



The Workers' Party

工人党 Parti Pekerja பாட்டாளிக்கட்சி

A Dynamic Population for a Sustainable Singapore

February 2013

Executive Summary

- This paper lays out the Workers' Party's principles and proposals on population policy. It also presents the Workers' Party's objections to the Government's Population White Paper and its companion land use plan. The Workers' Party acknowledges that Singapore faces demographic challenges with low birth rates and population ageing. The Workers' Party aims to work with all Singaporeans on these issues to safeguard our nation's future.
- Improving total fertility rate and labour force participation rate to increase the resident workforce over time rather than immigration-driven growth is the more appropriate way forward for Singapore. Based on the experience of other countries with advanced economies, with focused efforts on improving birth rate and encouraging women and senior citizens to work, it is possible for Singapore to move towards higher total fertility and labour force participation rates, without overdependence on immigration to sustain growth. This will result in a projected population of 5.6 to 5.8 million in 2030, of which 3.4 to 3.5 million would be Singapore citizens.
- The Workers' Party agrees with the Government that maintaining a strong Singaporean core is essential, but disagrees on how to sustain and nurture this Singaporean core. A life-long commitment to the nation comes from cultivation through institutional settings involving family life, education, national service, and community involvement and service over time. The Workers' Party believes that the solution lies in increasing birth rates over the long-term. This will require deep and comprehensive structural reforms to improve the quality of life of Singaporean families.
- An overly quantitative focus on using immigration solutions to tackle Singapore's demographic challenges undermines our nation's social core. Citizenships should not be given out on the basis of a quota to top-up shortfalls in citizen births. We should focus on improving citizen birth rates instead. Efforts should start by addressing issues of work-life balance, housing affordability and the cost of living. Reforms ultimately have to account for other structural impediments to higher fertility, such as lack of financial security and an overly stressful education system. Maintaining a strong social core includes prioritising naturalization for the spouses of Singaporeans.
- The Workers' Party proposes the building of a sustainable economy to support a dynamic resident workforce. This approach focuses on restructuring the Singapore economy to become productivity- and innovation-driven rather than being dependent on foreign labour. We believe this is possible through intensified support of labour force participation among women and senior citizens, as well as investment in small and medium enterprise (SME) productivity.
- The Workers' Party calls for appropriate Government support to offset the burdens of restructuring. These include addressing rental, utilities and capital cost issues to reduce overall business costs. There should also be more targeted, industry-specific calibrations of the dependency ratio ceilings of foreign workers, compared to the current dependency ratio ceilings based on broad industry clusters. Our proposal aims to achieve a 1% annual resident workforce growth through to 2030 and the maintenance of current foreign worker numbers if we can achieve the target of 1% resident workforce growth. This allows for a projected annual GDP growth of 2.5%-3.5% to 2020 and 1.5%-2.5% from 2020 to 2030.
- The Workers' Party values Singapore's senior citizens. Our senior citizens are essential to maintaining a Singaporean core and indispensable to a sustainable Singapore. They contribute by being grandparents, volunteers, caregivers and consumers. Our senior citizens should have access to good jobs and should be able

to choose how long they wish to work. We must consider more targeted measures to help seniors in the workforce remain as productive as their younger colleagues. This includes initiatives to help firms invest in promoting productivity among seniors in the workforce. There should be fuller consideration of administrative and legislative measures to remove age discrimination.

- The Workers' Party maintains serious reservations about the Concept Plan outlined in the Land Use Plan. The Concept Plan would make Singapore the most densely populated urban area in the world. Singapore previously reached population sizes projected in the 1991 and 2001 Concept Plans much faster than anticipated, leading to huge strains on housing and infrastructure that remain unresolved. Studies show a negative correlation between density and fertility. The Land Use Plan will see most of Singapore's natural and historical heritage give way to redevelopment, with Singapore only retaining 4% of our land as reserves by 2030, down from the current 14%. The Land Use Plan is silent on the environmental effects of its plans, which may negatively affect Singapore's physical sustainability.
- Singapore's geographic limitations make sustainable urban development critical. A slower population growth to 5.6-5.8 million and a slightly slower GDP growth rate allows Singapore to maintain at least 10% of our land as reserves for future generations. Just as importantly, we must make a firm commitment to protect Singapore's tangible, physical heritage, which helps root Singaporeans across generations to our community and a shared national core.

CONTENTS

Chapter 1 Demographic Challenges and Policy Options	5
Chapter 2 Recovering the Singaporean Core	10
Chapter 3 A Dynamic Singaporean Workforce for Sustainable Growth	17
Chapter 4 Independent Active Ageing	24
Chapter 5 Sustainable Urban Development	28
Chapter 6 Conclusion	32
Appendix Population Scenarios	33

Chapter 1

Demographic Challenges and Policy Options

1.1 On 29 January 2013, the Government released its Population White Paper, entitled “A Sustainable Population for a Dynamic Singapore” (White Paper). The companion paper, “A High Quality Living Environment for all Singaporeans” (Land Use Plan) was also tabled as the land use plan to support its future population projections. During the subsequent 5 days of debate in Parliament, the 9 Workers’ Party Members of Parliament opposed the motion adopting the White Paper as the roadmap to address Singapore’s demographic challenges.

1.2 An amended motion adding conditions that captured some of the Workers’ Party’s concerns was put to the vote, and a division recorded 77 MPs voting for the motion and 13 voting against, including the 9 Workers’ Party MPs. Workers’ Party Chairman Sylvia Lim explained that the MPs voted against the motion because “fundamentally the White Paper still forms the basis of the roadmap forward to 2030”,

“The Workers’ Party believes that the path proposed by the White Paper will further dilute the Singaporean core and weaken our national identity. It will also lead us to require unsustainable population injections in the future. We believe that the greater well-being of Singaporeans lies in sustainable economic growth driven by increases in our productivity and in our resident workforce, rather than further increases in our dependency on imported foreign labour.

Singapore’s demographic challenges must be addressed fundamentally and urgently by focusing on increasing the total fertility rate (TFR) and growing our resident labour force participation rate. In short, we should instead strive for ‘A Dynamic Population for a Sustainable Singapore’.”¹

1.3 This paper aims to spell out the Workers’ Party’s population policy and our objections to the White Paper as our nation’s roadmap to 2030. As a responsible and rational political party, the Workers’ Party believes in playing a constructive role in this national dialogue on our country’s future. We hope that the Government would seriously consider our principles and proposals elaborated here for the greater good of Singaporeans and our nation.

Policy Approaches

1.4 Singapore has been facing low birth rates for over 3 decades. Singapore’s TFR fell below the replacement level of 2.1 in 1976.² It reached the first low of 1.4 in 1986. The Government ended its anti-natalist policy of birth control in 1984, but only adopted a pro-natalist policy of promoting births in 1987. The policy reversal in 1987 gave an initial boost to TFR. However, TFR resumed its gradual decline and hit 1.4 again in 2001. That year, the Baby Bonus scheme was started and slowed the rate of decline. However, TFR reached a new low of 1.16 in 2010. It stood at 1.2 in 2011 and rose to 1.29 in 2012 because of the Chinese zodiac dragon year.

1 <http://wp.sg/2013/02/wp-votes-for-a-sustainable-singapore/>

2 TFR is the average number of children that would be born to a woman over her lifetime. It is conventionally calculated by using the fertility rates of all women aged 15 to 44 years old. Replacement TFR is the rate for the population to replace itself. Replacement TFR for countries with low mortality rates is roughly 2.1.

1.5 Declining birth rates over the last 3 decades have led to an ageing society that is at the heart of the Government's concerns. It is concerned about a citizen population that will start to shrink from 2025, resulting in a shrinking citizen workforce that may affect the economy adversely. The Government also states its worry about the support ratio of working-age citizens 20-64 years old to one elderly citizen will shrink from 6.3 in 2011 to 2.1 in 2030, which may increase the support and tax burdens of the younger citizens.

1.6 As proposed in the White Paper, the Government's primary solution to these demographic challenges is **immigration**. It seeks to take in between 15,000 and 25,000 new citizens each year to top-up the shortfalls in citizen births to keep a "a strong and cohesive society with a sustainable Singaporean core" (p. 44). It seeks to achieve between 1% and 4% foreign workforce growth to 2020, and 3% foreign workforce growth from 2020 to 2030, to maintain "a dynamic economy to create good jobs and opportunities for Singaporeans" (p. 44).³ It also states that the Government will plan and invest in infrastructure ahead of demand to support 6.5 to 6.9 million in 2030, of which 3.6 and 3.8 million will be citizens (52% to 55% of total population).

1.7 In 2001, the United Nations (UN) published a study to consider whether "replacement migration" is a viable solution to a declining and ageing population. The study warned that the "levels of migration needed to offset population ageing are extremely large, and in all cases entail vastly more immigration than occurred in the past." The study argued that "comprehensive reassessments of many established economic, social and political policies and programmes" in a long-term perspective are needed to address the challenges".⁴

1.8 In the spirit of the UN study, the Workers' Party proposes a policy approach that focuses on **Singaporean families** as the solution to these demographic challenges. To maintain a strong Singaporean core, we call for a comprehensive and focused approach on improving Singaporean birth rates, while allowing for new citizenship naturalization prioritising foreign spouses of Singaporeans. To build a sustainable economy and liveable city, we aim to achieve 1% annual resident workforce growth to 2030 by improving local workers' labour force participation rate, especially among women and senior citizens. This will result in a projected population of 5.6 to 5.8 million in 2030, of which 3.4 to 3.5 million will be citizens or 58% to 61% of total population (see Appendix).

A Strong Singaporean Core

1.9 The Workers' Party agrees that "Singaporeans form the core of our society and the *heart* of our nation", and to maintain "a strong and cohesive society, we must have a strong Singaporean core" (p. 1). However, we object to the Government's proposed use of a quantitative immigration solution to our demographic challenges, which will undermine the policy intention.

1.10 The Workers' Party believes that for the Singaporean core to be strong, the core must be strongly Singaporean in values, worldview, culture, sense of place identity and history, and networks of friends and family. This can only be cultivated over time, in institutional settings involving family life, education, national service, and community service. A strong Singaporean core is made up of Singaporeans who *grow up in and with* Singapore. Being a Singaporean citizen should not only be based on a conviction, it should reflect a life-long commitment to defending Singapore as our homeland.

3 According to Chart 3.4 of the White Paper, p. 42, projected non-resident contribution to total workforce growth rates is 0.3% to 1.3% points per year between 2010 and 2020, and 0.9% point per year between 2020 and 2030. As the foreign workforce comprised about one-third of the total workforce, this is equivalent to 1-4% per year between 2010-2020 and 3% per year between 2020-2030.

4 United Nations Population Division, *Replacement Migration: Is it a Solution to Declining and Ageing Population?*, 2001, <http://www.un.org/esa/population/publications/migration/execsum.htm>

1.11 Therefore, the policy to top up shortfalls in Singaporean births and to rebalance our ageing society with younger immigrants to make up the Singaporean core is flawed. That the Government has to “continue to encourage and help new citizens integrate into our society” (p. 3) is indicative of the problem. Integration must be the key consideration for granting citizenship and should not be an afterthought. Citizenship should be a quality achieved and not a quota to be filled.

1.12 The Government’s proposed immigration-led population policy would result in citizens making up 55% of the projected population of 6.5 to 6.9 million in 2030.⁵ The 55% figure includes new citizens to be brought in at a rate of between 15,000 and 25,000 a year in the next 18 years. Approximately 256,500 immigrants were naturalized as new citizens in the past 25 years, with more than a third naturalized at a rate of 18,500 new citizens per year between 2007 and 2011.⁶ The Government is proposing to take in between 270,000 new citizens and 450,000 new citizens in the next 18 years to 2030. Seen over a longer period, this is a much faster rate of naturalisation than previously. At the highest rate of 25,000 naturalisations a year, the rate is more than doubled.⁷

1.13 The Workers’ Party believes that the only way to maintain a strong Singaporean core is through a singular focus on improving Singaporean birth rates, without the distraction of immigration top-up as an easy option. To improve Singaporean birth rates, we need to move away from the Government’s current carrot-and-stick approach. We must instead engage in deep structural reforms to improve the Singaporean family’s quality of life. Most young couples want to marry and have more than two children. We need to empower young Singaporeans to achieve these aspirations. This is discussed in Chapter 2.

1.14 The Workers’ Party is neither anti-immigration nor anti-immigrant. We believe that new citizens can become core Singaporeans: they can grow up in and with Singapore and can consider Singapore worth defending as a homeland. But such a process takes time. In line with our focus on the Singaporean family, we believe the best way to integrate first-generation immigrants is through the family. As noted in the White Paper, 40% of marriages (over 9,000 marriages) were between a Singaporean and a non-Singaporean in 2011 (p. 26). Non-Singaporean spouses should be given priority for citizenship, as they naturally *grow up in and with* a Singaporean family. This is also discussed in Chapter 2.

Dynamic Workforce, Sustainable Growth

1.15 The Workers’ Party agrees with the Government that economic growth is necessary “to create good jobs” and “raise overall wages” to accomplish inclusive growth that benefits all Singaporeans (p. 31). However, we object to the specific means of using foreign manpower immigration to achieve this goal and the trade-offs it entails. In order to achieve 3% to 5% annual Gross Domestic Product (GDP) growth to 2020 and 2% to 3% annual GDP growth from 2020 to 2030, the Government proposes continuing its policy of foreign manpower growth. It seeks to grow the total workforce by 1%-2% annually in 2010-2020 and 1% annually in 2020-2030. This growth will mostly be achieved by foreign manpower immigration. As a result, the Government projected a population in 2030 of between 6.5 to 6.9 million.

5 The White Paper projects that citizens would make up 3.6 to 3.8 million of a projected population of 6.5 to 6.9 million people. The 55% figure is calculated by dividing the lowest and highest projected population figures by the lowest and highest projected citizen figures respectively.

6 An average of 8,200 immigrants per year were naturalized as new citizens between 1987 and 2006, and 18,500 new citizens per year between 2007 and 2011. National Population and Talent Division, <http://population.sg/introduction/#.URnA41ripy5>

7 If we exclude projected new citizens to be naturalized from 2013 to 2030 under the White Paper policy, local-born and long-domiciled citizens will make up between 46% (3.15 million of 6.9 million) to 54% (3.53 million of 6.5 million) of the total population.

1.16 While the Government's proposed immigration-led policy may well build a higher-growth economy and global city, it will not build a sustainable Singapore that we can confidently leave as a precious legacy to our children. The immigration-led policy is deferring economic restructuring, adaptation to population ageing and sustainable urban development to 2030 and beyond.

1.17 The Government has been using immigration to grow the workforce in the past 30 years. It is proposing to continue to do so for the next 20 years. Continued dependence on foreign workforce growth is only delaying the inevitable economic restructuring that will be necessary. Economic restructuring is necessary but painful. Immigration merely serves as a palliative. Worse still, it prevents us from moving away in time from cheap labour-intensive industries to develop an innovative and entrepreneurial economy with capital-intensive enterprises. The Government can help soothe the pain by providing more support to local small and medium enterprises (SMEs) as we go through this economic transition.

1.18 In the past year, the Government has already moved to moderate foreign workforce growth and promote productivity-led growth to restructure the economy. The Workers' Party proposes that the Government shift to a higher gear to cap foreign workforce growth and redirect its focus to growing the resident workforce through the promotion of labour force participation by women and senior citizens. This could have knock-on benefits for productivity growth and would lead to faster and deeper economic restructuring. The trade-off compared to the Government policy would be 0.5% less in annual GDP growth but 1 million less in population. We are choosing between short-term economic dynamism and long-term economic sustainability. This is discussed in Chapter 3.

Independent Ageing and Sustainable Urbanization

1.19 The Government has also made moves to encourage senior citizens who would like to continue working to be re-employed after retirement age. However, the dominant view is still to treat senior citizens as a burden. The Prime Minister described population ageing as a "silver tsunami" in his speech on the President's Address in Parliament in October 2011.⁸ The White Paper sees immigration as a tool to "balance ... the ageing of our citizen population" (p. 26). But this merely defers inevitable adaptation to an ageing society down the road. If we do not start adapting, then immigration will continue to be needed to "balance" an ageing society beyond 2030. This is not a sustainable response to population ageing.

1.20 The Workers' Party proposes that we change our view of senior citizens to see them as sources of social and cultural capital and economic skills and experience. With this paradigm shift, we will be able to redesign our employment and retirement system, workplaces, social security system, healthcare and eldercare systems, and educational and childcare institutions to leverage the resources possessed by our senior citizens to adapt to population ageing. The aim is to foster dynamism and vibrancy among our senior citizens that does not need balancing by younger immigrants. This is discussed in Chapter 4.

1.21 The Land Use Plan proposes to invest and build ahead to accommodate 6.9 million people as a worst-case scenario. Deputy Prime Minister Teo Chee Hean said that population density will go up from 11,000 to 13,000 people per square kilometre as a result, which will be lower than Hong Kong's figure of 22,000.⁹ This is only counting the urbanized areas. Hong Kong, infamous for its extreme urban population density, is a worst-case benchmark which we should not use for comparison.

8 Speech by Prime Minister Lee Hsien Loong at the Debate on the President Address, 20 October 2011, <http://www.pmo.gov.sg/content/pmosite/mediacentre.html>

9 *Straits Times*, 30 January 2013.

1.22 More importantly, Hong Kong has plenty of green and open countryside spaces for recreational activities. In terms of total area population density, Hong Kong is therefore less dense than Singapore. This makes for less stressful and more sustainable city living, especially for local families. Also, many of such spaces are not simply unused open spaces, but are important natural and cultural heritage places for residents. Furthermore, by reducing our land reserves of 14% of the total land area to only 4% to accommodate immigrants,¹⁰ we are leaving precious little legroom for the next generation to develop the city. This is not sustainable urbanization.

1.23 The Workers' Party proposes that we prioritize these sustainability issues to optimize land use for the quality of life of Singaporean families and the preservation of natural and cultural heritage important for recreation and Singaporean identity. This is discussed in Chapter 5.

¹⁰ This is listed as "Others" in Table 1 of Ministry of National Development, *A High Quality Living Environment for All Singaporeans*, January 2013, p.5

Chapter 2

Recovering the Singaporean Core

Defining the Singaporean Core

2.1 There is wide consensus that a strong Singaporean core is needed to retain our national identity and spirit. The disagreement lies in the definition of the 'Singapore core' and the means with which to sustain and grow it.

2.2 According to the Government, the "Singapore core is not just about numbers, but the spirit".¹¹ While it is true that the Singapore spirit helps shape our national identity, the number of Singaporeans in relation to non-Singaporeans is also crucial; national identity and values are organic characteristics that are susceptible to external influence. The greater the ratio of non-Singaporeans to Singaporeans, there would be a higher chance of an ambiguous and indistinct national identity developing. This indistinct national identity will lead to a lack of self-confidence and fuel anxiety over the forces of globalization.

2.3 The White Paper's 'worst case scenario' projection of 6.9 million by 2030 will put Singaporeans at 3.6 million to 3.8 million. This means that there will be only five Singaporeans for every 10 persons on the island. A significant number will be new citizens. In the last four years alone, approximately 77,000 new citizens were added, an average of over 19,000 a year. Also, the White Paper has proposed up to 25,000 new citizens each year. With our current citizen birth rate being 31,000 a year, this may mean that up to 45% of citizens added to the population a year will be through the granting of new citizenships.

2.4 The Workers' Party strongly believes that Singapore must always be open and fair to immigrants. However, we must also be honest enough to acknowledge that the ratio and absolute numbers of Singaporeans will have a profound influence on national identity and the Singapore core. After all, the Government has also conceded that some new citizens may maintain exclusive social networks with fellow new citizens who have originated from the same countries, thus creating exclusive communities.¹² To accuse critics of xenophobia on this point would be disingenuous.

2.5 In arguing for Singaporeans to be more open to new citizens, it has become fashionable for Government leaders to quote the late S. Rajaratnam: *Being a Singaporean is not a matter of ancestry. It is conviction and choice.*¹³ This is, in fact, a misunderstanding of Mr Rajaratnam's original meaning. Mr Rajaratnam believed that immigrants of different cultural histories could not form a nation unless they exorcized their "ancestral ghosts" and practiced "selective amnesia".¹⁴ Writing in the 1960s when Singapore was hardly a nation, Mr Rajaratnam noted that he found it easy to forget that he was a former Ceylonese Tamil, Sri Lankan and British subject in order to make the larger point that such cultural identities had to be abandoned first before national identity could be developed. Yet using his quote to argue for more new citizens ignores the more fundamental truth: core Singaporeans - although arriving as citizens along different paths - see themselves as Singaporean first and foremost.

11 Imelda Saad, "S'poreans at centre of govt plans: PM", *Channel News Asia*, 8 February 2013.

12 Robin Chan, "PM to new citizens: Make more effort to integrate", *Straits Times*, 8 July 2012.

13 Speech by Mr Tan Chuan-Jin, Acting Minister for Manpower and Senior Minister of State for National Development at the Parliamentary Debate on Population White Paper, 07 Feb 2013, <http://www.mom.gov.sg/newsroom/Pages/SpeechesDetail.aspx?listid=422>.

14 Hong Lysa and Huang Jianli, 2010, *The Scripting of a National History: Singapore and its Pasts*, NUS Press: Singapore, p. 54.

2.6 Instead, the best way to build a Singaporean core is to ensure that more Singaporeans go through shared experiences like in schools and family life and national institutions like national service so that they can feel that they have made a lifelong commitment to defending Singapore as our homeland. By extension, the non-Singaporean spouses of citizens, many of whom are fathers or mothers of Singaporean children, should be given priority for citizenship.

Structural Obstacles to Higher Total Fertility Rate

2.7 The best way to maintain a sustainable Singaporean core is to improve TFR among Singaporeans. However, as long as there is the easy option for immigration top-ups, there is the moral hazard of taking the path of least resistance that will end up with a half-hearted promotion of TFR recovery.

2.8 There are several structural obstacles to the realization of high TFR. The Marriage and Parenthood Package proposed by the White Paper has not addressed these structural obstacles. Instead, it is an expensive third-round of band-aid solutions that ignores deep and underlying issues that discourage young Singaporeans from have one or more children. While band-aids are important, we believe more should and could be done to deal with the problems at a deeper structural level.

2.9 **Lack of Work-Life Balance.** Numerous surveys have shown that Singaporeans desire a better work-life balance. One survey suggests that nearly nine out of 10 workers surveyed worked beyond their official hours, while 70% chose to complete unfinished work in the office, with the remaining 30% bringing work home.¹⁵ The International Labour Organisation has also found that Singaporeans work the longest hours in comparison to 12 other economies, including South Korea and Taiwan.¹⁶ The government recently conducted a survey that scored “work-life harmony” at 63 on a scale of 0-100. The same survey was conducted in 2006 and scored 64. The conclusion is that work-life harmony has been “stable”.¹⁷ This is not a good sign, as the survey is meant to track the progress in work-life harmony.

2.10 **Escalating Housing Costs.** Homeownership is a high priority for couples, especially newlyweds. However, the cost of Housing and Development Board (HDB) flats has been rising steadily, outpacing the increase in wages. Median gross monthly income including employer CPF increased 50.4% from 2002 to 2012, while HDB resale price index increased 106.2% in the same period.¹⁸ The resale price index doubled in the last 7 years alone. A few executive flats have been sold for over S\$900,000 in 2012,¹⁹ while executive condominiums have been sold for over \$1,500,000. Escalating housing costs creates anxiety for young couples. Social scientists have traced a connection between housing and fertility. When a home is out of reach for young couples, they invariably delay marriage or have fewer children. According to Seth Sanders, director of the Population Research Centre at the University of Maryland, “If you lower the cost of housing, you’re going to lower the cost of raising a child”.²⁰

15 “S’poreans unable to enjoy work-life balance: survey”, *Channel News Asia*, 29 Oct 2012.

16 Chuang Peck Ming, “S’porean workers clock longest work hours: ILO”, *Business Times*. 6 Jan 2010.

17 <http://app.msf.gov.sg/Portals/0/Summary/pressroom/MediaCoverage/Dec2012/071212%20BT%20p9%20Stable%20work-life%20harmony%20survey.pdf>

18 <http://www.mom.gov.sg/statistics-publications/national-labour-market-information/statistics/Pages/earnings-wages.aspx>; <http://www.hdb.gov.sg/fi10/fi10321p.nsf/w/BuyResaleFlatResaleIndex>

19 “Bishan flat smashes record with \$980,000 sale”, *Asia One*, 7 Sep 2012.

20 John Leland, “From the housing market to the maternity ward”, *New York Times*, 1 Feb 2008.

2.11 Income Inequality. Based on the Gini Coefficient of income inequality, Singapore has one of the most unequal distributions of wealth in the world. The Gini Coefficient has risen from 0.444 in 2000 to peak at 0.489 in 2007 – it has been fluctuating around 0.48 since (household income per member excluding employer CPF).²¹ This is well recognized by the Government. Income inequality matters because anxiety over economic risk among young people affects family formation. Studies indicate that rising job insecurity and an increasingly competitive labour market have caused the fall in fertility in East Asia.²² In Singapore, a 2012 work happiness survey by JobsCentral showed that respondents rated their satisfaction with job security an average of 6.63 out of a possible 10.²³ Financial security is also an issue. “Salary” is the topmost concern for workers in the JobsCentral survey. The 2009 fatherhood perception survey by the then Ministry of Community, Youth and Sports indicated that while almost all fathers reported that they would like to spend more time with their children, 53% felt that they cannot do so because of “financial difficulties or pressure”.²⁴

2.12 Lack of Family Culture of Equality. The Marriage and Parenthood survey (2012) noted that 99% of married respondents agreed that fathers and mothers are equally important caregivers.²⁵ Yet one of the often-cited reasons for women not having children or having more children is the lack of support from their husbands, whether at home or for their own career. Women often have to juggle the triple shifts of career, housework, and childcare, and are expected to give up their career to become the primary caregiver. Given the high-levels of education among our women, it is not surprising that many would be concerned about the effect having a child would have on their career.

2.13 Stressful Education System. There are many entrenched policies that have led to our stressful education system. With primary schools offering priority to alumni and to parent volunteers, school enrolment is an unnecessarily stressful process. Examinations that stream students at an early age and tests for giftedness add to stress levels of both parents and children. Parents often feel they must take time off work to coach their children. The process is so exhausting that many may decide not to have more children. While some level of stress is healthy to keep students diligent, the then Ministry of Community, Youth and Sports reported surveys showing that examinations anxiety was the main cause of unhappiness for nearly half of Singaporean children, that 36% of children indicated failing tests and examinations as their greatest fear compared to 17% indicating their parents dying. Half of parents feared that their children would not be able to attain a university degree compared to few who feared that their children would not grow up to be good, responsible and filial persons.²⁶

2.14 Privileging Higher Income Families. The current Marriage and Parenthood Package seems to offer more to higher income families that need less financial assistance in the form of the Enhanced Baby Bonus Scheme. The Scheme is a dollar-for-dollar Government match for money saved in a child’s Child Development Account (CDA) (up to \$6,000 each for the first two children, \$12,000 each for the third and fourth child, and \$18,000 each for the fifth child and beyond). But this scheme assumes that a family has the spare cash to put away into the CDA. Families that cannot afford to save between \$6,000 and \$18,000 will not receive the full benefits, and therefore children from higher income families will receive greater benefits than those from lower income families. In effect, the Scheme encourages higher income families to have more children.

21 <http://www.singstat.gov.sg/pubn/papers/people/pp-s18.pdf>

22 Peter McDonald, “Explanations of Low Fertility in East Asia: A Comparative Perspective”, *Ultra-low fertility in Pacific Asia: trends, causes and policy issues*, edited by Gavin Jones, Paulin Tay-Straughan and Angelique Chan, London: Routledge, 2008, pp. 23-39.

23 http://jobscentral.com.sg/survey/happiness_survey/2012/download_path.php

24 National Family Council and the Ministry of Community Development, Youth and Sports, *State of the Family Report 2011*, p. 13.

25 http://www.nptd.gov.sg/content/NPTD/home/jcr_content/par_content/download_20/file.res/MP%20Study%202012%20Press%20Release.pdf

26 Committee of the Family and the Ministry of Community Development, Youth and Sport, *State of the Family Report 2004*, chap. 4, p. 5.

2.15 Discriminatory towards Single Parent Families. The Workers' Party believes that "while having children outside of marriage should continue to be discouraged in our society, children born to single parents should not be denied the benefits that children of married parents receive".²⁷ A Singaporean single mother is currently disqualified from buying a HDB flat until she reaches 35 years of age. Even then, she only qualifies to buy under the HDB "singles" scheme. She also receives fewer benefits, such as less paid maternity leave and no tax relief for employing a foreign domestic worker. Despite this she still pays taxes like married parents, and if she has a son, he will still need to do national service.

Addressing Structural Obstacles

2.16 Instead of over-relying on easy immigration, the Government should instead pull out all the stops to improve TFR. This requires a whole-of-Government approach to address the structural obstacles mentioned above. Surveys have shown that a large majority of Singaporeans want to get married and have more than two children. But something is stopping them from doing so. Strong political will is needed to remove these obstacles, some of which are discussed in the paragraphs below.

2.17 Work-life Balance. The Government needs to introduce regulatory measures to make work-life balance mandatory or give companies and businesses more incentives to offer flexible working schemes. Work-life harmony has been tackled exclusively in the domain of manpower policy. This clearly has not worked. As work-life harmony is associated with business performance and productivity,²⁸ there is a need for closer coordination between ministries that are concerned with productivity. The National Productivity and Continuing Education Council (NPCEC), which brings together representatives from the Ministries of Trade and Industry, Education, Manpower and Finance is a very appropriate body to address work-life harmony. The council should integrate work-life strategies into its industry-specific productivity strategies and campaigns. This will also have the advantage of customising work-life strategies to the specific work processes, contexts and needs of different industries.

2.18 Housing Grants. In light of the rising cost to start a family, the Workers' Party proposes that the Government introduce a HDB housing grant of \$10,000 for the birth of the first child, \$15,000 for the second child and \$20,000 for the 3rd child. This will provide young couples who have just moved into their HDB flats with the incentive to start a family. The grant will also factor into young parents' financial considerations to have more children and offset the mortgage costs of rising HDB prices.

2.19 A Fair Baby Bonus Scheme. To reduce the effects of income inequality, the Government could make the Enhanced Baby Bonus Scheme fairer by removing the dollar-matching requirement for the first two children.

2.20 Bonding Leave. To address ease the burden on mothers, the Government could introduce 'Bonding Leave' for fathers with young children. The 2009 fatherhood perception survey by the then Ministry of Community, Youth and Sport indicated that 96% of fathers reported that they would like to spend more time with their children.²⁹ The current Paternity Leave of one week per year is designed for emergencies and can be broken up into seven days over a year. The introduction of Bonding Leave for fathers will be in addition to Paternity Leave. Two weeks of Bonding Leave - where the father can take a week of leave each time - would allow fathers to care for their children for extended periods in order to share the responsibilities

²⁷ Workers' Party, *Manifesto 2011: Towards a First World Parliament*, 2011, p. 28.

²⁸ The Ministry of Manpower published its *Work-Life Harmony Report* in 2005, with findings and recommendations for employers on how to use work-life strategies benefiting the work-life harmony of employees to optimise business performance and improve productivity.

²⁹ National Family Council and the Ministry of Community Development, Youth and Sports, *State of the Family Report 2011*, p. 13.

of childcare with their wives and to develop stronger father-child relationships. The cost of this should be shared by the state and employers. If the scheme is well received, Bonding Leave could be further extended to encourage a more equal distribution of responsibilities between mother and father.

2.21 Benefits for All Parents and Children. The Workers' Party believes that, as "children are innocent parties and should not start life being disadvantaged", "single parents should receive the same parenthood benefits packages as married parents".³⁰ The 2010 National Family Council's survey on family values showed that more than 80% of Singaporeans found family values important, over 90% regarded family to be the most important aspect of their lives, and 83% of Singaporeans thought marriage is still relevant.³¹ As marriage is still the overriding norm in Singapore and the Government and society continue to support marriage as the foundation of strong families, we should not worry that allowing children in single-parent families to benefit from state support like other children would lead to encouragement of single-parent families. Most single parents in Singapore do not make the deliberate choice to become single parents and already suffer the stigma of being single parents.

The South Korean Example

2.22 There is no disagreement that the Singaporean core is best strengthened by raising its TFR. Singapore's low TFR, however, is a common phenomenon among developed economies and is not unique among East Asian countries, and fortunately, there are positive examples that point the way towards higher birth rates.

2.23 In 2005, South Korea's TFR hit a low of 1.08. In response to this, the South Korean Government launched a comprehensive five-year master plan that was treated as a national priority. The master plan contained clear targets for four clusters of structural factors affecting TFR: socialization of care; support for work-life balance; expansion of support for families; and building a family culture of equality (see Table 1).³² The second master-plan for 2011-2015 expands the already comprehensive programmes laid out in 2005, and aims for a gradual recovery to replacement TFR, and will see the government spending S\$86 billion over five years.³³ The TFR has since recovered to 1.3 in 2012.³⁴

2.24 The South Korean example is crucial to Singapore because it shows what a government and society can achieve when it does not have the option of mass immigration given the country's historical ethnic basis of the nation. With a comprehensive whole-of-government approach towards policy-making, South Korea raised its TFR by an average of 0.03 each year. In addition to South Korea, Japan has also seen recovering birth rates. Japan had a TFR of 1.26 in 2005, which rose to 1.39 in 2011.³⁵

2.25 It is important that we properly invest in Singaporeans here and now. There has to be a combination of policy-making resolve and political will to raise TFR in Singapore to 1.7 in the medium-term future. And our goals may be more achievable than previously thought.

30 Workers' Party, *Manifesto 2011: Towards a First World Parliament*, 2011, p. 28.

31 [http://www.nfc.org.sg/pdf/Requestor%20Family%20Values%20Survey-Exec%20Summ\(FINAL\).pdf](http://www.nfc.org.sg/pdf/Requestor%20Family%20Values%20Survey-Exec%20Summ(FINAL).pdf)

32 Soma Naoko, "South Korea's Explicit Family Policy and Japan's Implicit Approach", Nippon.com, 19 Sep 2012.

33 Republic of Korea Ministry of Health and Welfare, http://english.mw.go.kr/front_eng/cs/scs0401vw.jsp?PAR_MENU_ID=1004&MENU_ID=100406&page=10&BOARD_ID='1350'.%20'1360'.%20'1365'.%20'1370'&CONT_SEQ=242905

34 Kin Yang-Joong, "Low South Korean birth rate shows signs of increasing", *Hankyoreh*. 26 Jan 2013.

35 Reico Wong, "S'pore birth rate 3rd lowest in 5 E. Asia nations", *My Paper*, 29 Jun 2012.

Demography experts have suggested that, in light of our better-educated and healthier population, the traditional replacement TFR of 2.1 may be lowered to 1.7, thus reducing the levels of immigration.³⁶ The experience of the Scandinavian countries also shows the possibility of small countries in recovering birth rates from lows of TFRs of 1.38 to 1.66 in the 1980s, over 20 years, to the current TFRs of 1.76 to 1.90.³⁷

Table 1. Numerical targets under the first “Master Plan for Healthy Homes”

Sector	Principal indicators	2005	2010
Socialization of care	Use rate of childcare facilities	47%	65%
	National/public childcare facilities	1,352	2,700
	Parents’ share of child-raising costs	62%	42%
	Childcare support liaison cases	1,000 ²	25,000
	Share of seniors in public care facilities	1.4%	4.1%
Support for work-life balance	Share of women working outside the home	50.1%	55.0%
	General use rate of child-care leave	26.0%	36.0%
	Use rate of child-care leave among men	1.9% ³	5%
	No. of institutions participating in FFI (Family-Friendly Index) assessment	New	1,000
Expansion of support for families	GDP share of family-related public spending	0.1%	0.2%
	Personal life satisfaction	47% ¹	60%
	Poverty rate of single-parent families	36%	32%
	No. of children in single-parent families receiving child-raising support	23,000	46,000
	No. of users of Healthy Home Support Centres	100,000	600,000
	No. of Centres to Support Families of Immigrant Spouses	51 ²	200
Building a family culture of equality	Share of housework done by husbands	8.1% ¹	15%
	No. of cases of family life training and consultation	30,000	50,000
	Share of at-risk youth	3.6%	3%

Source: Ministry of Gender Equality and Family. 1. Figure for 2002. 2. Figure for 2006. 3. Share of men among those taking child-care leave. Extracted from Soma Naoko, “South Korea’s Explicit Family Policy and Japan’s Implicit Approach”, Nippon.com, 19 Sep 2012.

³⁶ Tan Qiuyi, “Fertility rate, immigration benchmarks can be lower: experts”, *Channel News Asia*, 14 Feb 2013.

³⁷ OECD Statistics, *stats.oecd.org*.

Family-based Integration

2.26 The Government's current approach to integration is highly problematic. The People's Association's (PA) links to the ruling party are well known. The PA shares its resources only with PAP MPs and, in situations where there are no PAP MPs, appoints PAP grassroots advisors from the PAP. Instead of nurturing an inclusive Singaporean core, it divides citizens according to party politics. The PA's highly politicized nature may well be an obstacle to integration. Currently the PA has three main platforms for engaging new citizens. We believe these platforms should be made non-partisan for effective integration.

2.27 **Community Sharing Sessions.** Successful applicants for Singapore citizenship have to undergo a Community Sharing Session (CSS) under the Singapore Citizenship Journey, the Government's integration programme that was implemented only recently. PA-linked grassroots leaders meet new citizens from their respective constituencies and talk about their activities and experiences, and share opportunities for volunteering. The CSS is the first point of contact that the PA has with new citizens.

2.28 **Citizenship Ceremonies.** At Citizenship Ceremonies, new citizens are presented with their NRIC, citizenship certificate and a goodie bag containing: a free subscription to the PA's Passion Card; free three-month subscription of the *Straits Times*; PA Integration Community Learning Journey Handbook; and discount vouchers for classes conducted at Community Centres. Grassroots leaders, through the Citizenship Ceremonies, may retain contact with new citizens after the ceremonies, and rope them in as volunteers for PA-linked grassroots activities.

2.29 **New Citizen Grassroots Leaders.** New citizens who join as grassroots leaders may either be involved directly by holding key positions in Residents Committees or as normal members. They get involved in various grassroots activities as well as in various sub-committees under the PA's arm to reach out to other new citizens from their country of origin.

2.30 From 1987 to 2006, Singapore saw an average of 8,200 new citizens each year. The number rose to an average of 18,500 new citizens each year in the last five years.³⁸ In light of our experience, 10,000 new citizens each year would be a fitting quantum for citizenships to be granted annually to maintain social cohesion and ensure good integration. This is in contrast to the 15,000-25,000 as proposed by the White Paper.

2.31 Our quantum of 10,000 citizenships a year is based on the trend of increasing citizen and noncitizen marriages, which numbered over 9,000 in 2011. Resident foreign spouses of citizens have settled in Singapore and grown up in and with Singapore, yet many continue to be denied or do not take up citizenship. Many of them are parents of children who are citizens. They are a group that is naturally integrated in the Singaporean core, and priority should be given to them when granting new citizenships.

2.32 With 10,000 new citizens each year, we would need 53,000 births a year to meet the target of 63,000 births at replacement TFR of 2.1. 53,000 births represent a TFR of just over 1.7, which could be achieved by 2030 if we focus on improving Singaporean TFR without constantly resorting to immigration to top-up the citizen core. This means that the citizen core decline projected to begin in 2025 will be stemmed without the need for unsustainable immigration.

38 National Population and Talent Division, <http://population.sg/introduction/#.URnA41ripy5>

Chapter 3

A Dynamic Singaporean Workforce for Sustainable Growth

Focus on Resident Workforce Growth

3.1 The White Paper seeks a sustainable workforce population to build a dynamic economy. The Government is aiming for GDP growth of 3-5% per year to 2020 to ride the Asian boom and restructure the economy, so as to prepare for lower GDP growth of 2-3% per year from 2020 to 2030, when the economy matures and the resident workforce ages considerably and starts to shrink.

3.2 To achieve this GDP growth target, the Government is aiming to achieve 2-3% productivity growth per year to 2020, which it qualifies as “an ambitious stretch target” (p. 43), and 1-2% productivity growth per year from 2020 to 2030, which is the normal range for mature economies.

3.3 Labour inputs remain a major component of targeted GDP growth, as the Government is seeking 1-2% total workforce growth per year to 2020 and 1% per year from 2020 to 2030. Breaking down the total workforce growth into its resident and non-resident components, the Government is seeking about 1% resident workforce growth per year to 2020 and 0.1-0.2% growth per year from 2020 to 2030, and 1-4% foreign workforce growth per year to 2020 and 3% growth per year from 2020 to 2030.

3.4 The Workers’ Party is proposing that the Government seeks instead to build a sustainable economy supporting a dynamic *resident* workforce. We propose that the focus should be on achieving 1% resident workforce growth per year through to 2030. This would mean that the foreign workforce would be kept constant at 2012 figures if we achieve the 1% targeted growth. We believe the target could be achieved through intensified efforts at promoting labour force participation of women and senior citizens who would like to enter or re-enter the workforce.

3.5 We have no quarrel with the Government’s productivity growth targets. However, the Government should not qualify the productivity growth targets as ambitious, but instead to keep faith with Singaporean workers and SMEs and focus on ambitious productivity drives and proper investment in education. Together with the labour inputs from resident workforce growth, the resultant GDP growth should range from 2.5-3.5% per year to 2020 and 1.5-2.5% per year from 2020 to 2030. The lower 0.5% point GDP growth with a concentrated focus on fostering a dynamic and high quality resident workforce would sustain our economic competitiveness in the longer term.

3.6 There will be some pain during the restructuring from a foreign labour-dependent economy to a productivity-led economy. The Workers’ Party believes it is in the interests of Singaporean workers that the Government provide adequate support to keep the SME sector afloat through the restructuring. Agile and innovative SMEs will be able to take advantage of the supportive conditions to move ahead of the pack and become champions of local industry. SMEs could be supported through this transition by addressing the overall business costs, so that lower rentals, utilities and capital costs could offset the higher labour costs of the restructuring.

Promoting Labour Force Participation Rate

3.7 The key advantage of focusing on resident workforce growth is that it would not add to the population and at the same time would help foster a dynamic local workforce. Resident workforce growth could be achieved by promoting the labour force participation rates of

women and senior citizens. In 2012, there were 161,300 economically inactive residents who intended to look for a job within the next two years. Of these potential entrants, 51% were in the prime working ages of 25-59 years old, 64% were female, and 49% have post-secondary qualifications and above.³⁹ These potential entrants form a valuable pool of workers that could be tapped upon to meet the targeted 1% annual resident workforce growth.

3.8 The 103,900 female potential entrants alone amounted to 5% of the resident workforce of 2,119,600 workers in 2012. This means if all the female potential entrants become employed, it will help meet the targeted 1% resident workforce growth for 5 years. If we expand the scope to economically inactive female residents, the potential pool of female workers comprised 271,700 people, or 13% of the resident workforce.

3.9 Due to the population’s improving educational profile, the Labour Force Participation Rates (LFPR) for women in the prime working ages of 25 to 54 years rose from 65.2% in 2002 to 76.6% in 2012.⁴⁰ There is more room for the rate to rise to approximately 85%. As can be seen in Table 2, LFPR for women and men were close in the 25-29 years age group but female LFPR dropped off in older age groups, unlike male LFPR. However, with more effort by the Government to promote female LFPR, we should see this dropping off effect removed and for female LFPR to more closely match male LFPR, especially as the educational profile of female workers improves further.

Table 2. Age-specific LFPR for resident males and females

	25-29	30-34	35-39	40-44	45-49	50-54
Male	89.9	97.2	98.2	97.1	95.6	93.8
Female	86.8	83.3	78.9	74.8	73.4	65.6

Source: Ministry of Manpower, *Labour Force in Singapore, 2012*, p. 3.

3.10 Compared with international benchmarks, our 77% prime-age female LFPR is not the best that we can achieve for an advanced economy with an educated workforce. Some may also argue that the trade-off for a higher female LFPR is a lower TFR. Yet this is not borne out internationally. For example, among the advanced economies with the highest TFRs, Denmark, Finland, France, Norway and Sweden have prime-age female LFPR of between 83% to 88%, and TFR between 1.76 and 2.02.⁴¹ Promoting female LFPR could actually have the reverse effect of improving TFR, as the sense of security on the part of women and overall gender equality are key factors in promoting birth rates.⁴²

39 Ministry of Manpower, *Labour Force in Singapore, 2012*, p. 47.

40 Ministry of Manpower, *Labour Force in Singapore, 2012*, p. 3.

41 Prime-age female LFPR data are from [skills.oecd.org](http://skills.oecd.org/informationbycountry/) (<http://skills.oecd.org/informationbycountry/>); TFR data are from National Population and Talent Division, *Marriage and Parenthood Trends in Singapore*, June 2012, p. 8. Objections may be raised that these countries have high TFRs because the majority of babies are “born out of wedlock”. But such a view is outdated, as scholars have studied and concluded that cohabitation unions have taken the place of marriage as acceptable and stable form of family life. Around half of cohabitating couples transit into marriages within five years in European countries (A. Scott Loveless and Thomas B. Holman, *The Family in the New Millenium*, Praeger, 2007, pp. 129-31). This does not imply that we advocate cohabitation unions as an alternative form of family life. We simply note that there is no relationship between cohabitation and high TFR.

42 Peter McDonald, “Explanations of Low Fertility in East Asia: A Comparative Perspective”, *Ultra-low fertility in Pacific Asia: trends, causes and policy issues*, edited by Gavin Jones, Paulin Tay-Straughan and Angelique Chan, London: Routledge, 2008, pp. 23-39.

3.11 The Government has programmes to encourage economically inactive residents to enter the workforce. The Work-Life Works! (WoW!) Fund supports implementation of flexible work arrangements and the Flex-Works! Scheme helps employers defray costs of hiring economically inactive individuals. The Workforce Development Agency (WDA) provides funding and programmes for upgrading skills and improving employability. The Ministry of Manpower has indicated it is refining these schemes to provide stronger support to economically inactive residents and companies that hire them.⁴³

3.12 **Flexi-work.** Using the existing programmes and funding framework as a basis, we need to redouble efforts in this area to improve the LFPR of women. Since economically inactive women are a major target group, we could better address the needs of this group more specifically. Flexi-work, telecommuting, part-time work, home-based work, and job-sharing are work arrangements that would attract stay-at-home mothers to enter the workforce. Only 41% of employers were offering at least one form of work-life arrangement in 2012. Additionally, this low figure is not evenly spread throughout industries. The most common type of arrangement offered was part-time work (33%). Only 8.2% offered flexi-time, 7.5% offered staggered hours, and 4% formally allowed working off-site.⁴⁴ These are figures that need to be improved on. We need to strongly encourage more flexi-work arrangements, and also specifically tailor these to mothers if we are to encourage more of these women back to the workforce.

3.13 **Workplace Childcare Centres.** The scheme to promote workplace childcare centres by offering employers a one-time capital grant for furnishing and equipment of up to \$50,700 should also be reviewed. The scheme was launched in 2000. In 2008, there were only 37 workplace childcare centres, with 21 located in government office premises.⁴⁵ In 2012, there were only 35.⁴⁶

3.14 **Workplace and Job Redesign for Senior Workforce.** One limit to high resident LFPR is an ageing population. An ageing workforce will eventually see the exiting of more workers at the retirement age of 65 years than the entry of new workers. However, this also means that if we double our efforts to redesign jobs and work processes to adapt to the ageing population, we will be able to retain more elderly workers past their retirement age. We also need to redesign work so as to maintain the productivity and innovativeness of elderly workers, which is easier to achieve in a knowledge-based economy. This is discussed in detail in Chapter 4. Ultimately, the only way to ameliorate the ageing workforce effect on LFPR is to improve TFR.

3.15 **Gender and Age Discrimination.** We need to put in place stronger administrative and legislative measures to counter gender and age discrimination, including discrimination against pregnant women and mothers with infants. Since 2008, the Ministry of Manpower has received an average of about 100 cases a year of pregnancy and maternity-related complaints of unfair dismissals by employees. This could represent only the tip of the iceberg, as many women might not want to lodge a formal complaint during their pregnancy. In most cases both employee and employer were unable to clearly substantiate whether the dismissal was with or without sufficient cause.⁴⁷ As a result, complainants have to go through a lengthy and stressful

43 <http://www.mom.gov.sg/newsroom/Pages/PQRepliesDetails.aspx?listid=84>. Other schemes include the Back-to-Work with U Programme spearheaded by the NTUC Women's Development Secretariat (WDS) and the Step Out For Change Programme developed by the Singapore Workforce Development Agency (WDA). Tax incentives to encourage female LFPR include the Working Mother's Child Relief and Enhanced Earned Income Relief. There are also Tripartite guidelines on Best Work-Life Practices and Family Friendly Workplace Practices.

44 <http://www.mom.gov.sg/newsroom/Pages/PressReleasesDetail.aspx?listid=477>

45 <http://www.channelnewsasia.com/stories/singaporelocalnews/view/371596/1/.html>

46 <http://www.channelnewsasia.com/stories/singaporelocalnews/view/1176525/1/.html>

47 <http://www.mom.gov.sg/newsroom/Pages/PQRepliesDetails.aspx?listid=44>

mediation process. The Ministry of Manpower should be accorded with greater investigative powers to help complainants. The burden of proof should be squarely on the employers, especially given their human resource management machinery, to show that the women were dismissed with sufficient cause. Having these measures ultimately helps to encourage currently non-working parents and senior citizens back into the workforce.

A Supplementary Foreign Workforce

3.16 The Workers' Party Manifesto 2011 states that the "most important objective for our immigration policies should be to improve the wellbeing of individual Singaporeans and their families", that we "welcome immigrants who contribute to the economic vibrancy, diversity and future population growth of our nation", but "believe that the rate of immigration should not exceed the capacity of the country's infrastructure and the comfort level of the local population".⁴⁸

3.17 Infrastructural capacity and comfort level have already been exceeded, and the wellbeing of Singaporean workers has been adversely affected by the wage suppression and runaway inflation accompanying foreign workforce growth. Therefore, the economy should be weaned off its decades-long dependence on foreign workforce growth and the foreign workforce should be returned to its previous role of supporting and supplementing the resident workforce.

3.18 The Workers' Party proposes to keep the foreign workforce constant to the extent that the 1% resident workforce growth target is achieved. The foreign workforce would be kept constant by capping the non-resident population, at 2012 figures, at around 1.5 million people. This could change with the temporary addition of foreign workers to make up for shortfalls if we are not able to achieve the 1% target.

3.19 We projected three scenarios based on our proposals. The complete projection figures are found in the Appendix. Scenario A is the ideal situation of TFR recovery to 1.75 and LFPR improvement to 78.7% for ages 15-69 in 2030. In this ideal scenario, we would not need supplementary foreign workforce immigration until 2025, when we will need around 16,000 foreign workers to meet the target 1% per year resident workforce growth. In 2030, we will need 204,000 foreign workers. This is before TFR recovery kicks in to replenish the ageing resident workforce. The projected population for Scenario A is 5.7 million. Scenario B is the less-than-ideal situation of no TFR recovery but LFPR improves. The supplementary foreign workforce immigration requirements are similar to Scenario A, with 16,000 foreign workers need in 2025 and 208,000 in 2030. As TFR is stagnant, fewer births will result in a smaller citizen population and a projected population of 5.6 million. Scenario C is the non-ideal situation of no TFR and LFPR improvement. Supplementary foreign workforce immigration will be needed from 2020 onwards, climbing to an additional 400,000 foreign workers in 2030. This will result in a projected population of 5.8 million and the lowest projected percentage of citizens in the population at 58%. Taken together, our projected population from our three scenarios ranges from 5.6 to 5.8 million.

3.20 Freezing foreign workforce growth does not affect foreign workforce revitalization. In simple terms, we expect that for every foreign worker that leaves Singapore, another foreign worker could be brought in to take his or her place. Our proposal therefore does not turn off the foreign workforce tap. Unlike the Government's proposal to continue to turn up the tap, our proposal holds steady the current flow. We are not asking to keep foreign workers out of Singapore, but their numbers to be held steady, as long as the resident workforce growth goal is achieved.

48 Workers' Party, *Manifesto 2011: Towards a First World Parliament*, 2011, p. 26.

3.21 However, our model involves keeping the non-resident population constant at around 1.5 million, which would give the Government some flexibility to adjust the number of foreign workers in relation to their dependents. In 2012, about 15% of the non-resident population were dependents of employment pass holders.⁴⁹ This means that the Government would have the flexibility to increase the inflow of more low-wage work permit holders, who cannot have dependents here, by cutting back on employment pass holders, who are allowed to have dependents here.

3.22 The Workers' Party also believes that the "inflow of the foreign workforce at all skill levels should be calibrated for each industry, taking into account the suitability of Singaporeans for those industries, productivity targets and sustainability", and that the "dependency ratio or quota for foreign manpower should be further fine-tuned to the specific industry, rather than broad sectors such as manufacturing or services, to better ascertain and calibrate the need for foreign manpower vis-à-vis employment prospects for Singaporeans".⁵⁰

3.23 During the Budget 2012 debate, Workers' Party Members of Parliament used these principles to make the case for a more targeted approach to calibrate the dependency ratio of foreign workers by specific industry. This is so that the Government can more effectively manage the inflow of foreign workers without hurting our SMEs too much. The abrupt tightening of foreign worker inflow in some industries such as public healthcare and cleaning results in high manpower cost and inflation that may get passed on to Singaporeans.⁵¹

3.24 This proposed calibration of foreign workforce dependency by specific industry does not contradict our proposal to freeze foreign workforce growth. The former is an allocation of foreign labour issue, while the latter concerns overall labour immigration policy. Taken together, the Workers' Party is calling for the Government to keep the non-resident population constant as long as we are able to meet the target 1% per year resident workforce growth, and for the Government to more finely calibrate the allocation of the *capped* foreign workforce by specific industry to manage wage growth, manpower cost and inflation.

Economic Restructuring

3.25 The Workers' Party recognizes that the freezing of foreign workforce growth will cause businesses, especially SMEs, some pain. Some of the critical responses to our proposals suggest that the freezing of foreign workforce growth will be fatal for businesses. During the White Paper parliamentary debate, Minister S. Iswaran argued that our proposal would be an "abrupt move" and a "jam brake" that will derail economic restructuring. Acting Minister Tan Chuan-Jin also said that "zero manpower growth" will "kill off a lot of companies".

3.26 These criticisms ignore how our proposal is to freeze foreign workforce growth *and* promote resident workforce growth. Because of resident workforce growth, the outcome is not "zero manpower growth" or a "jam brake". With expected natural increase in the resident working age population, and if we achieve LFPR improvement, we will see an annual 1.3% overall workforce growth to 2015 and annual 0.83% to 2020 in our model, before it moderates to annual 0.65% to 2030 (see Table 3). This is not far from the Government's proposal for annual 1-2% overall workforce growth to 2020 and annual 1% growth to 2030. The key difference is that the Government seeks to feed workforce growth with mainly immigrant workers while the Workers' Party is proposing to rely on LFPR improvements in the short term and TFR recovery in the long term.

49 National Population and Talent Division, *Population in Brief 2012*, p. 5

50 Workers' Party, *Manifesto 2011: Towards a First World Parliament*, 2011, pp. 47-48.

51 <http://wp.sg/2012/02/budget-2012-csm/>; <http://wp.sg/2012/02/budget-2012-ltk/>; <http://wp.sg/2012/03/cos-2012-debates-mom-foreign-manpower-dependency-ratio-ceilings/>; <http://wp.sg/2012/03/cos-2012-debates-mom-foreign-worker-industry-segmentation>

3.27 The Government significantly reduced foreign workforce growth in 2012, and defended the reduction against business complaints by arguing that businesses (a) need to scale back dependence on foreign workforce, (b) need to focus on improving productivity, and (c) will have to move out if it cannot adapt to the restructuring. In his Budget Speech in 2012, Deputy Prime Minister Tharman Shanmugaratnam said,

“The Economic Strategies Committee in 2010 recommended that we moderate the growth of the foreign workforce, and in the long term, avoid its proportion of the total workforce increasing steadily beyond one-third. While the proportion may fluctuate above or below one-third from time to time, we should not indefinitely increase our dependence on foreign labour.”⁵²

3.28 The Workers’ Party’s proposal brings the Government’s policy shift to its logical conclusion by focusing on resident workforce growth, so that businesses (a) can scale back dependence on foreign workforce to rely on the resident workforce, (b) can focus on improving productivity of the resident workforce committed to Singapore in the long-term, and (c) will have to move out if they cannot shift their dependence on foreign workforce to the resident workforce. In fact, the Workers’ Party’s proposal fulfils the Government’s policy aim stated in the 2012 Budget to keep the foreign workforce to one-third of the total workforce, while the White Paper is departing significantly from the aim.

3.29 As late as September 2012, Deputy Prime Minister Tharman said that there would be “no U-turns in our foreign manpower policies” in response to calls to ease the restrictions on foreign workforce growth by businesses.⁵³ The Deputy Prime Minister reiterated this no U-turn stance in November 2012.⁵⁴ In October 2012, Acting Minister Tan Chuan-Jin said that the Government might tighten the foreign workforce inflow further to push Singapore companies toward higher productivity business models and away from labour-intensive growth.⁵⁵ Therefore, the Workers’ Party is puzzled why the White Paper is aiming for the steady growth of the foreign workforce to reach 40% of the total workforce in 2030.⁵⁶

3.30 The Workers’ Party believes that the freezing of the foreign workforce growth balanced by the promotion of resident workforce growth would not hurt economic restructuring. Economic restructuring is not just about increasing productivity and moving firms up the value-chain, but instead is about “empowering the individual and the private sector” to foster “a creative economy that will propel us forward in our next stage of economic development”.⁵⁷ For many businesses it will mean lower profits, as they will need to pay higher wages to Singaporean workers to attract and retain them. However, companies that are dependent on low-wage foreign labour will face the greatest difficulties and will have to restructure. This will create a sustainable and competitive economy in the long run.

3.31 Workers’ wage share as a percentage of GDP has declined over the years in Singapore, from 45.9% in 2001 to 42.3% in 2011.⁵⁸ This is very low compared with other developed economies such as the United Kingdom (53.8% in 2011), Canada (52.3%), Switzerland (59.7%), Australia (47.5%) and the European Union (49.2%).⁵⁹ The Workers’ Party proposed freezing of the foreign workforce growth balanced by the promotion of resident workforce growth would mean that local workers will see their share of GDP increase gradually. In the long run, this will boost domestic consumption and benefit our SMEs.

52 Deputy Prime Minister Tharman Shanmugaratnam, “Budget Speech 2012”, p. 13; <http://www.channelnewsasia.com/annex/budget2012speech.pdf>

53 Mindy Tan, “No U-turn in foreign manpower policy”, *Business Times*, 15 Sep 2012.

54 Nisha Ramchandani, “Labour crunch: Better to finetune than U-turn”, *Business Times*, 21 Nov 2012.

55 Lynn Kan, “Govt may tighten foreign worker inflow further”, *Business Times*, 1 Oct 2012.

56 Calculated from White Paper, p. 49, assuming dependents to workers ratio for non-resident population and LFPR for resident population remain the same as in 2012.

57 Workers’ Party, *Manifesto 2011: Towards a First World Parliament*, 2011, p. 19.

58 Department of Statistics, *Yearbook of Statistics Singapore, 2012*, July 2012, p. 75.

59 OECD Statistics, stats.oecd.org.

3.32 The Government has acknowledged that despite the numerous productivity schemes designed for local SMEs, many SMEs have yet to benefit from them. A study of 263 SMEs commissioned by the National Productivity and Continuing Education Council found most companies are aware that there are schemes available, but more than half do not do further research on them. Also, among those who do the research, about 1 in 3 cannot find schemes that are applicable to them, and among those who find applicable schemes, only 1 in 2 apply.⁶⁰ The Government needs to review its productivity programmes for effectiveness and to set hard targets and key performance indicators to track their effectiveness. We cannot afford to throw money at costly productivity programmes and simply hope to achieve “stretched” productivity targets of 2%-3% in the next 8 years. We need to aim for the targets systematically and diligently with proper feedback on effectiveness. We should also heed expert advice to help SMEs focus more on value creation rather than machinery investment and consolidation for economies of scale.⁶¹

3.33 While we allow the economic restructuring to work its way through our private sector, we could address the business costs faced by SMEs and do what we can to foster a conducive environment for innovative companies to take flight. As this issue is beyond the scope of this paper, the Workers’ Party very broadly suggests that the Government should address the rental, capital and energy costs that are holding back entrepreneurial SMEs. Rental costs could be addressed by limiting the further expansion of Real Estate Investment Trusts for industrial and commercial properties, reviving the Jurong Town Corporation model of supplying inexpensive industrial and commercial properties, and reducing speculation and rental subletting of industrial and commercial properties. Capital costs in restructuring could be addressed by the Government seed funding an SME bank to provide working capital loans to promising enterprises.

60 Speech by Acting Minister for Manpower Tan Chuan-Jin at the National SME Convention, 25 Oct 2012, <http://www.mom.gov.sg/newsroom/Pages/SpeechesDetail.aspx?listid=415>

61 Nisha Ramchandani and Teh Shi Ning, “Productivity push requires govt to go beyond current paradigm: panel”, *Business Times*, 18 Feb 2013.

Chapter 4

Independent Active Ageing

4.1 Singapore, like the rest of the world, is facing an ageing population. The White Paper projects that the number of residents aged 65 years or older is also projected to reach 900,000 in 2030.⁶² Singapore has one of the highest life expectancy in the world at 82 years in 2010.⁶³ This, together with our low TFR, has led to many in the Government forecasting that we will be faced with a dire “silver tsunami”, and is one of the drivers for the Government’s future immigration and economic policies.

4.2 We are not alone in studying how policy-makers can best address the specificities associated with an ageing society. The United Nations Population Fund (UNFPA) published a report in 2012, *Ageing in the Twenty-First Century: A Celebration and a Challenge* (the UNFPA Report) which studied the progress made by various nations since The Madrid International Plan of Action on Ageing was adopted in April 2002. Among other things, the UNFPA Report contained three key recommendations for future decision-making at all levels:

- Older Persons’ participation in decision-making. The report found that there were tangible results through older people’s involvement in decision-making processes, and their concerns could actually lead to more effective policies;
- An age-inclusive approach to stakeholders. All stakeholders must become more active in addressing population and age-related issues;
- Mainstreaming ageing and older persons into policy-making.⁶⁴

4.3 Because our population is ageing, and the number of senior citizens will become an ever-larger part of our society, it becomes even more important that any policies made by the Government should consider the distinctive needs of senior citizens and how they are affected by the policies. This is something that is not yet being done in Singapore. For example, the Land Use Plan does not discuss in detail the distinct needs of an older population when laying out its plans for future land use to 2030. The needs of the elderly have not been given much space, and this is something that needs to be improved on.

4.4 In the White Paper, the Government carries on in its vein of how detrimental an ageing population is, and indicates that our old-age support ratio (the number of working age citizens aged 20-64 years to the number of citizens aged more than 65 years) will fall almost 3 times from 5.9 in 2012 to 2.1 in 2030, with current fertility rates and no immigration.⁶⁵ The Government equates this to an alarming scenario leading inevitably to rising taxes, a heavier economic load on our declining working age population, a less vibrant economy with fewer job opportunities, and our young people leaving for more exciting cities elsewhere.

4.5 The Workers’ Party does not agree with the doomsday scenario outlined by the Government. Instead, we believe that an ageing society marks a triumph of development: our people are living longer, healthier lives. Therefore we must stop seeing elderly Singaporeans as just a drain on our economy and as a barrier to our goal to keep the Singapore economy dynamic. We need to stop seeing elderly as mere ‘dependants’, and must recognize that our

62 National Population and Talent Division, *Citizen Population Scenarios*, 2012, p. 2.

63 National Population and Talent Division, *Citizen Population Scenarios*, 2012, p. 5.

64 UNFPA, *Ageing in the Twenty-First Century: A Celebration and a Challenge*, 2012, p. 157.

65 National Population and Talent Division, *Citizen Population Scenarios*, 2012, p. 9.

elderly too can be golden resources and should indeed be the *core* of Singaporean society and also a vital part of our resident labour force. As Professor Wolfgang Lutz, an eminent Austrian demographer, pointed out recently at an Institute of Policy Studies public lecture, there is no evidence anywhere in the world that ageing societies have economic problems.⁶⁶

4.6 Deputy Prime Minister Teo Chee Hean has acknowledged in his answer to a question raised by Workers' Party MP in Parliament that there are "no international targets or recommended standards for the old-age support ratio".⁶⁷ When looking at the declining old-age dependency ratio, we believe that we should also be mindful that many of our elders are healthier and able to work longer, and indeed many want to. Also, many elderly Singaporeans may have other economic resources of their own, and therefore not every senior citizen is economically dependent.

Good, Sustainable Employment for Senior Citizens

4.7 The key towards economic independence is employment availability for senior citizens. The Government has been trying to get more elderly people to remain in the workforce for a longer period and indeed the employment rate for older workers aged 55-64 has increased in recent years - in 2012, it was 72.4% for those aged 55-59 (from 70.2% in 2011) and 58.1% for those aged 60-64 (from 54.7%). It should however be noted that even with the increase in 2012, the labour force participation rate is still relatively low, considering that this group of "young elderly" is still predominantly in the pre-retirement age.⁶⁸

4.8 As the Workers' Party has pointed out before in Parliament, while the Retirement and Reemployment Act was introduced to provide opportunities for Singaporeans to continue working until age 65, it gives little assurance that they will be able to do so. In addition, the labour force participation numbers only tell us that these workers are employed, but not the types of work they are doing (in terms of the number of hours and their wages), and it also does not tell us whether there is under-employment.⁶⁹

4.9 We believe that our elderly should be able to work for as long as they want to. And there is scope for older workers who want to work to help grow the resident workforce. The Labour Force Participation Rate for men aged 60-64 was 74.6% and 52.6% for those aged 65-69 in 2012. For women, the figures are 41.7% and 26.3%.⁷⁰

4.10 To foster a dynamic and high-quality resident workforce, we must examine the phenomenon of age discrimination as an impediment to increased workforce participation by older workers. Age discrimination in hiring and in the workplace is a common concern of many Singaporeans. The Ministry of Manpower's *Labour Force in Singapore 2012* Report cites "Employers' discrimination (e.g. prefer younger workers)" as one of the reasons why discouraged workers have given up their search for a job. We should consider if additional administrative or legislative measures could be taken to monitor, address and remove this impediment to our older workers entering or staying in the labour force (see 3.15).

4.11 We should continue to encourage local SMEs to work on creating an enabling and relevant workplace for workers as they age. The Government has established various schemes and programmes to recruit, retain and re-employ older employees.⁷¹ To further help our

66 Janice Heng, "No evidence that ageing societies have economic problems: Austrian demographer", *Straits Times*, 19 Feb 2013.

67 Singapore Parliament, Written Answer to Parliamentary Question by Mr Pritam Singh, 15 Oct 2012.

68 Ministry of Manpower, *Labour Force in Singapore 2012*, 2012, table 5.

69 Singapore Parliament, Speech by Sylvia Lim, 11 Jan 2011.

70 Ministry of Manpower, *Labour Force in Singapore 2012*, 2012, table 5.

71 Examples include the Special Employment Credit (SEC), Silver Care Employment @ NorthWest, Adjunct Teachers Programme, Flexi-Works!

senior workers stay longer in the workforce if they choose to, more measures for businesses to redesign jobs, processes and workplaces specifically for older workers to improve their productivity are needed. In the Europe and Asia Forum on Active Ageing and Intergenerational Solidarity in 2012, the Acting Minister for Social and Family Development, Mr. Chan Chun Sing, “acknowledged that many of our work processes are still designed for employees in their 20s to 50s” and “do not take into consideration the years of experience that older workers can contribute to the workforce”⁷². Clearly, more targeted measures are needed to help older workers remain as productive as their younger counterparts. When older workers are able to be more productive, employers would be more inclined to retain or hire them.

4.12 In addition to developing and implementing these measures, the Government must do more to encourage a higher uptake of the schemes by companies. The ADVANTAGE! Scheme that was launched in 2005 had only disbursed \$13.6 million by 2011, 7 years after its launch.⁷³ The Silver Productivity programme launched in 2011 by the Singapore Manufacturing Federation and funded by the Employment and Employability Institute was also aimed at improving the productivity of older workers. It had disbursed only \$45,000 to 5 companies as of February 2012. One of the reasons cited for the lukewarm response was insufficient promotion of productivity of older workers.⁷⁴

Barrier-Free Environments for Active Ageing

4.13 When we talk about an elderly-friendly and barrier-free environment, we should not only speak of building extra lifts in overhead bridges near MRT stations and bus interchanges. We also need to remove intangible barriers that prevent elderly Singaporeans from being able to lead as healthy and independent a lifestyle as possible, be it at the workplace, in the community, or even in their homes.

4.14 The World Health Organization has defined active ageing as “the process for optimizing opportunities for health, participation and security in order to enhance quality of life as people age.” Active ageing is not only just about keeping elderly Singaporeans employed as long as possible. The word “active” refers to “continuing participation in social, economic, cultural, spiritual and civic affairs, not just the ability to be physically active or to participate in the labour force”.⁷⁵

4.15 Many older Singaporeans value their independence and take pride in their ability to still contribute to society. This trend is likely to continue into the future, particularly with improvements made in education levels and health. And indeed the UNFPA Report states that the older generation “represents a growing reservoir of talent and experience that can be tapped to reap a ‘longevity dividend’”.⁷⁶

A Golden Age

4.16 Older Singaporeans have much to offer our society, and not all of this can be measured in economic terms. The value of a grandmother looking after her grandchildren so that the parents can participate in the labour force has immense value in the informal economy of intergenerational exchange. Elderly Singaporeans can be active volunteers in

72 Goh Shi Ting, *Straits Times*, “Ageing society needs mindset change: Minister”, 3 Dec 2012.

73 Singapore Parliament, Committee of Supply (Speech 4) by Mr Hawazi Daipi, Senior Parliamentary Secretary (Health and Manpower), 09 Mar 2011.

74 Saifubahri Ismail, “Silver Productivity scheme receives lukewarm response”, Channel NewsAsia, 13 Feb 2013.

75 World Health Organization, *Active Ageing, A Policy Framework*, 2002, p. 12. http://whqlibdoc.who.int/hq/2002/who_nmh_nph_02.8.pdf

76 <http://unfpa.org/ageingreport/>

civic organizations, caregivers to the older elderly, grandparents and consumers of goods and services in the silver industry. They can also be employed in schools to teach subjects such as social studies and national education, or encouraged to volunteer to do so. This is also a way of encouraging cross-generational sharing and learning, particularly in a society where family trends are shifting towards nuclear family units where there may be fewer opportunities for intergenerational sharing within the family.

4.17 Ultimately, this is perhaps the greatest contribution elderly Singaporeans make to our country: as the custodians of our nation's heartbeat, of our history and culture. In fact, our elderly Singaporeans are a part of and are essential to maintaining a Singapore core and indispensable to building a sustainable Singapore. Their contributions must not be undervalued and must be encouraged as much as possible.

4.18 And even as we embark on the next stage of raising our TFR and pull all the stops towards building a nation that Singaporeans are proud to grow up in and with, we must also ensure that our senior citizens both now and in the future are able to age well, to age with dignity and security. This means ensuring that older members of our society are treated with respect, and that their economic, physical as well as mental well-being are well taken care of.

Chapter 5

Sustainable Urban Development

Runaway Population Growth

5.1 The Land Use Plan outlined in detail land use to support a projected population range of between 6.5 to 6.9 million by 2030. Amongst other plans laid out in the White Paper, the Government aims to build housing and transport infrastructure ahead of the projected demand. To cater for the increase in population, more land will be set aside to build more housing units and develop new housing estates. The rail network will be doubled with the addition of five more lines, which would have been completed by 2030.

5.2 Such increases in housing and transport infrastructure were similarly laid out in the Concept Plans of 1991 and 2001. In both instances, Singapore had reached the projected population size faster than anticipated. The 1991 Concept Plan planned for a projected population of 4 million over a span of 25 years.⁷⁷ However, that population figure was reached in 2000 within just 9 years. In addition, the 2001 Concept Plan had a projected population of 5.5 million as a basis for land use and transportation planning over a period of 40 to 50 years.⁷⁸ However, by 2010, Singapore reached a population size of just over 5 million in a short span of 10 years, and we are now fast approaching the 5.5 million figure, just 12 years after the Concept Plan was launched.

5.3 Even if new citizens are to become integrated through deeply enhanced integration efforts or grow up in and with Singapore over the next decade and a half to 2030, having citizens making up only 55% of the population is too close to the important threshold of 50% majority. We will also not be leaving much room for our children to maintain a sustainable immigration and citizenship policy. A further drop from 62% in 2012 to 55% in 2030 crosses the psychological threshold of 60% local-born residents or citizens that most global cities, including London and New York, have not crossed.⁷⁹ While the Government professes Singapore to be both a nation and a global city, it is trying to achieve the intensity and pace of immigration that even global cities with much larger hinterlands around them do not dare attempt, much less a nation.

5.4 The White Paper warns that our shrinking and ageing population would lead to a less vibrant economy and young people leaving for more exciting and growing global cities. From 2001 to 2011, 10,900 Singaporeans renounced their citizenships.⁸⁰ The number of Overseas Singaporeans increased from 157,800 in 2004 to 200,000 in 2012, with more than half in the prime working ages of 25-54 years.⁸¹ We need to ask why Singaporeans are already leaving. Are they leaving because they feel Singapore does not offer them the right economic

77 In the foreword of *Living the Next Lap: Towards a Tropical City of Excellence* (URA, 1991), then-Minister for National Development, S. Dhanabalan, wrote: "Now we are at a turning point, ready to move into the next 25 years and beyond - to provide for a future when our population will reach 4 million."

78 The URA Concept Plan 2001 wrote: "The Concept Plan 2001 maps out our vision for the next 40 to 50 years. It is based on a population scenario of 5.5 million." <http://www.ura.gov.sg/conceptplan2001/index.html>

79 According to the UK Office for National Statistics, the foreign-born population of London increased from 27% of total population in 2001 to 37% in 2011 (<http://www.ons.gov.uk/ons/rel/mro/news-release/census-2-1---london/census-gives-insights-into-characteristics-of-london-s-population.html>). According to New York-based Center for Migration Studies, citing the New York City Department of City Planning, the percentage of foreign-born population of New York City remained stable from 2000 to 2010 at 36-37% (<http://cmsny.org/2012/03/09/understanding-the-population-dynamics-of-a-changing-new-york/#ixzz2Jz4wh7oy>).

80 Singapore Parliament, Written Reply to Parliamentary Question by Faisal Manap, 12 Nov 2012.

81 National Population and Talent Division, *Population in Brief 2012*, p. 19.

opportunities? Or are many of them leaving because they feel Singapore is becoming too crowded, costly and competitive, that they would like to live somewhere and bring their children up in a place with more space and greater wellbeing? How does increasing the population to up to 6.9 million by 2030 allay these concerns and make it less likely for Singaporeans to decide they have to leave the country of their birth in search of a better life for themselves and their children?

5.5 In 2012, about 3.14 million Singapore residents were staying in HDB flats, which accounts for 82% of Singapore residents. The proportion is similar in 2010, with about 3.10 million Singapore residents staying in HDB flats.⁸² The 2010 figure on land use shows that public housing took up only 7% of the total landmass or about 5,000 hectares, and private housing another 7%. This gives us a staggering actual population density of 62,000 people per square kilometre for public housing in 2010. This beats the densest district in Hong Kong, which comes in at slightly above 55,000 people per square kilometre.⁸³

5.6 The Government's proposal will increase overall population density by 27.0% from 7,155 to 9,008 persons per square kilometre from 2010 to 2030. Residential density on housing land (including private housing) will also increase by 4.5% from 50,800 to 53,077 persons per square kilometre.⁸⁴ Yet studies have shown that there is a negative correlation between density and fertility.⁸⁵ A denser Singapore therefore undermines our efforts to raise our fertility rate.

Sustainable Urban Development for Our Children

5.7 The Government's target of achieving 3-4% growth until 2020 and projecting a 6.9 million population size by 2030 is dependent on reducing our land reserves drastically from 14% to 4% of total land area, demolishing culturally and socially meaningful places for redevelopment, and redeveloping for increased population densities.

5.8 Our land reserves should not be drastically reduced to 4%. Reducing our land reserves by almost three-quarters for an extra 0.5% point GDP growth significantly reduces the ability of the next generation of Singaporeans to deal with economic and demographic exigencies in the future. This is not a sustainable use of our land resources. Having a lower rate of population growth to around 5.6 to 5.8 million in 2030 and a 0.5% point lower GDP growth, we could preserve up to 10% of the total land area as reserves for the next generation.

82 Department of Statistics, *Population Trends 2012*, pp. 7, 14, 1.

83 Singapore Parliament, Oral Reply to Parliamentary Question by Png Eng Huat, 4 Feb 2013. The Hong Kong 2011 Population Census shows that Kwun Tong district has a population density of 55,204 people per square kilometer, which is the highest in Hong Kong. <http://www.census2011.gov.hk/pdf/key-statistics-cover.pdf>

84 This is calculated using the White Paper projections, the Land Use Plan, and 2010 population figures from the Census.

85 Francis T. Lui, "Demographic Transition, Childless Families, and Economic Growth", *The Economic Consequences of Demographic Change in East Asia, NBER-EASE Volume 19*, ed. Takatoshi Ito and Andrew Rose, University of Chicago Press, 2010, pp. 351-73; . Wolfgang Lutz and Ren Qiang, "Determinants of human population growth", *Philosophical Transactions of the Royal Society of London B*, 2002, vol. 357, pp. 1197-1210.

Table 3. Proposed Land Requirements of Sustainable Urban Development

	Actual	Land Use Plan	Workers' Party
	2010	2030	2030
Housing	10,000 (14%)	13,000 (17%)	11,500 (15%)
Industry and Commerce	9,700 (13%)	12,800 (17%)	11,650 (15%)
Parks and Nature Reserves	5,700 (8%)	7,250 (9%)	7,250 (9%)
Community, Institution and Recreation	5,400 (8%)	5,500 (7%)	5,500 (7%)
Utilities	1,850 (3%)	2,600 (3%)	2,200 (3%)
Reservoirs	3,700 (5%)	3,700 (5%)	3,700 (5%)
Land Transport Infrastructure	8,300 (12%)	9,700 (13%)	9,700 (13%)
Ports and Airports	2,200 (3%)	4,400 (6%)	3,300 (4%)
Defence Requirements	13,300 (19%)	14,800 (19%)	14,000 (18%)
Others	10,000 (14%)	2,800 (4%)	7,800 (10%)
Total	71,000 (100%)	76,600 (100%)	76,600 (100%)

5.9 Table 4 shows our projected land requirements in comparison to the Land Use Plan companion to the White Paper. We calculated the Housing requirements based on the 2010 residential density of 50,800 people per square kilometre. We also adjusted the Industry and Commerce, Utilities, and Ports and Airports requirements to the projected population of 5.8 million compared to the White Paper's 6.9 million. We moderated the Land Use Plan's proposed increase in Defence requirements. We agree with the Land Use Plan's proposed increase in Parks and Nature Reserves and Reservoirs requirements, as we believe that a higher proportion of green areas will mitigate high-density urban living. We agree with the Plan's proposed increase in Land Transport Infrastructure requirements, as expansion is needed to alleviate the current strain on the public transport system. We agree with the Plan's very slight increase in Community, Institution and Recreation Facilities requirements, as land use requirement important for TFR improvement and adaptation to population ageing, such as childcare and eldercare centres, should be integrated in housing estates. 10% of the total land area will be maintained as land reserves for future generations.

5.10 The environment plays an important role in a sustainable Singapore. While we are mindful of the scarcity of land in Singapore for housing and economic development, we must balance the needs of urban development and preserving nature. While areas in Pulau Tekong and Lim Chu Kang have been newly added to the list of Nature Areas, proposed land reclamations and infrastructure developments in the existing coastal areas will affect the rich ecosystem that Singapore currently enjoys. The White Paper intends to continue allocating around 10% of land to greenery. However, how much of that 10% will be man-made? Natural habitats like the marshland habitats, mangrove swamps and coral reefs, marine animals and wild birds must be protected for our future generations.

5.11 It is important that the Government take particular care when considering the development of forested areas. Apart from being a habitat for flora and fauna, forested areas alleviate drainage issues by retaining water and slowing surface runoff. Forested areas can also moderate ambient temperatures. The 2012 Expert Panel on Drainage Design and Flood Prevention Measures found that large-scale, rapid urbanization is a key contributor to the

recent increase of flooding in Singapore.⁸⁶ Building over forested areas may reduce Singapore's environmental sustainability and negatively affect Singaporeans' safety, well-being, property, businesses, as well as the economy.

5.12 Comprehensive Environmental Impact Assessments (EIAs) should precede major development projects,⁸⁷ such as those envisioned by the White Paper and Land Use Plan. EIAs are especially important for projects that may have a significant impact on the natural environment, such as the planned Cross Island MRT Line. Findings from the EIAs should be made publicly available in their entirety, together with appropriate details of plans for such projects. This will inform Singaporeans about the developments and assure us that Singapore's physical environment is receiving adequate protection. Information from the EIAs can enable Singaporeans and the Government make the necessary upfront investments on environmental issues. This can help Singapore avert costly environment-related disruptions and the need for expensive fixes later on.

5.13 Even as we live in a globalizing world, for many Singaporeans, this island is the only home there is. While a balance has to be struck between development and conservation, the rapid pace of urbanization in recent years has tilted that balance away from conserving our natural and cultural heritage. The Land Use Plan promises to build a high quality living environment for all Singaporeans. But high quality living should by definition not compromise the environment and heritage. A sustainable Singapore is a nation where all Singaporeans, present and future, feel comfortable in and also experience a sense of belonging through the sights and sounds that they grow up with.

86 Report on Key Conclusions and Recommendations of the Expert Panel on Drainage Design and Flood Protection Measures 2012, Ministry of Environment and Water Resources, pp. 13-14.

87 Workers' Party, *Manifesto 2011: Towards a First World Parliament*, 2011, p. 56.

Chapter 6

Conclusion

6.1 Letting economic growth dictate and drive our policy directions and paying secondary attention to other factors that make up Singapore as a nation neglects the very basic question of what do Singaporeans want for our future. We believe that the Government has failed to take the concerns and hopes of Singaporeans into account in this White Paper, and the direction and proposals of the paper do not adequately take into account the social, environmental and heritage costs associated with its economic growth-driven population policy.

6.2 The alternative vision of Singapore that the Workers' Party has, is a Singapore with higher birth rates, where we do not resort only primarily to foreign workforce growth in our search for a sustainable economy, with sound policies that carefully consider the needs of senior citizens, giving them the respect they deserve, and also a high urban quality of life. Above all, our vision is of a Singapore which Singaporeans are happy and proud to call their home, and to want to defend it.

6.3 The Workers' Party therefore rejects the assumptions and conclusions as lined out in the Government's White Paper. Instead we are of the view that the Government's duty is first and foremost towards ensuring that we must all work together to build a sustainable Singapore to leave behind as a legacy to our children, to future generations of Singaporeans. The emphasis must be back onto building a Singapore for her people, that of a Dynamic Population for a Sustainable Singapore.

Appendix

Population Scenarios

We projected three scenarios from 2012 to 2030 based on our proposal to grant 10,000 new citizens annually, with priority given to non-Singaporean spouses of citizens, focus on recovering TFR towards replacement rate, target annual 1% resident workforce growth, promote LFPR of women and senior citizens, freeze foreign workforce growth if we are able to meet the targeted annual 1% resident workforce growth, and continue economic restructuring towards productivity-led growth.

Scenario A is our ideal scenario of TFR recovery to 1.75 and LFPR improvement to 78.7% for ages 15-69 in 2030.

Scenario B is the less-than-ideal scenario of TFR stagnation at 1.31 and LFPR improvement to 78.7% in 2030.

Scenario C is our non-ideal scenario of TFR and LFPR stagnation.

The projected total population in 2030 for the three scenarios ranges from 5.6 to 5.8 million, which is significantly lower than the White Paper projections from 6.5 to 6.9 million.

Scenario C, our non-ideal scenario, shares the same assumption of TFR stagnation as the White Paper projections. It also assumes LFPR rates remaining the same. However, the trade-off in headline outcomes is less 1.1 million people or 20% of our current population for less 0.5% annual GDP growth. In other words, our non-ideal scenario has the outcome of 5.8 million population compared to the White Paper's "worst-case scenario" of 6.9 million population.

Scenarios A and B can be compared to see the significance of TFR improvement. The difference is 110,000 more local-born Singaporeans in 2030. This is significant for the economy, as it means that going forward, the foreign workforce supplements could be withdrawn as more babies are born to citizens and grow up to replenish the resident workforce.

Scenario A: TFR Recovers, LFPR Improves

	2012	2015	2020	2025	2030
<i>Singaporean Core</i>					
1. Total fertility rate	1.20	1.39	1.51	1.63	1.75
2. New citizens naturalized		30,000	50,000	50,000	50,000
3. Resident population	3,818,200	3,865,109	3,939,931	4,000,788	4,032,995
3a. Permanent residents	533,100	533,100	533,100	533,100	533,100
3b. Citizens	3,285,100	3,332,009	3,406,831	3,467,688	3,499,895
<i>Workforce</i>					
4. Resident working age population	2,890,436	3,010,712	3,038,140	2,998,012	2,912,478
4a. Labour force participation rate	72.2%	73.7%	76.2%	78.7%	78.7%
4b. Resident workforce	2,085,686	2,217,636	2,313,793	2,358,182	2,290,902
5. Target resident workforce		2,148,885	2,258,500	2,373,706	2,494,789
5a. Shortfall		0	0	15,524	203,886
5b. Non-resident population	1,494,200	1,494,200	1,494,200	1,509,724	1,698,086
<i>Outcomes</i>					
6. Total population	5,312,400	5,359,309	5,434,131	5,510,511	5,731,081
6a. Percentage citizen	62%	62%	63%	63%	61%
6b. Productivity growth		2%-3%	2%-3%	1%-2%	1%-2%
6c. Workforce growth from 2012		1.30%	0.83%	0.64%	0.65%
6d. GDP growth		2.5%-3.5%		1.5%-2.5%	

Scenario B: TFR Stagnant, LFPR Improves

	2012	2015	2020	2025	2030
<i>Singaporean Core</i>					
1. Total fertility rate	1.20	1.31	1.31	1.31	1.31
2. New citizens naturalized		30,000	50,000	50,000	50,000
3. Resident population	3,818,200	3,859,564	3,915,944	3,936,569	3,915,618
3a. Permanent residents	533,100	533,100	533,100	533,100	533,100
3b. Citizens	3,285,100	3,326,464	3,382,844	3,403,469	3,382,518
<i>Workforce</i>					
4. Resident working age population	2,890,436	3,010,712	3,038,140	2,998,012	2,906,948
4a. Labour force participation rate	72.2%	73.7%	76.2%	78.7%	78.7%
4b. Resident workforce	2,085,686	2,217,636	2,313,793	2,358,182	2,286,553
5. Target resident workforce		2,148,885	2,258,500	2,373,706	2,494,789
5a. Shortfall		0	0	15,524	208,236
5b. Non-resident population	1,494,200	1,494,200	1,494,200	1,509,724	1,702,436
<i>Outcomes</i>					
6. Total population	5,312,400	5,353,764	5,410,144	5,446,293	5,618,054
6a. Percentage citizen	62%	62%	63%	62%	60%
6b. Productivity growth		2%-3%	2%-3%	1%-2%	1%-2%
6c. Workforce growth from 2012		1.30%	0.83%	0.64%	0.65%
6d. GDP growth		2.5%-3.5%		1.5%-2.5%	

Scenario C: TFR Stagnant, LFPR Stagnant

	2012	2015	2020	2025	2030
<i>Singaporean Core</i>					
1. Total fertility rate	1.20	1.31	1.31	1.31	1.31
2. New citizens naturalized		30,000	50,000	50,000	50,000
3. Resident population	3,818,200	3,859,564	3,915,944	3,936,569	3,915,618
3a. Permanent residents	533,100	533,100	533,100	533,100	533,100
3b. Citizens	3,285,100	3,326,464	3,382,844	3,403,469	3,382,518
<i>Workforce</i>					
4. Resident working age population	2,890,436	3,010,712	3,038,140	2,998,012	2,906,948
4a. Labour force participation rate	72.2%	72.2%	72.2%	72.2%	72.2%
4b. Resident workforce	2,085,686	2,172,475	2,192,267	2,163,311	2,097,601
5. Target resident workforce		2,148,885	2,258,500	2,373,706	2,494,789
5a. Shortfall		0	66,233	210,394	397,188
5b. Non-resident population	1,494,200	1,494,200	1,560,433	1,704,594	1,891,388
<i>Outcomes</i>					
6. Total population	5,312,400	5,353,764	5,476,377	5,641,163	5,807,005
6a. Percentage citizen	62%	62%	62%	60%	58%
6b. Productivity growth		2%-3%	2%-3%	1%-2%	1%-2%
6c. Workforce growth from 2012		0.86%	0.63%	0.64%	0.65%
6d. GDP growth		2.5%-3.5%		1.5%-2.5%	

Detailed Notes on Scenario Tables

[1] Total fertility rate. The TFR in 2012 is 1.29. For Scenario A, this is assumed to rise to 1.39 in 2015 and 0.12 points every 5 years after that, following high fertility projection figures from Saw Swee Hock, Population of Singapore, ISEAS, 2012, p. 308, see [3]. For Scenarios B and C, this is assumed to rise to 1.31 in 2015 and remain constant thereafter, following medium fertility projection figures from Saw Swee Hock, Population of Singapore, ISEAS, 2012, p. 311, see [3].

[2] New citizens naturalized. This assumes a quantum of 10,000 new citizens naturalized a year. This is based on the average number of 8,200 new citizens naturalized each year between 1987 and 2006, and the 9,000 marriages between a Singaporean and a non-Singaporean in 2011.

[3] Resident population. 2012 figure is from mid-year estimates, Department of Statistics. Figures from 2015 onwards for Scenario A estimated using high fertility projection figures from Saw Swee Hock, Population of Singapore, ISEAS, 2012, p. 308. High fertility projection assumes TFR increasing from 1.27 in 2010 and 1.39 in 2015, to 1.51 in 2020, and remaining constant thereafter. Our projection follows the linear increase of 0.12 points every five years through to 2030. Figures from 2015 onwards for Scenarios B and C estimated using medium fertility projection figures from Saw Swee Hock, Population of Singapore, ISEAS, 2012, p. 311. Medium fertility projection assumes increase from 1.27 in 2010 and 1.31 in 2015, and to remain constant thereafter. New citizens naturalized [2] are distributed equally across 5 age groups, 10-34 years old, after subtracting 2,000 permanent resident spouses of citizens becoming citizens each year (according to 2011 marriage figures, National Population and Talent Division, Population in Brief 2012, p. 27), to avoid double counting. New citizens follow death rates imputed in Prof Saw's projected figures.

[3a] Permanent residents. 2012 figure is from mid-year estimates, Department of Statistics. Figures from 2015 onwards fixed at 2012 figure. This follows the White Paper's policy to maintain the permanent resident population constant.

[3b] Citizens. 2012 figure is from mid-year estimates, Department of Statistics. Figures from 2015 are derived from subtracting permanent residents [3a] from resident population [3].

[4] Resident working age population. Resident working age population is defined by Ministry of Manpower as 15 years old to 85 years old and above, while OECD and other countries use 15-64 years old. For our definition, we are using 15-69 years old, so as to include the reemployment of senior citizens after retirement age. The 2010 resident population 15-69 years old, from Census 2010, is used for the 2012 figure. From 2015, resident working age population is derived from resident population projections in [3].

[4a] Labour force participation rate. 2012 figure is derived from dividing the resident workforce [4b] by resident working age population [4]. For Scenarios A and B, from 2012 to 2025, rate is calculated on assumption of an increase of 0.5% points per year through focused promotion of labour force participation of women and senior citizens. We assume we cannot increase the rate beyond 2025, as the highest rate achieved by an OECD country in 2012 for ages 15-64 years is around 80% (Iceland and Switzerland; the two countries achieved 74% and 72% for ages 15-74 years in 2012). For Scenario C, rate is held constant after 2012.

[4b] Resident workforce. 2012 figure, excluding 1.6% of the workforce who are workers aged 70 years old and above, is from Ministry of Manpower, Labour Force in 2012, p. 4. From 2015, resident workforce is calculated from resident working age population using labour force participation rate [4a].

[5] Target resident workforce. This is the expected size of the resident workforce at targeted increase of 1% per year.

[5a] Shortfall. This is the shortfall in expected size of the resident workforce calculated by subtracting resident workforce [4b] from target resident workforce [5]. Shortfall is to be filled in by foreign manpower inflow. This means shortfall [5a] will be added to non-resident population [5b].

[5b] Non-resident population. 2012 figure is from mid-year estimates, Department of Statistics. Figures from 2015 are derived from adding shortfall [5a] to the baseline 2012 figure. 15% of the non-resident population were dependents and 6% students. The rest make up the workforce. Our addition assumes no dependents.

[6] Total population. 2012 figure is from mid-year estimates, Department of Statistics. Figures from 2015 are calculated by adding resident population [3] and non-resident population [5b].

[6a] Percentage citizen. This is obtained by dividing citizens [3b] by total population [6].

[6b] Productivity growth. This follows the White Paper's targets of 2%-3% productivity growth to 2020 and 1%-2% to 2030.

[6c] Workforce growth per year from 2012. This is total workforce growth per year from 2012, including both resident workforce growth and non-resident workforce growth. This assumes non-resident workforce of 1,242,200 in 2012.

[6d] GDP growth. GDP growth per year assumes 1% resident workforce growth (0.7% total workforce growth) and productivity growth as in [6b].