

# Economic Policy for Directing Birth Fertility: Introduction

Eliran Tchernobilsky  
Bar-Ilan University

## *Abstract*

The impact of demography on the economy and welfare was examined in the early stages of economic research. However, while past research focused on the implications of demographic growth and its risks, it seems that in recent decades, research has focused on the implications of demographic decline and on opportunities of demographic growth. This change takes place on the background of fertility trends, which indicate a prolonged and consistent decline in fertility all around the world, especially in developed countries. The decline in birth fertility, in a growing proportion of countries, leads to a significant risk of reducing the local population throughout the years, and theoretically, even of annihilation of humanity in the long-term. Demographic changes affect the various spheres of life. Therefore, public policy makers are interested in understanding the effect of tools and incentives on fertility and thus also on the economy. However, based on literature review, it appears that most of the recent studies linking incentives and subsidies to fertility and economic aspects are micro-economic studies, and there is a scarcity of macroeconomic theories in this area. Accordingly, my study aims to enable a better understanding of the effect of economic policy on fertility by formulating a macroeconomic model that will link the economy, birth fertility and public policy that affects fertility.