

Speech by Minister Grace Fu on Population White Paper at the Parliamentary Debate

Sustaining a Strong Singaporean Core

Introduction

Madam Speaker, many members before me have spoken from the heart about the concerns expressed by Singaporeans. Do we need to have so many immigrants? Are we getting the right immigrants? Can they be integrated into our society? I would like to address these concerns. I will focus on the need to sustain a strong Singaporean core, and how we will work towards achieving this.

Our Demographic Challenge

Last month, I visited an Elder Care Centre and met a lady there. She described her family to me. She has 6 children. Of the 6, 4 are married and 2 have remained single. The four married children gave her 5 grandchildren. So from large families of 6 children just a generation ago, more are remaining single, and those that are getting married are having significantly fewer children. This is quite typical amongst families in Singapore and reflects our marriage and parenthood trends, and the demographic challenge of Singapore. The demographic challenge of Singapore in my mind is an outcome of our fertility issues of yesteryear, before we became an independent country. We had a baby boom and this is where we will see a silver tsunami hitting us.

To illustrate why we need to address this demographic challenge, I would like to introduce you to the Ng family. Mr Ng is 43 and his wife Mrs Ng is 40. The 2 of them have 6 siblings in total. The couple have 2 daughters. The younger daughter, Michelle, is 4; the elder daughter, Joelle, is turning 10 this year,. Joelle and Michelle have 7 cousins and 11 uncles and aunties.

Come 2020, this is how their family will look.

Fast forward to 2030. Joelle will be 27 and Michelle will be 21. Their parents will be 60 and 57 respectively. Their 4 grandparents will be in their 80s. With longevity and better healthcare, they are expected to live longer but may require some help. Looking at their immediate family structure, Joelle and Michelle would eventually be caring for 6 family members above 55 years old. If we look at their extended family on screen, Joelle, Michelle and her 7 cousins – 9 children today – would eventually be supporting and providing care for 17 family members in the previous generations. Over time, we will see a reversal of the typical family structure today, one that is bottom heavy, to one that is top heavy. The generations before us have more members than the next.

At the national level, more than a quarter of the citizen population will be aged 65 and above by 2030, compared to 11% today. The old-age support ratio will be 2:1. What does this support ratio mean to the Ng family? Physically, although the Honourable Member Chen Shao Mao has said that the elderly these days are better off. They are happier, better engaged, and can live longer. I agree, but there will still be a day when they will become old and need care. As the Honourable

Member Lily Neo described, the care needed will be on a very close basis, one to one. Even if we can move them to an institutional setting, we need more in that setting giving care to the elderly. It means more of the Ng family who are in the working ages, would have to become the primary caregiver of an elderly family member. The ratio is about 10 is to 14, or about 1 is to 1 1/2. The social cost of healthcare and other eldercare facilities for the elder family members (17 of them) will have to be paid through the taxes of Joelle and Michelle and their 7 cousins.

As society ages, there will be fewer working Singaporeans for every elderly Singaporean. The working Singaporeans will have to support and take care of the older members of their own families, as well as contribute to maintain essential services to sustain our way of life. We will also need more polyclinics, eldercare centres and hospitals to provide care for the elderly. This requires more healthcare workers to provide physical care for the elderly. At the current fertility rate, our citizen population will start to shrink beyond 2025, the result of the inverted family structure that we have seen earlier, if we do not have some immigration

Encouraging Marriage and Parenthood

Let me assure the Members of the house, that contrary to what the Workers' Party understands of our population policies, I would like to stress that encouraging marriage and parenthood is fundamental to ensuring a strong Singaporean core, and this is central to our population policies. The most important way to strengthen the size of the Singaporean core is through encouraging marriage and parenthood.

Several members have raised suggestions on initiatives that could help to improve our birthrates, including improving work-life balance and better and more affordable access to housing. These are all good and useful suggestions, and we have studied many alternatives over the course of the year, including what other countries have done, and have adopted what we think is right and feasible for Singapore at this point in time.

Our fertility rate has been below the replacement rate of 2.1 for several decades. The reasons are complex and we are not alone. Hong Kong, Taiwan, South Korea, Japan have similar trends like ours. In 2012, our total fertility rate was 1.29 which is good news, as it has moved up from the 1.20 in the year before, but somewhat attributed to the Dragon year effect.

Similar to East Asian economies, Singaporeans are marrying later, or remaining single. And with later marriages, they are having fewer children. We often look to the experiences of many countries to understand how we can improve our measures. South Korea, as mentioned yesterday by some Members of the house, was one of the countries which we studied. While the country's TFR may have moved from a low of 1.08 in 2005 to 1.23 in 2012, it may still be early days to conclude that they have successfully beaten the TFR decline.

As we know, TFR is affected by many factors. Parents who have children derive much love and joy from parenthood. The Government however understands the cost burden that they have to bear in raising their children. We have therefore set out to help shoulder some of the cost to support parenthood. The Marriage & Parenthood package announced recently is an enhancement to the packages implemented in 2001, 2004 and 2008. Members have asked if our efforts in promoting marriage and parenthood have been effective. Last year we consulted widely, and engaged many stakeholders to gather views on how we can encourage marriage and parenthood. Our latest package took into consideration these suggestions. The package serves to address the

common concerns of Singaporean parents arising from a variety of needs. From marriage, to the cost of delivery, to children's education and health care needs; from working couples, to families with stay-at-home parents; the package is designed to be comprehensive, addressing the different needs, yet targeting the subsidy at areas to benefit the most people, especially those who need more help. Also, as with many other countries we have surveyed, our measures are designed to support 3 broad outcomes: (a) support parents in balancing work and family life, (b) support shared parental responsibility in raising children, and (c) defray the costs of raising children.

These measures are not designed to replace the responsibility of parents, nor to reward Singaporeans for having children, because we believe that it is the responsibility of parents to raise and be responsible for their children.

We have enhanced the cash incentives (Baby Bonus, Medisave grant). Other enhancements broke new ground. For example, paternity leave and shared parental leave that signal strongly the important role of fathers in child-raising and shaping employers' perceptions of shared parenting responsibility.

How does this package help Singaporeans? Let me introduce another family, Mr Madjali's. Mr Madjali Bin Ahamadi who works in retail sales and Madam Sharifah Shamsudin, a housewife, have two children. This is a lovely picture of the family with their newborn. Their elder son Imaan is 5 this year and their younger son Ihsan is 4 months old.

Mr Madjali's family have benefitted from a range of measures under the Marriage & Parenthood package, such as the Baby Bonus cash gift and Child Development Account co-savings valued at \$22,000, child care leave and child care subsidies. As Ihsan was born in Oct 2012, he will also be eligible for the new Medisave grant for newborns. In addition to the existing 6 days of child care leave per year for the first 7 years, Mr Madjali will also enjoy the extended child care leave of 2 days per year when their youngest child is between 7-12 years old

To recap, the recently announced enhancements provide support in the following areas:

- a. First, enabling couples to get housing faster and more easily
- b. Second, providing support for medical-related conception and delivery costs
- c. Third, further defraying child-raising costs, including healthcare costs
- d. Fourth, enhancing work-life measures to help working couples balance work and family commitments
- e. Fifth, signalling to fathers to play a bigger role through paternity and shared parental leave.

Madam Sharifah appreciates the measures in support of joint parenting. She has shared that she appreciates her husband being around when she takes her children for their regular check-ups.

I am very encouraged to hear that Mr and Mrs Madjali are open to having a third child within the next few years, and I wish them all the best in their efforts. And if they do have another child, the family will fully enjoy our most recent enhancements.

If Mr Madjali has his third child, he will have more opportunities to spend time with the newborn. He will get to enjoy 1 week of paternity leave paid by the Government, with the option to share 1 week of his wife's maternity leave if she returns to work. He can also take the 6 days childcare

leave and the 1-week no pay Infant Care leave. All in all, up to 1 month of leave from work for him to spend time with his newborn.

In addition, the children can also benefit from our efforts to improve the pre-school sector. Minister for Social and Family Development will elaborate more on the affordability, accessibility and quality of child care and infant care services later in the debate.

Members Ms Foo and Dr Intan, as well as other stakeholders in society have mentioned the need for more family friendly work-practices. To complement the enhancements announced in January, the Government is studying incentive schemes to encourage employers to offer flexible work arrangements for their employees. More details will be announced when ready. This enhancement together with the existing Work-Life Works! Fund will support employers in putting in place work-life friendly measures, including flexible work arrangements. Ag Minister for Manpower Mr Tan will speak more about this later.

Societal Attitudes and Family Values

Now let me address the issue of marriage. Getting our young people to marry is an important objective. The desire to get married and have children remains strong amongst young people. The Marriage and Parenthood Study 2012 showed that 83% of singles desire to get married while 84% of married Singaporeans intend to have 2 or more children. Also, most respondents (more than 80%) felt strongly that only legally married parents should have children. Yet in 2011, 4 out of 10 men and 3 out of 10 women in the 30-34 age group remain unmarried. Not finding the right life partner, no time to date and the need to be financially secure first, are often quoted as reasons. Members and contributors have shared with us the importance of social attitudes and family values in shaping marriage and parenthood decisions. We have received good feedback on the attributes needed to encourage marriage and parenthood.

- At a personal level - the importance of the family in our values system;
- At the family level - involved parents being good role models to their children, building of strong bond between family members, giving a safe and loving environment in the family, a supportive extended family;
- At the work place – employment practices that are family friendly, recognising the responsibility of both parents.
- And at the community level – a socially inclusive society, supportive of the less fortunate or the needy, and empathy for others These are all positive societal values that will encourage marriage and parenthood.

The Government will set the direction and provide leadership but cannot achieve mindset change on our own. We need all stakeholders to support us.

It would be useful to frame the mindset shifts needed as 3 questions. First, why should Singaporeans get married and have children? Second, what mindsets do we need to change? Third, how can we support change in these areas?

Why should Singaporeans get married and have children?

The answer is simply because this is what most Singaporeans want. It is an extension of the love from our parents and leaving our legacy by nurturing our own. Settling down and starting a family is a life goal that many Singaporeans want. Parents often speak of the fulfilment and joy that come with parenthood. For example a Lianhe Zaobao reader wrote in December last year how he changed his mind about parenthood, "Having children has made our lives more fulfilling. Every little step they took brought us elation and joy, and we were amazed and moved by every small change in them as they grew. Thanks to our children, our lives are now more complete and more meaningful." In another article published just recently, in this past weekend, Mr Cai and Ms Lin shared about their experiences as a family with three children, and how they brought them great fulfilment. Ms Lin said, and I quote " "

I hope that more Singaporeans will have the opportunity to experience the unique joys and fulfilment that only parenthood can bring.

What are the key messages to bring about mindset change?

First, we should re-emphasise marriage and parenthood as key life goals. As individuals, we should ascribe importance to these life goals and give them priority in the early part of your adulthood. For example, Ms Anita Fam, Chairman of Marriage Central, reminded young couples that they should not wait for the 'perfect timing' to get married. Instead it was more important that both partners shared the belief that they would face life's challenges and burdens together.

Second, we need to highlight the benefits of having children early and the risks of leaving it too late. In the 2012 Marriage and Parenthood Study, 77% of married respondents indicated that couples would have little problem having children even when they were over 35 years old. This is of course not true, as fertility already starts going into decline in our late 20s. We need to make couples aware of the need to prioritise starting a family alongside career and other aspirations. Left too late, fertility treatments will not be able to overcome the age-related decline in fertility. The success rates of Artificial Reproduction Technology treatments are only about 25%.

Third, emphasizing that raising children is the responsibility of both parents. Ms Foo spoke on the importance of joint parenting. Our Marriage and Parenthood Study showed that 99% of married respondents agreed that fathers and mothers are equally important as caregivers for children. If this is already the case, why the need to emphasize shared responsibility? It is because the majority of the women in Singapore still see raising children as their main responsibility and therefore feel the stresses of balancing work and raising children, especially the education of their children, more so than the fathers. They would be encouraged to have more children if fathers could take on a greater role in raising children. Societies where parenting is shared more equally between men and women tend to have higher fertility rates. Shared parental leave and paternity leave are signals that the Government send to employers and couples about where the society stands on this issue. Which leads me to the fourth message.

Employers should see the value in having a family-friendly work culture, to support better work-life balance. Again, our study found that 77% of married female respondents preferred to be employed after having a child. Also, respondents were quite equally split between part-time and full-time employment options, with about 40% preferring part time employment. Our recent National Work-Life Harmony survey found that respondents who scored high on the Work-Life Harmony Index

continued to report better work, family and personal outcomes. Notably, the study also found that people with high work-life harmony scores want more children than those with low scores. On the whole, the benefits of supporting a family-friendly culture are manifold. Besides supporting the needs of working parents and helping them balance their family and work commitments, employers also stand to benefit from having more engaged and productive employees who are more likely to stay with the company. Companies with flexi-work and flexi-time arrangements can also attract more women to stay on the job, thus meeting the manpower needs in a tight labour market situation.

Fifth, we need to recognise the stress that parents feel in raising children and give the assurance that we will try our best to address the causes. We have received a fair amount of feedback on the education system and would like to reassure parents that we have heard their feedback, and MOE has started to rebalance our education system. For example, schools have reduced emphasis on examinations in Primary 1 and 2, and are placing a greater emphasis on non-academic programmes like Physical Education, Art and Music. We have introduced diverse educational pathways in our system to cater to those with different areas of strength, and different learning needs. MOE is making changes at a steady pace that is appropriate for the children. We hope that the changes will reduce the competitiveness in the system and refocus our attention on giving our children a holistic education and one that is values-based. We should give our children and parents the confidence and assurance that their children will be brought up with good knowledge and skills that will prepare them for a wide range of job options later.

How can we support these changes?

Values and societal attitudes are wide-ranging and are influenced by many stakeholders in society – from the parents who are role-models for their children, to the teachers in our schools, to the employers. The various Ministries are heeding the feedback of Singaporeans and are taking steps to address them. Ministry of Social and Family Development and Ministry of Education are addressing pre-school needs; MOM is addressing issues in the workplace just to name a few. Some issues require the involvement of the greater community. For example, the Government works closely with our community partners to spread pro-family messages and reach out to Singaporeans. These include:

- **I Love Children** which hopes to see a Singapore that is children-plenty and children-friendly
- **Dads for Life** serves as a focal point for all activities of the national Dads for Life movement to inspire and involve all Dads to play a more active role in their children's lives for life.
- **The National Family Council**, and
- **Marriage Central**, just to name a few.

Some contributors have suggested we use the media to further highlight the importance of family. I think the media has been putting in effort on this front, such as by drawing attention to the value of a family friendly workplace culture. For example, the Straits Times published an article yesterday highlighting the importance of workplace flexibility and how employers can benefit from changes in mindsets. Other suggestions range from having more television programmes and commercials to seed the idea of marriage and parenthood, such as introducing game shows to encourage

matchmaking. We are exploring all new ideas.

But above all, everyone has a part to play. Our study showed that singles were most comfortable meeting members of the opposite sex through: i) recreational, sports and social activities, ii) friends or fellow students, and iii) colleagues and work acquaintances. This tells us that every one of us, in our capacity as family members, friends and colleagues have the potential to make a difference in somebody's marriage and parenthood journey. So I hope that Singaporeans will actively help one another to prioritize marriage and parenthood as key life goals.

Immigration Policy

While we are pursuing efforts to increase marriage and parenthood, at the same time, we are also realistic about how quickly birth rates can improve. We are hopeful on this front, and ambitiously looking forward to improving our TFR to 1.4-1.5. But realistically speaking, this will take time. In the meantime, we continue to have to address the shortfall of births, and our approach has been to supplement our citizen population with a calibrated pace of immigration. Allowing immigration does not mean that we do not take our marriage and parenthood objectives seriously. Members have spoken on the risks of taking in too many immigrants too quickly. It takes time and effort for our immigrants to understand and adapt to our norms. If the texture of society changes too quickly, we will experience a sense of displacement and an erosion of our national identity. We fully understand the concerns of Singaporeans of feeling displaced in their own country.

Over the years, we have calibrated our immigration policies to achieve a slower rate but better quality immigration. We adopt a set of comprehensive criteria which includes the individual's economic contributions, qualifications, age, and family ties. We tightened our criteria in 2009 and we have brought down the number of PRs granted from a high of 79,000 in 2008, to an average of 29,000 per year in the last 3 years. We will continue to take a measured approach in taking in immigrants who can contribute and integrate well into our society.

Basically, we can look at our population as one with 3 concentric circles:

- At the core of it all, is our people. All our policies are designed to ensure that citizens get the lion's share of any privileges and benefits, in recognition that this is their home. We have relentlessly improved our healthcare, education, marriage and parenthood, and other benefits given to Singaporeans only. For example, in the past year we introduced greater differentiation in healthcare subsidies, school fees, and in balloting for Primary 1 registration. We also recently raised the Additional Buyer Stamp Duty (ABSD) for foreigners and introduced an ABSD of 5% for PRs acquiring their first property. Each year, we will grant citizenship to 15,000 to 25,000 individuals, PRs making the vast majority of successful applicants. The PRs who are granted citizenship would have met our criteria in terms of their ability, assimilability, family ties and would have stayed in Singapore for some time. These new citizens make a solemn commitment to our nation they have severed ties with their home country it must be a difficult decision. As the late Mr S Rajaratnam put it, "Being a Singaporean is not a matter of ancestry. It is conviction and choice." Once they have made the decision to sink roots in Singapore, we make no distinction between them and the rest.
- This leads me to the second ring which comprises PRs – many of whom have worked or

studied in Singapore for several years before becoming a PR. To become a Singapore citizen they would have spent a few years as PR. When assessing their applications, we consider a holistic set of criteria to evaluate not only their economic contributions, but their ability to integrate and sink roots into our society as well. So Members, you can see that with the PR selection and citizenship selection, both these steps do consider their assimilability, their ability to integrate, their family ties, and the years they spend in Singapore. These criteria are part of the framework. Many are also dependants who go through our school system and serve NS. Others are spouses or children of our citizens. The number of this group will stay stable at around 0.5 to 0.6 million. When their basis for becoming PR no longer exists – e.g. if they are staying for a prolonged period of time outside Singapore – we may decide not to renew their re-entry permits (REPs).

- Next, the outermost ring comprises non-resident workers – we can control the number and the length of stay through a range of administrative measures – quotas, salary criteria, levy etc. The ones with better qualifications, not more than 30,000 a year, can become PR after a period of time working and contributing to Singapore. So this is really a transient group. The numbers may be increasing but they come and go, and we can reduce their numbers when the situation requires.

Mr Seng Han Thong, Mr Arthur Fong and Ms Sylvia Lim asked if we can do more for the foreign spouses of Singaporeans, or tap on them for our manpower needs.

Most foreign spouses who apply for a long-term immigration facility are granted at least a Long-Term Visit Pass (LTVP). Earlier on, MOS Amy Khor spoke on the privileges of the LTVP.

We have also introduced the Long-Term Visit Pass-Plus (LTVP+) last year to provide more support to Singaporean families with foreign spouses. The LTVP+ entitles them to health-care subsidies at restructured hospitals pegged to the level for PRs, greater certainty of stay, and employment benefits. Last year, around 4,000 spouses were granted the LTVP+. Citizens' spouses on LTVP+ can also receive job sourcing assistance and training advisory services from the WDA.

As their situation stabilises, these families may subsequently apply for PR and citizenship. When assessing such applications, we evaluate factors such as the length of their marriage, whether they have Singaporean children, and whether their sponsor is able to support the family financially. All else being equal, applicants with an SC spouse or children stand a higher chance of being granted PR or SC. The Government will continue to look at how we can better assist such foreign spouses as they seek to integrate into our society. Singaporeans are and have always been at the heart of our immigration strategy.

Mr Muhd Faisal Manap and Dr Intan commented on the need to maintain the Malay proportion within our population.

We recognise the need to maintain the racial balance in Singapore's population in order to preserve social stability. The pace and profile of our immigration intake have been calibrated to preserve this racial balance.

The proportion of Malays in the citizen population has been stable over the years, in 2000 it was 14.9% and in 2010 it was 15.1%. In fact, it has increased slightly. It is our policy to maintain the ethnic balance in the citizen population as far as possible.

Integration

Our integration efforts are a critical complement to our immigration policy, and are important in strengthening our Singaporean core. Many Singaporeans have shared with us their deep sense of belonging to the country and their desire to safeguard our unique society - one that has cultural diversity, yet anchored by a set of common values, norms and languages.

We have heard calls for new immigrants to be rooted, active members of our community. Many Singaporeans would also like new immigrants to be able to communicate with Singaporeans of all races and embrace our way of life. We agree with these views. The Government will continue to encourage and help newcomers integrate into our society by strengthening integration efforts across our schools, our workplaces and community.

We will continue to tap on natural platforms to foster integration. New immigrants who study in our local schools, for instance, are fully immersed in the Singaporean way of life through their close and frequent contact with their local schoolmates and teachers. They also learn more about our heritage and core values as part of their school curriculum. Like many of us, lasting friendships and bonds are forged among these young new immigrants and their local schoolmates. Among them, many grow up sharing the same dreams and aspirations of Singaporeans, working together with the rest of the country to make this a better home.

In addition, our universities have taken on a more proactive and comprehensive approach to foster integration. Camps are being organised to bring together local and international student leaders to promote cooperation and bridge differences among them. These student leaders will be instrumental in reaching out to the wider student population and help build meaningful relationships between local and international students.

We will also explore the use of more creative platforms such as the arts to spread the message on integration.

At the workplace, more efforts will be put in place to help Singaporeans and foreigners relate better with one another, both socially and professionally. Some efforts are already in place. This includes a diversity management toolkit to assist staff to better understand different working styles, due to nationality differences as well as bonding sessions in some private companies where staff learn more about each others' cultures.

We will step up our efforts and urge new immigrants and PRs to make an effort to engage Singaporeans in the course of your daily lives so that you can better understand and adapt to our way of life. Integration takes time and every effort counts. Singaporeans can also help move our efforts along by extending a helping hand to newcomers and to interact with them.

Minister Chan will be speaking further on the topic of integration, and he will share more information about our efforts later.

Well-being of Singaporeans

In closing, I would like to go back to the point I started with. In our deliberations on what is the best way forward for Singapore, Singaporeans were at the heart our considerations, and a strong Singaporeans core was our objective. What does this mean? In my view, a strong Singaporean core is one where Singaporeans have a sense of well-being and belonging, in a place where we can all call home. Well-being comes both from the tangibles – having fulfilling jobs and a good quality living environment, as well as the intangibles – strong supportive families, values that connect us, and a collective hope for a brighter future.

I bring up Joelle and Michelle again. Joelle once mentioned to her parents that she aspired to be a cartoonist. What kind of Singapore in the future holds the most opportunities for Joelle, an aspiring cartoonist?

How can we manage our population and immigration policy to give the many young Joelles as many opportunities, as wide a variety of jobs, and as high a chance of succeeding in the future, while not over-consuming our resources, our infrastructure and our living environment? What we are proposing in our White Paper is a path which we believe will give our children the most options in the future; where we will tighten the inflow of foreign workers at a calibrated pace that is half the growth rate of what we were used to; encouraging new businesses and new industries to start up, giving our Joelles and Michelles opportunities for good-paying exciting jobs, sometimes working alongside foreign employers or colleagues who have the required expertise, and learning alongside to progress in their careers; helping businesses, like the one owned by Mr Ng, to transform through new equipment, technology, or out-sourcing the labour intensive, low value-added activities to other countries; encouraging employees like Mrs Ng to upgrade through training and adoption of new technology. This option allows Singapore to be one that remains relevant to the global economy, so that Singapore can be Joelle's spring board to the region or to the world with her talents. This option has a higher chance of meeting the career and family aspirations of Joelle and Michelle in their adult lives.

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Conclusion

In closing, what is my hope for Singapore? I would like to see Joelle and Michelle happy to go school, find an exciting career ahead of them in Singapore, feel confident about their future to find the loves of their lives and have children of their own. It is the continuation of the Singapore story, one that has brought us to where we are today. Our proposal today is to give Joelle and Michelle as many options as possible; this is to ensure that we as a people will continue to be united and strong; that as a country, Singapore remains an attractive place to live, work and play; that our children and their children will find this country a place worth fighting for. To realize this dream, I believe in building a strong Singaporean core, creating good opportunities for Singaporeans and planning and building a high quality living environment.