

Macro Analysis of Declining Fertility Rate in Taiwan

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The purpose of this article is to examine and analyze the relation among the labor market, female labor, and declining fertility rate in Taiwan, using macro data related with those topics. For that purpose, we shall introduce the recent situation of declining fertility rate in Taiwan, examine the past studies about declining fertility rate in Taiwan, introduce the analytical framework of declining fertility rate in Taiwan, and analyze the relation among economic development, labor market, and declining fertility rate in Taiwan, using macro data.

In Taiwan, following its economic development, per capita national income has increased, and, at the same time, GDP, employment, and industrial structures changed. In short, the share of secondary industry expanded first and started to decline, and the share of third industry expanded. Female occupational structure has also changed toward the more value-added occupations. Although the share of young generation who has studied in universities has sharply increased in recent years, the wage of male university graduates has declined. On the other hand, that of female does not have declined. The expansion of the share of university graduates among female changed the female labor force participation rate, and the M shaped female labor force participation rates by age group changed to be non-M shaped one. Furthermore, the expansion of the share of university graduates among female raised the first marriage age through the raising female labor force participation rate. The forty percent of the increase in the first marriage age for female in Taiwan is caused by the expansion of the share of university graduates among female, and as a result the number of births declined in Taiwan. In order to change the declining trend of fertility rate, it is important to raise the births among female university graduates. Finally, the costs of raising children like nursery schools may affect the declining fertility rate in Taiwan.