

**PARLIAMENTARY REPLY BY DEPUTY PRIME MINISTER WONG KAN SENG
ON 21 JUL 2008**

PARLIAMENTARY QUESTIONS:

Dr Ahmad Mohd Magad: To ask the Prime Minister (a) how many married women between the ages of 30 to 45 years are childless; and (b) whether he will consider having new incentives to encourage mature married couples to have more children as more couples are marrying late.

Mdm Halimah Yacob: To ask the Prime Minister what lessons can be learnt from countries such as Denmark that both have a high female labour force participation rate as well as a credible birth rate so that our women can continue to work but at the same time also have more babies.

ANSWER:

CURRENT SITUATION

The proportion of childless ever-married¹ women has been increasing over the years. The percentage of childless ever-married female residents aged 30-39 increased from 14.1% in 2000 to 19.7% in 2007. For those aged 40-49, the percentage increased from 6.4% in 2000 to 7.7% in 2007. The number of childless ever-married women is one of the factors behind our low total fertility rate (TFR) of 1.29 in 2007, which is among the lowest in the world.

2. The other causes of low TFR are that more Singaporeans are not getting married or marrying later. And for those who marry later, they tend to have children later and have fewer children.

3. The proportion of single male residents aged 30-34 increased from 30.7% in 2000 to 34.7% in 2007; that of single female residents increased from 19.5% in 2000 to 22.2% in 2007. For the age group 45-49, the proportion of male singles increased from 10.5% in 2000 to 12.5% in 2007; that of females increased from 12.5% in 2000 to 12.8% in 2007.

4. The median age at first marriage has also been increasing over the years. For male residents, the median age at first marriage increased from 28.6 in 2000 to 29.7 in 2007; for female residents, it increased from 26.2 in 2000 to 27.2 in 2007.

5. Given later marriages, the median age of women at the birth of their first child increased from 28.4 in 2000 to 29.5 in 2007. On average, ever-married female residents aged 40-49 had 2.1 children in 2007, down from 2.2 in 2000 and 2.8 in 1990.

6. I will ask the Clerk of Parliament to circulate a handout on the statistical trends.

¹ Ever-married refers to married, separated/divorced or widowed.

SURVEY AND PUBLIC FEEDBACK

7. Yet, based on the surveys and public consultations that the Government has conducted, most Singaporeans desire to get married and have children.

8. The Government enhanced the marriage and parenthood package in August 2004. There is an improvement in the number of births from 35,135 in 2004 to 37,074 in 2007. We have managed to stabilise the declining total fertility rate and reversed it slightly from the historic low of 1.26 in 2004 to 1.29 in 2007. But this is still low and more efforts have to be made to increase it to a more significant level.

9. Singaporeans have given feedback that the marriage and parenthood package in 2004 has helped to address some of the concerns that they have on getting married and having children in Singapore. However, they continue to face practical constraints such as limited socialisation opportunities for the singles to find a prospective partner, work-life balance, financial concerns and childcare concerns.

LESSONS FROM OTHER COUNTRIES

10. The Government has studied various countries with high fertility, including Denmark, Sweden, Finland, France and the UK. The Nordic countries, in particular, have generous family benefits to support couples in having and raising children. They have provided some useful learning points.

11. Besides the low TFR, Singapore has a low female labour force participation rate (LFPR) for ages 15 and above at 54.3% in 2007. In Singapore, people generally want to work and have children too, but we have not been as successful in this regard compared to other countries which have been able to achieve a high female LFPR of 65%-75% and a high TFR of above 1.8 concurrently. While it is not possible to establish a direct causal relation between sustained female labour force participation and procreation, these countries have shown that the two can co-exist.

12. In the Nordic countries, in particular, working mothers are given a lot of financial and institutional support in child-bearing and childcare from the government, their employers and the society in general. For example, parental leave of up to 64 weeks in Denmark gives working parents time to care for their children when they are very young, and highly subsidised quality childcare provides ease of mind and allows them to go back to work.

13. Such social benefits come at a price. The Nordic countries have a high tax regime to support these benefits. For example, Denmark has a personal income tax rate of up to 63% and a high VAT rate of 25%. I will ask the Clerk of Parliament to circulate a table comparing the benefits given to and tax rates paid by the citizens of these countries. High income taxes in these countries do cause other problems. An article in the International Herald Tribune on 5 Dec 2007 discussed some of these.

14. In comparing with the Nordic countries, we need to be mindful of the differences in the political, economic and social environment and the tax regimes between Singapore and these countries. We have to decide what can work for us, based on what we can afford and our local context.

ONGOING REVIEW

15. The Government wants to promote a more pro-family environment in Singapore to create the conditions for marriage and parenthood. The Government is considering how we can further enhance our overall environment to be more pro-family. Areas under study include facilitating socialisation and interaction opportunities for singles, providing more financial support for parents, fostering a more pro-family workplace environment and providing more viable childcare options for parents.

16. The details of the proposals are being finalised and an announcement will be made next month.

SUPPLEMENTARY QUESTION:

Mdm Halimah Yacob: Arising from MM's recent comments on studying Sweden as a model for our M&P policies, there has been much discussion among Singaporeans on the issue. May I ask the Deputy Prime Minister whether the Government is indeed considering using Sweden as a model and if so, whether Swedish model can indeed be transplanted and applied in Singapore?

ANSWER:

There has been much interest recently among Singaporeans on population issues, and whether the Swedish model will work for Singapore. Some Singaporeans are for the adoption of the Swedish model while some others caution against simply transplanting measures from other countries and expecting them to work in Singapore.

2. The Swedish experience does provide useful learning points. But as I mentioned earlier, we must also be mindful of the differences in context, especially the overall political, social and economic environment between Singapore and Sweden.

3. Sweden does provide many pro-family benefits such as highly-subsidised childcare services and fairly generous parental leave entitlements. But childcare is not entirely free in Sweden as some people believe. Parents still need to co-pay part of the fees up to the third child. It is only free from the fourth child onwards. Not many modern Swedish families have three or more children. Sweden also offers 480 days of parental leave that parents can take until the child turns eight, with up to 80% of the parent's income paid by the State, capped at about S\$5,600 per month.

4. These pro-family benefits are attractive but they are not really free. They are paid for by tax-payers. Like Denmark, Sweden has a high personal income tax rate of up to 60% and a high VAT-equivalent² rate of 25%.

5. Another significant difference between Singapore and the Nordic countries such as Sweden and Denmark is that they are operating in a largely homogenous high-cost region in Europe, characterised by high social spending funded by very high tax rates. These countries are able to adopt the same socio-economic structure as they are competing against one another on a level footing. On the other hand, Singapore is in a fast-growing and competitive region where operating costs are generally much lower. If we are to offer the same generous levels of social subsidies as in the Nordic countries, we will have to raise our tax rates very significantly. But to do so would mean that we price ourselves out of the Asian market. Well-educated Singaporeans will leave and businesses will shift their operations elsewhere. We simply cannot afford to lose them. We have to decide what can work for us, based on what we can afford and our local and regional context.

² VAT is known as MOMS in Sweden, for *mervärdesskatt*.

6. Instead of grafting policies and measures wholesale from other countries, or cherry-picking those which seem attractive, we should examine our own strengths and weaknesses, and adapt and localise policies to meet our needs.

7. But there is a limit to what the Government can do. Getting married and having children are personal decisions. At the end of the day, societies that want to prosper must place strong emphasis on children and family life. Positive peer influence, support from employers and friends, and an overall pro-family environment are essential. This was what we found out in the countries with high TFRs. Societies and employers that support women to balance work and family life, that provide for a more equal sharing of the child-raising responsibility between mother and father, and where societal norms favour family-formation, tend to have higher TFRs. This is also the case in the UK, France, Ireland and the US. The US has managed to achieve this without the high tax-high subsidy regime of the countries in Europe. This is because family life is supported and treasured by the larger community which provides sufficient support for couples with children, from employers to friends, relatives and neighbours.

8. Indeed, the societal belief in gender equality and balancing work and family are the key factors bolstering the high fertility in the Nordic countries. The New York Times on 29 Jun 2008 carried an article, "No Babies?" that highlighted the differences in the societal mindsets and fertility outcomes between the Nordic countries and the Southern European countries such as Portugal, Italy, Greece and Spain, demonstrating the effect of these key factors. With better education and career opportunities presenting themselves to women in the past few decades, women are faced with a conflict between the traditional family role of a woman/mother and entering into an attractive career as an individual. The Nordic countries have quickly accepted these trends and taken steps to accommodate mothers who want a career as well. Over time, society has come to accept that fathers play an important role in parenthood in the Nordic countries. When men take a more active role in child-raising, women are more willing to have more children, and work at the same time. On the other hand, in the more patriarchal Southern European countries, societal attitude continues to expect women to stay at home to raise their families when they have children. As women increasingly aspire to have a career, such social pressures have led to very low TFR at about 1.3 in the Southern European countries³.

9. As a society, Singaporeans must want to encourage and support marriage and parenthood, and to facilitate parents who want to work to continue to do so even after they have children. Such a societal mindset is necessary before any measure can take effect. The Government is committed to fostering a pro-family environment in Singapore. However, we have to cut our clothes according to the size of the cloth we have and also fashion it in a way that fits our culture.

³ TFR in 2006 for Portugal and Italy was 1.35, Greece was 1.39 and Spain was 1.38.