HOW WOULD MOTHERS’ DECISION TO WORK AFFECT CHILDBEARING IN MALAYSIA?

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by Evan Lau; SITI NUR ZAHARA HAMZAH

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Abstract. The authors analyze the dynamics of fertility and its determinants with a particular focus on the role of female education and working decisions. The analysis is based on multivariate co-integration framework and out-of-sample variance decompositions. Results provide support that in the long run, fertility decline may be the consequence of a complex dynamic interaction with per capita or household income, while self-inflicted female decision to pursue studies and career development may influence fertility decline in the short run for Malaysia. It is evident that both ideational and structural hypothesis explaining fertility are important for understanding fertility decline in Malaysia.

Keywords: Fertility; Labor Force Participation; Education; Income; Malaysia.

Acknowledgements. The authors gratefully acknowledge financial support from University Malaysia Sarawak (UNIMAS) under the Top Down Grant Scheme 03(TD04)/1054/2013(02).

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In 1982, Tun Dr. Mahathir Mohammad (then, the Prime Minister of Malaysia) announced the 70 Million Population Policy with the aim to build the foundational structure for demand and market of Malaysia’s very own industrial products. Then, 30 years ago, this particular policy was sought to achieve a target population of 70 million by the year 2100. Between 1900 and 1985, the population of Malaysia has increased from 2 million to 10 million partly due to mass immigration from China and India and partly by natural birth increases of pre- and post-World War II periods. World Development Report of July 1983 forecasted that Malaysia would have 21 million populations by the year 2000 with the natural increase average 2.0% and the slow fertility rate decrease. Unfortunately, in the year 2000, total population in Malaysia was 16 million people – 5 million less than forecasted value.

Figure 1 shows that the population of Malaysia is increasing throughout 1980 to 2010 which results in smaller family size. The decline in fertility may be attributed to the higher educational levels of the population, increasing urbanization, delayed marriages and improved standards of living. The consistent decrease in the fertility rate also intimates socioeconomic and demography of the country, especially in realizing the...