

## Report on Singapore Perspectives 2012

*Singapore Inclusive: Bridging Divides,*  
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*Edited by IPS Research Fellows Dr Leong Chan Hoong and Dr Kang Soon Hock, with contributions from the IPS research team*

Singapore Perspectives is the annual flagship event of the Institute of Policy Studies (IPS). It seeks to take stock of recent developments in Singapore as well as to engage Singaporeans in a robust debate over issues and challenges the country faces.

The theme for this year's conference was **Singapore Inclusive: Bridging Divides**. Some of the most pressing concerns raised by both the government and the public alike, included the widening income gap, slowing social mobility, the affordability of housing and healthcare, problems of an ageing society, the emergence of a "new normal" in politics and the need for a new social compact. Domain experts from academia, business and government sectors were invited to share their perspectives with the audience over three panel sessions. Deputy Prime Minister, Mr Tharman Shanmugaratnam participated in a closing dialogue with speakers and participants.

### PANEL I ECONOMICS: BUSINESS AS USUAL NO LONGER?

#### *Income Distribution in Singapore*

**Professor Paul Cheung**, Director of the United Nations Statistics Division provided a view of income distribution in Singapore and how it had led to widening income inequality. He suggested that gross domestic product (GDP) was not a holistic indicator of the size of the economic pie for Singaporeans. He noted that GDP growth and per capita figures were flawed measures of benefit to Singaporeans since they also included work done by foreigners and not all output was distributed to local households. While Singapore's GDP growth had been impressive, employee compensation – the portion of GDP benefiting households -- had been persistently lower than in other developed economies like the United Kingdom and the United States, where employee compensation was consistently above 50 per cent of GDP. He attributed this to the lower educational profile of Singapore's resident workforce, due to an influx of lower-skilled foreigners in jobs that paid low wages. He also argued that though reliance on this form of labour had helped Singaporean companies to accrue significant profits, it would be challenging for Singapore to reach the requisite productivity growth necessary to improve the overall wage share.

How had Singapore's economic pie been distributed? Prof Cheung noted that the share of total income of Singapore's top decile had gone up from 27.4 percent of total income in 2000 to 29.4 percent in 2010, while that of everyone else had dropped. Those in the lowest income decile were facing the greatest difficulty with negative real income growth between 2000 and 2010, suggesting that these workers were struggling to "find a foothold in a post industrialised economy", as many did not have the right skills or may be too old. Many such low-wage workers and their families were thus "running on empty", having to adjust with diminishing incomes and rising prices.

Prof Cheung also focused on the challenges facing those in the 30 - 39 age group. Between 2000 and 2010, there was a large increase in this age group among the permanent residents in Singapore, many of whom were tertiary educated. Such trends would make the employment landscape even more competitive and income mobility would get more difficult even for highly educated Singaporeans, who may have had the best chance in the past. He further raised the issue of whether average Singaporeans in this generation might see their "fair chance" at success being eroded by competition with foreigners, as even professionals might face considerable anxiety about giving their children a similar level of intergenerational mobility which they had themselves benefited from previously.

### ***Singapore's "New Growth Model"***

**Dr Chua Hak Bin**, Director of Global Research at Bank of America Merrill Lynch, examined the characteristics of Singapore's "new growth model". While this model was still evolving, government policies following the May 2011 election had further elucidated several defining characteristics of this model. These included a paradigm shift from population-led growth to an emphasis on productivity; what Dr Chua characterised as more discriminatory "Singaporeans first" policies; and more inclusive growth that placed attention on lower income groups and median wages.

He noted that when GDP growth surged during the population boom from 2004 to 2007, with Singapore posting eight to nine per cent growth for four consecutive years, this was aided by the government's liberal policy on immigration at a time when the local population was only growing by about one per cent. However, productivity fell significantly between 2005 and 2010. The construction industry fared the worst, suggesting that there was little incentive for companies to push for innovation and invest in their workers when the easiest way out was to hire workers cheaply. The 2011 Budget resulted in companies receiving a productivity push from the government via various incentive schemes and higher foreign worker levies. That the announcement to extend the levy hike into 2014 came even after the election suggested that stricter immigration and a strong push for productivity-led growth would remain the status quo.

Dr Chua also noted that manufacturing seemed to be bearing the brunt of economic restructuring pains – despite the recovery from the 2008 crisis, manufacturing continued to shed jobs. He predicted that manufacturing would face a continued hollowing out, as it was not likely that companies would base their manufacturing operations here amidst hiring uncertainties – changing the face of Singapore's economy, which had typically relied on manufacturing as a twin pillar of growth. With rising unit labour costs, uncertain outcomes remained for productivity growth because Singapore seemed to be at the brink of another

recession. With lower growth, Dr Chua noted that tax revenues would no longer be as large as during the boom years, offering the government limited fiscal flexibility with implications on how generous they could be with special transfers in the future.

The host of measures accompanying the new growth model, Dr Chua noted, were aimed at differentiating the treatment of Singaporeans, permanent residents and foreigners in areas of employment, housing and healthcare. For instance, he cited the scrapping of the job work scheme for work scheme for foreign graduates (Employment Pass Eligibility Certificate) from 1 Dec 2011, instead giving foreigners only three months to secure a job. Further, on housing policy, the government had announced differentiated stamp duty hikes on purchases of residential properties, which would hit foreigners hardest at 10 per cent. This was in response to an increasing number of active foreign buyers in the property market and meant that Singapore was technically no longer free of capital controls – a significant shift in policy for a country that had prided itself on openness.

Finally, Dr Chua noted that the goal of “inclusive growth” was evident in the 2011 Budget. However, while income inequality had narrowed through special government transfers, the gap remained large and more measures were necessary to help the lower income group. Particularly, wages continued to remain stagnant over the decade even when foreign population inflows were no longer as strong, and far below what was achieved by GDP growth. Looking ahead, inflation pressures also emerged as a serious threat. At the present level of 5.7 per cent, inflation was almost three times the historical average, even as Singapore was facing a possible downturn.

### ***Unemployment Trends and Retirement Inadequacy***

**Associate Professor Hui Weng Tat** from the Lee Kuan Yew School of Public Policy examined macroeconomic trends in Singapore’s labour market over the past two decades, before assessing the viability of Singapore’s current central provident fund (CPF) system in providing adequately for the retirement needs of Singaporean workers. He noted that the gap between the resident unemployment rate and job vacancy rate widened following the 1997 financial crisis, suggesting an increase in structural unemployment. Based on education and age trends, he noted a rising share of those among the unemployed with post-secondary (diploma /degree) level education increasing since 1980, and a rising share of professionals, managers, executives and technicians (PMETs) among those retrenched. In addition, while those in the 15 to 29 age group had previously constituted the majority among unemployed residents, since the late 1990s there has been an increase in the share of older residents among them, especially in the 50 years and older age group. The difficulty older workers faced in securing re-employment was borne out by the consistently low re-employment rate of the older cohort aged 40 years and over since 1997. There had also been a disproportionate rise in the share of older residents among the unemployed after downturns in economy, in 1999, 2002, and 2004, with the exception of the global financial crisis in 2008 due to schemes targeted at reducing unemployment of older workers.

The wages of those at the lower end were also affected by the government’s liberal immigration policies between 1998 and 2010, during which half a million jobs were filled by foreign labour, or 50 per cent of the increase in employment. Since 1997, the real wages of

the lowest-earning 20 per cent of employed residents declined by about 8 per cent while those of top 20 per cent increased by about 27 per cent.

With a view on the vulnerability of older workers towards unemployment and wage stagnation amid an increasingly unpredictable global economy, Prof Hui focused on the implications on retirement adequacy funded by CPF savings, which depended on favourable employment situation and rising real wages. Prof Hui noted that retirement adequacy was qualified by a healthy income replacement ratio (IRR) of 66 per cent – a retirement income that was two-thirds the percentage of a worker's last drawn pay. He simulated the IRRs of three categories of workers based on their educational attainment, median salaries and wage growth. He found that the existing CPF system would not be able to adequately provide for the retirement needs of a large majority of the resident workforce, especially among the growing share of those with post-secondary education and above.

Taking into account major withdrawals that most Singaporeans would have to make for housing purchases, Prof Hui noted that housing purchases would further worsen retirement inadequacy. Assuming that Housing Development Board (HDB) purchases were made at age 30 at the maximum price supportable by CPF contributions with two spouses contributing to mortgage payments, the IRR dropped between 17 and 28 per cent for median-earning workers in the different wage groups, at retirement age of 65. This meant that depending on CPF savings alone, a person with post-secondary education earning \$2560 could only expect to live on 22 per cent of their last drawn pay when they retired. If only one person was shouldering the burden of mortgage payments, retirement income would be even more adversely affected. Going further, Prof Hui examined the impact of property price increases, finding that a \$100,000 increase in HDB home price would reduce IRR by between 3.0 to 12.4 per cent across different wage groups. This would require extra compensating real wage growth of 0.4 to 1.2 per cent per annum in order to offset impact of higher housing purchase.

Prof Hui pointed out a combination of ways in which the government could assist Singaporeans in reaching retirement adequacy in combination: by increasing CPF salary ceilings, CPF contribution rates, and the rate of return on CPF balances, as well as ensuring wage growth. However, in assessing policy options, two existing "threats" to retirement adequacy would need to be considered: first, the increasing incidence of displacement among older workers who may face one or even two episodes of unemployment during their working lives, and second, property price escalation. There was a need for strategic review of the longer-term impact of policies on property prices and the future welfare of residents.

There was consensus among speakers and participants that some level of income inequality was inevitable in any society. In fact, they agreed to a certain extent that no "ideal state" of inequality or income distribution existed. However, while lower-income groups would be present in any community, they should be able to sustain a minimum standard of living, to receive help in getting a "fair chance" at mobility and should not be "left behind" by the rest of society. The difficulty Singapore faced was perhaps that different values had emerged with some tension among Singaporeans: some were more accepting of widening inequality; others found it "immoral" or "shocking".

The panellists also agreed that a focus on market fundamentals and economic incentives might have dominated policymaking discourses in the last decade, to the exclusion of considering how the right social norms could be shaped as well. Looking ahead, it would be important to re-evaluate what form of “good society” Singaporeans wanted to live in the next ten years, as certain policy decisions would necessarily entail tradeoffs between efficiency and equality. It was pointed out that just because “Singapore’s good years are over doesn’t mean [that a] good society cannot be created”.

## **PANEL II**

### **SOCIAL DEVELOPMENT:**

#### **WORKING TOGETHER, TOWARDS A NEW SOCIAL COMPACT?**

##### ***Remaking Healthcare***

**Dr Jeremy Lim**, Chief Executive Officer, Fortis Healthcare Singapore, a private healthcare services group, said that the Singapore’s healthcare system had been highly regarded in the world for its ability to provide quality care at low cost, but that its fundamentals could be tweaked to keep pace with demographic and societal changes.

In contrast to public healthcare systems in other countries (e.g. Britain) that sought to ensure affordability for all, Singapore’s model adopted a more pragmatic approach to healthcare with the view that it had to be financially practicable and sustainable. Singapore’s healthcare system was founded on the premise of individual responsibility, coupled with the state’s provision of basic healthcare as a safety net, supported by the “many helpings hands” of the voluntary welfare and social services sector. However, dramatic changes had exacerbated the problems of an ageing population and there were high expectations on the state to provide affordable and quality healthcare. This resulted in a tremendous strain on the existing social compact, with the perception that healthcare can be a heavy financial burden especially for lower-income Singaporeans.

The way ahead was in fine-tuning essential tenets of Singapore’s healthcare financing system that had worked well for some time. For a start, the system of co-payment could be capped to keep healthcare affordable for low-wage earners. Ultimately, a balance needed to be struck between policymakers who functioned as fiscal stewards and the level of healthcare the public required. In addition, there was no avoiding the need to ration healthcare as a public good, and to do this effectively and efficiently. For this to happen, the state and society needed to co-determine the “price of life” i.e. how finite resources could be channelled in healthcare.

More could be done to involve the private sector in delivering healthcare services to the general population, as the public sector was unable to cope with the demand. Although new initiatives such as portable subsidies had been launched, there was still room for further improvements to be made. The question of how public-private partnerships could be organised to benefit all stakeholders and the population was also raised. The state had transformed the healthcare infrastructure from individual silos to interconnected systems that

catered to different levels of need. The current healthcare system could evolve towards a more localised network of healthcare institutions in the various regions of Singapore.

### ***Public Housing – Appreciating Assets***

**Professor Phang Sock Yong**, from the School of Economics at Singapore Management University looked at recent trends in public housing prices, the causal market and policy factors behind them, as well as challenges posed by the government's policy commitment to public housing.

Housing Development Board (HDB) flat prices had been increasing steadily, with the Resale Price Index increasing by 86 per cent or 13.4 per cent per annum from the last quarter of 2005 to 2011. The cost of new flats, priced according to what similar resale flats would fetch in the open market had similarly gone up. This happened despite recent recessions because demand-side factors had heavily outweighed supply-side factors. On the supply side, the number of HDB units increased by a mere 2.6 per cent, while the demand side saw an 18 per cent increase to the population, a doubling of money supply, and the steady appreciation of the Singapore dollar.

As outlined in *Reflections on Housing a Nation: A Collection of Commentaries* by former Minister of National Development, Mah Bow Tan, the HDB adopted a life-cycle approach to cater to Singaporeans' housing needs: to help young couples afford their first flat, to help maintain the value of their flats with upgrading initiatives and to help elderly flat owners to unlock the value of their flats by downgrading or using the Lease Buyback Scheme. However, demand-side subsidies such as the additional CPF Housing Grants and Special Housing Grants intended to help young couples to afford their first flat and the efforts to enhance HDB assets may have contributed to an increase in housing prices. Current policies favoured investment, and there was a need to provide a counterweight to speculative behaviour that could cause property bubbles and result in other downside effects.

Would there be a need for a more sustainable approach to housing policy? Tensions among the policies that sought to cater to young couples, existing homeowners and retiree flat owners had to be resolved. Intergenerational wealth transfers could assist some in purchasing their homes, but this might lead to the further perpetuation of wealth inequality. Prof Phang pointed out that in an effort to rethink housing policy, the government would need to reconsider a number of factors. These included the interface between private, resale HDB and new HDB housing prices, the true market value of housing and land, the future median house type or size, its housing affordability policy, as well as the rate of housing price appreciation, among other factors.

### ***Central Provident Fund and Retirement Funding***

**Associate Professor Chia Ngee Choon**, Deputy Head of the Department of Economics at the National University of Singapore, looked into the impact of housing consumption that draws on CPF balances and its impact on retirement adequacy.

The CPF, as a defined contribution (DC) social security system, did not have sustainability problems experienced by alternative defined benefits systems. However, the question was how the system could be protected against the pitfalls of longevity risks, interest rate and

inflation risks. There was also the problem of misallocating retirement funds for housing needs. For example, purchasing a larger flat might result in one not having enough left for retirement.

Being an asset-based social security system, the CPF treated the home both as an appreciating asset and a place to live in. This resulted in the current situation where many Singaporeans were asset-rich but cash poor, and where housing assets had become the primary retirement assets of the elderly.

According to Prof Chia, it remained to be seen whether some would have sufficient accumulated savings to meet the minimum sum of \$40,000 for automatic inclusion into the CPF Lifelong Income scheme For the Elderly (CPF LIFE), a compulsory annuity scheme. Social sentiment like the desire to bequeath family with property and ageing-in-place also meant that many of the elderly were unwilling to let go of their housing assets. At the end of the housing ladder, a rising proportion of elderly living in rental or smaller flats did not have adequate retirement incomes, and were consequently pessimistic about their future.

There was a need to review housing policy and the CPF scheme so as to strike a better balance between housing consumption and retirement adequacy. For example, a 60-year lease on HDB flats could be introduced that would work out to a significant proportion of the cost of a 99-year lease flat. This reduced cost would allow savings on housing cost to meet the minimum sum requirement and qualify for CPF Life. Lastly, Prof Chia also suggested establishing a “first-pillar” minimum pension guarantee for those who had less than \$40,000 in their Ordinary Account to provide this group with a safety net. The current method of transfer payments to the low-income group was ad-hoc, and was of an insufficient scale to provide sustained security in retirement.

What would it take for Singapore to migrate to a different model? Taiwan was cited as a courageous example of the attempt to provide universal health coverage, but it was also pointed out that cracks in the system were starting to show. This reflected the fundamental and inevitable problem of infinite demand and finite supply in healthcare, which would strain a universal healthcare coverage system over time in any country.

There was also a question of whether the middle-income was getting enough help with the current approach of individual responsibility and “many helping hands”. Dr Lim agreed that many healthcare subsidies currently catered to the low-income group, and the middle-income group was in the position of being ineligible for means-tested subsidies, but also unable to afford more expensive private healthcare options. Current efforts such as the scheme to broaden support through general practitioners (i.e., Community Health Assist Scheme) were a step in the right direction, but the government would need to find the “sweet spot” in providing the right level of protection in time. One approach would be to provide a basic level of universal healthcare, with tertiary healthcare left to market forces. In other countries, the purchase of private insurance that would help manage healthcare expenditure was more common. Singapore needed to catch up in this respect.

In addition, some other governments set the price parameters for the private sector to compete within. Such an approach would help to keep healthcare costs affordable for more of the population.

The discussion also touched on housing affordability and living standards. Going by current trends, Singapore was likely to see a decline in the size of homes that most could realistically afford, although other factors like location and environment could possibly improve the quality of life. The elderly in Singapore were already selling their flats and moving on to rental flats, but this was not an option for low-income elderly already living in rental flats.

### **PANEL III POLITICS: A NEW PARADIGM?**

#### ***Singapore's "Incomplete Wage Revolution"***

**Mr Ho Kwon Ping**,<sup>1</sup> Executive Chairman of Banyan Tree Holdings Limited, addressed the issue of an "incomplete wage revolution" in the eighties that had left out the domestic services sector leading to severe wage lag in these industries by domestic and international measure today. He encouraged Singaporeans to come to a new collective consensus on this issue. Did Singapore want to be a Denmark or a Dubai? If it wanted to be a more equal and self-sufficient society, then transitional pains would have to be recognised in this new collective consensus. He was asked if this meant that tripartism, the pillar of labour relations had failed. He said in response that tripartism and labour relations were indeed relatively harmonious, but he also suggested the need to address a basic disconnect – between people's lived reality, their appreciation of the issues at hand and the difficult tradeoffs that faced them.

#### ***More Collaboration and "Co-creation" Needed in Governance***

**Mr Peter Ho**, Senior Adviser at the Centre for Strategic Futures, noted that the government would need to find fresh arguments and approaches in engaging Singaporeans on public policies and on issues of intense public interest. He noted that the government's operating environment both global and local had changed since the 1970s and 80s, when its pragmatic approach then reaped benefits for Singapore and enabled its transition from a "Third World to First World" nation. However, familiar markers for development and governance in the past were no longer present, as Singapore now faced instability in developed markets and rapid developments in emerging markets. At home, attitudes among younger citizens were also changing, and this generation of Singaporeans was very different from its predecessors. This was an important factor that the government would have to consider for the future, as any misstep would lead to reactions at the polls. Mr Ho agreed with the point raised by a participant that the success of government policies in the past was no guarantee of further success in the future. He believed that it would be pertinent for the government to be willing to fundamentally reexamine its policies given the new operating environment. He also added that governance in Singapore had previously leaned towards a 'command and control' model, but there was now a need to identify new trends, review the fundamentals of governance and adapt.

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<sup>1</sup> An edited excerpt of Mr Ho Kwon Ping's remarks was published in *The Straits Times* on 17 January 2012.



***Trust, not Communicativeness is Key***

**Associate Professor Cherian George**,<sup>2</sup> from the Division of Journalism and Publishing at the Wee Kim Wee School of Communication and Information, Nanyang Technological University and an Adjunct Senior Research Fellow at IPS, pointed out that in a changing world, the government would need to engage citizens more deeply and within a climate of trust in order to foster a consensus about the way forward. It should be assured that admitting to its fallibility was not a liability, noted Prof George. This was not a question of increasing the quantity of communication or finding its way into the social media space, but in changing the context in which that communication happened. People needed to know that the government was on the same level with them about its interests, about the situations and policy dilemmas that the country faced.

Prof George was also asked if he thought a free media could substitute the Opposition's role in keeping check of the ruling party. In his reply, he said that setting aside the political unacceptability of this proposal, journalism as a profession had not associated itself with such an extreme partisan role. The thrust of professional journalism internationally was to provide a common space for public debate without being an overt political player, thus there was no reason to expect that if the Singapore media was freed up, it would revert to the centuries-old model of partisan journalism.

Was public engagement just some grand illusion where the government had the last word? Mr Peter Ho replied that public consultation, in the form of Economic Review Committees consisting of public and private sectors, was not just for show. The government would collaborate and co-create with the public as far as possible, but it would ultimately need to make a decision after hearing various opinions from different stakeholders. Prof George reiterated that indeed, the question of trust between the public and the government would determine the outcome of that engagement. It was important to distinguish among occasions when what was required was merely an effective dissemination of information so that citizens could be empowered to make the right choices for themselves. However, he cited the existence of a small, but highly important yet contentious set of issues, like the policy on ministerial salaries, which could only be resolved on the basis of a trust-rich context. What was needed was not a greater level of "communicativeness" by the government, but a real sense among citizens that the government was sincere and authentic in recognising its need for public involvement because it too was also finding its way forward in a changing world.

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<sup>2</sup> An edited extract of Dr Cherian George's presentation is available at: <http://journalism.sg/2012/01/17/public-policy-public-opinion-and-the-trust-deficit/>

## PANEL IV GOVERNING FOR AN INCLUSIVE SOCIETY

In his opening address, Deputy Prime Minister and Minister for Finance and Manpower, **Mr Tharman Shanmugaratnam**,<sup>3</sup> pointed out that as a global city, Singapore inevitably had a higher Gini coefficient than most large countries. A pertinent part of the government's economic strategy was to avoid the stagnation of median wages that had afflicted many other developed countries over the last decade, by putting tremendous resources into raising the quality of jobs and the skills of workers. Singapore's achievements were significant, as it had preserved low rates of unemployment, and achieved median incomes about 20 per cent higher than Hong Kong and 30 per cent higher than Korea and Taiwan in purchasing power parity (PPP) terms. Mr Shanmugaratnam acknowledged that ensuring growing median incomes would become more difficult as workers in emerging countries exerted increasing pressure not just on low-skilled jobs but on middle-income workers as well.

At the same time, the government's approach to ameliorating the effects of inequality on society had to be centred on improving opportunities for those at the lower end of the social ladder and preserving social mobility, he added. While a fair degree of mobility existed with the help of Singapore's education system and skills-training policies, sustaining mobility over time would get more difficult. "A spirit of inclusiveness" among Singaporeans and "a sense of obligation among those who are doing well to help others in their own society" was thus as important as getting the right government policies to build an inclusive society.

Mr Shanmugaratnam indicated that more aggressive upstream interventions were an important social strategy to assist low-income families and their children, and to arrest "worrying micro-trends" that had emerged among some families, including divorce and cases where one or two or more family members were incarcerated. A greater effort was also needed to intervene early to keep teenagers engaged in school and not to lose interest, rather than wait for problems related to drugs and gangsterism to surface later.

He also drew attention to the unique plight of many older Singaporeans, "legacy workers" who had worked hard for most of their lives on relatively low wages and now faced the struggle of having to meet today's rising costs on inadequate savings. More needed to be done to assist them in meeting their needs and allay their fears over medical costs. In particular, Mr Shanmugaratnam pointed out that they could be helped to "unlock the savings in their homes", a unique feature of the Singapore social security model. This may require a change in attitudes and a willingness to downsize, but he believed that the increasing demand for studio apartments – smaller units with 30-year leases – among the elderly was an encouraging sign.

As Singaporeans faced growing inequality, redistribution was an essential role of the government, but the challenge was to do so progressively and without undermining the basic

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<sup>3</sup> An edited excerpt of Mr Tharman Shanmugaratnam's remarks are available on the website of the Ministry of Finance at:  
[http://app.mof.gov.sg/newsroom\\_details.aspx?type=media&cmpar\\_year=2012&news\\_sid=20120121608784777037](http://app.mof.gov.sg/newsroom_details.aspx?type=media&cmpar_year=2012&news_sid=20120121608784777037)

ethic of society that focused on work and family. Despite lowered income taxes and raised goods and services tax (GST), Mr Shanmugaratnam emphasised that holistically, Singapore's fiscal policies had redistributed more net benefits to lower-income Singaporeans compared to ten years ago. Further, this had been achieved with only minimal increase in net taxes paid by the middle class. Looking ahead, Mr Shanmugaratnam believed it was important to maintain this "progressive slant", with those at the lower end receiving the bulk of transfers and those at the upper end paying the bulk of taxes. He also contrasted Singapore's financially sustainable system with other developed countries that had built up public spending in excess of revenues during their youthful years of rapid growth, and now found themselves with unsustainable debts and ageing populations. Singapore must preserve a system of sustainable finances so that it could keep its position of strength in addressing challenges of helping the elderly live well and keeping social mobility alive over future generations.

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*The proceedings from the conference will be published later this year. To watch the video recordings from Singapore Perspectives 2012, please visit: [http://www.spp.nus.edu.sg/ips/synopsis\\_p2012.aspx](http://www.spp.nus.edu.sg/ips/synopsis_p2012.aspx)*

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