Consequences of Declining Fertility

Why in news?

The world is ill-prepared for the global crash in children being born which is set to have a jaw-dropping impact on societies.

What does the global fertility rate look like?

> ***Birth Rate****- The total number of births in a year per 1,000 individuals.*
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> ***Fertility Rate****- The total number of births in a year per 1,000 women of reproductive age (15-49 years).*
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> ***Replacement level fertility****- The level of fertility at which a population exactly replaces itself from one generation to the next, i.e., the level of fertility needed to keep the population the same from generation to generation.*

- **Global population**- The global population, in terms of numbers, has been steadily increasing and is expected to grow around 8.5 billion in 2030.
- **Global fertility**- According to the World Population Prospects 2022, the average global fertility has been consistently declining over the past 70 years.
- The total fertility rate has declined by 50%, from 5 children per woman in 1951 to 2.4 children in 2020.
- **Advanced countries**- Most advanced economies have their fertility rate below the replacement rate of 2.1, with South Korea reporting the lowest at 1.05 children per woman.
- **Pace of transition**- Poorer countries seem to be speeding up the demographic transition faster than the richer ones.
- Britain took 130 years to transition from a fertility rate of 5 per woman to 2, whereas South Korea took 20 years to achieve the same.
- **Japan's case**- Japan was the first country to experience the implications of falling fertility rates.
- The increasing dependency ratio has led to near zero GDP growth since the 1990s.

> *World Population Prospects is prepared by Population Division of the Department of Economic and Social Affairs of the UN Secretariat. It presents population estimates from 1950 to the present for 237 areas.*

How about the demographic picture of India?

- **During Independence**- India's fertility rate was 6 per woman.
- It had taken 25 years to reach 5, with the government launching the first ever family planning programme in the world in 1952.
- **During the 1990s**- India's fertility further declined to 4 in the 1990s when Kerala became the first State in India to have a fertility rate below replacement level.
- **Current picture**- According to the latest National Family Health Survey (NFHS-5), the fertility rate is falling below the replacement level for the first time to 2.0 in 2021.
- **Reasons for steady dip in fertility rates**
  - Increased use of contraception
  - More years of average schooling
  - Better health care
  - An increase in the mean marriage age of women

What are the possible implications of declining fertility?

Positive implications

- **Social**- Lower fertility impacts women's education positively, which in turn lowers the fertility of the next generations.
- **Economic**- A major portion of the workforce in countries of earlier demographic transition moves to modern sectors of the economy with fertility dipping.
- The spiral of lower fertility leads to a higher ratio of the working-age population than that of the dependent age groups.
- This in turn boosts income and investment with higher level of savings.
- **Environmental**- It will lead to lower pressure on land, water and other resources and would contribute to achieve environmental goals.

Negative implications

- **Economic output**- A fall in fertility rate would have a negative effect on the proportion of the working population thus affecting the economic output.
- **Creativity**- While education and technological advancement could increase the productivity of working age population, falling fertility could diminish the creative capacity of humankind.
- **Global interest rates**- An ageing population will affect global interest rates negatively as the share of people over 50 years will form almost 40% of the population by 2100.

How to deal with the fertility decline?

- The advancement in health care and better nutrition around the world have increased the life expectancy and productivity of older citizens.
- Flexibility in the labour market would encourage working women to have more children and non-working mothers to enter the labour market.
- Although India's working-age population will continue to grow for many more decades,

it would need to keep an eye on fertility dips.

Global experimental policies to boost fertility

- ***Germany****- Boosts births through liberal labour laws, allowing more parental leave and benefits.*
- ***Denmark****- Offers state-funded IVF for women below 40 years.*
- *Hungary- Nationalised IVF clinics.*
- ***Poland****- Gives out monthly cash payments to parents having more than two children.*
- ***Russia****- Makes a one-time payment to parents when their second child is born.*
- *Russia reinstituted the Soviet-era '**Mother Heroine'** title, who bore and raised more than 10 children amounting to Rs. 13 lakh.*

References

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