union formation.

A recent comparative analysis of nine EU15 countries shows two important results (Billari and Wilson, 2001). First, there is a surprisingly stable national pattern of transition into adulthood over age groups in regard to four age cohorts born between 1946 and 1965, clustered with a range of five years each (e.g. first cohort 1946 to 1950). Secondly, the survey reveals that 'the timing of home leaving is quite homogeneously concentrated at relatively late ages among lowest-low fertility countries' (Billari and Kohler, 2004): Italy, for example, has the highest age for home-leaving for men and women (at 26.7 and 23.6 years of age), whereas Sweden shows the opposite (at 20.2 for males and 18.6 years of age for women). The longer young adults stayed in their parents' home, the lower was the average fertility rate (Saraceno, 2004).

A recent OECD study by Sleebos (2003) confirms these results by providing more systematic empirical evidence. According to this study, fertility rates are lower in those countries in which a higher proportion of younger people continue to live with their parents into their later 20s. The study also highlights a high employment rate of younger people as an important factor for a successful transition into adulthood and its subsequent positive effect on fertility. Countries where a higher proportion of young adults hold jobs also experience higher fertility rates.

6th conclusion: The clear positive interaction effects with fertility of, first, an early transition from parental to own home and, secondly, of a successful transition from education into secure employment (without going through youth unemployment or precarious employment) creates an important policy challenge for more indirect measures of family policy. Appropriate measures within policies for the labour market, education and housing should create an institutional framework to support successful and earlier transitions.

Marriage and sequencing of union formation

In addition, Billari and Kohler (2004) observed a reversal in the relationship between total first marriage rate and total fertility rate between 1975 and the end of the 1990s within the countries of the Council of Europe. Traditionally, the marriage rate had a strong positive relationship to fertility (1975 = +0.69). In 1999, the relationship to fertility had become negative, but weaker (1999 = -0.15). At that point, fertility was lowest in those countries where people marry when they settle down as cohabiting partners, where marriage lasts longer and child-bearing occurs within marriage. At first sight, it seems that marriage becomes a constraint rather an enabling structure for having children.

The potential negative effect of marriage on fertility can be explained by looking at the different sequencing of the process of adulthood in countries with high and low marriage rates — i.e. it is less marriage, per se, that affects fertility, but rather the
particular sequencing of union formation. Today, marriage seems to have a negative effect when it is combined with the first form of living outside the parental home and when it occurs as the first form of cohabitation (i.e. when younger people move straight from their parental home into their own home with a married partner). The hypothesis is that extended experience of living alone in a first phase of adulthood to assert oneself, followed by experience of living with several partners in order to find the right partner with whom to have children and then a longer period of cohabitation with a partner before having children — such a sequence helps to clarify individual preferences in regard to children and reduces uncertainties about the expected stability of the partnership.

To demonstrate this hypothesis, we can compare a younger cohort of men (born 1961-65) in Sweden and Italy. In Italy, one-third of the younger cohort of men had left home before entering their first union, whereas two-thirds did not go through a single 'living alone' phase between leaving home and entering a first union. In contrast, Swedish men showed the opposite transition: three-quarters had left the parental home before their first union and only one-quarter never went through the single phase after leaving home.

More important is the transition between first union and marriage. In Sweden, 94% of younger men had gone through at least one first union before marriage (i.e. only 1 in 20 went straight into marriage in their first union). In Italy, 85% of men had a first union that lead consequently to marriage, but only 15% had a first union before marriage.

The same pattern as that of Sweden can also be found in Finland, though in a less pronounced form, whereas the Italian pattern is strongly reflected in Spain. In addition, there is little difference between the behaviour of men and women, and a strong coherence of the country differences between the different age cohorts.

However, the data also shows the limitations of such an approach. Despite long-standing different fertility rates in Germany and France, respondents in both countries have the same pattern of transition of leaving home before their first union and between first union and first marriage. The German and French pattern occupies a medium position between the Scandinavian and Mediterranean transition patterns.

The question has to be raised as to why only a minority of younger people in the Mediterranean countries are not leaving their parental home and starting to live with a partner until they are ready to marry? The first reason is that they are more financially dependent on their parents due to:

- low welfare payments for young people;
- a housing market characterised by high ownership rates and a small and expensive rental sector;
- high youth unemployment;
- high percentage of young people in precarious entry jobs in the labour market;
- difficult access to mortgages for flexible workers.

The second reason is traditional legal and financial obligations of parents to provide assistance to their children. Due to these circumstances, young adults have to time the formation of their own autonomous households to the availability of family financial
capital. Their dependence on parents and the stronger preference of the present generation of parents for marriage, instead of cohabitation, may force younger people in the Mediterranean countries directly into marriage.

**7th conclusion:** In order to clarify individual preferences in regard to children and to reduce uncertainties about the expected stability of partnership, the sequencing of union formation is important. The most promising partnership biography for fertility outcomes seems to be an extended experience of living alone in a first phase of adulthood to assert oneself, followed by experience of living with several partners in order to find the right partner with whom to have children and then a longer period of cohabitation with a partner before having children.

**Tackling the ‘rush hour’ of life**

One consequence of longer education, later union formation and later exit from the parental home is a compression of the ‘social child-bearing phase’. A clear indication is the steadily rising average age of mothers in Europe at the birth of their first child (Fahey and Spéder, 2004: 15). Factually and statistically, this compression reduces overall fertility outcomes.

The compression of the child-bearing phase is combined with an overall compression of the working life course due to the combined effects of longer education, earlier factual retirement and the increased extent of voluntary exits (leave or exit into non-market activities) or involuntary exits (unemployment) from the labour market. France, for example, over the past 40 years has experienced a reduction in average length of working life of nearly seven years.

This combined compression has serious consequences for having children and parenting. Between the end of their 20s and the mid- to end-40s, couples with children face a serious challenge to combine the day-to-day requirements of paid work, the aspiration and efforts of a successful career, participating in life long learning (LLL), providing childcare and doing household work, building a house, getting involved in voluntary work, having time for their partner and developing their partnership, and having time for leisure and recreation. The effects of this ‘combination dilemma’ are often serious time pressures, stress, unfulfilled aspirations towards quality of life, increased health risks and general dissatisfaction with life. It also often leads to the break-up or weakening of partnerships.

The situation in the ‘rush hour of life’ is intensified as a result of the financial needs in this life phase, which makes it often difficult to buy more family time through reduced market income from paid work (e.g. by working part-time). This is due to increased living costs for families with children, overall shorter lifelong income and the need for higher personal savings provisions for retirement. Precarious employment at the beginning of a work biography often enhances financial uncertainties. In addition, changed gender roles in many partnerships lead to combined pressures on both partners, without having the possibility of the traditional sharing of responsibilities within a male-breadwinner relationship.
This 'rush hour' effect comes in a period of economic and social development in Europe, where life expectancy has increased for many people over the last 50 years by more than 10 years — in other words, during a period in which potentially enough time resources over a life course would be available for a proper management of the combination dilemma within the 'rush hour of life'.

Bertram et al (2005: 46) rightly observe that most of this 'rush hour' effect is not part of a voluntary chosen life biography of younger people, but is the result of uncoordinated state activities. Extension of initial education, restrictive social housing policy for young households and social benefits related to the parents' household and not to the individual's create institutional conditions.

Policy options are available, but they are complex and require a more holistic and integrated approach. Such an approach implies a lateral policy (mainstreaming) combining specific policies on time and income with policies on employment, education, housing, health and social security. Specific policy initiatives focus on redistribution of time and income over the working life course on the intrapersonal level, which could be supplemented through an interpersonal redistribution of income.

Different working-time options (WTO) would cover, inter alia, reduced and increased working hours, care leave, sabbaticals and career breaks, educational leave, long-term working-time accounts and flexitime. Different income options include tax incentives for savings schemes to finance WTO and options to transform supplementary pay elements into WTO. The implementation of these measures in a life course perspective can vary according to the following parameters: size of time/income blocks moved over the life course, length of de facto working life, creation of trade-offs as more time/income in 'rush hour' phase against prolongation of working life and mode of finance.

It is easy to see how individual measures would improve the conditions for citizens with children in their 'rush hour' of life. However, most effective would be an integration of the various individual measures with a lateral policy to include, inter alia:

- individual working-time options (WTO);
- individual income options;
- education (shorter and more effective initial education);
- employability policy (more even distribution of creation of human capital through life long learning/LLL);
- employment and labour market policy (regulation of flexible employment contracts, transitional labour markets);
- housing policy (e.g. for younger people and for younger couples with children);
- enabling people to foresee and plan their life course (LC);
- reform of social security system (pensions);
- reform of care policy for dependent elderly;
- reform of risk distribution in capital markets (reverse increased shift to individuals);
- policies for specific groups (migrants).
8th conclusion: Tackling the overload of young couples and families in the 'rush hour' of their lives (between late 20s and mid/end 40s) — by providing more time and income, and additional support for housing, training and provision of care — would create conducive and supportive conditions for having children.

Functioning of the marriage market

Another way of analysing involuntary childlessness due to the lack of an acceptable partner is provided by a distinction of the marriage market into a male breadwinner and a collaborative market. The collaborative market is based on both parties contributing economically to the household. The male breadwinner model depends on a traditional division of labour within the household, where the men are in paid employment and the women take care of the children and dependent elderly, as well as the domestic services (Barnes, 2001).

High levels of recent unemployment among men in most European countries, with a substantial number of men who may be regarded as the main breadwinner, reduces, ceteris paribus, their ability to partner. (The unemployment rate for men under 25 in December 2004 was nearly 18% compared to 7.7% for the over 25s.) This is also confirmed by the high poverty risk for younger people in Europe, which reached 19% in 2004 compared to 12% of those aged 24-65. These males are not available to women in the breadwinner marriage market.

In the collaborative marriage market, there is another challenge. This market is strongly dominated by people with higher levels of education. Here, one observes an increasing educational mismatch as women absolutely outnumber men in younger age groups between 20 and 39 years of age. Whereas men have a strong tradition to marry ‘downwards’, many qualified women with degrees looking for a collaborative partnership are reluctant to accept a male partner with lower qualifications.

9th conclusion: The marriage market is distorted, on one side, by the decreasing capacity of men to support a family within a male breadwinner model, due to increased level of unemployment and a higher percentage of men in high risk patchwork biographies, and, on the other side, by the hesitation of the increasing number of qualified women to marry ‘downwards’ with a collaborative partnership model.

Mismatch between aspirations and available resources

Finally, it should be noted that over-burdening, rather than de-institutionalisation and/or weakening, may be the cause of tensions and difficulties being encountered by families and households at the present time. This may be due to an imbalance between aspirations of good parenthood and available resources of time, income and personal energy. Sociologists like R. Koenig have stressed that modern parenthood in middle and upper-middle class families is based on ‘responsible parenthood’. Neither tradition nor economic reasons influence the decision of having children. Most important is the willingness and self-perceived ability to look after children, to develop them and to optimise their welfare (self-fulfilment). Hence, many couples have high standards of being ‘good parents’, which are either set by themselves or are
imposed by the norms and values of their friends, relatives and colleagues. The fulfillment of these standards is gauged by the ‘performance’ of the children, as well as by the demonstrated commitment of the parents.

The fulfillment of these high aspirations is frustrated by the dilemmas described above during the ‘rush hour of life’ for people between the end of their 20s and the mid- to end-40s, combined with the lack of time to deal properly with those dilemmas. Many couples may decide to side step this squeeze by not having children — they feel they do not have enough disposable time and energy to be a good parent, a good partner, a good professional and a good citizen all at the same time.

10th conclusion: The increasing gap between high aspirations of being a good parent and the lack of available time resources of middle and upper-middle class couples in the critical phases of the life course for having children leads to significant uncertainties about how to fulfil these aspirations and expectations. The result may be a reduced fertility in these social strata.
2 Influence of women’s participation in paid employment on fertility levels

The relationship between the twin objectives of a sustainable family policy of high fertility and high female employment rates can be discussed in three ways:

- on the macro level, comparing fertility rates and employment rates of women in different countries in a cross-sectional and longitudinal way;
- on the micro level, analysing employment rates of women in relation to the number of children;
- with a life course perspective, comparing the time allocation to paid work and the labour force participation of couples with children over the life course in different countries.

Fertility and employment rates of women (country comparison)

A cross-country comparison in OECD countries at the end of the 1990s shows a positive statistical relationship between fertility and employment rates of women. This marks a ‘major turnaround’ (Castles, 2003) to the situation in the mid-1970s and beginning of the 1980s, when OECD countries with high fertility rates had low female employment and vice versa. The turnaround in Europe is, inter alia, strongly related to the emergence of lowest-low fertility in the Mediterranean countries.

This reversal is also astonishing since it seems to contradict the reasoning of main economic theories in the field (Becker’s economy of the family and the human capital approach). Mainstream economic theory would stress the existence of a trade-off confronting women between having children and participating in paid employment due to opportunity costs of maternity. It would also argue that women with increasing level of qualifications would either postpone or refrain completely from parenthood. Today, however, OECD countries with relatively higher female employment rates also have relatively higher fertility rates (OECD, 2001; Sleebos, 2003). It is also important to note that changes in fertility levels have become more important over time than changes in female participation in paid employment, and that the relative country position with regard to female employment rates has been remarkably constant over time (Billari and Kohler, 2004).

However, these results have to be qualified on the basis of recent time series analysis within individual OECD countries (Engelhardt et al, 2003; Koegel, 2003). These show that the relationship between fertility and female employment is still negative over time, but that the negative association has become statistically insignificant and weaker for each individual country since the end of the 1980s. The only exception is Italy, where the negative association has not weakened over time. For some observers, the empirical longitudinal relationship between fertility and female employment still remains unanswered (Bertram et al, 2005).

---

2 According to Engelhardt et al (2003: 22), the turnaround from a negative to a positive relationship in the OECD countries happened in 1987.
In addition, recent studies try to explore causality and its direction. The study of Engelhardt et al. (2003) shows a macro-level causality occurring in both directions, from women’s labour force participation to fertility and vice versa.

11th conclusion: Overall, for the EU15 countries there is broad agreement based on comparative research that the combination of family and employment is least compatible in the Mediterranean countries and most compatible in the Nordic countries. In the latter, labour market and family policies have adjusted to the preferences of younger cohorts of men and women to combine work and parenthood (Bertram et al., 2005).

According to Castles (2003), what has really caused this turnaround in the developed countries is the change of 'women’s views on their proper role in society' and positive reactions of governments in some countries to accommodate these new views and preferences. The previously dominating preference structure of women and society at large regarded motherhood and paid work as largely incompatible. The new pattern started from the assumption that 'women have the same right and often the same financial need to work as men and that fertility must somehow be combined with the demands of working life' (Castles, 2003). Such a shift necessarily implies a much increased valuation of women’s work and consequently greater willingness of women to adjust their fertility aspirations in order to pursue valued career goals.3

However, several authors (Hakim, 2003; Bertram et al., 2005) doubt the ‘homogeneity of this turnaround’ and demonstrate the existence of different preference structures of women on how to allocate time to paid employment and to household-centred activities. Hakim identifies preferences that are:

- life-centred on home;
- life-centred on career and paid employment;
- adaptive preferences trying to combine effectively family and work.

According to empirical research in the UK and Germany, the last group is by far the most important one, representing about 50% to 60%, while the other two groups evenly cover the remaining percentages.

12th conclusion: To achieve this change, policy matters. It matters in order to influence pre-existing labour market arrangements by improving female employment opportunities and by making the right policy choices to improve the possibility of combining employment and fertility and to influence the turnaround. Its main emphasis is on a successful reconciliation policy, with strong direct and indirect interventions of the welfare state. It has to consider, however, the different preference structures of women to the combination of paid employment with household and care activities.

In Europe, the following measures have been identified that positively influence a combination of higher fertility and increased female labour force participation:

- accessible, affordable and quality childcare ('Barcelona targets');

---

3 This turnaround was also supported by the wider availability of contraceptives in some traditionally family-centred countries since the mid-1980s.
• flexible working-time arrangements (e.g. part-time and flexitime) and other forms of family-friendly company measures;
• conducive forms of parental leave (length, replacement income, target person, guarantee of employment);
• available financial support for families through benefits or tax relief/credits.

However, the normal political discourse in Europe leaves some important questions unanswered, including:

• How is the positive relationship between fertility and female employment achieved on much higher fertility levels in more neo-liberal welfare regimes, such as the USA and New Zealand?
• How is it possible within existing European welfare regimes to simultaneously increase both birth rates and female employment to such an extent as to raise fertility rates close or beyond the necessary replacement rate of 2.1 children?
• Which additional policies are necessary, or which additional conditions have to change, in order to push fertility levels in the currently identified ‘good practice’ countries in Europe (Nordic countries, Sweden in particular) to a sufficiently higher fertility level?
• In the same vein to consider if the French experience, with significantly higher fertility rates and relative high fertility aspirations, is not a more suitable ‘good practice’ case in Europe (for further details, see Bertram et al, 2005)?
• How to meet the necessary pre-conditions of a reconciliation policy to provide sufficient, sustainable and quality employment for all women who want to participate in paid work in Europe at a time when female unemployment rates are significantly higher than male rates and many women work in involuntary part-time and dead-end jobs? The High Level Working Group on the Future of Social Policy in Europe estimates that about 13 million women in the EU15 want to be in paid employment, who are either officially unemployed or are involved in activities outside the labour market although they want to work (the so-called ‘silent reserve’ of the labour force).

**Employment of women and number of children**

The micro-level analysis on the relationship between having children and being in paid employment identifies a consistent pattern for women in Europe for many years now. This is also confirmed by the recent Eurostat analysis for the EU25 (2005) based on the results of the 2002 Labour Force Survey (Eurostat, 2003). In general, one finds a negative relationship between the number and age of children and the extent of female employment. However, there is a significant level of variation between the 25 countries.

In the EU25, the following overall pattern can be identified:

• The employment rate for women aged 20-49 with children below 12 is 60%, while the employment rate of the same age group of women without children is 75%.
• The employment level declines as the number of children under 12 increases: the employment rate for women aged 20-49 with one child is 65%, falling to 58% for women with two children and to 41% for those with three or more children.

• Also, the age of the child is important. In the EU25, the employment rate for women aged 20-49 whose youngest child is aged 6-11 reaches 67%, falling to 60% with a child aged 3-5 and falling even further with a child aged 0-2 (52%).

Considering the strong effect of partnering and of a new gender contract on fertility, the organisation of paid employment between couples is important. Looking at the participation in paid work of couples aged 20-49, where at least one partner has a job, Eurostat confirms that the male-breadwinner model is no longer the dominating model in Europe, but is replaced by a full-time dual income model (collaborative relationship). In 29% of the couples the man is the sole breadwinner, while in 45% of the couples both are working full-time. A third major way to organise paid work within couples is a combination of male full-time and female part-time work, which stands to some extent for an adaptive position of women to paid employment in an attempt to juggle family and work commitments. This is practised in 19% of all couples. A female-breadwinner approach still remains a minority practice (5%).

13th conclusion: On the micro level, one still finds an inverse (negative) relationship between the number and age of children and the extent of female labour force participation.

Life course approach to labour market integration of couples with children

The following discussion compares the time allocation to paid work and the labour force participation of couples with children over the life course in different countries. In order to reduce the complexity of information, the analysis will focus on three countries (the Netherlands, Sweden and Spain), which represent three different welfare regimes in Europe (corporatist regime, Scandinavian and Mediterranean, respectively).

Method

The best approach for such an analysis would be to use longitudinal event history analysis of household time allocation and attachment to the labour market. Unfortunately, relevant harmonised comparative data over a long period of time was not available to the research group. Instead, it was decided to use cross-sectional ECHP data for seven countries and to construct a synthetic life course model by providing an analytical framework based on a mix between ageing and changing household composition over time. Household composition was included through the

---

4 A comprehensive description and analysis is provided by Anxo and Boulin (2005). A policy-orientated interpretation of the results can be found by Krieger (2004b).
arrival of children and different phases of child development, i.e. from birth to the leaving of the household ('empty nest' phase).

This ad hoc sequencing of major life events makes it possible to visualise major events and transitions over time and therefore to compare the patterns of labour market integration, working-time arrangements, income and work-life balance over the life course. All together, this led to the construction of a working life course of couples using 7 life phases (see Table 1).

Table 1: 7 phases of working life course of couples

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>childless phase or pre-child phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 2</td>
<td>young child phase, up to 7 years</td>
</tr>
<tr>
<td>Phase 3</td>
<td>primary school phase</td>
</tr>
<tr>
<td>Phase 4</td>
<td>secondary school phase, between 12 and under 18</td>
</tr>
<tr>
<td>Phase 5</td>
<td>couples with adult children, aged 18 years or more</td>
</tr>
<tr>
<td>Phase 6</td>
<td>'empty nest' couples, without children</td>
</tr>
<tr>
<td>Phase 7</td>
<td>pre-retirement phase of 60 years and older</td>
</tr>
</tbody>
</table>

However, this approach has serious limitations:
- since it compares aggregates in 7 life phases, it reveals no individual transition or individual working life trajectories. Counterbalancing changes in the different aggregates over time cannot be measured (problem of ecological fallacy);
- it also allows for no cohort analysis. It assumes implicitly that the youngest age group shows the same behaviour as older age groups if it reaches their age;
- it only focused on developments over the life course for households of couples with children, i.e. it excludes the increasing number of persons living in single households or in single parent households.

**Time allocation by gender over the life course**

Looking at time allocation in the household over the life course, male working time fluctuates between 40-43 hours per week in the three countries in the first four phases (i.e. up to the end of secondary school phase, see Table 1). The exception is Swedish men in the pre-child phase, who work 5-6 hours less than men in Spain and the Netherlands. The ‘work-rich’ time use in Sweden from a comparative perspective starts with the phase when children are leaving secondary school up to retirement (phases 5-7). In all three phases, Swedish men work on average 8-10 hours per week longer than their counterparts in the other two countries.

Comparing the working hours of Spanish and Dutch reveals only minor differences. Spanish and Dutch men with families and children work slightly longer in the earlier phases of their life course and significantly less in the ‘empty nest’ phase (-5 hours).

Women living in households with partners and children have also quite diverse trajectories of working-time allocation over the life course. Swedish women have a
significantly lower working time in the pre-child phase than Dutch and Spanish women. However, with the arrival of small children, the pattern changes: in Spain and the Netherlands, women half their average working time from around 30 to 15 hours per week, whereas Swedish mothers reduce the working time on average from 26 to 22 hours per week (i.e. by about one-sixth). Even more remarkable is the difference in working-time allocation for phases 3-6. Whereas Swedish women continuously increase average working time from 22 hours (phase 2) to 35 hours (phase 6), Dutch and Spanish women remain more or less at the average level of the young child phase.

Overall, between phases 3 and 7, we find on average a surplus of working time of Swedish women living as a couple with children of between 15 to 20 hours per week — i.e. over the whole life course, Swedish women have a much higher allocation of time to paid employment than Dutch and Spanish women, despite the fact that they have a lower average working time at the beginning of the life course.

**Total time allocation of couples over the life course**

The differences in male and female allocation of working time are also reflected in the total time budget for paid work of couples in the three countries. In the pre-child phase (see Table 1), Swedish couples take more time for unpaid activities, whereas Spanish and Dutch couples work 10 to 13 hours per week longer. This pattern changes, however, from the young child phase onwards (phase 2) to the end of the working life course. Already, in the young child phase, Swedish couples work on average 7-9 hours longer per week. But the most dramatic difference occurs in phases 3 to 6. In the 'empty nest' phase, Spanish couples work on average 35 hours less per week and Dutch couples work 27 hours less than their Swedish counterparts. Also, in the pre-retirement phase, Swedish couples work on average 20 hours longer per week.

**14th conclusion:** A comparison between welfare regimes in Europe shows a different allocation of time to paid employment of women and couples with children over the life course. In the Mediterranean and corporatist welfare regimes, the birth of a first child leads to a large reduction of working time, which is only slowly and partially regained in later phases of the working life course. In the Scandinavian welfare regime, women and couples with children swiftly and progressively regain nearly completely the decreased working time in the young child phase. Consequently, in the 'empty nest' phase, Spanish and Dutch couples work around 30 hours per week less than Swedish couples. The Scandinavian countries seem to be closest to reaching the twin objectives of a sustainable family policy of high fertility and high female employment rates.

**Labour market attachment: women**

A further indicator of time allocation over the life course is the attachment to paid work. It indicates which part of the population of working age is in paid employment and which part is completely out of paid employment and has the possibility to devote most of its time to care, household work, training/education or leisure. In a first step, this is measured separately for men and women with children living in a joint household and, secondly, as a combined measure where both sides are not in paid
employment. As an indicator, we use the gender-specific employment rate for each phase of the working life course.

Swedish women living with a partner have higher employment rates in nearly all stages of the life course (except the pre-child phase, see Table 1) than women in the Netherlands and Spain. Between phases 3 and 6, they reach a nearly 90% plateau — i.e. in these periods, only 10% of Swedish women remain completely out of work. It is also remarkable that 40% of Swedish women living with a partner over 60 remain in the labour market in the pre-retirement phase.

The situation for Spanish women is only comparable to Sweden in the pre-child phase. In all following life phases, there is a massive difference between Spanish and Swedish women, in a range of 35 to 50 percentage points. Whereas in Sweden the dominating feature for women over the whole life course is to remain in paid work, the dominating feature in Spain is an accelerating retreat from the labour market after the pre-child phase. It ends with a quasi non-attachment to the labour market in the pre-retirement phase. The dominant male-breadwinner model in Spain finds its complement in the labour market detachment of women. The positive spin on this is that Spanish couples have huge time resources to invest in care for the elderly and for their children. This time can be transformed into an important social capital investment for the future. Care for the elderly and disabled provides relief for an often over-stretched welfare state.

Dutch women have another profile. In the pre-child phase, nearly every woman living with a partner works in the Netherlands. With the arrival of a child, the employment rate drops 20 percentage points. This is similar to Spain, but different to Sweden where the employment rate increases by 7 percentage points. In phases 2-4, labour market attachment remains high for Dutch women, at a level of 75%, which is mainly due to available part-time options. However, despite available combination biographies in the secondary school phase (phase 4), Dutch women have a 20 percentage point gap in comparison to Swedish women. This gap widens in the three following phases, to over 35 percentage points. For Dutch women in the later phases of their life course, the dominating combination biography feature is complemented by a strong relative minority, which retreats completely from the labour market.

15th conclusion: There is an exceptionally high level of labour market attachment among Swedish women living with a partner, reaching a 90% plateau in the middle of the life course. Spanish women, in contrast, after the pre-child phase have a huge gap of between 35-50 percentage points in comparison to Swedish women. A similar trend occurs in the Netherlands as in Spain, but with a lower gap of 20-35 percentage points, despite the available part-time options.

Combination biographies

Using the comparative data, we now focus on different patterns of combination biographies, combining either substantial part-time work (20-34 hours) or marginal part-time work (1-19 hours) of women with full-time employment of men. Other forms of combination biographies (such as both partners working part-time, or female full-time and male part-time) are not discussed here.
Not surprisingly, the three countries show very substantial differences in all life phases (see Table 1), except the pre-retirement phase in which both types of part-time combination biographies in all three countries are of marginal importance.

Spain has the least diffusion of both types of part-time combination biographies. Only at the pre-child phase do 12% of Spanish couples use this option. In other earlier phases of the life course, the use of both part-time combination models is under 10%; in the later phases, it is halved (5%). As regards the relative importance of the two part-time models, the substantial part-time combination model clearly dominates, with a ratio of 2:1.

As expected, Dutch couples show a clear preference for both types of combination biographies for greater parts of the life course. Only at the beginning and in the last two phases of the life course are combination biographies of relative less importance for Dutch work biographies. However, in a comparative perspective, it is significantly higher in phases 2 to 4 than in Sweden and Spain. From the young child phase to the end of the secondary school phase (phases 2-4, see Table 1), part-time work of women combined with full-time work of men is a dominating model, covering between one-half and two-thirds of all Dutch couples with children. It becomes a standard practice of the main upbringing phase of children in the household.

An interesting facet is the internal distribution of both types of combination biographies over the life course. In comparison to Sweden and Spain, the Netherlands is the only country in which marginal part-time work of women combined with male full-time work plays an important role. Between the birth of a child and the end of the secondary school phase, both models are used more or less to the same extent, with a slight plus towards substantial part-time. In the other phases (except the pre-retirement phase), the combination of full-time work with substantial part-time is more popular.

Overall, Sweden has more combination biographies than Spain, but significantly less than the Netherlands. Another important difference to the Netherlands is that Sweden has none or very little diffusion of marginal part-time combined with full-time; only in the young child and 'empty nest' phases do couples (2%) use this model. As a general trend, one-fifth of Swedish couples combine substantial part-time with full-time from the young child to the adult children phases — i.e. for the four middle phases of the life course, the structuring pattern in Sweden is a double full-time breadwinner model, which is supplemented by a combination model. In the pre-child and 'empty nest' phases, only 1 in 10 households with couples uses the combination model.

16th conclusion: 5

- The Dutch are the clear champions in the use of combination biographies, combining part-time of women with full-time of men in one household. It becomes a standard model in the middle of a Dutch working life course. The

5 For the analysis of structural patterns of combination biographies, it may be useful to compare the Dutch situation with the uptake of part-time combination biographies in the UK and Germany. Both countries have a more significant uptake of part-time than Spain and Sweden.
Netherlands is the only country to combine marginal part-time with full-time to a significant extent, mainly in the middle phases of the life course.

- The Spanish labour market seems to be firmly closed to part-time combination models, in particular in the later phases of the life course.
- Despite a standard dual-breadwinner model in the middle of the life course, Sweden has a substantive use of a part-time combination model from the early child phase to the end of phase 5 (couples with adult children, aged 18 years or more).
3 Effects of family-related policy measures

The following discussion provides a brief summary based on the key results of comparative quantitative studies, analysing the association between fertility outcomes and particular family-related policy measures.6

Family-related policy measures

Child-related cash payment

An examination of family cash benefits as a percentage of GDP in all OECD countries in 1998 shows a positive, but very weak and hardly significant, relationship with fertility (where R square = 0.07). In general, 'Nordic and English-speaking countries have higher family cash benefits than Southern European countries' (Sleebos, 2003). Overall, family cash benefits have been broadly constant since the early 1980s, although they declined in some countries and increased in others, like Australia. Castles (2003) confirms these results, with a slightly stronger measure of association. He also finds a weak positive relationship between fertility and family cash benefits per capita and virtually no relationship to family service expenditure (e.g. formal day care). However, he observes a non-significant statistical relationship for all three measures.

These results are confirmed by the study of Gauthier and Hatzius (1997) using time series data for 22 countries. They found that a 25% increase in family allowances would, in the long term, imply a modest 4% increase in fertility level. Thus, Bernardi (2005) concludes that, in practice, cash benefits are not very efficient.

Childcare provisions for children below the age of three

Coverage of formal childcare (public and private) of younger children (under three years of age) varies strongly between OECD countries. Focusing on available formal childcare and leaving aside informal childcare coverage (e.g. by grandparents and other relatives or friends), as well as the cost of childcare, the comparative analysis for all OECD countries reveals a strong positive relationship, where R square = 0.43 (Sleebos, 2003). There are large differences between country groupings in Europe, with an attendance rate above 40% in the Nordic countries and very low attendance rates in southern and central Europe. Castles (2003) comes to exactly the same results in his analysis. In addition, he finds a relatively weaker, but not significant, association between the childcare coverage for the age group between three and the beginning of mandatory school age.

Additional results are available on the country level. For Italy, Del Boca (2002) finds a positive, although statistically not significant, effect of childcare coverage on the fertility in Italy. In Norway, research finds that childcare provision does have an effect; however, it becomes irrelevant beyond a certain threshold of coverage.

6 As regard the methodological difficulties to measure policy effects, see Bernardi (2005: 129-130).
Flexible working-time arrangements

The results for OECD countries on the effect of flexible working-time arrangements confirm the importance of family-friendly measures at the company level. According to Castles (2003), the percentage of employees working flexitime varies strongly (and statistically significantly) with fertility levels, whereas the percentage of women working voluntarily part-time has no effect on fertility. This is also confirmed by Bernardi (2005), who finds that the availability and use of flexitime has an effect on fertility.

Reconciliation policies

In order to measure an overall effect of various reconciliation policies, the OECD has calculated an index of work and family reconciliation policies. This composite index combines information about the extent of part-time work, the extent of available flexitime, voluntary family leave provided by companies, in addition to legal entitlements for child-related leave, childcare coverage for children below 3 years of age and maternity pay entitlements. For all OECD countries, the index shows a statistically weak (where R square = 0.27) but positive relationship with fertility outcomes. Castles (2003) comes to the same result, with a slightly stronger and statistically significant measure of association.

Maternity and child care leave

Castles (2003) analyses three measures related to maternity and childcare leave — the duration of maternity leave, the wage replacement rate and the total combined maternity and paternity leave. For all three indicators, he finds a negative and non-significant relationship to fertility. According to his results, a high duration of maternity leave and combined maternity/paternity leave, as well as a high replacement wage, would be associated with lower fertility. Gauthier and Hatzius (1997) also find little empirical evidence in cross-country analysis of a positive effect of maternity and parental leave on fertility.

Fertility outcomes based on multivariate cross-country analysis

One of the shortcomings of the previous analysis is that it measures only bivariate relationships. Castles (2003) ran a best-fit model for all OECD countries in order to explain cross-country fertility in 1998 by including simultaneously cross-national variations of cultural traditions and employment structure with various aspects of family-friendly policy (see above). He identifies three variables — average level of
provision of formal childcare, percentage of females with tertiary education and level of female unemployment — which are statistically significant and which explain 72% of the cross-sectional variance of fertility rates.

According to Castles (2003), the 'robust evidence that high fertility is in part a function of women’s access to educational opportunity fits well with the idea of preference shift in which the possession of resources guaranteeing a niche in the employment structure makes it easier rather than more difficult for women to embark on maternity'. The influence of unemployment serves as a measure of ease or difficulty of access to employment. The even more robust relationship to childcare provisions highlights the role of the provision of family-friendly childcare services.

**Missing policy initiatives in comparative analysis**

Unfortunately, the available comparative studies do not cover other important policy initiatives and their cross-country effect on fertility outcomes. Information is missing, inter alia, on:

- other financial incentives are child-related tax reductions or tax credits, subsidies on housing and on services for children;
- policies on gender equity in the workplace and in society (e.g. extent of anti-discrimination policy, positive action, equality plans);
- support on forming relationships and transition into adulthood;
- intergenerational solidarity and dependency.

---

7 Some of these gaps are filled on the national level. More detail is provided by Sleebos (2003: 43-47).
4 Framework for public policy

The following discussion explores how public policy can create framework conditions and support for making decisions on having children and how to relate the policy mix of narrow and wider family policy measures to the preferences of citizens and to the objective challenges.\(^8\)

The broad analysis of various factors that influence fertility and the related policy discussion so far in this report indicates a combined use of indirect and direct measures of family policy in order to positively influence fertility. Indirect measures not only have to influence horizontal conditions of families (such as employment, housing, transport, health, education and training), but also conditions in those policy domains over the life course. In the words of Hantrais (2005), 'We need a more holistic, integrated and sensitive policy approach based on lateral policy thinking'. Experience has shown that indirect family policy measures have often proved more important than direct measures (Barnes, 2001). This is also reflected in the points of view of the citizens of the EU15, who rate the fight against unemployment as the most important policy measure to support families in Europe.\(^9\)

Rationales of public policies on family and fertility

Very important for a targeted family and fertility policy is the awareness of the political decision-makers on their rationales. Bernardi (2005) presents several rationales:

- nationalistic motivation of strengthening national population;
- religious motivation, stressing the holy value of reproduction;
- long-term sustainability of the welfare state, the effect of the increasing dependency ratio and the increasing incidence of chronic diseases as a result of demographic ageing;
- frustrated desire of citizens of having children as rights issue or as a individual social welfare issue;
- compensation for the costs of children through tax/benefits or through the provision of free childcare services;
- welfare of children.

In order to judge the effectiveness of public policies, it is important to examine related rationales and concrete policy measures. If the objective of fertility policy is the viability of the social protection system or the strengthening of the national population, appropriate national motivational measures, which would promote a general increase in children, would be desirable. Bernardi (2005) concludes that ‘in sheer quantitative terms, the largest increase in overall fertility would be achieved if those who have two children decide to have a third’.

\(^8\) A detailed analysis of specific policy measures can be found in the paper of Krieger (2004a) to the EU Ministerial Conference on 'Family means future' in Berlin in December 2004.

\(^9\) The NMS10 show a different pattern, with the emphasis much more on child allowance and the level of replacement income during parental leave, i.e. on measures covering costs and providing additional income related to the upbringing of children.
If policy focuses on the gap between the actual and desired number of children, policy measures should be directed to those groups who actually would like to have more children. At the EU Ministerial Conference on 'Family means future', held in Berlin in December 2004, various papers highlighted the fact that We have shown in other publications (Krieger 2004) for the Berlin Ministerial conference that better-qualified women have the largest gap in this respect (Krieger, 2004a). Assuming a relative stable pattern of preferences of younger cohorts of better-educated women, the following policy conclusions can be drawn:

- The shortfall in fertility of better-educated women has existed in Europe for more than 20 years, but has received little policy attention. However, the window of opportunity remains the same.
- Targeted family support to raise under-attainment would need to target the better-educated and better-off, e.g. through tax credits and universal flat-rate payments. This may conflict, however, with redistributive and social inclusion objectives (‘reduce child poverty’) of family support.
- In addition, one may argue for targeted policies on parental leave, re-integration, non-career discrimination and specific working-time arrangements for better-qualified women.

The third major rational is related to the promotion of the welfare of the child and promoting equal opportunities. With this rational, there is a 'strong case for free public services provided directly to children: high quality childcare and day-care centres, special education programmes, transport and sports facilities' (Bernardi, 2005).

**General conclusions**

This analysis might point to the following relevant policies:

- Market and state intervention seem to be of equal importance for the solution of the low fertility challenge.
- The scope of government policies to influence fertility goes beyond traditional measures of income support and measures to combine work and family. Appropriate education, training and employment market policies enhancing quantity and quality of opportunities for paid employment for women are of similar importance. There is statistical evidence and evidence from the preference structures of citizens that good employment policy is good family policy and is conducive to improving fertility.
- It is important to include a life course perspective in the redesign of existing policy measures and in the design of new policy measures.
- Governments have an important role to play in proposing and implementing equal opportunities and non-discrimination policies.
- Governments should support an earlier and appropriate transition of young adults into adulthood and facilitate the process of union formation.
- Measures that may potentially affect fertility will manifest their influence only in the long term. Only a consistent application of specific measures over time of a pro-natalist nature will achieve positive results. Important measures include provision of access to affordable housing, support in the transition
from education to employment (as outlined in the EU’s Social Inclusion Strategy) and the reduction of unemployment among younger people.

- Policies need a comprehensive and mainstreamed family-centred approach across various policy fields, including employment, housing, social inclusion, health, pensions, tax and education.
- The best way forward in the future is a combination of some of the policy options discussed previously and not a reliance on one specific policy measure.
- In addition, pro-natalist strategies will not succeed if they relate only to individuals or couples, rather than to society at large. Countries facing low fertility have to define a broad agenda to address the reasons to mobilise the social and political actors.
- Finally, as Sleebos (2003) observes, 'policy-makers should not expect too much from their pro-natalist policies' since existing knowledge of the reasons for low fertility and the end effects of possible policies are still fairly limited.
Bibliography


Koegel, T., *Did the association between fertility and female employment within OECD countries really change its sign?*, MPIDR Papers, Rostock, 2003.


