

LOW FERTILITY, INSTITUTIONS, AND THEIR POLICIES: VARIATIONS ACROSS INDUSTRIALIZED COUNTRIES¹⁾

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The publication *Low Fertility, Institutions, and Their Policies: Variations across Industrialized Countries* compares economically developed countries in Europe and Asia that have experienced different levels of fertility decline. Readers will be provided with an overview across regions of the causes and consequences of low birth rates, fertility trends, and the different government responses to this ongoing trend. Low fertility leads to population ageing and issues of labour force size and the provision of welfare benefits to the elderly.

The publication consists of 11 chapters:

- Diverse Paths to Low and Lower Fertility: An Overview
- Not so Low Fertility in Norway – A Result of Affluence, Liberal Values, Gender-Equality Ideals, and the Welfare State
- The Influence of Family Policies on Fertility in France: Lessons from the Past and Prospects for the Future
- Fertility and Population Change in the United Kingdom
- Canadian Fertility Trends and Policies: A Story of Regional Variation
- The European Middle Way? Low Fertility, Family Change, and Gradual Policy Adjustments in Austria and the Czech Republic

- Fertility Decline and the Persistence of Low Fertility in a Changing Policy Environment – A Hungarian Case Study
- The Policy Context of Fertility in Spain: Toward a Gender-Egalitarian Model?
- Aging Italy: Low Fertility and Societal Rigidities
- Transition from Anti-natalist to Pro-natalist Policies in Taiwan
- Governmental Support for Families and Obstacles to Fertility in East Asia and Other Industrialized Regions

The countries analysed in the publication differ geographically, culturally, and historically and also have different governments and institutions. Some countries represented in this volume have fertility below the replacement level of 1.5 children per woman (Austria, Czech Republic, Hungary, Italy, Spain and Taiwan) and selected countries (Canada, France, Norway and United Kingdom) have fertility close to the replacement level of 2.1 children per woman. For most of these countries, the connection between marriage and fertility has been weakening. Although fertility has gone down in all these countries over the period under observation, the chapters examine the institutional, policy, and cultural factors that have led some countries to have much lower fertility rates than others. In Norway the total fertility rate is higher than in other rich countries. Norway's developed economic situation and low income insecurity for families and the state can afford to be generous with

1) Ronald R. Rindfuss – Minja Kim Choe. 2016. *Low Fertility, Institutions, and Their Policies: Variations across Industrialized Countries*. Springer International Publishing Switzerland. 303 pp. ISBN: 978-3-319-32995-6.

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parents. As birth rates are decreasing, there is increasing concern about the social welfare systems, including health-care systems and programmes for the elderly. While meeting the needs of an older population clearly presents challenges, there are also some advantages to having an older population. This publication helps to better understand the prime and original causes of demographic problems with

its insightful discussion of how a country's institutions, policies, and culture shape fertility trends and levels. The final chapter provides a cross-country comparison of the individual understanding of barriers to fertility, based on survey data and government support for families. This broad overview, together with a general introduction, helps to highlight the specifics of each country.

THE VIENNA YEARBOOK OF POPULATION RESEARCH 2014¹⁾

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The Vienna Yearbook of Population Research published by the Vienna Institute of Demography for the year 2014 focuses on the link between health, life length, education, and retirement. This issue contains a selection of seven papers that were presented at the conference 'Health, Education, and Retirement over the Prolonged Life Cycle', which was organised by the Vienna Institute of Demography of the Austrian Academy of Sciences and held in Vienna in November 2013. The conference was devoted to the socio-economic causes and consequences, at both the individual and the societal level, of the unprecedented increase in life expectancy over the past few decades.

At the micro level, a better understanding is needed of the extent to which the increase in human life expectancy has been shaped by individual health behaviour, rather than by other socio-economic influences, and through which channels this happened. Conversely, it is important to understand better how

the prolongation of the life cycle will shape individual behaviour. The conference focused on behaviour relating to health, education, and the supply of labour.

At the macro level, the consequences of the prolongation of the individual life cycle create policy challenges for social security and the cohesion of society. They also generate a need to assess the extent to which retirement, health, and educational policies need to be reformed and to determine to what extent different social groups will benefit from rising longevity and ensuing changes.

SECTION HEALTH, HEALTH BEHAVIOUR AND RETIREMENT

This section presents articles related to health and health behaviour and to retirement and describes some of the interesting links between these two fields of study.

Authors *Heather Booth, Pilar Rioseco* and *Heather Crawford* of the chapter '**What can reverse causation tell us about demographic differences in the social network and social support determinants**

1) Lutz, W. – Kuhn, M. – Prskawety, A. – Sunde, U. (ed.). 2015. *Vienna Yearbook of Population Research 2014*. Volume 12. Vienna: Vienna Institute of Demography, Austrian Academy of Science. Available at: <http://www.oeaw.ac.at/vid/publications/serial-publications/vienna-yearbook-of-population-research/vienna-yearbook-of-population-research-2014-vol-12/>. ISBN-13: 978-3-7001-7948-1 ISBN-13 Online: 978-3-7001-7924-5.

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of self-rated health in later life?’ deal with the role of demographic differences in the association between social networks, social support, and self-rated health among the elderly population. They argue that demography is likely to shape this relationship in at least three dimensions: the family status of an individual delineates his or her social networks of relatives and friends; these networks evolve and change with demographic events (such as marriage, widowhood, etc.) over the life cycle, which implies that the networks of the elderly depend on earlier life course events; the impact of the social networks and the social support structures on self-rated health is prone to vary across (demographic) subgroups of the population.

The second chapter, by *Lucia Coppola* and *Daniele Spizzichino*, entitled ‘**The effect of retirement on self-reported health: a gender comparison in Italy**’ use EU-SILC data on Italy to study the impact of retirement on self-reported health. They focus on the role of gender and argue that due to the persistence of traditional family role models in Italy the effects may differ considerably across male and female retirees – i.e. while retirement may lead to a worsening of self-reported health due to the stress associated with the reorganisation of lifestyles and family roles after retirement, the opposite may be the case for women who were previously struggling to reconcile work and family roles. Their hypothesis was partially confirmed: while retirement has a negative short-term impact on male health, it has no significant effects on female health.

SECTION AGEING, LABOUR SUPPLY AND RETIREMENT

This section highlights the changing roles of leisure, socio-economic status, education, and social networks for labour supply and retirement.

In this section, the third chapter in the yearbook, ‘**Real wages and labor supply in a quasi life-cycle framework: a macro compression by Swedish National Transfer Accounts (1985–2003)**’, by *Haodong Qui*, presents new estimates on the relationship between labour supply and wage dynamics in Sweden for the time period 1985–2003. As population ageing will require an extension of the labour supply

among the working-age population, it is important that we gain a better understanding of how the age-specific labour supply reacts to changes in the wage structure. According to the ‘inter-temporal substitution’ hypothesis, labour supply and wages should be positively correlated over the life cycle; however, empirical estimates at the micro and the macro levels are to date inconclusive. Based on data from the National Transfer Accounts, Qui compares age-specific values of inter-temporal substitution on the macro and micro level. He shows that the variation across ages on the micro level is quite high, which may be caused also by the overlapping generation economies and the various lifecycle-pattern elasticities of the labour supply.

The next chapter, ‘**Working after age 50 in Spain. Is the trend towards early retirement reversing?**’, by *Madelin Gómez-León* and *Pau Miret-Gamundi*, investigates the role of socio-economic determinants for early retirement in Spain during the 1999–2012 period based on data from the Spanish Labour Force survey. It is important to better understand socio-economic characteristics associated with early labour market exit in Spain, as this country has one of the oldest populations in Europe and one of the lowest labour force participation rates among the elderly. The study focuses on the role of family arrangements in early retirement and indicates that there is a strong gender division in the Spanish labour market, with men being more active than women. In terms of family structure, women are more likely to retire if they live with dependants (e.g. parents), while men are more likely to retire if they have a partner. The trend towards early exit from the labour market appears to be slowing among women but accelerating among men. Since education is positively correlated with working longer, investing in training and qualifications for adults may help to keep them in the work force longer.

Linda Kridhal, in her chapter ‘**Retirement and leisure: a longitudinal study using Swedish data**’, investigates the role of leisure activities for retirement using Swedish longitudinal data over the 1981–2010 period. Since engaging in leisure activities is associated with having an active and healthy life, postponing retirement may be expected to have detrimental effects on retirees’ activity and health levels. At first glance, there is a clear association between engagement

in specific leisure activities (e.g. cultural activities, gardening) and early retirement. However, once a period effect (representing labour market or pension policies) is controlled for, the empirical estimates indicate that those who are more engaged in leisure activities before retirement are not entering retirement significantly earlier.

SECTION LABOUR SUPPLY AND RETIREMENT

The final section deals with the link between the labour supply, retirement, and institutional aspects and highlights the broader implications of a prolonged life cycle for society.

The chapter '**More with less: the almost ideal pension systems (AIPs)**', by *Gustavo de Santis*, examines the properties of what are known as 'Almost Ideal Pension Systems' (AIPS), which are pay-as-you-go schemes in which the parameters are mostly set in relative rather than absolute terms (e.g. they include the relative share of the life course spent working and in retirement, the standard of living afforded to children and pensioners relative to that of the working-age population, and the weight attached to actuarial fairness as opposed to intra-generational redistribution). He shows how the design of these schemes appears to be resilient to demographic and economic changes and compares these schemes with more conventional pension schemes (defined contribution, defined benefit, and risk-sharing) to show the AIPs' outperformance.

Josh Goldstein and *Ronald Lee* relate the on-going process of population ageing to the inequality of wealth in society in their chapter '**How large are the effects of population aging on economic inequality?**' The authors study three channels through which population ageing may affect inequality of income and of net worth: the increase in capital intensity under a slowdown of population growth; the shift in the age structure towards older and typically more unequal cohorts; and the impact of a longer life cycle on earnings and on the accumulation of capital. Employing US data, they find that a slowdown in population growth by one percentage point is expected to raise the income share of the top decile from 50% to about 55%, which represents a considerable increase in income inequality, merely through the increase in capital intensity. While the other two channels give rise to weaker effects, they conclude that the process of population ageing is likely to be accompanied by a sizeable increase in economic inequality.

The contributions presented in this volume highlight the roles of health behaviours, education, and social context in shaping health and longevity. This has clear consequences for labour markets (in particular labour supply), social care, retirement and relevant policies. Both the macro and micro levels are investigated and both directions of impact are discussed in the yearbook – i.e. how society and institutional decisions influence the individual life course and, conversely, how changes at the personal level impact mass societal changes.