Immigration, Population, and Foreign Workforce in Singapore: An Overview of Trends, Policies, and Issues

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Abstract

Immigration has been a “hot button” issue in Singapore in recent years. This paper provides an overview of the key policies, trends, and issues relating to immigration, population, and foreign workforce in the city-state. The paper begins by looking at Singapore’s current immigration landscape, and then examines the city-state’s foreign manpower regime, which constitutes the institutional foundation for immigration to Singapore. The highly intertwined immigration and foreign labour policies are then explained along two fundamental underlying dimensions – economy and demography. The paper ends by looking at local grassroots society’s reactions to the influx of immigrants in recent times, and the ways in which the Singapore government has since tried to address such concerns.

Current immigration landscape in Singapore

By June 2016, the total population of Singapore was 5.61 million, with approximately 61% citizens, 9% permanent residents, and 30% non-residents (See Figure 1). Among the non-residents, 58% are Work Permit holders including foreign domestic workers (FDWs). According to the United Nations’ dataset on international migrant stock (UN Department of Economic and Social Affairs, 2015), in 2015, the total number of foreign-born population in Singapore was 2,543,638, or 46 % of the total population. Of the foreign-born population, 44% originated from Malaysia, and Chinese immigrants and Indian immigrants took up 18% and 6% respectively (See Figure 2).

Figure 1: Total Population of Singapore, as of June 2016

2. Note: Numbers may not sum due to rounding.

Between 1990 and 2015, Singapore’s total population increased by 82%, among which citizens expanded by 29%, permanent residents, by 371% and non-residents, by 424% (See Figure 3). The share of citizens declined from 86% in 1990 to 61% in 2015.
Take for example the Chinese and Indian populations, who are among the largest groups of immigrants in Singapore. The number of Chinese immigrants grew from 150,447 in 1990 to 448,566 in 2015, representing an increase of 163%. There are slightly more females than males. In 2015, the sex ratio of females to males was around 1.46:1.

Figure 2: Foreign-Born Population in Singapore by Country of Origin, 2015

![Foreign-Born Population in Singapore by Country of Origin, 2015](image)

*Note:* the data for China do not include Hong Kong, Macao or Taiwan.


Figure 3: Population of Singapore, 1990-2015

![Population of Singapore, 1990-2015](image)

The number of Indian immigrants sprang from 14,109 in 1990 to 150,082 in 2015, representing a growth rate as high as 964%. The growth was especially rapid between 2000 and 2010. In terms of the sex ratio, male Indian immigrants have always outnumbered their female counterparts but the gap has been closing gradually.

**Singapore’s foreign workforce regime**

The main policy instrument through which Singapore recruits and regulates foreign migrant labour is a Work Pass System, which simultaneously forms the basis for immigration selection criteria. Broadly speaking, the Work Pass system consists of three main categories: Work Permit, S Pass and Employment Pass (EP). Any foreigner seeking employment in Singapore must apply for one of the above passes. A Work Permit is meant for “unskilled” or “semi-skilled” workers who are employed in low-wage jobs, usually in manufacturing, construction and services sectors. These workers are usually referred to as “foreign workers” or “guest workers” in Singaporean parlance. The S Pass is for mid-level skilled employees. S Pass holders should command a monthly salary of at least S$2,200, have a degree/diploma and some years of relevant experience. EP is for “skilled” professionals, managers and executives. To be eligible for EP, the monthly salary of the applicant must be above S$3,600. Besides, they should have acceptable qualifications in terms of university degrees and/or specialist skills. For high-earning professionals whose monthly salary is above S$12,000 (for current EP holders) or S$18,000 (for overseas foreign professionals), they are eligible for the Personalized Employment Pass (PEP) which offers more flexibility with regard to the rules governing the holder’s entry and stay in Singapore. In addition to the above three main work pass categories, there is also an Entrepass, first introduced in 2003 (Koh, 2003b) for foreign entrepreneurs wishing to set up businesses in Singapore.

Work Permit holders are under strict regulations. They can only work in the occupation specified on the Permit, and the Permit is terminated once the employment ends. They are not allowed to bring family members, nor to marry a Singapore citizen or a permanent resident (PR) without the approval of the Ministry of Manpower. Female workers are prohibited from pregnancy and childbirth in Singapore. Furthermore, Work Permit holders are not eligible to apply for Permanent Residence (PR). In contrast, S Pass and EP holders with a monthly salary above S$5,000 are allowed to bring the closest family members as dependants; and they are not restricted from marrying a local citizen/PR or from childbirth in Singapore. Furthermore, EP and S Pass holders can apply for PR. Entrepass holders can also bring their family members on certain conditions, and are eligible for PR through the “Global Investment Programme.” iii The hiring of Work Permit and S Pass holders are subjected to government quotas and levies in order to discourage over-reliance on foreign labour. A summary of the eligibility criteria and rules governing different work passes is presented in the Appendix.

From the above succinct overview of Singapore’s foreign manpower regime, it is evident that the issues of immigration and foreign manpower are highly intertwined in the city-state. In fact, it is not an overstatement to suggest that the Work Pass system serves as the foundation as well as the single most important channel for immigration into Singapore. Next, this highly intertwined labour-immigration system is explained along two
fundamental underlying dimensions: economic development and demographic change.

**Economic development**

Singapore’s post-Independence (1965) economic evolution may be divided into two phases, 1965 to the late 1990s and early 2000s to date (Phang & Tan, 2004; Tan & Bhaskaran, 2015). In the first phase, the economy was mainly driven by foreign direct investment (FDI) through multinational corporations (MNCs). With limited natural resources and no hinterland, Singapore adopted an export-oriented economic strategy. To this end, the Economic Development Board (EDB) was set up in 1961 specifically to attract FDI. Besides promoting Singapore abroad, it also provided one-stop services for MNCs entering the country. These efforts included but were not limited to developing industrial estates, providing tax breaks, and training local workforce. This economic development model proved successful. By the late 1970s, Singapore had emerged as one of the “four tiger economies” in Asia, along with Taiwan, South Korea, and Hong Kong.

In the 1960s-90s, Singapore was faced with labor shortage periodically. Unskilled workers were recruited seasonally based on the needs of industries. When the economy experienced a boom, foreign workers would be solicited and when economic recessions hit, a large number of them would be repatriated. For example, as recorded by Hui (1997), “the recession in 1974-75 resulted in the repatriation of significant numbers of guest workers from labour-intensive manufacturing industries” (p. 182). Shortly after, when the economy recovered, in 1978, employers were allowed to recruit workers from both the traditional source, namely, Malaysia and non-traditional sources, such as India, Bangladesh, Sri Lanka, the Philippines and Thailand to ease the labour shortage (Hui, 1997). As illuminated by Lee Hsien Loong in a speech at the Annual General Meeting of the Singapore International Chamber of Commerce on 21 April 1995:

> Having a pool of foreign workers helps to cushion the economy against fluctuations in demand. In boom times, an inflow of foreign workers can help us to expand quickly to take advantage of growth opportunities, and at the same time keep wage increases moderate so that we do not suddenly become uncompetitive. In a recession, an outflow of foreign workers can buffer the adverse impact on Singaporean workers. (Cited in Coe & Kelly, 2000, p. 416)

The 1990s witnessed a shift in Singapore’s economic policies, with the emphasis transitioning gradually from “foreign investment” to “foreign talents” (Tan & Bhaskaran, 2015). Faced with the growing competitiveness of other Asian countries and the rising costs in Singapore itself, the government pinned its new hope on the knowledge-based economy, innovation, and creativity to maintain its lead. In this endeavour to upgrade the city-state’s economy, human talent was deemed crucial. As then Prime Minister Goh Chok Tong stated in the 1997 National Day Rally, “in the information age, human talent, not physical resources or financial capital, is the key factor for economic competitiveness and success. We must, therefore, welcome the infusion of knowledge which foreign talent will bring” (Cited in Yeoh, 2013, p. 103).

The “search for talent,” an endeavor that started in the early 1980s (Quah, 1984), was gradually ratcheted up in the subsequent decades as Singapore sought to transform into a knowledge-based
The common measurements for “talents” are their monthly salaries, education qualifications, and work experiences. The minimum basic salary to qualify for the Employment Pass was S$1,500 per month in 1995 (Hui, 1997), S$2,500 in 2010 and S$3,300 in 2015. Starting from January 2017, the newly set bar is S$3,600 (The Straits Times, 2016).

To attract “foreign talents,” the Singapore government has taken on a series of initiatives. For example, the Singapore Talent Recruitment (STAR) Committee was formed in 1998 to develop and implement the strategies of attracting and retaining foreign talents (Yeo, 1998). Contact Singapore, an agency that aims to promote Singapore overseas (Nathan, 1997), was set up in 1997, with offices in Sydney, Perth, Boston, London, Los Angeles and Vancouver. It provides information on working, studying, and living in Singapore for foreigners who are interested in moving to the Asian city-state. Besides, a Scheme for Housing Foreign Talents (SHiFT) has also been in operation since 1997, before it was phased out in 2013.4

Apart from targeting professionals, specific programmes were also set up to attract specialists and students. For example, the Foreign Sports Talent (FTS) Scheme was introduced in 1993 to bring in exceptional foreign athletes to boost Singapore’s national teams (Yang, 2014). Many scholarships have also been offered to ASEAN and Non-ASEAN (primarily China and India) students to study in Singapore in order to groom them as Singapore’s future human capital (Yang, 2016).

Demographic change

The concern with population is the other critical dimension underpinning Singapore’s immigration policy.

As a tiny city-state, arguably Singapore’s only resource is its population. Yet, since the 1980s, various demographic challenges have emerged, particularly in terms of low fertility rates, population aging, and unbalanced growths of different ethnic (or “racial” in official parlance) groups.

The total fertility rate (TFR) of Singapore’s population fell below the replacement level 2.1 in the late 1970s (Figure 4). In the previous decades, however, it was the concern with possible overpopulation that underpinned the state policies in this regard. In fact, the Singapore government implemented an anti-natalist policy, calling its citizens to “Stop at Two,” with an eponymous campaign launched in 1972 (Yap, 2003). Viewed from the results, the government’s policy had been successful: the following decade (1972-1982) saw a sharp decrease in the TFR from 3.04 to 1.74 (Statistics Singapore, 2016a), although it is debatable whether the decline could be solely attributed to the official campaign. The 1980 census showed a low TFR, especially among the educated females, which provoked the government to re-examine its population policy. In his National Rally Speech in 1983, then Prime Minister Lee Kuan Yew remarked: “we must amend our policies, and try to reshape our demographic configuration so that our better-educated women will have more children to be adequately represented in the next generation” (Cited in Yap, 2003, p. 652). Following this, policies took a pro-natalist turn, first targeting educated women, such as through the “Graduate Mothers Scheme” (Lyons-Lee, 1998). In the late 1980s, pro-natalism rolled out to the whole population. In 1987, the “Stop at Two” campaign was officially replaced by the slogan “Have three, or more if you can
afford it.” Since then, the government has further introduced a string of policy measures to encourage marriage and childbirth. These included prioritizing couples over singles and divorcees in public housing allocation, sponsoring matchmaking services, issuing childcare allowances (i.e. the “baby bonus”), providing tax rebates, subsidizing childcare, lengthening maternity and paternity leaves and promoting work-life balance (see Jones, 2012; Sun, 2012; Wong & Yeoh, 2003; Yap, 2003). While the moderate spike in TFR in the late 1980s may have been due to these policies, the overall trend of TFR was unambiguously downward between 1990 and 2015 (See Figure 4).

Figure 4: Total Fertility Rate (TFR) Per Female in Singapore, 1965-2015

A third demographic concern is the different fertility rates among various racial groups (See Figure 6). The Singapore population’s ethnic/racial composition is commonly understood in a “CMIO” (Chinese, Malay, Indian and Other) framework. At Independence in 1965, the percentages of different racial groups in the total population were 76% (Chinese), 15% (Malay), 7% (Indian) and 2% (so-called “Others”) (Statistics Singapore, 2016b). Maintaining the status quo ratios is deemed critical to Singapore’s racial harmony (The Straits Times, 1989). Yet, this status quo is obviously threatened by the different fertility rates among the racial groups.

Figure 5: Citizen old-age support ratio, 1970-2030

Immigration is no doubt the most powerful and immediately effective tool at the Singapore state’s disposal to address these demographic woes. Through carefully setting criteria such as immigrants’ education/skill level, age, and ethnic/racial background, the government is in a position to use immigration to achieve the desired demographic outcome. To illustrate this with the example of

maintaining the ratio between various racial groups: in 2015, Chinese, Malays, Indians and the Others accounted for 74%, 14%, 9% and 3% of its total residents respectively (Statistics Singapore, 2016b). In other words, despite persisting TFR disparities among different racial groups since the early 1980s, the racial composition of Singaporean population has barely altered in the five decades of the city-state’s independence. To a significant extent, this is achieved through the government’s active use of immigration as a lever to maintain the “racial balance” (Jones, 2012).

Figure 6: Total Fertility Rate (Per Female) by Racial Group in Singapore, 1965-2015

Data Source: Statistic Singapore. Access date: 27th Dec 2016.

Local reactions to the influx of immigrants

The rapid pace of immigration to Singapore since the 1990s has caused increasing criticism, dissatisfaction, and resentment from the city-state’s local-born residents. These criticisms tend to center around the issues of employment, housing, transportation, and cultural identity (Gomes, 2014; Koh, 2003a; Montsion & Tan, 2016; Yang, 2014; Yeoh & Lam, 2016).

Although the government argues that immigrants either take up jobs that Singaporean shun (in the case of “foreign workers”) or create more jobs for the locals (in the case of “foreign talents”), there are often complaints about immigrants stealing jobs, depressing wages, and discouraging employers from training the local workforce. Besides, immigrants are often accused of driving up the housing prices and crowding out the public transportation.

Many also express the concern that immigrants dilute Singapore’s cultural identity and destroy or alter its cultural life despite the fact that Singapore has always been a migrant city. Suspicions are sometimes raised about the loyalty of the immigrants, who are often perceived to use Singapore as a “stepping stone” to somewhere else, such as the United States.
The numerous scholarships that Singapore has provided for foreign students (Yang, 2016) have attracted criticisms as well. The argument goes that foreign students eat up school places and financial resources that could otherwise be given to local students in need.

Such local discontent over the government’s immigration policy has in recent times manifested in various ways in public life. For example, in the 2011 general election, PAP won merely 60% of the popular votes – the lowest in its history – and a large part of the civic grievance was targeted at PAP’s immigration policy (Thompson, 2014). In 2013, the government released a Population White Paper, entitled “A Sustainable Population for a Dynamic Singapore.” The White Paper suggested that Singapore would “take in between 15,000 and 25,000 new citizens every year” and projected Singapore’s population to be “between 6.5 and 6.9 million” by 2030 (The National Population and Talent Division, 2013). Angered by these numbers, on February 16, 2013, a large crowd – said to be about 5,000 people – gathered at Speakers’ Corner in Hong Lim Park to protest. This is said to be the largest protest since Singapore’s independence (Yeoh & Lam, 2016).

The Singapore state’s response: tighten up immigration; strengthen the “Singaporean Core”; promote integration

To address the recent local dissidence against immigration, the government has adopted mainly three strategies: tightening up immigration, strengthening the “Singaporean Core”, and promoting social integration.

Since late 2009, the government has evidently tightened its immigration framework (The National Population and Talent Division, 2010). Figure 7 shows the total numbers of Permanent Residence (PR) and Citizenship granted between 2007 and 2015. A significant decline in the number of PRs granted was witnessed between 2008 and 2010. Besides, the qualifying salary for Employment Pass has been gradually raised from S$2,500 in the first decade of the 2000s, to the current level of S$3,600 (Kok, 2011; Lin, 2011; The Straits Times, 2016). As the Minister of State for Manpower Tan Chuan-Jin noted, “the Government is taking steps at the national level to moderate the demand for foreign labour, by raising levies, qualifying salaries, and qualifications for work permits” (Cited in Kor, 2011). Measures have been taken to curb the number of international students as well. In a parliamentary reply in 2011, the Ministry of Education said it would cap the international student undergraduate intake at the present level while increasing university places for Singaporeans (The Ministry of Education, 2011; Yeoh and Lam, 2016).

Alongside downsizing immigration, the government is also trying to strengthen the “Singaporean Core.” In his Chinese New Year Message in 2011, Prime Minister Lee Hsien Loong (2011) said:
We have to preserve a Singaporean core in our society. We need immigrants to reinforce our ranks, but we must maintain a clear majority of local-born Singaporeans who set the tone of our society and uphold our core values and ethos. We are managing the inflow of foreigners who want to live and work here. Many want to become permanent residents and new citizens, but we will select only those who can add value.

To strengthen the “Singaporean Core,” the government urges companies to hire more locals (Cai, 2011) and groom local talents. In 2011, the Tripartite Alliance for Fair and Progressive Employment Practices (Tafep), an alliance between the government, employers, and unions for fair employment, issued the guidelines for companies to maintain a Singaporean core in their workforce. In 2013, the Fair Consideration Framework was announced to make sure that companies consider Singaporeans first before hiring foreign professionals (Seow, 2016a). In 2014, the SkillsFuture Council was established, chaired by the Deputy Prime Minister Tharman Shanmugaratnam (Tay, 2014). SkillsFuture is a national scheme for Singaporeans to upgrade their skills at any stage of life. Under the scheme, starting from January 2016, each Singaporean aged 25 and above would receive $500 worth of SkillsFuture credits to attend various courses (Chew, 2016). In November 2016, the Human Capital Partnership Programme was launched – another initiative that encourages companies to invest in their local workforce. The Programme recognizes companies with “progressive human capital development practices” as “Human Capital Partners” and rewards them with better access to the government’s resources (Seow, 2016b).

The third broad strategy the government has taken to ease the immigration tension is to facilitate social integration. In 2009, the National Integration Council was established to promote the social integration of Singaporeans, new citizens and foreigners. A total of S$10,000,000 of Community Integration Fund was launched to sponsor activities that could enhance the interaction and mutual understanding between local-born residents and newcomers. In 2010, the Singapore Citizenship Journey was introduced to improve new citizens’ understanding of their adopted home (Sim, 2010). Mandatory for prospective citizens pending naturalization formalities, the Journey consists of an online tutorial on Singapore’s history, national policies, and key values, an experiential tour to key historical landmarks and national institutions and a community sharing session where new citizens meet grassroots leaders and other citizens to share their experiences and expectations (National Integration Council, 2010). Furthermore, the People’s Association now organizes volunteers, called Integration and Naturalisation Champions (INCs), to help with the integration of new residents through house visits, sharing sessions, and welcome parties (Eng, 2009).

Conclusion

To conclude, Singapore is today among countries in the world with the highest immigrants-to-total-population ratios. At present, there is a close nexus between the city-state’s immigration policies and its foreign manpower regime, with the latter serving as a fundamental basis as well as the main channel for the former. This close intertwining between immigration and foreign labour can be best understood in view of the various opportunities and challenges that Singapore is faced with in relation to economic development and
demographic change. Heightened immigration has in recent times caused vociferous dissent from the local population on the ground, and the state has responded swiftly to such sentiments in various ways.

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i In this paper, “Chinese immigrants” and “Indian immigrants” refer to all people who originate from mainland China or India, regardless of their current immigration statuses in Singapore.

