

Wearing Out the Work Ethic: Population Ageing, Fertility and Work–Life Balance

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Abstract

In response to population ageing, the UK intends to increase female labour supply. To this end, the Chancellor has announced a ten-year strategy designed to allow parents to combine work with family responsibilities more easily. The policies proposed centre on extending parental leave and childcare provision, while promoting greater flexibility in employment. While these policies may improve labour supply in the short term, this article looks at their implications for fertility, which if negative may reduce the labour supply in the longer term. Recent demographic studies suggest that measures which allow women more readily to combine childbearing with paid employment may also stabilise or improve fertility rates, so mitigating the trend to population ageing. However, the evidence is not conclusive, for relationships between female employment and fertility are complex and context dependent. The article suggests several factors that might therefore merit further consideration. These include gender inequities in the domestic division of labour, long working hours and a re-evaluation of unpaid work in the home. Enthusiasm for the work ethic may have to be balanced by a more explicit acknowledgement of a care ethic.

Despite heated and sometimes polemical debates among demographers, on one fact they all agree. In societies which have moved from high to low rates of mortality and fertility, the population structure will age over the next decades; this process is already underway and is now irreversible (van Imhoff and van Wissen, 2001). In the EU, the dependency ratio – the population aged 60-plus as a percentage of the population aged 20–59 – increased from 29.3 in 1960 to 40.6 in 2003 (Eurostat, 2004, Table C-8); it has been projected to rise to 66.0 by 2050 (Razin *et al.*, 2005). The main factor driving population ageing is low fertility. For the EU, the Total Fertility Rate (TRF) in 2002 was 1.47, a rate characterised as ‘very low fertility’ (Kohler *et al.*, 2002) and certainly well below the replacement rate of 2.1. Very low fertility rates if persistent imply long-term population decline: in several cases (Austria, Greece, Italy and Spain) perhaps to as low as one quarter of current population over the course of the century (Castles, 2003: 210–211).

In the UK, 16 per cent of the population was aged 65 or over in 2003 – about average for European countries; this was projected to rise above 23 per cent by

2031 (Tomassini, 2004). There were 3.34 persons of working age for every person of pensionable age; after a brief rise due to an increase in women's pension age, this 'support ratio' is projected to fall to 2.30 towards the middle of the century, and to 2.15 thereafter (Shaw, 2004: 14). The UK's TRF was 1.74 in 2003; higher than the EU average but still some way below replacement rate. Though population is projected to grow some 6 million by 2031, this will be mostly attributable to net migration (estimated at 130,000 per annum) and includes the positive effect on fertility of a younger migrant population; only 16 per cent of projected growth is attributable to natural increase without migration (Shaw, 2004). Given low fertility, the proportion of the population aged 65 or over in the UK is projected to rise after 2031, reaching 30 per cent by 2071; given high fertility, the proportion aged 65 and over levels off at about 24 per cent.

The fact of ageing population is beyond dispute, but its implications are contested. Concern has focused on whether societies can sustain welfare states given increasingly adverse 'dependency ratios' (cf. Razin *et al.*, 2005). However, this issue may relate more to how pensions are funded than to whether the resources will be available to meet dependency needs. Pay-as-you-go and funded pensions systems create fiscal externalities with adverse effects on fertility and population age profiles; such systems could be better designed (von Auer and Büttner, 2004). Increased spending on retirement and health may be affordable even on modest assumptions regarding growth in per capita income; indeed, Fogel (2000) suggests that such spending will reflect consumer preferences and fuel economic expansion in the twenty-first century. Thus, an ageing population may not prove such a 'burden' on government expenditures, provided that states can put their financial systems in order. Given that proviso, it is perhaps not surprising that governments prefer to focus on other problems raised by population ageing.

One important concern is raised by the implications of a reduced labour supply for economic production and growth. Competitive societies have generally been those with ready supplies of labour, sustained through increased labour market participation, natural population growth or substantial immigration. Countries which can sustain their labour supplies over the next few decades may prove more competitive than those experiencing major declines in labour supply (McDonald and Kippen, 2001). Long-term prospects for modern economies may therefore depend on the ability of governments to anticipate and obviate labour supply problems posed by the ageing of their populations. The UK has been characterised as a country with moderate fertility, low immigration and low labour force participation, destined on this basis to suffer 'a substantial and sustained decrease' in labour supply over the period to 2050 (McDonald and Kippen, 2001: 17). Assuming only marginal increases in fertility are likely, McDonald and Kippen argue that future labour supply must depend on higher net immigration and large increases in labour market participation among women

over 25 (and older men). Skepticism regarding the prospects of reversing fertility decline or improving age ratios through large-scale immigration (Bledsoe, 2004) have prompted others too to put their faith in increased labour market participation (van Imhoff and van Wissen, 2001).

The UK Government hopes to improve labour supply by securing higher levels of economic activity, particularly among women. Further increases in retirement age for men and women have been mooted (an increase to 71 years would do the job). Opting meantime for a more politically palatable option, the Government hopes to increase the female labour supply through measures to facilitate the combination of work with family life. In its 2004 Pre-Budget Report it set out a ten-year strategy aimed at ‘helping parents move into work and training’ (HM Treasury, 2004a: 93). The first steps (cf. HM Treasury, 2004b) involved increased funding for childcare:

- Flat rate leave entitlement pay increased to £106 from April 2005 (Statutory Maternity Pay, Maternity Allowance, Statutory Adoption Pay and Statutory Paternity Pay).
- The childcare element of Working Tax Credit increased to £175 for one child and £300 a week limit from April 2005, with the proportion of costs reclaimed rising from 70 per cent to 80 per cent by April 2006.
- Employers’ administrative and service charges for nursery provision to be exempted from tax and National Insurance Contributions from April 2005.

In its 2005 Budget (HM Treasury, 2005: 103) the Government also undertook to increase the child element of the Child Tax Credit at least in line with average earnings at least until 2007–2008.

Later steps in the ten-year strategy envisage:

- Nine months paid maternity leave from April 2007.
- Twelve months paid maternity leave by the end of the next Parliament.
- Fifteen hours a week of free high-quality care for 38 weeks for all three–four year olds by 2010 (rising to 20 hours).
- Out-of-school childcare places from 8 a.m.–6 p.m. for all three–14 year olds by 2010.

Overall, the Government proposed to increase childcare places by 1 million by 2010 and improve the quality and affordability of childcare provision. In a gesture to gender politics, the Government also proposed giving mothers the right to transfer a portion of paid leave to the father of the child. Consultation was promised over the extension of the right to request flexible working arrangements (currently enjoyed by those with children under five) to parents of older children and carers of sick and disabled relatives.

Despite the rhetoric of extending choice to parents, these proposals were primarily intended to increase the labour supply. Introducing the measures in

the Commons, the Chancellor argued that ‘in the coming decades as populations age and the dependency ratio grows, the most successful economies will be those who encourage the maximum number of people of working age into the labour force’ (Brown, 2004). The emphasis on employment was also justified by the Government’s determination to tackle child poverty and its assumption that this can best be done by encouraging parents to take paid employment. The parental choice of not working in the labour market was acknowledged, but only ‘to stay at home at the start of their child’s life’ (Brown, 2004). Otherwise parental responsibilities were to be recognised primarily through childcare provision and more flexible working arrangements.

The Chancellor boasted of having ‘the strength to take the long-term decisions for Britain’. How well does the ten-year strategy measure up to the challenge of population ageing? One of the key issues to consider is the connection between labour supply and fertility. If greater female participation in the labour market were to lead to further declines in fertility, then this strategy may even exacerbate the problem of population ageing in the longer term.

Labour supply and fertility

Can the female labour supply be improved without prejudice to fertility rates? Fortunately for the Chancellor, there are some grounds for optimism. The traditional relationship between female employment and fertility is that as employment rises, fertility falls. But it now looks as though the traditional relationship can be inverted. Some demographers suggest that growth in female employment can be combined with a recovery in fertility rates. In France (broadly comparable with Britain, according to McDonald and Kippen) fertility rates recovered strongly from the mid 1990s and have exceeded a TFR at 1.8 (Prioux, 2003). Fertility has become positively associated with female employment in cross-national comparisons where previously the relationship was negative (Castles, 2003; Rindfuss *et al.*, 2003; Billari and Kohler, 2004). The evidence is not clear-cut: other studies (Engelhardt *et al.*, 2004; Kögel, 2004; Engelhardt and Prskawetz, 2004) suggest only that the negative correlation between fertility and female employment has weakened. That a positive role for policy remains a suggestion rather than a fact (Mason, 2001) reflects the general difficulty of finding longitudinal data on ‘family-friendly’ policies (such as financial support for families, childcare provisions or work-time arrangements) sufficiently comprehensive to warrant firm conclusions about policy effects. Using cross-sectional OECD data on policies to promote female employment, Castles (2003) did find positive associations between fertility and formal childcare provision for children under three. In the case of formal childcare provision for the over threes, however, the relationship with fertility was negative: high levels of provision were associated with lower levels of fertility (Castles, 2003: 222).

This indicates that any relationship between childcare provision, employment and fertility is far from straightforward.

Even so this suggests that some policy interventions can allay if not reverse the traditional relationship between fertility and female employment, most likely through judicious use of just the kind of ‘family-friendly’ strategy espoused by the Government. The four Nordic countries where fertility recovered somewhat during the 1980s combined high levels of female employment with a strong push to expand publicly provided childcare places. The Nordic countries generally offer extensive support for dual-earner families through a combination of childcare and eldercare, various forms of parental leave and care entitlements (Crompton and Lyonette, 2004). In Finland, for example, universal childcare developed from the 1960s, associated with high levels of maternal full-time employment. Though childcare provision in Norway developed somewhat later, it increased rapidly during the 1990s, heading for universal cover by 2005.

Given the prospect of a ‘win-win’ policy response to population ageing that simultaneously expands labour supply and promotes fertility, it is striking that the Chancellor focused so exclusively on the former and failed to mention the latter. Although mooted in the early 1990s (Heitlinger, 1991), an alliance of gender equity and pro-natalist policies is perhaps too contrary to appeal to politicians. There is a presumption too that pro-natalist policies are ineffective or prohibitively expensive (McNicoll, 2001b: 142, 152); Demeny’s conclusion (in 1986) that the effects of pro-natalist policies ‘are nil or negligible’ generally remains unchallenged. Though pro-natalist policies in communist Eastern Europe had a discernable impact, raising fertility rates by about 20 per cent (Frejka and Ross, 2001), these are policies thought not to be widely replicable elsewhere. In the UK, pro-natalist policies are associated with the eugenic programmes of fascist regimes; perhaps also they evoke echoes of the country’s own flirtation with eugenics in the not so distant imperialist past (cf. Harrod, 2001; Brown, 2003). Such social engineering is no longer in vogue and population policies of any sort fit ill with the contemporary rhetoric of personal or parental ‘choice’. Thus, it is entirely legitimate for a government to try to increase the labour supply, but to try to increase the birth rate is another matter. Though authoritarian Singapore may switch in short measure from anti-natalist to pro-natalist policies, the Western democracies are reluctant to follow suit. Yet follow suit they must if fertility rates do not recover of their own accord; Caldwell (2004) predicts that most governments will intervene eventually, even at considerable cost; decline in population is ‘likely to elicit a strong political response, necessarily with significant legal and administrative implications’ (McNicoll, 2001a: 138). Meantime, the UK Government may hope to have its cake (an increased labour supply) while surreptitiously eating it too (with higher fertility). Likewise, explicitly pro-natal policies are rejected by most European governments, while pursuing work–family policies which they hope may raise fertility as a desired side-effect (Demeny, 2003).

However, there may be some virtue in making fertility goals explicit rather than implicit. If governments want to obviate or mitigate the effects of population ageing, then they must consider the implications of work–life balance policies for fertility as well as labour supply. There are ample grounds for caution in considering the demographic implications of ‘family-friendly’ policies.

Demographic transitions

In the first place, there are the doubts voiced by demographers themselves over the state and purchase of demographic theory. Pride of place in demography undoubtedly belonged to the concept of ‘demographic transition: the long-run shift from high to low rates of mortality and fertility in modern societies’ (Burch, 2003). The general idea is that as mortality declines, fertility follows suit until a new equilibrium is reached at replacement rates around 2.1. But this account has been complicated by a ‘second demographic transition’ to below-replacement fertility in industrialised societies. The extent to which this reflects delays in the ‘tempo’ of childbirth (when women have children) rather than a final diminution in the ‘quantum’ of completed births (how many children they have) is still uncertain. Lesthaeghe and Willems (1999) speculate that fertility ‘recuperation’ at later ages (as women who delayed having children catch up) is unlikely to offset the earlier postponement of childbirth. If so, the low/very low fertility rates in the EU are unlikely to prove temporary. For fertility rates to recover, women who are currently fertile would have to change their reproductive behaviour markedly (Frejka and Calot, 2001).

As Bacci remarks, ‘demography suffers from an inflation of “transitions” used as a synonym for “change”’ (2001: 282); Bacci suggests that the conceptualisation and analysis of a single demographic transition (with variants in terms of onset, phasing and so on) is more than sufficient challenge. However, the whole language of ‘transition’ has become suspect, given that demographers are no longer confident about what end-state is supposed to result. The earlier presumption of a replacement equilibrium was inspired by the persistence of preferences for ‘ideal family size’ at or around replacement levels. However, there are significant disparities between ideal, intended and expected family size, reflecting adjustment of expectations and behaviour to real-world constraints (Bachrach, 2001; Quesnel Vallée and Morgan, 2003). Moreover, preferences regarding ideal family size may be catching up with behaviour: they have now fallen to as low as 1.7 among young people in German-speaking parts of Europe (Goldstein *et al.*, 2003). This makes it hard to be confident about fertility trends.

Factors affecting fertility

Nor can we be confident about the factors which affect fertility decline. Chesnais (2001) attributes the general decline in fertility to a wide range of factors:

- the decline in infant mortality
- urbanisation of the population
- rise in female literacy
- more tolerance of diversity
- growth of a consumer society
- individualisation (or 'atomisation')
- technological extension of choice over childbirth

Bongaarts (2001: 278) confesses that so many factors influence fertility that it is 'virtually impossible to draw firm conclusions'.

Explanations of fertility decline often emphasise economic factors (for example, that children in modern societies have become a cost rather than an asset) allied to changes in individual value choices made possible in part by greater technological control over conception and legalisation of abortion (Presser, 2001). The choices available to women have changed dramatically. By contrast with earlier generations, women now have opportunities in education and the labour market which make the opportunity costs of having children more significant. Economic activity rates among mothers have increased rapidly in all industrialised societies. In the UK, the proportion of mothers who have children under five and who are in paid employment rose from 15 per cent to 57 per cent in the four decades to 2001, the most rapid rise occurring in the last two decades. By 2001, among mothers whose youngest child was under 11, almost three in four (74 per cent) were in paid employment; of those with a child under 16, the figure rose to almost four in five (79 per cent). In the Nordic countries, which have gone furthest in perceiving people as individuals and citizens independent of family or partnership status, earning one's living has become an expectation of women rather than a choice. In short, children have become more expensive, birth control has become more reliable and women now have better things to do.

Demographers detect a shift away from 'traditional' family values towards other values, notably individual autonomy and self-fulfilment. For example, Liefbroer (2003) found that young adults who valued autonomy and 'hedonism' were more likely to delay marriage and parenthood than those valuing a 'bourgeois' family lifestyle. Surkyn and Lesthaeghe (2004) using European Values Survey data for 1999–2000 found that 'non-conformist' values underpinned a whole range of changes in behaviour – prolonged single living, premarital cohabitation, parenthood within cohabitation, later marriage, and more divorce – which have contributed to the delays or even diminution in childbirth resulting in the 'second demographic transition'. Here too, however, factors previously associated with lower fertility (such as cohabitation and divorce) may have recently 'reversed' their effects (Billari and Kohler, 2004).

Demographic theory tends to identify the forces promoting demographic transition as largely socioeconomic in character and casts an active political role

for the state only in counteracting its effects (McNicoll, 2001a). At least one variant, though, does identify social policy as a critical catalyst for demographic transition. This argues that welfare states have decisively altered the balance of inter-generational transfers by socialising the costs of old age; individuals may now benefit economically by having none or fewer children than average, while still benefiting from the economic activities of the next generation in their old age: an 'inequitable system of transfers' that according to Bacci (2001: 287) produces 'negative fertility drift'.

One problem in assessing factors affecting fertility lies in dependence on cross-sectional data or single case studies; as in other disciplines, demography has trouble in devising effective methods of identifying causal explanations of change. The problem is compounded by an inclination to look for single causes predicated on individual correlations, in a context which is clearly multi-factorial and historically contingent. When other factors are controlled for, the individual relationships identified may simply disappear. For example, investigating a correlation between fertility and maternity leave through a study of 22 industrialised countries over the period 1970–1990, Gauthier and Hatzius (1997, cited in Røsen, 2004) found that maternity leave had no effect on total fertility rates once other factors were taken into account. In any case, aggregate data may be a poor guide as to how an individual behaves, as individual behaviours may differ widely from the average.

The effects of particular variables on fertility are context dependent, making the impact of policies hard to gauge. For example, the effects of rising female employment on fertility may depend on changes in contraception, work-time flexibility, attitudes to women working or levels of family support. Analysing relationships between female employment and fertility in developed countries for 1960–2000, Engelhardt and colleagues (2004) found causality operated in both directions and that exogenous factors – social norms, institutions, financial incentives, contraception – had an impact on both variables. Rising female employment may reduce fertility rates in some circumstances, but increase them in others. In a more 'traditional' context, women may be diverted from motherhood to earn income or forge a career. In a more 'modern' context, female employment may afford the resources required for childbirth to proceed; employment provides 'the security, stability, and recognition needed when the decision to have a child is taken' (Bacci, 2001: 288), while female unemployment inhibits fertility. In Sweden, for example, employment is seen as a precursor rather than an obstacle to childbearing (Nilsson and Strandh, 2004), so tightening the relation between economic security and fertility; indeed, Kalwij (2003) has argued that the liquid assets of a household are positively and significantly related to the probability of conception. Perhaps as a result, the recovery of fertility rates in Sweden, which excited so much attention among demographers, did not survive the economic recession in the 1990s. Fertility fell dramatically from 2.1

(about replacement value) in 1992 to about 1.5 in 1997, a fall attributed in part to rising unemployment and falling incomes among those with lower educational attainment (Røsen, 2004). Generous family policies in Sweden (themselves cut back) were not sufficient to protect childbearing from the vagaries of the economic cycle.

In Eastern Europe, where fertility has generally fallen fast since 1990, Sobotka (2003) found that postponement of childbirth was most common in those countries most successful in offering new opportunities to young people. The availability of employment was less significant than how opportunities were structured. Thus Kantorová (2004) found that the changing institutional environment was important in mediating the effects of education and employment on fertility in the Czech Republic. Under state socialism, the labour market was relatively inflexible; interruptions to employment for childbearing had little effect on female wages or career advancement, which were governed by rigid institutional regulation. During the transition from state socialism, educational differentiation became important as an avenue to opportunities in a more flexible labour market; and women with higher qualifications began to forgo or delay childbirth in order to take advantage of them. Meantime, family policies made it much more difficult to reconcile paid work and childbearing, especially for children under three (Kantorová, 2004: 264–265).

Cross-national studies may suggest a uniformity of experience which masks significant regional disparities. When Nordic countries are compared, significant differences emerge in both the timing and characteristics of demographic transitions: fertility rates started to recover in Norway and Sweden before Denmark, for example, while Swedish rates were more prone to fluctuation (Andersson, 2004). Finland experienced a rise in fertility in the mid 1970s and early 1980s, followed by a fall in the mid 1980s (Røsen, 2004). Within-country differences are also significant; for example, Franklin and Plane (2004) identified strong regional differences in birth rates between North and South Italy. In parts of Italy and in Germany, fertility rates have fallen below 1.0. Cross-national differences explain only about two thirds (70 per cent) of regional variations in fertility (Duchêne *et al.*, 2004).

Given the paucity of data at the regional level, policy impacts are hard to identify. Consider the effect of variations in childcare provision on fertility. A study by Hank *et al.* (2004) examined differences in East and West Germany over the period 1996–2000; they found that public day-care had a positive effect on fertility in the East but not in the West, where only informal care by grandmothers had an identifiable effect. A study of variations in the cost, supply and quality of childcare in Sweden (Andersson *et al.*, 2004) found little evidence of any regional impact on fertility; what impact was identified was unexpected, as higher childcare costs and lower quality apparently *increased* second-birth rates, while poorer provision was associated with *more* third births.

The authors speculate that the high overall level and quality of childcare provision in Sweden 'easily cushions' minor deficits in local infrastructure. However, the interaction of national and local factors clearly complicates the impact of childcare provision.

Given these problems, it is perhaps not surprising that demographic theory has been subject to some searching criticism in recent years. In its classical exposition, demographic theory 'emphasizes socioeconomic development and modernization as causal forces' (Hirschman, 2001: 117), though with some allowance also for processes of cultural diffusion. Critics have questioned the emphasis on economic variables (including individual preferences) to the exclusion of psychological analysis of choice and sociological analysis of learning and cognition (McNicol, 2001a). As Haaga (2001) observes, we need to know where preferences come from; the fertility decisions of individuals and households cannot be reduced to some kind of economic calculation. Hobcraft (2004) complains that demographers focus on analysing factors affecting fertility rather than explaining how people become parents. As Stromheier (2002) suggests, demographic data often represent the accumulated 'sediment' of private actions; they indicate possible associations but do not explain how and why people behave as they do. Yet efforts to incorporate more qualitative psychological and sociological work in demographic analyses (von der Lippe and Fuhrer, 2004) are comparatively recent.

Gender equity

One way or another, explanations of fertility have to account for the actions of the main protagonists: men and women. In recent years, attention has focused on the female side of this equation, and especially on the implications of gender equity for women's aspirations and behaviour. Gender equity figures in explanations of lower fertility (as women become more educated and career-minded) and higher fertility (as more women combine parenthood and employment). McDonald (2000) argues that its effects differ depending on whether gender equity affects mainly individualised educational and employment opportunities, or the social organisation of family life. Fertility has fallen furthest in societies where gender equity has advanced in education and employment, while lagging behind in family and family-oriented institutions; hence the very low fertility of the South Mediterranean countries such as Italy where women want to (or have to) work but family structures and practices remain very traditional. A comparable account of prospective parents thwarted by limited institutional supports has been offered of low fertility in Germany (Stromheier, 2002). By contrast, the improvement of fertility rates in the Nordic countries in the 1980s was due at least in part to modernisation policies to support women wanting to combine employment with childbearing. Given all the problems of demographic explanation noted

above, however, the jury is still out on whether and how gender equity impacts on fertility rates.

Family-friendly policies

Let us return to Labour's ten-year strategy. If this is to secure labour supply in the longer term by avoiding adverse effects on fertility, then probably its best bet is to take care to improve gender equity in the family as well as in education and the labour market. But do 'family-friendly' policies contribute to gender equity? Recent studies suggest that family-friendly policies may exacerbate the problem (Hakim, 2004; Jacobs and Gerson, 2004). Though policies promoting parental leave, childcare provision and flexible working should improve gender equity, they may be counter-productive if they reinforce rather than reduce differences between male and female work preferences and patterns. While childcare provision allows both parents to work in the labour market, parental leave and flexible working generally allow one parent not to. If that parent is always or mostly the mother, then these policies may reinforce gender differences both at home and in paid employment. There are several ways in which this risk might be obviated or mitigated through policy.

One is to recognise that parents respond in different ways to the pressures that they face. In a study of second births in the USA, for example, Torr and Short (2004) found a U-shaped relationship between the domestic division of labour and transition to a second birth, with both traditional and modern housework arrangements positively associated with fertility. Comparing Britain and Spain, Hakim (2003) suggests that women have different 'preferences' for work, which affect both their work orientations and their responses to external constraints, whether financing a mortgage or bearing children. Policy need not accommodate different preferences, but it will probably prove inappropriate and ineffective if it does not recognise them.

Second, consider the domestic division of labour in the home. In a study of work-life 'imbalance' among dual-earning couples in five European countries, Crompton and Lyonette (2004) found that couples in the Nordic countries reported significantly lower levels of stress than in France, despite comparable levels of childcare. Levels of stress in France were similar to those in Britain and Portugal, where levels of childcare were much lower. Crompton and Lyonette note there is a relatively traditional domestic division of labour in France, where efforts to improve gender equity in the labour market have not been matched by similar efforts in the home. The domestic division of labour has remained 'gendered' by comparison with the other countries studied, including even Britain, where lack of childcare provision has obliged men to shoulder more domestic responsibilities to allow their partners to work. In the Nordic countries, some effort has been made to alter gender expectations regarding the domestic division of labour.

These countries generally offer generous leave entitlement (of about a year) at generous compensation rates (about 80 per cent of income) on a gender-neutral basis (Pylkkänen, 2004). Measures have been taken to encourage fathers to take leave. In Norway, for example, a 'daddy quota' was introduced in 1993, reserving four weeks of extended parental leave for fathers; as these cannot generally be transferred to the mother, these weeks are forfeited if not used. This incentive was sufficient by 1996 to encourage almost 80 per cent of fathers to take leave, while the proportion of fathers sharing common parental leave trebled from a miserable 4 per cent to a slightly more respectable 12 per cent (Røsen, 2004: 279). Whether these fathers contribute to childcare is a moot point: most parental leave is taken by men as an addition to annual leave (Sieni, 2005). Paternal leave may be a necessary but not a sufficient measure to ensure greater involvement by men in childcare. Nevertheless, Oláh (1996) found women in Sweden were more likely to have a second baby if the father took parental leave for the first child: 'suggesting that features that encourage an active participation from the father in childcare may stimulate fertility' (Røsen, 2004: 281). The involvement of fathers in childcare may represent a step towards gender equity in the domestic sphere, which in turn may shape fertility patterns.

Next, consider the labour market. Pylkkänen (2004) attributes gender differentials in leave in part to the persistence of gender inequities in the labour market; at a period where household income is at a premium, couples generally forgo less income if the mother rather than the father stops work. The introduction of home care leave in Finland (an entitlement to extend leave to three years, with a low allowance) led to a considerable decrease in female employment. Pylkkänen attributes this to labour market segregation with persistent discrimination, increased workload and a widespread use of short-term contracts for young women. Cultural factors may also have a bearing; in Finland, mothers generally perceive leave as an entitlement to a break from paid employment, even if official norms regarding caring responsibilities are gender neutral (Pylkkänen, 2004: 8).

In general, gender equity runs against the grain of entrenched cultural and structural biases, which both restrict women's opportunities in the labour market and devalue the significance of unpaid as against paid work. In Canada, for example, Tremblay (2004) found that a substantial minority of male employees expressed an interest in moving to working part-time for family reasons, but few were able to act upon this interest. Employers were unreceptive to male workers taking advantage of parental leave or other forms of work-time reduction, and even co-workers generally believed that women rather than men should reduce hours for family reasons. Tremblay also cautions that labour market flexibility can itself be a source of extra stress. This is because flexibility for employees (to adjust their hours to suit family life) may not equate with the flexibility desired by employers interested in increasing productivity and profitability. Analysing

non-standard work in service industries, Tremblay observes that it is associated with health problems, problematic personal and family relationships, declining job satisfaction, and work–family conflict and stress. Employers in turn suffer from absenteeism, reduced motivation and performance, resistance to mobility and promotion, high turnover and inadequate training. Of factors which limit the negative impact of flexibility in work patterns, Tremblay emphasises partner support and shorter hours. Perhaps it is no coincidence that the recovery of fertility in France began just as standard working hours were reduced.

The Chancellor's proposals must therefore be considered in the context of overall working hours. Utting (1995) observed that it was not whether both parents work but how long they work that has most effect on children's well-being. The UK has moved from having the shortest standard hours in Europe to having the longest. On top of working hours, there are longer periods devoted to travel to and from work: in benefit regulations, it is now assumed (from April 2004) that people should look for jobs involving travel up to one and a half hours each way. The UK has been reluctant to accept the 48-hour week, and reduced hours of work are not on the agenda. The conflict here between labour supply and fertility considerations is most pronounced. Long working hours may seem a no-cost option, in so far as the tasks of sustaining family life remain the undervalued and invisible responsibility of women. But whatever the short-run gains in sustaining the labour supply, the long-run costs in terms of declining fertility may be too substantial to ignore.

Any consideration of women's working hours has to include time spent on unpaid work, though, as Presser (2001: 179) observes, this dimension is often missing from discussions of how work affects fertility. Presser (2001: 180) argues that having time for activities other than work and schooling is an important element in how women evaluate childbirth and the temporal demands of child rearing, an evaluation complicated by the potential clash between their expectations that men should participate more in child rearing and men's own feelings of entitlement to personal time. In this regard, the important point is not so much whether working hours have lengthened as the stresses associated with a changing sense of entitlement to personal time. In societies that educate women highly but deny them a fair share of opportunities in the labour market, women are more likely, Presser argues, 'to postpone childbirth and increase their taste for leisure'.

Despite its National Childcare Strategy, mothers in the UK remain heavily dependent on informal care. One reason is that childcare places remain in short supply: formal childcare is still available for only one in four children under eight. Another is that places are distributed unevenly, reflecting the vagaries of market supply in the nursery sector. Moreover, childcare remains expensive, and access to it often depends on combining it with informal care, especially as issues of transport and security to and from nursery or school have become

more important (Land, 2004: 8). The reliance on market provision has also sown doubts about the quality of formal childcare, given low remuneration, poor career prospects and high staff turnover. Moreover, parents particularly value familiarity and trust in carers, but informal care has not received recognition and financial support beyond the confines of periods of parental leave. Indeed, the implicit shift in the UK's strategy from a family-wage model to an individual citizen-worker model threatens to further devalue informal care, with no more than a 'token space for a commitment to general equality in paid and unpaid work' (Lewis and Giullari, 2005: 81).

Conclusion

The 'lessons' of demographic research on low fertility for policy-makers wishing to facilitate childbearing are far from simple. One has to take care not to infer too much from limited data sources and forms of analyses; one has to recognise regional variations; one has to take account of context as this can have a decisive effect on the nature of relationships between variables. One should not assume that 'family-friendly' policies will do the trick and restore fertility rates to replacement values. The general implication is that family-friendly policies, even if *necessary*, are unlikely to prove *sufficient* instruments for promoting fertility.

The Chancellor's Pre-Budget plans to extend parental leave and improve childcare provision foster the image of a 'family-friendly' package designed to meet the needs of parents and industry combined. The proposals promise to consolidate and extend the policies initiated in the National Childcare Strategy. They will go some way to bringing Britain up to the mark when compared with the leave and childcare provision available in other European countries. They may even go some way to meeting the Chancellor's ambition to improve the labour supply. However, there must be some doubt about whether they justify the Chancellor's Pre-Budget Report boasts of strategic planning and long-term decisions. The demographic transformations expressed in declining fertility and ageing populations are not likely to respond to a single policy shot, even if the weapon (combining childcare and parental leave) is double-barrelled. Even so, combined, the extensions of parental leave and formal childcare could be more effective as part of a more systemic approach.

There are some issues that could and perhaps should be addressed before the Chancellor's approach can be dignified as 'strategic'. First of all, there is the domestic division of labour. Merely allowing the transfer of leave to fathers, as the Chancellor proposes, falls some way short of the Nordic efforts to promote paternal involvement in care, which if not revolutionary in their effect at least suggest that something can be done in this regard. Second, more attention could be given to reducing the economic and social constraints (for example, earnings differentials and gendered service provision), which continue

to engender household care decisions. The UK's enthusiasm for a long-hours culture may act as a further barrier to improving the work–life balance. To seek to reduce overall working hours may seem inconsistent with the Chancellor's desire for increased labour supply, but this ignores the social and economic drawbacks of long hours expressed in high rates of sickness and absenteeism and low levels of productivity. Third, a much more positive evaluation of unpaid work in the home, expressed in financial or social measures to support parenting, might go some way to mitigating the pressures on parents (mothers or fathers). There are limits to how far the commercialisation of childcare can contribute to a better balance between paid and unpaid work (Lewis and Giullari, 2005: 83–85); therefore the Government would do well to improve the status and rewards of the latter. Attention to these points might go some way to balancing the Chancellor's enthusiasm for the 'work ethic' with an acknowledgement of a 'care ethic'. Ultimately, a society which wants to promote childbearing as well as employment will have to place more value on children, and on the parents who care for them.

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