



12 January 2018

## **Budgeting for gender equality: AWARE's submissions to the 2018 National Budget**

1. There is an economic cost to gender inequality. Gender discrimination (e.g. gender-role stereotyping, norms supporting male dominance and female submission, devaluation of “women’s work”) limit female labour force participation and human capital, costing up to US\$12 trillion for the global economy.<sup>1</sup>
2. In Singapore, 680,000 women account for 64% of residents outside the labour force. The Global Human Capital Report 2017 notes Singapore has yet to “fully realise the human capital boost that would come from addressing the nation’s employment gender gap.”<sup>2</sup> A country heavily economically dependent on human resources cannot afford such gaps.
3. Moreover, gender inequality limits women’s choices, preventing them from fulfilling their aspirations. Women face increased risk of ageing into financial insecurity, due to stereotyping and the unequal division of domestic and care labour. As the population ages, care demands and their implications for women will only increase.
4. Eliminating gender inequality would allow women to participate fully in society, boosting the economy. According to a study on Asian economies, “completely removing gender inequality accounts for 6.6% growth in aggregate income and 14.5% economic growth after one and two generations in the hypothetical gender-equal economy”.<sup>3</sup> The McKinsey Global Institute found that in a “full-potential” scenario where women can participate in the economy identically to men, it would add up to \$28 trillion, or 26%, to global GDP by 2025 compared with a business-as-usual scenario. This amount is equivalent to the combined US and China economies today.
5. For the 2018 National Budget, we urge the Government to take concrete measures to eliminate gender inequality. As a party to the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW), Singapore is obliged to end inequitable laws, policies and practices and promote gender equality at all levels. The need for a specific blueprint to do so was highlighted during Singapore’s Fifth Periodic Review in 2017. Singapore should set aside a budget specifically for promoting gender equality.

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<sup>1</sup> G. Ferrant, and A. Kolev. The economic cost of gender-based discrimination in social institutions. *OECD Development Centre*, June 2016.

<sup>2</sup> World Economic Forum. The Global Human Capital Report 2017.

<sup>3</sup> J. Kim, J. Lee, and K. Shin. A Model of Gender Inequality and Economic Growth. *Asian Development Bank, Working Paper*, 2016.

6. Our recommendations fall into three categories:
  - a. Strengthening the national machinery to promote gender equality
  - b. Supporting older persons in meeting old-age needs
  - c. Supporting younger cohorts of women to prevent financial stress in old age
  
7. Our recommendations involve higher social spending, and therefore potentially higher taxation, a prospect already publicly acknowledged.<sup>4</sup> If taxes are implemented in a progressive way, this should be accepted - indeed welcomed - as necessary for a fairer society. In 2017, we pointed out that with lower birth rates and an increasing proportion of the working population comprising migrants, it is more sustainable to shift to taxes rather than private transfers within families for social support.
  
8. Wealth inequality in Singapore is rising, with serious repercussions for well-being and social relations. According to Credit Suisse, over 70% of Singapore's wealth is owned by the wealthiest 20%; the bottom 20% owns 1%.<sup>5</sup> This distribution has not changed while Singapore's wealth has increased, indicating that the wealth owned by the top 20% is growing more rapidly than the bottom 20%'s.
  
9. The Government can consider raising its top marginal tax rate of personal income tax, which is currently quite low (22%) compared to OECD countries (average rate 33.5%).<sup>6</sup>

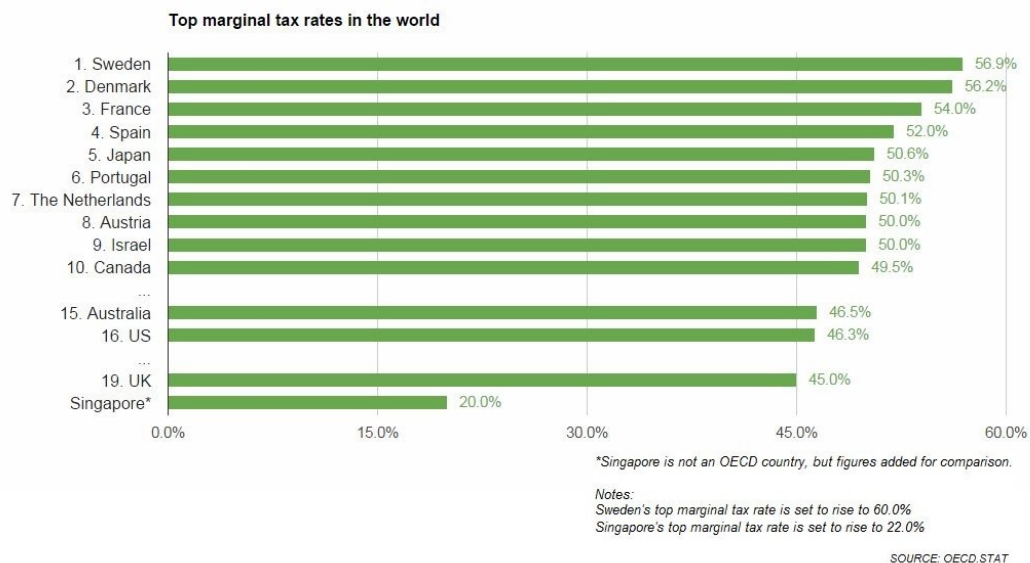


Figure 1: How Singapore's marginal tax rate compares to OECD countries.<sup>7</sup>

<sup>4</sup> The Straits Times. *Singapore to raise taxes as govt spending increases*. November 20, 2017.

<sup>5</sup> Channel News Asia. *8 things you should know about Singapore's wealth gap*. December 5, 2016.

<sup>6</sup> OECD.Stat. Table I.7. Top statutory personal income tax rate and top marginal tax rates for employees. Retrieved from: [https://stats.oecd.org/index.aspx?DataSetCode=TABLE\\_I7#](https://stats.oecd.org/index.aspx?DataSetCode=TABLE_I7#)

<sup>7</sup> The Straits Times. *Where the rich pay the highest taxes: See how Singapore stacks against others in the world*. October 20, 2015.

10. There are also calls for wealth tax (e.g. estate duty, capital gains tax) to be introduced.<sup>8</sup> Wealth tax tends to be progressive, while consumption tax (e.g. GST) tends to be regressive. Most developed countries have capital gains tax; it is also a form of wealth tax most likely to be introduced in developing and transitional countries in the last 30 years or so.<sup>9</sup> Han Fook Kwang (The Straits Times, 2017) suggests that this may not necessarily discourage investments and business since Singapore has other draw factors.<sup>10</sup> We urge the Government to consider introducing such taxes in Singapore.

### **Promoting gender equality as a national strategy**

11. Gender equality does not happen automatically “with time”.<sup>11</sup> It requires a strong national machinery to monitor and implement laws, policies and practices at all levels, based on principles of non-discrimination and gender equality.<sup>12</sup> Currently, the Inter-Ministry Committee (IMC) on CEDAW and the Office for Women’s Development are limited in their mandate and functions, and appear to take on a largely reporting-centred - not implementing - role. For example, it is unclear if and how they take part in the National Budget planning process, and whether they carry out gender analysis of the Budget. They do not engage consistently with civil society (e.g. no regular meetings to discuss gender issues or strategies) in developing a national plan to promote gender equality.
12. The lack of a concrete plan to implement CEDAW suggests that eliminating gender inequality is not high on the national agenda. Singapore has maintained that meritocracy, along with heavy investment in education for all, enables women to advance.<sup>13</sup> There is it is claimed, no need for “special treatment” nor a “specific budget just for women”.<sup>14</sup>
13. However, the evidence indicates that the current approach has not been enough. Singapore slipped 10 places in the World Economic Forum Global Gender Gap Report in the last year.<sup>15</sup> While women’s educational access has improved over the decades,

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<sup>8</sup> The Online Citizen. *Should we bring back estate duty?* November 30, 2017; The Straits Times. *Time to introduce a wealth tax in Singapore?* January 7, 2018; The Straits Times. *Wealth tax “has merit but may hurt hub status”.* December 9, 2017.

<sup>9</sup> C. Evans. *Wealth taxes: problems and practice around the world. Centre on Household Assets and Savings Management, Briefing Paper*, April 2017.

<sup>10</sup> The Straits Times. *Time to introduce a wealth tax in Singapore?* January 7, 2018

<sup>11</sup> The United Nations. *Consideration of Singapore - 1534th Meeting 68th Session on the Elimination of Discrimination Against Women. Video*, October 2017.

<sup>12</sup> G. Testolin. *Handbook on National Machinery to Promote Gender Equality and Action Plans: Guidelines for Establishing and Implementing National Machinery to Promote Equality, with Examples of Good Practice. Council of Europe*, May 2001.

<sup>13</sup> Ministry of Finance. *Gender Budgeting to Determine Effect of Policies on Women. News*, 2017.

<sup>14</sup> The United Nations. *Consideration of Singapore - 1534th Meeting 68th Session on the Elimination of Discrimination Against Women. Video*, October 2017.

<sup>15</sup> World Economic Forum. *Global Gender Gap Report 2017: Singapore*. Retrieved from [http://reports.weforum.org/global-gender-gap-report-2017/dataexplorer/?doing\\_wp\\_cron=1515655644.2714390754699707031250#economy=SGP](http://reports.weforum.org/global-gender-gap-report-2017/dataexplorer/?doing_wp_cron=1515655644.2714390754699707031250#economy=SGP)

within all educational strata, unpaid domestic and care labour remains unequally distributed, with negative ramifications for women. The gender pay gap has not improved in the last decade, remaining at 19% in 2016.<sup>16</sup> Horizontal and vertical segregation persist in both public and private sectors. The strong local response to #MeToo demonstrates how women here, like women elsewhere, still face attitudinal bias and belittling stereotypes.<sup>17</sup>

14. The idea that “meritocracy” is enough - that inaction on gender gaps is justified - implies that gender inequality persists because women are simply not as capable as men. This is simply untrue. In reality, the current “meritocratic” approach ignores existing structural barriers to equal opportunities. Despite advances in some areas, women still face gendered barriers that men do not, e.g. biased gender norms within the family and workplace, gender stereotypes in childhood and education, unequal impact of inadequate access to autonomy in sexual and reproductive health, and sexual violence. This results in different opportunities, choices and outcomes. Women can only make advancements through ‘meritocracy’ when structural barriers are eliminated first.

### **Recommendations to strengthen national machinery to promote gender equality**

15. In view of the problems highlighted above, we make the following recommendations.

Recommendation 1: Implement the CEDAW Committee’s recommendations in ensuring that Singapore’s national machinery:

- a. Adopt a concrete action plan, with the active participation of civil society, to implement the Committee’s recommendations and CEDAW with a view to achieving gender equality in a comprehensive and effective manner within a human rights framework.
- b. Improve the collection of data, disaggregated by sex, age, ethnicity and nationality, in order to identify specific areas where women continue to be underrepresented or disadvantaged (e.g. politics, in the workplace) and to assess the impact of the measures adopted.
- c. Apply gender mainstreaming consistently (e.g. creating gender responsive content, analysing gendered impacts) in the development and implementation of all laws, policies and programmes in all ministries and legislative structures.

Recommendation 2: Set up a Gender Ministry, or strengthen the mandate and capacity of the OWD to work on issues of gender inequality.

16. This Ministry or Office should oversee implementing Recommendation 1, including studying structural barriers and intersectional forms of discrimination that women in

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<sup>16</sup> The Straits Times. *Mindsets Need To Change To Bridge Gender Pay Gap: Ong Ye Kung*. September 22, 2017.

<sup>17</sup> Yahoo News. *Women in Singapore are saying #MeToo*. October 20, 2017; Channel Newsasia. *Sexual assault victims in Singapore feel empowered to speak up, as #MeToo goes viral*. October 21, 2017.

Singapore face. As a first step, gender analysis should be undertaken by this Ministry or Office. The Ministry or Office should also train other ministries conduct gender analysis, with a view for each ministry to apply gender mainstreaming in their respective areas of responsibilities eventually.

**Recommendation 3: Apply gender budgeting as part of the National Budget planning process.**

17. Gender budgeting promotes equality through fiscal policy. It involves analysing a budget's differing impacts on men and women and allocating money accordingly, as well as setting targets and directing funds to meet them.<sup>18</sup>
18. An IMF study on gender budgeting in Asia shows that the process is most sustainable when it is spearheaded within the Government by the Ministry of Finance.<sup>19</sup> Technical expertise of relevant stakeholders like CSOs and the Gender Ministry should be used to translate gender equality goals into budget commitments.
19. Studies show that in contrast to higher public spending, designated funds for gender equality promotes gender parity in socioeconomic development to a larger extent. A study in the Asia-Pacific has found that gender budgeting is the only statistically significant variable to improve the Gender Development Index (GDI) whereas higher public spending in health, education and economic growth of the country are respectively found to be insignificant in affecting GDI.<sup>20</sup>
20. The following are some examples of countries with Gender Ministries or Offices and how gender budgeting and mainstreaming have been applied:

#### **AUSTRALIA'S OFFICE OF STATUS OF THE WOMEN<sup>21</sup>**

Australia emerged as a world leader in developing gender mainstreaming, including implementing the "women's budget". This was largely driven by early political activism in grassroots community organisations and the work of female bureaucrats in the Government.

The Office of Status of the Women (OSW) was established in 1974 in the Department of Prime Minister and Cabinet to be originally responsible for gender analysis of all Cabinet submissions. Now, decentralised units of this machinery are formed within Departments of Government, intended to analyse and report on gender impact before proposals reach the stage of Cabinet submission. The invention of the women's budget in 1984 - commonly known

<sup>18</sup> The Economist. *The Economist Explains: What is gender budgeting?*. March 3, 2017.

<sup>19</sup> L. Chakraborty. Asia: A Survey of Gender Budgeting Efforts. *International Monetary Fund, Working Paper*, July 2016.

<sup>20</sup> L. Chakraborty, M. Ingrams, and Y. Singh. Effectiveness of Gender Budgeting on Gender Equality and Fiscal Space: Empirical Evidence from Asia Pacific. *McGill University and the International Development Research Centre (IDRC), GrOW Working Paper Series*, September 2017.

<sup>21</sup> D. Budlender, and G. Hewitt. Gender Budgets Make More Cents: Country Studies and Good Practice. *The Commonwealth Secretariat, Gender Section*, August 2002.

in Australia as the “women’s budget statement” - was facilitated and intended by the OSW to mainstream gender perspectives and accountability into national budgetary processes. The statement required government agencies to audit all their activity for its impact on women, not just programmes specifically directed to women.

The women’s budget has played an important role in educating bureaucrats and sensitising departments to the impact of their policies on women. For example, in 1985 the Department of Industry, Technology and Commerce claimed that because its programmes were intended to enhance Australia’s economic performance as a whole, they “therefore equally impact on women and men”. However, it later became persuaded of the disproportionate impact on women of macroeconomic reform. Considerably less had been spent by the Government on industry adjustment for the feminised textiles, clothing and footwear industries. Henceforth, a special retraining allowance was announced in 1987 for married women clothing workers who would otherwise have been ineligible on the grounds of their spouse’s income.

### **SWEDEN’S DIVISION FOR GENDER EQUALITY<sup>22</sup>**

Since 1994, gender mainstreaming has been the main strategy pursued by the Swedish Government to achieve its national gender equality policy objectives. The Government believes that gender mainstreaming provides the best possible conditions to ensure a gender equality dimension in all areas of policy instead of relegating gender equality issues secondary to other political issues and activities.<sup>23</sup> Across the national, regional and local level, each Minister is responsible for gender mainstreaming in their areas of responsibility. The Minister for Gender Equality is responsible for coordination, development and follow-ups of the gender mainstreaming work.

The Swedish Government has developed a concrete plan to pursue gender mainstreaming in the public sector in an effective and cohesive manner. An overall strategy is drafted for a period of time, usually a few years, and specific guidelines are presented in the framework to gender mainstream Government offices. Each ministry is then expected to develop an action plan to work in accordance with the strategy, and a person in-charge is appointed at each ministry to attend and report on gender mainstreaming efforts in the regular meetings conducted within the network with other persons in-charge in the other ministries.

A specific example of gender mainstreaming is the appendix to the Swedish budget bill published each year. Titled the “Economic Equality between Women and Men”, it shows the distribution of economic resources between the sexes. The appendix has been published since 1988, and since 2003 the appendix has been placed adjacent to the Budget Statement to emphasise its overarching importance. The appendix shows how gender inequalities between women and men are expressed in economic terms, but also how welfare systems reduce the gender gap in earnings. In analysing the economic situations of women and men respectively, it examines the distribution of education, gainful employment, wages, household work and capital income.

<sup>22</sup> H. Hagelberg. Gender Equality in Sweden. *Division for Gender Equality, Presentation*, December 2014.

<sup>23</sup> Sweden’s Ministry of Education and Research. *Factsheet on Gender Mainstreaming*. February 2014.

## DENMARK'S MINISTRY FOR GENDER EQUALITY<sup>24</sup>

The Danish Government adopted the Act on Equal Treatment of Women and Men in 2002, which called for gender mainstreaming in all public administration. The Act led to the creation of the Minister for Gender Equality.

The Minister for Gender Equality coordinates the central Government's gender equality work and set up the framework for their overall gender equality policy. The Minister is also required under the Act to prepare an annual report to the Danish Parliament on the work performed in the previous year, accompanied by an action plan for the coming year. Individual ministries, public institutions and public enterprises – local and regional, are also required to submit biennial reports to the Minister for Gender Equality on the standing of gender equality within their respective portfolios.

The Danish Government maintains close cooperation and dialogue with civil society to raise public awareness and development policy plans on promoting gender equality. For example, it works with labour unions and employer associations to publish gender gap statistics to address problems of the gender pay gap and occupational segregation.

### Gender inequality and the ageing population

21. Gender inequality exacerbates the negative effects of an ageing population on women. The unequal distribution of caregiving responsibilities results in women leaving formal employment, leaving them with fewer financial resources and more likely than men to face poverty in old age. The average CPF balance for women is just 69% that of men for those over the age of 60.<sup>25</sup> Many women continue to work beyond their retirement age in low-paid and low-skilled occupations to sustain a living.<sup>26</sup>
22. Women's inability to afford eldercare services leaves them dependent on the next generation of women in their family to care for them. The CEDAW Committee was concerned about the effects of this "vicious cycle", which is being replicated in younger generations of women. In 2016, 78% or 137,514 of prime working-age women aged 25 to 54 who were outside the labour force were not working and not looking for work because of family responsibilities.<sup>27</sup> In contrast, only 9.6% or 3,917 of prime working-age men cited the same reason. Women also tend to not return to the labour force after exiting, resulting in the lack of an "M curve" in labour force participation rates.<sup>28</sup>

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<sup>24</sup> The United Nations. *Response from the Danish Government to the Questionnaire to Governments on Implementation of the Beijing Platform for Action (1995) and the Outcome of the Twenty-Third Special Session of the General Assembly (2000)*.

<sup>25</sup> The Straits Times. *Time for Singapore to do right by its women*. April 22, 2016.

<sup>26</sup> Institute of Policy Studies. *Financial security for Singapore's seniors*. *Presentation*, March 19, 2015.

<sup>27</sup> Ministry of Manpower. *2016 Labour Force Survey*.

<sup>28</sup> Ministry of Manpower. *Speech by Minister Lim Swee Say in Response to Motion on Aspirations of Singaporean Women in Parliament*. April 6, 2017.

23. Without timely intervention to equitably distribute caregiving responsibilities - through more gender-equal sharing and collective state support - the care burden on women, and its negative financial implications, will only increase with an ageing population.

### **Recommendations to support older persons**

24. The Government cites the Pioneer Generation Package (PGP) and Silver Support Scheme as some initiatives to support informal caregivers in old age. However, these efforts are insufficient and not specifically aimed at eliminating gender inequality. The PGP is only accessible to one generation of older persons, while the payout from Silver Support Scheme is much lower than average basic expenditure of households in Singapore. Women benefit from these schemes more because they have less retirement savings in the context of a longer life expectancy. However, these schemes do not address the root causes of women's inadequate retirement savings.
25. Meanwhile, elderly healthcare cost is projected to rise tenfold over the next 15 years.<sup>29</sup> There is therefore an urgent need to ensure that older persons have enough financial resources to support themselves.
26. The existing system of relying on employment-based individualised pension funds disadvantages 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 lifecycle.
27. The importance of non-contributive support is recognised in Silver Support and the PGP. However, they are limited in their availability and impact. In [AWARE's recommendations for the 2017 National Budget](#), we suggested how Silver Support and the PGP can better support older persons. Below, we summarise and reiterate our recommendations:

**Recommendation 4: Expand the availability and quantum of Silver Support**

- a. Remove 'housing type' as an eligibility criteria for HDB flat 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.

28. We recommend that all HDB dwellers be eligible for the maximum level of Silver Support payout, while keeping the exclusion of non-HDB property dwellers. Any differentiations between payout levels should depend on the criteria of lifetime earnings and total CPF contributions. The minimum level of payout should also be increased to better match the average monthly basic expenditure of households in Singapore. Even doubling the

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<sup>29</sup> The Straits Times. *Elderly health costs to rise tenfold by 2030: Report*. August 25, 2016.



minimum level, it amounts to <1% of GDP.<sup>30</sup> More information is available in [AWARE's Recommendations for Budget 2017](#).

29. Our recommendations ensure that the intended recipients of Silver Support are not unfairly excluded due to inappropriate criteria, and ensures that the amounts provided are more effective at meeting recipients' needs.

Recommendation 5: Consider expanding the Pioneer Generation Package to all people on reaching 65 years of age, with a view to eventually create a universal social pension and healthcare scheme for older persons.

30. Access to healthcare is a fundamental right regardless of financial status. Resources going into non-contributive universal healthcare are not just costs but an investment in the demographic dividend of an ageing population. Securing older persons' access to healthcare allows them to participate fully in society, generating returns in social benefits. It also reduces the care burden on future generations of informal caregivers. More information is available in [AWARE's Recommendations for Budget 2017](#).

### **Support for younger cohorts of women**

31. Below, our recommendations directly target the financial burden of caregiving in the years when women have the opportunity to accumulate savings. More efforts are needed to reshape gendered thinking about the distribution of care. At the same time, there is an urgent need to ensure that the well-being of caregivers is protected.

Recommendation 6: Support family caregivers through

- a. Caregivers' allowance.
- b. Annual automatic basic contributions by the state to low-balance individual CPF accounts.

32. We recommend state support for family carers providing home-based care for elderly or disabled family members, in the form of a caregiver allowance. The Government should undertake a study of caregiver financial support systems in other countries to design a suitable system (see AWARE's Budget recommendations for 2015 and 2016 for an introduction to the Australian system).

33. 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)

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<sup>30</sup> N-C, Chia. Adding a basic pillar to the Central Provident Fund system: an actuarial analysis. *SCAPE Working Paper Series Paper No. 2015/01*, 10-11.

- b. Neither the claimant nor the care recipient can be employers of a domestic worker hired through the ElderCarer Foreign Domestic Worker Scheme or who is primarily tasked with caregiving responsibilities.

These criteria are easily verifiable. ADLs are already the basis for assessments such as for EldersShield 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.

34. Moreover, family caregivers who are unable to engage in formal, paid employment lack CPF savings, which are critical for meeting basic needs - housing, healthcare and financial resources for retirement. Preliminary findings from AWARE's ongoing research into the work and caregiving experiences of low-income women indicate that despite being outside of the labour force, many women are engaged in informal work (e.g. sewing, making craft items) for an income, on top of caregiving. However, they usually need the cash to support the day-to-day needs of their family, and are unable to confidently lock wealth away into an inaccessible formal such as the CPF.
35. Therefore, the Government should consider establishing annual automatic basic contributions by the state to low-balance individual CPF accounts. The qualifying threshold could be determined by mapping out a nominal schedule projecting how much one needs in a CPF account for each year of working age life to reach the CPF Retirement Sum by age 55. Those who are not "on schedule" each year would receive the automatic basic contribution from the state.
36. This proposal builds on the insights of the Silver Support scheme. This already provides payouts for individuals in retirement age in recognition that those unable to accumulate private earnings (including because of the unpaid labour of caregiving) require collective support. However, instead of supporting low-income persons only when they are old and impoverished, this proposal would front-load the payout in the form of regular CPF contributions to those who are already projected to eventually fall short.
37. This contributes to an overall reduction of social costs. Sums paid earlier in the lifecycle can support access to basic needs like housing and healthcare over time, reducing associated social costs (e.g. by encouraging preventative healthcare and reducing housing instability). Moreover, it should not unduly intensify the fiscal burden because the recipients of such payments will have a higher level of CPF accumulated at retirement age, reducing their entitlement to Silver Support cash payouts at that stage.
38. This proposal would not disincentivise work since CPF savings cannot be used for expenses on day-to-day needs (e.g. food, transport, healthcare that cannot be financed through Medisave). Even when one can start withdrawing their CPF savings at 55 years old, they can only withdraw the amount available after setting aside the applicable Full Retirement Sum (FRS) or Basic Retirement Sum (BRS) with sufficient CPF property

charge/pledge. This means that those who rely only on the automatic CPF top-ups (capped at the applicable FRS or BRS amount) will still not have cash to withdraw from their CPF savings.

39. 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, in turn reducing their own dependence on informal care when they are of old age. It would also help in alleviating caregiver burden, allowing them to give care more effectively and not strain family relations.

Recommendation 8: 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 total length of shared parental leave by two months.
- b. Making available to fathers, the same length of adoption leave available to mothers OR make adoption leave gender neutral.
- c. Introducing Eldercare leave
- d. Monitor and increase take-up rate of flexible working arrangements (FWA) for women and incentivise employers to adopt FWA more widely.

40. Our proposals follow the CEDAW Committee's recommendation for Singapore to strengthen measures aimed at facilitating the reconciliation of professional and private life, including by promoting the length of paternity leave to promote equal sharing of responsibilities between men and women.

41. To provide more paternity and parental leave to fathers, the Government could introduce a compulsory quota for men (e.g. in Sweden, 60 of the 480 days of shared parental leave are reserved for men), or offer a longer quantum of gender-neutral parental leave for parents to share as they wish (e.g. in the United Kingdom and in Denmark. See tables below for more information). 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.

42. As a first step, we recommend an additional two months of shared parental leave for parents to divide as they wish. To reduce disruptions to labour supply, restrictions can be placed on how the additional leave is to be taken, for example in weeks instead of days (as in the UK). This allows employers to plan resources better. To address concerns about cost, the payment level for the additional leave could be capped at a percent of one's earnings or unpaid.

### SHARED PARENTAL LEAVE (SPL) IN THE UNITED KINGDOM

A mother can share up to 50 weeks' of their maternity leave and up to 37 weeks' pay with their partner. The scheme is designed to provide parents with more choices in how to care for their children in the first year after the birth/ adoption.<sup>31</sup>

SPL can only be taken in one week (seven day) blocks of time. It cannot be taken in a day mode or on a flexible part-time basis, although parents can take alternating weeks and there is provision for parents to take leave together. Employers are only legally obliged to agree to continuous block arrangements.<sup>32</sup>

Partners taking will be paid at the lesser of 90% of earnings, or the flat rate of GBP£140.98 during the first 37 weeks. The remaining 13 weeks are unpaid.

### PARENTAL LEAVE IN DENMARK<sup>33</sup>

Upon arrival of the child, the mother is entitled to 14 weeks of maternity leave after the birth (two weeks are compulsory immediately following childbirth) or adoption of a child and the father (co-parent) is entitled to take two weeks off.

After this time, both parents are jointly entitled to 32 weeks of paid parental leave, and may take the leave together. This leave can be extended by 14 weeks, if parents apply for a reduction in the allowance during the total leave period. The parental leave may be taken any time up to the ninth birthday of the child.

In the first 20 weeks of parental leave payments, employees are entitled to a daily payment based on former earnings and up to a ceiling (Euro 570) per week before tax. It is common that collective agreements include compensation payments (about 84% of the total workforce is covered) which means that employees on parental leave receive employer top-up payments as agreed via the agreements.

43. 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.

44. We also recommend legislating paid eldercare leave to support working adults who also have eldercare responsibilities.

<sup>31</sup> Workplace Gender Equality Agency. Towards gender balanced parental leave - Australian and international trends. *Insight paper*.

<sup>32</sup> International Network on Leave Policies & Research. *Country Notes: United Kingdom*. April 2017.

<sup>33</sup> Workplace Gender Equality Agency. Towards gender balanced parental leave - Australian and international trends. *Insight paper*.

45. The Ministry of Manpower reported that only 19.5% of employers they surveyed offered paid parental care leave (paid leave granted to employees for taking care of their parents when they are sick or when the main caregiver is not available).<sup>34</sup> Other employees who do not enjoy such leave entitlements would have to forgo income to care for their elderly family members. The care demands on working adults is anticipated to grow, but we cannot count on all employers to be willing and able to offer paid eldercare leave. To move this forward, the Government should legislate it and consider at least partially reimbursing employers for such leave.
46. 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, 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.
47. Singapore also could draw lessons from countries which have legislated eldercare leave, including financing through unemployment funds, employment insurance and long-term care insurance.<sup>35</sup>

#### **AUSTRALIA'S PAID PERSONAL/CARER'S LEAVE**

The personal/carer's leave under Australia's New National Employment Standards (NES) entitles employees (other than casual employees) to take up to 10 days of paid leave.<sup>36</sup> The leave provision effectively covers both personal sick leave and carer's leave where an immediate family member or household resident requires care because of injury.

Employees are covered 100% in which they are paid at their base rate of pay for the ordinary hours they would have worked during the period. Prior to claim, proof of caring and reasonable notice must be provided to the employer. The employee's entitlement to paid leave accrues progressively according to the number of ordinary hours worked, and accumulates from year to year.

#### **GERMANY'S CARER LEAVE BENEFITS<sup>37</sup>**

##### ***Pflegezeit* (Caring time):**

The *Pflegezeit* entitles employees of care-dependent relatives to apply for up to 10 days of paid leave over a care-dependent's life time at 90% of their income which will be financed by the public long-term care insurance. Medical certification of care-dependency is required for

<sup>34</sup> Ministry of Manpower. *Conditions of Employment 2016*. November 2016.

<sup>35</sup> Organisation for Economic Cooperation and Development. *Chapter 4: Policies to Support Family Carers*. 2011.

<sup>36</sup> Australian Government's Fair Work Ombudsman. *Personal leave & compassionate leave*.

<sup>37</sup> International Network on Leave Policies & Research. *Country Notes: Germany*. May 2017.

the claim.

Moreover, employees of care-dependent relatives are entitled to take up to 6 months of unpaid caring time. To support the employees during this period, employees have the legal right to receive an interest-free loan from the Federal Office for the Family and Civil Engagement in order to compensate for their lost income. *Pflegezeit* does not require the consent of employers.

***Familienpflegezeit (Family caring time):***

*Familienpflegezeit* allows employees to work part-time while on leave. Prior to its implementation in 2012, employees were allowed to stop working half a year to take care of their family members in need of care without receiving salaries. This often results in financial problems.<sup>38</sup> But this legislation now allows families to look after relatives in need of care while working part-time.

The new model would permit all employees, for a period of up to two years, to reduce their working time to a minimum of 15 hours if they need to care for a dependent relative. During this period, employees are paid a lower income although the reduction in income tend to be less than the reduction in hours. Employees would then repay the difference by receiving the same amount of reduced earnings for an equivalent period after returning to full-time employment.

For example, if employees reduce their working time by 50% for 2 years, they will receive 75% of their income during that time and for a further two years after returning to full-time work again. The compulsory long-term care insurance would supplement for the employee's pension contributions during the caring time if care is given for at least 14 hours and employment is limited to a maximum of 30 hours per week.

**THE NETHERLANDS' SHORT-TERM COMPASSIONATE LEAVE<sup>39</sup>**

The *kortdurend zorgverlof* (short-term compassionate leave) entitles all employees to up to 10 days of paid leave to look after a parent, a sick child who lives at home or their partner, but only if the employee is the only person who is able to provide the care at that time.

During the leave period, employees will continue to receive at least 70% of their salary which is at least the statutory minimum wage applicable to them, and no more than 70% of the maximum day wage. The maximum duration of the leave is twice the weekly working hours per 12 months of service with the company. However, employers can refuse on serious business grounds.

<sup>38</sup> IBP, Inc. Germany Business and Investment Opportunities Yearbook Volume 1 Strategic, Practical Information and Opportunities. *Germany Business and Investment Opportunities Yearbook*, March 2009.

<sup>39</sup> International Network on Leave Policies & Research. *Country Notes: Netherlands*. April 2013.

## CANADA'S COMPASSIONATE CARE BENEFIT<sup>40</sup>

The Compassionate Care Benefit constitutes Employment Insurance (EI) benefits paid to employees who are away from work temporarily to provide care or support to a family member who is gravely ill and who has a significant risk of death. The EI program is being administered by the Canadian Government where workers receive EI benefits only if they have paid premiums in the past year and meet qualifying and entitlement conditions.

Employees can receive the compassionate care benefits for up to 26 weeks depending on their eligibility. The compassionate care benefits may also be shared among other members in the family as well. To be eligible for the leave benefit, the employees must show that their regular weekly earnings from work have decreased by more than 40 percent; and that they have accumulated 600 insured hours of work in the last 52 weeks, or since the start of their last claim.

The leave benefit provides up to CAD 543 per week (basic rate of 55% of the average insured earnings). A higher benefit rate may be granted if the employee's family includes children, and if they earn a lower family income (less than CAD 25,921 per year). However, the benefit payments will never be more than CAD 543 per week.

48. Finally, the Government's promotion of flexible-working arrangements (FWA) is much welcome, and there are signs that more employers are introducing them to better enable employees to juggle family responsibilities.<sup>41</sup> However, take-up rate does not seem high,<sup>42</sup> and a vast number of women remain outside the labour force despite such provisions.
49. There is therefore a need to find out the barriers are to utilising FWA, to collect gender-disaggregated data on the use of FWA to monitor and increase the number of women opting for such arrangements.
50. Furthermore, there should be a wider rethinking in the long-run of how workplaces can be transformed to better fit workers. Everyone, regardless of gender, has domestic and care needs. but current traditional working arrangements make it difficult for workers to juggle these needs with their work, and end up reproducing the unequal gendered division of labour. Working arrangements that allow and encourage all to manage both their work and domestic responsibilities would reduce the burden on women in the long-run. Therefore, we recommend for more resources to be channeled into incentivising employers to normalise and adopt FWA (e.g. flexi/part-time, telecommuting) widely.

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<sup>40</sup> Government of Canada. *EI compassionate care benefit - Overview*.

<sup>41</sup> Ministry of Manpower. *Employment Practices: Flexible Work Arrangements*.

<sup>42</sup> Human Resources Director Asia. *How many SG employees are in flexible working arrangements?*. April 6, 2017.