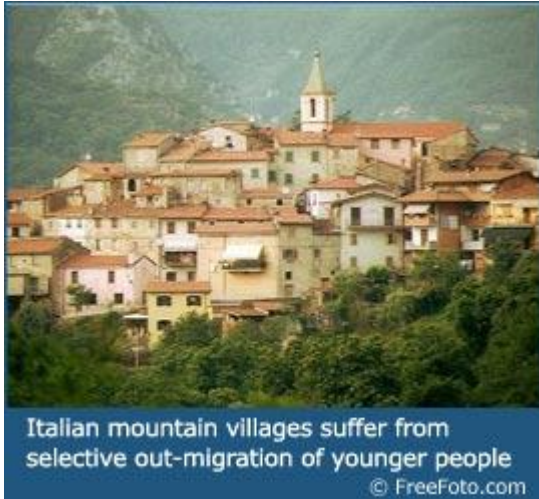


Italy pays cash for babies

09 Nov 2003



The small village of Laviano, south-east of Naples, is running so short of babies that mayor Rocco Falivena is offering the equivalent of £7,000 to anyone who produces one (*The Observer*, November 09 2003).

This finding is particularly shocking, given that Catholic Italy used to have a higher CBR than any other western European nation apart from Ireland until recently.

The initiative is a response to a plummeting crude birth rate (CBR) in Italy, with population losses of 15 million predicted by 2050. In common with other MEDCs, more career-orientated women are delaying giving birth. In addition, parents that succumb to peer pressure by dressing their children in designer clothes are apparently limiting numbers of offspring as a result of

escalating costs.

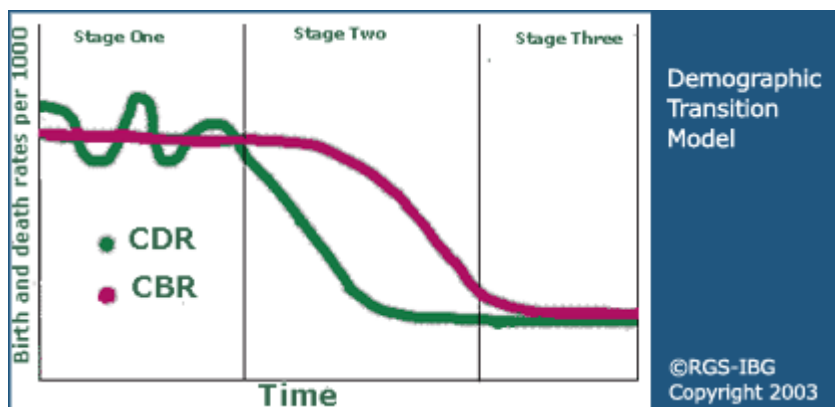
See Italy's changing Population Pyramid

A remote rural village that suffers from selective out-migration of younger people, Laviano has been particularly hard-hit by this trend. Falling numbers now threaten the survival of the village school. Last year, only eight babies were born to a population of 1,850, giving the village a CBR of approximately 4 per 1000 per year. By way of comparison, in some villages in central Africa, the CBR is 50 per 1000 per year around twelve times higher.

It is hoped that the 'cash-for-babies' scheme will increase births by at least 50% over the next few years. The payment will be staggered in a series of instalments over the first six years of the child's life, until the age of primary school is reached.

What are the European trends?

Birth rates have been falling throughout Europe, and not just in Italy, since just before the end of the Nineteenth Century. As the process of Demographic Transition took place, Britain's CBR fell from 40/1000/yr in 1880 to 13/1000/yr by the 1990s.



Industrialisation brought about a wide set of social and economic changes that can help explain this:

- *State provision of welfare benefits.* Health care and pensions reduce the need to insure against disaster and old age via a large extended family
- *Compulsory education.* Well-educated couples are aware of the consequences unwanted pregnancies might have on their careers. They are also more aware of the availability and use of contraceptives
- *Secularisation.* There has been a weakening of religious beliefs leading to the adoption of more flexible moral frameworks (in the UK, abortions were legalised in 1960s against opposition from the church)
- *Emancipation of women.* Females are more likely to lead professional lives now, leading to deferral of the age at which the first child is born, thereby limiting family size
- *Materialistic society.* In a mass consumer society, the cost of a child is high because of the perceived necessity of expensive clothing, toys and foreign holidays. Ironically, while modern incomes may be higher than ever before, many couples feel they can only have one or two children in order for the family unit as a whole to have the highest possible standard of living
- *Decline of the family as a unit of production.* National economies now centre on waged work rather than family farms. There is less need to maximise family sizes in order to increase the number of pairs of hands for a farm

What is the threat of Under-population?

Under-population is a state of imbalance where there are too few people relative to the resources a nation possesses to make effective use of them, lowering quality of life as a result. Policies, such as the one in Laviiano, that encourages population growth is certainly symptomatic of growing recognition that a lack of young people may lead to future labour shortages.

It is not just a reduction in numbers that worries policy-makers. The age-sex structure of Europe's population is changing, resulting in a greater **dependency ratio**, as the proportion aged 65 and over grows. In Britain, there are already more over-60s than under-16s and by 2014 there will be more over-65s than under 16s ([The Guardian, January 31, 2002](#)). All over-65s are entitled to free NHS healthcare and medicines, with prescriptions now costing over £5 per item, this is a significant public expense. This money, in addition to state pension, housing benefits and other social security benefits, must be raised through taxation of younger groups.

What are Population Policies?

The most well-known population policies tend to be ones that aim to curb population growth, such as China's One-Child Policy of 1980. However, there are many precedents for Major Falivena's decision to make cash incentives available to prospective Italian parents.

- In Nazi Germany, Hitler awarded medals to the mothers of three or more children. His efforts to boost population growth clearly corresponded with the Third Reich's aggressive and expansionist foreign policies
- Hitler's ally, Mussolini, urged Italian people to have more children in the run-up to the Second World War, for similar reasons. Clearly, Italy has its own precedent for pro-natalist policies!
- Concerned with under-population, the French government first introduced cash payments during the 1930s. Unlike her neighbours, France experienced very little growth during Demographic Transition as births and deaths fell largely in tandem with one-another. Following the German occupation of France during the Second World War, the military consequences of underpopulation became especially clear. Throughout the rest of the Twentieth Century, France had the highest child allowances in Europe, often accounting for over 30% of a worker's income.
- **Singapore's 'Baby Bonus' savings scheme** where the state saves on behalf of the parents of a child in order to help fund its education. It is hoped this reduced burden on the parents will lead to a surge in newborns.

Teachers' Notes for *Geography in the News* article "*Italy pays cash for babies*"

Themes / Geographical relevance	<ul style="list-style-type: none">• Population change• Population policies• Under population
11-16 curriculum	This story could be used as a starting point for looking at why births are falling in Europe as the priorities and expectations of people have changed. Italy is also an interesting case, given the persisting centrality of religion to Italian society.

AS/A2 exam tips

This would make a good case study of a population policy. For maximum marks at AS level, you should really learn at least three or four specific details, such as the population size of Laviano, the name of the Mayor and the size of the payments.

If you use this as a case-study for under population, remember that:

1. The policy itself is a consequence (or 'symptom') of under population.
2. You must relate the policy to the concept of under population, where there are 'too few people for the resources available.' This could be related to the threshold population of local schools, for instance. If numbers fall, then the school may close which is damaging to the children that already live in Laviano.