

Childcare Availability, Bargaining Power, and Fertility Intentions*

Miki Kohara[†] Ryo Sakamoto[‡]

Abstract

Fertility rates have declined substantially in many countries. This study examines whether expanding access to childcare services can increase fertility intentions and thereby influence fertility behavior. We develop a collective household model with non-separable preferences over private consumption and family size, in which intrahousehold bargaining power shapes fertility choices. The model predicts that childcare expansion raises fertility intentions only when wives possess sufficiently strong bargaining power within the household. We empirically assess this prediction using a household panel dataset that includes measures of wives' intrahousehold bargaining power and exploit Japan's major childcare expansion under the mid-2010s "Accelerated Plan to Eliminate Childcare Waiting Lists." The results show that increased childcare availability raises stated fertility intentions, with effects concentrated among mothers who hold greater decision-making power within the household.

Keywords: Fertility; Childcare Policies; Intrahousehold Bargaining Power; Labor Supply; Resource Allocation

JEL classification: D13; J13; J22

*We thank Tetsugen Haruyama, Yoshio Higuchi, Charles Yuji Horioka, Kazuyasu Sakamoto, and Isamu Yamamoto and the participants at the International Symposium on Fertility and the 24th Panel Survey Conference for their valuable comments and suggestions. This study was supported by JSPS KAKENHI [grant numbers 22K01517 and JP24K22635].

[†]Osaka School of International Public Policy, The University of Osaka, 1-31 Machikaneyama, Toyonaka, Osaka 560-0043, Japan. Email: kohara.miki.osipp@osaka-u.ac.jp

[‡]Faculty of Economics, Keio University, 2-15-45 Mita, Minato-ku, Tokyo 108-8345, Japan. Email: ryo.sakamoto@keio.jp