

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

Yukinobu Kitamura
Hitotsubashi University
Institute of Economic Research
December 15, 2006

Late Marriage and Low Fertility

- ❑ This is a common demographic problem among the East Asian countries, including Hong Kong, Taiwan, Korea, Japan and China. Aging is also a common problem among these countries.
 - ❑ Moving from the extended family to the nuclear family.
 - ❑ Higher education and higher wage opportunity for women.
 - ❑ Improvements in reproduction technology (opportunity for late birth).
-

Size Comparisons with Japan

Singapore's population=4.34 million in 2005

Singapore's GDP=194,359.8 million dollar (\approx 13,428 billion yen) in 2005

Fukuoka is the 9th largest Prefecture

Population =5.05 million in 2005

GDP=17,456 billion yen in 2005

Movement behind the figures

- ❑ Changing status of women

In a half of all families, the full time domestic managers are missing.

- ❑ Changing expectations of marriage

- ❑ Dependence of waged income

- ❑ Changing value of child care and family life

Singapore government's reactions

□ Tax incentives

Encourage middle and higher income couples to have more children.

Encourage women to stay engaged in the work place while they raise their children.

Enhanced child relief guarantees a progressive increase in percentage tax relief based on mother's income.

□ Housing incentives

Larger families have priority for upgrade to larger HDB flats.

Singapore government's reactions

❑ Delivery costs

Use of Medisave to cover delivery costs up to the third child.

❑ Child care

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.

Questions for Policy Actions

- Philosophy of promoting self sufficiency and encouraging those who could afford more children.
Is this really **incentive compatible**? Use the baby bonus scheme is sufficient to offset work incentive?
 - Various policy actions favoring larger families and children.
Is it **constitutionally acceptable**? Does it create discrimination against those who cannot have baby with various reasons? Can Singapore remain special?
 - House maid as a rescue for working woman or a surrogate worker for domestic care.
Shift the burden of domestic work to foreign worker?
Does it create **another household female slave** ?
 - Allow for New Wave of Immigrants?
-

Future of the Family?

□ Family value versus individual value

“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”.

“There will be economic costs to this new paradigm shift, but the collective gains for the future are tremendous”.

We can make equally convincing arguments for 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. **Any other super solutions?**
