

## Chapter 5 Conclusions and Policy Suggestions

A decline in the number of children per family will be an unavoidable trend for Taiwan's society in the future. The total fertility rate in Taiwan has already fallen to just 1.1‰ in 2007, meaning that the country will inevitably face the problems of negative population growth and an aging population. This will have an impact not only on population growth, but also on social, healthcare, financial, industrial, education, agricultural, housing, and other areas of policy. Appropriate policy measures will need to be devised in all these areas to contend with the onset of population decline and the rise of population aging.

### 5.1 Research Conclusions

The major findings from investigating previous chapters can be summarized as followings:

#### **1. Low fertility is a widespread phenomenon and is expected to exist in the foreseeable future**

The determinants presented in this thesis show that the decline in fertility rates has many explanations. Human behavior is hard to explain and predict. It is also difficult to classify factors into any three categories because all factors interact with each other. Undoubtedly, those factors discussed above are prominent conditions and underlying forces for fertility decline. When socioeconomic changes result in the decline of dominance over economic resources and affects social values and attitudes including the role and status of women, it creates the conditions necessary for fertility decline.

#### **2. Government policies are effective to fertility**

Despite the existence of family policy regimes there is considerable cross-national variation in the provision and the modalities of family policies. Governmental efforts to affect fertility have been generally implicit policy measures to steer family formation decisions with financial incentives (e.g., tax exemptions), or family-friendly facilities (e.g., childcare facilities). In attempting to raise birth rates, governments are thus increasingly seeking to address the underlying causes of low fertility and adopt policies, programs and incentives to encourage couples, in particular women, to increase their child bearing. Maternity and paternity leave, childcare, after school programs, part-time employment, job security, cash allowances and other financial incentives are among the measures adopted or being carefully reviewed by governments.

The experience of other nations suggests that government policies influence fertility decision-making partly through their economic impact, but partly also through the social message they carry. A consistent set of government initiatives aimed at lower fertility is almost certain to have the long-term effect of leading couples to think more consciously about their decisions.

### **3. France is pioneer in providing financial rewards and services to families and children**

Among Europe's emerging democratic welfare states, France is pioneer in providing financial rewards and services in kind to families with children. The financing of the above mentioned plans costs the French government about 1 billion Euros each year, which is quite problematic for the future. Although the cost is high, the results have been very fruitful.

One of the most evident aspect of the fertility policy in France is that it sets other main issues completely aside – issues that are receiving a lot of attention in other European countries; these issues include the development of equitable public

childcare solutions for children under 3 years old for the entire nation; the payment of parental leave on the basis of a person's previous salary and even more the big question of equal opportunities for women and men, which could lead to making no distinction among maternal, paternal and parental leave.

#### **4. Minorities and immigrants have contributions to fertility in United States**

In 2007, the total fertility rate of United States was slightly below the replacement level. It was close to replacement level a few years earlier, very unusual in the industrial world. What is paradoxical is that the U.S. doesn't have family friendly policies despite its high fertility rate. One explanation for higher American fertility is that the United States is more racially and ethnically diverse than other more developed countries.

The largest U.S. minority groups tend to have higher fertility than the white non-Hispanic majority, moreover foreign-born women tend to have higher fertility than U.S.-born women. Because minorities and immigrants make up an increasing share of the U.S. population, these racial and ethnic differences may keep fertility at the same relatively high level for decades to come. Immigration and better job security for working mothers contribute to more births. It also has become easier for women to negotiate leaves from work in order to stay home with their children.

#### **5. Taiwan's fertility policies fail to maintain the replacement rate**

Taiwan's experience shows that fertility policies have contributed to the decline of fertility after Second World War. The total fertility rate in Taiwan has decreased to the replacement level in 34 years. These policies have enabled couples to control their fertility via contraceptive methods and achieve their ideal number of children. The career structure evolved from farming to industry and then transformed into the service industry. Low fertility rates have also led to a shortage in the labor forces.

The fertility policy has to fit in with the times to solve the problem presented in

different times and places. After 1983, the total fertility rate in Taiwan decreased to below the replacement level. To avert the adverse effects of population decrease and population ageing, Taiwan's government promotes a reasonable rate of population growth through family planning programs; incentives, and disincentives. However, since 1983 the total fertility rate in Taiwan has never increased.

## **5.2 Policy Recommendations**

Judging from policies and practices in advanced countries, government officials found that the key to making couples willing to have more children is to provide measures that help them find a balance between work and family, while they are having or raising children. Specifically, whether Taiwan's birth rate can be pushed up will depend on measures that could offer flexible work schedules, better subsidies for maternity leave, and affordable, high-quality day-care services for career women. In short, couples will be more likely to consider having children if they can continue working while rearing children.

Since the effort to raise the fertility level in Taiwan is not successful, our government is actively proposing some pronatalist guideline. According to national and international research and the experiences in France, Germany, United Kingdom, United States and Japan, some suggestions for the future policy making can be offered:

### **1. Build family-friendly working environment for women and family**

Inspired by France and United Kingdom, these governments hope to make it easier for women to combine child-rearing with a career. These countries help working mothers, offer flexible work schedules and provide incentives for having babies. These measures have helped to push sagging fertility rates back to levels of around 1.8 or 1.9 – figures that are not particularly high, but higher than Taiwan's.

Taiwan government is seeking to amend the labor insurance law so that maternity leave will be paid out of the labor insurance rather than by the employer. Although the Labor Standards Law gives female employees the right to give births during occupation, still has the employer resisted to follow the law or find an excuse to dismiss female employees. In the real world, the females' right to work is not protected.

## **2. Integrate family and childcare system and provide economic support to family**

Those who wish to have children but are unable to do so should be helped to achieve their wish. A universal, diverse and convenient system of high-quality care and education services for infants and small children need to be made available to reduce the burden of parenthood. For the case of France and Germany, the national healthcare system must be set up to provide optimal healthcare services for families with children. And educational campaigns should be conducted to promote values that set high importance on life and family. Such approaches should offer the most effective means of achieving population goals without imposing too heavy a burden on national finances.

In Taiwan, most mothers stop to work and stay at home taking care of babies without payment. Although Taiwan's government has begun to plan maternity leave with 60% of payment in two years, the budget to support the subsidies during the leave is still short of. Childcare and public nurseries provided to children under 3 are out of proportion and insufficient.

In regarding of 0-2 year old of babysitting system, there is no law to stipulate the babysitters to meet the certain qualifications requirement. It leads to that the government's management and the surveillance over babysitter is limited. In birth allowance aspect, it depends upon the local government's financial condition giving the allowance for once. It is also because the local government's finance source is

different, so each county has different supplementary condition and the standard. We should make the birth subsidy become an island-wide and national subsidy.

### **3. Modulate education system and redistribute education resources**

Taiwanese people are having fewer and fewer children; the Ministry of Education reduces the class size in elementary schools from 35 to 29 students. While the prospect of a lower student-to-teacher ratio is good news for parents and students, the nation's teachers are still worried that some of them will face the prospect of unemployment. Central government should conduct a detailed evaluation of the changing population structures in the island's urban and rural areas before putting in place any plan that requires such data. Otherwise, it would only serve to make the existing situation worse, allowing prestigious schools in big cities to expand indefinitely, while forcing small schools in the countryside and remote areas to shrink, or shut down entirely. The education resources should make certain adjustment along with the decreasing of school-age population, meanwhile we should modulate education resources from the expansion of quantity to quality, and propagandize to public widely in order to let people realize the policy and utilize the national resources effectively.

The decreasing fertility rate causes the childhood depopulation. The number of student decreasing progressively year by year will impact the school-age population and the compulsory education system. In the future, the supply and the demand of teachers inevitably will have the large scale dropping variance. At present, supply of teacher is already higher than the demand; it will cause the education manpower to be unbalanced, the teacher unemployment and the left unused classroom.

### **4. Utilize aged labor force and strengthen lifelong-learning**

It is certain that the 21st century will face the aging of population and it is an inevitable trend. In the long run, we must ponder our social welfare policy, and realize

that the caring for the elderly will be an important issue which we have to face in the future. At the same time, we also must grasp the coming opportunity, and develop services to care for the elder. There will be more and more old workers in our society, and how to utilize aged labor forces is very important in the future. An important issue in the employment of older workers is their skills and training in the face of changing job environments. Besides enhancing occupational skills of older people, we must strengthen lifelong-learning in order to maintain productivity standards, and then the problem of shortage of labor force can be solved. In addition, we should gradually extend the age of retirement to promote an image of productive aging. An increase in the age at retirement reduces the pensioner/worker ratio by simultaneously reducing the number of retirees and raising the number of workers.

#### **5. Re-evaluate the relationship between population and sustainable development**

People put pressure on natural capital and the long-term environmental carrying capacity of countries. In general, the higher the population density, the greater the environmental burden on the soil, water and atmospheric resources, thus putting increasing pressure on the natural habitat. The influence of population size and density on society is not clear cut. There are both benefits and costs from more or fewer people. An aging population and low birth rate in Taiwan means a gradual reduction in the overall size of the population. However, Taiwan has a limited land area and high population density already. From the perspective of the environment, a decrease in overall population is beneficial, but would involve an economic cost in relation to production. A balance needs to be found between prosperity and environmentalism, In essence, Taiwan's government should address the population issue, re-evaluate the relationship between population and sustainable development whilst promoting environmental protection.

The analysis presented in this paper calls for much caution. In particular, the

mechanisms that theoretically link policies and demographic outcomes are complex involving imperfect information and decisions that are rationally bound by very specific circumstances. Decisions about having children are private matters; the government can use only education and persuasion as means of achieving its population goals. A decline in the number of children per family is only the starting-point of a legion of problems. From the family's point of view, the birth of a child means a long-term burden of education and rearing; but from the government's point of view, an increase in population entails housing, economic, transportation, environmental, and migration issues that all need to be addressed from a long-range perspective. Each country has different factors to consider in framing its population-related policies. Nevertheless, as long as birth rates continue to fall, the ratio of the elderly in the population will continue to increase, so we need to seek a balancing-point that matches population forecasts with overall national development to avoid any reduction in the people's quality of life.

The question of whether Taiwan's fertility rate will slowly rise or not is still under observation. From now on, even if it rises slowly, the population will shift from growing to decreasing. However, no matter what means are adopted, it is impossible that fertility will increase right away, but if we don't take certain action, the future fertility rate will be even lower than it is now.