

IPS Exchange Series: Population Outcomes – Singapore 2050

Singapore has been grappling with the twin challenges of a low Total Fertility Rate (TFR) and a rapidly ageing population for some time. The economic, social and political implications of these challenges are wide-ranging. In-migration may supplement workforce numbers but it has also contributed to societal tensions caused by cultural differences and congested infrastructure. These tensions are amplified in a small city-state like Singapore, which has high urban population density. Against this backdrop, the Population Outcomes: Singapore 2050 (POS2050) project was started to identify the economic, social and political implications of various projected demographic scenarios for Singapore over the next 40 years and to identify the policy options needed to address these possible challenges.

The Institute of Policy Studies (IPS) initiated the [project](#) in 2007 to generate various scenarios of population growth, size and age structure for Singapore's population till 2050, based on assumptions of in-migration and TFR. In June 2012, having extended the population projections analysis to encompass the total population (including non-permanent resident foreigners) and the labour force, IPS convened the POS2050 project to consider and analyse public policy issues arising from Singapore's demographic challenges through to 2050. Six study groups, comprising 55 people with relevant expertise drawn from academia and the public, private and people sectors, were tasked to identify a set of flexible and optimal policies to help Singapore's future generations live, work and play in a good environment, and in a sustainable manner.

Experts involved in this project included IPS Senior Research Fellow Dr Mathew Mathews, IPS Adjunct Senior Research Fellow Yeoh Lam Keong and GIC Chief Economist Dr Leslie Teo.

They looked at these six areas:

1. Capital (the economic impact, including public sector expenditure, savings and taxation)
2. Labour (workforce, output and productivity)
3. Land and physical infrastructure development
4. Marriage and child-bearing
5. Social infrastructure development
6. Social capital and development

The study groups conducted their discussions and analysis of data independently over an eight-month period, and came together at a plenary session in February 2013 to deliberate key issues. They subsequently refined their arguments before submitting their

recommendations – 125 in total – to be presented in this consolidated report. The following is an extract from the list of recommendations generated by the study groups:

Review the state's role in provision of welfare

Across the study groups, there is recognition that the challenges arising from Singapore's demographic trajectory should prompt a significant review of the current social compact. A comprehensive review of the role of the state in the provision of welfare is necessary to ensure the coherence and consistency in social policymaking in the complex landscape of the next four decades.

Better social support to encourage parenthood

The norms that underpin social support in northern European countries are mostly missing in Singapore, which explains why government financial incentives have had limited impact on fertility rates. In Singapore's context, it may even be economically rational for households to have few or no children, although this may collectively be irrational at the national level.

The burden of parenthood could be lessened by increasing the spending on social safety nets, introducing public pensions, and placing less emphasis on family and individual responsibility. In addition, greater support for public education by civil society organisations to curb unrealistic aspirations that people have about parenthood and marriage would also help.

Review the education system to meet the needs of a globalised, knowledge-based economy

The labour study group emphasised that the existing education system is more oriented towards standardised examinations and assessments, which tend to produce workers who are better at academic, hierarchical and specialised thinking but who are more risk-averse. While the state's considerable investments in education have been more suited to an earlier pre-“knowledge economy” era – where industry needs were more structured and predictable, it is less effective towards producing the flexible, adaptable workforce required by an open, globalised knowledge-based economy. There is broad agreement that the education system could be strengthened by building, broadening and lengthening learning pathways by deepening the collaboration between employers and the education system in terms of developing curricula that best suit their needs.

Establish a more holistic and integrated service system to better meet public's needs

In today's globalised world, individuals and families experience multiple and increasingly complex stressors and interactions simultaneously. There is a need for interventions that are customised to the different needs of each individual, family and community. This can be initiated through the establishment of localised one-stop centres that are not just community-based but are in-community, where healthcare, financial, employment assistance and other social services are delivered. This service model must be dynamic, flexible and multi-disciplinary, staffed by skilled workers conversant with community-centred work and community development.

Changes to the healthcare system

A movement to an outcomes-driven performance measurement system, which is agnostic about the means of achieving health, could help spur innovations and collaboration that improve the overall health of the nation. Under this framework, public hospitals and clinics can be incentivised based on national health outcomes, and private health centres are held accountable by having to publish their health statistics.

Co-location of healthcare and other services should be fostered to initiate a shift of value orientation from professional-centricity to patient-centricity. This can be achieved by shifting the unit of healthcare provision away from the hospital to the locality in which all the different types of social, community, educational and health services are built and organised.

Strengthen support for SMEs

To help small and medium enterprises (SMEs) cope with faster and more frequent economic restructuring, Singapore ought to simplify and co-ordinate government support for SMEs to prevent them from falling through the cracks of uncoordinated programmes. A new agency with the authority, resources and focus of the Economic Development Board could be created to simplify and consolidate aid and support to the SME sector's adjustment, competitiveness and long-term industrial capability.

“The POS2050 project is perhaps the first attempt outside of government to consider the issues arising from Singapore's demographic challenges holistically and multi-dimensionally. As the study groups came back with their findings, we were struck by certain consistent and cross-cutting themes they found as crucial elements for consideration by policymakers when putting together measures to address the issues. In particular, the need for a Whole-of-Society approach and perspective was emphasised by most of the study groups, who also called for a comprehensive review of the role of the state in the provision of welfare. Last, but far from the least, the contributors to the project championed the embedding and locating of services, functions and institutions within the community, with an example being the school-in-community/community-in-school concept proposed by the Social Infrastructure Development study group (and endorsed by the other study groups).”

– IPS Demography and Family Research Cluster

Read the POS2050 Report [here](#).

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