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Singapore Government

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Media Division, Ministry of Information and the Arts, #36-00 PSA Building, 460
Alexandra Road, Singapore 119963. Tel: 3757794/5

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Statement Delivered by Mr Yatiman Yusof,
Senior Parliamentary Secretary to the Minister for
Information and the Arts
and Leader of the Singapore Delegation
at the 101st Inter-Parliamentary Conference, Brussels,
on 13 April 1999 at 4.45 pm

Mr President, Distinguished Delegates, Ladies and Gentlemen.

Response to the Asian Crisis:
Social Capital as Differentiating Factor

1 First, I would like to thank the Belgian Government and the Belgian
Parliament for the warm welcome and hospitality to our delegation.

2 Just two years ago, the Asia Pacific region was touted as one of the fastest
growing regions in the world. World Bank studies spoke of the "Asian Miracle" and
many assumed that the growing Asian middle-class was an unstoppable trend. Today,
many countries in the region are still in a state of socio-economic crisis.

3 The economic crisis confronting the Asia Pacific countries has had
considerable social implications. Millions of workers across Asia have found

themselves retrenched overnight as companies restructure, down-size or fold up. Re-employment prospects are often dim. In some countries, the prices of essential commodities have sky-rocketed as the value of their currencies have plunged, causing hardship to countless people. Communities and families are under great stress. The potential for social tension and civil unrest has increased.

4 Although no country in Asia has been spared, each country has responded to the crisis differently. Some have been wracked by socio-political instability and set back for years, if not decades. Others have pulled together and are restructuring for the future. What we will see emerging from the crisis is a new landscape, a newly differentiated Asia. To a large extent, what determines each country's response has been its social capital : the trust which enables the private, public and people sectors to work together to find new solutions in the face of upheaval and change.

Singapore's Reaction to the Crisis

5 Singapore has not been unaffected by the economic crisis. However, the crisis has brought the nation closer together. Tripartite consultations between the government, employers and unions reached a consensus that having jobs is the most important welfare, and this can be achieved only if businesses remain viable and the economy stays competitive. Hence the union and workers agreed to accept a 10 percentage point cut in the employers' contribution to the Central Provident Fund, a pension fund to which all employers and employees contribute. Many workers also accepted pay cuts and bonus cuts to preserve jobs. Government built up a special fund to promote skills upgrading of workers. Hence, despite the economic climate, we were able to tighten our belts and take such a step to boost national competitiveness because of the high degree of trust between the private, public and people sectors.

6 The economic slowdown of the past year has been the most serious Singapore has seen for many years. It has been a test of our social resilience, stamina and our ability to stand together to weather the storm. While individuals and families have suffered hardship as a result of retrenchments, there has been a silver lining. The community and many dedicated voluntary welfare organisations have risen to the occasion, and worked closely with the public sector, to help those in need. This has strengthened the social fabric.

7 In many ways, the current crisis has also accelerated the arrival of the new knowledge based economy or ICBE. Measures are being taken to ensure that workers are not caught in structural unemployment and made obsolete before their time. The emphasis is on re-training and continual learning, to ensure that Singaporeans are equipped, not just ride out these difficult times, but to remain employable in the longer term. Investments in education and life-long learning are a top national priority.

8 Although much is said about Singapore's economic growth, perhaps a lesser known fact to the international community is that Singapore has always emphasised the importance of social development in parallel with economic development.

9 Being a small city state, a people of many languages, races and religions, Singapore is all the more vulnerable to discontinuities in an increasingly borderless world. The strong bond between the different communities in Singapore has been key to our ability to weather tough times and uncertainties.

Anticipating the Ageing Population

10 While much attention is on addressing current socio-economic problems, Singaporeans believe that we must look beyond the crisis to anticipate broader social and demographic trends and concerns.

11 One inescapable trend is our ageing population. Singapore's population is ageing more rapidly than almost any country in Asia, due to the interplay of increasing life expectancy and declining birth rates. Today, Singaporeans aged 65 and above make up about 7% of our population. By 2030, this group will comprise nearly 20% of all Singaporeans.

12 To anticipate these challenges, our Government has established an Inter-Ministerial Committee (IMC) on Ageing Population to provide leadership and direction on these issues. The IMC seeks to forge a coordinated national response to greet the challenges and use the opportunities an ageing population will bring. The IMC members include Members of Parliament, government officials as well as representatives from private and non-governmental organisations. We believe that strong inter-sectoral partnerships is necessary to address the complex social challenges brought by an ageing population.

13 The guiding vision supporting Singapore's policies and programmes for the elderly is in step with the UN's International Year of Older Persons (IYOP) theme of "A Society for All Ages". We want older Singaporeans to lead active, meaningful and healthy lives as integral members of the family and community. While individual responsibility to plan early for later life is key, we believe that the family is an irreplaceable source of support to ensure the physical, social, psychological and emotional well-being of older people. A strong network of community services is also important to support the family in its care-giving role.

14 The next generation of older Singaporeans will be healthier and more highly educated than today's generation of senior citizens. This new generation will want to continue contributing to the economy, engaging in voluntary work and participating in civic groups for as long as possible.

15 The Singapore Government is raising the retirement age progressively to enable older Singaporeans to remain in the workforce. Companies are encouraged to increase the labour force participation of the elderly by removing disincentives to employing older workers, lowering barriers to flexible and part-time employment, retraining older workers and changing employer's mindsets about hiring older workers.

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16 At the individual level, older workers are encouraged to learn new skills to enhance their life-long employability. They can also remain engaged by doing voluntary work for the community.

Partnership as the Way Forward

17 In Singapore, we believe that strengthening the social fabric requires us to be forward looking. In an increasingly borderless world, social and demographic trends are presenting complex new challenges for society. To meet these challenges effectively, we will require strong and creative partnerships between the public, private and people sectors. There is also much that countries can learn from each other. We believe that the way forward must be built on these new partnerships.

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