

“Can policies enhance fertility in Europe?” and questions beyond

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The question posed in the title of the international conference organised by the Vienna Institute of Demography in 2007 seems to be increasingly on the minds of policy makers, the academic community and the public at large. This is understandable, given that throughout most of Europe, period fertility indicators have reached very low levels and countries are facing rapidly changing age structures along with the prospect of population decrease. The mixed evidence about the effect of existing policies aimed at influencing fertility and the growing number of countries throughout Europe pursuing such policies suggest that the question of whether policies can enhance fertility in Europe needs to be asked in conjunction with another question, namely whether it is worthwhile to pursue policies aimed at enhancing fertility, given the uncertainty of their outcome. This second question can be answered affirmatively, if policies contribute to having healthier, better educated future generations, parents can combine their work and family responsibilities more easily, these policies are fiscally and economically feasible and sustainable, respect all rights and freedoms and are coherent with the policies pursued in other domains. The last statement raises at least two additional questions.

What are the benefits and at what cost?

In view of the new demographic realities in Europe, it is often argued that doing nothing might be more harmful than taking policy action on the basis of incomplete information and erring in the process (see, for example, Špidla 2007). One of the assumptions behind such a position seems to be that family/fertility policies are good in themselves, so relatively little can go wrong. While agreeing that procrastination would be a mistake, I would argue that well-intentioned policies may sometimes have side effects that might (at least partly) overshadow their potential benefits. A classical example are parental leave provisions, one of the more widely used instruments of family/fertility policies.¹ In some European

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¹ It should be noted that parental leave (i.e. all leave provisions associated with the bearing and rearing of children) is not exclusively a subject of family/fertility policies, but also involves the domains of labour market and gender policies. Consequently, such provisions do not

countries, parents can take up to three years parental leave and are entitled to return to the same job. However, without adequate professional re-integration measures and provisions to meet employers' concerns, the leave could adversely affect the employability of women (who, notwithstanding all efforts to promote paternal involvement, account for 80 to 100 per cent of the time spent on parental leave) and undermine gender equality. Given the evidence that gender equality contributes to higher fertility in the current European context (Chesnais 1996; McDonald 2000), such policies could ultimately undermine their original goals. Hence some have referred to the gender effects of parental leave as a "poisoned chalice" or as a "Catch 22 dilemma" (see, for example, Moss and Deven 1999).

Two cases of newly introduced policies offer further evidence of situations where side effects could partially overshadow the potential benefits of increased birth rates. For example, research on the recent pro-natalist policies in Russia suggests that while new measures will significantly increase the birth rate in the short run, they could generate waves of large and small cohorts, thus exacerbating the irregularities in the age structure of Russia's population (Botev 2007). This will be the result of an 'interference effect', as the impact of the new incentives will, in the short run, coincide with an echo effect (the movement through reproductive ages of the large 1980s cohorts); then a birth dearth, driven by possible tempo changes generated by the policies, will coincide with the powerful negative growth momentum, which is building up in Russia as a result of one and a half decades of very low fertility. These side effects could have been avoided, or at least tapered, had the Russian government opted for a different timing of the policies and a different mix of measures (for more details see Botev 2007).

The other case pertains to some countries' efforts to influence the timing of births so as to reverse the trend towards postponing fertility and to increase period fertility indicators (see Lutz and Skirbekk 2005 for a more detailed discussion of tempo policies). These efforts are prompted by the fact that, in some countries, postponement has pushed the mean age of women at the birth of their first child to almost 30 years. An interesting attempt to influence the timing of births was made in Bulgaria, where this indicator was below 25 years of age in 2005. As part of a recently adopted *Law on Student Loans*, which *inter alia* aimed at improving access to higher education, the Bulgarian Government made provisions to cancel the student loans for university students who had a second child within six years after graduation. On the positive side, such a measure could help enhance human capital in the country as it is aimed at better educated parents. As mentioned earlier, it could also contribute to increasing period fertility indicators (or at least prevent a further decline of period fertility indicators due to postponement). On the negative side, early childbearing might imply that parents have a lower income and fewer assets and could impede efforts to address child poverty, which

necessarily (only) have pro-natalistic objectives, but can also aim at increasing the well-being of children, helping parents reconcile employment and family obligations, promoting women's economic independence and even tackling unemployment.

is a serious issue in many of the former communist countries (see UNICEF 2006). In fact, part of the difference between old and new Member States reported by the European Commission in terms of child vs. old-age poverty (see European Commission 2007) is probably due to earlier childbearing in the new Member States. In addition, while increasing the period indicators of fertility in the short run, lowering the age at birth will, in the long run, accentuate the effects of 'below-replacement' fertility on population growth, particularly in a setting like Bulgaria where the net reproduction rate is very low and the mean generational length is short. Finally, in a context where the move towards a more flexible life course is an exigency of longer-life societies, policies to influence the timing of births could introduce rigidities, which might interfere with the policies aimed at facilitating the flexibilisation of the life course.

The above examples demonstrate that policies aimed at influencing fertility have to be based on solid evidence and analysis if they are to be efficient and effective. Unfortunately, the need for carefully designed and implemented long-term population policies often falls victim to political expediency and the limited time horizon implied by election cycles. Moreover, the academic community often fails to provide timely and policy-relevant research and analysis that could guide the policy development process. These examples also lead over to the next question.

Is the best population policy to have none?

Some are still questioning the *raison d'être* of population policy (for a recent example see Lawson 2008). However, such viewpoints usually reduce this policy to coercive measures taken to influence fertility levels. Interpreting population policy more broadly as the "explicit or implicit measures instituted by a government to influence population size, growth, distribution, or composition" (Population Reference Bureau 2000, p. 61) makes such a question obsolete, as most countries in Europe already have in place policies that belong to this category (e.g., policies regulating migration, residence status and naturalisation). The question should thus read: *What is the place of population policy in the context of social and economic policies?* Though this issue is of interest to policy makers, it is, unfortunately, rarely tackled by the research community. One of the first to address it was Gunnar Myrdal, a Noble-Prize-winning economist who was part of both the academic and the policy-making worlds. In the 1930s, he argued that population policy would simply be "an intensification of the important part of social policy which bears upon the family and children" (Myrdal 1940, p. 205). One could go further and argue that population policy needs to become an integral part of modern social policies. This will allow governments to better formulate the objectives of this policy, better envisage implications for and ensure coherence with other policy domains and facilitate the choice of appropriate policy instruments.

This raises yet another question, namely how to ensure coherence between population policy and other policy domains, as policies to enhance fertility can only be effective and efficient if their objectives and means are coherent and consistent with the objectives and means of other policy domains. This is yet another issue, which policy makers are very much attuned to but researchers rarely address (as, by definition, this would imply an interdisciplinary approach and disciplinary boundaries are often difficult to cross).

How could policies help society to better accommodate the new demographic realities?

Finally, I would argue that the question of whether policies can enhance fertility in Europe needs to be asked in conjunction with how policies could help our societies to better accommodate the new demographic realities. Over the past centuries, most European populations experienced a long spell of demographic growth during which they not only increased numerically but also spilled over to settle at least two of the other six continents (Australia and North America) and contributed, in varying degrees, to the demographic profile of the other four continents. Now Europe is facing a period of negative population growth and the age pyramid of its populations most probably will never be 'pyramidal' again. This is the corollary of changes in reproductive behaviour, of shifts in morbidity and mortality and, last but not least, it is accompanied by intensified territorial mobility, specifically international migration.

It seems that we still find it difficult to come to terms with the width and depth of these changes. We still focus too much on how to 'beat' the new demographic realities back into the old social institutions and into our old notions of what population trends and patterns should be. Instead, the new realities call for a change of paradigm—the current premise that population trends have to be moulded to existing social institutions needs to be combined with a concern for ways to adapt the social institutions to the new demographic realities. While some of the processes and structures underlying these realities are malleable and can be influenced by policies, others are here to stay in the long run, so our societies need to change and adapt to them. In this context, the distinction between 'mitigation' and 'adaptation' policies, which Wolfgang Lutz brought from the global warming debate, is of particular importance in providing analytical clarity in the discussions on population policy (Lutz 2007). Lutz noted that policies addressing population ageing have focused almost exclusively on adaptation strategies, which take demographic change as given. He argued that "somehow mitigation strategies to population ageing are currently (still) considered terribly politically incorrect" (ibid, p. 21). Population ageing has certainly been an exception from the prevailing paradigm, as most of the attention in this case has focused not on reversing the process (as is the case with declining fertility levels, undesirable migration patterns or decreasing population growth) but on adapting the social security or health care systems to the changing age distributions. It

seems there are at least two reasons (in addition to political correctness) for this state of affairs. One is that population ageing is the corollary of changes in fertility and mortality (and hence mitigation policies as such are aimed directly at the individual components of population change). The second is that the debate on the policies related to population ageing was framed largely by economists, who turned it into one of the main battlegrounds between neo-liberals and Keynesians, and focused it primarily on social security reform (in particular the juxtaposition between public PAYG vs. private funded pension systems, while the underlying issue is how to better balance contributions and benefits, rather than whether to finance a pension system on a funded or PAYG basis, or whether to manage it privately or publicly).

Concluding remarks

It is difficult to provide a straightforward answer to the question posed by the VID's 2007 international conference. There are still important gaps in our knowledge and understanding of the causality underlying fertility trends. We also lack an adequate grasp of what would be the best policy instruments to influence reproductive behaviour. This contribution attempted to briefly address some of the questions that arise on the policy development side when it comes to enhancing fertility (including the place of population policy in the framework of social and economic policies, the need for coherence across different policy domains and a suggested change in the population policy paradigm). One aspect of policy development was only alluded to but merits further elaboration, namely the importance of solid evidence and analysis to guide policy formulation and the associated issue of interaction between policy makers and the research community in the policy development process. All sides agree on the importance and an increasing number of events and forums aim at serving as a platform for exchange between policy makers and researchers. Unfortunately, dialogue and exchange as such are difficult to achieve, as the two sides tend to speak different languages. Both sides will have to make an effort, if this is to change. The academic community needs to become better aware of the exigencies of the policy formulation process and get accustomed to presenting the results of its work in a more policy-relevant way. Among the changes needed on the policy makers' side is a higher capacity to handle research findings and to apply them when formulating policies.

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