AWARE's Recommendations for Singapore Budget 2017

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Dignity for all: toward shared responsibility for older people

1. The issue of an ageing population is growing in urgency. Eldercare costs are projected to rise tenfold over 15 years (Asia Pacific Risk Center 2016), as Singapore faces slower economic growth and more uncertainty. While older people enjoy improved collective support in recent years (e.g. Silver Support Scheme, and the Pioneer Generation Package), they are still primarily expected to tap personal resources (theirs or their children's) for healthcare and other costs. This is increasingly unsustainable for families: working adults face growing strain in caring for and educating children, saving for retirement, and supporting older family members.

2. For the 2017 Budget, AWARE urges more **shared responsibility for older people**. Support should be universally provided based on individual need, with the collective support of society, rather than having costs borne mainly by each family. This ensures more **adequate** support, enhances **fairness**, and is more **sustainable.**

3. Two key demographic realities must be recognised. First, Singapore will have <u>more migrants</u> <u>and</u> <u>fewer</u> <u>children.</u> Despite pro-fertility measures, the number of citizen children to support each older person is shrinking (Department of Statistics Singapore [DOSS] 2016). This trend is not expected to reverse. Meanwhile, the proportion of the working population comprising migrants will increase (Diagram 1). Even if higher tax rates are needed for our proposals, **it is more sustainable to support older people and caregivers using revenues from the <u>whole</u> tax base, rather than relying mainly on the private transfer of limited resources within increasingly fewer and smaller local families, which as a whole, constitute a smaller resource base.**

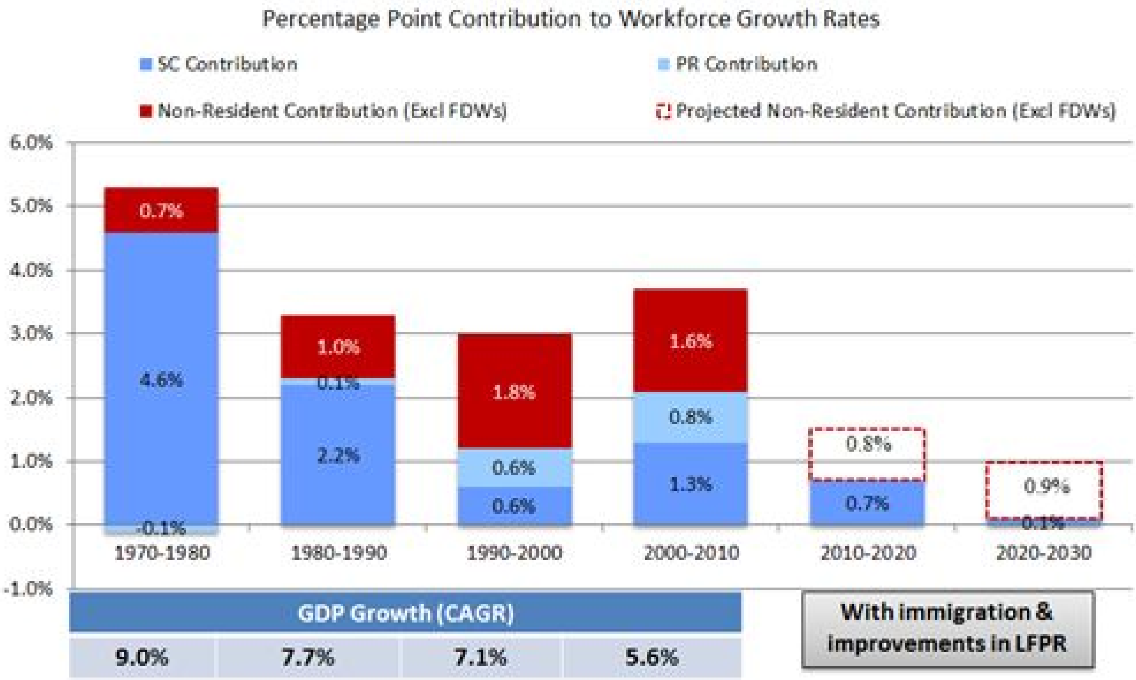

Diagram 1: Non-residents are projected to contribute a greater percentage point contribution to workforce growth rates than Singapore citizens (source: National Population and Talent Division 2013).

4. Second, gender inequality in caregiving persists. Older women today face financial insecurity as they have sacrificed jobs and savings to provide family care (Diagram 2). Dr Kanwaljit Soin observed in an interview with the Ministry of Health's (MOH) Council for Third Age (2012):

> "Usually, because women live longer than men, the woman will be looking after her husband through his last illness, spending most of their savings on him. After he dies, she is without a spouse, with little material resources left. There are about five times as many widows than widowers in Singapore. A man, if he is unfortunate to have his wife die, will get married again quickly, often to a younger woman. But a widow, unless she's young, is highly unlikely to get married again."

5. Many women left the workforce due to such pressures (rather than wholly voluntarily) as family expectations, childcare costs and unsupportive employment norms.

6. This pattern (women leaving the workforce to provide family care) will not end solely because younger women have higher levels of education. The fact is, women remain at substantially higher risk of ageing into financial insecurity because gender norms remain largely unequal. Younger women still make significant sacrifices to meet their families' needs for childcare and eldercare (Diagram 3). **Lack of public support for**

older people and caregiving disproportionately harms women, including the older women of today, as well as those of tomorrow.

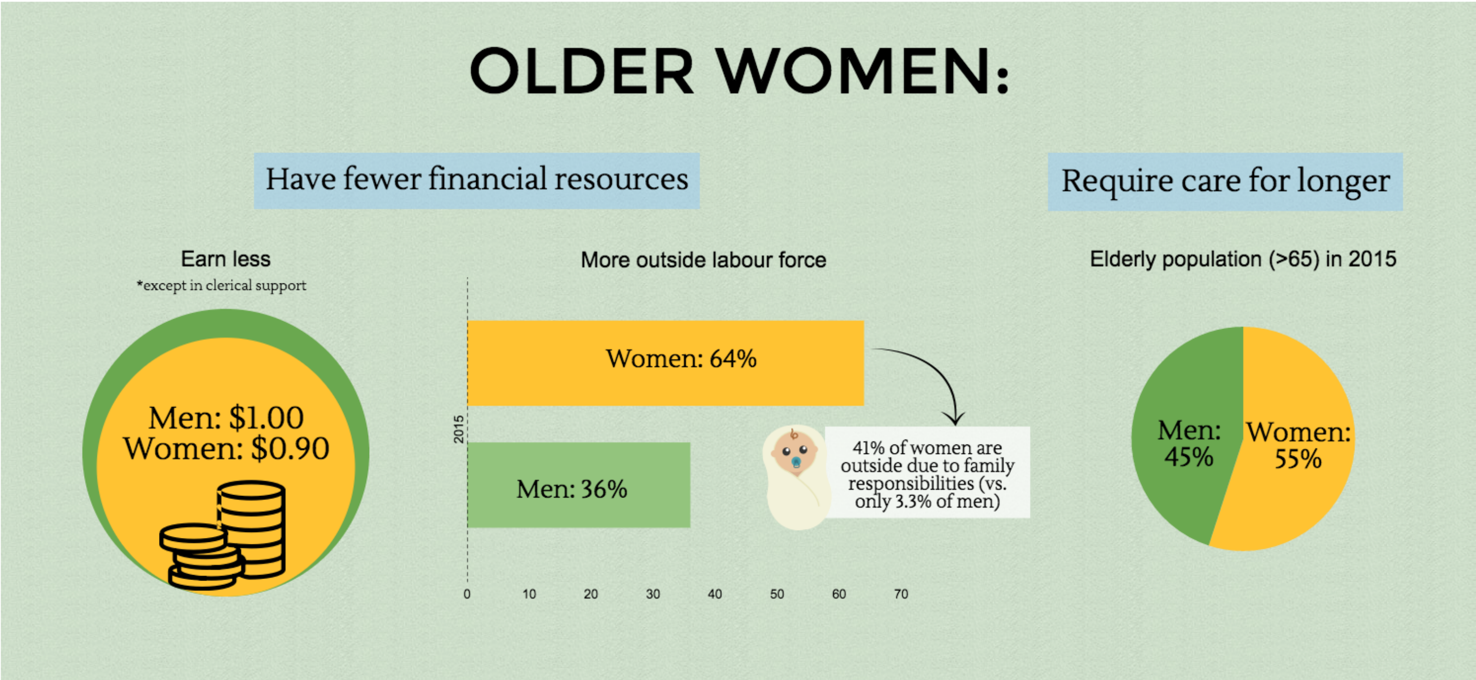

Diagram 2: Women are living longer but have fewer opportunities to accumulate financial resources (sources: DOSS 2016 and MOM 2016).

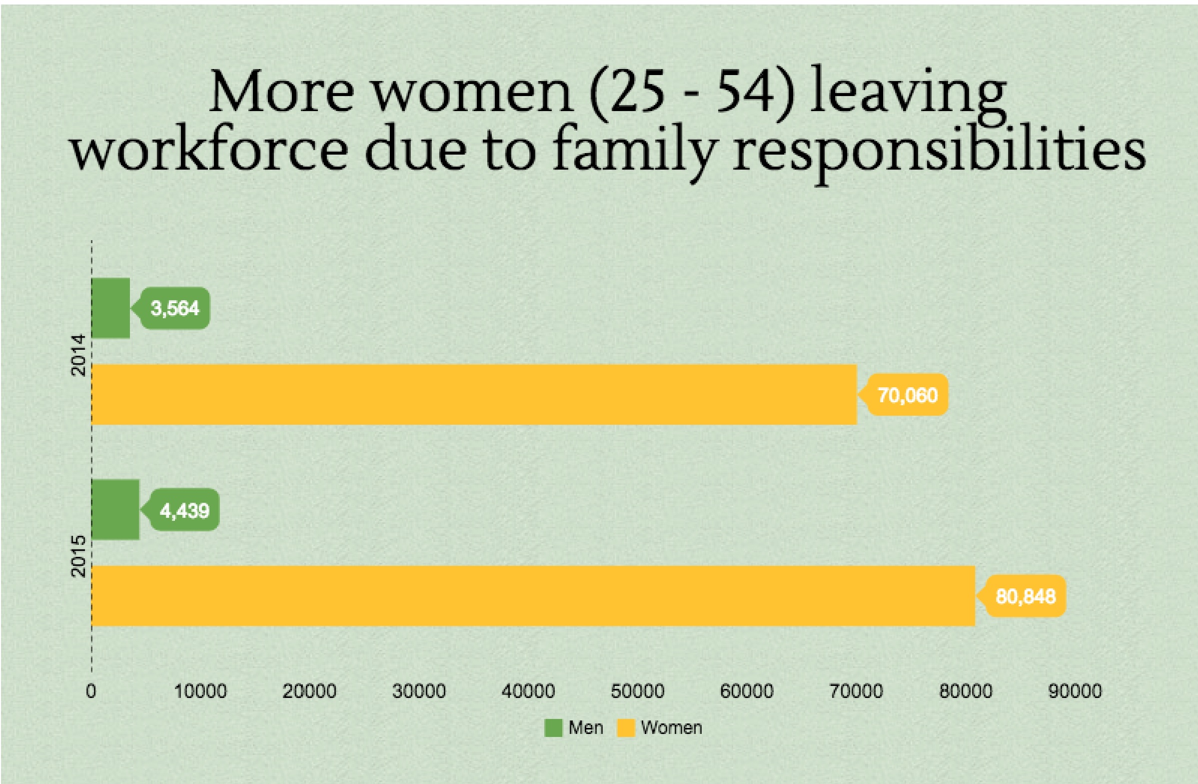

Diagram 3: Gender inequality in caregiving replicated in younger cohorts - more women than men still leave the workforce for caregiving (sources: MOM 2015 and MOM 2016)

7. Some have expressed fears that collective support undermines filial piety. Yet this unsubstantiated claim is not a sound basis for allowing real needs to go unmet. On the contrary, pressure on family caregivers can harm relations. In a study of 61 family caregivers in Singapore, 22 per cent reported frequent feelings of anger and resentment directed at family members for whom they had made sacrifices (Mehta 2005).

8. Singapore's policy makers are rightly keen not to impose unsustainable financial burdens on future generations. However, since current eldercare policies treat children as financially responsible for meeting the care costs of their parents and other older family members, **the existing system already accepts a transfer of wealth from younger to older generations for the purpose of meeting eldercare needs.** The issue is the balance between (on the one hand) intergenerational support within individual families and (on the other hand) intergenerational support across society as a whole. Rebalancing support between families and society will shift the emphasis away from support on the basis of family wealth to support on the basis of need.

9. In view of the need to strike a new balance between families and society, we offer six recommendations for the 2017 national Budget. Our proposals are primarily concerned with two key demographic groups:

    a. Older people (aged 65 and above), most of whom are women and many of whom lack resources to meet their own care needs.
        i. Expand the availability and quantum of Silver Support, including by removing the different bands for HDB flats of different sizes
        ii. Make healthcare in old age more affordable: explore the possibility of adapting the Pioneer Generation Package for all generations
        iii. Reform Eldershield, including by removing the 72-month limit so that payouts are for life, and removing the gender difference in premiums

    b. The next cohorts of women (aged 25-64) on track to become financially stressed elderly persons, having dropped out of the workforce to care for family members.
        i. Support home-based care by family caregivers
        ii. Make formal childcare facilities more accessible to all mothers, including by relaxing and (for households the lowest incomes) removing the employment preconditions for childcare subsidies
        iii. Support all working adults in caregiving, regardless of gender, including by introducing eldercare leave and increasing the gender neutrality of parental leave

10. The above recommendations are each discussed in more detail in the rest of the paper. More broadly, we urge consideration of the eventual creation of a universal social pension and universal healthcare scheme for older persons. These may be more affordable than commonly imagined. Azad Bali (2014) calculated that, depending on the percentage of Median Annual Wage Income to which it is pegged, a social pension may cost between under 1 per cent to over 3 per cent of per capita GDP (Diagram 4). He suggests fiscal costs can be financed by structural budget surpluses "without serious reductions in expenditure on other government priorities" (2014:7). If higher taxes are needed, we argue above, our tax base can be sustained despite lower birth rates, as the proportion of the working population who are migrants is expected to increase. Universal schemes also partly pay for themselves through social returns, and do not incur administrative costs of means-testing (*TODAY* 2016a).

Table 1

Estimated Fiscal Cost (as share of GDP) of Hypothetical Social Pensions in Singapore

	BENEFIT LEVEL			
Year	**Variant A** 20% of Median Annual Wage Income	**Variant B** 30% of Median Annual Wage Income	**Variant C** 15% of Per Capita GDP (Current Prices)	**Variant D** 20% of Per Capita GDP (Current Prices)
2012	0.78 (0.77 – 0.78)	1.16 (1.15 – 1.18)	0.94	1.26
2015	0.90 (0.86 – 0.93)	1.34 (1.29 – 1.40)	1.09	1.51
2020	1.16 (1.07 – 1.26)	1.75 (1.60 – 1.90)	1.42	2.07
2025	1.47 (1.28 – 1.67)	2.21 (1.92 – 2.51)	1.81	2.76
2030	1.73 (1.43 – 2.06)	2.60 (2.15 – 3.09)	2.17	3.46

Sources: Asher, MG and AS Bali. 2014. "Singapore's Pension System: Challenges and Reform Options" in B. Clements, F. Eich and S. Gupta (eds.) Equitable and Sustainable Pensions: Challenges and Experience. Washington DC: IMF

Diagram 4: Estimated fiscal cost (as share of GDP) of hypothetical social pensions in Singapore (source: Bali 2014)

I. Support for older persons

11. The current system of relying on employment-based individualised pension funds to finance health and care needs in old age disadvantages those who most need financial support - namely, low income earners and non-working caregivers, most of whom are women. A comprehensive social support system should ensure security and support for all, without penalising those unable to maintain steady employment over the lifecourse.

12. Reliance on CPF savings is insufficient:

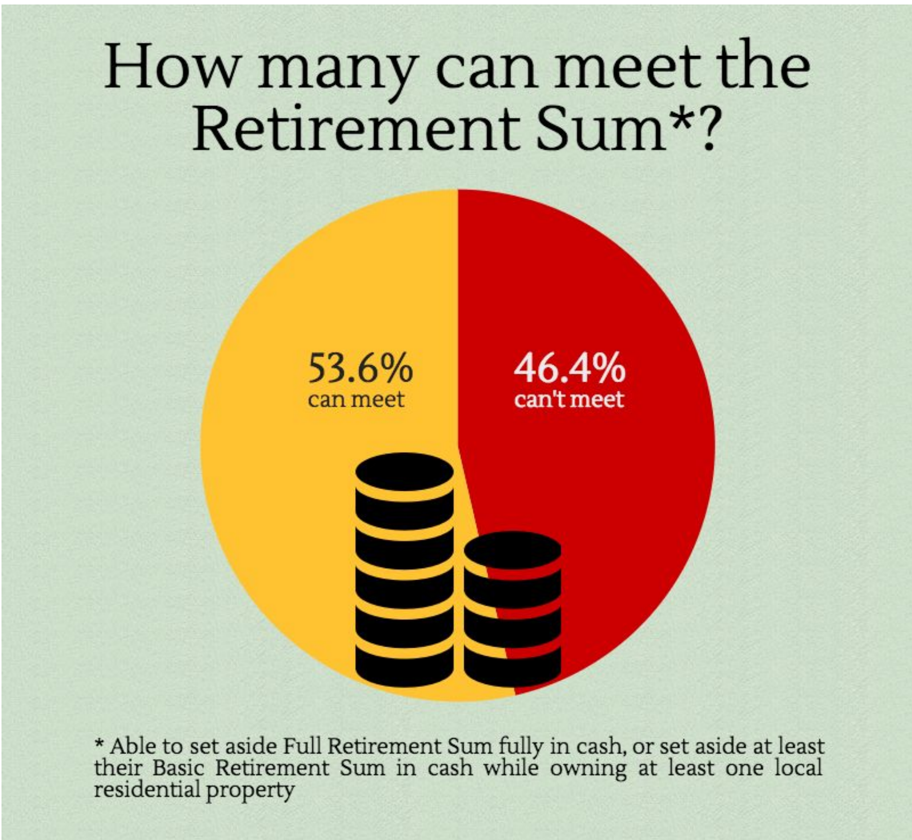

Diagram 5: Almost half of active CPF members who turned 55 in 2015 were unable to meet Retirement Sum (source: CPF 2015)

a. Many cannot achieve the target deemed adequate to support a modest standard of living in retirement. As Diagram 5 shows, in 2015, only 53.6 per cent of the 39,555 active CPF members who turned 55 could set aside the Full Retirement Sum ($161,000 in 2015) fully in cash, **or** set aside at least their Basic Retirement Sum ($80,500 in 2015) in cash while owning at least one local residential property (CPF 2016).

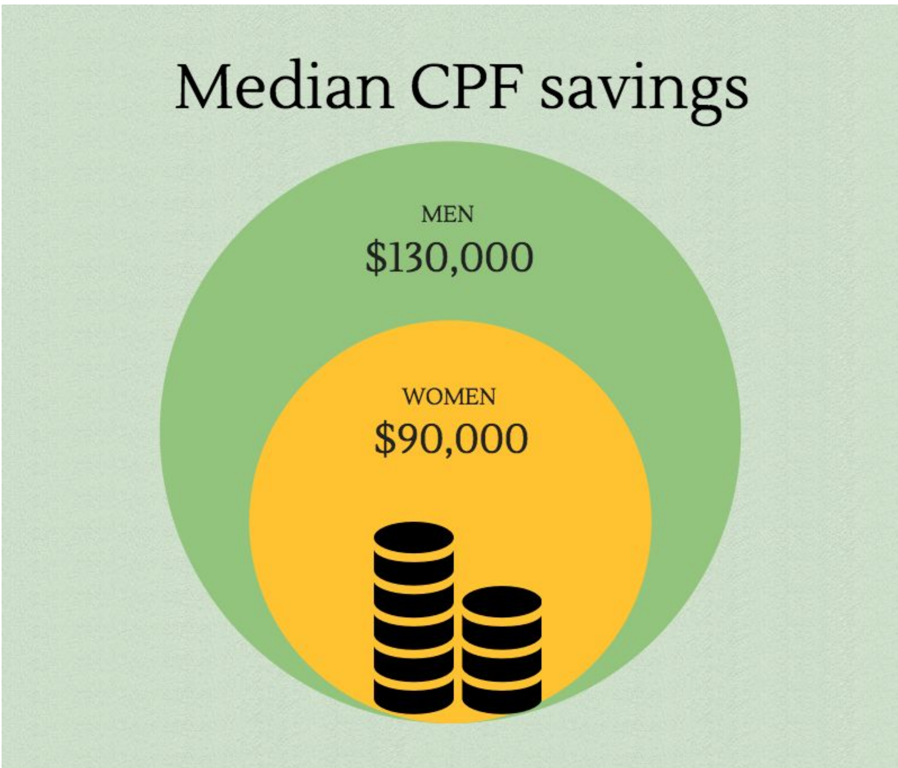

Diagram 6: Median CPF savings for women is lower than that of men (source: *The Straits Times*, 2015).

b. Women are poorer than men. As Diagram 6 shows, in 2013, the median CPF savings for women (aged 51-54) was about $90,000 - for men it was $130,000 (*The Straits Times* 2015). In 2011, for those aged 50 to 55, men's CPF savings were 21 per cent more than women's; this dropped to 14 per cent in 2015 (CPF 2011 and CPF 2016). While this gender gap is narrowing, it remains substantial.

Recommendation 1: Expand the availability and quantum of Silver Support

a. Remove 'housing type' as an eligibility criteria for HDB flat dwellers (i.e. make no distinction between different sizes of HDB flats; we do not propose changing the current exclusion of non-HDB property dwellers).
b. Allow a higher maximum level of household income to be applied if lifetime earnings and total CPF contribution are particularly low.
c. Increase subsidy quantum to better meet basic cost of living.

13. The Government already recognises the importance of non-contributive support, as seen in Silver Support. However, it is currently limited in its availability and impact.

14. Strictly "banding" levels of support by size of HDB flat, regardless of individual lifetime earnings, may result in inadequate levels of support for older people in some situations. Older people may not have access to the value of the property, as it may be

owned by someone else. Those who do own property may be cash poor and asset rich, including some in the "sandwiched" middle class MP Jessica Tan described during the Budget Debates 2016. Many bought property years ago when it was cheaper and paid it off with their CPF, and thus might not have significant savings to retire comfortably. They may also be emotionally attached to their home, with ties to neighbourhood and community (Singapore Parliamentary Debates 6 April 2016). Furthermore, the size of one's HDB unit is not straightforwardly indicative of the financial situation of the household and the claimant, as it may not take into account household size.

15. Per capita household income is a closer proxy for financial resources, but not all adult children can provide unconditional financial support to parents indefinitely. AWARE's (2015a) qualitative study of 20 women aged 65 and above with incomes of $1,000 and below showed that most did not receive adequate financial support from their children. Most recipients living with children expressed the wish to avoid becoming financial burdens on their children, who generally had low to middle incomes, and were finding it difficult to support their parents.

16. Thus we propose, first, the bands of different HDB sizes be removed, so that all HDB dwellers are eligible for the same maximum level of support (though we do not propose changing the current exclusion of non-HDB dwellers from the Scheme). Instead, any differentiations between payout levels should depend on the criteria of lifetime earnings and total CPF contributions. Second, a higher maximum level of per capita household income should be applied where lifetime earnings and total CPF contributions are particularly low, as a historically non- or low-earning individual may not have independent access to the resources of the other household members.

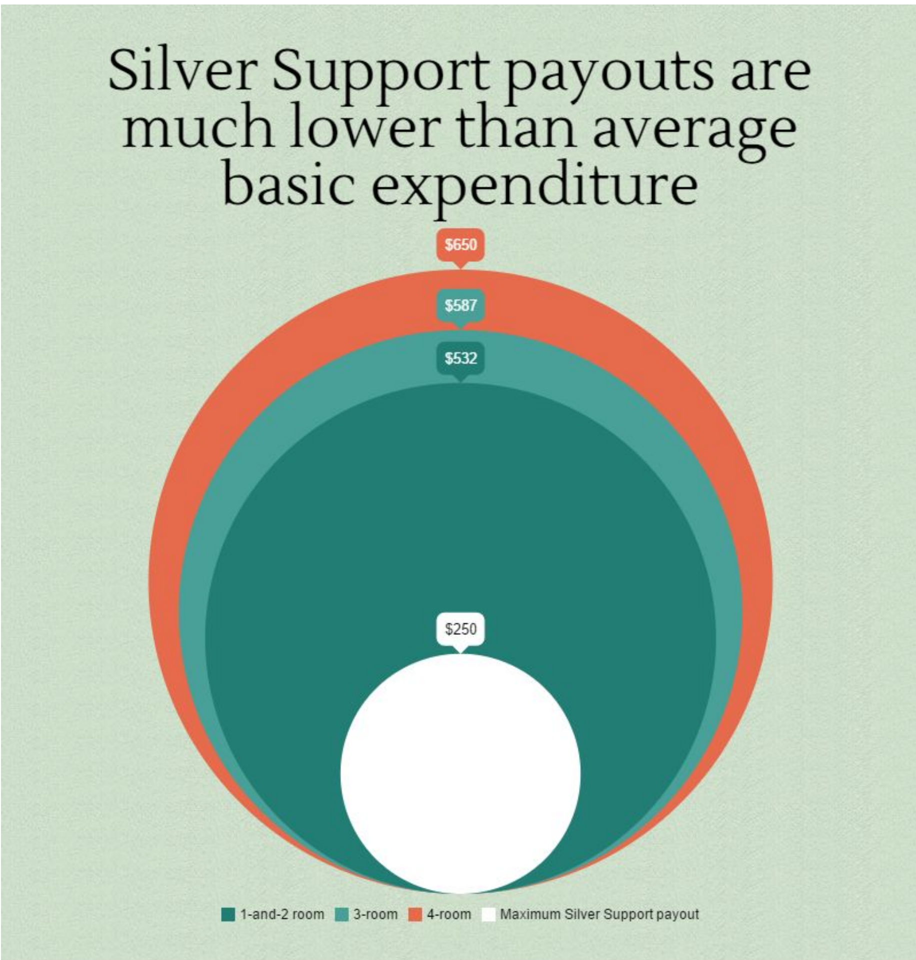

Diagram 6: Quantum of Silver Support payout in comparison to average monthly basic expenditures of households, per household member (source: Chia 2015).

17. We further propose an increase in the quantum of Silver Support payouts to better support recipients in meeting basic needs. Diagram 6 shows the disparity between maximum Silver Support payouts ($750 a quarter, thus $250 a month) and the average monthly basic expenditure of households per household member ($590), as derived by Chia Ngee Choon (2015) from a 2012/2013 Department of Statistic poll. This gap is more significant for those receiving lower levels of Silver Support (from $100 a month).

18. Can these older people rely on other sources of income, such as work income, familial transfers and CPF payouts? Silver Support recipients are (by definition) not enjoying substantial CPF payouts. A history of low CPF balances indicates little earning power and compromised employability. The household per capita income ceiling also points toward a limited capacity for familial transfers.

19. In her proposal to strengthen income support for the poorest 30 per cent of the elderly population, Chia (2015) suggested that "a benefit level of $500 per month… yields a projected pension cost of 0.41% of GDP in 2030 and 0.58% of GDP in 2050." If the

benefit level increases to $600 per month and covers the bottom half of the elderly population, it will cost 0.83% of GDP in 2030 and 1.16% of GDP in 2050 (Chia 2015). With these estimates in mind, it appears to be affordable at least to double the minimum level of payouts, as it will amount to less than 1% of GDP.

20. Silver Support is targeted at the bottom 20 per cent of elderly Singaporeans. Our recommendations aim to ensure that the intended recipients are not unfairly excluded due to inappropriate criteria, and that the amounts provided are more effective at meeting recipients' needs. In the long term, we hope this can eventually become a universal scheme that would support all elderly members in society.

Recommendation 2: Consider expanding the Pioneer Generation Package to all people on reaching 65 years of age. The Government should do a detailed study of the feasibility of adapting each component to become permanent features of the healthcare system.

21. Elderly healthcare costs are estimated to increase exponentially in the next 15 years. According to an Asia Pacific Risk Center study as quoted in *The Straits Times* (2016), about "US$5 billion was spent on healthcare for the elderly (in 2015) as a senior citizen's healthcare expenditure is estimated to be four times that of an average person's. By 2030, the healthcare expenditure for each senior is estimated to rise from US$8,196 in 2015 to US$37,427."

22. Elderly parents already rely on their children; we can expect this to intensify when healthcare becomes more expensive, especially for older women with lower savings and longer lives. A 2013 survey by MSF found that one in three residents aged 65 years and above rely on their children to pay for their medical bills. Furthermore, 9.5 per cent of those aged between 55-64 years old do so as well. (Ministry of Social and Family Development 2015).

23. The PGP is a good example of a non-contributive scheme making healthcare more affordable. Its introduction was well-received by the public. However, it is a one-time implementation for the Pioneer Generation only. We recommend that the Government study how it (or any of its individual components) can be extended to all on reaching age 65, to create a universal healthcare scheme for future elderly generations.

24. Access to healthcare is a fundamental right for everyone regardless of financial status. Instead of viewing the resources that go into a universal healthcare scheme as cost, we can see it as an **investment** in the demographic dividend of an ageing population. Fried (2016) argues that to unlock and tap on the full potential benefits an ageing population brings, investment in public health is required to ensure the good health of

the population upon reaching old age. Securing older persons' access to healthcare allows them to participate fully in society, in turn generating returns in social benefits.

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25. Universal benefits also ensure, over time, a large consumer base, creating an incentive for profit and non-profit sectors to develop more efficient alternative care options. With enabling technology and healthier (more mobile and independent) older people, providers can supply various services (e.g. visiting home health aides, transport, healthy food delivery) at lower unit cost (because of the larger economies of scale). These can receive partial-to-total state subsidies based on individual means.

Recommendation 3: Reform Eldershield to better meet its aims by

a. Increasing the payout amount
b. Extending the payout length from 72 months to end of life
c. Lowering women's premium payments to equalise payment between genders

26. ElderShield is "a severe disability insurance scheme which aims to provide basic financial protection to Singaporeans who need long-term care, especially in old age." It is designed to help supplement Singaporeans' savings in the event of severe disability" (MOH). However, for a few reasons, it does not entirely fulfil its aims.

27. First, the payout amount is insufficient for older Singaporeans with disabilities who need long-term care. Aviva's Long Term Care Study 2011 shows that on average, such individuals need approximately $2,150 each month to pay for a domestic worker or nursing home, transport to and from the hospital or clinic for treatments or physiotherapy, mobility aids, and daily expenses and bills (AVIVA 2015). The current payout of $400 covers less than 20 per cent of the estimated costs. This falls short of providing "basic financial protection".

28. Second, support should be granted as long as the person is alive and in need of it, instead of ending after 72 months and leaving people with unmet needs. Older persons with severe disabilities usually live with these disabilities (and pay associated costs for long-term care) for the rest of their lives. There is no guarantee that claimants can find alternative means of support after 72 months. According to MOH data cited in *TODAY* (2016b), "about 25 per cent of claimants on ElderShield and the Interim Disability Assistance Programme outlived the period of coverage as of end-2015." They or their families might not be able to afford payments, and may experience hardship as a result of trying to do so.

29. Other means of financing care are not wholly adequate. Pioneer Generation Disability Assistance Scheme is only for the Pioneer Generation, while Interim Disability Assistance Programme For The Elderly and Eldershield are mutually exclusive. The Seniors' Mobility and Enabling Fund is likewise limited in reach - to qualify for the

Consumable Subsidy, the applicant must be receiving professional home-based healthcare services, such as home nursing or home medical service. Those under the care of family caregivers are excluded.

30. Third, women should not have to pay more for ElderShield Premiums by virtue of longer average lifespans. The point of insurance is to pool risk across different profiles - including those with longer life spans. Disaggregating into more specific profiles dilutes the function of risk pooling and Eldershield's value as an insurance scheme. Furthermore, women on average also have fewer resources to begin with, and are less able to afford the higher premiums.

31. We note that the ElderShield Review Committee has been appointed and its review will be submitted at the end of 2017. While ElderShield must be considered alongside other schemes and subsidies to support the elderly, it is important that no one falls through the cracks when different pieces do not come together in a coherent strategy.

<u>II: Support for younger cohorts of women on track to becoming financially stressed elderly persons</u>

32. Our recommendations in Section 1 addressed meeting the needs of older people, which would also reduce burdens on their (largely female) family caregivers. Below, our recommendations directly target the financial burden of caregiving in the years when women have the opportunity to accumulate savings, to better meet their own future long-term needs. Our proposals support caregivers, strengthen access to formal childcare facilities and ensure a more gender equal sharing of caregiving.

33. Most caregiving falls on mothers, wives and daughters, leading many to work part time or leave the workforce altogether. This reduces their opportunity to earn incomes, build skills, expand social networks, and save for retirement. On top of this, women tend to live longer than men, facing old age with fewer resources. This issue will continue to be relevant even for today's younger, better educated women, given the persistent gap between male and female labour force participation rates.

34. While the Workfare Income Supplement Scheme is a welcome addition to the income security system, including for women who work part-time, women who leave the workforce to become informal carers will not benefit from it.

Recommendation 4: Support home-based care by family caregivers through

a. CPF credits or caregivers' allowance.
b. Automatic transfers from a working to non-working spouse's account under the Retirement Sum Topping-Up scheme.

35. Family carers providing home-based care for elderly or disabled family members should be supported in their care work. This could take the form of CPF credits or an allowance. The Government should undertake a study of caregiver financial support systems in other countries to design a suitable system (e.g. see AWARE's Budget recommendations for 2015 and 2016 for an introduction to the Australian system).

36. Some may have concerns that it is difficult to verify that a claimant is indeed providing care to a family member, instead of merely refraining from employment. To address this concern, we suggest that:

    a. A claimant must identify a care recipient whom they help to carry out a specified number of Activities of Daily Living (ADLs).
    b. Neither the claimant nor the care recipient can be employers of a domestic worker.

    These criteria are easily verifiable. ADLs are already the basis for assessments such as for Eldershield payouts. While this proposal is probably under-inclusive - i.e. some caregivers who need support would be left out - it sets out a workable mechanism at least to identify and support some caregivers.

37. Current means of alleviating the financial burden of caregiving end up entrenching inequalities of wealth. Presently, the only state financial support for caregivers in Singapore comes in the form of tax relief, e.g. Parent Relief/Handicapped Parent Relief.[1] However, most income earners do not even pay income tax.[2] By definition, family caregivers (primarily female) who have no income and most need support are left out. Moreover, the income tax relief is only available if a yearly sum of at least $2,000 is incurred in supporting the dependent. This ignores the unpaid physical and other labour of family caregivers, who incur an opportunity cost in forgone wages.

38. Relying on one often stressed-out, under-supported caregiver in a family can strain relations. Feelings of resentment at being underappreciated are common among caregivers; this emotional burden affects the quality of care provided as well (Mehta 2005). Supporting caregivers, and protecting their welfare and financial security while

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[1] Of up to $9,000 per elderly dependent and $14,000 per handicapped dependent should a yearly sum of $2,000 or more be incurred in supporting the dependent (IRAS).

[2] Based on employment figures from Labour Force Survey 2015 and IRAS: 3,610,600 people were employed as of end 2015, and there were 1,649,436 tax residents in 2015 (MOM, 2016).

they care for family members, will go a long way in allowing them to give care more effectively, and enhance family relations. However, not every family can afford to or will support the family caregiver voluntarily; direct support from the state is needed.

39. In addition, we recommend that transfers from an employed to an unemployed spouse's CPF account be made automatic under the CPF Retirement Sum Topping-Up Scheme, an idea MP Foo Mee Har proposed in Parliament in March 2015 (Singapore Parliamentary Debates 9 March 2015).

40. The current system of voluntary transfers (supported by state incentives) is intended to meet the concerns flagged by the 2015/16 CPF Advisory Panel Recommendations report (2015) about women's financial vulnerability. The Panel stated that being "completely reliant" on their husbands' CPF payouts would leave women without a "sustained income" should they outlive their husbands.

41. Yet the volume of transfers still does not meet family caregivers' needs. From 2014 to 2015, there was a 15.2 percent increase in the number of top-ups, with 86,198 made in 2015 (CPF 2016). However, this number is only 41 per cent of the estimated 210,000 caregivers[3] in Singapore, a number that is expected to increase (*The Straits Times* 2013). This suggests more than half of caregivers still do not receive CPF retirement savings for their labour.

42. Our recommendations would significantly address the financial insecurity of current and future generations of women who have to stop waged work in order to give care. It would also help in alleviating caregiver burden, allowing them to give care more effectively and not strain family relations.

43. The Government is rightly concerned about the female labour force participation rate in an economy with a tight labour market. However, the need for care is irreducible. Unless it is met, society and the economy cannot function adequately. Support should not be withheld from women who provide unpaid family care on the misguided view that meeting their needs would be an undue "incentive" to leave work. Ultimately, the key drivers for their non-participation in the workforce are (i) the unmet needs of their family members (due to inadequacy or unaffordability of other services), and (ii) gender inequality in the division of care labour.

44. Long-term solutions are therefore to develop the systematic provision of care services, and to change gender norms so as to divide divide caregiving responsibilities more equally between men and women. Over time, this will decrease the extent to which family caregiving leads to labour non-participation.

[3] Who provide regular care to family and friends.

Recommendation 5: Make formal childcare facilities more accessible to all mothers by

a. Providing childcare subsidies[4] to all mothers with household incomes lower than $2,500,[5] regardless of employment status.
b. Amend the eligibility criteria for other mothers, so that rather than having to show that they work (a particular number of hours) as a precondition for subsidies, those who are seeking jobs can also enjoy support.

45. The requirement that women are employed (and for some subsidies, for a certain number of hours a month) before receiving subsidies for childcare sets up a Catch-22 situation, since lack of affordable childcare may prevent some women from finding and/or keeping jobs. This applies particularly to women in low-income households and those with intermittent or informal employment. Job searches, applications, interviews and (where relevant) skills upgrading cannot easily be undertaken simultaneously with caregiving. These women need to have alternative childcare arrangements in place <u>before</u> they can search for and stay in (especially formal) jobs.

46. We recommend removing the requirement of employment for women with household incomes lower than $2,500, as they are already living in poverty or below the line of social inclusion (Donaldson *et al* 2013). MSF acknowledges this by granting the highest subsidies to families with household incomes below $2,500. These women need support to pay for childcare, so they can build their savings and employability, and forestall future financial insecurity. Enabling them to work would contribute to their financial independence and should thus be supported, even where such earnings are low or irregular so that (in paper accounting terms) they appear to be less than the quantum of state subsidies and thus 'uneconomical'.

47. We also propose a more flexible system of help for women from households with incomes above $2,500. Subsidies should consider the need for childcare for women with various employment statuses, whether employed, job seeking and/or temporarily away from work due to pregnancy or caring for a newborn. These women experience less income pressure and more easily meet the employment requirement, but they may still face the "chicken and egg" issue of needing childcare to obtain the work which would get them childcare subsidies. Hence, AWARE has the following suggestions:

    a. First, employed mothers' income should be re-verified every two years to check for eligibility, which allows them to work in more flexible jobs but keep the subsidy for the period between jobs.

    b. Job seeking mothers should enjoy an initial period of six months of subsidies,

[4] This includes the $600 Basic Infant & $300 Childcare subsidy, Additional Infant & Childcare subsidy, ComCare Student Care subsidy and Start-Up Grant.
[5] OR per capita income of $625 and below.

automatically granted on application, after which they could show proof of looking for work half yearly. Proof could include evidence of registration with job-matching agencies such as Daughters of Tomorrow or Employment and Employability Institute, as well as records of job applications and interviews (e.g. a standardised form for prospective employers to certify that an interview took place). This transitional support will give them time to find stable work, rather than being stalled at the start line by the lack of affordable childcare.

c. Finally, unemployed women should also have support in the pregnancy and post-partum period where an employed women would ordinarily get maternity leave. This would prevent disruption to existing care arrangements for older children, which may affect informal, irregular or other work they undertake, where maternity leave might not be available. Too strict an application of a requirement of continuous work could reverse their previous success in finding and keeping work, putting them back at square one. To administer this, proof of the due date of pregnancy should be straightforward to provide.

Recommendation 6: Enable working adults of all genders to combine caregiving and work more effectively and encourage more gender equitable sharing of caregiving by

a. Increasing the length of paternity leave by two weeks
b. Increasing the total length of shared parental leave by two months.
c. Making available to fathers, the same length of adoption leave available to mothers OR make adoption leave gender neutral.
d. Introducing Eldercare leave.

48. Gender norms promoting the unequal division of household and care labour are a key cause of women's relative financial insecurity. If caregiving is more equitably shared between genders, this economic inequality will also decrease. Moreover, employers would have to recalibrate their expectations about working hours if they face the reality that all workers, regardless of gender, have family responsibilities to fulfil.

49. Allowing fathers to participate meaningfully in childcare from the time of the child's birth sets lifelong patterns of more equal sharing of parental responsibility between mother and father (Nepomnyaschy and Waldfogel 2007). Recent legislative changes extending paternity leave and allowing sharing of maternity leave are a good step, but still fall short of parity.

50. We recommend that more paternity and parental leave be made available to fathers. Elsewhere this has been done by introducing a compulsory quota set for men (e.g. in Sweden, 60 of the 480 days of shared parental leave are reserved for men), or offering a longer quantum of gender-neutral parental leave for parents to share as they wish (e.g. in the United Kingdom). The latter option will enable families to make the best

decisions for themselves. If a woman has a better-paid job and better career advancement prospects than her spouse, and they prefer that she remain in full-time employment while he goes part-time or temporarily drops out, they can make that decision, rather than be forced into arrangements dictated by gender. This will help individual families better realise their aspirations, as well as maximise the output contribution and productivity of our limited labour force.

51. The above are some options for increasing fathers' share of caregiving. As a first step, we recommend for an additional two weeks of paternity leave, and an additional two months of shared parental leave for parents to divide as they wish.

52. Similarly, the same amount of adoption leave available to mothers should be made available to fathers, since post-partum recovery and breastfeeding are not at issue. Alternatively, a longer quantum of gender-neutral adoption leave can be offered for parents to share as they wish.

53. Currently, there is no legislation for eldercare leave and many employers in the private sector do not provide it (*TODAY* 2013). AWARE has called for the introduction of Eldercare leave in its previous Budget recommendations (AWARE 2015b and AWARE 2016). This can especially help the "sandwiched" generation.

54. To address concerns about the impact of such leave on the labour market, we call on the Government to collect and publish systematic data on the needs of workers who have eldercare responsibilities. From the observations of social workers working with families, it seems that care needs are most significant in the last 10 years of care recipients' lives. The potential burden on employers of introducing such leave may be more limited and less open-ended than popularly believed. More data would help to establish this more clearly.

III. References

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