PEOPLE AND PLACE

EUROPEAN POPULATION POLICY IN THE TWENTIETH CENTURY: IS IT RELEVANT FOR AUSTRALIA?

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Fertility in western Europe is now very low. This accelerates the ageing of the population, an effect which cannot be offset by any realistic level of immigration.

Most couples are not restricting family size because they want to be childless or because they prefer one-child families; most would like to have two children. But economic insecurity and the problems women experience in combining paid work and motherhood prevent them from doing this. Policies in Sweden have reduced economic insecurity for families and have made it easier for women to participate in the labour force and to have children. These policies have raised fertility. In contrast, Italy has let events take their course and average family size there has fallen to 1.2 children.

During the past decade, Australian political elites have engaged in a lively discussion of the pros and cons of adopting an explicit population policy. Several aspects of this debate are highly unusual within the context of industrialised countries. Much of the impetus appears to be coming from environmentalists,[1] but the Government and the Opposition are also sensitive to popular anti-immigrant feeling in the context of high youth unemployment.[2] In consequence, there is a pervasive sense that the current rate of population growth should be gradually lowered and the population stabilised possibly at or around 23 million. There is agreement that the instrument through which this goal should be achieved is the control of immigration, and a sense that no efforts should be made to influence fertility in either direction.

The debate seems to have little in common with that which has taken place in other developed countries, especially those in Europe. There, in contrast with Australia, successive governments have spent much of the second half of the century trying to raise fertility, which has fallen to exceptionally low levels.[3] Despite serious concern over population stagnation, and in some cases decline, immigration is generally excluded from the repertoire of population policy measures and is treated as part of economic or labour-market policy. Unlike the Australian proposals, the rationales that have underpinned pronatalist policies in Europe have varied over the years but nowadays have to do with minimising the social and economic disruptions that accompany age-structural change, maintaining economic growth and cultural integrity, and preserving political and diplomatic influence in the international arena.

The purpose of this essay is to present a brief account of European efforts to increase fertility, if possible to replacement level. While the Soviet Union and eastern European

countries led the field in introducing pronatalist policies in the 1960s, the focus here will be on western Europe. Because western European nations share the pluralistic, liberal democratic polity and society that characterises Australia, comparisons with Australia will be more valid.

It is important not to confuse expressions of governmental concern over demographic trends with the existence of a formal population policy. As in other policy domains, the formulation of population policy is guided more by political than demographic rationality.[4] The history of pronatalist population policies in the liberal democracies throughout this century demonstrates that it is difficult to achieve a consensus on the need to intervene in such a private sphere as reproduction. Moreover, since demographic trends develop slowly and fluctuate constantly, it is easy for overburdened governments to put off addressing the problem..

In contemplating population trends and their anticipated consequences, policy makers are powerfully influenced by the basic values, ideologies and primary policy objectives of the regime as well as by their interpretations of the country's demographic history. At the most fundamental level, however, decision makers are most clearly guided by their perceptions of the role of the state in their society. Thus, throughout recorded history pronatalist policies have been enacted primarily by strong, centralised and somewhat monistic governments; pluralistic regimes such as contemporary European democracies, have found it much more difficult to intervene in reproductive behaviour.[5]

DEFINING POPULATION POLICY

The definition of population policy employed in this essay is used to facilitate the identification of public policies intended to influence a demographic variable, commonly population growth and/or fertility. It is also helpful in distinguishing between population policy and family policy, both of which employ many of the same measures. For this purpose population policy may be defined as a 'specific set of governmental objectives relative to the population magnitude and/or composition, with the instruments by which it may be possible to achieve these objectives.[6] Implicit in this definition are four elements that should be present:

a) a statement on behalf of government of its demographic goals;

b) a set of activities by which they may be achieved;

c) the designation or creation of an agency to coordinate and implement the activities; and

d) an allocation of financial and other resources to the agency to carry out its mandate.

Although this definition may seem overly precise, it has a number of virtues. It emphasises

the core attribute of any public policy, the intention to do something. It eliminates from consideration policies with non-demographic objectives which influence demographic trends as side effects (almost everything that governments undertake). It also rules out those influences on reproductive behaviour that are determined by culture rather than policy. And it makes possible the tracking of change in governmental attitudes as the four elements are added or subtracted, or the designated agency is allowed to rise or diminish in status.

Despite the advantages of this definition it cannot be applied mechanically as governmental behaviour is seldom as neat and coordinated as the definition implies. Objectives are sometimes left unstated if, for example, there is a lack of consensus and to state them might incite political controversy. Governmental intentions might also be obscure if demographic policies are developed within several ministries with different goals and only loose coordination. There is also a need to distinguish pronatalist measures from family and social policy instruments used for non-demographic reasons. Thus serious population research cannot be based solely on published documents but requires careful search in the files of government officials, discussions with policy makers and, in the end, the subjective weighing of many facts and opinions. Unless otherwise stated, my remarks about European population policy are based on research of this kind which I undertook between 1978 and 1985.

GOVERNMENTAL RESPONSES TO LOW FERTILITY

From early in the century, there has been a continual evolution of the way in which sub-replacement fertility has been conceptualised and in the preferred policy instruments that have been employed. From an initial reliance on measures intended to influence fertility directly, by means of prohibiting abortion and restricting access to contraceptive methods and advice, policy makers swiftly moved to the use of indirect methods. These included the provision of financial and in-kind supports to families with children, and efforts to modify the social environment, especially by assisting with the cost of suitable housing, in ways that were thought to be favourable to childbearing. Most recently, there have been attempts to incorporate modifications of labour market policy in an effort to lessen the difficulties inherent in balancing motherhood with participation in the labour force.

The modern history of population policy in Europe starts in the 1930s in response to the unprecedented fall in birth rates, to below replacement level, which accompanied the severe global recession of the 1920s and 1930s. As war became inevitable and in the context of a belief that national power was closely linked to population size, this demographic catastrophe caused a wave of intense pronatalism to sweep over Europe, affecting especially France, Belgium, Italy and Germany. Long concerned over its 'poor demographic performance', France had already, in the early 1920s, attempted to control the use of contraceptives (except for condoms, which were regarded as prophylactics) and had moved its anti-abortion legislation from the criminal to the civil code in the hope of obtaining more convictions.[7] The penalties remained harsh, however, and the police and the courts were unwilling to prosecute or convict for offences which their own wives were committing. Abortion,

therefore, remained common.[8] Indeed, although several other countries tried to enforce their anti-abortion legislation, only the National Socialist government in Germany could muster the political will to enforce its repressive legislation zealously.[9]

This has proven to be costly for Germany. Combined with the Nazi racist policy, the repressive abortion and contraceptive laws caused such revulsion amongst the German people that to this day Germany dares not attempt to introduce a population policy.[10] Among the liberal democracies, however, Sweden achieved a breakthrough. Greatly influenced by the work of Gunnar and Alva Myrdal, two prominent social democrats, Sweden determined that all children should be wanted children. Rather than repressing contraception, Sweden expanded its network of birth control clinics and became the first country in Europe to legalise abortion for a number of causes.[11]

Following the failure of 'negative' measures in the 1920s, a more positive approach, aimed at alleviating poverty and reducing the economic costs of rearing children, was gradually elaborated in western Europe during the 1930s. While Mussolini in Italy and the National Socialist government in Germany, took some modest steps in this direction, it was primarily France and Sweden that developed what has now come to be known as family policy. From the start, family policy had two objectives, the stimulation of fertility and social justice — an attempt to ensure that families with three or four children would not suffer a decline in living standards compared with families with fewer or no children.[12]

In both France and Sweden, family policy was to be effected by means of social transfers in the form of child and family allowances, tax relief, housing assistance, birth grants, maternity leave, the provision of day care facilities for young children, and a variety of additional measures in cash and kind. As war became inevitable, however, and there were signs of rising fertility following the return of full employment, family policy in Sweden was put on the back burner. In France, by contrast, the pronatalist incentives were somewhat increased under the Nazi-inspired Vichy government.

At the end of hostilities family policy again became the focus of attention. In France, under the leadership of the interim president, Charles de Gaulle, a committed pronatalist, France's 1939 Family Code was greatly expanded and strengthened. Sweden's approach was less intense and was somewhat broader, including not only transfers to families but also massive construction of social housing. In both countries, however, as fertility rose during the post-war baby boom, the pronatalist impetus faded and transfers were permitted gradually to decline in importance relative to total income.[13]

POLICY EFFORTS AFTER 1965

With a remarkable coincidence in timing, around 1964-65, fertility in Europe resumed its long term decline. Starting first in eastern Europe, the fall in birth rates spread rapidly to the west, reaching sub-replacement levels virtually everywhere by about 1980.[14] In 1978, the total fertility rate (TFR) reached 1.38 in West Germany. Deaths had exceeded births in the

German population in 1971 and in the German and immigrant populations combined the following year.[15] Since this time TFRs of below 1.38 have appeared in several countries, even in southern Europe. Comparisons of period and cohort fertility clearly indicate that the higher fertility of the immediate post-war years was largely a timing phenomenon as couples made up for the births that did not take place during the war.[16] It became clear, also, that the demographic transition was not destined to end when fertility reached replacement level, as most demographers had implicitly assumed.

The return of declining fertility took place in a very different world from that of the 1930s. The unexpectedly rapid recovery of western Europe after the war initiated a period of unparalleled economic prosperity. Shortages of indigenous labour were readily made good by the apparently unending streams of immigrant workers flocking to the west. With France and Germany finally abandoning their nationalistic and demographic rivalries and determined to foster ever-closer cooperation among western European nations, confidence in the future soared.

In social terms, equally momentous changes were taking place, challenging traditional relationships within the family and offering women more choice of fulfilling social roles. During the 1960s, political campaigns mounted by a reinvigorated feminist movement gave western women access to new, safer, and more reliable contraceptives. In the 1970s, this was followed by the liberalisation of abortion.

While few today would argue that the low birth rates were caused by the availability of contraception and legal abortion except in a mechanistic sense, these changes gave women more precise control over their reproduction than had ever been the case before. Control of fertility made it easier for women to enter the labour market; it also separated sex from child bearing and allowed couples to experiment with new forms of relationship. Cohabitation before marriage became common, as did births out of wedlock. Moreover, significant numbers of women in Germany and in some other countries now seem to prefer to remain childless.[17]

In the new global context, governmental perceptions of the likely consequences of sustained sub-replacement fertility also shifted quite dramatically. In the more peaceful Europe, there was much less fear that fewer young men would undermine the ability of individual countries to defend themselves, although prior to the collapse of the Soviet Union West Germany remained uneasy about the depopulation on her eastern border. While ministries of defence acknowledged that they faced likely shortages of male recruits to their armed services, they believed that the recruitment of more young women and, if necessary, the abolition of non-military options for compulsory national service, would compensate for the deficiency. Moreover, in the absence of a consensus among economists on the impact of stagnant or negative population growth on the economy, governments tended to place their faith in good economic planning, higher productivity per capita, and in transferring their manufacturing processes offshore to countries with an abundance of cheap labour.[18]

As perceived by policy makers, the biggest problems facing governments in low fertility countries arise from the effects of age-structural change. Amongst the most troubling are the high cost of health care for the growing elderly population and the added strain on social security (pension) systems. Sustained below-replacement fertility brings a mathematical certainty of an increase in the size of the elderly population. This has forced governments to confront a previously unrecognised fact: pay-as-you-go social security systems, which constitute the majority, when mature do not produce fully-funded programmes.[19] Social security programs in many countries were designed in the 1930s and 1940s on the implicit assumption that the size of working-age populations would continue to grow indefinitely and would fund expanded benefits and earlier retirement. These programs have recently faced severe, and sometimes recurrent, financial crises. Emergency measures to stave off bankruptcy by raising contributions and/or by borrowing from other parts of the social welfare system have had only short-lived success. More effective measures like raising the retirement age for social security purposes and taxing social security benefits are politically difficult to introduce, especially in times of high unemployment.

A second major dilemma for western European governments is the emergence of overt racism in response to the presence of large numbers of immigrant workers of alien extraction. For many years European countries had compensated for shortages of indigenous workers by turning to immigrant labour. Prior to and immediately after WWII, this strategy had been quite successful; immigrants had been drawn from poorer European countries and had been perceived by host-country nationals as culturally similar to themselves. As post-war prosperity spread to include the sending countries of southern Europe, these historical sources of foreign workers dried up and host countries became dependent on 'guest workers' from culturally distinct nations, who were less well accepted. When the recession hit following the OPEC oil embargoes of the 1970s, host countries found themselves dealing with serious outbreaks of racial violence directed at immigrants, mainly immigrants from Turkey (in Germany) and North Africa (in France).

Although host countries closed their recruitment offices in foreign countries as early as 1974, immigration rates have remained quite high, mandated by international conventions on refugees and augmented by family reunion. However, as long term unemployment has affected a large number of young people in continental Europe, intense anti-immigrant feeling has fostered increasingly ugly racism. This is most evident in France, where Jean-Marie Le Pen's National Front political party attracts ever-growing numbers of adherents, as well as in Germany where xenophobia feeds a violent neo-Nazi movement among disaffected youth. It is important to note, however, that no host country in Europe has escaped the emergence of a vocal anti-immigrant movement. In addition, with international conventions increasingly regulating wage and other employment and social conditions of immigrants, migrant workers are no longer cheap workers and employers are more reluctant to employ them. Nevertheless, without a large number of immigrants, the German population would have been decreasing in number for the last three decades.

THE POLITICAL AND POLICY CONTEXTS

Governments confronting the resumption of falling birth rates in the 1960s found themselves in quandary. Social and demographic theorists were at a loss to explain the change and, even more, its simultaneous appearance in countries that varied markedly in their social, cultural, economic, linguistic, and political attributes. Many government decision makers found that they lacked adequate demographic analysis as well as country-specific analyses of the relationships between demographic and social trends; thus they had little understanding of the likely consequences. The dearth of analysis was particularly egregious in the economic sphere where such models as existed were based on the assumption of continued population growth; nothing was known about economies based on stagnant or negative population growth. Once policy makers realised that the downturn was real, their first reaction was to try to educate themselves, setting up working groups and holding conferences to examine the issue. They also started to consider how to give their family policies a pronatalist edge.

Exploring how this might be accomplished, governments found themselves facing a number of constraints. In France, respondents in surveys conducted by the National Institute of Demographic Studies (INED) indicated that women would no longer tolerate what they considered 'coercive' family policy measures. They were referring to such measures as 'windfall' premiums paid to women who had a child within a specified time period following a marriage or the birth of a previous child, a measure that had been introduced in the Family Code of 1945. Later surveys in other countries found that women were of much the same opinion. Where such surveys were undertaken, however, women consistently indicated that the number of children they were bearing fell short of the number they desired. They cited economic and time constraints, as well as the shortage of acceptable housing, as reasons for the shortfall, and suggested that measures to ease the difficulties of balancing motherhood and labour force would be needed if they were to have more children.

Eastern European countries, which responded to the fertility decline a little earlier than did western nations and at a time when fertility was still a little above replacement level, had already developed a model to do just this – one with which they had some success. Facing a more acute need to maintain an abundant supply of labour for their under-capitalised economies, and less constrained by democratic niceties, eastern European governments had acted quickly with a three-pronged approach. First, and out of the question in the West, restrictions were placed on abortion—in practice the only available means of preventing births. These varied from the draconian in Romania[20] to the relatively mild in Czechoslovakia, Bulgaria and Hungary.[21] Second, a variety of income supports for families including maternity and child allowances were increased, some of which were indexed to wages or prices, and there were low-income loans for housing. Third, to make it easier for mothers of young children to work, the supply of day care places was expanded. The greatest innovation, however, was to make possible extended periods of post-maternity leave. This last measure allowed mothers to take a long leave that varied by country from between one and three years after the birth of a baby. An important factor was that the leave was compensated, usually at or close to full pay for the first five or six months, and thereafter at something close to the minimum wage. In addition, women were guaranteed re-employment in their previous position or in one of similar status; they retained their seniority in the

organisation; and the leave period counted as work time for pension purposes.[22]

Although these measures were successful there was no way they could be introduced in the West. For one thing, the rationale was less imperative; for another, in the OPEC-induced recession of the 1970s and 1980s the budgets would not allow it. As policy makers pointed out to me, the vastly higher living standards enjoyed by western families, compared with those in the East at the time, and in the West in the 1930s, rendered prohibitive the cost of improving families' economic situation by a wide enough margin to make a difference.

In the liberal democracies, moreover, it was difficult to get a consensus on what measures to apply. By the early 1980s politicians of all political hues agreed that something should be done, but they differed on the means. Conservatives and other right-of-centre parties thought that policy should aim at restoring the traditional one-breadwinner family by offering a 'maternal wage' that would allow mothers to stay at home to care for their children; they also believed that women should be encouraged to have the critical third birth, possibly by ensuring that transfers to the family were maximised at that point. Left-of-centre parties favoured more egalitarian means. Family allowances should be available equally for all birth orders and there should be a great expansion of day care facilities so that women could remain in the labour force. These proposals were much more expensive than those of the conservatives, whose maternal wage proposals fell far short of compensating for the loss of earnings. In addition, some of the proposed measures met with political opposition from an unlikely coalition of unions and radical feminists. In France, for example, unions argued that allowing special groups like mothers to work shorter hours would undermine their efforts to secure a 30-hour working week for all workers, while feminists thought that such concessions would act against women's 'true' interests by pricing them out of the labour market.[23]

By the mid-1980s, however, party-political differences had become a matter of form rather than substance; once in power, parties of all ideological persuasions were constrained by budgetary considerations to follow much the same strategies. Beyond this, however, governments were faced with a more formidable obstacle: the lack of support in the electorate for any form of frank pronatalism. Many of the numerous family associations that had formed an influential lobby for the traditional large family, especially in France and other francophone countries, were forced to close for lack of members. Those that survived did so by diversifying their membership to include single and unmarried mothers as well as cohabiting couples; pronatalism became but one cause among many and was no longer capable of delivering votes. Tellingly, the younger generation of officials in ministries responsible for the family also felt that the new forms of family were the ones in greatest need.[24]

It is difficult to determine the effect of family policy on fertility, in large measure because governments are constantly tinkering with the mix of available measures and with the magnitude of benefits. Much depends, also, on the fit between family policy and the broader social and economic context. While there is reasonable agreement among analysts that well

designed policy packages can elicit a favourable response, this response tends to be short lived and to affect the timing of births rather than completed family size.

It is also difficult to compare countries on the strength of their policies because of the variety of combinations of measures that they choose and because a drop in expenditures on one measure may be made up by the introduction of another. Nevertheless, a recent, highly detailed comparative study of family policies in industrial societies, came to the tentative conclusion that, between 1975 and 1990, the indices of sums going to a two-child family relative to the wages of a single industrial worker remained almost constant, and in some cases declined.[25] Moreover, expenditures were not closely associated with the strength of pronatalist sentiment expressed by the countries concerned.[26]

Its popularity notwithstanding, family policy is an imperfect instrument for stimulating fertility. The pronatalist component of such policies is readily compromised by the dual, sometimes contradictory, objectives of welfare and pronatalism. Within a family ministry or department, demographic policy has to compete with many other programmes for visibility and funding. Family ministries or departments not infrequently are embedded in larger 'super ministries' with broader responsibilities for social welfare, health, or even labour. Inevitably, in such circumstances, the focus of pronatalist proposals may be lost as they are shaped to conform to overall policy.

Processes of this sort account for much of the incoherence of family policy and for a weaker demographic effect than was intended. Lost in the bowels of huge bureaucracies, those responsible for demographic policy tend to have little access to the centres of political power. They also lack the capacity to influence or coordinate the work of other government agencies that may be involved. Thus, many students of low fertility, reaching back as far as the 1930s, have argued that the only real cure for the birth dearth is a radical restructuring of the society to make it 'more friendly to children'.[27]

THE SCANDINAVIAN MODEL: A DIRECTION FOR THE FUTURE?

In continental western Europe, fertility started to level off after 1985, although it remains low; by contrast, in southern Europe, birthrates have continued to fall to very low levels indeed. It is hard to say whether things might have been worse in the West in the absence of family policies but there is a growing sense that the changed relationships between work and family can no longer be served by policies that are designed to work within the now outmoded model of the one-breadwinner family.[28] This may be especially the case in southern Europe, where women's labour-force activity rates lag behind those of the rest of Europe and traditional family norms are still well entrenched.

It is in this context that the Scandinavian model based on the institutionalisation of labour-force participation by all adults, wives and mothers included, seems better adapted to contemporary life styles. This objective is most fully developed in Sweden and its facilitation permeates all aspects of Swedish society. As a result, Sweden's family policy is very broadly conceived, incorporating elements of fiscal, labour market, education and

housing policy, as well as childcare services and generous monetary transfers. One feature of this policy that deserves special mention is the large number of women employed by the government to staff its extensive network of social services. An unexpected consequence of these family and labour market policies is that Sweden has reversed the usual direction of the relationship between women's labour-force participation and fertility, which are now positively related.[29]

From a fertility perspective, however, it is Sweden's parental insurance legislation that is of particular interest. Introduced in the early 1970s as an instrument of a new policy to foster 'equality between the sexes', the Swedish version of 'women's liberation', parental insurance was designed without reference to fertility. Indeed, it followed hard on the heels of a 1971 tax reform that required that both partners in a marriage be treated as individuals in regard to both their financial support and their taxes. This tax measure was responsible for a massive entry of women into the labour market as it relieved the burden of Sweden's extremely high marginal tax rates.[30]

The parental insurance programme was designed to enable parents—mothers and fathers—to fulfil their responsibilities both as parents and members of the labour force. The legislation extended the period of maternity leave and significantly increased the previously low rate of compensation to a full 90 per cent of previous earnings. The law made fathers eligible to share the leave, a provision that was later strengthened by requiring them to take at least one month of the available time. The length of the leave was gradually extended, at a lower level of compensation, until it reached 15 months by 1989, and shortly afterwards it became possible for parents to take an additional 18 months of uncompensated leave.

Other benefits were also included; for example, parents were permitted 60 days of additional paid leave to take care of a sick child, to take it to the dentist, attend a parent-teacher conference, or to see to other child needs; the supply of creches and day care centres was increased; and after school facilities for older children became common. Moreover, parents were allowed a great deal of flexibility in how they chose to take parental leave, spreading it out or combining it with vacation or sick leave until the child reached school age.[31]

As in other European countries, Sweden's fertility fell after 1964, reaching its lowest ebb in 1978 with a period TFR of 1.6.[32] At this point, fertility started to rise again to above replacement level, reaching a TFR of 2.13 in 1990.[33] Britta and Jan Hoem have undertaken in-depth analysis of this phenomenon during the past decade. They conclude that the increase in births of all orders, including the third and fourth, that took place between 1977 and 1990 can be attributed to renewed confidence inspired by the parental insurance provisions.

The final word on this policy is not yet in, however. During the early 1990s, Sweden was hit by a severe economic recession which resulted in unemployment for both women and men at levels not experienced for many years. Like its counterparts on the continent, the Swedish government responded with funding cuts throughout the entire social welfare system including education, family allowances and day-care facilities. In 1995, compensation for

parental leave was reduced to 80 per cent of previous earnings, and again to 75 per cent the following year.

Women responded to this across-the-board shock by postponing first births while the number of third and fourth births fell by one-third. Fertility plummeted once again, reaching a TFR of 1.6 in 1996. In 1997, the government took the matter in hand, making efforts to reconstruct the country's public finances and publishing plans for restoring the economic situation of families.[34] It remains to be seen how fertility will respond. However, it should be noted that Sweden's boom in births as well as its bust support the hypothesis that, in supportive conditions at least, high labour-force participation rates among women can co-exist with sustainable fertility levels.

POPULATION POLICY IN THE 1990s: A LOOMING CRISIS

After some years during which Europe's demographic problems have receded somewhat from the forefront of public attention, below-replacement fertility is once again becoming a source of concern, at least among demographers. Behind this resurgence of interest lies the realisation that very low fertility is no longer confined to the rich and advanced industrial countries of the West but has spread to include the countries of eastern Europe and the former Soviet Union, many of the islands of the Caribbean, and at least seven Asian countries.[35]

By 1995, within western Europe, the period TFR had fallen to 1.41 in Portugal, 1.35 in Greece, and 1.24 in Spain, up from 1.21 the previous year.[36] In Italy, fertility fell by 50 per cent between 1972, when the TFR was 2.4, and 1993, when it reached 1.2.[37] Moreover, in some regions of both Spain and Italy, fertility is below one child per woman.[38] At present, however, the lowest fertility in a large region, is found in the former eastern Germany, where the TFR reached 0.77 in 1994.[39] The contrast between such statistics and those characteristic of Scandinavia are striking and have stimulated much interest among European demographers.

Excluding migration, the long-to-medium term demographic implications of southern European fertility are sobering. According to a set of projections run by an Italian demographer, Antonio Golini, the continuation of Italy's current fertility (TFR of 1.27) would result in a reduction of the total population size, from 57.5 million in 1997 to 41.1 million by 2047, a decrease of over 16 million in just 50 years.[40] By contrast, a variant of the projection, based on a TRF of 1.8, a rate characteristic of northern Europe, would result in a loss of just under seven million, yielding a total population of 50.5 million.[41]

Golini argues that the annual rate of population decline of 0.3 per cent in the second case would be more easily accommodated by the society than would be the 0.7 per cent annual rate of the projection which assumes that current fertility will remain constant.[42] Under the constant fertility assumption age-structural changes would also be dramatic. The size of the over-60 population would double, from 22.8 million to 44.5 million, while the proportion of

the population of working age would decrease from 57 per cent to 42 per cent during the projection period. The ratio of the very elderly population (80 years and over) to the very young (under five years) would also become less favourable, increasing from 0.9 to 1, in 1997, to 5 to 1, in 2047.[43]

While it is unwise to speculate too freely on the social and economic consequences of such long term demographic trends, a few points can be made with some confidence. First, at the slower rate of population decrease, tolerably small numbers of immigrants would suffice to hold the population size at or close to the replacement level and to maintain economic productivity. By contrast very large numbers of immigrants would be needed to achieve the same ends under the constant fertility assumption and would probably exceed the bounds of social and political tolerance. Second, the decline in the numbers of the working age population relative to the increase in the numbers of the retired and the decrease in the numbers of young people, would raise the average age of the labour force. This could have a deleterious effect on productivity, reducing the flexibility of the work force and its ability to keep abreast of new technology, compared with the younger populations of newly industrialised nations.[44] At the same time, the smaller number of potential mothers would accelerate the negative momentum of population growth.[45] One might also ponder the nature of a society in which children are outnumbered by the over-65s by seven to one.[46]

The collapse of Italian fertility is so recent that its causes have not yet been adequately identified. There are, however, a number of factors that appear to be important. Marriage is still considered by the majority as a pre-requisite for childbearing, but both men and women are postponing marriage and the age of childbearing is now quite high. Citing de Sandre et al.,[47] Golini reports that more than half of the babies born to the youngest cohort of women, those born between 1970-75, were conceived when their mothers were over 30, almost double the proportion only 20 years before. This trend is supported by high levels of youth unemployment, which reached 29 per cent for men and 38 per cent for women in 1996,[48] and by the larger numbers of young men and women seeking post-secondary education and training. It is particularly noteworthy that, in the 20-24 year age-group, women now outnumber men in obtaining university degrees. Other scholars have observed that the entry of young women into higher education and the labour market has strained inter-generational and gender relationships and may have contributed to the delay in entering into marriage and parenthood.[49]

The delay in marriage and the drop in fertility in Italy may be compounded by the lack of child support provided by both the government and the society. Jean-Claude Chesnais points out that the share of child benefits in the total social security budget has decreased from 13.3 per cent in 1970 to only 3.9 per cent in 1992. This reflects not only a failure to adjust family benefits in line with prices, but also the introduction of means testing as a result of which only the poorest families receive assistance. In concrete terms, exclusive of education, per capita public expenditures on family allowances in 1992 amounted to 150 ECUs in Italy, compared with the corresponding figure of 1,350 ECUs in Sweden.[50] Moreover, in the

enterprise-based national insurance system, which covers most workers in regular employment, only some 10 to 15 per cent of the statutory contributions specifically intended for family allowances, are actually paid out for that purpose; the remaining 85-90 per cent is used to make up deficits in other social insurance programmes.[51] Italy has also lagged behind in the provision of such child-centred social services as day care facilities for pre-school children and adequate, affordable housing. Shops that are open only during regular office hours add to the day-to-day difficulties experienced by working mothers as they try to budget their time.

The Italian government has only recently expressed serious concern about the societal consequences of the shortage of births, the ageing of the population and the heavy influx of immigrants. To date, however, no action has been taken, neither have policies been formulated. Demographic trends take time to impinge themselves upon the public's consciousness and their economic and social consequences tend not to felt until young people become old enough to enter the labour force or contemplate marriage. For any government, therefore, there is a mismatch between this lead time and the much shorter period they can expect to remain in office. Italy's rapid turnover of governments during the entire post-WWII period must be regarded as a major reason for the long neglect of population, and family, policy.

In truth, population policy is difficult for any government in the liberal democracies as they must tread lightly when intruding into the intimate sphere of reproduction. The fears of young women that a pronatalist population policy will prevent their escape from the nursery and kitchen still resonate, especially in countries that experienced the coerciveness of fascist population policies and rhetoric. Against a background of continuing rapid population growth in developing countries, significant groups in western societies see population decline at home as desirable for environmental and other reasons. Furthermore policies that are strong and coherent enough to influence fertility in an upward direction are extremely expensive and are seldom considered in times of fiscal stringency. Yet the consistent finding, going back for two decades, that women are bearing fewer children than they consider desirable provides an opportunity for policy to help individuals and couples to achieve their fertility preferences.[52]

Reflecting on fertility and population policy in continental western Europe today, one is forced to the conclusion that the social and economic policies currently in place are no longer capable of assuring the replacement of the population. In the early post-WWII period, the introduction of welfare states that aimed to guarantee employment and wages sufficient to support a non-working wife, together with substantial family policies, meshed with the norms and ethos of the times and they worked well. In the intervening period at least three changes have taken place which together render the old system of family support obsolete. These include the vast expansion of education for women, which has prompted the desire for a career outside as well as within the home; the development of safe and easy-to-use contraceptives that enable women to trim their fertility to the economic winds; and the prolongation of life, which has increased the number and political clout of the elderly. As a

consequence of these changes, social expenditures on the elderly now far exceed those that support children.[53]

As the two-income family has become the norm, moreover, married women who bear children and remain out of the labour force find themselves doubly deprived. While career women with few or no children enjoy additional income, status and autonomy, as well as a pension when they retire, women who forego economic activity to bear the children who become the producers and tax payers of the future receive no financial recognition for their work, even in old age. As Chesnais has put it, in contemporary society 'fertility and old age security are negatively correlated'.[54]

Preoccupied with the problem of adjusting to the demands of the new global economy, governments of all political persuasions in continental Europe appear to have lost sight of the population problems that they also face. Many of the customary family allowances have been whittled away and means tested. Simultaneously, as enterprises have attempted to cut production costs, unemployment among the young and unskilled has risen to levels that have not been seen since the great depression, bringing in their wake a deep sense of despair and alienation. Under pressure from the unions to create more jobs, employers have encouraged their older workers to take early retirement. The consequent rise in the cost of retirement benefits, which are born by enterprise, coupled with the loss of productivity, has left little to spare for job creation. In the opinion of one scholar, governments in continental Europe are at an impasse, unable to meet the changing needs of their economies, families, and young people.[55]

If this policy impasse is allowed to continue the situation bodes ill for a rapid recovery of the birth rate. Unemployment among young people and the insecurity it engenders, is a poor foundation upon which to contemplate starting a family. The decrease in the number of new entrants into the labour force places an additional burden on the working population, already encumbered by the cost of supporting the elderly dependent population, even without those who have taken early retirement. However, while governments continue to worry about how to provide for the large and rapidly growing elderly population, they do not seem adequately to appreciate that population ageing is an inevitable consequence of low fertility and that it will become less burdensome only when birth rates increase once again.

SOME COMMENTS ON AUSTRALIA

In Australia, period fertility rates fell sharply between 1970 and 1975 and have oscillated on a gently declining path since then, reaching an average of 1.82 children per women in 1995.[56] This level of overall fertility locates Australia amongst the highest fertility achievers in Europe. However, two recent analyses which disaggregate the overall statistics indicate that fertility is declining in all age-groups and marital statuses, and at an increasing rate in successively younger cohorts.[57] McDonald's analysis of the 1996 census data also shows that trends in the educational, occupational, and income composition of the population are moving in the direction of those groups that have lower fertility.[58] He sees nothing to

suggest that fertility is about to rise; to the contrary, he thinks it is more likely to fall to levels similar to those in continental Europe.

For the moment, Australia's demographic future is more favourable than Europe's as its younger age-structure will protect it from a decrease in population numbers for the next 30-40 years. However, Australia may be on the same trajectory as Europe. If and when deaths come to exceed births in the Australian-born population, as they do in Germany and several eastern European countries, population stabilisation will only be achievable by greatly increased immigration.[59] In the absence of immigration, the population would enter an exponential cycle of negative growth such as was described for Italy. Nevertheless, this is an unlikely scenario as, long before rapid decline set in, the government would undoubtedly have taken action to increase immigration. This would be an unsatisfactory solution, however, not only because it would change the character of the nation, but also because the sudden increase would set up wide oscillations in the fertility trend that would be difficult for the society to accommodate. A better solution would be to attempt to sustain fertility at its present level, or a little higher, so as to stabilise the rate of growth, or at least to slow down the rate of decline.

Adjusting their reproductive behaviour to social and economic realities, Australian women, like their European counterparts, are achieving fewer children than they expected to bear at the start of their childbearing careers.[60] As in Europe, the fertility gap creates a space for the introduction of a fertility-oriented population policy. To be effective in contemporary society, such a policy would need to focus on two objectives: a) the establishment of conditions in which women could achieve genuine equality with men in the labour force and men could participate more fully in parenting; and b) the restoration of a greater balance between public and social expenditures on the support of children and the elderly.

In an ideal world, achieving these objectives would likely involve providing more of such child-oriented services as affordable day-care and after-school facilities to enable both parents to work. Additionally, policy should recognise the social value of childraising by ensuring that time spent in full-time parenthood in the early months of an infant's life would contribute to the parent's eligibility for work-based superannuation. The introduction of a universal child allowance might also be considered from this perspective. Finally, it would be desirable to recognise the difference between chronological and social ageing and to consider gradually raising the age of eligibility for superannuation or a pension.[61] Such a move, if implemented, would increase productivity, increase contributions to pension funds, lower the cost of supporting retirees, and release funds for child support.

A population policy of this nature could be introduced only on the basis of a national consensus. It would have to be formulated and implemented incrementally over time, and its results would not appear in the short term. For these reasons alone it is unlikely to appeal to politicians. In addition, it is out of step with the economic liberalisation policies currently in vogue. Yet, in the light of Europe's recent economic and demographic history, a broadly-based fertility policy of this sort may represent the best way forward for Australia.

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