

ENDOGENOUS CHILDLISSNESS AND STAGES OF DEVELOPMENT

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Abstract

Although developing countries are characterized by high average fertility rates, they are as concerned by childlessness as developed countries. Beyond natural sterility, there are two main types of childlessness: one driven by poverty and another by the high opportunity cost of child-rearing. We measure the importance of the components of childlessness with a structural model of fertility and marriage. Deep parameters are identified using census data from 36 developing countries. As average education increases, poverty-driven childlessness first decreases to a minimum, and then the opportunity-driven part of childlessness increases. We show that neglecting the endogenous response of marriage and childlessness may lead to a poor understanding of the impact that social progress, such as universal primary education, may have on completed fertility. The same holds for family planning, closing the gender pay gap, and the eradication of child mortality. (JEL: J11; O11; O40.)

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