

Shrinking populations in Eastern Europe

Q&A's for policy-makers and advocates

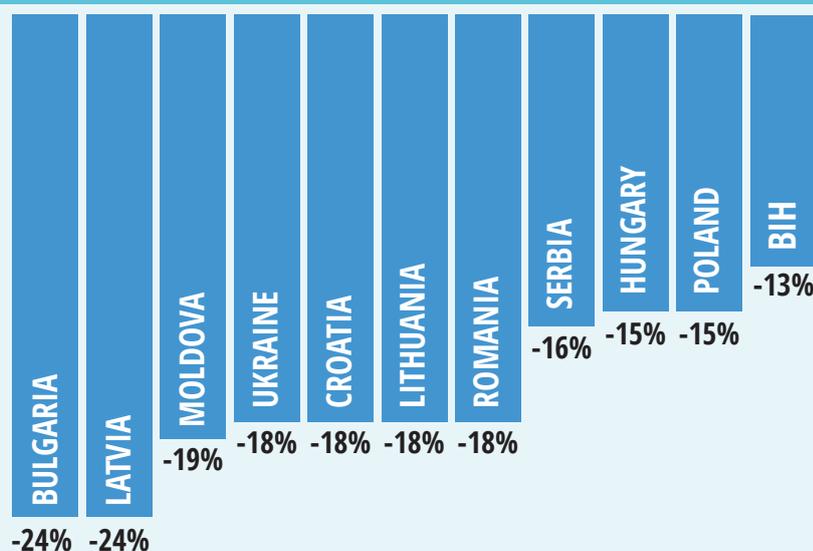


What is at stake?

In several countries in Eastern Europe, **populations are shrinking**. The world's ten fastest shrinking populations are all in Central and Eastern Europe. Bosnia and Herzegovina, with expected population shrinking of 13%, is very close to these ten countries. However, these population projections are based on medium fertility variant and not taking into consideration emigrations in which BiH is at the forefront. This means that, if negative demographic trends are not reversed, more significant population decline could be expected in BiH. Governments are concerned about the negative impact of population decline – and population ageing – on the economy, social systems, infrastructure, and even national security.

But what are the real causes of population decline? What are the consequences? And what does this mean for the policy responses we need to tackle this phenomenon? These brief Q&As provide answers to these questions and dispel some common myths and misconceptions.

The World's Fastest Shrinking Populations, 2017-2050



MAIN CAUSES:

- high out-migration
- low immigration
- low birth rates

Source: UNDESA, World Population Prospects 2017.

Why are countries concerned about population shrinking?

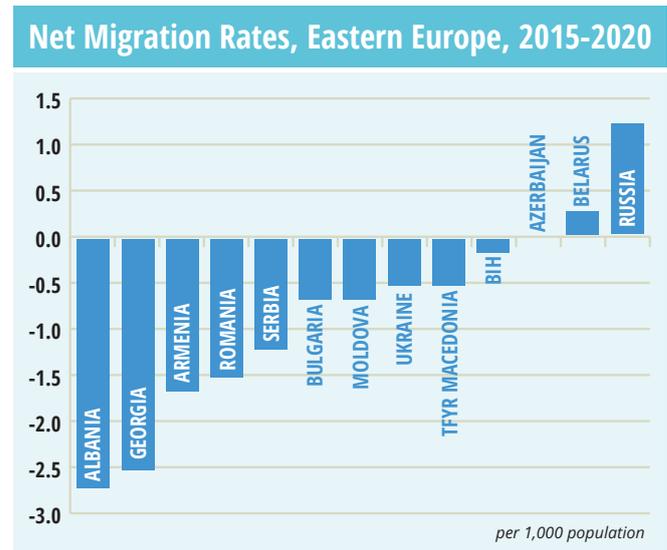
Governments are concerned that lower population numbers, and a smaller workforce, might **undermine prospects for future economic growth** and reduce economic competitiveness. Another set of concerns relate to the effects that **population ageing** – which generally comes with population decline – has on the sustainability of pension, health and other social systems. In countries where population decline leads to the depopulation of – often rural – areas, per capita costs for maintaining essential infrastructures and services rise and strain state budgets. In some countries, population shrinking is even seen as a **national security issue**. This can include concerns about weakened defense capabilities, or about changes in the ratio between population groups in a country, or more broadly about a country's economic, political and military power relative to its neighbours.

What causes population decline?

Population decline can be caused by out-migration, low fertility, and high mortality. In Eastern Europe, all three factors play a role:

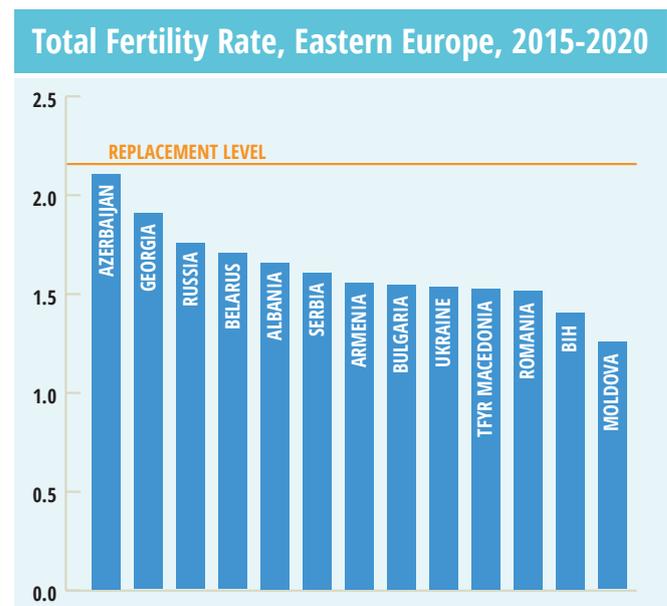
1. Most countries have a **negative migration balance** (i.e., more people emigrate than immigrate). Countries like Romania and Georgia lost about 300,000 people through outmigration in 2010–2015 alone. And it is often young people of reproductive age who are leaving. Emigration situation is similar in Bosnia and Herzegovina where the Civil Society Organisations report on trends of whole families emigrating, that is in contrast

to past trends when only male, working-age population was leaving while their families (women and children) would have stayed at home. However, there is no reliable statistical data that could be used for analysing such trends.



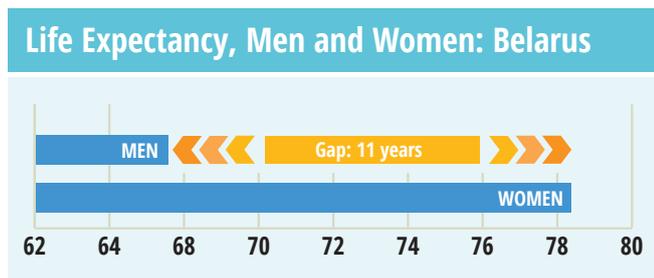
Source: UNDESA, World Population Prospects 2017.

2. All countries in Eastern Europe have total fertility rates **below replacement level** (2.1 children per woman of reproductive age), and in some cases, such is the case of Bosnia and Herzegovina, below 1.5.



Source: UNDESA, World Population Prospects 2017.

3. In most Eastern European countries, more people die every year than are being born. **Mortality rates** are particularly **high** among men. In Belarus, the Russian Federation and Ukraine, men's life expectancy is over 10 years shorter than that of women. Gap in life expectancy between men and women in BiH is about five years, and we strive to equalise the life expectancy between both sexes.



Source: UNDESA, *World Population Prospects 2017*.

What is the importance of outmigration for population shrinking?

Although low fertility receives a lot of attention in national debates, outmigration actually is often a far more important factor in driving population decline and for finding effective responses.

Experience shows that reversing demographic trends like decreasing fertility in a significant and lasting way is extremely difficult. And even if it works, the effects will only be seen decades later. In addition, if the causes that drive people out of the countries are not addressed, higher fertility could simply lead to more people leaving the country.

Addressing the causes of out-migration and bringing back people who left the country, on the other hand, has immediate positive effects. Moreover, the investments needed for creating an environment for young people to build a future in their own country – health, education, jobs – are investments in the population's human capital that have massive positive side effects on individual well-being and the strength of economies and societies at large.

Should increasing fertility be the main priority?

Increasing fertility can contribute to reducing population decline. However, experience in Western Europe and East Asia has shown that the cost of increasing fertility through public policies is high, and the impact relatively small. Countries with higher than average fertility rates in Europe, such as Sweden or the Netherlands, generally don't have policies aimed at increasing fertility, but gender-sensitive family policies that create conditions and provide support for parents to balance work and family, therefore allowing them to have the desired number of children.

Efforts to address concerns resulting from low fertility need to be based on rigorous analysis of what the best policy responses are – in many cases this will not necessarily be increasing fertility.

For example, increasing fertility in a context of high youth unemployment might just add to emigration pressure – and to young people taking public investment in their education with them when they leave.

Are “baby bonuses” an efficient quick fix?

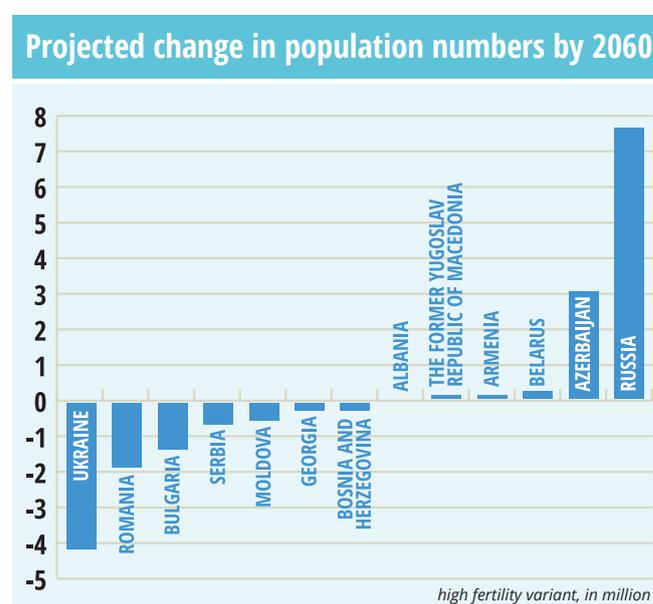
No. Evidence shows that financial incentives alone don't lead to significantly higher fertility in the long term. There may be a short-term effect, as couples may decide to have the next child earlier, but this generally doesn't significantly affect the total number of children women have over their lifetime (“completed cohort fertility”). A few countries in Eastern Europe have managed to increase (short-term) fertility rates as a result of monetary incentives, but a closer look at (long-term) cohort fertility shows that the actual number of children has barely gone up.

Not only are such programmes largely ineffective, they also are very costly. Apart from the direct costs of monetary transfers, there are indirect costs, too. Studies have shown that cash benefits tend to drive women out of the workforce. This means lower tax revenues, and higher numbers of women dependent on social transfers. Isolated cash programmes also risk contributing to cycles of poverty by raising birth rates among lowest-income populations without providing sustainable support in the long run.

Will increasing fertility rates reverse population decline?

It depends. As outmigration is a major cause of population decline in most Eastern European countries, higher fertility will not necessarily be sufficient to reverse this trend.

In fact, even the high-fertility variant of UN population projections still foresees population numbers going down by 2060 in many countries in the region.

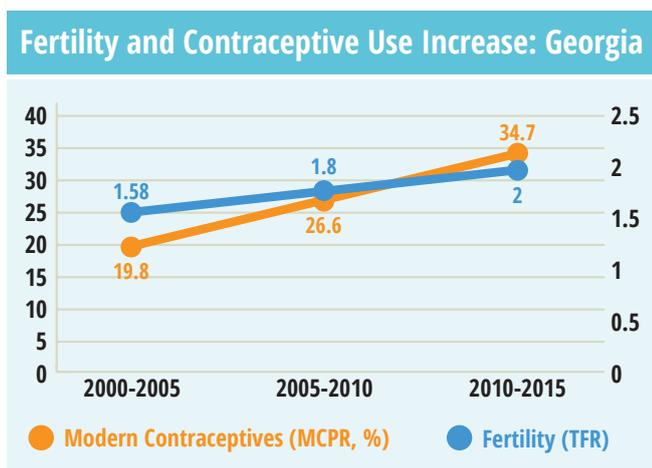


Source: UNDESA, World Population Prospects 2017.

Increasing fertility is not a panacea and needs to be accompanied by other measures to create an environment where people are confident to build a future for themselves and their families.

Does more family planning lead to lower fertility?

No, this is a common myth. There is no correlation between the use of modern family planning methods and fertility levels in Europe. In fact, fertility rates are slightly higher in countries with modern contraceptive usage rates over 65%, compared to countries with usage rates under 45%. The example of Georgia shows that an increase in modern contraceptive usage rates and higher fertility rates can go hand in hand:



Source: UNDESA, *World Population Prospects 2017*; *World Contraceptive Use 2018*.

What is the reason for low fertility in Eastern Europe?

The reason is not that people don't want to have children. In fact, people all over Europe generally say they want about **two children** on average*. But a number of factors – such as economic instability, insufficient childcare options, and the difficulty of reconciling

work and family duties – prevent people from actually having the number of children they want. Policy responses must focus on creating an environment in which people can realise their fertility intentions and have as many children as they want, when they want them.

*Sobotka T. et al. Two Is Best? The Persistence of a Two-Child Family Ideal in Europe. *Population and Development Review* Vol. 40, No. 3 (2014).

Our goal must be to reach replacement-level fertility, right?

Not really. It is true that in theory, and all other factors excluded, a population would retain its size if the total fertility rate were at replacement level, i.e. every woman gave birth to 2.1 children on average. In practice, this number is largely irrelevant. This is because other factors such as mortality and – especially important in Europe – migration also affect population size. Moreover, most scientists agree that an ideal fertility rate does not exist.

A country with high youth unemployment and large outmigration, for example, might not benefit from higher fertility, because more young people would put additional strains on the job market, create extra education costs and add to emigration pressure. There is ample evidence that countries with very low fertility can thrive economically and politically; Germany and Japan are good examples.

Is low fertility a security challenge?

Some countries in Eastern Europe use the concept of “demographic security,” which implicitly or explicitly recognizes low fertility and population decline as security issues. This is grounded in concerns that population decrease might affect national security, for example when it comes to military or economic power relative to neighbouring countries, or the balance between population groups within a country.

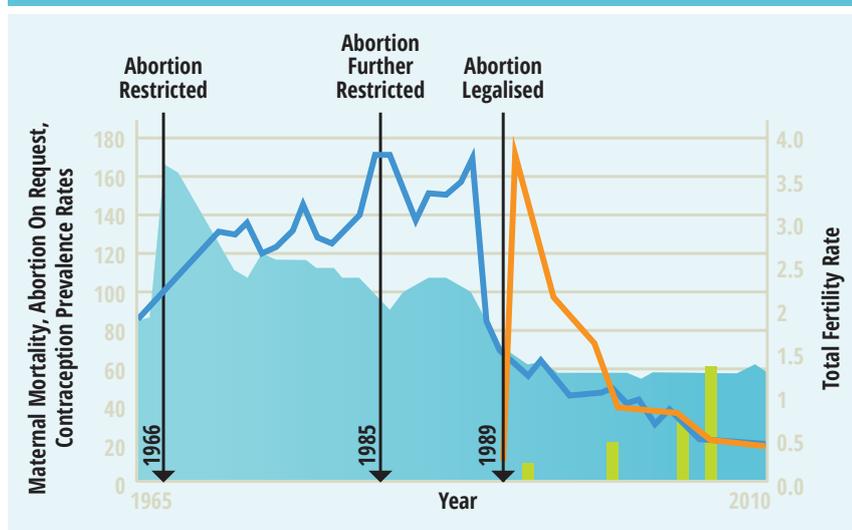
Whatever the goal or motivation may be, it is important to ensure that policies addressing demographic challenges do not infringe on human rights, including the right to choose the number and timing of children. But this is not only a question of rights. Experience like that of Romania in the 1960s to 1980s shows that putting pressure on people to have more children or even banning legal abortion or access to contraceptives will only lead to immense human suffering: people will find less safe alternatives, risking their health and lives – while the effect on fertility will be minimal.

Are population policies aimed at increasing fertility problematic from a human rights perspective?

Not necessarily. The objective of increasing fertility rates is not problematic as such, as long as policies are designed to support individual fertility desires and respect the basic right of all couples and individuals to decide freely and responsibly the number, spacing and timing of their children, free of discrimination, coercion and violence.

Concerns about low fertility should be addressed through rights-based, people-centered and evidence-based approaches, and sexual and reproductive health should never be instrumentalized in efforts to shape fertility trends.

Restrictions of Reproductive Rights: Romania under Ceausescu



- Abortion on request rate (per 1000 women)
- Modern contraceptive prevalence rate (%)
- Maternal mortality rate due to direct causes (per 100000 live births)
- Total Fertility Rate

Adapted from: Horga M, et al. Journal of Family Planning and Reproductive Health Care 2013;39:2-4.

How is gender equality linked with fertility levels?

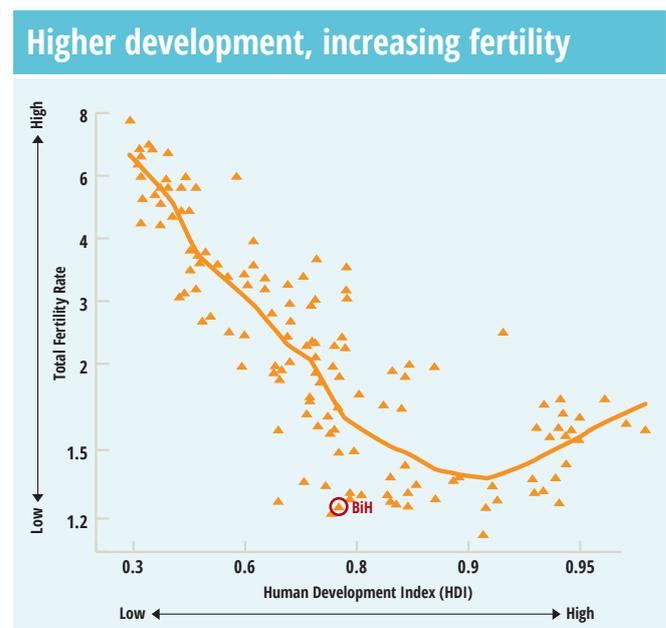
Women in Eastern Europe still too often have to choose between having a job and having children. They are generally well-educated and want to have careers, but they also carry most of the burden of care for children and the elderly. This makes it difficult to reconcile the demands of work and family. Therefore, in Europe, childlessness is more common and fertility levels tend to be lower in countries where there are strong expectations for women to marry and have children early, leave the workforce and take care of family and household (as such pressures contribute to forcing women into foregoing having children if they wish to pursue their careers).

There are ways to reduce the care burden and balance the remaining burden more equally on women and men. These include quality and affordable child and elderly care arrangements, flexible work schemes, and more equal parental leave provisions for both parents, as well as the equal sharing of household tasks between working men and women.

But existing policies aimed at women's empowerment and gender equality in the region are generally still inadequate and insufficient for encouraging women to have more children. As the example of the Nordic countries shows, in low fertility countries, more gender equality can lead to fertility levels rising again.

Can more development and higher fertility go hand-in-hand?

Yes. In the past, higher development meant lower fertility. But more recent data shows that as countries are moving up on the Human Development Index, their fertility levels start to increase (see graph). This means that investments in human capital pay off not only for the economy, but also for increasing fertility. There is one important exception: in highly developed countries where social norms and policies are not shifting towards more gender equality, fertility rates continue to remain low.



Source: Myrskylä M. et al. *Development, fertility and gender equality*. MPIDR Working Paper 2011-2017.

What is the role of decreasing mortality in addressing shrinking population?

More people die than are being born every year in most countries of the region. An important factor is high mortality rates among men, caused largely by lifestyle-related illnesses and alcohol abuse. Reducing mortality rates therefore will have a positive effect on population numbers. And, more broadly, investing in the health and capacities of older people will help address the negative effects of one of the key consequences of population decline: population ageing. As populations are ageing, ensuring that people stay healthy and active in older age will become ever more important. Investments in people from earliest childhood onward is important for active and healthy ageing, and alongside productive investment in the economy, it can help countries take advantage of a longevity dividend and accelerate economic development.

So what is the best way to address shrinking population?

In short, creating conditions for people to have confidence in building a future in their own country is key for stopping population shrinking.

If people, especially young people, have access to quality education and health care, if they are in stable employment and get support for raising their children, they are less likely to emigrate and more likely to decide to have children. This is especially the case when women are able to combine work and family and there is a more equitable division of labour within the household.

Population numbers are important. But even more important than quantity are individuals' capacities, skills and talents, their health, and their productivity. This is why countries that focus on nurturing their populations' "human capital," and attract talent from abroad, are able to thrive and remain competitive even in a context of low fertility and population shrinking.



What is the right policy mix?

There is no one-size-fits-all solution. But experience from Northern and Western Europe shows that fertility rates can recover from very low levels and populations can grow when certain elements are in place. These include:

- a **strong economy** that provides jobs and stable income, including for young people;
- access to **affordable housing** for families;
- affordable quality **care arrangements** for small children and the elderly, and alignment of school and work schedules ;
- **flexible work arrangements**, including part-time work;
- **parental leave** for both parents that is flexible, well-paid and not too long*;
- a culture of **sharing unpaid household duties** equally between men and women
- tax breaks and other **financial support** to families, especially those with little or no income.
- facilitate orderly, safe, regular and responsible **migration** through planned and well-managed migration policies

Putting in place policies that make these elements a reality will have massive positive effects beyond increasing fertility. They will:

- **combat poverty** and reduce dependence on social transfers by providing job security and allowing both parents to contribute to the family income;
- **boost gender equality** by fostering women's contribution to the economy and society at large and by sharing the care and household burden more equally between men and women;
- **improve early child development** and the population's **human capital** at large
- **stimulate economic growth** and enhance tax revenues by increasing women's labor force participation
- **reduce outmigration** pressures

* Overly long parental leave periods of up to three years or more are often available only to women and risk undermining the reintegration of women into the workforce.

Key Messages



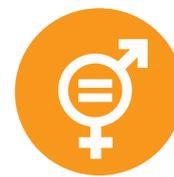
Best way to address population decline:

CREATE CONDITIONS FOR YOUNG PEOPLE TO BUILD A FUTURE



Baby bonuses

are costly and largely ineffective in increasing long-term fertility rates

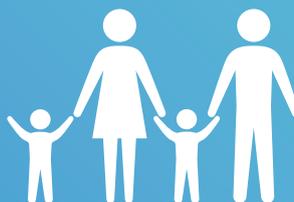


In low fertility countries, more

GENDER EQUALITY can lead to fertility *increases*



Higher fertility won't reverse population decline if causes for **outmigration** are not addressed

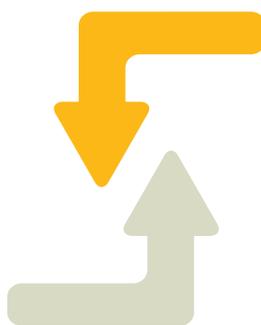


People generally want 2 children. Policies must create an environment in which **PEOPLE FEEL CONFIDENT** to realise their fertility intentions.



The ideal fertility rate does not exist.

COUNTRIES CAN THRIVE DESPITE HAVING LOW FERTILITY RATES



More important than the number of people in a country is a population's combined **human capital**, irrespective of population size.



How can we justify spending large sums of money on having more babies when we are unable to properly care for the children and young people who are already alive?

Giving all of them the chance to fulfil their potential is the best way to a stable and prosperous future — and is likely to lead to higher birth rates, too!





Delivering a world where
every pregnancy is wanted
every childbirth is safe and
every young person's
potential is fulfilled

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