

## IPS-Nathan Lectures: Ho Kwon Ping on Demography and Family

By Andrew Yeo  
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“Tonight’s topic is Demography and Family, which should be a rather tame and sedate topic, dealing with genteel ageing and gentle babies. But as I researched this topic I found that it is in fact a raging cauldron of highly emotional issues because it touches all of us very personally”, Mr Ho Kwon Ping began, as he delivered the [fourth IPS-Nathan Lecture](#) to a full house.

Around 300 people attended the lecture, which focused on issues of retirement adequacy and how to boost Singapore’s Total Fertility Rate (TFR) at the Shaw Foundation Alumni House. It was moderated by Ms Dawn Yip, Director and Principal Consultant at Soulbreath Consulting.

### ***Retirement Adequacy in Singapore***

Mr Ho began by acknowledging the various schemes initiated by the government, and the tweaks made to the current Central Provident Fund (CPF) system. These include the Silver Support Scheme, as well as increasing the contributions from older employees and their employers to the CPF. He said these were commendable measures, but called for “an integrated, unified platform for all future schemes to supplement the CPF”, which he coined as “CPF-Plus”.

CPF-Plus, he said, would address the fact that people are living longer and are likely to have longer retirement periods. Noting that a system of pooled risk would induce less anxiety for citizens, he asked if the state should “simply guarantee all Singaporeans that it will top up the accounts of those CPF members, plus citizens without CPF savings, to whatever levels are periodically deemed necessary by a competent authority for a minimally reasonable level of retirement livelihood?”

Mr Ho suggested that CPF-Plus be funded from the net investment income of Singapore’s national reserves – the surplus generated from investment of the reserves after deducting for liabilities such as payment to CPF account holders. This would not be an unprecedented move, as Singapore’s Constitution was already amended in 2008 to allow up to half the net investment returns to be utilised by the government for its annual budget. Alternatively, an endowment fund could be set up in much the same fashion as Medifund, where returns

generated from this fund would go towards the CPF accounts of those unable to adequately save for retirement.

He outlined three basic principles that should undergird CPF-Plus:

1. It should be means-tested by a competent authority;
2. It should help non-working Singaporeans such as housewives and caregivers;
3. It could be set up to allow for certain groups to be rewarded, such as those who are willing to save more or withdraw their savings later, or national servicemen.

Acknowledging potential objections to such a scheme, he pointed out that the deferred impact of the hand-outs would not erode the Singaporean work ethic and could even potentially engender a culture of deferred gratification. Next, he pointed to how other measures such as Medifund and the Workfare Income Supplement Scheme had brought comfort to sections of the population, saying that these did not create the sense of entitlement popularly imagined by naysayers. “The case can even be made that as more pioneer Singaporeans who contributed to our reserves [pass on] and as we multiply less, our reserves per capita increases at an exponential rate, and thus if anything, the government should consider being more generous with its spending,” he said.

The broader, more overarching debate he hoped to see was a national conversation on the reserves, as it represented both “our conservative retention of our safety net, but at the same time it is a source of spending, for a generation of people that perhaps deserve to have proper retirement adequacy,” he said.

### ***Singapore’s Declining Birth Rates***

Mr Ho focused on Singapore’s total fertility rates (TFR) in the second half of his lecture. The European experience shows that bringing TFRs back to replacement levels is not impossible, though it is costly. He cited recent demographic trends that showed that fertility rates decline as countries become more developed, but at a certain point, they start to rise again. Surveys have shown that a two-child or more family was a natural desire for most parents, he said, and, highlighting more evidence from the behavioural sciences, he suggested that a suitable environment for people to have children, rather than campaigns or cash hand-outs, could improve the TFR.

Creating this environment, he says, could be costly, although there was evidence that spending on quality early childcare could result in saving future taxpayer dollars as well. Using Sweden as an example, he gave examples of generous childcare leave that allowed for both fathers and mothers to take equal responsibility for raising the child. There were even overnight centres for children whose parents had to do shift work, he said. He called for reliable childcare facilities to be more widespread, as well as for a network of small and medium-sized enterprises (SMEs) to which housework, meal preparation and other related household chores could be outsourced. This, he said, created “the opportunity for an entire set of new SMEs to populate our economic landscape, and give job opportunities for all our young entrepreneurs.”

“The takeaway for Singapore is that if we want the same birth rates as in Europe, we should work harder to promote work-life integration and gender equality within the family, so that for women there is no trade-off between having a meaningful career and enjoying motherhood,” he surmised.

### **Question-and-Answer Session**

A student who noted the trend in the West of couples living together and having children before getting married asked if this would similarly happen and have an impact on Singapore. Mr Ho felt that while couples co-habiting together was certainly on the rise, most still preferred to get married before having children. He expressed a desire for a more inclusive understanding of the family, saying that “if such alternative family norms do arise in Singapore, I think it behoves us to recognise these trends — not necessarily to encourage them, but not to actively discourage them”. He, however, expressed his wish that both partners would be fully cognisant of the trade-offs associated with such an arrangement. “My only disquiet about people living together who are not married, is that this often is at the disadvantage to the female partner, and if they don’t recognise this early on in life but later on, it can badly affect them,” he said.

An audience member praised Mr Ho’s lecture, saying that it was important for the state to give a fiscally sustainable guarantee to those right at the bottom that they would be able to lead a reasonable retirement life. “We’ve got a well-meaning government that is fully committed to ensuring retirement adequacy, but it’s not brought under one umbrella,” Mr Ho responded. He called for the government to go back to making a simpler, bold promise of retirement adequacy, saying that while bureaucrats were well-intentioned, the lay people might not understand all of the different schemes available to help them, which adds to anxiety.

Another audience member referred to the 99-year leases of current HDB flats, noting people were wondering what would happen to their homes once the 99-year mark was reached. Mr Ho agreed and added that reverse mortgages back to HDB had not been popular thus far. He said that it would be useful for Singaporeans and the government to discuss the possible options for extending leases for HDBs, quipping that it could provide a useful point for future S R Nathan Fellows to address.

An audience member, pointing out that making babies required time and leisure, asked if the state should introduce legislation to ensure that workers in Singapore are not overworked. Mr Ho responded by saying that he felt the issue was a whole-of-society and government problem, and that a support system consisting of components such as adequate parental leave is essential to creating the suitable environment for having children. He felt that Singaporeans were not putting off having children because they were against, for example, the stressful gifted education programme, as such disagreements were happening only at the intellectual level. The natural desire to have children, he said, was very strong, and that it was the immediate pressures within the first few years, which could be sufficiently relieved by more gender equality and work-life balance. While both terms were “glib” and “slip from our tongues so easily”, to actualise them would be much more arduous because it required a countrywide effort to holistically achieve both ends, he said.

“Should the government nationalise more services to keep the costs of living down?” an audience member asked, referencing in particular the transport sector in Singapore. Mr Ho agreed, but said that it should only be done to a limited extent because, from an economic perspective, it would result in high levels of inefficiency. He, however, advised looking at “the natural monopolies that already exist, in which case, it would probably be better for the natural monopoly to be owned by the government, and for the government to subsidise that”.

Mr Ho ended his lecture with a call for Singaporeans to continue contributing to policy ideas, saying that he hoped to have contributed to these debates through his lecture series. “An active citizenry is about embarking on a process of enquiry to assess what works for the future of Singaporeans. I think it behoves all of us to have the courage to make suggestions which may be laughed at, but for you to make it, because only then, will we achieve the civil society that we seek,” he concluded.

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