

## Report on Singapore Perspectives 2018: Together

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### INTRODUCTION

SINGAPORE PERSPECTIVES 2018, the Institute of Policy Studies' (IPS) flagship annual conference, was held on 22 January 2018. Titled "Together", the conference considered Singapore's demographic challenges and opportunities as a global city-state without natural resources. The conference featured presentations by experts and robust discussions with audience members, contributing fresh and hopeful ideas on the way ahead for policy-making, and individual and social action.



*The speakers and moderator of Panel I, (L—R) Mr Ravi Menon, Ms Wong Su-yen, and Mr Sean Tan, with IPS Director Janadas Devan snapping a photo of them on his phone.*

Guest speakers included Deputy Prime Minister Teo Chee Hean; Finance Minister Heng Swee Keat; Ravi Menon (Monetary Authority of Singapore); Sean Tan (Mercer Singapore); Professor Chan Heng Chee (Lee Kuan Yew Centre for Innovative Cities); Laurence Lien (Lien Foundation); Professor David Canning (Harvard School of Public Health); and Orthopaedic & Hand Surgeon Dr Kanwaljit Soin.

The following is a distillation of views expressed by participants at the conference:

## **CHALLENGES**

### **The demographic trilemma**

As a global city-state experiencing rapid population ageing, Singapore faces a demographic trilemma. Singapore is only able to choose two of three available options: zero net immigration, a stable foreign worker share, and positive labour force growth. For example, by choosing to have zero net immigration and a stable foreign worker share, Singapore must be prepared to forego positive labour force growth. Yet, as a global city, Singapore cannot afford to grow too slowly as it could become unattractive to both foreign and local investors and talent.

### **Limits of common economic measures**

Some commonly used economic measures are limited in valuing the contributions of older people and reproduce notions about their liability to society. Gross Domestic Product (GDP) or GDP per capita, which is used as a catch-all indicator of economic productivity and wealth, fails to consider advances in human longevity and welfare.

The old age support ratio<sup>1</sup> is another possibly misleading metric for the agedness of a society. This measure assumes that all persons aged 65 and above are dependant, which is increasingly not the case in Singapore.

### **Ageism**

The use of ageist terms like “silver tsunami” and “demographic time-bomb”—be it in workplaces, newspapers, advertisements or popular culture—feeds the narrative that older persons are a liability to society. This negative framing could become a self-fulfilling prophecy if society and elderly persons then fail to fully harness both the tangible and intangible value that the better educated, healthier and experienced elderly persons can offer.

### **Intergenerational conflict**

A rise in taxes to support an ageing population may be expected. While Singaporeans have so far accepted tax increments to help fund subsidies for vulnerable groups including the elderly, there could be unhappiness if this were to continue. Younger citizens may demand a reduction in older citizens’ benefits or expect similar benefits for themselves in the future.

A rising number of senior citizens may also want to remain in their last jobs or aspire to better jobs, while the next generation is eager to take over positions at the top. This could heighten

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<sup>1</sup> The old age support ratio measures residents aged 20 to 64 per resident aged 65 years and above.

job market anxieties among the young, particularly if special provisions are made for older employees to retain their jobs for longer.



*Pre-university students were among the audience at Singapore Perspectives, actively asking questions.*

## **OPPORTUNITIES**

### **Improvements in health and welfare**

Notwithstanding the challenges, Singapore is well positioned to reap the dividends. People are healthier and live longer, and many seniors are capable of working past the age of 65. Human welfare has also vastly improved in recent decades, and improved health and life expectancy is something to be celebrated.

Measuring and maximising human welfare, and not just GDP, could highlight that ageing is a net benefit for society rather than a cost. Indicators of welfare could include measures of life expectancy, health, happiness, leisure, consumption, social networks and income distribution.

### **Economic potential of older persons**

Retirement savings constitute an important source of economic growth. Seniors are also consumers and can stimulate growth in industries like tourism, healthcare and insurance. Additionally, the burden of an ageing population on younger Singaporeans is exaggerated—the Central Provident Fund (CPF) system encourages self-reliance instead of depending on others. Wealth is also transferred from the old to the young in many families.

Singaporeans today are also more prepared for ageing compared with most other countries. For example, institutions like the CPF have been effective in safeguarding Singaporeans' social and financial resilience, in ensuring that Singaporeans' housing, healthcare and medical needs are met as they age.



*Deputy Prime Minister Teo Chee Hean delivering his speech during the lunch dialogue.*

## **INDIVIDUAL AND SOCIAL ACTION, AND POLICY SOLUTIONS**

### **Individual responsibility**

For Singapore to best manage its demographic challenges, its people must “age with vigour,” said DPM Teo Chee Hean. This entails taking personal responsibility and maintaining a physically active lifestyle to safeguard their well-being. A mindset shift is needed for Singaporeans to embrace lifelong learning and remain relevant and contributing members to society. Without the desire or belief in the importance of ageing well, any policy implementation would likely be limited in its effectiveness.

### **Inter-sectoral approach**

A commitment, not just at the individual level but also at the social and national levels, is essential to prepare Singaporeans for ageing. Finance Minister Heng Swee Keat noted that rapid ageing would have implications on multiple issues affecting Singaporeans, including healthcare, financial adequacy and jobs. It is essential that each of these issues is understood in depth and further considered in relation to other issues in a multi-disciplinary fashion. It will take a multi-sectoral approach, not just across ministries and agencies, but working together with the people and private sectors to solve these challenges.

## Risk-pooling

There could be more scope for risk-pooling in Singapore. Schemes like CPF LIFE or MediShield Life are already forms of risk-pooling, as contributions paid by large numbers of people are used to minimise the costs faced by the highest-risk individuals. Social risk-pooling could also be applied to other areas like unemployment or wage-loss insurance schemes, universal long-term care insurance schemes, or community-based senior living programmes.

## Taxation and spending policies

There is a moral imperative for those who have gained from growth to pay in taxes to support the less wealthy. While economic growth, dynamism and openness to globalisation have produced prosperity around the world, they cannot be sustained without inclusiveness. At the same time, the government must balance taxation and redistribution such that no one group is disproportionately squeezed. The principles of efficiency and equity, as well as short- and long-term considerations are vital in designing a fair tax policy. For instance, higher taxes may appear inequitable in the short run, but in the long run they can become both equitable and an efficient means of distributing resources to those who need it most.



*Minister Heng Swee Keat with students from Republic Polytechnic.*

## Boosting productivity

For Singapore to remain competitive and dynamic, it must also raise its productivity levels. There are three ways in which Singapore could do this.

First, Singapore could take advantage of human capital dividends from education and training in the past decade, by improving the share of those with secondary, post-secondary, and diploma & professional qualifications.

Second, Singapore must improve the quality of its foreign workforce by continuing to restructure the economy toward higher value-added activities typically performed by Employment and S-Pass Holders.

Third, certain domestic services jobs could be professionalised by leveraging technology, improving output quality, increasing skills content and improving business processing. Efforts to professionalise jobs such as security and childcare work would also help to strengthen and broaden Singapore's middle class, and perhaps lead to a more equitable society in Singapore.

### **Job redesign and technology**

With the assured decrease in the domestic workforce, there will be a need to keep older persons employed. Job redesign could allow older workers to remain in the workforce for longer and enable sustainable productivity growth across industries in the economy.

For job redesign to work, there is a need to convince employers of the benefit of hiring older workers. The notions of fluid ability and crystallised cognitive ability challenge the perception that the intellectual abilities of older workers decline with age. Studies have found that older workers may have more crystallised cognitive ability, defined as intelligence gathered through knowledge and experience. An older employee could hence match the fluid cognitive ability of a younger worker and prove to be a valuable asset to employers. Circulation at the higher levels of management in a workplace could further ensure that younger persons have the opportunity to rise in their careers.

Robots can simplify certain jobs for the elderly, and render these jobs more compatible with the skills and abilities of older workers. With deliberate and innovative job redesigns, seniors can be effectively integrated and deployed to ensure productivity in the workplace.

### **Community initiatives and social capital**

The community could do more to support the older generation, for instance, by developing more robust community networks. Neighbour "ambassadors" in a community could be tapped to explain essential policy information on matters like healthcare and finance to seniors in the vicinity.

There is a need to increase the social capital of older people, as loneliness among seniors is a growing cause for concern in many ageing societies. Social capital can be developed among older persons and between older and younger people to resolve conflicts and contestations for space and resources between the two groups.

The concept of *Ibasho* developed by Dr Emi Kiyota in Japan is a noteworthy example. Meaning "a place where one can feel at home and be oneself" in Japanese, [Ibasho Cafés](#) serve as a space for people of all ages to gather in an informal manner. Food and drinks are served by older persons. Seniors could thus be viewed as valuable assets to the community, caring for others instead of being cared for.

## Legislation

Raising the dependency threshold above the age of 65 could pave the way forward for employment laws that support seniors who still wish to work and contribute. Retirement age could be raised or abolished altogether, which could act as a strong signal to both employers and workers. Stronger anti-discrimination laws could better ensure that seniors are not disadvantaged or treated unfairly.

## Combating ageist mindsets

Tackling ageism in the workplace must be a key priority. Companies could perceive their older employees as valuable and indispensable individuals, which in turn could motivate job redesign. Highlighting counter-narratives that feature older workers successfully adopting innovative practices or leading active lifestyles could help to overcome ageist perceptions of the elderly.

## WAYS FORWARD

The key points raised and debated on at the conference were reported in the media and on social media. To sustain the momentum of this public discourse, IPS researchers will continue to study and make recommendations for the consideration of the private, public, and people sectors, as each has a role to play in ensuring that all Singaporeans age successfully and that Singapore remains a dynamic and viable city-state.

Full coverage of the conference, including video highlights, media reports and links to panellists' presentations are available [here](#).

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