

## The policy context of persistent very low fertility in Spain

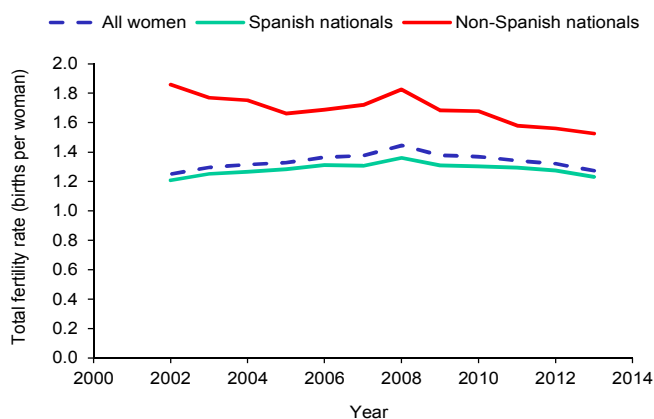
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Fertility levels in Spain have remained very low since the mid-1980s, implying rapid population ageing in the future and likely population decline. This low level of fertility has persisted within a continuously changing social and policy context.

Between 1958 and 1975, the total fertility rate hovered slightly above 2.8 births per woman but shortly after started a fast decline, reaching its lowest level at 1.15 births per woman, in 1998. The first years after 2000 brought a modest recovery, but this trend was cut short by the recent economic downturn, and fertility dropped to 1.27 births per woman in 2013.

These fertility changes have been greatly influenced by a significant postponement of births. Women's mean age at first birth rose from 25.0 years in 1980 to 30.3 years in 2013.

### Total fertility rate of Spanish nationals and non-Spanish nationals, Spain, 2002–2013



### Delayed transition to adulthood

Increasing enrollment in higher education has undoubtedly led to the postponement of marriage and childbearing. As of 2010, 45 per cent of women and 34 per cent of men aged 25–34 had completed university education. Partly as a result of the expansion in higher education, the age of those entering the labour market has been greatly delayed.

In the 1980s, intensified international competition led the Government to partially deregulate the labour market, including the promotion of short-term contracts that generally last only a few months. Within a few years, the proportion of employees on short-term contracts had jumped

to one third of total employees, primarily consisting of young people and women (and later, immigrants). Unemployment rates have remained among the highest in Europe, as those entering the labour market typically experience a long sequence of unemployment and temporary employment periods. One study on the effects of uncertainty in employment and income found that during the 1990s and early 2000s, women unemployed or with a temporary contract were 40 per cent less likely to have a first birth than women in stable employment.

The economic restructuring that started in the 1980s also included a deregulation of the housing market. Public subsidies focused on homeowners through the tax system, while rental housing dropped to less than 10 per cent of the total housing stock and public rental housing less than 2 per cent. Even with government subsidies, purchasing a house is a large investment relative to the wages of young people, and would-be homeowners are generally required by banks to hold a stable labour contract in order to obtain a mortgage. Not surprisingly, the result has been delayed household formation.

The response of families to changes in the economic status of young adults has included extended parental support in the form of housing plus help with continuing education, finding a job and purchasing a home. This extended support leads to a delay in all life transitions. Of course, not all parents can provide the same level of support, so social and economic inequalities tend to be maintained from one generation to the next.

### Rise of the dual-earner household

Women's labour-market participation has increased steadily since the 1980s, and now households in which both adults work full-time have become the norm. Among women aged 25–49, labour-force participation rates are now nearly universal, at 84 per cent. This trend has not been matched by a similar increase in men's contribution to housework and childcare, however, although some modest improvements have occurred.

The standard work week is fairly long — more than 40 hours for both women and men — and opportunities for part-time employment are limited. In 2013, about 25 per cent of employed women worked part-time. Flexibility in work schedules is also very limited. Overall, working conditions have changed very little to accommodate childcare needs.

The difficulties in combining work and family responsibilities are exacerbated by the chronic high unemployment rate that strongly reduces the probability of re-entry after a period out of the labour market. Career interruptions are heavily penalized, and as a result, women postpone having children until they are in a stable job situation and avoid quitting their jobs when they become mothers.

### Inadequate policies supporting families

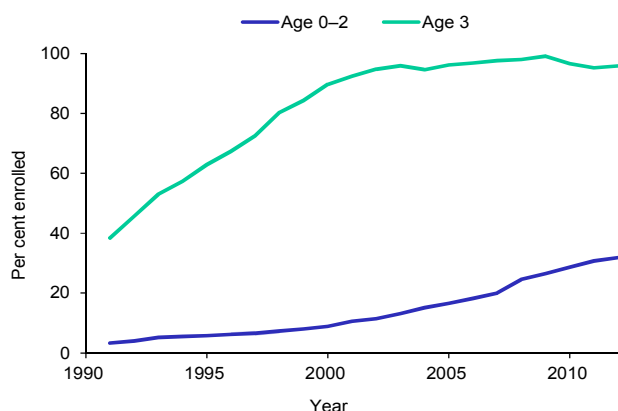
Despite the persistence of very low fertility for more than two decades, support for raising children has not been a prominent concern among Spanish policymakers. Leave policies are ungenerous and strongly gendered, resulting in a disproportionate burden of childcare falling on women. Mothers have been entitled to a 16-week maternity leave since 1989, with full wage compensation up to a fairly high ceiling. A two-week, fully compensated paternity leave was introduced in 2007, and take-up rates have been quite high, at around 80 per cent.

In addition, a parental leave of up to three years was established in 1980. Since parental leave is unpaid, however, only about 3 per cent of eligible mothers and 0.1 per cent of eligible fathers make use of it.

In order to claim leave rights, a worker must have made a minimum number of contributions into social security, which means that many unemployed women and those working in the informal economy are excluded. If women with fixed-term contracts take maternity leave, their contracts may not be renewed. Compensation during maternity leave is related to previous earnings history, creating additional incentives to postpone childbearing until a stable, well-paying position is attained.

Availability of formal childcare has increased substantially since the mid-1990s, albeit demand still far exceeds supply. By the late 1990s, nearly all children aged 3 to 5 years were enrolled in school and by 2012–2013, 44 per cent of children under 3 were enrolled in some kind of care centre. Prices for childcare are moderate in the public sector but range widely in the private sector.

### Percentage of children enrolled in childcare or nursery school by age, Spain, 1991–2012



The short duration of paid maternity leave means that many mothers go back to work when their children are still very young. There seems to be no coordination with formal childcare policies, however, resulting in a care gap during most of a child's first year of life. Although grandmothers often help fill this gap, their role is likely to decline as a growing proportion of grandmothers are also working.

### What does the future hold?

The Spanish Government spends a fairly low level of public funds on benefits and tax breaks for families. In addition, some aspects of Spain's welfare system are not well settled, and several policy measures are very recent. One unintended effect of the Government's inadequate support for families has been rates of child poverty that consistently rank among the highest in Europe. Another likely effect has undoubtedly been to depress fertility levels.

Looking at factors that influence childbearing, perhaps the most consistent trend has been the rapid rise in women's labour-force participation. One of the consequences has been that labour-market conditions have become increasingly relevant for fertility. Deregulation of the labour market and persistent high unemployment create incentives to postpone and reduce childbearing. The limited availability of part-time work and difficulties in entering (and re-entering) the labour market create additional disincentives for fertility. One important remedy would be to speed up the expansion of centre-based childcare to match the fast-growing demand of parents seeking to combine work and family responsibilities.

### NOTES

This policy brief was prepared as background material for the United Nations Expert Group Meeting on Policy Responses to Low Fertility. It can be found online at <http://esa.un.org/PopPolicy/publications.aspx>. Queries can be sent to [PopPolicy@un.org](mailto:PopPolicy@un.org).

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The findings, interpretations and conclusions expressed herein are those of the authors and do not necessarily reflect the views of the United Nations or the East-West Center.

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