



14 APR, 2025

Diving into motherhood is risky

Canberra Times, Canberra

Diving into motherhood is risky

Here's why incentive schemes don't make women have more babies

VIVA
HAMMER



RECENTLY, Treasurer Jim Chalmers promised big benefits for families with children.

Households with income of less than half a million dollars will get three days per week of childcare subsidy, no matter how much they work outside the home.

Also, a \$1 billion fund will be created to build childcare centres, making it easier and cheaper for Australian children to get care.

This is a bold response to the announcement that Australia's birthrate had dropped again, to 1.5 children per women.

This is no surprise as Australia's birthrate has been falling for 50 years, in line with birthrates around the globe, especially in the richest countries.

With the alarm ringing about depopulation, voters call on governments to do something.

And governments have responded. Japan led the way, because its fertility rate was as low as Australia's is now in 1989.

Japanese governments enacted the classic range of carrots: long maternity leave, subsidized daycare, cash for births.

They pressured companies to shorten workdays. Thirty-five years later, Japan's fertility has fallen to 1.2 children per woman.

Governments worldwide have dangled a changing menu of bribes before women to get them to have children.

Edith Gray and Robert Breunig at ANU have shown that these policies make little difference to birthrates; their work has been confirmed in study after study.

The Albanese government has already spent a whopping \$4.7 billion dollars on new childcare subsidies and Australian birthrates continue to decline.

Despite the evidence, Chalmers offers the next slate of pronatalist policies. We know what will happen: money will be spent, and

no more babies will be born.

China is an extreme case in point. It significantly reduced birthrates with the one-child policy, but even with the end of the one-child law, women are choosing to be child free. China's population is aging and shrinking.

The government has tried everything, including coercive pronatalist policies, but birthrates haven't budged.

There's abundant evidence that you can't force women to have children.

Nor can you bribe them to do so.

Why not? One theory is that governments never offer enough incentives to cajole humans into 25 years of investment with low return.

The second theory is that there is no material reward large enough to convince a woman to have a child.

Why is this the case? Pieter Vanhuysse at the University of Southern Denmark explains that a country's productive labour doesn't arrive from heaven in a stork's mouth.

Workers start out as babies whose parents give time and money to get them to adulthood.

The cost of creating adults is paid for by their parents but the benefits are spread out over society. Pensioners today don't rely on their children for care.

They rely on tax-funded transfers from workers, and those workers were raised by someone else. We are all free riders on other peoples' parents.

When we all contribute to the future labour force, because we all have children, then we share the wealth grown children bring us.

But when people realise it's more efficient to free ride on other people's children than



14 APR, 2025

Diving into motherhood is risky

Canberra Times, Canberra

to raise their own, they stop having children.

It's the classic problem of the commons. Why should I tend my garden when I can graze for free on common property? When the commons aren't protected, they shrink and disappear.

In our case, adults choose to be childless. Under Vanhuysse's stork theory, if we offered women enough money, they might have one more child.

How much is enough? Say, a million dollars, inflation adjusted, paid to parents from childbirth until children leave home. Like the age pension, inviolable.

No government has come close to this. Certainly not the old Albanese childcare subsidy which was consumed by inflation, nor the new subsidy which will do the same.

In contrast, our much greater spending on the old goes without question, as a political necessity.

Equivalent spending on children, who are the future of the economy (and humanity), is considered a luxury.

But I'm not sure any amount of money will tip women into having more children. That's because we have built lifestyles incompatible with parenting.

It's what Paul Morland in *Tomorrow's People* calls the problem of "those sleepless nights, dirty mornings, shit and piss everywhere". It takes a particular kind of person to prefer that life.

There are women choosing to have large families, against the trend. I have been

interviewing them for 20 years.

They have high levels of education, and they return to work not after a year's leave, but after a few weeks.

They forgo cars and holidays and separate rooms for each child.

If they can't get a mortgage, they rent, or they move in with their parents. Children are their highest priority.

How do these mothers talk about their choices? They talk about giving, about community, about the meaning of life, about horizons that stretch beyond their lives. They believe that life is good and so they will continue to produce it.

No money and no government can cajole that kind of thinking. But women who do have these ideas - their children will be walking the earth when we, who are waiting for a better government incentive scheme - are gone.

For those of us leading sensible, cautious lives, it's not clear what anyone can do to convince us to take the plunge into motherhood.

It's an expensive and risky business.
■ Viva Hammer is a research fellow at the ANU Crawford School of Public Policy.

It's the classic problem of the commons. Why should I tend my garden when I can graze for free on common property?



14 APR, 2025

Diving into motherhood is risky

Canberra Times, Canberra



Treasurer Jim Chalmers has promised big benefits for families with children. Picture by Gary Ramage