2. Which policy measures might be effective for raising fertility? Evidence from the DIALOG project*

Ingrid Esveldt and Tineke Fokkema, NIDI

2.1. Introduction

Nearly all over Europe the Total Fertility Rate is well below the so-called replacement level (2.1 children per woman) and in the past decade fertility dropped to very low levels (below 1.3) in most Central Eastern and Southern European countries. As a consequence the ageing of the European population is reinforced and population decline will occur in due time. These demographic developments have significant social and economic impacts. A smaller and older work force not only poses challenges to economic growth but may also lead to shortages of care providers and may jeopardize the affordability of pension systems and health care services.

Increasingly, national governments and the EU become aware of the impacts of long-lasting low fertility and search for solutions to counteract unwanted effects. Several options have been brought forward in the past such as policies to increase fertility levels, to increase immigration of the working-age population, and/or to reform social policy in general, like raising the retirement age or encouraging more women to enter the workforce (Grant et al., 2004). This contribution will address the question to what extent family policies may have an impact on fertility.

As was shown in the previous chapter, according to a recent survey among governments, most European governments consider their fertility level as too low, but not all of them promote pronatalist policies to raise the fertility level in their countries. In 2001\(^{23}\), 12 out of the 29 responding European governments reported to have policies aimed at raising the birth rate (United Nations, 2001), most of them former socialist countries.

* This contribution is based on Esveldt & Fokkema (2005).

\(^{23}\) The year nearest to the survey year of most countries participating in the Population and Policy Acceptance Survey, on which this chapter is based (see next footnote).
The most important reason for this attitude is probably that governments are reluctant to intervene in the personal life of people and in their decisions on the number and timing of children. Moreover, there is scepticism on the effectiveness of policies when it comes to influencing fertility behaviour. From the literature it has become clear that family policies may have a positive effect on fertility levels (see for example Gauthier, 2001; Gauthier & Hatzius, 1997 and Grant et al., 2004). Except unambiguous evidence of the impact of some family policy packages in the past (like the restriction of abortion in October 1966 in Romania and the introduction of a wide variety of financial incentives in 1976 in former East Germany), scientific results are often undecided, contradictory with other studies, or disputable because they are based on too simple models that do not justify complex societal situations (Gauthier, 2001). While some policy measures appear to be effective in some countries, similar policies introduced in other countries or in other years did not affect fertility substantially. Several studies also showed that the impact was mainly on the timing of fertility rather than on the ultimate family size, which raises the question whether people actually want to increase their family size. The increase of childlessness seems to indicate that the value of parenthood and having children has lost significance. Also it is often argued that younger generations wish to have fewer children because they increasingly attach more value to achieving other goals in life, like a professional career, hobbies and friends.

But are Europeans nowadays less child-oriented? What are the major goals in life and to what extent do people perceive these goals to compete with having children or larger families? Which factors determine the wish for a(nother) child? Are Europeans satisfied with current policies such as on child allowance and parental leave schemes? And if governments would take action to raise fertility, which family policy measures do Europeans prefer and to what extent do they think that these measures will lead to a change in their own fertility behaviour?

Using data from the recently concluded DIALOG project, this contribution aims to address these issues, focussing on values in life and motivation for

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24 The DIALOG project, financed by the EU, addresses policy-relevant issues using the Population Policy Acceptance Survey (PPAs), an international data base containing data of national surveys conducted between 2000 and 2003 in 14 countries: Austria, Belgium (Flanders), Cyprus, the Czech Republic, Estonia, Finland, Germany, Hungary, Italy, Lithuania, the Netherlands, Poland, Romania and Slovenia. PPAs is unique in several respects. First, by covering a large number of European countries it is possible to examine similarities
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dependence, on planned fertility, on preferences for family policy measures and on effects of family policies on fertility outcomes.

2.2. Values in life

Europeans attach much more importance to values related to relationships (“living with your partner in harmony” and “providing security to people close to you”) than to values related to personal and social success and respect (“being appreciated and respected outside the family”, “striving for self-fulfilment”), equality between men and women, and having enough time for themselves, their hobbies and friends. Two other values which appear to be very important for the majority of Europeans are “having enough income/money” (especially in the Czech Republic, the former East Germany, Lithuania, Hungary, Poland and Slovenia) and “being satisfied with your job” (especially in the former West Germany, Estonia, Cyprus and Finland).

Despite the high degree of similarity, some inter-country variation exists in the ranking of goals in life. To some extent this variation refers to country-specific circumstances. Housing shortage, for instance, is a major problem in Hungary and Poland and it is therefore not surprising that the PPAs data show that good housing ranks high in these countries.

In addition to regional differences, noticeable variation between socio-demographic groups is observed. Individualism (measured by ‘post-materialistic’ goals like “striving for self-fulfilment”, “having enough time for yourself and your own interests” and “having enough time for friends”), for instance, is especially adhered to by the younger generations (20-29), by those who do not live with a partner and by childless people. Values related to relationships (like the equally post-materialistic goal “living with your partner in harmony” as well as the materialistic goal of “providing security to people close
to you”), on the other hand, are significantly more valued by women, by parents and by people who live with a partner.

Parenthood is often supposed to be an obstacle to achieve other goals in life. This could be the reason why people increasingly decide to have no or only a few children. PPAs results, however, indicate that most Europeans consider that the number of children is irrelevant for the realisation of other goals in life. In addition (excluding those who do not see a link with family size), only a minority of Europeans think that having children is incompatible with fulfilling other goals in life.

Values that turn out to be most competitive with having children are the materialistic value “having enough income/money” (this is especially the case in Estonia, Italy, Lithuania and Poland) and the post-materialistic value “having enough time for yourself and your own interests” (especially in the Czech Republic, Lithuania, Hungary and Poland). However, it should be noted that only a relatively small proportion of the people state that the value “time for oneself” is very important to them personally.

Again excluding those who state that they see no link between the number of children and the realisation of other goals in life, most Europeans state that the preferred number of children which is compatible with important values in life is two. This does not only hold for those who already have children. Although the ideal number of children in order to fulfil other life goals is clearly lower among childless people who do not wish to have children than among child-oriented people, no significant variation exists between currently childless people with a wish for children and parents.

Since the ideal number of children (in order to fulfil other life goals) clusters around the general ‘norm’ of two children, the realisation of other goals in life does not seem to be in conflict with the observed national period total fertility rates (PTFR). Compared to the completed total fertility rate of birth cohort 1965 (CTFR65), all goals in life show negative differences (that is to say the ideal number of children is lower than the observed fertility rate) in those countries with a relatively high fertility rate (the Czech Republic, Cyprus, Hungary and Poland). Positive differences, on the other hand, are especially observed in countries with a relatively low completed fertility rate (like Italy and, to a lesser degree, Slovenia).
2.3. Motivation for parenthood

Children are still highly valued by Europeans. They are especially regarded and valued as a source of private, parental, and family enjoyment (for example “I always enjoy having children near to me”, “the closest relationship you can have with anyone is with your own child”, “I believe you can be perfectly satisfied with life once you have proved to be a good mother or father”). Children are not so much considered to be an essential element in personal happiness (“I do not believe you can be really happy if you do not have children”) or an obligation towards society (“I believe it’s your duty towards society to have children”).

People in the Central and Eastern European countries (CEE) value children higher than those living in Western Europe. This is of interest, as the CEE countries observed the lowest fertility rates (PTFR) at the time of the PPA surveys. CEE inhabitants seem to attach much more importance to the value of children in relation to their own identity (“I like having children because they really need you”) and because of domestic happiness (“the only place where you can feel happy is at home with your children”). They furthermore are more often convinced that parenthood is a moral duty and that one can not be really happy without children.

The value of children seems to be more related to the transition to parenthood, either realised or expected, rather than to family size. Childless people value children less than parents, especially when they do not have a wish for children, and only small differences are found between parents according to the number of children. In addition, higher values of children are observed among younger age groups and childless single people (perhaps because of idealising family life?), mothers, inactive people, lower-educated people, and those for whom religion is important in life.

2.4. Fertility intentions

Although most people highly value children, intentions to have a(nother) child are not very high. Poles and Lithuanians are least inclined to have (more) children (32% indicate to have plans for (further) extending the family) while Cypriots seem to be most child-oriented (70%). About one in five Europeans doubts about having (more) children (18% among childless people, 20% among parents).
The level of intended fertility is of course low for those parents who already have reached their preferred family size. Fertility intentions of childless people generally are higher, varying from 46% of them having the intention to get children in the former West Germany to 91% in Cyprus.

Intentions of childless people rapidly decline with increasing age. For those aged 20-29, the percentages vary from less than 60 in the former West Germany and Poland to over 90 in Cyprus and Hungary. Intentions among respondents in their thirties drop to 27% in Poland, and 31% in the former West Germany and the Czech Republic. Cyprus again is highest (88%). The rather steep decline shows that childless people mainly consist of two different groups: those who are young and intend to start a family in the near future, and older people who either cannot have children or (more often) do not wish to have children.

Besides younger (still) childless people, also women, those with a partner, a full-time job, or a higher educational level are more inclined to have children in the future. Also lifestyle plays a role: lower fertility intentions are observed among those who indicate that having enough time for oneself is important, as well as living in a nice house, or among those who indicate that it is very important that both partners earn their own income. While those who highly value striving for self-fulfilment, providing security to people close to themselves, or living in harmony with their partner are more likely to want another child.

Intentions of parents vary from 16% (in the former East Germany) to 55% (in Cyprus). Especially parents with one child have additional intentions (23 to 81%). Intentions drop quickly with higher family size, in all countries.

Intentions of parents also decline with increasing age. In addition, fathers, and parents with a youngest child below 6 years of age, those who live with their partner, have a high educational level (compared to those with a medium level), or think that religion is important, are more inclined to have another child. Values in life that have a positive impact on parental intentions are “living with your partner in harmony” and “striving for self-fulfilment”. Parents who attach importance to being appreciated and respected outside the family, less often say they want an additional child.
2.5. Reasons for not wanting another child

Most parents already have all the children they want, and that is for them the most important reason for not wanting any more children. In those countries where parents are least inclined to have additional children (less than 20% in the former East and West Germany, Poland, Belgium (Flanders), Romania, and Lithuania), all (except Belgium (Flanders)) report that they do not want any more children because they are worried about the future as well as because they fear that another child would cost too much. This combination of future worries and costs of children suggests that a problematic personal financial situation and poor prospects together form an important factor that discourages parents to have more children.

Among childless people, being single is the main reason for having no intentions to have children. This implies that once they have found the right partner they may change their intentions. The percentages mentioning this reason vary from 16 (Lithuania) to 56 (Hungary), with 21 in Poland and the former West Germany, and 33 in the former East Germany. Furthermore, childless people are, like parents, concerned about the future of their children, but they are more worried about their standard of living and their professional activities than about the costs of children. Moreover, they have concerns about not being able to enjoy life as much when children have arrived.

2.6. Expected number of children

Based on the respondents’ statements, the ultimately expected average number of children ranges from 1.39 in the former West Germany and 1.41 in the former East Germany to 2.34 in Cyprus. Estonia (2.05) and Hungary (2.01) come close to the replacement level.

There is, however, a difference in the ultimately expected number of children between parents and childless people. If parents are successful in realising the

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25 The ultimately expected number of children is the current number of children plus the additional intended number of children (mentioned by the respondent) at the time of the survey. Current pregnancies are counted as a child. For respondents who say they do not know yet whether they want another child, the current number of children is used to compute the mean number of children (intended number of children is 0 then). Consequently, as people who have doubts may change their mind in the future, the ultimately expected number of children given here is the lower limit.
number of children they plan to have, then the average completed number of children would be around or above replacement level in all the participating countries, except in the former East Germany (1.81). The expected number of children among parents in the other countries varies from 2.01 in the former West Germany to 2.86 in Cyprus.

Young (20-29) childless people have low expectations, well below the final number that parents plan to have and so below the replacement level (except in Estonia). Especially in Poland the expected number is very low (1.18). One should keep in mind however that these figures represent a lower limit as the group who says not to know yet whether they will have children, may decide to have children in the future. Many of them are (still) single, and may change their mind when they have a partner.

2.7. Childlessness versus large families

In general, having a family is more popular in the CEE countries than in Western Europe. Childlessness clearly is much less preferred in most CEE countries (6-13%) than in Western Europe (20-32%). This is a major difference between the eastern and western parts of Europe, with the exception of Poland and the former East Germany, where like in the west more than one in five people wish to remain childless. Other exceptions are the low shares of people preferring not to have children in the Southern European countries Cyprus (3%) and Italy (11%).

Relatively high shares wanting a large family (three or more children) are observed in Cyprus, but also in Finland, Poland, Hungary and the Netherlands. This share is particularly low in Germany, which (jointly with childlessness) explains why family sizes are relatively low there.

In most countries the two-child ‘ideal family’ is popular among a large majority. Among (still) childless people this is less frequent, but still the norm; also intentions to have a large family are lower among the (still) childless.

2.8. Preferences for family policy measures

In general, Europeans are not very satisfied with the current schemes of child allowance. While in most DIALOG-countries the amount of child allowance does not vary with the family income and/or rank/number of children (the higher the
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rank of the child or the larger the family, the higher the benefit), the majority of respondents prefers a means-tested scheme with a benefit level independent of family size. In addition, a large share of CEE citizens in general and the less educated in particular are not satisfied with the amount of child allowance they receive, which they evaluate as too low.

A large majority of Europeans, however, is satisfied with the current duration of parental leave. This holds for all the DIALOG-countries. The highest shares of people evaluating parental leave as too short are observed in countries where relatively brief leaves –between 5 and 8.5 months– exist (such as the Netherlands, Slovenia and Finland).

Improving existing family policy measures or introducing new measures would be welcomed by an overwhelming majority. In a few countries specific policy measures do not receive much support, such as child care facilities for school-going children (Estonia), an allowance at the birth of each child and better housing for families with children (the Netherlands), and a substantial decrease in the costs of education (Finland).

The three most supported (potential) family policy measures are improved parental leave arrangements for working women, lower income tax for people with dependent children and more and better opportunities for parents with young children to work part-time.

Clear East-West differences exist in preferences for specific family policy measures. While financial incentives for people with children receive strong support in the Eastern countries, measures to make work and family life more compatible and the extension of child-care facilities are more often preferred in the Western countries.

Younger people are more often in favour of financial incentives and this also holds for people with a lower to medium level of education, for parents in general and specifically for those with three or more children, and for people without paid employment. Leave and work arrangements and child-care facilities, on the other hand, receive more support from childless people, from women and single parents and, in case of child-care facilities, from parents with only one or two children.

When people are asked to rank the proposed policy measures, the highest priority is given to financial measures (especially a lower income tax for people
with dependent children, a substantial rise in child allowance and an income-dependent allowance for families with children), both in the Eastern and Western parts of Europe. Only childless people in the former West Germany, the Netherlands, Austria and Finland give a higher priority to compatibility measures and child-care facilities.

2.9. Perceived policy effect on fertility behaviour

During the interview the respondents were confronted with four statements asking about the expected impact on their reproductive intentions and behaviour from the introduction of new or improved family policy measures preferred by them (It would be easier for me to have the number of children I intend to have; It would enable me to have my next child sooner; I would reconsider the possibility of having a(nother) child, and I would probably decide to have a(nother) child).

The data show that new or improved family policy measures may have a potential effect on fertility behaviour, especially where it concerns fertility changes which have the least far-reaching consequences for people’s personal life (“easier to have intended number”). Among people intending to have (more) children, 47 (Italy) to 85% (Estonia) agree with the statement that introduction of preferred new or improved measures would make it easier for them to realise their desired family size. When people express that measures preferred by them would have an impact on the timing of their child, the percentages vary from 9 (Italy) to 65 (Slovenia and Estonia). Among people who do not want a(nother) child or who have doubts, between 11 (Italy) to 44% (Estonia) would reconsider their earlier decision after the implementation of their preferred policies, and 2 (Italy) to 35% (Estonia) indicate that they would most likely decide to have a(nother) child.

In general, CEE citizens perceive stronger potential impacts of new policy measures than other Europeans. The main exceptions are Hungary when it concerns family size and the timing of children, and Romania for family size. Inhabitants of Italy, Austria and the Netherlands perceive lesser possible effects on fertility.

The differences between parents and childless people are rather small or even non-existent. The only exception is observed with regard to the perceived effects on the timing of children. In all countries (except Slovenia, the (former) East and
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West Germany and the Netherlands) parents more often perceive possible effects than (still) childless people.

2.10. The potential impact of policies

An interesting finding is that among parents, those with one child are more likely to reconsider or change their behaviour based on new or improved policy measures, especially in Lithuania, Poland, and the former East Germany. In most countries, no significant difference exists between families with two or three (or more) children. Thus, there seems to be scope for policy measures targeted at single-child families.

Another observation is that financial measures seem to be most in need in a majority of countries, followed by improved parental leave arrangements. If the focus is limited to the priority mentioned first by respondents, the Romanian and Slovenian respondents prefer improving parental leave schemes and the Polish to lower income taxes for families with dependent children. In Finland the highest priority is an allowance for people who wish to care for their children full-time, and in the Netherlands a substantial increase in child allowances ranks first. In Germany the different attitudes in the eastern and western part of the country needs to be taken into account. In the Eastern part higher child allowances are most preferred while in the Western part a mixture of allowances for care-taking parents and lower income taxes ranks first.

A combination of different measures is also most preferred in the Czech Republic, Lithuania, Hungary and Austria. Both in the Czech Republic and Lithuania respondents have a preference for lower income taxes and better parental leave. The Austrians also opt for improved parental leave, but in combination with allowances for care-taking parents. In Hungary a combination of better housing for families with children and a substantial rise in child allowances ranks highest among the individual preferences.

It should be stressed that the policy measures mentioned above are ranked according to the perceived impact on fertility as indicated by the respondents; it goes without saying that the actual impact may be different from these individual perceptions. Nevertheless these outcomes may serve a useful role in the ongoing policy debate, also as they are illuminating the existing diversity in preferences across countries and segments of the respective populations.
2.11. Potential impact of policy measures on the overall fertility level

As mentioned before, 2 to 35 per 100 persons could be influenced by policy measures which they themselves identify as high priority, and could then have another child. The corresponding overall effect on total fertility would then range from 0.01 (Italy) to 0.27 (Lithuania) children, i.e. a rise of 1 to 27 children per 100 women. When interpreting these results one should keep in mind that attitudes and intentions do not give an exact estimate of (future) fertility levels. However, indicating that one might decide to have another child if preferred conditions would be met is revealing per se.

2.12. Conclusion

What lessons can we learn from the PPAs findings? The results indicate that there seems to be some potential scope for policy to change fertility behaviour, either by reversing further postponement behaviour (timing) or by increasing the number of children (size). Although the data have their limitations and the outcomes should be treated with caution, the possible ‘window of opportunities’ is as follows:

1. Europeans still highly value children;
2. Many Europeans do not perceive parenthood as an obstacle to achieve other goals in life, at least not when they have only one or two children;
3. There is a gap between desired and realised fertility;
4. A considerable number of people have doubts whether or not to have (more) children;
5. Among those without child intentions, a substantial share mentions other reasons (such as high costs of children, worries about the future of their children) than demographic (such as already having realised the desired number of children, having no steady partner) and health reasons;
6. Preferences with regard to the type of child allowance schemes deviate from current practice, i.e. a majority considers the level of child benefits as too low;
7. A considerable share of people state that their fertility behaviour might be influenced after the introduction of preferred new or improved policy measures. For example they might have an intended child sooner, reconsider an earlier decision not to have another child, or decide to have an(other) child.
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Also, governments might consider to direct family policies on the younger (still) childless age groups and, to a lesser extent, on one-child families. Child intentions are relatively high among these groups. Furthermore, voluntarily childless people are more often found in older age groups. The main reason why young childless people may not (yet) wish to have children is because of the lack of a steady partner. Older childless people more often indicate that they do not want to have children at all.

The highest shares of people who indicate that they may change their fertility behaviour are found among childless people and parents with one child; parents with two or more children hardly show indications to change their mind. It may, however, be difficult to persuade childless people through policy measures. The decision to become a parent has far-reaching consequences (such as irreversible changes in life style and consequences for other life domains, lifelong responsibility for others) more so than a decision to have an additional child.

The data also indicate that no single family policy intervention could reverse low fertility in Europe. What may work in one country may not work in another, because of a different social and economic context and variation in family policies in the past. The same holds for different population groups within a country. It should also be noted that other than family policy interventions, such as policies to stimulate economic security, labour market policies and housing policies, may also lower the threshold for (prospective) parents to have another child. The latter seems especially to be relevant for the CEE countries.

References


