
A SUSTAINABLE POPULATION FOR A DYNAMIC SINGAPORE

POPULATION WHITE PAPER

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EXECUTIVE SUMMARY

BACKGROUND

Our citizen population reached a turning point in 2012, as our first cohort of Baby Boomers turned 65. Singapore will experience an unprecedented age shift between now and 2030. Over 900,000 Baby Boomers, more than a quarter of the current citizen population, will enter their silver years. From 2020 onwards, the number of working-age citizens will decline, as older Singaporeans retiring outnumber younger ones starting work. At our current low birth rate, our citizen population will age rapidly, and also start declining from 2025, if we do not take in any new immigrants.

This White Paper sets out the key considerations and roadmap for Singapore's population policies to address this demographic challenge. It outlines the Government's policies to maintain a strong Singaporean core in the population, regulate

how many new Singapore citizens (SCs) and permanent residents (PRs) we take in, create jobs and opportunities for Singaporeans, build a high quality living environment, as well as strengthen our identity and society.

THREE PILLARS FOR A SUSTAINABLE POPULATION FOR A DYNAMIC SINGAPORE

A sustainable population for Singapore rests on three key pillars.

First, Singaporeans form the core of our society and the *heart* of our nation. To be a strong and cohesive society, we must have a strong Singaporean core. Strong families are the bedrock of our society, through which we pass on our values and sense of belonging from one generation to the next. We may





have diverse geographical and ethnic backgrounds, but we are all Singaporean because we share certain key values and aspirations, including meritocracy, a fair and just society, and respect for one another's culture within a broad common space where all interact and bond.

Second, our population and workforce must support a dynamic economy that can steadily create good jobs and opportunities to meet Singaporeans' *hopes* and aspirations. Many Asian cities are modernising rapidly, and catching up on us. Singapore must continue to develop and upgrade to remain a key node in the network of global cities, a vibrant place where jobs and opportunities are created. A dynamic economy will provide us with more resources and room to pursue inclusive growth strategies to benefit all segments of our society.

Third, we must continue to keep Singapore a good *home*. Our city must continue to be well-managed,

well-planned, and well-developed. We must meet the infrastructure needs of a changing population and economy in a timely and efficient way, while preserving and enhancing a green environment, so that Singapore can be a unique, bustling 'City in a Garden'.

MAINTAINING A STRONG SINGAPOREAN CORE

In 2011, our Total Fertility Rate (TFR) was 1.20. It has been below the replacement rate of 2.1 for more than three decades. Low and falling TFR is not unique to Singapore. Many developed Western countries, and East Asian societies such as Hong Kong, Japan and Taiwan, suffer the same problem.

To help Singaporeans achieve their dreams to marry and have children, we introduced a Marriage & Parenthood Package in 2001, and enhanced it in 2004 and 2008. We are further enhancing the Package this year to:



(a) enable couples to get housing faster and more easily, so that they can marry and start families earlier; (b) provide support for conception and delivery costs; (c) further defray child-raising costs, including healthcare costs; (d) enhance work-life measures to help working couples balance work and family commitments; (e) signal to fathers to play a bigger role through paternity and shared parental leave.

We will continue to welcome immigrants who can contribute to Singapore, share our values and integrate into our society. More Singaporeans are marrying non-Singaporeans. About 40% of Singaporean marriages each year are between a Singaporean and a non-Singaporean – some 9,000 in 2011 alone.

We do not expect our TFR to improve to the replacement rate of 2.1 in the short term. Taking in younger immigrants will help us top up the smaller cohorts of younger Singaporeans, and balance the

ageing of our citizen population. To stop our citizen population from shrinking, we will take in between 15,000 and 25,000 new citizens each year. We will review this immigration rate from time to time, depending on the quality of applicants, our birth rates, and our changing needs.

Permanent residence is an intermediate status through which foreigners take up citizenship. It is meant for those who have a long-term stake in Singapore and intend to sink roots here. We have tightened up significantly on the number of PRs granted each year. We have come down from a high of 79,000 new PRs in 2008 to about 30,000 each year currently. We plan to maintain the current pace. This will keep a stable PR population of between 0.5 and 0.6 million, and ensure a pool of suitable potential citizens.

We will continue to encourage and help new citizens integrate into our society. We would like them to

adapt to our way of life, while enriching the diverse experiences, skills and capabilities in our society.

With this controlled immigration rate, the citizen population is projected to be between 3.6 and 3.8 million by 2030. Together with the PR population of 0.5 to 0.6 million, this gives a resident population (comprising citizens and PRs) of between 4.2 and 4.4 million in 2030, depending on birth rates, immigration and life expectancy.

CREATING GOOD OPPORTUNITIES FOR SINGAPOREANS

The Singaporean workforce is becoming progressively better qualified, as better educated young Singaporeans start work, and existing workers upgrade themselves through continuing education and training. We anticipate a significant upgrading of the Singaporean workforce towards Professional, Managerial, Executive and Technical (PMET) jobs. By 2030, the number of Singaporeans in PMET jobs is expected to rise by nearly 50% to about 1.25 million compared to 850,000 today, while the number in non-PMET jobs is expected to fall by over 20% to 650,000 compared to 850,000 today. Overall, two-thirds of Singaporeans will hold PMET jobs in 2030, compared to about half today. We will continue to provide opportunities to non-PMET Singaporeans, and help them to upgrade and upskill, as well as ensure that they are treated fairly and their pay recognises the increases in their contribution.

To create good jobs and opportunities for Singaporeans, we need a dynamic economy and businesses that produce goods and services not just for Singapore, but for the region and the world. Our economy must stay ahead of other Asian cities, so that we can provide them with the high-end goods and services that they need but are not yet able to produce themselves. Our businesses will need a workforce with the full range of skills, backgrounds and experiences who can kick-start high value-added emerging sectors, and understand regional and international markets. This requires a complementary workforce of Singaporeans and foreigners.

Foreign workers can provide skills and expertise, as well as market knowledge and access, to enable Singapore-based companies to create new products and penetrate new markets to serve the region and beyond.

Foreign workers help to create the right balance of skilled and less-skilled workers in the overall workforce. As Singaporeans upgrade themselves into higher-skilled jobs, more of the lower-skilled jobs will have to be done by foreigners.

Foreign workers also provide healthcare, eldercare and domestic services to support our ageing population and working families. They build infrastructure and housing, and do conservancy and maintenance work. They thus enable Singaporeans to enjoy good social and municipal services at a moderate cost, contributing to our quality of life.

Foreign workers enable businesses to expand quickly and flexibly during economic booms. They also buffer Singaporean workers from job losses during downturns.

We thus continue to need a significant number of foreign workers to complement the Singaporean core in the workforce.

However, we cannot allow in an unlimited number of foreign workers. We do not want to be overwhelmed by more foreign workers than we can absorb, or to expand our total population beyond what our island is able to accommodate. Too many foreign workers will also depress wages and reduce the incentive for firms to upgrade workers and raise productivity.

For the rest of this decade, as the growth of our Singaporean workforce slows, our total workforce growth will also slow to about 1% to 2% per year, half of the 3.3% per year over the past 30 years. Beyond 2020, workforce growth will slow down further to about 1% per year as the population ages and the Singaporean workforce starts to plateau.

We must thus rely less on foreign labour, use our resources better, and redouble efforts to improve



productivity. That is the only sustainable way to grow the economy and raise real wages. However, over time as our economy matures and undergoes major demographic shifts, sustaining high productivity growth will also become harder.

Up to 2020, if we can achieve 2% to 3% productivity growth per year (which is an ambitious stretch target), and maintain overall workforce growth at 1% to 2%, then we can get 3% to 5% Gross Domestic Product (GDP) growth on average. But over the whole period, GDP growth is more likely to average 3% to 4%, though we may exceed that in good years.

Beyond 2020, Singapore will continue to enjoy good prospects so long as we remain competitive and are able to plug into Asia's growth. We may see GDP growth of between 2% and 3% per year from 2020 to 2030. However, actual economic growth will depend on many factors: our external environment, our productivity and workforce growth, how dynamic and creative Singaporeans are, and how well we work together, compared to people in other cities.

HIGH QUALITY LIVING ENVIRONMENT

We want Singapore to continue to be one of the best places to live in the world – a city for all age groups, and a country we are proud to call home.

We will invest in our infrastructure and create high quality urban spaces, offering convenient access to amenities, transport nodes and services. Our rail network will expand by about 100 km to a total length of 280 km by 2021. We will build more public housing, hospitals and care facilities. With new parks and park connectors, Singaporeans will continue to enjoy accessible and interconnected green spaces all around Singapore.

We will continue to explore new technology and innovative solutions to expand and optimise our land use. The National Research Foundation has allocated \$135 million for research and development into land and liveability, focusing on creating new space cost-effectively and optimising the use of space.

By planning our infrastructure developments well in advance, and implementing them in a timely and effective way, we can overcome our current strains and congestion, and accommodate a larger population.

POPULATION TRAJECTORIES

The roadmap in this White Paper puts us on possible population trajectories to meet the present and future needs of Singapore and Singaporeans.

Singapore's total population of residents and non-residents in 2020 is projected to be between 5.8 and 6 million, depending on our fertility trends, life expectancy, as well as our social and economic needs. The resident population (comprising citizens and PRs) is projected to be 4 to 4.1 million, of which citizens alone will make up 3.5 to 3.6 million.

By 2030, Singapore's total population could range between 6.5 and 6.9 million. There is a wider band of uncertainty, and the actual population will again depend on factors such as our fertility trends and life expectancy, the global and regional environment, our economic structure and social needs. The resident population (comprising citizens and PRs) is projected to be 4.2 to 4.4 million, of which citizens alone will make up 3.6 to 3.8 million.

CONCLUSION

Our population challenges are complex and multi-faceted, and have far-reaching effects on our current and future generations. There are no simple solutions.

We need to find a balance. If we do too little to address the demographic challenge, we risk becoming a steadily greying society, losing vitality and verve, with our young people leaving for opportunities elsewhere. But if we take in too many immigrants and foreign workers, we will weaken our national identity and sense of belonging, and feel crowded out of our own home. This White Paper aims for a judicious balance to achieve our goal of: A Sustainable Population for a Dynamic Singapore.

We must plan well ahead in order to build the best home for Singaporeans, both current and future. A home where we care for one another, and feel a sense of belonging and pride. A home for Singaporeans to bring up families and nurture children. A home where the old live their silver years with grace and dignity, and the young have exciting opportunities and bright futures.