

**FERTILITY TRENDS AND POLICY
RESPONSES IN NORTHEAST ASIA**

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Executive Summary

1. Conventional thinking usually attributes falling fertility rates to economic development and that “development is the best contraceptive”. However, it fails to explain the difference in fertility rates among developed countries. Cultural differences with regards to child-bearing responsibilities, family value and work-life balance may better explain this phenomenon.
2. Total fertility rate (TFR) in the four Northeast Asian economies, namely Hong Kong, Japan, South Korea and Taiwan, have been labelled as the “lowest low”, at close to or lower than 1.3.
3. Western countries such as the United States, France and the Nordic countries are generally identified as “highest-low” fertility countries, with fertility rates close or equal to the TFR replacement level of 2.1.
4. Sweden and France are representative cases challenging the thesis that “development is the best contraceptive”. Sweden experienced a sharp drop in TFR from 1992 to 1997. Only after the implementation of government policies to increase its fertility rate did Sweden’s TFR increase from 1998 to 2009.
5. Unlike Western societies, marriages in Northeast Asia still contribute to the majority of childbirths as extramarital fertility is relatively rare. Except for Hong Kong, Japan, South Korea and Taiwan are experiencing declining marriage rates, resulting in lower TFRs. However, Hong Kong had the largest share of single women between 30 and 34 in 2005 among the four states.
6. Compared with Hong Kong and South Korea, Japan performed the best in terms of marital fertility rate (MFR), which levelled out in 2000 after a decline but rose significantly in 2005. Between 1986 and 2006, Hong Kong’s MFR remained steady while the MFR in South Korea continued to decrease.

7. Marriage and childbearing decisions in Japan, South Korea, Taiwan and Hong Kong weigh considerably on material well-being and economic security. For example, in Japan, 70% of Japanese females expect their potential mates' income to reach their acceptable prescribed level—a level which sees about 74.9% of Japanese males failing to qualify.
8. However, higher TFRs in France and Sweden do not necessarily mean economic burdens in these countries are much lighter. For example, according to *The Economist*, housing prices against the average income index in France and Sweden were even higher than those of Hong Kong and Japan in 2009.
9. Three explanations can be given for this phenomenon in Europe. First, unlike the Northeast Asians, people of Western Europe are generally post-materialists (less emphasis on material well-being) and enjoy greater gender equality (implying husbands share more childbearing responsibility of wives).
10. Second, compared to Northeast Asia, EU states provide greater family support, with markets and individuals chipping in with significantly smaller shares. In other words, family support in the EU is less commoditised and delivered with higher level of equality.
11. Third, the work environment in the West is less stressful than that in Northeast Asia. Though female workforce participation levels in the West and Northeast Asia are quite similar, Northeast Asian workers tend to spend longer working hours at the workplace.