

Comments on “Stork & Cupid Out to Lunch?” by Paulin Tay Straughan

Yukinobu Kitamura
Hitotsubashi University
Institute of Economic Research

This paper discusses Singapore’s demographic trends, namely delayed first marriage, decline in fertility, and a fast graying population. In particular, the author is concerned with the fact that Singaporeans are getting married later, and more are staying single. Of course, these trends are not special to Singapore but common among East Asian countries.

The author gives several reasons behind these trends in Singapore. (1) Changing status of women basically because of higher education and higher wage opportunity for women. Consequently the author points out that in a half of all families, the full time domestic managers are missing. (2) Changing expectations of marriage because women no longer need to get married for economic reasons and are able to pursue life goals outside of marriage and parenthood. (3) Dependence of waged income because the returns from wage labor are perceived to be measurable and immediate while family work tends to yield intrinsic (i.e. immeasurable) returns. (4) Changing value of child care and family life because of lowered infant mortality and thus a prevailing view of “sacred”, helpless and precocious child. Child care is very time consuming.

Of all these changes are common among East Asian countries. Thus the demographic trends are also quite similar. All these countries are seeking an ultimate solution for declining fertility and graying population. What about the Singapore government’s policy actions?

According to the author, the Singapore government provides various policy measures such as tax incentives, housing incentives, delivery costs and child care subsidies. Tax incentives are supposed to encourage middle and higher income couples to have more children, to encourage women to stay engaged in the work place while they raise their children and to make child relief guarantees a progressive increase in percentage tax relief based on mother’s income. Housing incentives include that larger families have priority for upgrade to larger Housing Development Board (HDB) flats. The government allows the family to use of Medisave to cover delivery costs up to the third child. Various Childcare subsidy is initiated, including no pay leave for childcare up to a maximum of 4 years, part-time employment for up to 3 years, and full pay unrecorded

leave of 5 days per year to look after a sick child.

We would like to know how effective these policies in qualitative and quantitative measures. First, we would like to know individual policy rules or measures in detail and identify different incentives for different families (i.e. different household characteristics). Second, as we know the Singapore government is based on the ideology of the small government (balanced budget and strong belief in self reliance), how is the philosophy of promoting self sufficiency and of encouraging child bearing compatible? In other words, is this really incentive compatible? Is the baby bonus scheme sufficient to offset work incentive? Third, various policy measures seem to favor the larger families and children. Is it constitutionally acceptable? Does it create discrimination against those who cannot have baby with various reasons? We would like to know the treatments of family in the legal framework (i.e. civil law or family law).

As a completely different solution for declining fertility and aging population, you can allow for new wave of immigrants. Could you elaborate this possibility further?

The author puts that “repositioning the value of family time in the capitalist economy requires society to tolerate short-term economic setbacks in exchange for long-term gains, the very advice we give to to-be parents” and that “there will be economic costs to this new paradigm shift, but the collective gains for the future are tremendous”. The author is well aware of difficulty to persuade young people to sacrifice current life for the benefits of the future. We can make equally convincing arguments of supporting young people’s behavior in terms of individual liberty and value. All technological and business advancements support individualistic life style. It seems very difficult to stop this trend and young couple to choose career advancement and economic security over family value. The issue we discuss so far is not a single problem for a specific cohort/generation but all combined issue of the government, industry, and civil life. No single answer is available. But at the same time, we cannot afford to leave this trend as it is. All the efforts and wisdom must be concentrated on this unprecedented demographic problem.