Economic risk, fertility and the welfare state: understanding individual rationales

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INTRODUCTION

At the centre of the academic debate concerning fertility decline in Western welfare states is the question whether family policies sustain or increase fertility levels. Statistical evidence of the association between family policies and fertility is mixed, and while policies have positive effects their reach is limited (Gauthier 2007, Hoem 2008). It has been suggested, however, that their impact may be underestimated as a result of theoretical and methodological difficulties (Thévenon & Gauthier 2011). Based on a qualitative and interpretative approach, this chapter explores young adults' perceptions of economic preconditions and labour market risks related to becoming a parent, and the significance assigned to family policies in their considerations. In order to better understand and conceptualise the relationship between welfare policies and fertility, approaches studying whether and how policy arrangements enter individual transitions to parenthood are a valuable complement to statistical analyses.

Economic uncertainty can reduce or delay the propensity of young people to enter long-term binding commitments such as parenthood (Mills & Blossfeld 2005), but a well-developed welfare state can mitigate the economic risks of having children (McDonald 2002). In particular, the social-democratic welfare regime's policies for full employment, high female employment and a relatively generous safety net are likely to cushion the transition to adulthood and enable young people to combine work with being a parent (Mills & Blossfeld 2005). The Norwegian welfare state is an interesting case where close-to-replacement level fertility is maintained among younger cohorts. In 2010 the total fertility rate was 1.95. Of women born in 1969, the average completed fertility at age 40 was 2.0 children (Statistics Norway 2011a). Statistical evidence suggests that family policy programmes – parental leave, cash benefits and childcare services – may have a positive impact on fertility (e.g.

Lappegård 2010, Rindfuss et al. 2010, Rønsen & Skrede 2010). Fertility differences between educational groups have diminished among women, suggesting that family policies are particularly beneficial to women with high education (Lappegård et al. this volume). Thus, examining potential variation *within* the Norwegian welfare state regime – among women and men and among social classes – is important in comprehending the significance of policy in the transition to parenthood.

Our empirical analysis is based on 90 semi-structured interviews carried out in 2010 in the cities of Oslo and Trondheim among women and men born mainly between 1975 and 1985.[1] In the 1975 cohort, 32% of women had had a child at age 25 and at age 35, 80% (Statistics Norway 2011a). In 2010, the average age of having the first child was 28.2 years among women and 30.8 years among men. As a main aim is to explore potential variation in perceptions between socio-economic groups, respondents were strategically selected among two class fractions representing opposite ends of the occupational status hierarchy: 1) Upper middle-class occupations: professional occupations requiring MA level education[2], 2) Working-class occupations: lower service class or manual occupations requiring no formal education beyond upper secondary level[3], [4]. The sample was also selected according to parental status.[5]

CHOICE, ECONOMIC CONDITIONS AND THE STATE: CLASS AND GENDER

It is generally agreed that social action is an outcome of a choice within the constraints of social contexts. Rational choice theories have been prominent in explaining fertility change (e.g. McDonald 2002, Morgan & King 2001, Nauck 2007). In the individual life course, the decision about parenthood is considered rather 'high-gain-high-cost-high-risk', which makes it very likely to be based on reasoned and calculated decision-making (Nauck 2007).

Rational choice theory assumes that in deciding to have a child people make the considered calculation that the benefits of having a (additional) child outweigh the costs, implying that increased psychological benefits or reduced costs would have positive effects on fertility (McDonald 2002). In line with this, 'risk aversion' theory states that in having a child people are making a decision to change their future life course, and therefore their decision depends on their future orientation (McDonald 2002). If there is a perception that economic, social, intimate or personal futures are uncertain, decision-makers will try to increase security in order to avert risk. One strategy for reducing uncertainty is in acquiring as much information as possible so that decisions can be made with little risk.

Becoming a parent, however, is a result of a multi-layered and complex social process. The social context determines the social meaning of having children, and also perceptions of the 'costs' and 'benefits'. Instead of postulating rational calculation a priori, we prefer to treat rationality as an empirical question, taking into account the contextual conditions – motivational, informational and institutional – under which rational calculations manifest (Smelser 1992). Our emphasis is on reflections and reasoning around the process of deciding on parenthood, and that involve categories beyond 'costs' and 'benefits' (see Introduction this volume). It is possible to be reserved about the a priori rational choice assumption, and at the same time emphasise the importance of the concept of choice; the fact that people act under different constraints can often explain a great deal of variation in behaviour (Elster 2007). Preferences underlying choice are shaped by the constraints and are thus adaptable in different choice situations (Elster, 1983).

In social policy analysis, 'new social risks' are seen as constraints emerging from social and economic changes related to post-industrial economies: de-industrialisation and the growth

of the service economy, the entry of women to the labour market, increased instability of family structures and the de-standardisation of employment contracts (Bonoli 2007, Taylor-Gooby 2004). Deregulated labour markets, resting on neoliberal ideas, are increasing the insecurity of workers by removing worker protection. Economic risks, in the short and medium term, include employment security, that is, the likelihood of getting and keeping a job (e.g. prevalence of unemployment and temporary work contracts), and career mobility.

Young adults in labour market positions with a high degree of economic uncertainty are postulated to inhibit parenthood as it requires a secure economic base (Mills & Blossfeld 2005). The later family formation recorded in all European welfare states may thus reflect growing uncertainty about the economic future (Kreyenfeld 2010). Research on the relationship between economic certainty and demographic behaviour is far from conclusive, however. Most studies centre on the relationship between objective factors, such as temporary work contracts and fertility, while there are fewer studies of the potential effect of subjective perceptions of insecurity (Kreyenfeld 2010).

Young adults' perceptions of economic standards and risks in relation to parenthood may be influenced by class and status differences. Employees are differentiated in terms of their relations with employers, as these are regulated by the explicit and implicit terms of their employment contract: job security, earnings stability prospects and promotion opportunities (Goldthorpe 2000). Skilled occupations and stable employment relations are assumed to be least precarious (Mills & Blossfeld 2005). Employment in the public sector is likely to be more secure than in the private sector. Jobs are also of widely differing quality; the opportunity of self-development and fulfilment through work and the recognition that goes with it are unequally distributed (Sayer 2011). (Prospective) parents' lifestyles and

consumption standards may also vary. The perceived cost of having children can be related to the social status of the parents (Freedman 1963). Most families will do their utmost to ensure the position of their children (Crompton 2006), but this might result in different perceptions about what are adequate economic conditions or the standards necessary for having and bringing up children.

Class and status differences might interact with gender. Work contracts are likely to be gendered. Women more often than men hold secure public sector jobs, but also temporary work contracts. Similar economic uncertainties may also impact differently on women and men, but the gender effect is likely to be most significant in traditional breadwinner regimes (Mills & Blossfeld 2005). Evidence suggests that the consequences of increasing insecurity are strongly dependent on the welfare state arrangements (Mills & Blossfeld 2005). Classical fertility theories are rooted in the idea that 'adequate economic conditions' are a precondition for having children, but there is an assumption that it is the male breadwinner who determines the economic foundation of the family (Kreyenfeld 2010): In economic models, female employment has been viewed as a barrier to the forming of families, the presumption being the incompatibility of childrearing and employment. This notion is contested by the reversal of the association between women's labour market participation and fertility levels from a negative to a positive correlation; a change that initially produced disbelief (Rindfuss et al. 2010). Today, women's labour force behaviour lies at the heart of most explanations of fertility and fertility change (Brewster & Rindfuss 2000). The effect of female employment on fertility depends on the circumstances, and in some welfare regimes stable female employment may be a *prerequisite* for having children (Kreyenfeld 2010).

Accordingly, policies supporting working mothers are considered crucial. Some see the lack of institutions compensating for women's employment as a major anti-natalist factor (Morgan & King 2001). Different types of policy may have different impacts on fertility, however. McDonald (2000) distinguishes between gender equity policies in different institutions: if gender equity is high in institutions that deal with people as individuals (education/labour market) and low in others that deal with people as members of families (e.g. tax system, social security, family division of labour), the incoherence will result in low fertility. If gender equity is high in family-oriented institutions, that is, if the male breadwinner model of the family ceases to be the assumption on which family-oriented institutions are based, fertility will be enhanced. Thévenon and Gauthier's (2011) review article suggests that policies aimed at work–family balance – paid parental leave, child care services and flexible working hours – influence the decision on whether to have children or not, while financial benefits affect the timing of births. Paid parental leave compensates women for the costs of absence from the labour market, while full replacement rate reduces the cost to 'zero', claims Esping-Andersen (2009). The 'child-care and fertility hypothesis' is straightforward, according to Rindfuss and colleagues (2010): As childcare services become more widely available, affordable and acceptable, the anti-natalist effects of increased educational attainment and work opportunities diminish. In contrast, cash allowances for home-based childcare support the male breadwinner family (Korpi 2000).

THE NORWEGIAN INSTITUTIONAL CONTEXT

Comprehensive childcare policies constituting a dual-earner dual-carer model are key elements of Norwegian family policy, including *parental leave*, *cash for care benefit* and *public childcare services*.[6] The following description is based on the arrangements in 2010,

when our interviews were conducted. Total leave was 46 weeks at 100% wage compensation or 56 weeks at 80%, up to a ceiling of about 57,550 euro.[7] For public sector employees, there is no ceiling. Three weeks before and six weeks after birth are reserved for the mother, while there is ten weeks for the father – the 'daddy quota'. The remaining part of the leave can be shared between the parents as they prefer. The leave-taker has the right to return to her/his job. Mothers take up about 90% of all leave days, the majority choosing the longest leave alternative. The large majority of mothers, about 82%, are entitled to parental leave; those not entitled receive a small lump sum (about 4500 euro).[8] Access to childcare services is institutionalised as a social right when the child is one year of age.[9] Provision is approaching full coverage: In 2010, 89% of children 1-5 years old had a place in publicly subsidised childcare; 97% of the 3-5 year olds and 79% of 1-2 years olds (Statistics Norway 2011b). There is a maximum payment for parents (about 290 euro/month for full-time). Parents of children 1-2 years old that do not attend publicly subsidised childcare receive a *cash for care benefit* (about 400 euro/ month). The share of parents receiving this benefit has declined sharply in tandem with a strong expansion of childcare services for the youngest children in recent years (Ellingsæter & Gulbrandsen 2007).

Labour market conditions are crucial for the economic risks associated with parenthood. Norway is an 'employment society' and employment insecurity is less than in most other European countries. The labour market has been characterised by strong labour demand in recent years, and the financial crisis in 2008 has had limited impact. In 2010, employment rates were 82.2% among men and 76.5% among women aged 25-66 (employment statistics, Statistics Norway). Unemployment rates were low: 3.5% among men and 2.6% among women 25-54 years old. About 30% of those employed work in the public sector; about 50% of the employed women. The majority of mothers are employed; 81% of those with children

younger than 3 and 88% with children 3-6 (Ministry of Children, Equality and Social Inclusion 2010). Parents with young children have a conditional right to reduced working hours. Part-time work among employed women is quite high, about 40%, but declining. Neoliberal pressures towards deregulation of work contracts have been met with considerable institutional resilience (Ellingsæter 2009). Working time is highly regulated, normal weekly working hours are at the lower end (37.5 hours) and overtime is less prevalent than in many other countries. Hiring and firing regulations are restrictive, and apply to temporary work contracts; the prevalence of temporary work contracts is low at 8%.[10] Wage levels are high and wage differences small compared to most other countries. Most families own their own home, but high housing prices, especially in urban areas, are a major economic expense for young adults.

ECONOMIC SECURITY AND THE DUAL-EARNER PROVIDER MODEL

Young adults' reasoning about having children is the foundation of the following analysis. For those without children, this is a hypothetical question; for those who have had children it is about a choice already taken. Information about both *ex ante* and *ex post* reasoning has its limitations. Hypothetical reasoning may lack realism, and both opportunities and one's own ideas and behaviour may be idealised. Information ascertained retrospectively, giving reasoning for choices already made, may be fraught with post facto rationalisation. Reasons given may be biased towards justifying the choices made. Still, the issue studied here, economic risks associated with parenthood and how family policies enter the fertility decision process, is likely to be less sensitive than many other issues related to these decisions.

As evidenced in previous studies (e.g. Lyngstad & Noack 2005), having children seems to be a central part of the lives of young adults in Norway; all the respondents in our sample stated a positive wish to have a child. Responses to questions about what should be in place before one becomes a parent emphasise first of all the quality of the relationship between the partners, and one's own readiness to become a parent. Becoming a parent is considered a life-altering decision committing oneself fully to a new identity as a parent. Having a child is not expressed as an economic decision right away; the economic aspects of parenthood are seldom mentioned without a prompt. It seems improper to discuss the costs of having children; bringing up economic reasoning and costs debases the main perception of children as a source of love and happiness. Economic concerns appear as crucial, however, conveyed by the notion of 'economic security', which is accentuated by all interviewees and involves strategies for generating the necessary structures that make it possible to provide for a child. The concept of economic security mediates between the worlds of instrumental economic reasoning and emotional responsible parenting, i.e. giving the interviewees the opportunity to talk about financial aspects without directly assessing the economic cost of having children. Economic security contains the interviewees' reflections over the economic conditions of having children and their role as an economic provider, and becomes the focal point for understanding the economic rationales behind fertility choices.

The interviewees' notion of economic security is based on the presumption of a dual-earner family provider model, which is the premise for what is considered adequate economic standards and the vantage point on which economic decisions are based.

> We have been very concerned that we should know that we have economic security for having children. That we are together, and intend to stay together … And that we both have jobs.
>
> (Woman, kindergarten assistant, children)

> The most important thing is that you have a man that you want to have a child with. Then everything else will just have to work out. But when I met (partner) and realised that we wanted to have children together, we still have waited for both to have jobs, too.
>
> (Woman, engineer, children)

The dual-earner couple forms the basic economic family structure, and both partners expect to contribute to the family's income. Mutual economic responsibility is important in providing for the family, giving both partners a role as breadwinner. Having two incomes is the basis when planning for the future, e.g. for taking up a mortgage to buy a house, setting a spending frame for consumption. This is similar in the different groups of interviewees. Although the role of breadwinner is put across as shared, men seem to take a larger part of the economic responsibility. While both partners' contribution to the family income is essential for achieving economic security, several men in our sample talked about their income as the more important one. Women might take some unpaid leave after the paid leave period, or plan to reduce working hours after the second child, but leaving the labour market is not really an option.

ADEQUATE ECONOMIC STANDARDS

Regardless of income levels, the dual-earner provider model is the basis of our interviewees' conception of economic security.[11] But that 'economic security' means one thing in upper middle-class jobs and another in working-class jobs, becomes apparent in the different standards of consumption implicit in the reasoning about the elements constituting economic security.

For those in upper middle-class jobs, 'economic security' is a comprehensive entity stretched out in time and content. It is considered important to secure the structures of economic security *prior* to becoming a parent. Economic security is often talked about as a sign of being a good and responsible parent, able to provide for one's child. What is considered as an adequate economic standard is mirrored in the importance of a stable financial situation, and in the consumption level that has to be secured before having a child. The home is the starting point for the consumption standard – owning your own home in a nice, child-friendly location:

> You should have … a place to live, of course, if not a house, at least an apartment (…) your own apartment, yes. That's the minimum requirement (…) But not live in an apartment for ever, no. Must have something larger in a while.
>
> (Woman, biologist, no children).

A financial buffer is also important, i.e. having enough flexibility in one's economy to cover unforeseen expenses should they occur and to handle the extra expenses of having a child without needing to change one's consumption pattern and lifestyle, e.g. such as travel, eating out and home décor. In other words, this economic strategy of responsible parenthood means

being able to provide long-term security and stability and is a view reflected in the answers of couples both with and without children.

Several interviewees in working-class jobs deal with expenses incurred with having children by re-allocating income and adjusting their consumption pattern. While informants with children used to spend money on clothes for themselves or on nights out, they now divert this money to help cover the expenses of having children. Consumption is adapted to their new financial situation. This is described as a rational and natural part of their change in lifestyle when they had children, explaining how they create economic security for bringing up a child.

> About the housing situation – if we own or rent, it makes no difference (…) We don't think much of going to restaurants or hitting the town, but it is important that we have money (…) But now, really, we have something else to spend money on (points to his daughter) now all our money is spent on her, and that's just the way it is supposed to be.
>
> (Man, sales person, children)

> I'm sure we could have owned something beforehand, and mastered some other things as well, before that expense came. But I don't think it is expensive to have a child, not really. Before, I wasted money, now I spend the money on her, instead of me. So for me, it hasn't had any economic consequences to have a child. Well, she's not a teenager yet … (laughs) But so far, it hasn't been very expensive.
>
> (Woman, store manager, children)

Interviewees with the lowest incomes say that money is of little importance to them, and that they get by on very little; they also place less value in owning their home. Those without children consider the possibility of being flexible in their consumption as part of their economic security, and expect to have to change their consumption when they have children. The prospect of reducing and changing consumption levels means that what is considered an adequate economic situation for having children becomes more flexible and more readily acquired.

EMPLOYMENT SECURITY

A basic premise of economic security is employment security, which has different dimensions varying in significance between women and men and between the two class fractions. However, while all interviewees consider some types of employment risk related to becoming a parent, a general feature is the lack of fear of becoming unemployed. The low unemployment level in Norway is likely to be the reason the risk of unemployment does not weigh in as a consideration in the interviewees' economic reasoning.

While interviewees in upper middle-class jobs do not fear becoming unemployed, some may be hesitant about whether they will achieve their career goals. Interviewees in this group experience more difficulty in accessing the specific jobs they are looking for, and are more often unsure and doubtful about their job future. Achieving security is seemingly a more complex process when job security is associated with career opportunities, which includes achieving personal ambitions, growth and self-realisation.

Women in upper middle-class jobs may perceive particular risks in securing their position in the labour market. After years in education they often have to go through a critical

transitional period before they have secured a job and are entitled to parental leave. For many, the experience of a transitional period extends beyond this, however, to the couple of years it takes to 'launch' a career and establish themselves in the workplace. Since these women expect to give less priority to their work and career when they become mothers, the extended time in establishing their career can be seen as a strategy by which to reduce the risk of future unemployment. Women who have been in relationships for many years, and who have both the desire and opportunity to have a child, might put the decision on hold, instead launching their career and establishing a sense of security about their job. After finishing their education, they need a couple of years to complete their transitional phase. Since women expect to stay at home with their child in the first year, it is critical they spend an extra amount of time securing their position in the work place before they have children.

> If I had become pregnant earlier, it wouldn't have been a crisis. But since I in a way could control the situation that was what I wanted then … By and large it is convenient to be in a job at least for a couple of years, before you change. You could say it looks better (…) So to have first established yourself, got experience and all this, and then taking a break, makes it easier then to return again compared to only working for half a year, a year. (…). Then I sort of would have started a little from scratch again, when I was to return.
>
> (Woman, architect, children)

For men in upper middle-class jobs, the focus is the importance of having secure employment and an 'adequate salary'. This is the group for whom 'economic security' is the most frequent answer to the question about what should be in place when having a child. Some men who have become fathers are employed in temporary jobs and experience

difficulty not knowing what their next job opportunity will be. Their responsibility as a breadwinner calls for more secure employment. Men in this group may talk about the extended transitional phase of their partners, but do not seem to experience this phase themselves. They do not talk about a child in the family as something that intervenes in their career, or that they need to make arrangements with their employer about. A few men change jobs from the private to the public sector, however, to get more standard working hours. They experience their responsibility as a parent as not attended to at their previous work place. These transitions do not involve income reduction, however. The differentiation between having secure employment and achieving career goals can be hard to separate among upper middle-class interviewees, but women seem more focused on having employment security, whereas more men assess their career paths when talking about having a "safe job".

Typically, the working-class interviewees are less apprehensive of their career opportunities than those in upper middle-class jobs. Those in working-class jobs express no difficulty in getting and changing jobs, but might have trouble finding a job with working hours compatible with having a small child. Women in such jobs have a short period of education and have been employed for years when they decide to have a child, so they do not experience the transitional employment risks of women in upper middle-class jobs. Some continue in unsatisfactory jobs when they find out that they are pregnant, just to be sure to get the parental leave benefit. They then use the period of parental leave to find new employment.

> (My job means) Nothing. If I hadn't been pregnant, I would have quit much sooner. When I go back to work after my leave, I will have to find new employment. (…) I only stayed to get the parental leave.
>
> (Woman, office clerk, children)

Many of the women interviewees also said they had or would change employment when having a child, because they did not think shift work was possible to combine with being a parent. Instead, they would want a job with standard working hours.

Among the men in working-class occupations, there are different approaches to employment security. Attaining secure employment is not seen as difficult, and many have already changed jobs several times. Economic security is rather attached to an ability to generate a high enough income in a job. Some men expand their working hours or take on an extra job to tackle their new breadwinner responsibility because their basic wages do not shoulder adequate economic security for their family. Others consider their job and their wages to be sufficient because they do not need a lot of money. Men without children expect to reduce their working hours when they have children, and perhaps change to more standard working hours.

FAMILY POLICIES AND ECONOMIC RISK

To what extent – and how – do family policies influence someone's decision to have a child? Some interviewees stated that accumulating parental leave entitlements was an important factor when they were planning to have a child, while others had been employed for several years when they decided to have a child and 'just assumed' they were entitled to it:

> I had already worked for so many years before I decided to have kids, that earning the right to parental leave was not something I gave a lot of thought. I had worked for so long anyway, it wasn't of any concern.
>
> (Woman, hair dresser, children)

However, many interviewees, in both upper middle-class and working-class jobs, are planning to have a child without knowing the details of family policy arrangements; this is very much the case for those who have not yet had a child, but also for those who already have children. There seems to be a general understanding that being employed is important, and that as long as this is in place everything will be OK. Friends or colleagues with children may act as a source of information, however, and one line of reasoning is that 'everything worked out for them, so it probably will for us as well'. 'The policies did mean nothing (laughs), not at all, really. I just counted on everything to work out for the best.' (Man, kindergarten assistant, children). Single women and men may say about the significance of policies that they have 'to be honest, I haven't given policies any thought. I'm just not there yet' (Woman, medical researcher, no children). Women and men who have had children may assert that 'I really had not thought about the policies, because I have sort of been taking them for granted. I knew I had a job and that I had earned the right to parental leave and that I would get it… But if I had not had the rights…I think I would have waited till it was all sorted out' (Woman, architect, children).

For many, the revelation of the pregnancy seems to be the point in time when more detailed information gathering is set in motion: 'I suppose I did understand that we were 'inside' the rules without having familiarised myself properly with it on beforehand. But we did that when I got pregnant, checked up all information about leave rights …and kindergarten

opportunities' (Woman, engineer, children). 'No we didn't think much about it. It was when we got the child that we thought "Oh God! we have to get a place in the kindergarten"' (Woman, economist, children). Some women, usually those in working-class jobs, started to work more hours when they discovered that they were pregnant, in order to ensure a larger payment during their leave period.

In contrast, others claim that family policies are very important. In general, they seem to have a greater impact on the economic reasoning of interviewees in working-class jobs with low income, because they make a greater impact on their economic abilities. Some say they could not imagine how they could have children without the support of family policies. Besides financial support, the policies give them a sense of security in providing for their children and in making the decision to have a child easier:

> It (the policies) is no reason for me wanting a child, but I actually think that …We do have full childcare coverage and …very good leave arrangements; we are paid to stay at home for a year and get to know our child and that is very nice. You feel safer, you do. You do have the state behind you, I was about to say (…) If one doesn't have economic security, then no one would have kids. They must be afraid if they have enough, food and money and … It's a little wrong to say a sentence like "if you can afford a kid", but well, that's just how it is.
>
> (Woman, waitress, children)

Universal access to kindergarten emerges as particularly central in underpinning the decision to have a child. Men generally consider kindergarten to be very important, while parental leave is something they seldom talk about concerning themselves, but instead in relation to

their partner's leave. When the basis of economic security is being a dual-earner family, access to kindergarten guarantees that they can stay employed:

> I had never considered the possibility of me not working … And as long as the private daycare is as poor as it is, there wouldn't be any other option besides kindergarten. So without kindergarten, if I had chosen to have a child, I would have had to choose to stay at home … And then maybe I would have chosen differently, on the whole question about having children. So kindergarten is important, very important.'
>
> (Woman, medical doctor, children)

While the importance of kindergarten in having children goes without saying among the interviewees, there are differences in how parental leave is assessed. Some women in upper middle-class jobs with a high income say they would be able to take care of their child at home in the first year without the parental leave benefit by reducing their expenses and living more frugally. At the same time, they realise that living more economically would mean renouncing the economic standard they consider necessary for bringing up a child. For women in working-class occupations with low income, parental leave is considered very important because it enables them to stay at home in the child's first year:

> At least related to how we have chosen to live. We could maybe have cut down on the expenses by not having a car, owning a cheaper apartment, but when we already have these expenses, the leave is important.
>
> (Woman, kindergarten assistant, children).

The cash-for-care benefit is considered of little significance for having children; the main reason being that it does not cover the mother's loss of income when staying at home. Some mothers, independent of occupational group, use the benefit for a short period while waiting to get a place in kindergarten for their child, or to extend the period at home after the paid leave ends.

LIMITING ECONOMIC RISK IN TRANSITION TO PARENTHOOD: THE TWO PILLARS OF TRUST

The choice of having children is not seen as economically 'high-cost-high-risk' among Norwegian young adults in working-class and upper middle-class occupations (see also Letablier, this volume). Rather, transition to parenthood is characterised by a quite high degree of perceived economic security. These findings are probably valid also in the case of young adults in occupations in between these two class fractions. The choice of having a child is made without thinking much about financial constraints or the risk of unemployment, and with little detailed knowledge of policy arrangements. Although the existence of family policies is gratefully acknowledged – it is good to 'have the state behind you' – information gathering may start only after the pregnancy is a fact of life. Having children is conveyed as a 'high-gain' choice among the interviewees. Emphasis is on emotional aspects: children as crucial source of love and happiness, and individual 'readiness' and quality of partner relationship as the main foundation of parenthood.

A certain reluctance to talk about the decision to have children in terms of rational economic calculations is apparent. Nevertheless, 'economic security' appears as a crucial notion for economic reasoning about fertility choice. 'Economic security' is connected with the perceived needs of children and thus with ideas about responsible parenthood. It is a

contextually dependent concept meaning that it is strongly adapted to the interviewee's choice constraints. 'Economic security' is affected by the social status of (prospective) parents, i.e. meaning different things to those in upper middle-class versus working-class jobs. This is evident in the consumption standards considered necessary for having and bringing up children. Children are accommodated by re-allocating and reducing one's own consumption among those in working-class occupations, while those in upper middle-class occupations require and expect to be able to maintain a high consumption level when they have children. For the latter group, the comprehensive material conditions deemed necessary for giving children an economically secure basis reflects their better chances of achieving such a situation, indicating how preferences are adapted to economic opportunities and constraints (Elster 1983, 2007). Variation in the timing of parenthood can be understood in light of such economic expectations. Because those in working-class jobs are more flexible in their consumption standards and achieve the economic security they consider necessary fairly early in the adult life course, they are ready to start a family sooner. The more comprehensive standard among those in upper middle-class jobs is less flexible, and takes longer time to achieve, which may be to postpone the decision to have children.

Yet, 'economic security' in both class fractions shares an underlying economic precondition: a dual-earner family provider model, supported by comprehensive family policies. There is no doubt that policies are of great importance for the family's financial situation: Two incomes are the basis of parents' economic security, and childcare policies secure the ability to keep two incomes. The year-long paid parental leave and universal childcare services greatly influence the ways in which the interviewees organise or plan to organise their parenthood. Perhaps the strongest evidence of the significance of family policies thus is the extent to which they are taken for granted. The discrepancy between the knowledge of

policies and the reliance on these arrangements reveals a great deal of trust in the welfare state.

Perceptions of opportunities and constraints related to childcare polices differ among women and men and the two class fractions. It is assumed that dual-earner/dual-carer policies are most important for women with high educational levels, as these women have targeted employment preferences and are most likely to forgo having children if it is difficult to combine employment and care of the children. But the importance of policies is expressed most strongly by the women interviewees in working-class jobs with low incomes: Family policies give them the economic security needed to have a child, and to take proper care of it by staying at home in the first year on parental leave. At least in part this might be interpreted as an effect of a dual-earner economy where the threshold for an acceptable economic standard might have become rather high. Another class-marked fertility constraint that may be overlooked is the prevalence of unsocial hours in working-class jobs, in particular among women. Working hours which are not coordinated with opening hours of childcare services are considered incompatible with having children.

Couples in upper middle-class jobs who not only need a secure job but also expect a relevant and fulfilling job might experience the transition to parenthood as a difficult phase – a period of temporary jobs, job competition and high career goals. But it is only women who experience having children as an employment risk. For them, a generous parental leave arrangement does not mean that the costs of staying away from work are zero, as Esping-Andersen (2009) presumes. Women in upper middle-class jobs conform to the evident norm of one year at home on leave, but they perceive this long absence as a risk to their employment security and career prospects. This is also why they may delay parenthood, not

just until they have secured a job and their leave entitlement, but until they feel secure in their job position so that they have something to return to after the leave is over.

In conclusion, economic trust is likely to be important in sustaining the relatively high fertility levels in Norway. This is in accordance with recent studies suggesting that the reversal of the decline in fertility may be brought about precisely in societies like Norway – societies characterised by economic well-being among its citizens and the provision of adequate institutions, built not on the assumption of a male breadwinner but on working motherhood (McDonald 2000, Myrskylä, Kohler & Billari 2009). When a dual-earner family is the foundation of the economic security for having children, reducing risks connected with the transition to parenthood depends on the labour market's capacity to provide jobs and the welfare state's ability to reconcile employment and care responsibilities. Economic security among Norwegian young adults is founded on two risk-reducing pillars: on the one hand, policies supporting the dual-earner family; compensating income lost during child-rearing and providing childcare when both parents are working, and a strong labour market, generating secure jobs, on the other. A general sense of economic trust seems to be created by these two pillars. It is reasonable to believe that this explains a shift in the focus of parenthood and the social meaning of having children: financial ability or explicit concerns for costs and the financial support of children become less prominent, while emphasis is on the emotional gains and the new caring responsibilities for a small child. Family policies reduce both the economic costs and the emotional stress of having children.

Notes

[1] All interviewees were employed or temporarily on parental leave at the time of the interview. 60 out of 90 informants were employed in the private sector (30 women and 30 men); 63 out of 90 had a permanent job (34 women and 29 men). Among those in working class occupations, 37 interviewees out of 45 were permanently employed, compared to 25 out of 45 in upper middle class occupations. Interviews were read in full and coded in Nvivo. Data were collected as part of the research project *The Social Meaning of Children. Reproductive Choice, Gender and Social Class*, supported by the Research Council of Norway, grant no. 190813/V10.

[2] 24 women and 22 men. Occupations included among *women*: architect (4) biologist (1) medical doctor (6) economist (2) educator (1) engineer (4) journalist (1) psychologist (1) researcher (4); among *men*: architect (2) business consultant (1) medical doctor (4) engineer (8) innovator (1) journalist (1) lawyer (1) musician (1) psychologist (2) teacher (1).

[3] 22 women and 22 men. Occupations included among *women*: cook (1) decorator (1) gardener (1) graphic artist (1) hair dresser (5) kinder garden assistant (3) sales person (1) secretary (1) shop clerk (2) special needs educator (2) store manager (1) waitress (2) ware house worker (1); among *men*: bar keeper (1) carpenter (1) cook (2) drafts man (1) driver (1) electrician(1) gardener (1) janitor (1) journalist without training (1) kinder garden assistant (6) lock smith(1) plumber (1) salesman (1) social educator (1) store manager (1) warehouse worker (1).

[4] In Norway there is a universal right to three years of further education (videregående skole) free of charge, after the ten first obligatory years.

[5] 49 informants had already become parents, while 41 were without children; 20 of them were single.

6 In addition there is leave of absence when the child/child minder is sick, and after school care arrangements for children aged 6-10. Interviewees who had children in the previous five years had a little shorter parental leave and there were fewer places in childcare for the 1-2 year olds.

[7] Entitled to parental leave are those who have been employed six of the last ten months prior to the birth of the child. A flexible uptake of leave is allowed up to the child is 3 years old. In addition each parent has the right to one year of unpaid leave.

[8] This is a heterogeneous group, almost half of them are foreign born and about one in three is a student (Naper 2010). Students can transfer education loans into non-repayable grants (up to 42 weeks/approximately 1000 euro/month).

[9] Born before 1 September the previous year

[10] Somewhat higher among the 25-34 years old, 10-18 % (Nergaard 2004).

[11] The average salary in Norway in 2010 was 435.000 NOK. The median salary among those in our sample with working class occupations was 290.000 NOK for women, and 315.000 NOK for men. In the upper middle class occupations, the median was 470.000 NOK for women, and 450.000 NOK for men.

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