

Fertility Trends and Determinants in OECD Countries: the Role of Policies

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Fertility at, or below, replacement level now characterizes 64 countries with populations totalling 44 per cent of that of the world. Many of these countries have total fertility rates below 1.5, and some have recorded below-replacement fertility for decades. The between-country and within-country variation in levels of fertility rates are the outcome of complex relationships between individual behaviours (across social groups, e.g. income, education, religion) and the social and historical context. Values and norms of a society, the result of its country-specific history, determine the social environment in which individuals act, leading to adjustment of their behaviours to the opportunities and constraints of the society to which they belong. Thus fertility affects, and is affected by, multiple factors. If policies may raise fertility (at least to some extent) it is also true that economic security plays an important role. It is plausible that fertility levels are affected for example by perceived employment security, security of person and property, and security of health (e.g. security measures might induce changes in the organisation of society which bear upon fertility decisions). These potential links might operate either directly or indirectly, via the ways in which changes in these factors influence the organisation of society.

The approach that we will use seeks to provide an analytical framework to explain observed fertility behaviour, past and present, with emphasis on socio-economic considerations. In this sense, the purpose of the paper is to extend the understanding of fertility and fertility-related behaviours in different ways: first, by explaining recent developments in fertility and their relationships to other social changes; second, by developing and testing new and expanded models to explain variation in fertility rates due to labour market institutions, social and tax policies, and individual characteristics; and, third, by exploring which variations on particular variables at micro and macro levels can be originated through policies that may have an impact on fertility rates. The starting point is the review undertaken by Sleenbos (2003) as well as other recent publications (European Foundation, 2004; Castles, 2004; Council of Europe, 2003).

Some of the questions we would like to answer are: Is fertility decline a temporary phenomenon? Has the change in fertility behaviour affected all women in a similar way? What are the socio-economic implications of fertility decline at macro and micro level? How can we explain the decline in fertility and its persistent low level? How and under which circumstances can public policy impact on fertility when it is too low? What do we know about the repercussions of various policies and, more specifically, family-friendly and fiscal policies on fertility levels? In answering these questions we proceed in the following way.