

Population Policy Brief

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Tackling Malaysia's Low Fertility: Strategic Pathways for Sustainable Population and Family Wellbeing

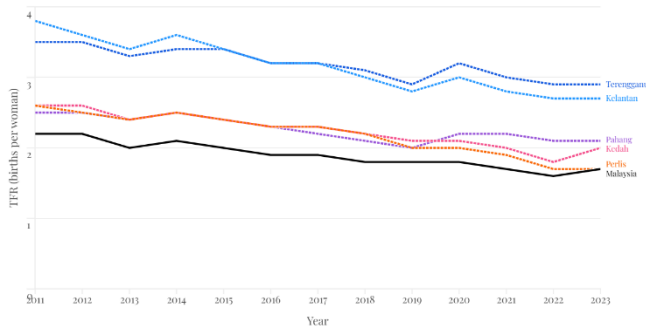
Purpose

This policy brief provides policymakers, experts, and stakeholders with an integrated overview of Malaysia's declining fertility trend, its socio-economic implications, and a set of strategic recommendations for consideration in the formulation of the **National Fertility Roadmap (2026–2030)**. It draws upon demographic data, socio-economic analysis, and lessons from global best practices to guide targeted, evidence-based interventions that will support reproductive aspirations, strengthen family wellbeing, and ensure Malaysia's long-term population sustainability.

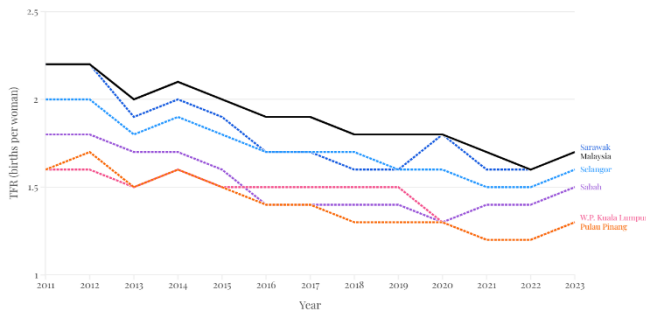
Malaysia's Fertility Landscape

Malaysia is now at a demographic crossroads. The country's Total Fertility Rate (TFR) fell to 1.7 children per woman in 2023 (DOSM), well below the replacement level of 2.1. This decline has been steady and sustained: in the 1970s, Malaysian women had an average of over four children; by the early 2000s, this had dropped below 3.0, and the pace of decline has accelerated over the past 15 years. At the state level, Penang and Kuala Lumpur record a TFR of 1.3, far below the national average and well short of replacement level, while Terengganu and Kelantan remain above replacement at 2.9 and 2.7 respectively. This suggests that while certain states retain marginally higher fertility rates, the downward trend is pervasive. Malaysia's trajectory mirrors that of East Asian economies now grappling with ultra-low fertility, such as Singapore (1.0) and South Korea (0.7). The difference is that Malaysia still has a narrow policy window to slow or stabilise the decline before it becomes entrenched. Without decisive intervention, the demographic structure will shift rapidly towards an ageing society, with more than 7 million Malaysians aged 65 and above by 2040. The proportion of the working-age population will shrink, creating a heavier dependency burden on a smaller labour force.

Top 5 States with highest TFR, 2011–2023



Top 5 States with lowest TFR, 2011–2023



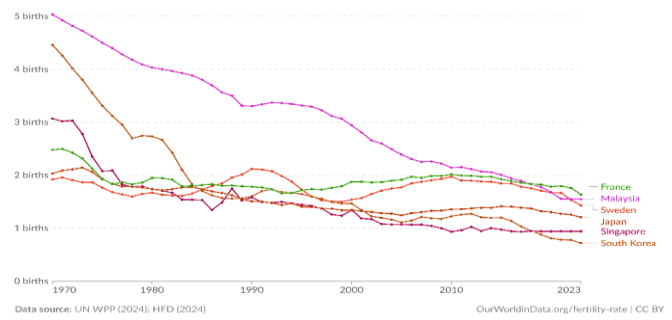
Key Drivers of Declining Fertility

The decline in fertility is the result of interrelated social, economic, and cultural shifts. Rising costs of living, housing unaffordability, and escalating education expenses create financial disincentives for larger families. Changing family values and aspirations particularly the trend towards later marriage and smaller family ideals further contribute to delayed childbearing. Workplace realities also play a major role: long working hours, limited parental leave, and a lack of flexible arrangements make it harder for couples to balance career and family life.

In addition, reproductive health challenges such as increasing rates of subfertility and the medical risks associated with late pregnancies are becoming more prominent. Policy fragmentation compounds the problem; while there are various family-related initiatives across ministries, these are often sectoral, short-term, and lack the coherence needed for systemic impact.

Total fertility rate: births per woman

The total fertility rate summarizes the total number of births a woman would have, if she experienced the birth rates seen in women of each age group in one particular year across her childbearing years.



Implications for Malaysia

If unaddressed, low fertility will have cascading effects on Malaysia’s socio-economic fabric. Labour market dynamics will be strained, with potential skill shortages in strategic sectors such as healthcare, education, and high-value manufacturing. Economic growth could slow due to reduced domestic demand, fewer entrepreneurs, and lower innovation capacity. Social protection systems particularly pensions and healthcare will face mounting fiscal pressure as the ratio of dependants to working adults rises. Without adequate childcare and workplace reforms, women’s labour force participation may stagnate or decline, undermining gender equality and economic resilience.

Strategic Recommendations

International experience shows that countries addressing low fertility typically combine financial support with strong structural and social measures. France and Sweden, for example, maintain relatively higher fertility by ensuring long-term policy consistency, generous parental leave, subsidised childcare, and gender-equal caregiving. In contrast, highly developed Asian economies like Korea, Japan, and Singapore have invested heavily in parental leave and childcare subsidies, yet face persistent cultural norms, long working hours, and low male participation, limiting policy impact (Annex 1).

These lessons suggest that Malaysia’s strategic pillars should integrate sustained work–family balance policies, gender equality in caregiving, cultural change, and holistic family policy frameworks rather than relying solely on financial incentives to achieve lasting demographic outcomes.

The policy response must be multi-dimensional, long-term, and socially inclusive. The proposed **National Fertility Roadmap 2026-2030** should be anchored on four key pillars:

1. Strengthen Family Wellbeing and Support

Policies should aim to reduce the direct and indirect costs of child-rearing. Expanding access to affordable, high-quality childcare and early childhood education will ease the burden on working parents. Targeted housing incentives for young families can support early household formation.

2. Family-Friendly Workplaces

The creation of a **Malaysia Family-Friendly Workplace Index** will enable employers to benchmark and improve their support for working parents, with criteria covering parental leave, flexible work arrangements, and workplace culture. Extending maternity and paternity leave, promoting flexible working hours, and enabling hybrid or remote work are critical to making family life compatible with career ambitions.

3. Improve Fertility Health Access

Fertility health should be mainstreamed into the public healthcare system. This includes subsidising fertility treatments for eligible couples and integrating reproductive health screening into primary care technologies at affordable rates.

4. Awareness and Cultural Change

A sustained national campaign should normalise early family planning, promote positive parenting, and encourage shared caregiving responsibilities between men and women. Cultural narratives that view child-rearing as incompatible with personal or professional fulfilment must be challenged through evidence-based advocacy and role-modelling.



Next Steps for the Expert Group Meeting (EGM)

The EGM should serve as a platform to refine these pillars into concrete, measurable actions. Discussions should draw from global best practices particularly from Japan, France, and Nordic countries while tailoring solutions to Malaysia's cultural and economic context. Quick wins, such as piloting **workplace audits** and **launching fertility awareness programmes**, should be prioritised to build momentum.

Potential High-Impact Outputs

Two deliverables hold particular promise for generating public traction and global recognition:

1. The **launch of Malaysia's first Family-Friendly Workplace Index (2026)**, providing an annual benchmarking tool to drive change in employer practices.
2. The **public announcement of a National Fertility Roadmap (2026–2035)** with explicit cross-ministry commitments, signalling a whole-of-government approach to reversing the fertility decline.

Perhaps one message to emerge is that initiatives bearing on fertility need to be seen as part of family policy, as they are in most European countries.

These initiatives will not only address the structural and cultural barriers to family formation but will also send a clear message that Malaysia is committed to ensuring the wellbeing of its families and the sustainability of its population future.

Annex 1: Countries policy responses to low fertility

Country	Key Measures	Goal / Policy Focus	Challenges / Lessons Learned	Observed / Reported Outcomes	Fertility Rate Target
France	Generous parental leave, subsidised childcare, universal child allowances, tax benefits	Reduce work–family conflict, encourage larger families	Long-term consistency across political changes sustains credibility	Maintained moderately high fertility (~1.9 TFR)	No explicit target
Republic of Korea	Paid parental leave, flexible work, childcare subsidies, housing support	Improve work–family balance, raise TFR	Long working hours, low male leave uptake, entrenched work culture	TFR fell to lowest globally (0.98 in 2018)	1.50 by 2020; 1.70 by 2030; 2.06 by 2045
Singapore	Baby Bonus, Child Development Account, subsidised housing, extended parental leave	Reduce cost of childrearing, incentivise earlier births	Generous benefits but lifestyle/values deter births	TFR ~1.14 in 2018, minimal change	No numeric target; aim to “raise birth rate”
Japan	Expanded childcare, parental leave, gender equality promotion	Support working parents, reduce gender inequality	Persistent norms, low male leave uptake	Slight recovery post-2005, stagnated at ~1.42 in 2018	1.80 (“desirable birthrate”), no set year
Sweden	Shared earnings-related parental leave, subsidised childcare, flexible work	Gender-equal parenting, work–family balance	High male take-up supports equality	Maintains relatively high fertility (~1.9 TFR)	No explicit target

Source: UNFPA, Working Paper No. 1 (2019). *Policy responses to low fertility: How effective are they?*

For more information:



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