

FERTILITY IN ENGLAND AND WALES: A POLICY PUZZLE?*)

WENDY SIGLE-RUSHTON**)

Abstract: Relative to many other European countries, fertility in England and Wales has been maintained at moderately high levels. Other countries with similar TFRs have far more generous and universal family policies. This paper explores why that might be the case. The main argument which is sketched out in this brief note is that moderately high fertility can be sustained in different settings, but the resulting fertility profile will likely differ in predictable ways which can be linked to the family policy regime and the labour market.

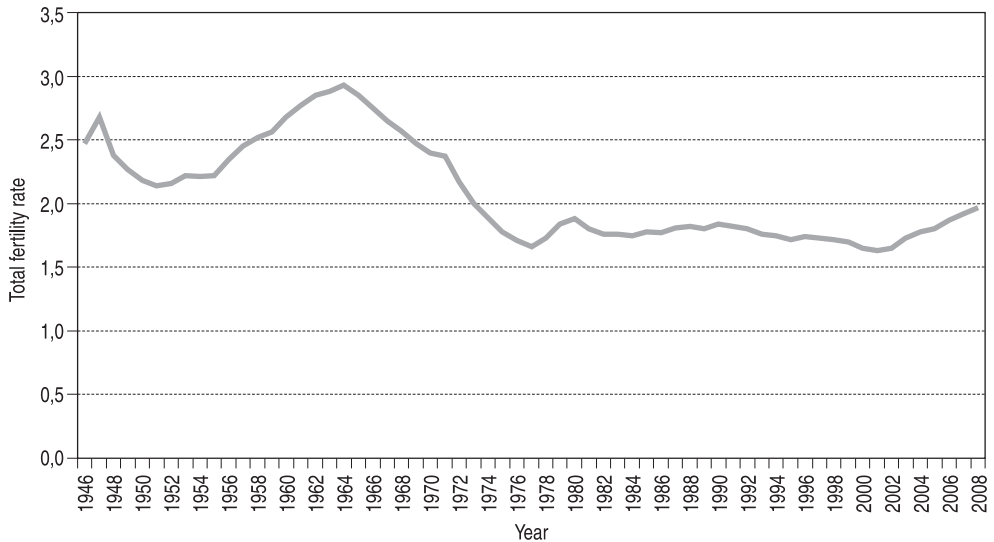
In the 1970s and 1980s, fertility in the majority of European countries, as measured by the total fertility rate (TFR), fell from above- to below-replacement level (Sigle-Rushton and Kenney, 2003; Sobotka, 2004). Although today all EU-27 countries have TFRs below replacement level, the gap between replacement level and the TFR varies considerably across countries. In many of the Southern and Eastern European countries, the TFR fell below 1.3, a phenomenon that has been termed “lowest-low fertility” (Kohler, Billari, and Ortega, 2002). Others have experienced more moderate declines and have maintained higher levels of fertility which, although still below replacement, leave them far better placed to deal with the challenges of population ageing. England and Wales is one such country. As Figure 1 shows, for the period from 1973 (when the TFR fell below replacement after the 1960s baby boom) until 2008, the TFR averaged about 1.78, falling below 1.70 in only four years (Sigle-Rushton, 2008). Indeed Sobotka (2004) describes England and Wales, along with the Scandinavian countries (Denmark, Finland, Iceland, Norway, and Sweden), France and Ireland, as forming a “high fertility belt” within Europe.

This high fertility belt comprises countries which, from a policy perspective, form a rather heterogeneous group. It contains countries representative of each of Esping-Andersen’s (1990) “Three Worlds of Welfare” and each of Lewis’ (1992) male breadwinning regimes. France, Denmark and Sweden were forerunners in the provision of generous child benefits and family policies, such as job protected leaves and subsidized child-care, that made it easier to combine paid employment and motherhood. The remaining Nordic countries have implemented similar family policies as well. Although it is important to consider the wider social and economic context in which policies are embedded (MacDonald, 2002; Neyer, 2006), economic theory suggests that the Nordic countries and France have policy packages which support fertility (Björklund, 2007). In contrast, at least historically, neither Ireland nor England and Wales have provided very much government support for families and children. In both countries there has been strong institutional support for the male breadwinning family and relatively weak labour market regulations establishing the rights and entitlements of working mothers. Indeed, compared to much of Europe, the economies of both countries have been relatively unregulated. The British labour market, in particular, is characterized by high employment rates but also high rates of (low paid) part-time work, high turnover and

*) This article was published in *Demografie*, 2009, 51 (4), pp. 258–265. The contents of the journal are published on the website of the Czech Statistical Office at: <http://www.czso.cz/csu/redakce.nsf/i/demografie>.

**) Direct all correspondence to: Dr. Wendy Sigle-Rushton, The London School of Economics and Political Science, Houghton Street, London, WC2AE, United Kingdom, email: w.sigle-rushton@lse.ac.uk.

Figure 1 Post-World War II trend in the total fertility rate in England and Wales



Source: Birth Statistics for England and Wales FM.1, Table 1.4

low firm specific investments in individual workers (Sigle-Rushton, 2008). Focusing on England and Wales, this paper examines how fertility has been sustained despite a lack of explicit concern or, at least until recent years, family policy effort. Drawing on economic models of the timing of fertility, I begin with a discussion of how generous family policies like those we see in the Nordic countries create incentives for higher fertility but at the same time for delayed fertility, especially for lower paid women. By the same logic, a dearth of such policies should make it less costly for lower paid women to begin childbearing early and to have larger completed family sizes. The strength of these incentives will, of course, depend to some extent on the labour market setting and the extent to which the government is willing to intervene in the labour market. Taking into account both family policies and the labour market, I argue that, as theory predicts, British fertility, while moderately high, is educationally and socially polarized¹⁾. As a consequence, the costs of reproducing the next generation fall disproportionately on those with the fewest resources. I also discuss the role that migration and changes in policy have likely played since 2001 when the TFR increased sharply.

Economic theory suggests that higher earning women have a strong incentive to delay their fertility (Gustafsson, 2001). Moreover economic theories of the optimal timing of motherhood predict that a coherent set of family policies that support the combination of employment and motherhood – in particular policy provisions which are both generous and linked to previous labour market attachment – provides incentives for women to postpone childbearing until after they have completed education and secured paid employment. Job protected maternity and parental leave with wage replacement (which lowers the opportunity costs of temporary withdrawal from the labour market) and subsidized childcare for mothers who are employed should reduce the costs of childbearing but discourage fertility at younger ages, at least until after securing a permanent job (Björklund, 2007; Gustafsson, 2001). This kind of policy package should create incentives for moderate and lower earning women to delay

¹⁾ I borrow this term from a study by Ekert-Jaffé and colleagues (2002).

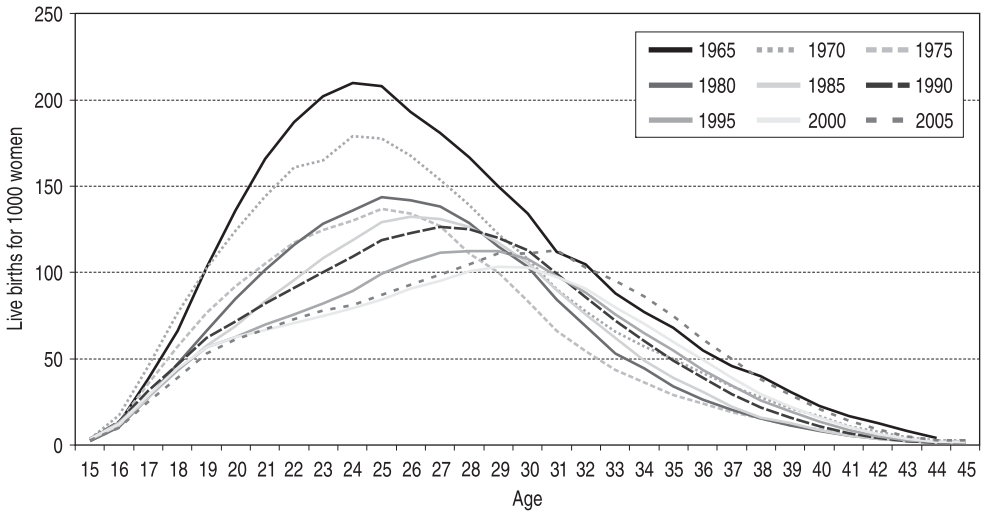
childbearing as well. For women with low earnings, the incentive is stronger the wider the gap between maternity benefit levels and income support levels.

In addition, if all mothers are awarded generous entitlements, there may be a tendency to avoid hiring or promoting women in the private sector because they are viewed as potential mothers and, therefore, expected to be more costly to employ in the longer term. Indeed some have suggested this kind of statistical discrimination explains patterns of occupational segregation in Nordic countries with high percentages of women working in the public rather than the private sector (Hakim, 2008; Shalev, 2008). In part because of high levels of occupational segregation (but also because of more narrow wage distributions in general), women's earnings distributions are more narrow in the Nordic than the Anglo-Saxon countries. A narrow wage distribution with relatively strong minimum wage protection should create incentives for women of lower occupational classes as well to delay fertility in order to qualify for generous work-related maternity benefits. Low levels of earnings inequality also means that the benefits of delaying childbearing for higher earners are not as great as they would be when their earnings trajectories are steep (Gustafsson, 2001). This should encourage slightly earlier and perhaps higher completed fertility amongst higher earners than would be expected in settings with greater levels of inequality and fewer universal, employment linked family policies.

In countries where government support for families with children is limited and offered as a safety net to the poorest families only, incentives to postpone or even forego childbearing are strongest for women with the highest likelihood of labour market success²⁾ (which is usually characterized by steep earnings trajectories but male work patterns) and weakest for women with lower occupational status. In this more residual family policy setting, career interruptions for childbearing can carry substantial economic costs for moderate to higher earning women. When minimal family policies are embedded in economies with high levels of earnings inequality, low levels of labour market regulation and low levels of firm-specific investment in workers (so that firing or demoting workers is relatively easy and inexpensive for firms), the incentive to delay amongst the highest earners is likely to be intensified because early motherhood might result in relegation to the "mommy track" (especially if she wants to reduce her working hours) and substantially reduced lifetime earnings. For this reason, a minimal family policy regime creates incentives for these women to postpone and then closely space the births of additional children in order to minimize their human capital depreciation (Cigno and Ermisch, 1988). That said, with late school leaving and steep earnings trajectories well into their thirties, postponement might become "perpetual" (Berrington, 2004) and the ultimate result is likely to be higher levels of childlessness (and smaller completed family size) amongst the most qualified and highest earners. This, of course, can be expected to vary considerably by the characteristics of different jobs (see, for example, Blackwell and Glover (2007) and Crompton and Harris (1998)), but, on average, *laissez faire* policy settings should create strong incentives for delay (and possibly for childlessness) amongst those with stronger labour market positions. For more disadvantaged women, movement into and out of employment in this sort of setting is not very costly since they are unlikely to obtain positions with great opportunities for advancement and their earnings trajectories tend to be flat. Moreover when the labour market is poorly regulated and the earnings at the bottom of the distribution are near the benefit level, the existence of low-level means tested benefits might pro-

²⁾ For the highest earners, this may be offset to some extent in contexts where there is a large supply of low paid (women) who can be hired to provide care privately allowing high earning women to purchase market substitutes for their child care requirements (Shalev, 2008). This can be due to an unregulated labour market characterized by high levels of wage inequality (Donath, 2000) and/or an large black market (often comprising illegal migrant workers). Even then, concerns that motherhood may still be treated as a signal of less commitment may reinforce incentives to delay.

Figure 2 Age specific fertility rates in England and Wales from 1965 until 2005



Source: Birth Statistics for England and Wales FM.1, Table 10.1

vide insurance against early childbearing, but only for the lowest earners. In countries like the UK where means tested benefits for lone mothers were originally intended to allow them to opt out of the labour market (Sigle-Rushton, 2009), the social acceptance of using income support to fund periods out of the labour market may be well entrenched.

Taken together this brief sketch suggests that even with the same TFR, underlying fertility patterns might differ by family policy regime. Compared to countries with more generous levels of provision and financial support for families with children, those countries with low levels of targeted, often means test-tested, support for families should have higher rates of fertility at younger ages concentrated amongst the more disadvantaged and lower completed fertility, with higher rates of childlessness, amongst the more advantaged. Socio-economic differentials in motherhood and completed family size should be wider in these countries, but the disadvantaged should carry a greater share of the costs of reproducing the next generation.

Empirical evidence is consistent with these predictions. In most other moderately high fertility countries, as fertility declined and was postponed, graphs of age-specific fertility curves shifted rightward but remained steep and highly peaked. In contrast, in England and Wales, the age-specific fertility schedule flattened in the early twenties but less so at younger ages (Figure 2). These differences mean that rates of teenage childbearing remain higher, peak age-specific fertility rates tend to be lower, and the fertility profile overall more dispersed in Anglo-Saxon, residual family regimes than in other moderately high fertility countries (Chandola, Coleman and Hiorns, 2002). Indeed, total fertility rates have remained stable since the 1980s because decreases in fertility at ages 20 to 29 were substantially offset by increases at ages 30 to 40 suggesting fairly substantial recuperation after earlier postponement. At the same time, fertility rates at the youngest ages changed very little. Since 2000 fertility rates for those aged 20-29 stopped declining, while for women in their thirties they continued to rise contributing, in part, to the steady increase in the TFR since 2001 (Sigle-Rushton, 2008). In terms of completed family size, fertility in England and Wales is characterized by high “concentration ratios” which suggests that, compared to most other European countries, fertility

is less evenly distributed across the population resulting in both greater levels of childlessness and higher percentages of large families (Shkolnikov, Andreev, Houle and Vaupel, 2007).

Although these patterns confirm that younger and older women are having children at higher rates in England and Wales (and other Anglo-Saxon countries like Ireland) and that fertility is not evenly distributed across the population, they do not tell us much about the average socio-economics characteristics (often proxied using measures of educational attainment) of women who are giving birth at different ages or about the women who never give birth at all. Consistent with the predictions outlined above, evidence suggests that teenage childbearing in England and Wales (and childbearing in the early 20s as well) is heavily concentrated amongst the poorly educated and the disadvantaged (Social Exclusion Unit, 1999).

Social polarization in patterns of delayed fertility is also consistent with theoretical predications. Rendall and colleagues (2005) show that in England and Wales, highly educated women born in the 1960s were far less likely than women born in the 1950s (for whom female labour market participation was lower) to have given birth by age 33 – a fall of more than 10 percentage points to just under 54 percent. For the low educated, there was little evidence of change in the timing or likelihood of a first birth, and over 80 percent of women had given birth by age 33. In contrast, more than 70 percent of highly educated women born in the 1960s gave birth by the age of 33 in Norway and France, and there is evidence of substantial postponement at age 21 and 25 amongst the lower educated. Despite evidence of on-going recuperation (see also Kneale and Joshi, 2008) followed subsequently by increased tempo (Rendall and Smallwood, 2003) which, as outlined above, would be expected by women who want to limit their time spent out of the labour market, highly qualified women in England and Wales are nonetheless more likely than less educated women to remain childless and their completed fertility is lower. Berrington (2004) demonstrates a strong educational gradient in completed fertility in Great Britain using the General Household Survey in 2000 and 2001. She finds that 28 percent of highly educated and only 16 percent of unqualified women in their early forties were childless. Women with high levels of education were also more likely than less educated women to report having had only one child. In contrast, amongst unqualified women, larger families were most common. About 20 percent reported having four or more children. These figures, when examined alongside those of other countries, confirm that the fertility profile in England and Wales is more socially polarized than in other moderately high fertility countries with more generous and universal family policies (Sigle-Rushon, 2008; Toulemon, Pailhé & Rossier, 2008; Eckert-Jaffé et al, 2002; Rendall et al, 2005).

Although the evidence outlined above suggests that the economic and policy context in England and Wales has contributed to moderately high but socially polarized patterns of fertility, the rapid increase in the TFR since 2001 requires further examination. Recuperation following earlier delays is surely part of the explanation. Increased rates of immigration and changes to family policy in recent years might play a role as well. Researchers have noted that countries with low levels of labour market regulation tend also to have high levels of migration, and countries with high levels of protection tend to have fewer migrants. It is therefore perhaps not surprising that the UK has received large numbers of migrants in recent years, higher even than in countries like Sweden which have been similarly open to the movement of new EU members (Ruhs and Martin, 2008). Given their young age distribution, foreign born mothers³⁾ make a small but not unimportant contribution to the TFR, one that has been increasing in recent years. However, the TFR for women born in England and Wales has increased as well (Tromans Natamba and Jefferies, 2009). So although migration cannot be singled out as the sole reason for recent increases in fertility, it is nonetheless true that in-

³⁾ It is important to keep in mind that there is substantial overlap between international migrants and foreign born mothers, but they are not the same. Unfortunately, we only have data on the latter.

creasing rates of migration (which mean an increasing share of new immigrants) have contributed to the increase in the TFR since 2001. In 2001, the TFR in England and Wales would have fallen from 1.63 to 1.56 if births to foreign born mothers (17 percent of all births) were not included (Office for National Statistics, 2007). By 2007, when births to foreign women totalled 21.9 percent of all births, the TFR of 1.92 would have fallen to 1.79 (Tromans et al, 2009). There are, however, reasons to question whether their contribution to average levels of completed fertility is likely to be as high as the foreign born TFR might, at first glance, suggest⁴. Because migrants tend to give birth soon after migrating, there will be strong tempo effects on the TFR during periods of high migration, and as Toulemon (2006) demonstrates the TFR for migrants tends to exceed their expected level of completed fertility. This incongruity will be most marked when recent migrants comprise a large share of the total migrant population as was the case in England and Wales since the turn of the century. On the other hand, to the extent that migrant women are incorporated into the lower echelons of the occupational and earnings hierarchy and to the extent they are entitled to state benefits, migrant women might be expected to have higher than average fertility if they remain in England and Wales over the long-term and if their fertility resembles that of other, similarly situated, native born women.

Recent changes to family policy, while more generous than what was offered previously, remain distinct from those programmes in place in the Nordic countries and France. Compared to the Nordic model, UK family policies have been more gendered in their implementation. For example, the length and generosity of maternity leave but not paternity or parental leave has been extended (Lewis and Campbell, 2007) and free preschool is provided but only for a few hours a week (Sigle-Rushton, 2009). Moreover, policy reform has not included major shifts towards greater government intervention in the labour market. Taken together, recent policy changes provide the most support to mothers who work part-time in low-paid and low status occupations, some additional support to moderate earning women (many of whom work longer hours than preschool can cover), but they do not really offer gender equitable solutions for families with higher earning women who work longer hours. Nor do they offer attractive solutions for those families where the woman is the primary earner (Sigle-Rushton, 2008). As a consequence, changes to family policy may have been responsible for some of the increase in TFR since the turn of the century, and the more generous maternity leave policies may work to reduce social polarization slightly, but the profile in England and Wales will, I expect, continue to follow an Anglo-Saxon pattern for the foreseeable future.

To summarize, persistently high rates of fertility amongst teenage women and those who are poorly qualified or with poorer labour market prospects have contributed to patterns of stable total fertility rates in the last three decades of the 20th century. The concentration of fertility amongst the least advantaged, as measured by education level and occupational class, has been (and remains) higher than in other countries with similar levels of fertility such as France (Ekert-Jaffé et al, 2002). These outcomes are not inconsistent with economic theories of fertility timing and suggest that the TFR masks important variations in fertility patterns that may well be linked to family policy regimes and their interaction with the labour market. When we examine increases in fertility since the turn of the century, high levels of net migration and the increased generosity of family policy may well have contributed to the steady rise in the TFR since 2001. However, it is not entirely clear whether recent increases are short-lived tempo effects or whether they reflect actual changes in the size of families women will go on to have.

⁴ There are also data quality issues. Data on the number of migrants entering the country is very limited. Mothers are well counted because they are captured in vital statistics. However many women who have migrated but remain childless are unlikely to be precisely counted. The denominator in fertility rates is therefore likely to be underestimated and, as a consequence, the migrant TFR biased upward.

In England and Wales, the *laissez faire* family policy regime and economy have historically created incentives for a moderately high but relatively disadvantaged fertility profile. In this context, high fertility depends on high levels of inequality. As a consequence, the costs of producing the next generation are unevenly and regressively distributed. High fertility is also likely to be accompanied by relatively high rates of child poverty and all of its related social problems. Theory suggests that reduced social exclusion, reduced inequality, and increased employability (all consistent with EU policy and indeed, until the recent change of Government, UK policy aims (Sigle-Rushton, 2008; 2009)) will, *ceteris paribus*, come at the cost of reduced fertility by making early motherhood less attractive for disadvantaged groups. For countries of the EU and those wanting more equal and socially just societies, the Nordic model may be the only feasible option in the longer run.

References

- Berrington, A. 2004. Perpetual Postponers? Women's, Men's and Couple's Fertility Intentions and Subsequent Fertility Behaviour. *Population Trends*, 117, pp. 9–19.
- Björklund, A. 2007. *Does a Family Friendly Policy Raise Fertility Levels?* Swedish Institute for Employment Policy Studies Working Paper No. 3 Stockholm: SIEPS, 43 p.
- Blackwell, L. and Glover, J. 2007. Women's Scientific Employment and Family Formation: A Longitudinal Perspective. *Gender, Work and Organization*, 15, 6, pp. 579–599.
- Chandola, T., Coleman, D.A. and Hiorns, R.W. 2002. Distinctive Features of Age-Specific Fertility Profiles in the English Speaking World. *Population Studies*, 56, 2, pp. 181–200.
- Cigno, A. and Ermisch, J. 1988. A Microeconomic Analysis of the Timing of Births. *European Economic Review*, 33, pp. 737–760.
- Crompton, R. and Harris, F. 1998. Gender Relations and Employment: The Impact of Occupation. *Work, Employment and Society*, 12, 2, pp. 297–315.
- Donath, S. 2000. The Other Economy: A Suggestion for a Distinctively Feminist Economics. *Feminist Economics*, 6, 1, pp. 115–123.
- Ekert-Jaffé, O., Joshi H., Lynch, K., Mougin, R. and Rendall, M. 2002. Fertility, Timing of Births and Socio-Economic Status in France and Britain: Social Policies and Occupational Polarization. *Population* (English edition), 57, 3, pp. 475–507.
- Esping-Anderson, G. 1990. *Three Worlds of Welfare Capitalism*. Princeton: Princeton University Press, 260 p.
- Gustafsson, S. 2001. Optimal Age at Motherhood. Theoretical and Empirical Considerations on Postponement of Maternity in Europe. *Journal of Population Economics*, 14, 2, pp. 225–247.
- Hakim, C. 2008. Do We Need More Social Engineering for Sex Equality? Asks Catherine Hakim. *Compass*, 21 November 2008. <http://www.compassonline.org.uk/news/item.asp?n=3415> last accessed 7 Sept 2009.
- Kohler, H.P., Billari, F.C. and Ortega, J. A. 2002. The Emergence of Lowest-Low Fertility in Europe during the 1990s. *Population and Development Review*, 28, 4, pp. 641–681.
- Kneale, D. and Joshi, H. 2008. Postponement and Childlessness: Evidence from Two British Cohorts. *Demographic Research*, 19, pp. 1935–1968.
- Lewis, J. 1992. "Gender and the Development of Welfare Regimes." *Journal of European Social Policy*, 2, 3, pp. 159–73.
- Lewis, J. and Campbell, M. 2007. UK Work/Family Balance Policies and Gender Equality 1997–2005. *Social Politics*, 14, 1, pp. 4–30.
- MacDonald, P. 2002. Sustaining Fertility through Public Policy: The Range of Options. *Population*, 57, 3, pp. 417–446.
- Neyer, G. (2006). *Family Policies and Fertility in Europe: Fertility Policies at the Intersection of Gender Policies, Employment Policies and Care Policies*. MPIDR Working Paper 2006–2010. Rostock: Max Planck Institute for Demographic Research, 31 p.
- Office for National Statistics [ONS]. 2007. Both UK and Foreign-Born Women Contribute to Rise in Fertility. News Release. Available at: <http://www.statistics.gov.uk/pdfdir/fertility1207.pdf>
- Rendall, M., Couet, C. Lappegard, T., Robert-Bobee, I., Ronsen, M., and Smallwood, S. 2005. First Births by Age and Education in Britain, France, and Norway. *Population Trends*, 121, pp. 27–34.
- Rendall, M. and Smallwood, S. 2003. Higher Qualifications, First Birth Timing, and Further Childbearing in England and Wales. *Population Trends*, 111, pp. 18–26.
- Ruhs M. and Martin P. 2008. Numbers vs. Rights: Trade Offs and Guest Worker Programs. *International Migration Review*, 42, 1, pp. 249–265.
- Shkolnikov, V.M., Andreev, E.M., Houle, R. and Vaupel, J.W. 2007. "The Concentration of Reproduction in Cohorts of Women in Europe and the United States. *Population and Development Review*, 33, 1, pp. 67–100.
- Sigle-Rushton, W. 2008. England and Wales: Stable Fertility and Pronounced Social Status Differences. *Demographic Research*, 19, pp. 459–502.
- Sigle-Rushton, W. 2009. The Economic Costs of Divorce in Great Britain: Things Can Only Get Better. In *When Marriage Ends: Economic and Social Consequences of Partnership Dissolution* (Eds. Hans-Jürgen Andreß and Dina Hummelshiem), Edgar Elgar, pp. 155–177.

- Shalev, M. 2008. Class Divisions among Women. *Politics and Society*, 36, 3, pp. 421–444.
- Sigle-Rushton, W. and Kenney, C. (2003) “Public Policy and Families.” In *Blackwell Companion to the Sociology of Families* (Eds. M. Richards, J. Scott, and J. Treas), New York: Blackwell, pp. 457–477.
- Sobotka, T. 2004. Is Lowest-Low Fertility Explained by the Postponement of Childbearing? *Population and Development Review*, 30, 2, pp. 195–220.
- Social Exclusion Unit. 1999. *Teenage Pregnancy*. London: TSO, 139 p.
- Toulemon, L. 2006. *Fertility Among Immigrant Women in France: New Data, a New Approach*. Paper presented at the 2006 Annual Meeting of the Population Association of America. Los Angeles, CA 30 March-1 April 2006, 19 p.
- Toulemon, L., Pailhé, A., and Rossier, C. 2008. France: High and Stable Fertility. *Demographic Research*, 19, pp. 503–556.
- Tromans, N., Natamba, E. and Jefferies, J. 2009. Have Women Born Outside the UK Driven the Rise in UK Births since 2001? *Population Trends*, 136, pp. 28–42.

WENDY SIGLE-RUSHTON obtained her PhD in Economics at Brown University. She is currently a Senior Lecturer in Social Policy at the London School of Economics. Recent work includes a project exploring the relationship between childhood housing tenure and adult life chances in Great Britain. She is currently collaborating with a network of other European researchers to explore the evolution and diffusion of cohabitation across a wide range of European countries.