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THE IMPACT OF THE PRO-NATALIST POLICIES ON THE EUROPEAN DEMOGRAPHY

Keywords

natality, European demography, age pyramid, demographic policy

Abstract

Many developed and developing countries are facing worrying demographic trends that lead to the numeric reduction of the population and especially to its ageing. Romania is no exception and the present paper analyzes the most important pro-natalist policies implemented by some European states and their impact, in order to provide good practices idea for other countries and especially for Romania. Surprisingly (or not) the highest natality in the EU is not recorded in the traditionalist countries, but in those who recognize gender equality and create facilities for women to reconcile the maternity with the career or for single parents. However, it is hard (if not impossible) to identify a unique "prescription" for all the European countries. For countries like Romania, the solution should be first sought not in the gender equality policies, but in the economic stability and positive long-run perspectives of the economy and the society. In an unstable country, suffocated by corruption and economic failures no demographic policy could stop the migration of the population and the low natality rate.

INTRODUCTION

The interest for the proposed topic comes from the worrying demographic trends that most developed and developing countries are facing. The demographic transition from a demographic regime characterized by high natality and mortality (until the 17th century) to a regime with high natality and decreased mortality and then to the current regime characterized by lower natality and fertility (below the generations replacement rate) has led to the numeric reduction of the population and also to its ageing. The causes and the consequences of these evolutions have been long debated in the specialized literature. We intend to analyze in this paper the most important pro-natalist policies implemented by some European states and their impact, in order to provide good practices idea for other countries and especially for Romania.

BRIEF REVIEW OF THE DEMOGRAPHIC CHALLENGES IN EUROPE

As we have already stated, the consequences of the demographic decrease and population ageing have been already studied and are well known: the potential crises of the pension systems in not so many years, the decrease of the work productivity, increased expenditures with health and social services for the ageing population, difficulties for the educational system as the number of professors becomes too high comparing to the number of students.

We shall briefly review the European demographic trends and challenges.

The *age pyramid* is a useful instrument that can help us understand the current demographic situation and its perspectives. In figure no. 1 we have the representation of the European population structure in 1996 and in 2016, as the data are revealed by the Eurostat. The pyramid shows us the

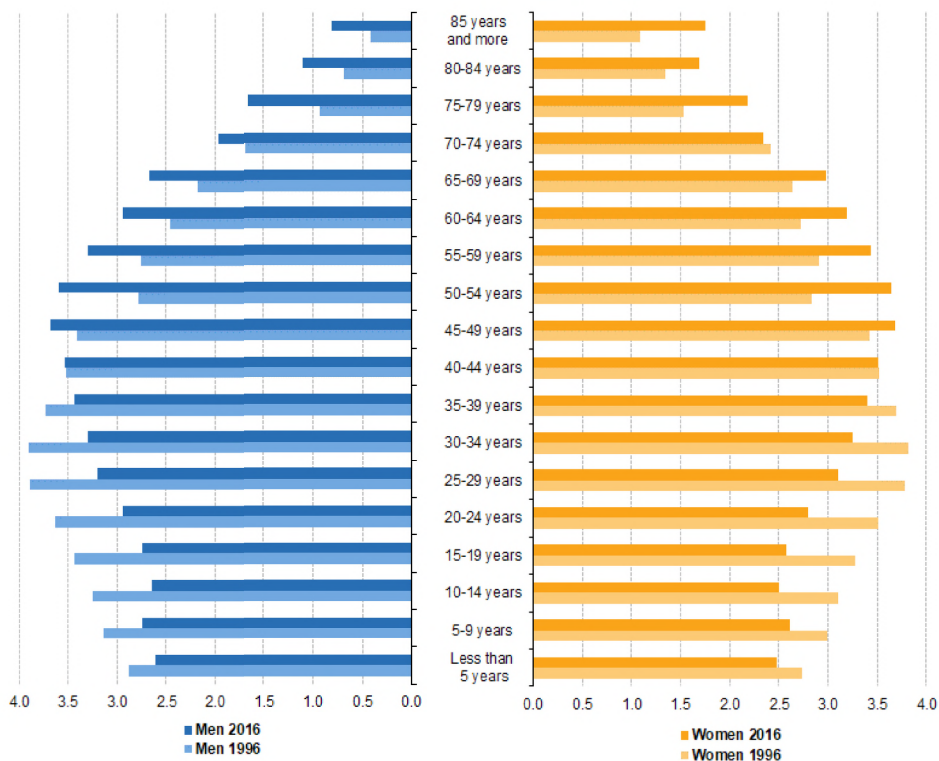


Figure no. 1. Population structure by five-year age groups and sex, EU 28, 1996 and 2016 (% of the total population)

Source: Eurostat, 2019,

[https://ec.europa.eu/eurostat/statistics-explained/index.php?title=](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Population_structure_by_five-year_age_groups_and_sex_EU-28_1_January_1996_and_2016_(%25_%20share_of_total_population)_BYIE18.png)

File:Population_structure_by_five-year_age_groups_and_sex_EU-28_1_January_1996_and_2016_(%25_%20share_of_total_population)_BYIE18.png

decrease of the European population below 40-year-old and the increase of the population above 40-year-old on both sexes and on each age group. Even if the total population of the European Union is still increasing, the ageing trends are obvious. Also according to the Eurostat, the average fertility rate in the EU is 1.59 number of children per woman in 2017, with

the highest value in France (1.9) and the lowest in Malta (1.26)¹. This means that not only the average rate, but also the individual fertility rate of each EU state is below the replacement rate (2.1 children per woman). In these circumstances the increase of the total population number is due to the migration of the population from outside of the EU.

Pro-natalist policies in EU

Many of the EU states are concerned about these trends and are trying to fight against them or against their consequences. Among the policies adopted we shall discuss the pro-natalist policies and their impact on reversing these trends.

First of all, we need to say that EU does not have a common demographic policy for its member states. The best information regarding the state support for families with children were found at the OECD level, that includes the majority (but not only) of the EU member states.

OECD classifies the financial support for families with children in the following three categories²:

- *Child-related cash transfers to families with children*, including child allowances, payments during the parental leave or financial support for single parents;
- *Public spending on services for families with children*, including the support for the educational facilities;
- *Financial support for families provided through the tax system*, including tax exemptions or tax credits.

¹ Eurostat,

https://ec.europa.eu/eurostat/statistics-explained/index.php/Fertility_statistics, accessed on the 5th of March 2019.

² OECD, *Public Spending on Family Benefits*,

<http://www.oecd.org/social/family/database.htm>, accessed on the 5th of March 2019

The distribution of the public spending for families among the three categories is described in figure no. 2. Analyzing these data, we can easily notice, on the one hand, the disparities among the EU states and, on the other hand, the fact that for most EU states, the resources for the families with children are used for cash benefits. Only a small number of countries uses tax system in order to support families with children.

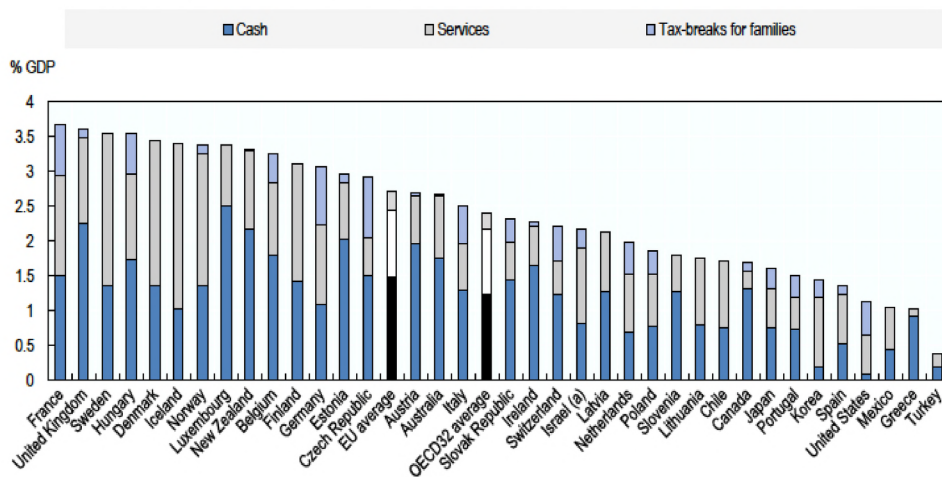


Figure no. 2. Public expenditure on family benefits by type of expenditure, in percent of GDP, 2015

Source: OECD, *Public Spending on Family Benefits*, <http://www.oecd.org/social/family/database.htm>, accessed on the 5th of March 2019

Beyond these data, the pro-natalist measures adopted at member states level are even more diverse.

Pro-Natalist Measures In Hungary

Hungary has faced an important demographic decrease as can be noticed in Table no. 1. Comparing to the '80s, when the fertility rate was

above the replacement level and the population increased, after 1985 the population began to decrease, and the fertility rate decreased below the replacement level.

Confronted with this worrying trend, the government began, in 2010, to consider some important measures in order to reverse this evolution – maternal leave of three years, with the first six months paid, subsidized housing credits, lifelong exempt for the revenue tax for the mothers of more than three children, generous subsidies to buy or build a new home and other facilities for families with children. The *Family Housing Allowance Program* (CSOK in Hungary) offers the highest benefits for the families with three or more children in terms of subsidies for houses, but there are also important benefits in terms of subsidies for car purchasing (also for larger families), 21.000 new creche places for children as well as childcare allowances for grandparents.³ At this moment, Hungary spending on family support schemes is 4.8% of the GDP, the highest percent in Europe.

	2018	2017	2010	2005	2000	1990	1980
Population	9,688,847	9,721,559	9,927,840	10,086,465	10,221,051	10,377,651	10,754,766
Yearly % change	-0.34 %	-0.33 %	-0.32 %	-0.26 %	-0.25 %	-0.36 %	0.43 %
Yearly numeric change	32712	-31,722	-31,725	-26,917	-25,757	-37,833	45,499
Fertility rate	1.34	1.34	1.33	1.30	1.38	1.82	2.25

³ Fuzsina, A. *Measures to fight demographic decline in Hungary*, ESPN Flash Report, 2018/19, June 2018.

Table no. 1 Population of Hungary

Source: Worldmeters, www.worldmeters.info

Up to the present the population number continued to decrease. The authorities might argue that it is, probably, too soon to evaluate the effects of these measures. The statistics only show a small improvement in the fertility rate. Considering the effects up to this moment it is very possible that the high costs of these measures will not be accompanied by corresponding results. In fact, they are criticized and considered to have a nationalist philosophy as well as an electoral purpose. It is interesting to know that similar measures adopted in Singapore did not produced the expected results, while in Russia and Poland they were really successful. One again it proves to be true that there is not universal solution for demographic (as well as social or economic) problems and that the population needs more that this to change its behavior. What we can say for sure is that the population needs more incentive than these family benefits in order to trust the future they can provide for them and for their children.

Pro-natalist measures in Italy

With the lowest fertility rate among the European countries, Italy is expected to take seriously this problem and to address it properly. Lending agricultural land for 20 years for families with three children or more until 2021 or interest-free credits up to 200.000 euros for home building are the most important measures adopted in order to encourage and support families with children. The maternal leave is of maximum 21 weeks, with 80% of the previous earnings.

Unfortunately, the expected results are not spectacular, because the factors that discourage natality seems to be different – the limited opportunities in the labor market for young people, the lack of houses available for the young people level of revenue, the low social protection for

young people⁴. It is difficult for a woman to assume maternity when the flexible work schemes are unavailable, the husband cannot provide enough for his family, the young couple is living with their parents because they cannot afford another house and so on.

The changing demographic pattern is once again obvious when we notice that in Italy traditionally the fertility was higher in the southern part, where the traditional values were stronger, but now the fertility rate is higher in the northern part, due to the economic development, childcare facilities and migration. This means that the economic conditions have a greater influence on the fertility behavior than the traditional values, but this is not a guarantee for the efficiency of the financial stimulants for families. The population is rather interested in the long-term economic climate than in the short-term financial benefits and this is true not only regarding Italy.

Pro-Natalist Measures In France

From many points of view France is an interesting study case for our topic. France has the highest fertility rate in the EU (1.9 in 2017) and records the increasing of the population number, not only because migration but also because of the internal natural growth. And for a complete picture, we must add that the relatively high fertility rate comes together with a high employment rate of women aged 25 to 54. There are enough reasons to try to understand what public policies lies behind this situation. Why France surpasses in terms of fertility traditionalist countries such as Spain, Italy or Portugal, where the catholic moral should impact more the familial behavior?

⁴ UN Expert Group Meeting, *Low fertility, social rigidity and government policies in Italy*, Policy Brief No. 10, 2015.

It seems that in the demographic battle there are not the traditionalists that win, but the countries with more relaxed family values – late marriage, single-parent family, working mothers etc. In a world with changing values, the women belonging to traditional societies (where the wife is dependent and obedient to her husband and a mother usually is not working but raising the children) are less eager to marry and become mothers, while those belonging to less traditional societies (such as France or the Nordic European Countries), where motherhood can be reconciled with a career, accept easier this status. The fact that the idea of family is more flexible in some societies nowadays, implying more single parents or less time spent with the children is not a necessary a good evolution, but it is a reality that, surprisingly, has a positive impact on the demographic trends. The statistical data from 2017 sustain this conclusion – the traditionalist countries (Spain, Italy, Portugal, Greece) record fertility rates of 1.31-1.38, below the EU28 average (1.59), while the highest fertility rates are recorded in the less traditionalist countries such as Denmark (1.75), Sweden (1.74), France (1.90). We can easily notice the correlation between this data and the employment rate of women aged 20-64 in 2017 from table no. 2.

Country/region	Employment rate (%)
EU 28	66.5
Denmark	73.7
Greece	48.0
Spain	59.6
France	66.7
Italy	52.5
Netherland	72.8
Portugal	69.8
Finland	72.4
Sweden	79.8

Source:
Eurostat,
Labour Force Survey,
<https://ec.europa.eu/eurostat/web/lfs/data/>

Table no. 2. Employment rate among women aged 20-64 in 2017 (selected countries, %)

In France, the fiscal facilities for families have been, since 2011, the same for couples in civil partnership as for married couples, proving once again the positive impact of non-traditionalist view regarding families on natality and fertility. The state support for families includes parental leave up to three years with the protection of the working place, family allowance for families with two or more children, free public preschool education for children aged 3 to 6⁵ and other child care facilities, that provide a climate of safety for the potential parents. We still need to add that besides the demographic policy, the natality in France is also supported by the immigrants, who are mainly in the fertile group of age.

Pro-natalist measures in Sweden

With a fertility rate of 1.78 in 2017 (according to Eurostat data), Sweden stands among the EU member states with a privileged demographic situation. The population is continuously increasing with an annual rate of about 0.70%, half of it being represented by the natural growth.

The Nordic countries are well known for their generous social policy, including family benefits and Sweden is not an exception, 3% of the GDP being spent on children and family benefits (one of the highest percent in the EU) and besides that there are extensive services for families – subsidized childcare, free health care, library services etc.⁶ The key measures appears to be (as well as in France) the possibility of reconciling work and family. The childcare facilities (in 2012, 80% of the children age 1-5 were in integrated in childcare facilities), the after-school services and other family benefits as well as flexible working hours for parents with small

⁵ UN Expert Group Meeting, *The influence of family policies on fertility in France*, Policy Brief No. 7, 2015.

⁶ ***, *Family Policies: Sweden (2015)*, Population Europe Resource Finder and Archive, <https://www.perfar.eu/policy/family-children/sweden>, accessed on the 9th of March 2019

children are decisive for the demographic pattern of Sweden. The parental leave is offered for 18 months, is paid for 16 months and comes together with the job protection for that period.

Pro-natalist measures in Germany

The fertility rate in Germany is below the EU average (1.57 versus 1.59 in 2017), but we chose to analyze its demographic policy because it represents a different social model than the rest of the analyzed countries.

Germany records an annual demographic increase of around 0.20%, but the statistics reveal the fact that this increase is due to the migration that actually compensates the natural decrease of the German population.

Starting with 2015 we can notice an improvement in the fertility rate and the population growth. These improvements might be the result of the family policies adopted during the previous years. The facilities consist in the paid parental leave for one year for any of the parents, combined with the possibility that the parent work part time during this leave, the right to a nursery place when the children turn one year old. Since the facilities for integrating children after one year are not enough, it seems that the parental leave of one year was the measure that encouraged more the natality.

It is interesting to compare the fertility rate and the family policies in France and Germany. France has a higher fertility rate than Germany, even if the maternity leave is only 6-10 weeks (compared to one year in Germany). But after the maternity leave, the children can be placed in daycare units, even if they are only a couple of months and that seems to have a higher impact on the fertility rate than the maternity leave *per se*.

Romania's demographic approach

One of the most important purpose of this study has been to identify pro-natalist measures that would improve Romania's demographic situation.

The severe demographic change in Romania can be easily noticed in figure no. 3 and was the consequence of both the decreasing natality and the migration. The age pyramid from 2017 shows an ageing population that in 20-30 years will create a huge pression on the pension system as well as on the economic and social system.

In this context it is important to say that Romania does not have a demographic policy and it seems that the governments are not concerned of the future implication of this situation. The only important pro-natalist measure adopted in Romania is the paid maternal leave of up to two years, one of the most generous in the entire Europe. The impact on the fertility rate, although positive, is not big enough to reverse the constant population decrease. It is probably true that no pro-natalist measures could overcome the lack of the economic and social reforms and the climate of insecurity regarding the general evolution of the country.

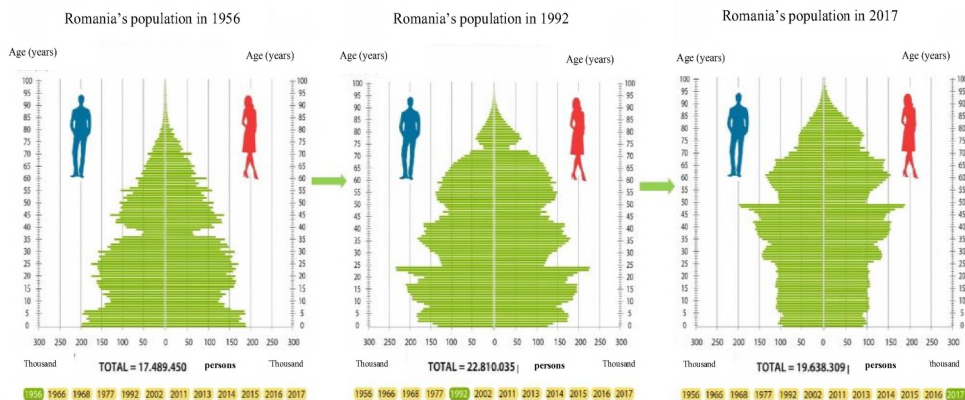


Figure no. 3 Romania's age pyramid in 1956, 1992, 2017,
Sursa: APARN, INS

It is difficult to recommend successful policies in this field even after analyzing other European countries. In fact, there are few successful measures in these countries and the Romanian realities are very different

from the realities of France or of the Nordic countries. The Romanian society is also transformed by the global trends and the gender equality is starting to manifest here too, but more than this the decreasing of the population and the low natality rate is caused by the poor economic situation that leads to high migration and discourages natality. Only after overcoming this situation we should consider the gender equality issues and the women preference for their career. A good starting point for the Romanian policy-makers would be to analyze the young families' reasons for not having children or for postponing this moment and to design a demographic and economic policy according to these motives.

CONCLUSIONS

At the EU level, the demographic approach as well as the demographic realities are very different. It is natural to be this way, because we are talking about countries with different values, tradition and welfare systems. While it is obvious that the traditional family model goes through a crisis, not all the societies are prepared to respond to this crisis. The women are less attracted by the traditional role of mother and wife, aiming to also get a career, but in many countries there are not enough facilities for reconcile work and family. The gender equality paradoxical encourages natality, but not all the countries are prepared – at the value system level – to accept and implement the gender equality. We notice here an important discrepancy between the young women preferences regarding family and career and the rest of the population (men or older women) opinion on these subjects.

If we try to apply, for example, the Sweden family policies to the Romanian realities, we understand better that this is not only the government fault, but also the society limits. For example, the Education Ministry initiative of enrolling all children age 3-6 in kindergarten was not received with enthusiasm because there are many parents who prefer to keep

the child in the family for a longer period of time. If the government provides enough places for children in kindergartens, the effect will not be as powerful on natality due to the value differences between Romania and, for example, Sweden. Generally, the population of the Nordic countries has a higher acceptance and trust of the state involvement in society. For the rest of the Europe, this trust must be built on the quality of the provided services and on the change of the traditional view of the family that cannot be accomplished in short time. There are not miracle solutions and the demographic measures must be accompanied by a general climate of trust and optimism regarding the evolution of the economy and of the society. In an unstable country, suffocated by corruption and economic failures no demographic policy could stop the migration of the population and the low natality rate. The demographic situation of such countries cannot be improved by immigration, because these countries are not attractive for immigrants. Improving the social and economic conditions remains the main solution for their demographic and general development.

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