

# Population Policy in Eastern Asian Low Fertility Countries<sup>1</sup>

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## Introduction

Eastern Asian low fertility countries including Japan, Singapore, Korea and Taiwan arrived at below replacement fertility by the mid 1980s. Although fertility was stabilized for a decade or two, these countries experienced secondary decline and currently suffer from very low TFRs less than 1.5. Singapore was the earliest in turning to pronatal policy in 1984, followed by Japan in 1990. The Republic of Korea (simply Korea, henceforth) and the Republic of China (simply Taiwan, henceforth) decided to introduce pronatal policy only after they experienced lowest-low fertility (Kohler, et al., 2002) defined as having the TFR of 1.3 or less. This paper reviews pronatal policy in Eastern Asian low fertility countries and its limits.

## 1. Turning Point to Pronatal Policy

### Singapore

The TFR of Singapore crossed the line of replacement level in the mid 1970s and the figure was 1.6 in 1983. Policy makers were aware that the family planning program since the 1960s was already out of date at that time. Singapore has been under the dictatorship of the People's Action Party and political leaders have not needed to achieve a wide consensus to change the nation's strategy. This makes sharp contrast with Korea and Taiwan that took long time to overcome Malthusian nightmare of ordinary people and switch to pronatal strategy.

President Lee Kuan Yew asserted in 1983 that highly educated women should have more babies. The low fertility policy started in 1984 included the discrimination with educational level. Marriage match making service for governmental workers launched and tax relief was raised for high education women, while sterilization grant for low education women was sustained. In 1987, pronatal program was significantly extended under the slogan of "Have three or more, if you can afford it." Tax relief was raised again, child allowance was paid, unpaid childcare leave and part time labor was allowed for governmental workers, and the Medisave became available for childbirth.

In 2001, baby bonus program was launched and maternal leave was extended. The New Population Policy in 2004 extended the baby bonus program and prolonged maternal leave further. Educational discrimination of tax relief was finally abolished at that time.

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## Japan

The Japanese government was shocked by the historically low TFR of 1.57 in 1989 and started an inter-ministry committee to develop measures to cope with low fertility in 1990. The amount of the child allowance was raised in 1991, while the period of payment was shortened to keep to the budget. The Childcare Leave Law was established in May 1991 and enforced in April 1992.

In December 1994, the government publicized the Angel Plan for the period between 1995 and 1999. The program emphasized the compatibility between work and childcare and public support for childrearing. As a part of this program, amendments to the Childcare Leave Law were made to support income and exempt social security premium payment in 1994. In 1997, a major reformation was made to the Child Welfare Law to provide working mothers with more satisfactory daycare services.

In December 1999, the government released the New Angel Plan for the period between 2000 and 2004. This document asserted the need to improve gender equity and working conditions. In May 2000, an amendment to the Childcare Leave Law determined that 40% of wages should be paid during the leave. The child allowance, which was previously available only for children less than three years old, was expanded to cover preschoolers. The cabinet adopted the “Zero Waiting List for Daycare Program” as a political goal in July 2001. As a result, the daycare center enrollment rate of children under age two increased from 15.6% in 2001 to 20.3% in 2007.

The Next Generation Law, enacted in July 2003, required local governments and large companies to submit their own programs to foster new generations. At the same time, the Law for Measures to Cope with Decreasing Children Society ordered the Cabinet Office to prepare new measures to prevent further rapid decline in fertility. An expansion of the child allowance, to cover children in the third grade of primary school, was enforced in April 2004.

In December 2004, the government declared the Support Plan for Parents and Children (New-New Angel Plan) for the period between 2005 and 2009. The document emphasized the role of local governments and companies in providing childcare supports and improving gender equity. In addition, the document pointed out the importance of economic independence of the youth. From fiscal year 2006, the child allowance was expanded again to cover children in the sixth grade of elementary school. In addition, the Support Plan for Mothers’ Reentry to Labor Market was implemented. The plan includes such measures as starting a course at vocational schools for mothers reentering the work force, helping mothers who attempt to start businesses, and running “Mothers’ Hello Works” for job-seeking mothers.

In June 2006, the government announced the New Policy to Cope with Low Fertility. The monthly cash benefit of the child allowance was raised from 5,000 to 10,000 yen until the third birthday of a child. The cash benefit during childcare leave was raised from 40% to 50% of wages.

The Important Strategy to Support Children and the Family in 2007 focused on the issue of compatibility between work and the family and aimed at the materialization of the “work-life balance.” The agreed Work-Life Balance Charter proposed to raise the employment rate and productivity while reducing the number of temporary workers, to shorten working hours while seeking better family life, and to improve flexibility and gender equity in workplaces.

## **Korea**

In the 1960s and 1970s, Korea suffered from a Malthusian nightmare of overpopulation under rapid population growth and high population density. This explains why Korea was so slow to turn to pronatal policy. While the Japanese government was shocked by the TFR of 1.57 in 1989 and started pronatal programs, the Kim Dae-Jung government showed no action for the TFR of 1.42 in 1999. After the TFR fell as low as 1.17 in 2002, the Noh Mu-Hyeon government finally took a step toward pronatal intervention.

In 2006, the governmental action program “Saeromaji Plan 2010” was announced after a long discussion with representatives of managers, laborers, activists and feminists. This is an integrated policy package to cope with low fertility and aging society. The fertility part includes various measures such as supporting daycare cost, rewarding a big family through tax and housing, improving childcare services, expanding maternity and childcare leaves, assisting mothers’ employment, and reinforcing family values.

Since the private educational cost is notorious as the main factor of low fertility in Korea, the Saeromaji plan includes such measures as extending after-school classes and cyber-education programs. Considering furious educational fever and heated competition, however, it is unlikely that such public after-school programs can beat existing private educational services.

## **Taiwan**

Taiwan’s population density in 2000 was 632 persons/km<sup>2</sup>, which was much higher than Japan (340) or Korea (464). The natural growth rate in 2000 was 0.81%, which was also much higher than Japan (0.18%) though slightly lower than Korea (0.82%). This explains Taiwan’s unwillingness of abandoning the family planning policy. Feminists and ecologists strongly opposed against transition to pronatal policy asserting that “labor supply can be satisfied through innovations and late retirement policy,” “low fertility is good for preserving environments,” or “governmental concern on fertility is instrumentalization of women’s body” (Lee ML, 2009, p. 80).

When the necessity of pronatal intervention became evident with lowest-low fertility in the 2000s, the Ministry of Interior started coordination among various groups to achieve agreement on the new population policy. In 2008, the new White Book of Population Policy was finally published. The new policy package consists of low fertility policy, elderly welfare policy and immigration policy. In the course of presidential election in 2008, the relation with Mainland China became a big political issue and much turbulence was caused on immigration policy. This caused a delay of publishing originally planned in 2005.

## **2. Policy Measures**

Reflecting the extraordinarily high private educational cost in Korea, the Saeromaji Plan includes such measures as expansion of after-school programs and development of cyber learning programs in addition to supporting child care and educational cost for low income group. On the other hand, educational cost is not a big issue in Japan and Taiwan. Japan’s monetary support consists of child allowance, tax relief and baby bonus. In Korea, financial supports other than educational area

include tax reform, exemption of pension premium and housing support for childrearing families. Taiwanese government is planning tax reform and housing loan. Singapore government raised the amount of baby bonus since August 2008 and plans to expand tax relief from 2009.

In Japan, monthly amount of 5,000 or 10,000 yen child allowance is provided to children before graduating primary school. It is estimated that approximately 15% of children are excluded from the program because of the means test. The child allowance is still “on consideration” stage in Korea and Taiwan. It is a difficult decision making for both governments to launch a universal child allowance program that requires huge amount of budget. It is estimated in Korea that a universal allowance of 100,000 won per month would require budget of 5.5 trillion won between 2007 and 2010. This is approximately 30% of pronatal budget decided in the Saeromaji Plan.

Eastern Asian countries aim at providing with high quality childcare services under the governmental control. In Japan, the major revision of Child Welfare Law in 1997 allowed parents to select their preferred daycare center. The cabinet adopted “Zero Waiting List for Daycare Program” as a political goal in 2001. In 2008, the program of at-home-care by qualified care takers started. The Saeromaji Plan of Korea recommended to increase the number of public daycare centers and to launch an evaluation program of all daycare centers. Taiwan’s White Paper is more interested in the improvement in working conditions of care takers than the amount and types of services to be provided. Daycare services are not popular in Singapore where foreign housemaids are common.

Concerning the reproductive health, the White Paper of Taiwan focuses on the normalization of the sex ratio at birth. Taiwan sustained an abnormal sex ratio at birth of 109.7 in 2007. The topic cannot be found in Japan or Korea. The sex ratio at birth in Japan has been in the normal range between 105 and 107. Although Korea showed higher figure than Taiwan in the 1990s, the figure dropped to the normal level of 106.1 in 2007.

The maximum length of maternity leave is 98 days in Japan, 90 days in Korea, 56 days in Taiwan, and 112 days in Singapore. Because there is no legal regulation on wage in Japan, 60% of the wage can be paid from the health insurance if the employer does not pay it. In other countries, maternity leave is fully paid leave.

In Japan, childcare leave is allowed for a mother or father until the first birthday of a child. The leaver can receive 50% of her or his wage. In Korea, a mother or father can take childcare leave of one year until the third birthday of a child and receives 500,000 won per month. In Taiwan, childcare leave is for two years and until the third birthday of a child. Currently no income benefit is given during the leave. Paid childcare leave is allowed in Singapore until the seventh birthday of the child but only six days per year.

All low fertility countries are aware of the low compatibility between the family and work as a central factor of very low fertility. In Japan, the Next Generation Law in 2003 included a certification program for family-friendly companies. The Support Plan for Parents and Children in 2004 included such measures as starting a course for reentering mothers at vocational schools, helping a mother who attempts to start business, and running “Mothers’ Hello Works” for job seeking mothers. The “work-life balance” was the key issue in the governmental intervention declared in

2008. The Saeromaji Plan in Korea proposed an exclusive program to support mothers' reentry to the labor market. The White Book of Taiwan also has a section about constructing family friendly work environment. Singapore government launched WOW! Foundation in 2004 to support companies aiming at family friendly work conditions.

### **3. Governmental Attitudes toward Family Values**

There is a widespread feeling that it is not the government's role to define the desirable type of family or individual lifestyles (Caldwell 2006, p. 333). In Japan, a 1999 governmental campaign stating, "A man who does not participate in childcare cannot be called a father," caused more opposition than support, under the conditions of long working hours and work environments unfriendly to the family. The Japanese government has been very careful recently not to be seen as forceful and interfering with individuals' autonomy. Although the Support Plan in 2004 has a chapter entitled "Understanding Value of Life and Role of the Family," the chapter is very brief and avoids offending those who stay single or childless.

On the contrary, the Saeromaji Plan of Korea clearly states that the formal education should emphasize the value of marriage and the family and should teach the happiness of bearing and rearing a child. It seems that Korean feminists were satisfied in inserting a statement that school text books should be free from the traditional gender roles and did not fight against the conservative familistic values. While the conservative tone of the Saeromaji plan seems to deny the life style of staying single or not having child, there is no objection from Korean liberalists and feminists.

The chapter on family value in Taiwanese White Paper is dominated by feministic values. It is stated that the traditional gender role should be denied and that the formal education should be gender free so that both boys and girls can learn domestic works. The White Paper criticizes that the cause of recent nuptiality decline is the remaining traditional gender role that forces wives heavy burden of work and family roles. For the authors, the solution of low fertility problem depends on the liberation from traditional gender role and acquisition of collaborative gender model.

The idea that policy makers can control the value orientation of people is common among authoritarian governments. Although Japanese government started retreating from such an idea, countries with Confucian tradition tend to sustain the authoritarian characteristic even after an establishment of democracy and market economy. However, the direction of governmental control shows sharp contrast between Korea and Taiwan. While Korean government is interested in preserving the conservative family values, Taiwanese government clearly demonstrates feministic values. This reflects the political power of Taiwanese women as displayed in the high score of GEM (Gender Empowerment Measure) with 0.707 in 2005, which was much higher than Japan's 0.557 and Korea's 0.510 (Lee ML, 2009, p. 78).

### **4. Beyond the Family Policy – Family Patterns and Low Fertility**

The emergence of lowest-low fertility in the 1990s in Europe declared another failure of demographic theory. The prediction of classic demographic transition theory that fertility will fluctuate around the replacement level was rejected by the postwar baby boom and subsequent

spread of below replacement fertility. Cyclical change that asserted by Easterlin (1978) was denied when it became apparent that most developed countries cannot secure the replacement level. Then, the second demographic transition theory (van de Kaa, 1987) that asserted that low fertility is the result of value change toward individualism and secularization and predicted that fertility decline will proceed together with post-modern family changes such as increase in cohabitations, extramarital births and divorces failed due to the emergence of lowest-low fertility. A paradoxical situation appeared in the 1990s that fertility is lower in countries with more robust marriage institution and stronger familism.

In the 2000s, lowest-low fertility started spreading in Eastern Asian advanced countries. Korea arrived at the line of 1.3 in 2001, followed by Japan and Taiwan in 2003. While Japan and many European countries escaped from lowest-low fertility by 2006, the TFR of Korea stayed at 1.26 and Taiwan at 1.11 in 2007. If we choose the line of 1.5 by McDonald (2005), very low fertility with the TFR of 1.5 or less can be seen in German speaking countries, Southern Europe, Eastern Europe, the former Soviet Union and Eastern Asia. On the other hand, moderately low fertility with the TFR above 1.5 can be found in Scandinavia, French speaking countries and English speaking countries. German speaking countries are mediating type in the sense that they show very low fertility but never experienced lowest-low fertility. Here, countries in Southern Europe and Eastern Asia will be contrasted with Northern and Western Europe including German speaking and English speaking countries. It is difficult to evaluate the influence of the family pattern on low fertility in Eastern Europe and the former Soviet Union countries because they experienced a drastic transition to capitalism in the 1990s.

When lowest-low fertility was a phenomenon occurring only in Europe, it was natural to look for features common in lowest-low fertility countries. However, once lowest-low fertility spread out from Europe, the appropriateness of this attempt became questionable. Rather, the phenomenon seems to be a natural response to socioeconomic changes in the postmaterial era. In this respect, those countries that have avoided lowest-low fertility should be seen as exceptional and as requiring explanation. Reher (1998) asserted that the contrast between weak family ties in Western and Northern Europe and strong family ties in Southern Europe has deep historical roots. In contrast to the Oriental family system that affected Southern Europe, the Occidental structure was based on the conjugal pair, and women had a higher position in the northern part of the continent. The Reformation changed the meaning of marriage from a sacrament to a civil contract, enhanced women's position further, reduced parental authority, and promoted individualism (Reher, 1998, pp. 213–214).

Because of such extraordinary family patterns, countries with Northern/Western European cultural background could avoid lowest-low fertility even under the postmodern economic and social changes. Union formation did not delayed so much in prolonged human investment because of the norm of early home-leaving and economic independence. The compatibility between work and the family quickly improved because non-maternal childcare activities involving baby sitters, tutors, childcare workers and other professionals were common. Gender equity was achieved swiftly both in formal and informal spheres because women's position was already high in ancient ages. The

decline in marriage institution was immediately compensated by increase in cohabitation and extramarital birth.

While countries without such extraordinary family patterns inevitably suffer from lowest-low fertility when the society arrives at the postmaterial stage, the situation seems to be severer for Korea and Taiwan than for Japan and Southern Europe. This difference might be attributed to the experience of feudalism. The most typical feudal family pattern can be found in the family law in Medieval England. Parent-child relation and conjugal relation were seen from rights and obligations between autonomous persons. Although the family relation was by no means egalitarian, inferiors like child or wife were thought to have rights in addition to obligation. Women's position was relatively high and the idea of contract was common in family relations. Southern Europe and Japan also have the tradition of feudal family but the influence of Roman, Islamic or Confucian civilization added patriarchic and authoritarian tendency to the family pattern.

Confucian family patterns in China, Taiwan and Korea can be contrasted with these feudal family patterns. Filial piety was absolute obligation because it was the law of nature. A child was totally powerless and rightless against the father and the idea of contract was out of question. This was very different from the Samurai family in Japan in which filial piety was conditioned by returning debt to parents. While the family was the basic model for all social organization in Confucian society, the Samurai family had its model in master-servant relation (Goode, 1963).

Eastern Asian low fertility countries try to reduce the difference from moderately low fertility countries through family policy measures such as monetary supports, childcare services, improving the compatibility between work and the family, work life balance campaign, and subsidizing medical treatments to infecundity. However, a considerable part of difference roots in the cultural pattern and is beyond the family policy. For example, Japan's low enrollment rate of young children in daycare centers is not because of the short supply of service, rather it is because of mothers' wanting to raise their children on their own hands (Retherford and Ogawa, 2006, p. 36). A government cannot persuade people to cast away the well established social norm of mother's supreme role for childrearing. It is also impossible for a government to force parents to push out children from home earlier under the shortage of scholarship program and reasonable housing capacity. A government definitely should not attempt to induce extramarital births by encouraging welfare mothers.

Although it is impossible for low fertility countries to secure moderately low fertility immediately, the convergence to Northern/Western European family pattern is possible. The recent rise in cohabitation and extramarital birth in Southern European countries (Billari 2008, pp. 9–11) can happen in Eastern Asia. For a governmental effort to be successful in the very long run, it should match the direction of long-term changes that have been taking place in the developed world. Emphasizing or restoring traditional family values is unlikely to induce fertility recovery to the moderately low level. There should be clear opposition against the so-called three-year-old myth that says a mother's working is harmful to the development of very young child. As McDonald (2008, p. 8) points out, an effort to raise nuptiality does not work.

In addition to the problem of cultural pattern, Eastern Asian government cannot spend as much budget as European countries for the family policy. As market oriented neoliberalistic nations,

Eastern Asian countries have difficulty to spend a large amount of money for the welfare and family. For example, the national budget for children and the family in Japan was 4.3 trillion yen, accounting only 0.8% of GDP in 2007. The annual budget for pronatal policy in the Saeromaji Plan of Korea is approximately 3.8 trillion won, accounting 0.5% of Korean GDP. Thus, it is very difficult for these countries to achieve moderately low fertility in the near future.

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