

**STEG Virtual Course on
"Key Concepts in Macro Development"**

Friday 9 April 2021

Supplemental lecture: Demographic transition and development

[Michèle Tertilt](#)

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Q: Can the decline in reproduction rates be attributed to the decline of religion?

A: This is an interesting question. I'm not sure on the timing, so I can't answer. But of course, even if these coincide, I don't know that you could make a causal claim. One could ask what the direction of causality is -- and whether the 'decline of religion' is itself driven by the same forces that appear to be driving changes in fertility.

Q: I was also wondering about "culture" - how does the decline in fertility coincide with more equal gender norms, women's agency, and/or beliefs about self-efficacy?

A: I think Michele is going to spend a bit of time on this later in the lecture. There certainly seem to be connections and correlations here, but of course the direction of causality needs to be problematized. And you run into some complicated questions about trying to untangle women's preferences from the many economic forces that are operating, the institutional environment, etc.

A: The Hsieh et al 2019 ECMA paper that Michele mentioned speaks a little to this as a particular channel in allocation (selection) of people to jobs.

Q: Wouldn't the human capital return increasing mechanism trigger an opportunity cost of female labor story down the line though? Unless only boys are the ones getting educated, if the returns to human capital are increasing, as girls grow up they should increase their labor force participation also.

A: That's a good point. This certainly plays a role, but as Michèle mentioned earlier, the entry of women into the labor market occurs after the fertility transition. In the first simple model, there is only one parent and one log utility, so the channel is not explicit here.

A: My comment goes more to there is a connection between human capital returns increasing, and female labor force participation. If the returns to human capital increase for girls, it must be because there are or will be increasing labor opportunities for women, and particularly educated women down the line. It therefore makes sense that the increase in female labor occurs later (when these girls are grown), but the human capital returns increasing should come in hand also with female labor opportunities.

Q: Is there any evidence for positive relation between birth rate (or may be fertility) and per capita income growth

A: There is a long run relationship between population levels and growth. Theories of scale economies, ideas and growth where technological change is increasing in population, and population growth can be the engine for higher growth (what's called semi-endogenous growth). Kremer (1993)'s famous paper gives very long run empirical evidence on this relationship.

A: can you suggest some paper exposing fertility rate as a factor for conditional convergence? thanks for the elaboration Prof.

A: I guess Mankiw, Romer, and Weil (1992) would be the classic reference, but I'm not sure if that is what you are really asking. but there is less emphasis in that paper on the population growth (not fertility but pop, or maybe labor force (?), growth)

Q: Do the tradeoffs related to bargaining really exist in European countries?

A: Can you clarify the question? Are you asking whether there is bargaining taking place? Or whether spouses have different preferences? Or something else?

Q: How do you explain the new form of Marriage when men marry men and vice versa

A: There is a relatively small literature that has tried to address some of the issues that arise with same-sex marriage. There is relatively little data to this point on same-sex couples; most household surveys are not designed to provide representative coverage of different marital regimes. However, some censuses (such as the current one in the UK) have tried to collect data on different types of marriage and civil partnerships. There is of course a huge diversity, at the global level, of what constitutes a 'marriage' or a 'household'. So there are lots of questions to ask about the full range of households and families. What is clear is that 'household' and 'family' are terms that are very context-specific and socially constructed, so we should perhaps be careful in assuming that the same patterns hold in all cases.

Q: Do you think improved women right played a huge role in fertility decline?

A: That's very much the theme of what Michele is presenting at this very minute. She is presenting some facts now, and she will get to a model shortly, I think.

Q: Is this positive relationship between women's right and economic development a recent phenomenon, or it existed, say, in the 19th century as well?

A: I think this is a question that Michele is addressing right now... so maybe I'll defer to her!

Q: Could men voting for women's rights also be explained by higher family income if both husband and wife have more equal access to the labor market rather than just the husband?

A: I'll try to pose this to Michele in the Q&A at the end.