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Implementation of the WGA work programme in 2015

Low fertility and population ageing in ECE region: Context and policy options in countries with very low fertility

Note by the secretariat

Summary

Low fertility is one of the major causes for population ageing along with rising life expectancy and migration. This note, based on a review of scientific literature and available data in the ECE statistical database, provides a brief overview on the context and policy responses to low fertility in ECE region. It draws also on research findings from the Generations and Gender Programme about the realization of intentions to have children over a life course. The note sheds light on the factors and motivations behind the choice of having a (or another) child, and the possible impact of policy measures on such decisions.

This note was used as a background for the ECE input to the United Nations Expert Group meeting on Policy Responses to Low Fertility held by the Population Division of the Department of Economic and Social Affairs of the United Nations on 2-3 November 2015.¹

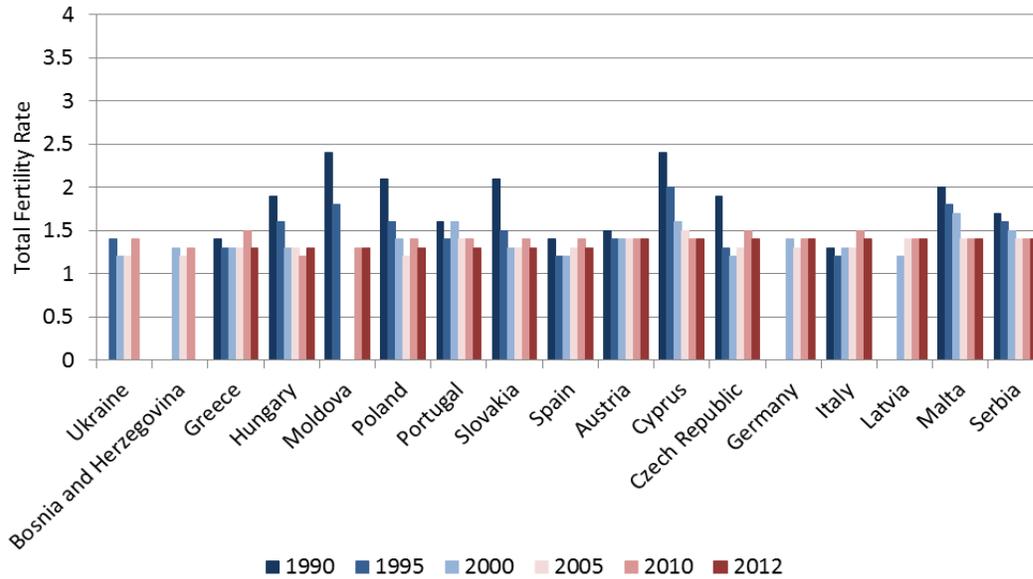
Overview

Progressive population ageing, low fertility and increases in the mean age of childbearing, as well as the increasing importance of net migration are characteristic for ECE region in the last decades. With a median age of population reaching 46 years in Germany and Italy nowadays, ECE region encompasses some of the oldest societies as well as countries with the lowest fertility rates in the world, along with some parts of Asia. Between 1990 and 2012 the lowest recorded total fertility rate (TFR)² among ECE countries was 1.1 (Ukraine, 2011-2012). In 2012, the majority (37 out of 56) of ECE countries had a TFR between 1.3 and 1.7 (see Figures 1 and 2). These low fertility levels have implications on broader social issues as they reduce family ties and transform intergenerational relationships. In particular, in ageing societies without a well-established care infrastructure a large share of the care work falls on informal networks. Such networks often consist of working-age women who have to care for several family members - children/grandchildren and older parents - at the same time (the so-called 'sandwich generation').

¹ <http://www.un.org/en/development/desa/population/events/expert-group/24/index.shtml>

² The *total fertility rate* refers to the average number of live births a woman would have during her reproductive years if she is to bear children at the fertility rates observed in a particular year or period. The *period total fertility rate (PTFR)* is based on cross-sectional data, usually presented for one given year. The *cohort total fertility rate (CTFR)* is the average number of births a woman would have during her reproductive life if her childbearing age pattern would be the average of all women born in the same year (i.e. the same cohort); it can only be computed after all women born in the same year have reached the end of their fertile period.

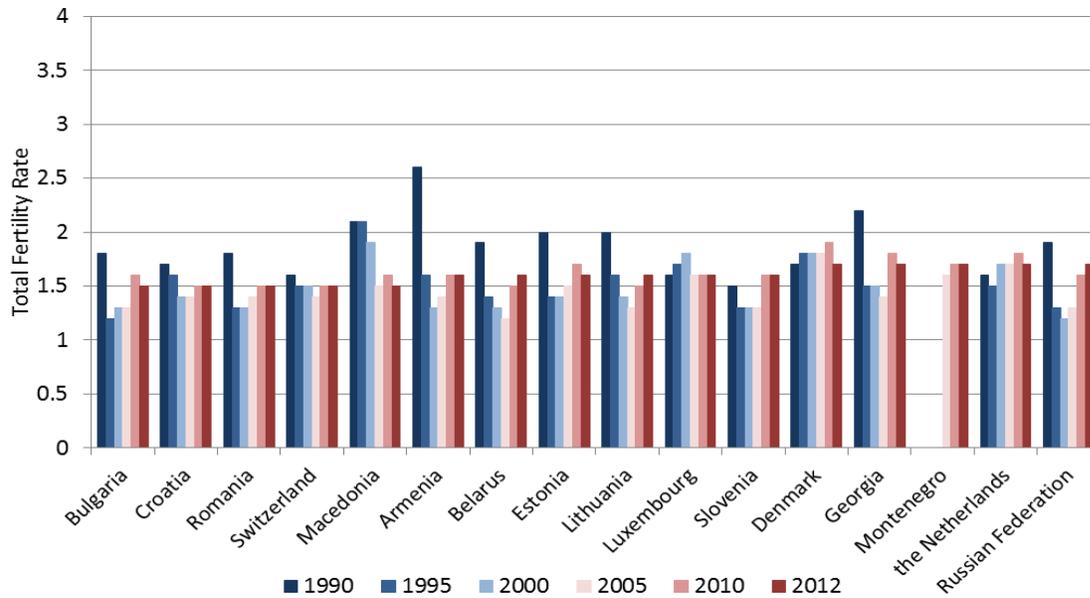
Figure 1. Total fertility rates in ECE countries with the lowest fertility*, by year



Source: UNECE Statistical Database (w3.unece.org/pxweb)

Note: Only those countries that had a TFR below 1.5 in recent years.

Figure 2. Total fertility rate in ECE countries with low fertility*, by year



Source: UNECE Statistical Database (w3.unece.org/pxweb)

Note: Only those countries that had a TFR between 1.5 and 1.7 in recent years.

Countries with persistent lowest fertility in the region have had a TFR of 1.3 or 1.4 for the majority of the period since 1990 or even before (e.g. Greece, Germany, Italy, Austria, Spain, Latvia). Another set of countries within this group has experienced such low TFR

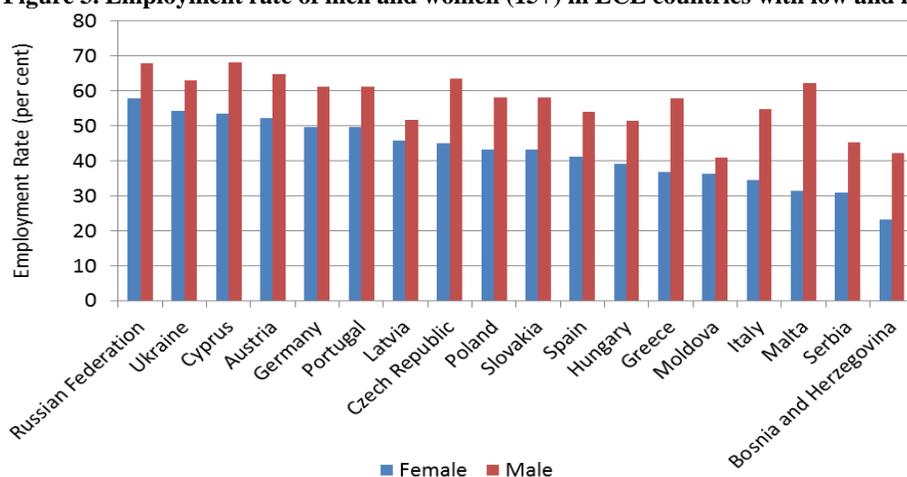
since about 2000 (e.g. the Republic of Moldova, Hungary, Cyprus, Slovakia). Currently the lowest TFR in ECE region is 1.3 in the following nine countries: Ukraine, Bosnia and Herzegovina, Greece, Hungary, the Republic of Moldova, Poland, Portugal, Slovakia and Spain.

For the latter group of countries, the socio-economic instability (economic transition, recent financial crisis, etc.) and high youth unemployment, in particular, may have added to uncertainty in individual life course planning. This could have resulted in the postponement of childbearing and lower period TFR. The lack of flexibility in work places or inadequate provision of childcare facilities and other family support measures are important factors as well.

Over the years, numerous policy measures have been introduced in a number of ECE countries aiming - implicitly or explicitly - to raise the fertility levels. These measures, however, seem not to have been comprehensive enough to cover all aspects of the life course that may influence the decision-making to have a (or another) child. They also may not have been able to reflect the changes in the modern society. Research indicates that not achieving egalitarian behaviour in the public and private sphere (or the incomplete 'gender revolution' (Puur et al. 2008, Goldscheider et al. 2010)) is among the main contributing factors to low fertility. Some societies, though advanced in socio-economic development, still hold rather traditional views on gender roles, especially regarding family relations and partnerships (e.g. Germany, Italy). Also, even though the parental leaves are a norm across the region, men are reluctant to use them in particular if no incentives for fathers to take up such leave are foreseen (e.g. Hungary, Greece, Spain, Italy, Russian Federation).³

In terms of egalitarian behaviour in the public sphere, low fertility countries like the Russian Federation, Ukraine, Cyprus and Austria where employment rates among women are above 50 per cent (see Figure 3) can be considered as quite advanced. In Germany, Portugal, Latvia, Czech Republic, Poland, Slovakia and Spain 40-49 per cent of women are employed while in other low fertility countries only 20-40 per cent women are in employment.

Figure 3. Employment rate of men and women (15+) in ECE countries with low and lowest fertility, 2010



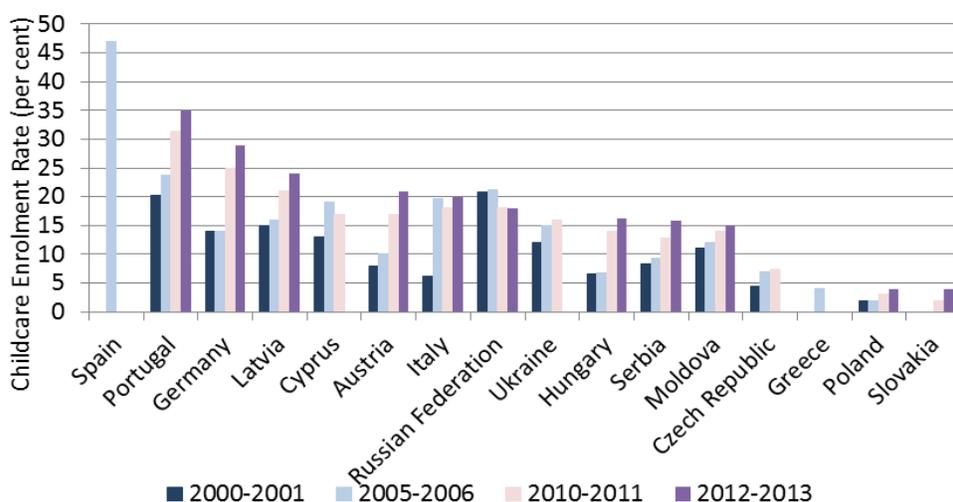
Source: UNECE Statistical Database (w3.unece.org/pxweb)

³ Some ECE countries have recently introduced certain bonus mechanisms for fathers to take the parental leave (i.e. Portugal and Austria). Also in a number of ECE countries there is a provision for a separate paternity leave (i.e. Finland, Lithuania, Norway, Slovenia, Spain, Sweden, etc.). For more details see *11th International Review of Leave Policies and Related Research* (2015)

Current research indicates that high female employment is associated with (close to) replacement fertility⁴ in the Scandinavian countries, given that there are supportive measures in place to balance the work-life conciliation and that men contribute to domestic work (Oláh and Bernhardt 2008).

Childcare provision reflects to some extent how the institutional setting accommodates work-life balance. In general, childcare enrolment of children under 3 years old has increased in the majority of ECE countries over the years (Figure 4). Spain and Portugal have the highest proportions of children under 3 years old that are enrolled in childcare (above 40 per cent), ranking relatively high also among other ECE countries. They are followed by Germany (29 per cent), Latvia (24 per cent), Austria (21 per cent), Italy (20 per cent), Hungary, Serbia (both at around 16 per cent), the Republic of Moldova (15 per cent). The Czech Republic, Poland, Greece and Slovakia have the lowest childcare enrolment rates (below 10 per cent) among the ECE countries with lowest fertility.

Figure 4. Childcare enrolment rate of children below 3-years old in ECE countries with low fertility, by year

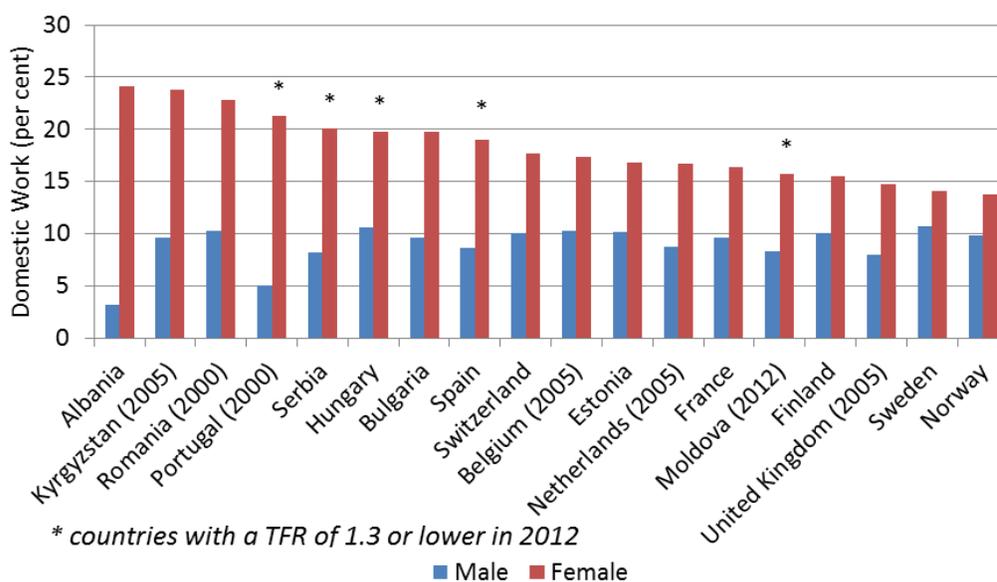


Source: UNECE Statistical Database (w3.unece.org/pxweb)

Time use survey data shows how much time men and women spend on domestic activities out of their total activities, giving a hint about egalitarian behaviour within couples or in the private sphere (Figure 5). Among the lowest fertility countries Portuguese, Serbian and Hungarian women spend relatively more time on domestic tasks, also compared to women in other ECE countries for which data are available. Spain ranks in the middle and the Republic of Moldova is closer to Nordic countries according to this indicator. Among the lowest fertility countries represented in Figure 4, the difference between men and women in time spent on domestic tasks has been highest in Portugal, with women contributing over four times more to domestic activities than men. In four other lowest fertility countries women's domestic workload is more or about twice that of men.

⁴ *Replacement fertility* refers to total fertility levels of about 2.1 children per woman. This is a theoretical value assuming that if replacement level fertility is sustained over a sufficiently long period, each generation will exactly replace itself in the absence of migration.

Figure 5. Domestic work proportion in total activities in selected ECE countries, by gender
(based on time-use survey data in 2010 or latest available year)



Source: UNECE Statistical Database (w3.unece.org/pxweb)

Specific policy measures in three country cases

Germany

Germany is a country with very low fertility and high childlessness since 1970s. Its fertility developments continue to differ between the eastern and western parts. The first shows somewhat higher birth rates, more child care facilities as well as higher female employment participation than the western part. Maternity leave in Germany lasts six weeks before the birth and ends eight weeks after the birth of a child, maternity allowance equals to mother's salary and the mother's job is kept during the leave. Parental leave can be taken up by either parent or jointly until the child turns three. Since 2015 parents can get an extra four months of parental benefits if both work part-time, thus creating incentives for sharing tasks more equally. Parental allowance is received in the amount of roughly 2/3 of previous monthly income, payable for 12 months for one parent or 14 months if both parents take joint leave for at least two months.

Since 2013, every child from age one has a legal right to a place in a childcare facility. Close to 96 per cent of children aged 3-5 are enrolled in childcare in Germany (with slightly higher proportion in the eastern part of Germany). Child allowance is €188 for the first two children, €194 for the third and €19 for each subsequent child and is paid until the child turns 18 or until the age of 25 if the child is in a vocational training course or is studying.

Russian Federation

In the Russian Federation very low fertility levels appeared at the beginning of the 1990s. Policy measures in response to low fertility were introduced in 2007 with major reforms. The bulk of these measures include monetary incentives. The maternity leave extends for 70 calendar days before and 70 calendar days after the birth paid at 100 per cent of average monthly earnings, calculated on basis of employment during 24 months before taking leave (not exceeding certain ceiling value). The parental leave is until three years after childbirth: this leave is a family entitlement, which can be taken by only one person. Until the child reaches 18 months the leave is partially remunerated (40 percent of average monthly

earnings during the two years preceding birth). There exists a small monthly allowance for the child after the age 3 for families with a third child, families with low income, unemployed single-parent families.⁵ Additionally, there are several one-time payments and privileges to women in military service, etc.

A maternal (family) capital subsidy (MC) for the birth of two or more children was introduced in 2007 and will run until 31 December 2016. It is administered by the Russian Federal Pension Fund which issues MC certificates to the qualified applicants. The right to receive MC is given only once. Since 1 January 2015, MC amounts to 453,026 roubles (USD 7,810 based on January 2015 exchange rate). The MC funds can be used only for prescribed purposes in three areas: improvement of living conditions, education of children and funding mother's pension. However, the latter two options are used rarely - over 90 per cent of MC is being used to improve the dwelling conditions of the family.⁶

Some further family support measures were introduced in 2010-2011, encouraging 85 regional governments to provide additional payments for care of a child between 18 and 36 months, use regional maternity capital subsidies and to promote having a third child by allocating free land after third childbirth, etc.

Republic of Moldova

The Republic of Moldova has an extended parental leave of 34 months which can be used by either parent or a grandparent or other relative any time until the child reaches 3 years. This leave is paid at a flat rate not linked to the family income. Due to the high share of children (about 30 per cent) not living with parents, the leave can be transferable to other child minders. Since 2015 it is possible for fathers to take a three day leave. The mother or child minder can take an additional unpaid leave to look after the child when the child is 3-6 years old. During this time this person has the right to work part-time or at home.

There is a means-tested assistance paid for children aged 3 to 16 under guardianship. A one-time birth grant is paid in the amount of 3100 lei for the first child and 3400 lei for each additional child (USD 198.60 and USD 217.80 at January 2015 exchange rate). Privileges to some sector representatives exist, e.g. women employed in military, allowances to single mothers, to families with three or more children, for taking care of disabled children.

Effectiveness of policy measures and possible actions

The analysis of Gender and Generations Survey (GGS) data,⁷ shows that the “social norm” in Europe still includes having two children (Sobotka and Beaujouan 2014). In the Russian Federation, for instance, intentions to have additional children seem to not have changed in the three subsequent waves of GGS (2004, 2007, 2011) (Basten at al. 2015). However, fertility intentions often remain unrealized. For example, in the case of the Czech Republic - 27 per cent of GGS respondents who expressed the intention to have a child in wave 1 of the GGS realized their intention by the second wave (GGP at a Glance, 2014).

⁵ Sinyavskaya, O., Kravchenko, Z. and Grigoryeva, I (2015) ‘Russian Federation country note’, in: P. Moss. (ed), 11th International Review of Leave Policies and Research (2015) at http://www.leavenetwork.org/lp_and_r_reports/

⁶ According to the Russian Federal Pension Fund report for 2014, it has issued since 2007 approximately 5.6 million maternal capital certificates for a total value exceeding 1000 billion roubles.

http://www.pfrf.ru/files/id/press_center/godovoi_otchet/godovoi_otchet_2014_1.pdf

⁷ Gender and Generations Survey (GGS) is a longitudinal survey of 18-79 year olds in 19 countries (17 ECE countries, Australia and Japan) that aims to improve an understanding of the various factors - including public policy and programme interventions - which affect the relationships between parents and children (generations) and between partners (gender). Respondents are intended to be interviewed in three waves with an interval of three or four years.

Despite policy measures taken up in several low fertility countries to help couples realize fertility ideals, these have not often had an effect to the expected extent or as fast. As was mentioned in the overview, the measures in many cases were not comprehensive enough. For instance, in countries where women's employment is high, often the institutional setting has not been adequately developed to provide the balance between work and private sphere for parents. More extensive childcare services might have a positive impact on childbearing patterns in countries that lack such services (Czech Republic, Greece, Poland, see Figure 4) as well as provision of such services at flexible hours and within convenient distances (Pelikh & Tyndik 2014). More countries could provide mothers with the opportunity to reduce working hours, for instance in order to breastfeed, as well as the opportunity to work part time beyond their child's early months either because of their child's age or disability (11th International Review of Leave Policies and Related Research 2015).

Traditional values regarding union formation and childbearing are still visible in many ECE countries. Hence much pressure is put on informal networks for care provision, which may influence childbearing decisions negatively – as according to research happens in Bulgaria and Italy for instance (Di Giulio et al. 2012). The improvement of the infrastructure for the care of older people is important, in particular in countries that rely heavily on family support (Italy, Georgia, Greece, Portugal, etc.). Countries with persistent low fertility and high childlessness also have a lower prevalence of grandchildren (Puur et al. 2011). This may lead to additional concerns regarding the well-being of older people, such as loneliness.

Recent decades have seen increasing diversity of relationships and family types in many ECE countries – e.g. more children born out of wedlock, more couples choose to cohabit or live apart together instead of marriage, and 'patchwork families' with step ties that may have varying needs emerge. Some countries have not taken these changes into account in their policy measures, even though alternative partnership forms have been spreading in the region already since the 1970s (Puur et al. 2012). By supporting such variations in family forms and individual life courses, fertility levels may increase.

A number of ECE countries focus strongly on material incentives – baby bonuses – which may tend to have a shorter-term impact on fertility rates and their effect may weaken or wear off in the longer term, as has been pointed out for the Russian Federation (Basten et al. 2015, Orlova 2015)⁸ and Germany (Rainer et al. 2013). The emphasis on long parental leaves has also been questioned: it may keep women from re-entering the labour force, as has been noted for the Republic of Moldova recently (UN Issue Brief 2015).

The low fertility levels are often associated with increased uncertainty. Uncertainty can manifest on the macro level – high youth unemployment or skill mismatch – as well as on the micro level – as disagreements within couples or as union instability. In Italy, for example, one study (Mencarini and Vignoli 2014) shows that paid work becomes detrimental to the stability of the union only if the male partner's contribution to unpaid work is limited, pointing to the importance of practicing egalitarian norms and behaviour in childbearing outcomes. In Austria, too, domestic work done by men has shown to influence couples' decisions towards childbearing (Testa 2012). The uncertainty is often more prevalent in emerging ECE economies that have experienced high emigration, which led to postponing family formation processes further or in the worst case to even leaving children behind, as has happened in the Republic of Moldova. The Republic of Moldova has also

⁸ Period total fertility rate (PTFR) increased in the Russian Federation after introducing new fertility-related policy measures in 2006. However, recent analysis suggests that the PTFR growth resulted predominantly from the recuperation of births that were being postponed and some future births that might have been advanced and therefore the rise in cohort fertility seems to be unlikely. Also the PTFR data for 2006-2013 show that annual fertility increases are weakening over time (Basten et al. 2015).

very high secondary infertility: one in five women who have had one child are unable to have another (UN Issue Brief 2015).⁹

With family forms and gender relations changing, population-related policies need to be more people-centred and correspond to changes in modern society. This is a key message also in the ECE report 'ICPD Beyond 2014: The UNECE Region's perspective' (2013) which addressed fertility and family-related policies at length based on the reports submitted by ECE member States for the review of the 20 years of implementation of the Programme of Action of the International Conference on Population and Development (1994, Cairo).

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⁹ Some 30-40 per cent of such secondary infertility cases result from sexually transmitted infections (UN Issue Brief 2015)

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