

*Uncertainty and fertility intentions:
A comparison between the Great Recession and
the Covid-19 crisis*

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Motivation

- The 2008 Great Recession triggered negative fertility trends in Europe, but the declines persisted long after the economic recovery (Sobotka et al., 2011)
- Part of this unaccounted fertility decline can be explained by the rise of economic *uncertainty* – a condition in which the future cannot be deduced by present information (Dequech, 2000)
- Economic uncertainty alone, however, does not explain why fertility is still declining more than ten years after the Great Recession, including the United States, or in countries like the Nordic European states which were marginally affected by the crisis and economic insecurity (Comolli et al., 2020; Hellstrand et al., 2020)

Motivation

- Covid-19 and the measures adopted to contain its diffusion have led to another crisis.
- The social, financial and labour market losses have been considerable, and the post-pandemic prospects remain highly uncertain.
- The Covid-19 crisis is first and foremost a health emergency, but in the longer run individuals may adjust their behaviour to the considerable economic and social costs of the pandemic.
- This will possibly produce additional negative effects on childbearing (Aassve et al., 2020)

Motivation

- While theories of the fertility response to business cycle fluctuations consider major crises exclusively as economic experiences, their effects are rarely confined to one domain.
- **Economic downturns are also social phenomena.**
- They have an impact on psychological outcomes, communities and morality, and on social interactions and individual's sense of belonging to certain groups.
- When these societal changes are of a sufficient magnitude, they tend to break down the social fabric and ***represent additional sources of social uncertainty*** which may produce effects on reproductive decisions beyond those of economic unpredictability alone.
- These aspects have been largely overlooked by the literature on the determinants of low fertility in contemporary societies and especially in the context of crises.

Theoretical Background

- The New Home Economics (NHE) theory sees childbearing as a rational choice based on the costs and benefits of children (Becker, 1993)
- In the aftermath of the Great Recession, the notion of *economic uncertainty* has become central to the socio-demographic literature on fertility (Alderotti et al, 2021; Comolli and Vignoli 2021; Vignoli et al., 2020a, b)

Theoretical Background

- Individuals use community actions as sources of information to navigate complex situations (Rossier and Bernardi, 2009) and to choose their own course of action (Montgomery and Casterline, 1996)
- Social interaction and the ensuing exchange of information, services and goods between individuals is a powerful determinant of fertility (Balbo et al., 2013)
- Yet, social interactions do not only produce *information* but also produce *resources or social capital* (Putnam, 1993)

Theoretical Background

- Social psychologists and political scientists show that social capital tends to be affected by long-lasting periods of lower opportunities (Matsudaira, 2016; Ayllon, 2019).
 - Enduring inequalities elicit lower social cohesion and mounting intra- and inter-generational tensions.
 - Inequality lowers civic spirit, trust, and civic engagement, and correlates with political polarization and the emergence of populist parties (Uslaner and Brown, 2005; Rydgren, 2007)
 - Inequality is socially dysfunctional. It causes marginalization, increasing anxiety over the preservation of social status and reducing social trust (Kearney and Levine, 2014)

Theoretical Background

- Generalized **trust** represents a crucial *human strategy to reduce the complexity* arising from the burden of the multiplicity of possible events (Luhmann, 1999), and *to mitigate uncertainty* (Colquitt et al., 2012)
- On the contrary, the shredding of good practices induces a sense of insecurity that pervades lives, especially during times of social changes (Lind, 2001)

Empirical evidence

- Lower trust levels have been linked to lower fertility (Aassve et al., 2016) via a lower likelihood to marry (Cherlin et al., 2016), a lower quality of institutions (low childcare public provisions) and a lower likelihood of couples to outsource child care (Aassve et al., 2018).
- these studies see social capital and morality as invariable traits of groups or societies (Aassve et al., 2018: 4-5),
- the literature shows that major crises alter these traits, generating further uncertainties related to the future of social support, values and the quality of institutions, which might induce a further childbearing postponement.
- *The hypothesis that economic crises generate not only economic but also social uncertainties and that the latter too drive contemporary fertility declines has never been explored*

This study

- First, integrates theories of *economic* uncertainty with those of *social* uncertainty, as the latter have been overlooked in the literature of low fertility.
- Second, contextualizes post-pandemic fertility trends into a long-term perspective that includes the post-Great Recession developments

Research questions

- 1. Did the relationship between objective and subjective employment and childbearing decisions change between the Great Recession and the Covid-19 pandemic year?*
- 2. Do social uncertainties, beyond objective and subjective economic conditions, influence childrearing decisions?*
- 3. Has this relationship changed from the Great Recession period to the early years of the pandemic crisis?*

Data and method

- 22 waves available of the Swiss Household Panel (SHP, 1999-2020), focus on 2006-2020
- Women and men age 15-49
- DV: whether a *child is wanted in the next 24 months* (yes/no)
 - Short-time childbearing intentions (proxy of actual reproductive behavior: new data available in January 2022)

Data and method

IV:

(1) Objective employment conditions (FT, PT, Unemployment, In education, Out of LF) and perceived employment uncertainty (Last job is: very secure, quite secure, a bit insecure or very insecure).

(2) Social uncertainty: generalized trust -> *most people can be trusted or you can't be too careful in dealing with people* (0-10 from Can't be too careful to Most people can be trusted),

civic engagement -> active/passive or no membership in volunteering activities¹; respondents having honorary or voluntary activities within an association, an organization or an institution

sense of control over life -> "How often have you felt that you were unable to control the important things in your life?"

(3) PERIOD: 2006-2009; 2009-2013; 2014-2019; 2020

¹For instance, local or parents' association, sports or leisure association, organization involved in cultural activities, music, or education, syndicate, employee's association, political party, organization concerned with protection of the environment, charitable organization, women's association, and tenants' rights association.

Data and method

Control variables:

age, nationality, marital status, educational level (later also number of children already had)

Mechanisms: childcare and other domestic tasks outsourcing, division of unpaid work in the couple, subjective wellbeing (life and domain specific satisfaction), and relationship quality

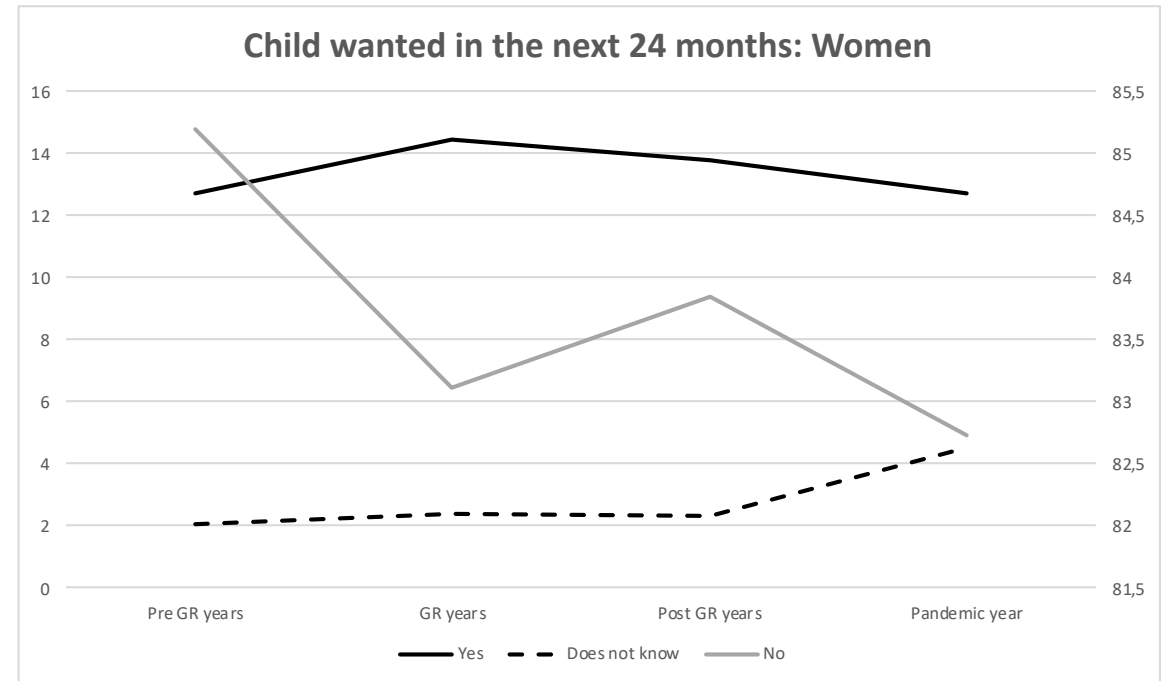
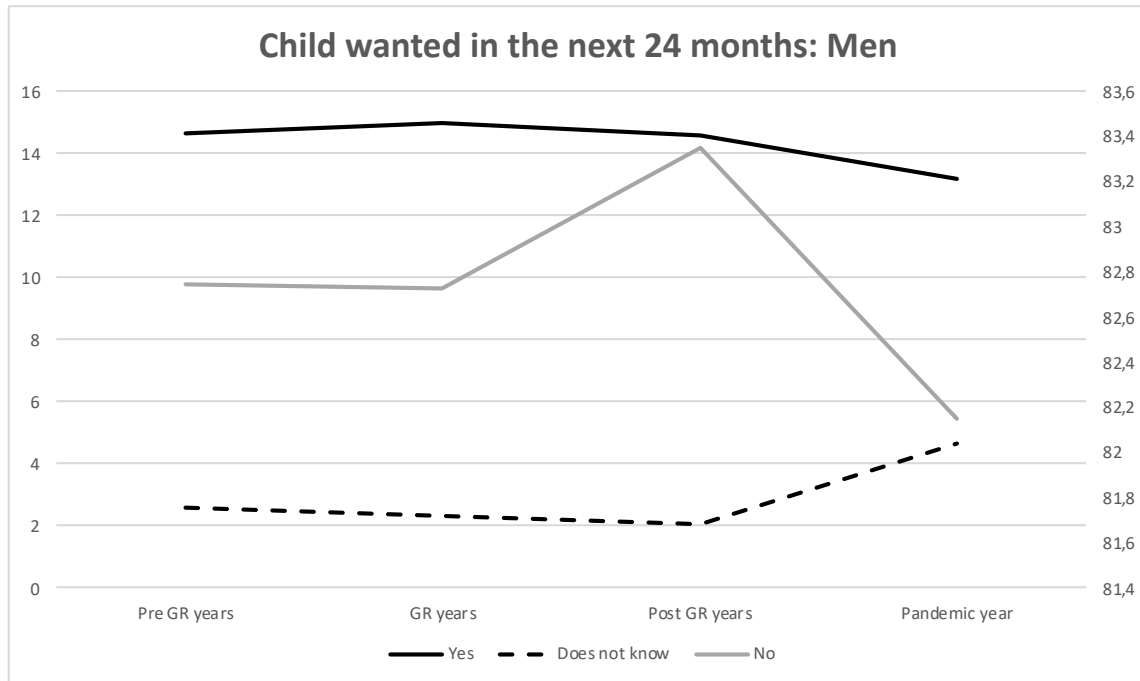
Data and Method

- Multinomial Logit Models
- Model interaction between
 - (i) objective employment status
 - (ii) subjective employment uncertainty (among employed)
 - (iii) social uncertainties (net of objective and subjective employment condition)

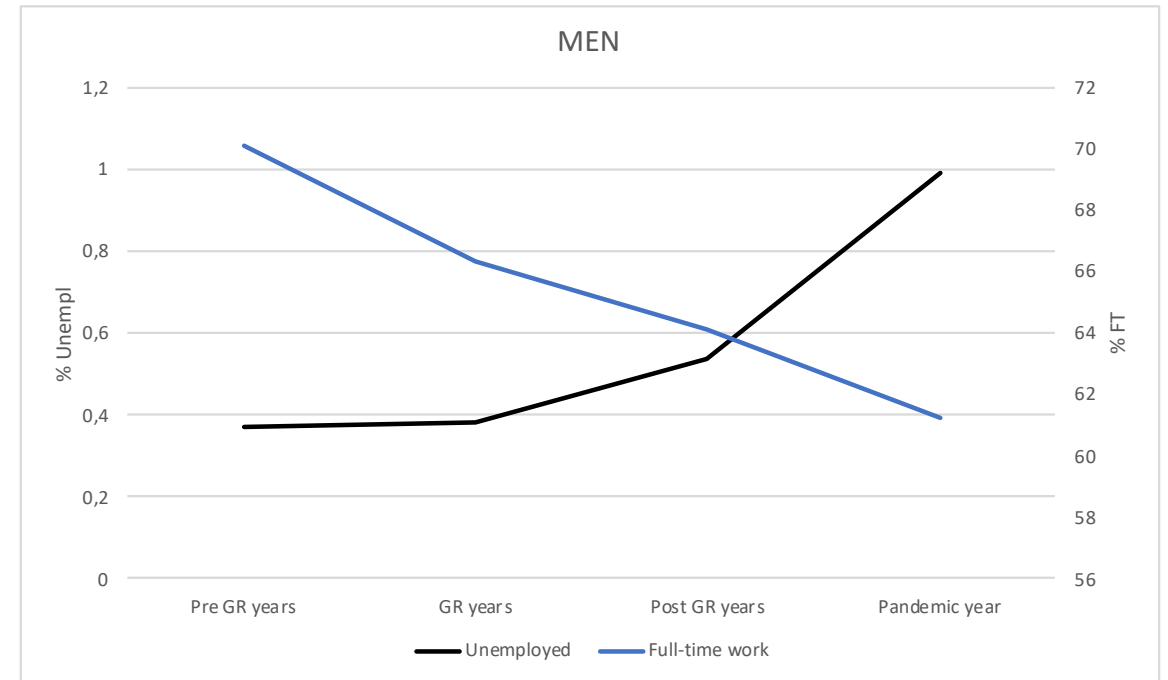
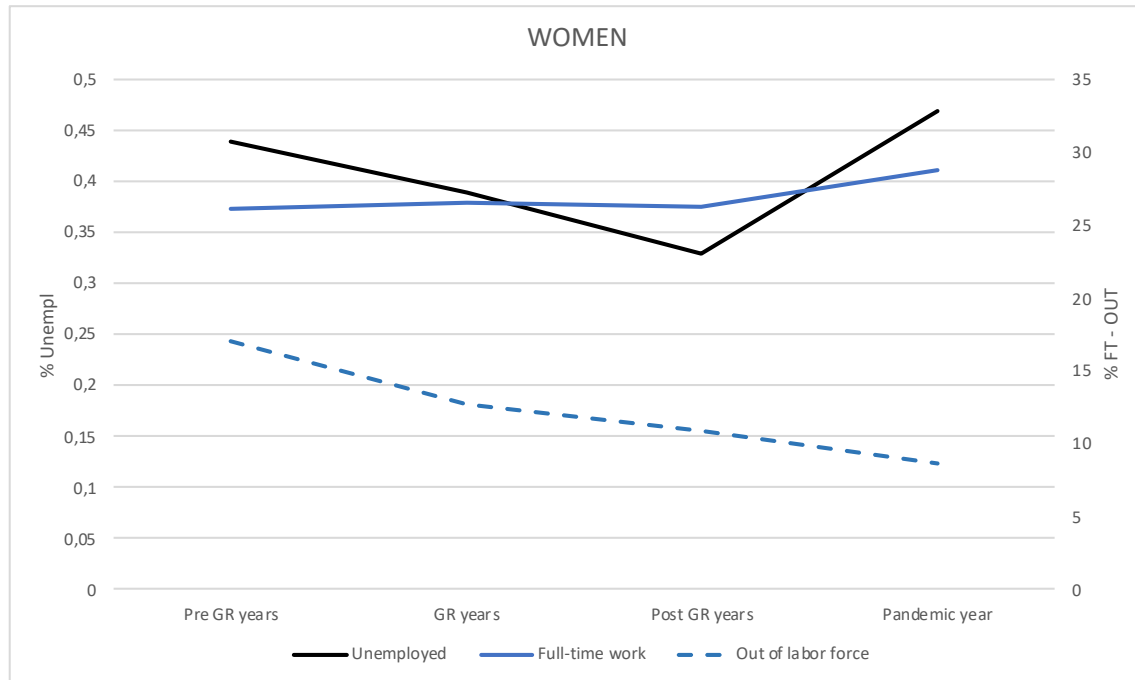
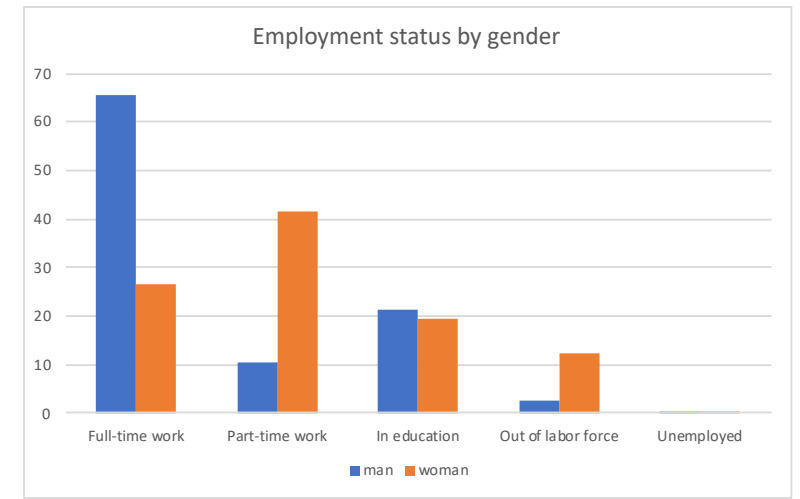
with the period categorical variable (pre-during-post Great Recession and Covid-19 pandemic year)

- Separate models by gender

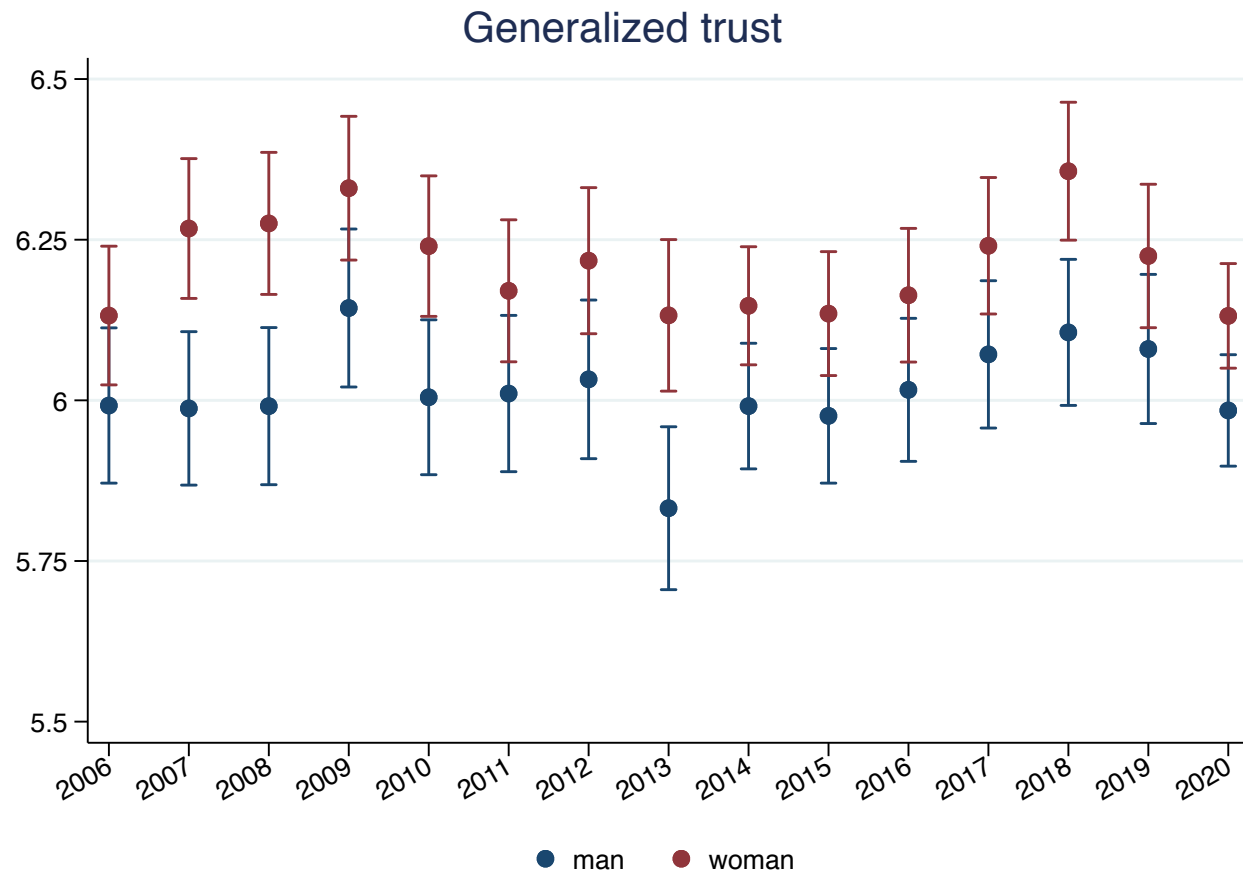
Results



Results

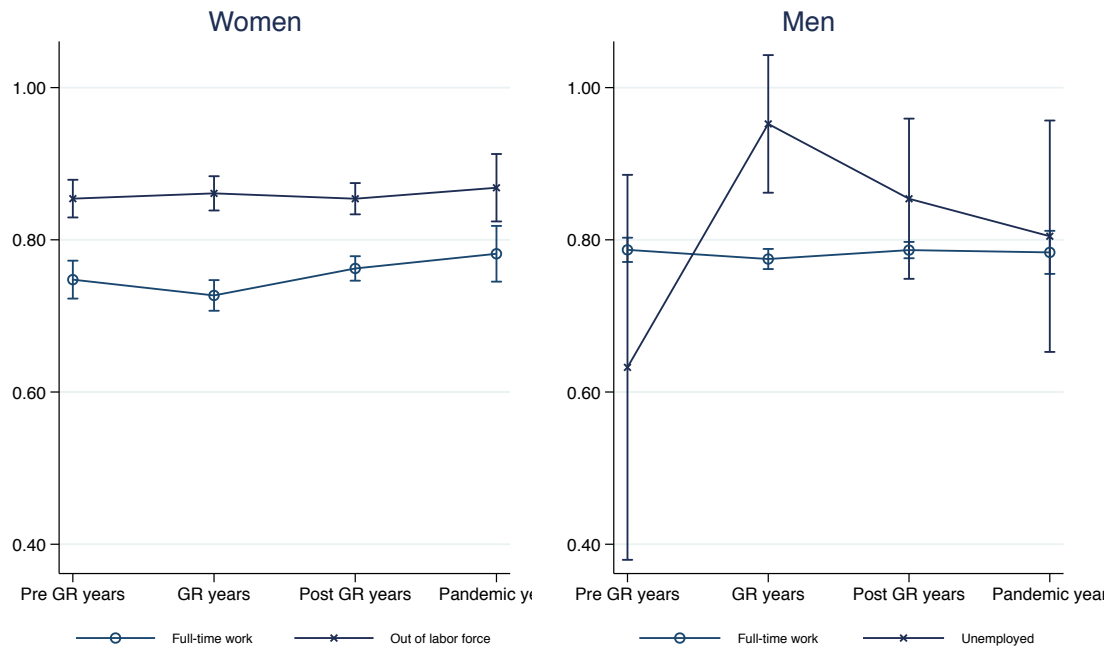


Results

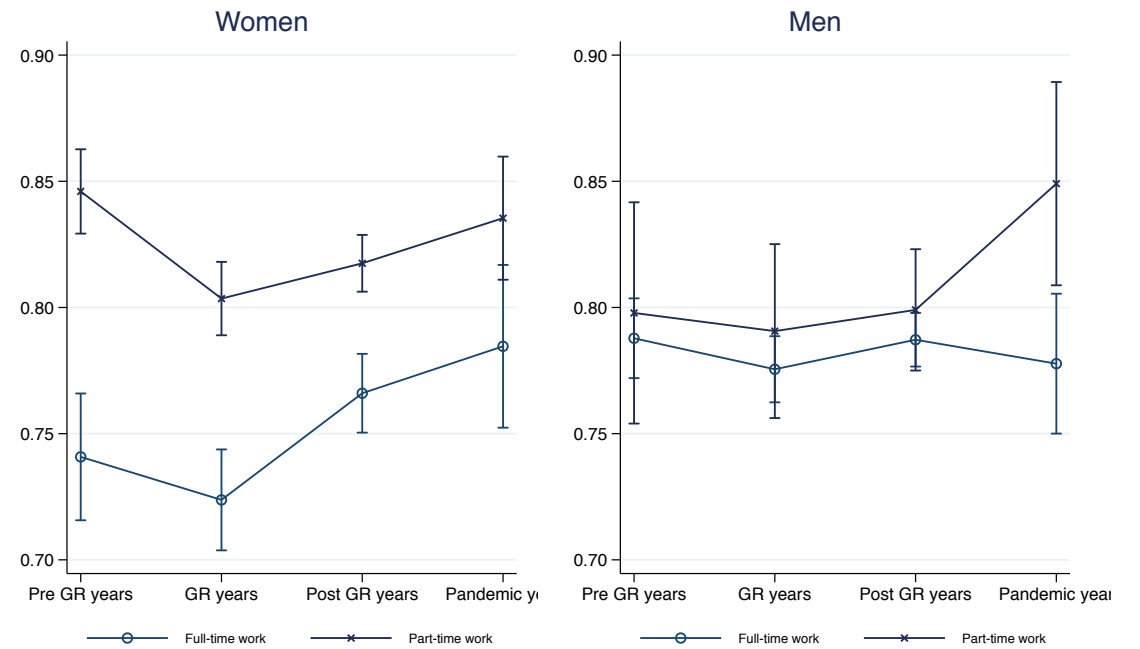


Results

Wants a child in the next 24 months: NO
Employment

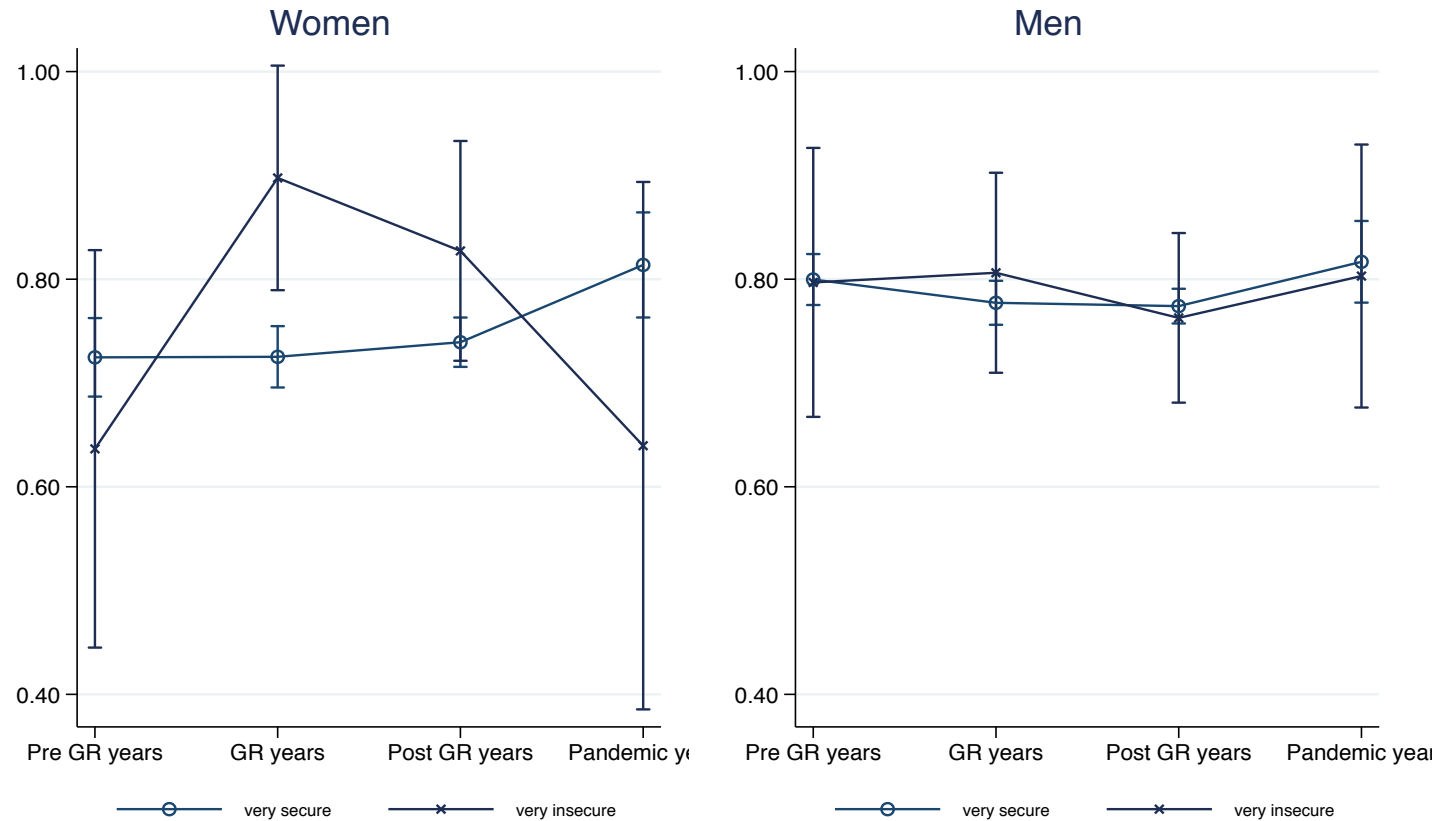


Wants a child in the next 24 months: NO
FT vs PT Employment



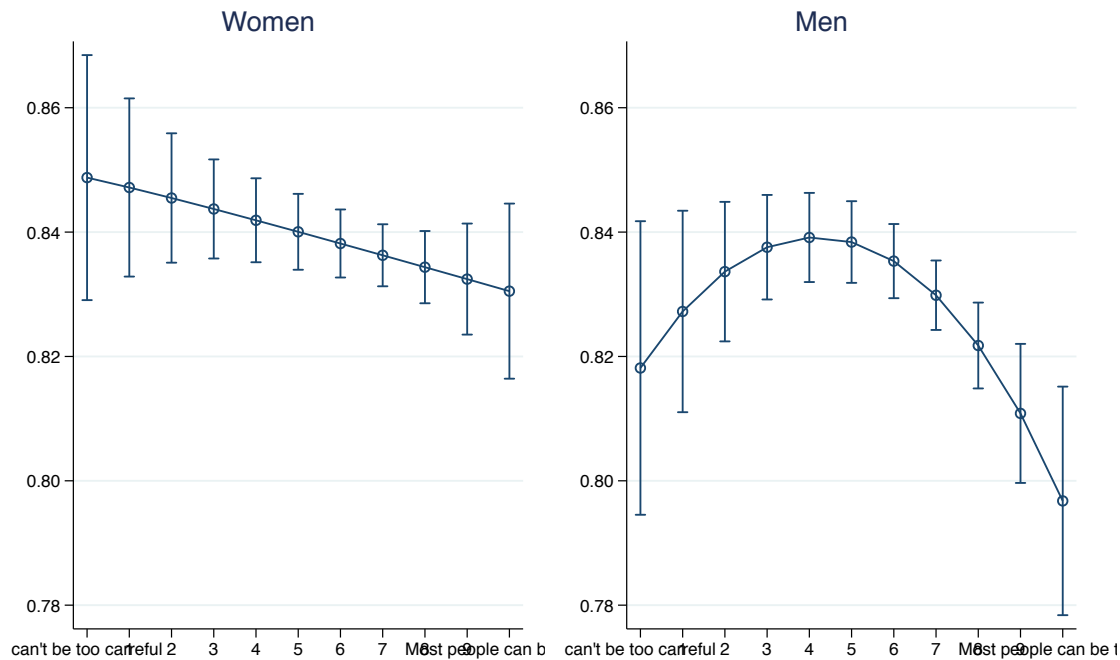
Results

Wants a child in the next 24 months: NO Job insecurity

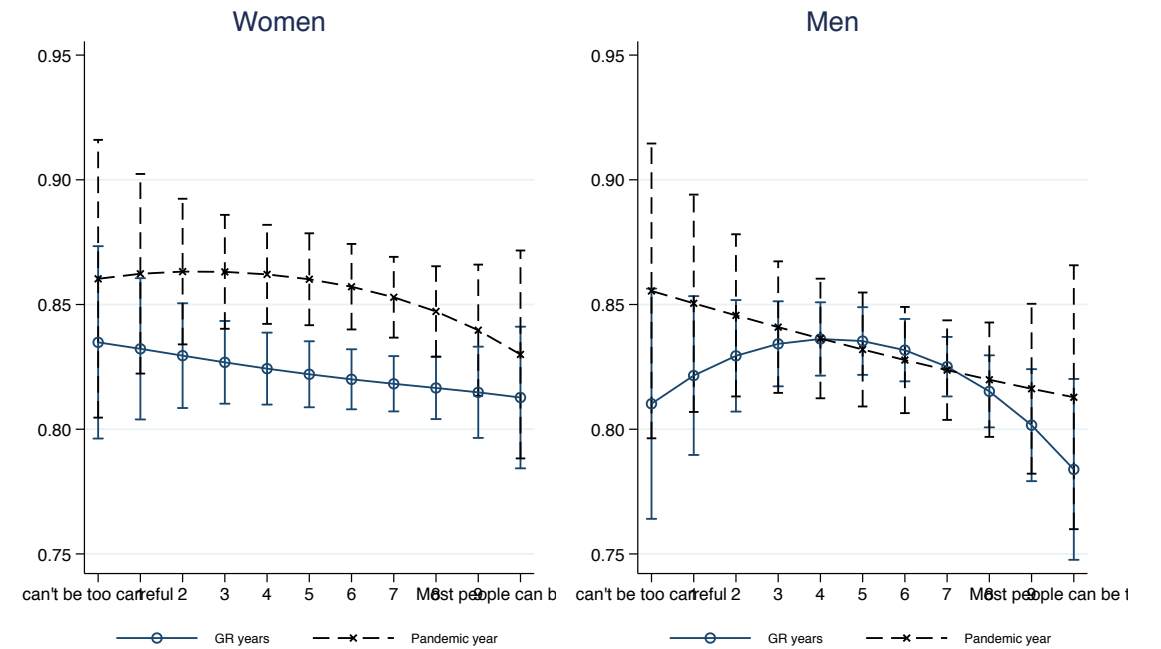


Results

Wants a child in the next 24 months: NO
Trust



Wants a child in the next 24 months: NO
Trust by period



Discussion

- Effect of objective employment insecurity on childbearing intentions stronger during the GR than in the pandemic year
 - Women: because probability of not wanting a child increases among those with secure FT job
 - Men: because probability of not wanting a child declines in 2020 to similar levels to FT job
- Perceived uncertainty only increase the likelihood of not wanting a child for Swiss women during the GR, not for men and women during the first pandemic year
- Greater trust levels reduce the likelihood of not wanting a child but only among men, not women
- No clear difference between the GR and Pandemic year with respect to social uncertainty

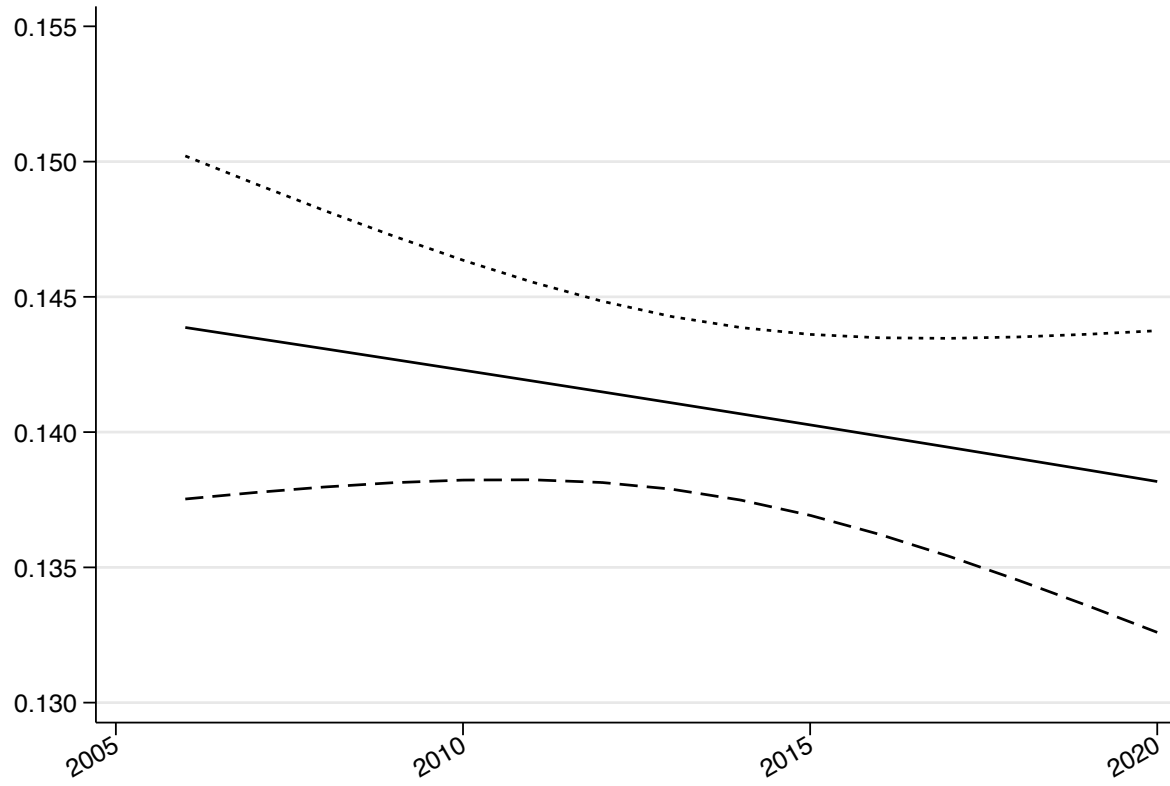
Thanks!

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Appendix

Results

Pr YES: Wants a child in 24 months



Pr DK: Wants a child in 24 months

