

## **Economic Utility and the Demand for Children: A Theoretical and Empirical Analysis**

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### **I. INTRODUCTION**

In every society children provide various utilities, economic and non-economic, to parents. Within the domain of economic utility, children provide consumption, income and old age security utilities (Leibenstein, 1957). Parents are motivated to bear and rear children because they demand these utilities from children and they benefit from having children. The development of the new home economics provides valuable framework for analysing the family behavior under such circumstances (Becker, 1960; Willis, 1973). However, we do not have a clear idea regarding the strength of each utility on parental decisions. Even though all are important for family decisions, the strength of each motive varies. Economists differ in their opinion about the motivation for having children. Demand model studies do not provide a clear evidence for the influence of each motive on parental decisions. This could be perhaps, as a result of the lack of clear distinction between various economic motives for child rearing and the lack of unique variables that can be ascribed specifically for each model.

One group of economists treat children as 'consumer durable'; a source of pleasure (Becker, 1960; Willis, 1973). Another group regards children as capital, a means of earning income (Rosenzweig, 1977; Rosenzweig and Evenson, 1977). A third group treats children as a source of security against risk and old age (Neher, 1971; Cain, 1983; Chernichovsky, 1982; Nugent, 1985). In the