Employment Uncertainty and Fertility in Europe

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Cross-country differences in both the age at first birth and fertility are substantial in Europe. This presentation uses distinct fluctuations in unemployment rates across European countries during the 1980s and the 1990s combined with broad differences in their labor market arrangements to analyze the associations between fertility timing and the changing economic environment with close to 50,000 women from thirteen European countries. First, it employs time varying measures of aggregate market conditions in each woman’s country as covariates and second, it adds micro-measures of each woman’s labor market history to the models. High and persistent unemployment in a country is associated with delays in childbearing (and second births). The association is robust to diverse measures of unemployment and to controls for family-friendly policies. Besides moderate unemployment, a large public employment sector (which provides security and benefits) is coupled with faster transitions to all births. Second births occur sooner in countries with easy access to part-time. Women with temporary contracts, mostly in Southern Europe, are the least likely to give birth to a second child.

In a second part I use the Spanish Fertility Surveys to show that among women who report a gap between their intended family size and their actual fertility, the gap is the widest among those holding temporary contracts, other things being constant.