How does the development of social protection systems affect birth rates?

The population continues to grow rapidly, particularly in the world’s poorest and most fragile countries. In Sub-Saharan Africa alone, the number of people will nearly double to around 2.5 billion over the next 30 years. At the same time, the social protection systems in these countries are often especially weak, so improving them has become a development policy priority in efforts to counteract poverty and inequality. This therefore raises the question as to whether accelerating the development of social protection systems would curb birth rates or even increase them further.

Social protection is just one of many factors that affects fertility and its impact can vary

One thing is certain: the decision to have (more) children depends on many cultural, socio-economic and individual factors (e.g. values and norms, education, age, income, etc.). Social protection instruments (e.g. social welfare, pensions, health insurance) reduce existential risks for families and create freedom of choice and freedom to act when it comes to living life according to one’s own personal plans – in theory, this could result in either higher or lower birth rates. Apart from the poverty-alleviating effects, the use of payments related to children (e.g. child benefits or parental allowance) in industrial countries with low birth rates is often linked to the hope that more children will also be born.

Typical impact chain for social protection in developing countries

In contrast, poor and fragile developing countries are characterised by widespread poverty, high fertility, dysfunctional basic government services (such as education and healthcare) and a high degree of individual insecurity.

Under these conditions, a lack of government social protection systems leads to people having large numbers of children as an alternative means of security. According to this principle, having lots of children would ensure that

- some children survive (despite high child mortality rates);
- these children can contribute to the household income by working in order to secure the family’s survival
- and these children can look after their parents’ generation when they reach old age.

In these countries, social protection does not revolve around child/ parental allowances but around basic economic security for the people who need it most (e.g. by means of cash transfers), basic health insurance and, increasingly, also security for old age (e.g. a basic pension).

Cash transfers – more education, pregnancy later in life

Reliable impact assessments verify that regular monetary payments (cash transfers) for poor people can trigger multi-dimensional effects: on the one hand, cash transfers lower the number of children required to work to contribute to the family’s income. At the same time, school attendance rates rise, meaning that children leave school with a higher level of qualification (higher qualifications are also associated with low fertility). Furthermore, there are indications that female teenagers in households who receive cash transfers have their first sexual contact later in life and that girls in these families are subject to less sexual exploitation/prostitution.

Health insurance: demographic impact not clear

One of the effects of general health insurance is that poor people also gain reliable and affordable access to the healthcare system. Generally, this goes hand-in-hand with a decline in child mortality, which can even contribute to increased population growth over the short term. All analyses show, however, that in the medium to long term this will also be reflected in declining fertility rates (“demographic transition”). The inclusion of family planning in the range of services offered by health insurance companies may even reduce the birth rate.

Birth rates are significantly lower in countries with a “basic pension”

There are no comprehensive international studies on the relationship between modern pension schemes and fertility rates. However, for Sub-Saharan Africa at least, it can be ascertained that countries that have introduced a basic pension have a 0.5–1.5% lower fertility rate per female in comparison to other countries.

Conclusion: in poorer countries, social protection is accompanied by lower birth rates

Regardless of their effects on birth rates, the development of social protection systems is an important issue within development policy. Although the correlations have not yet been studied in detail, it is evident that social protection is clearly associated with a lower birth rate, at least in poorer countries. In this respect, the development of social protection in poorer countries can do more than merely contribute to a direct improvement to the population’s living standards; it can also indirectly facilitate the achievement of a number of other SDGs due to the effect on fertility.