

Subjective well-being and fertility

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Demographers have struggled to explain the emergence and the persistency of below replacement fertility - a feature that have come to dominate the demographic landscape of almost all Western countries in recent decades. Certainly the two mainstream theories, Becker's new home economics and the idea of the Second Demographic Transition, cannot readily explain recent fertility trends and the way countries diverge in their fertility paths - not least because fertility now appear to rebound in the most developed countries. This paper develops a conceptual framework starting from two more recent theoretical perspectives which consider explicitly the institutional context of childbearing and the role of women: McDonald's theory of "gender equity vs gender equality" (McDonald 2000) and the idea of an "incomplete revolution" of Esping-Andersen (Esping-Andersen 2009). The central theme in these theoretical perspectives, is that low fertility may come about because of a mismatch between aspirations and opportunity structures, which in large part is driven by institutions not being able to adapt to new preferences. Starting from this, we consider the way societies make a transition from the male breadwinner model to one that is egalitarian, where we explicitly incorporate both fertility and subjective wellbeing. The key idea is that both the male breadwinner model and the egalitarian one may give rise to high fertility because they both give consistency between preferences and opportunities for both men and women. This argument builds on the assumption that subjective wellbeing correlates positively with men and women's opportunity to realize their aspirations and preferences. For instance, childbearing in the new emerging gender egalitarian societies is hypothesised to give higher level of subjective wellbeing for women because the institutional setting enables them to both have working careers and children at the same time, which consequently should enable higher fertility. By holding institutional features up against childbearing and individuals' subjective wellbeing, we provide insights into the policy perspectives of the recent fertility decline (and the more recent increase observed in some countries). It also brings together two sides of the literature by considering more explicitly the relationship between childbearing and happiness in an institutional setting.

We provide some empirical support for our arguments by using data from the European Social Survey (ESS). In particular, we present a country comparison of happiness and parenthood, held against institutional characteristics of the societies in which individuals and couples reside, which potentially matter for the way societies are able to adapt their institutions to women's new and emerging aspirations, and make an assessment of how these relate to European fertility levels. We observe first that fertility is higher in those countries where the average happiness is higher. More importantly, however, is that both fertility and happiness are higher where institutions appear to have adapted to women's new preferences and aspirations. This is further supported by strong gender differences in happiness associated with parenthood. Fathers are always happier than non-fathers - no matter the circumstances of the country where they reside - whereas mothers are happier only when relevant institutions are in place. We interpret this as evidence, albeit in an indirect way, that in low fertility countries there is a mismatch between women's preferences and opportunities, which leads to lower happiness when having children.

This paper also provides the starting point for the European Research Project (ERC) "Subjective wellbeing and fertility" (SWELLFER), which started in April 2013.