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HEADLINE: **Baby, baby**, it's not all about the money;

If Singapore Chinese continue to produce only 1.3 **babies** per woman, their number will fall to a quarter of what it is today in about 100 years. Sounding this warning in an interview, Australian fertility expert Peter McDonald suggests ways to keep the stork coming.

BYLINE: Susan Long

BODY:

PROFESSOR Peter McDonald, 56, has spent much of his life brooding over the elusive stork.

Like many leaders of affluent countries, including Singapore, the Australian fertility expert is concerned about the social and economic consequences of the **baby** shortage today.

He is the chairman of the commission on low fertility, of the Paris-based International Union for the Scientific Study of Population, and head of the Demography and Sociology Programme at the Australian National University in Canberra.

Last week, he gave a keynote speech on the Asian experience at an international fertility workshop here organised by the Singapore-based Asian MetaCentre for Population and Sustainable Development Analysis and the National University of Singapore Family Studies Research Programme.

He is married to a researcher. Both have 'replaced' themselves with two children, aged 27 and 33. Below are excerpts from an interview with Prof McDonald:

Just how serious is Singapore's current total fertility rate (TFR) of 1.42? Low-fertility countries today can be divided into two groups - those with fertility rates of 1.7 to 2 births per woman, which is acceptable, and those with under 1.5 births per woman, which is not.

Now, a rate of 1.7 to 2 is okay because the population will fall very slowly in the long run and you can compensate quite readily with a bit of migration.

If the fertility rate is below 1.5, the population falls much faster, even as it ages very

dramatically.

To try and compensate with migration becomes a much bigger task because you need an impossibly large number of migrants, which can be socially disruptive. And it will not take very long before migrants actually replace the original population.

Sounds scary. At this rate, when will the Singaporean population become extinct?

I'm not sure at which point the overall population will disappear.

But if we take the TFR of Singapore Chinese today, which is 1.3 babies per woman, this means the Singapore Chinese population is falling at a rate of 1.5 per cent per year.

Such a population would fall to a quarter of its size in about 100 years.

What is the impact of each percentage-point drop in TFR?

A lot. It may seem like a few babies but it makes a very powerful difference. With a TFR of 1.9, the rate of decline in a stable population is only 0.2 per cent per year. After 100 years, the population will be at 82 per cent of its original size.

So, it is an error to convey the impression that in the long run, a TFR of say 1.9 and 1.3 are much the same thing. The difference between a TFR of 1.9 and 1.3 works out to 60 per cent of women having one fewer child.

Every relatively small change in fertility outcomes has very major implications for population futures.

What can Singapore do to replenish its numbers?

Migration is still a viable option for Singapore because of its small population. Unlike a bigger country like Japan with a TFR of 1.3, which needs at least a million migrants a year, Singapore can probably make up for its shortfall of babies right now with a much smaller number of migrants than that.

One way to replenish Singapore's population is to bring in a high fertility group, for example, more Malays in the region. That would solve the problem, in a sense, although it would change Singapore's ethnic balance.

Another is to take in a lot of migrants from China. As new migrants, they will have a higher fertility rate because they are probably not going to earn as much money as typical young Singaporean women, so the opportunity cost for them to have children is less.

To some extent, that is what happens in the United States, which has a lot of Mexican migrants. They have a high fertility rate of about 3.3 children per woman, as opposed to white Anglo-Saxon Americans, who average 1.6. That raises America's TFR to a healthy

population replacement rate of 2.

Should Singapore consider making high fertility a requirement for citizenship?

One idea could be to give extra points to migrants with young children. The Australian government, in its refugee intake, gives priority to families.

The thinking is that it is better to get in younger migrants and socialise them in the ways of society because it might be too late for that after their late teens.

In general, migrants tend to have more children. In Australia, that is true of settlers from Vietnam, the Pacific Islands and the Middle East. Australia's national TFR is 1.75, but in Sydney, which is more ethnically diverse, the rate is higher at 1.82.

What is really holding back the Singapore stork?

Low fertility is really about constraints. It is not about individual preferences because surveys show that Singaporeans would prefer to have more children than they actually are having.

But two constraints hold them back.

One is the direct cost of children - their food, clothing and housing.

The other is the indirect opportunity cost of having children, which translates into the cost of time in looking after them, essentially lost wages.

In Singapore, with globalisation and the restructuring of the economies, labour markets have become more flexible. This has introduced a degree of risk into jobs.

Today, you can make a lot of money in a job but the chances that you might get sacked or your company might go bust are also much higher than they used to be.

The way to deal with this new high-risk economy is to invest in one's own human capital. This means lots of education, work experience and earning a reputation in the labour force.

As such, most young Singaporeans spend a lot of time investing in themselves but not in relationships or having children because there is no money or returns there. Social reproduction is seen as an altruistic pursuit where you are giving but not getting anything back.

Most women in the late 20s and early 30s have spent a lot of time on education, working and building up their human capital. With a high income, they have a lot to lose if they drop out of the labour force to have a child.

So how should these constraints be addressed?

What the Singapore Government has been doing is to pay money to compensate mothers for their loss of income by being out of the labour force. But the evidence suggests the issue is really time and allowing women to combine both work and family, rather than money.

In my opinion, three things would be beneficial for Singapore. First, a term of paid leave after childbirth that is much longer than the two months of maternity leave provided at the moment.

In the Nordic countries and France, which managed to get its birth rate up from 1.5 to 1.9 in the past five years, up to two years of paid parental leave is provided.

Second, when you have a young child, you need to be working less. In Sweden and Norway, which have relatively high fertility, those returning to their jobs after childbearing have an automatic right to reduce their working hours, and work at an 80-per-cent level for 80-per-cent pay.

Regular part-time work is also very acceptable in relatively high-fertility countries like France and the Netherlands. Singapore should look into offering regular part-time work with real status and real income.

Third, Singapore should address its shortage of childcare places immediately.

Singapore's Baby Bonus has been described as 'characteristically stingy'. What do you think?

I don't know whether I would use those words but it is a question of relative levels.

The loss that Singapore women suffer from not working seems far, far greater than the bonus they are now being paid. With this imbalance, payments are not going to work.

Anyway, it is not within the scope of governments to be able to pay enough to replace lost wages fully. They cannot afford it.

What might work better is a policy which focuses on helping women to maintain their place in the labour force and confidence that they can earn enough to raise their children.

The problem with payments is that they are not well-targeted. You end up paying those who are going to have children anyway. If the aim is to change behaviour, this does not make sense.

A better option is to pump the money into supportive infrastructure like paid parental leave and childcare options. But what I'm talking about is not cheap.

What do you make of Singapore's three-day paternity leave?

It is a bit of a joke, isn't it? The message should be that parenting is about men as well. They, too, have to change their lives.

Singapore should not be looking at a system in which mothers work part time or at 80 per cent, but fathers still work 10-hour days.

After the baby is born, paid leave should be extended to both parents to make the conditions more equal.

Otherwise, women are going to lose out all the time by having children, whereas men do not.

The Nordic countries, which have relatively high fertility rates, give fathers the right to take up to 12 months of parental leave after their child is born.

Norway even forces men to take at least three months' paternal leave or it gets forfeited.

The idea is that if men stay at home to look after children for three months, they will see the world differently.

Any comments on the tone of the baby drive here? Do campaigns, exhortations and reminders really work?

Campaigns directed at individuals, which point the finger at women and suggest they are not doing their national duty, are completely the wrong way of going about it.

Because most people, given a choice, do want to have children.

They are just not able to because of the way society is organised.

The way to do it is to say: 'We want to help you in various ways to have children. We realise we're doing things the wrong way. Let's change society in such a way that it's going to help you get there.'

It is a matter of bringing people with you, rather than trying to push them into it.

The problem with exhortations and reminders is that they are almost always directed at women but not men. This makes women react.

Unfortunately, most politicians tend to be older males whose first thought is that 'young women are doing the wrong thing'.

They are not terribly sensitive to the issues because they come from a different era which has passed.

Most have great difficulties getting the male-breadwinner family model out of their thinking.

They do not understand that the future has to be about shared parenthood between fathers and mothers.