What Will We Witness When We Seriously Try to Boost Fertility?

Normative Constraints against Universal Child Benefits

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1. Question
Many contemporary societies suffer from low fertility for two reasons: (1) the desired number of children has declined and stabilized at a relatively low level between 2.0 and 3.0 [1: 201–207], near replacement level fertility, and the realized fertility is below replacement level because (2) most people cannot achieve their desired number of children [2: 12–19]. If we consider these as serious problems and try to raise fertility to replacement level, what resources should we mobilize? Furthermore, what obstacles to such policies could we anticipate? This study addresses these issues by focusing on the economic aspects of the work-life balance (WLB) and universal child benefit (UCB) policies in Japan.

2. Model and analysis on WLB/UCB effects
This study used a model of people’s expectations about their future equivalent incomes, measured as the household income divided by the square root of the number of household members. Suppose an unmarried person earns income $s$ without any family responsibilities. He or she expects life in a household consisting of $x$ children and $m$ adults with an expected equivalent income $y(x) = s \frac{(wm+bx)}{\sqrt{m+x}}$, where $w$ denotes the effect of WLB and other adults’ contribution and $b$ denotes child benefit per child. Both $w$ and $b$ are measured by $s$. We assume that $m = 2$ to focus on households comprising a couple with children.

Analyses of the function $y(x)$ found limited effects of WLB. Even under the fully achieved WLB ($w = 1$), the equivalent income $y(x)$ exceeded $s$ only where $x = 1$, if $b = 0$. If UCB ($b$) is low, $y(x)$ decreases as $x$ increases, regardless of the size of $w$. In addition, $w$ cannot be so large under the current conditions in Japan that a majority of young unmarried women will not want to pursue fulltime careers [3: 62, 162]. Therefore, WLB policies are not promising mechanisms to raise fertility.

In contrast, UCB improved the equivalent income of parents. High UCB ($b > 0.54$) let $y(x)$ exceed $s$ and increase monotonously, with a small effect of WLB ($w = 0.6$). The effect was strong enough for policymakers to pursue UCB as a fertility booster.

3. Discussion on normative constraints and a probable future society
High UCBs are controversial in contemporary Japan because they violate some fundamental normative beliefs, such as reproductive egalitarianism [4] and that parents have primary responsibility for maintaining their children [5]. In contrast, the WLB policies are conservative and can coexist with those beliefs. High levels of UCB can be developed if we find ways to overcome the normative constraints and constitute a new family system in which most parents would come from a specific subpopulation of the overall society, bear large numbers of children, and take no (or secondary) economic responsibility for their children.

(See http://tsigeto.info/15y for details)

References

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