

# Unemployment and Fertility: Evidence from German and Danish Register Data

Michaela Kreyenfeld and Gunnar Andersson

## **Abstract:**

Over the last decades, most European countries have witnessed a dramatic shift of childbearing to older ages. Value change, female career orientation and emancipation have been identified as chief parameters for this development. Recently, it has been argued that youth unemployment, term-limited working contracts and unstable employment situations are other important factors that might explain the postponement of childbearing. In our project, we draw on two large scale register data sets to investigate the role that unemployment has for the transition to parenthood and subsequent childbearing. For Germany, we use data from the German pension records. For Denmark, we use data from the country's system of population registers. Both data sets allow us to investigate how unemployment relates to fertility transitions, and, in particular, to study whether the role that unemployment plays in fertility is different for different population subgroups and birth orders. The direct comparison between Denmark and Germany helps to shed light on the question how the welfare state shapes the (un)employment and fertility nexus.

# Unemployment and Fertility:

## Evidence from German and Danish Register Data

Over the last decades, most European countries have witnessed a dramatic shift of childbearing to older ages. Value change, female career orientation, and emancipation have been identified as chief parameters for this development. Recently, it has been argued that youth unemployment, term-limited working contracts, and unstable employment situations are other important factors that explain the postponement of childbearing in contemporary societies (McDonald 2000: 10f.; De la Rica and Iza 2005; Adsera 2004; Blossfeld et al. 2005; Ginzalez and Jurado-Guerro 2006). In this paper, we demonstrate that the relationship between employment insecurities and fertility not only differs by gender, but also by parity and welfare state setting and that it often is different for different socioeconomic population subgroups.

A standard assumption behind many theoretical models is the idea of traditional gender roles where the woman is responsible for childrearing tasks and the man for providing the household income. In this regime, insecurities in male employment should induce couples to postpone fertility. Since women are expected to be care-givers, labor market developments which discourage them from engaging in own employment career should rather be beneficial for fertility developments. In that sense, insecurities in female employment careers should encourage parenthood. Another more radical twist of the same argument is the work by Friedman, Hechter and Kanazawa (1994: 383ff.). They posit that specifically women with limited labor market options respond to unfavorable employment prospects by choosing the ‘alternative career’ of motherhood. Those women are likely to perceive motherhood as a strategic choice to structure an otherwise uncertain life course.

Unfortunately, there is little evidence on how unemployment and other types of employment insecurities transfer to fertility. This lack of empirical insight can partially be attributed to the lack of suitable data. In order to analyze how employment insecurities transfer into postponed fertility, one would require data that contains both complete

employment and fertility histories. Retrospective studies which are most commonly used in fertility research, however, hardly ever provide sufficiently reliable employment information.

In our project, we draw on two large scale register data sets to investigate the role that unemployment has for the transition to parenthood and subsequent childbearing. For Germany, we use data from the German pension records (Kreyenfeld and Mika 2006). For Denmark, we use data from the country's system of population registers. The direct comparison between Denmark and Germany might help to shed light on the question how the welfare state shapes the (un)employment and fertility nexus. Preliminary results of our investigation show that female unemployment has a rather positive impact on first birth transitions in Germany, while it defers fertility choices in Denmark.

## References

Adsera, A. (2004): Changing fertility rates in developed countries. The impact of labor market institutions. *Journal of Population Economics* 17: 17-43.

Ginzalez, Maria-Jose/ Jurado-Guerro, Teresa (2006): Remaining childless in affluent economies. A comparison of France, West Germany, Italy and Spain. 1994-2001. *European Journal of Population* 22: 317-352

De la Rica, S./ Iza, A. (2005): Career planning in Spain: Do fixed-term contracts delay marriage and parenthood? *Review of Economics of the Household* 3: 49-73.

Blossfeld, H.P./ Mills, M./ Klijzing, E./ Kurz, K. (eds.) (2005): *Globalization, Uncertainty, and Youth in Society*. New York: Routledge.

Kreyenfeld, Michaela/ Mika, Tatjana (2006): Die "Biographiedaten" der DRV: Analysemöglichkeiten im Bereich Fertilität und Familie. *Deutsche Rentenversicherung* (9/10): 583-608.

McDonald, P. (2000): Gender equity, social institutions and the future of fertility. *Journal of Population Research* 17: 1-16.