

RESEARCHERS AT SINGAPORE'S *INSTITUTE OF SOUTHEAST ASIAN STUDIES* SHARE THEIR UNDERSTANDING OF CURRENT EVENTS

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Implications of Demographic Trends in Singapore

By Saw Swee-Hock

The total population of Singapore enumerated in the Census of Population conducted in June 2010 amounted to 5.08 million, with 3.77 million residents and 1.31 million non-residents. According to the results of my population projection based on fertility remaining constant at 1.31 and no migration after 2010, the resident population is expected to grow gradually from 3.77 million to the peak of 3.84 million in 2020, after which it will shrink continuously to touch the low of 3.13 million in 2050.¹ This downtrend depicted in Table 1 can be attributed to the persistent below-replacement fertility since 1975, with couples not reproducing fast enough births to replenish the resident population. To make up for the shortfall in births, the country has had to admit a constant inflow of newcomers from overseas to prevent the resident population from declining after 2020.

The results of my labour force projections indicate that the resident labour force will expand from some 1.98 million in 2010 to a high of 2.00 million in 2015.² Thereafter, it will commence to shrink to touch a low of 1.45 million in 2050 (Table 1). This will exacerbate the shortage of local labour, necessitating further reliance on foreigners to work in industries already suffering from chronic labour shortages. Although most of these foreigners will be admitted on short-term work permits, they will not be eligible for permanent residence status and will thus remain in the non-resident population. They will nevertheless constitute part of the total population.

TABLE 1**Projected Resident Population and Resident Labour Force, 2010-2050**

Year	Resident Population	Resident Labour Force
2010	3,771,721	1,981,714
2015	3,819,564	2,000,613
2020	3,836,050	1,975,458
2025	3,816,925	1,916,632
2030	3,756,423	1,831,640
2035	3,648,545	1,737,969
2040	3,499,373	1,637,087
2045	3,319,525	1,540,219
2050	3,131,581	1,448,769

Source: Saw Swee-Hock, *The Population of Singapore, Third Edition, 2012*.

Aside from these, there is still the small group of higher-skilled foreigners on employment passes, who are eligible to apply for permanent residence. Those who succeed in this application become part of the permanent resident group within the resident population. In due course, some of them may become citizens. When permanent residents become citizens, their classification will merely move them from one group to another within the total resident population whose size will remain essentially unchanged. Only the granting of permanent residents to persons from the non-resident population and to newcomers opting immediately for permanent residence will help to enlarge the total resident population.

The two projections can be utilized to examine the ageing process of the population and labour force in the future (Table 2). The number of resident population aged 65 and above is expected to swell by some 2½ times from 338,400 in 2010 to 858,600 in 2050, with the proportion to the total rising steeply from 9.0 per cent to 27.4 per cent. It should be emphasized that the rapid ageing process is being caused by the sharp decline in fertility since the early 1960s, as well as the continuation of below-replacement fertility since 1975.³ The ageing population will be accompanied by the ageing of the resident labour force as well. The number within this labour force aged 60 and above is expected

to surge from 146,500 in 2010 to 237,100 in 2050, and the corresponding proportion will rise steeply from 7.4 per cent to 16.4 per cent.

By and large, the two sets of projections provide some broad pointers as to where the resident population and the resident labour force will be heading in the future. The government has been implementing a slew of pronatalist measures to encourage more births from couples,⁴ but, as in other countries experiencing below-replacement fertility, such measures have limited success. The dependence on newcomers to enlarge the resident population and on foreigners to work on short-term basis will depend on economic conditions prevailing in the country and the world at large.

TABLE 2
Projected Resident Population aged 65 & above and
Resident Labour Force aged 60 & above, 2010-2050

Year	Resident Population		Resident Labour Force	
	Number	% of Total	Number	% of Total
2010	338,387	9.0	146,485	7.4
2015	424,917	11.1	182,943	9.1
2020	539,066	14.1	227,031	11.5
2025	671,827	17.5	250,388	13.1
2030	785,988	20.9	259,526	14.2
2035	848,777	23.3	271,605	15.6
2040	889,516	25.4	266,174	16.3
2045	873,781	26.3	252,504	16.4
2050	858,637	27.4	237,104	16.4

Source: Saw Swee-Hock, *The Population of Singapore, Third Edition, 2012*.

It is almost impossible to predict the volume of newcomers in the future, but one scenario is quite certain. Singapore is destined to experience a moderate rate of economic growth ranging from 3 to 5 per cent per annum as the economy moves towards a more mature

state and as the world economy struggles along the path of slow expansion. This, coupled with the strenuous effort to raise labour productivity, will render it easier for the government to control and manage the future inflow of newcomers. Moreover, the government has affirmed that there is going to be no U-turn in the current tightening of the inflow of foreign workers.⁵

One consequence of an ageing population which should be considered is the need and availability of social support for the elderly. The family will continue to be the primary source of support viewed in terms of shelter and care, though institutional homes may offer some relief. A related issue is the need to adjust and expand the healthcare system to meet the increasing needs of the elderly. Obviously, a greater share of the nation's resources, such as medical personnel, physical facilities, and finance, will be channelled towards this end. Another concern to the senior citizens is the availability of enough savings to allow them to maintain a reasonable standard of living, without them having to be too dependent on family members and the state. Extending the mandatory retirement age for workers, and even allowing them to continue beyond this age in selected cases, will help to lessen the financial burden of the elderly, and also to ease the shortage of local labour.

The surge in the influx of newcomers, whether to settle down or work, in recent times has spawned a series of national issues leading to considerable discontent among the people. The non-resident population experienced a huge expansion from 797,900 in 2005 to 1,494,200 in 2012. To soften the grumbling at the ground level, the government has reiterated that, while foreigners are still welcome to settle or work, it will always look after the interests of Singaporeans.⁶ Indeed, a wide range of measures concerning particularly public housing, healthcare and education, have been introduced to draw or sharpen the distinction among citizens, permanent residents and foreigners. Having recognized the prevailing grievances, the government has seized every available opportunity, especially during the Prime Minister's National Day Rally, to emphasize that Singaporeans will always remain as its top priority.

The admission of newcomers from varied geographical, ethnic and religious backgrounds has posed some problems in constructing a united and harmonious society. The conspicuous presence of newcomers everywhere, living often in segregated compartments, speaking their own languages, observing their own customs, and their children attending foreign instead of local schools; pose serious challenges to the attempt to promote national integration. In order to confront this issue squarely, the government has established the National Integration Committee in 2009 to promote the greater integration of new immigrants. This national effort has received some support from many private organizations. For example, the Chinese Clan Association announced in January 2012 the establishment of a Chinese Cultural Centre designed to encourage the greater integration of immigrants from China and other countries.⁷

Another somewhat sensitive population issue at the national level is related to the possible impact of the inflow of foreigners on the ethnic composition of the resident population. The recent influx of Indians, mainly professional northern Indians, has tipped the bal-

ance somewhat at the expense of the Chinese proportion, and more so the Malay proportion. During the period 1970-2012, the Indian resident population rose from 7.0 per cent to 9.2 per cent, while the Chinese resident population fell from 76.2 per cent to 74.1 per cent and the Malay resident population from 15.0 per cent to 13.3 per cent. While the dominant Chinese community does not seem concerned publicly, the Malays have spoken out about their falling proportion. In his National Day Rally held in November 2010, Prime Minister Lee Hsien Loong reassured the Malay community that the existing mix of the population will be maintained.⁸ Despite the difficulties involved in attracting Malay immigrants from other Southeast Asian countries, the government will nevertheless make an effort in that direction.

By far the most significant population issue affecting future generations of Singaporeans is the idea of what ultimate size the future population should have, or at what size should the population stop growing. This is equivalent to what demographers term as zero population growth (ZPG). In early 2007, the government mentioned 6.5 million as the population planning parameter for the next 50 years in its concept plan, sparking huge public discussion on the pros and cons of having such a large population.⁹ Since then, this so-called desirable size has surfaced in public conversation, seldom ending in any meaningful consensus.

It may be useful to inject some rationality into this national discourse by drawing on the results of the population projection. As noted earlier, the resident population is expected to grow from 3.77 million in 2010 to the peak of 3.84 million in 2020, after which it will move downwards to 3.18 million in 2050. If the resident population were to stay stationary at 3.84 until 2050, we would require about 0.71 million (3.84 minus 3.13) newcomers to enter Singapore after 2010. If the non-resident population had remained at 1.31 million in 2020, the total population will amount to 5.15 million in 2020. It can only reach 6.5 million in 2050 if we have an additional influx of 1.35 (6.5 minus 5.15) million newcomers.

Taken together, the number of newcomers required to swell the total population to 6.5 million in 2050 will be as huge as 2.06 (0.71 plus 1.35) million, comprising some 31.7 per cent of the total population in 2050. If we aim for a smaller figure of 5.5 million in 2050, the number of newcomers required after 2020 will be only 1.06 (0.71 plus 0.35) million, constituting a smaller proportion of 19.3 per cent of the total population in 2050. The 5.5 million or thereabout may be not only achievable viewed in terms of the type of newcomers we prefer to encourage, but also more conducive to a more harmonious multiracial society enjoying a pleasant lifestyle in a tiny land-scarce city-state.

The management of national population issues by the government has its origin in the 1960s when the Singapore Family Planning and Planning Board (SFPPB), was established to provide birth control services during the period of very high fertility.¹⁰ This, coupled with the wide array of antinatalist measures, caused fertility to tumble quickly to replacement level in 1975, but with the objective attained the Board was not abolished until a decade later, in 1986. Furthermore, there was a long delay in setting up a new national organization to study national population matters, propose effective pronatalist policies, oversee

the implementation of the measures, and monitor the operation of the national population programme.

Instead, the government set up ad hoc committees, such as the Inter-Ministerial Population Committee in 1984, the Working Committee on Population in 1984, and the Steering Group on Population in also 1984. These committees were immediately disbanded once they had submitted their recommendations. As a member of the Inter-Ministerial Committee, the author had recommended the formation of a Population Planning Unit in the Prime Minister's Office, but the Unit was set up in the Ministry of Health instead, and was reduced to a small organization dealing with routine matters within the Ministry.

A decade later in 2004, the author made another attempt by forwarding a detailed proposal to the Prime Minister, laying down the rationale for having a permanent organization in his Office. This time the response was quite positive due to the emergence of many more population problems and issues. It has become increasingly clear that the pronatalist policies can at best raise fertility slightly higher, but never back to replacement level. That being so, there is no alternative but to expand current efforts and resources on the promotion of immigration in addition to encouraging more births from couples. This shift towards looking at the total picture of the population problem led to the establishment of the National Population Secretariat (NPS), with a Director in charge, in the Prime Minister's Office in June 2006.

As population issues became more serious and continued to occupy the greater attention of the people and the government, population management was finally geared up in January 2011 when the NPS was replaced by a bigger National Population and Talent Division (NPTD), still in the Prime Minister's Office. The much larger NPTD is a ministry-level organization under the direct charge of the Deputy Prime Minister Teo Chee Hean, with the day-to-day operation entrusted to a Permanent Secretary. The key task of the NPTD is to formulate, co-ordinate, and review all government policies related to population and talent. Its principal responsibilities, cover three broad areas – population augmentation; talent attraction, immigration, nationalization and integration; and engagement of overseas Singaporeans.

The government has announced the preparation of a White Paper on population to be presented in Parliament for debate by parliamentarians and the general public.¹¹ This is being prepared by the NPTD, with help of public feedback through its internet, populated-related discussion in the current National Conversation, and of course inputs from its in-house staff. The importance of this document is best reflected in the Prime Minister's New Year message delivered on 1 January 2012, "Population is a particularly complex and critical challenge. Like most other developed countries, Singaporeans are having too few babies, and our population is ageing. We must find workable solutions to keep our society vibrant and forward-looking, maintain our economic vitality and strengthen our Singapore core ... These population issues affect us all. We will discuss them over the next year, so that we can understand better what is at stake, and what choices we must make as a nation".¹²

In a Bloomberg interview held in November 2012, responding to the question as to anything he would have done different since he took office in 2004, he said, "I think we would have started earlier registering with people how quickly the world is going to change on them and what a big problem we are going to have with population".¹³ We can therefore expect the White Paper to present a detailed account of the demographic trends, a comprehensive assessment of the implications of such trends, and the most likely policies, the government will introduce to address the present population issues and problems confronting the city-state.

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ENDNOTES

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