

Low fertility rate

Sociology, Immigration



Introduction

The aim of this report is to analyze the existing problem of Singapore's low fertility rate. By delving into its root causes and potential consequences, we hope to effectively evaluate the measures that the Singapore government has taken to tackle this critical issue, while proposing some practical recommendations. However, as no panacea is without side effects, we will also highlight the limitations to our proposals.

Issue Analysis

Overview

According to The Straits Times on 18 January 2011, "Singapore's baby shortfall worsened last year when the Total Fertility Rate (TFR) sank to a historic low of 1.16. That is down from 1.22 in 2009, and way below the replacement level of 2.1 (Li, 2011). Declining fertility rates is one of Singapore's greatest challenges, bringing with it both economic and social impact. In addition, it is also a key-contributing factor towards Singapore's inescapable ageing population.

Definitions

Total Fertility Rate

A population's total fertility rate refers to the average number of children that would be born per female, if all females live through their childbearing years of 15-49 and bear children according to a given set of age-specific fertility rates. (Ministry Of Community Development, Youth & Sports, 2010)

Ageing Population

Ageing population refers to a situation where an increase in number of elderly, and a decrease in number of newborn babies lead to a shift in the median age distribution of a population.

Reasons for falling fertility rates

Lack of economic means to raise a child

High direct cost of raising a child. The basic costs of raising a child in Singapore include the costs of pregnancy and delivery, infant care, childcare and education. Besides, there are other additional living allowances as well as the possible extra holiday trips that need to be considered. A report by The Sunday Times (2010, as cited in "1 Million to", 2010) estimated that the cost of raising 2 children in Singapore is about \$1 million. These high costs act as a deterrent for couples to have children in Singapore, resulting in low fertility rates. Late entry into work force due to national service The mandatory two-year national service delays the

Singaporean male's entry into the work force, delaying his ability to support a family till a later age. Since couples usually seek financial stability before they start a family, this has caused couples to delay their plans to have children, thereby contributing to lower fertility rates. Other economic commitments The high costs of living in Singapore currently take up a large portion of the monthly income of Singaporeans. Coupled with the rising property prices and costs of owning a car, there is less incentive for couples to start a family, since having children would only add to their financial burden. 2. 3. Lack of social means to raise a child Long working hours The high stress levels and long working hours in Singapore have been proven by

many studies. According to an article "Don't blame lack" by the International Labor Organization (2010), workers in Singapore clocked the most number of working hours per week among twelve nations in the survey. Such a phenomenon lowers fertility rates since couples might feel that they would not be able to care for their children due to long working hours. Both parties in work force The common phenomenon that both husbands and wives hold full-time jobs also directly affects couples' willingness to raise children. Work stress endured by both parties leaves little time and energy for childcare and couples might be more hesitant when making a decision to have children.

Environmental factors

Large influx of immigrants In order to cope with the declining population, Singapore has developed a sound immigration policy to attract the work force necessary to grow our economy. As of 2010, approximately 35 of every 100 people living in Singapore are PRs, or foreigners on work permits or study visas (Department Of Statistics Singapore, 2011). Many of these non-citizens can be viewed as transient residents with no intention of settling down permanently in Singapore. While no official studies have been carried out, it is postulated that the fertility rate of these non-citizens is much lower than that of Singapore citizens, pulling down our national fertility rate as a whole (Chong Lee Ming, 2009). Influence from western culture As a cosmopolitan city, Singaporeans have also been greatly influenced by western culture. The westernized new age culture of cohabitation in place of marriage has taken root with the younger generation of Singaporeans. Hence, without the bond of marriage, the traditional view of having children in a family is gradually

watered down. Increasing focus on hedonism With increasing emphasis placed on consumerism, the younger generation of Singaporeans has become more interested in pursuing material goods and pleasures for oneself instead of spending efforts on fostering relationships. As a result, children, in their opinion, are more likely to be a chore than a gift, as was in traditional cultures.

Impacts

Economic consequences

Tapering of economic growth While a low fertility rate does not have a direct impact on the economy, its impact can be felt over the long term. Children are the work force for tomorrow, and given the situation of a declining fertility rate over the past 2 decades, there has been a shrinking citizen labour force, as more citizens are reaching retirement age without corresponding new entrants, stifling economic growth. **Dwindling supply of local workforce** The low fertility rate will lead to a lack of young talent in the future, and result in a huge imbalance in the human resource market. The average age of the workforce in Singapore will also consequently increase, and the older generation might be encouraged to delay their retirement. Moreover, the lack of employees may force companies to increase staff workload, thereby increasing their burden. **High dependency on foreign talent.** Due to the lack of young local talent, businesses would need to rely on immigrants to ensure that the economic system functions smoothly. These companies may be forced to increase employee salaries and improve perks, in order to attract foreign job applicants, leading to an increase in staffing costs.

Social consequences

Increased financial burden With a smaller younger generation supporting the increasing number of elderly dependents, there will be a greater strain on government welfare schemes and taxpayers resources. The increased demand for healthcare facilities might inevitably result in rising healthcare costs. More stress and longer working hours Due to the possible shortfall in employees, companies might need to increase employee workload and extend working hours to sustain productivity. This might then create another social problem, where a higher level of stress and longer working hours lead to a weakening of family ties or bonding between married couples. This might act as a deterrent for couples to have children, and further exacerbate the issue of low fertility rates. Dilution of local culture due to immigration As we place a greater reliance on immigration to sustain the population in Singapore, there's a possibility that the huge proportion of immigrants will greatly alter Singapore culture, and gradually dilute the traditional values of our society.

Stakeholder analysis

Potential childbearing

Singaporean couples (Dominant Stakeholder) This group has legitimacy and power. Only they have the power to alter the fertility rate in Singapore. They have legitimacy, as they will form part of the ageing population in the future. However, they would not have urgency as they might feel that other priorities should take precedence instead of procreation. The current Singaporean work force (Dependent Stakeholder) Some elderly might be encouraged to extend their retirement due to the slow turnover rate of

younger people succeeding their jobs. Such consequences will bring both economic and social problems to Singapore. Therefore, they hold legitimacy and urgency but not power.

Potential Immigrants (Dormant Stakeholder)

Immigrants could be a possible solution in solving the low fertility rate problem (Cheow Xin Yi, 2011). The potential immigrants have the power to decide whether to immigrate to Singapore and therefore contribute to the solution for the low birthrate or not, however they have no urgency and legitimacy as this problem is not of concern to them.

Government (Definitive Stakeholder)

The government has legitimacy, urgency and power. Low fertility rate is an issue faced by the state, and it is their job to solve such matters.