Baby bonus has had little impact so far

One positive trend is the rise in the number of first-time parents

A RECORD $230 million was given out by the Government in baby bonus payments last year, up from $55 million just five years earlier.

But there was no corresponding increase in the number of Singaporean babies born.

Figures from the National Population Secretariat show there were only 32,033 citizens born last year.

That was just 129 more than in 2003, the year before the Government extended the Baby Bonus Scheme to include the first and fourth child.

Non-citizens, who are not eligible for the payouts, fared better on the baby front. The 7,483 non-citizen babies born last year represented an increase of 2,212 from 2003.

The Baby Bonus Scheme aims to encourage Singaporean couples to have babies by easing the financial burden on parents.

Introduced in April 2001, the scheme has undergone two major revisions – in August 2004 and again last year – with bigger carrots being dangled each time to prospective parents.

Since Aug 17 last year, fifth and subsequent children were entitled to bonus benefits too. Cash payments for the first and second child were also increased.

Dr Yap Mul Teng, a fertility expert at the National University of Singapore’s Institute of Policy Studies (IPS), said the latest revision to the scheme and the fact that it is retrospective in nature, could have led to the record bonus payouts last year.

The first child, for instance, may now get up to $10,000 from the Government, up from $3,000 earlier. The scheme is administered by the Ministry of Community Development, Youth and Sports (MCYS).

When asked how successful the scheme was given that the rise in foreign births has outstripped that of locals, an MCYS spokesman told The Straits Times that more time was needed to “assess the efficacy of the scheme”.

Singapore is facing one of the worst baby droughts in the world. The total fertility rate (TFR) – or the number of children a woman is expected to have – fell a notch, from 1.29 to 1.28 last year. Only South Korea and Hong Kong have lower TFRs than Singapore. To replace itself, a population needs a TFR of 2.1 or higher.

While the TFR may have lagged a bit, take-up rates for the Baby Bonus Scheme have been increasing. About 10,000 new Child Development Accounts (CDAs) were opened last year, up from 14,000 in 2004.
Sociologist urges work flexibility

who are boosting fertility rates," she said.
So what more can be done to encourage more Singapore-
ans to have babies?
Rather than increase the payouts, Prof Straunghan be-
lieves that what parents really need is more "flexibility and lat
itude" at the workplace.
"We need more enlight-
ened employers who know that granting parents time off for
pressing childcare needs may actually produce happier, more productive and loyal
workers," she said.
She speaks from experi-
ence, as supervisor of a "very fertile" office. Four of the five
women who work under her at the National University of
Singapore had children in recent years and none has quit her job.
The women — all young
mothers — willingly cover for
each other when one has to be
away on an emergency. They also hire temporary staff
when necessary.
"Mothers need to be more
vocal about asking for help at
work when necessary," she said.
"Too many are worried
about offending the singles."
She concedes that produc-
tivity may be hit in the short
term as more working moth-
erers take time off to tend to
children.
"Bosses need to decide whether they should in-
sist on short-term returns to productivity at the
cost of the long-term stability of Singapore."
Dr Yap from the IPS agreed that more can be
done at the workplace, and women need to see that
they will not pay a heavy penalty in terms of career advancement if they choose to have babies.
Only then can more educated and career-driven young women be persuaded to have children.
Indeed, balancing career and family is what many
women find tough.
Insurance agent Mun Wai Ping, 34, who has two
children under two, said she finds it hard to handle
the emotional stress and frustra-
tion of juggling her two roles when her children fall
ill.
"I know this is just a passing
phase. But it’s hard to keep turning down my clients when
they request to meet up with me," said Madam Mun.
She and her university pro-
fessor husband Ken Leong, 35, are entitled to about
$7,000 in Baby Bonus cash payments, which are especially
useful for paying their older daughter’s childcare fees.
In addition, they can re-
ceive up to $6,000 for their
younger girl’s CDA, if they
match the amount.
But they are not planning
Baby No. 3. "At this moment,
I think I have reached my lim-
it juggling work and chil-
dren," she said.
The Baby Bonus Scheme has been a godsend for Mrs
Anandhi Raghavan, 33, who works as a trainer in a day-
care centre, and her hospital safety officer husband Raga-
van Nair, 36.
They have three children
aged seven, two and six
months. Their eldest daugh-
ter was born before the
scheme was extended to first-borns in 2004, but they
told The Straits Times that the $9,000 they received as
cash gifts for the birth of their younger children has en-
abled them to better manage both career and family.
It has allowed them to get paid help with domes-
tic chores so that when she is home, Ms Anandhi
can spend her time with the children.
It has also allowed her to take part-time courses in
counselling in the hope of getting a better job.
On Tuesday evening, baby Haridagen developed a
raging fever and had to be taken to hospital. The
bill, after multiple tests, was nearly $400.
Mr Ragavan said: "The baby bonus is allowing us
to make use of the best kind of medical care. Later,
we can help with their education.
"That’s more than we ever asked for."
WHAT IS THE BABY BONUS SCHEME?

THE baby bonus scheme was introduced on April 1, 2001 to help parents ease the financial burdens of raising children. The scheme was enhanced twice, in 2004 and again in August last year.

To be eligible, the child must be a Singapore citizen and his or her parents must be married. Parents get a cash gift of up to $4,000 each for the first and second child, and $6,000 each for the third and fourth child.

The Government will also match any deposits parents make into their child’s Child Development Account (CDA), subject to a cap. This applies to all children born on or after Aug 17, 2008.

The Government will match CDA contributions for children born earlier, provided they are the second to fourth child.

Parents can save in the account until the end of the year the child turns six.

The savings will be matched up to a cap of $6,000 each for the first and second child, $12,000 each for the third and fourth child and $18,000 each for the fifth and subsequent child.

CDA savings can be used for fees of childcare centres, kindergartens, special education schools and early intervention programmes, and to buy approved medical insurance coverage.

SO IS THE BABY BONUS SCHEME WORKING?

WHEN asked whether the Baby Bonus Scheme was working, given that the rise in numbers of foreigners having babies outstripped local births, here is what a spokesman from the Ministry of Community Development Youth and Sports had to say:

"Time is needed to assess the efficacy of the Marriage and Parenthood package. MCYS acknowledges that parenthood is a highly personal decision and will be based on numerous factors specific to the individual. The Government seeks to provide a pro-family environment and help couples in the decision process through a package of measures that provides financial support, leave benefits and care services.

"The Baby Bonus is one of the measures to help defray the cost of having children. While the impact may appear limited, we will continue to provide such benefits as Government is committed to help Singaporeans form families.

"The 2008 enhancements in the Baby Bonus quantum could also further lend impetus to the effort. We will continue to monitor and review the effectiveness of the Baby Bonus Scheme."