



GE2111 Image of the City  
Individual Written Assignment

**The Aging Asian Tigers:  
Ageing Population and Cultural Conflicts in Hong Kong and Singapore**

**by**

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## 1. INTRODUCTION

According to the United Nations (2002), 25% of the world population will be aged over 65. Hong Kong and Singapore, just like many other advanced cities across the world, are facing the problem of aging population. Renowned as Asian Tigers (Investopedia, 2018), Hong Kong and Singapore are former British colonies with a dense multicultural population. Sharing many physical similarities, the two global financial hubs are often put together as a comparison. In the following essay, I will delve into the social and cultural issue by comparing the causes, consequences and government policies in Hong Kong and Singapore.

## 2. AGING POPULATION

Thanks to the advancement in healthcare technology, Hong Kong people, and Singaporeans are having a longer life expectancy. However, the birth rate in both cities is getting low in recent years. In 2015, the old-age dependency ratio in Singapore is 16.7 elderly aged over 65 to 100 population aged 15 to 64 years old (Statistic Singapore, 2017) , while that of Hong Kong is much higher (Census and Statistic Department, 2017), which is 20.7 The ratio of both cities are expected to rise in the coming decades.

### **Causes of Aging Population**

#### Longer Life Expectancy

Due to the advance of medical technology, the average life expectancy of people in both cities continues to rise. For Hong Kong, the average expected years of life rises from 83.8 in 2015 to 84.1 in 2017 (Knoema, 2017), while that of Singapore rises from 82.8 in 2015 to 83.2 in 2017 (Knoema, 2017). The rising trend in the life expectancy indicated the worsening of aging population problem in the future.

### Low Birth Rate

In terms of birth rate, both cities are experiencing a decreasing trend of the birth rate. In Hong Kong, the crude birth rate (number of live births in the year per 1,000 people in the population) drops from 35 in 1960 to 8.2 in 2015, while that of Singapore is slightly higher than Hong Kong, with 47 in 1960, drops to 8.95 in 2015. However, the situation is worrying since the continuously low birth rate and increasing trend of life expectancy will further increase the old-age dependency ratio.

Both situations indicate that in the coming future, the problem of an aging population will be more serious in Hong Kong than in Singapore.

### **Challenges**

Confronting aging population, both cities have to tackle the three major challenges: the rise in welfare demand, increasing social burden, and weakening of competitiveness.

### A Rise in Welfare and Social Burden

First, rising welfare demand will result from aging population in both cities. Despite the rise in life expectancy, the morbidity among elderly population remains high. Hence, it is expected to have a higher demand in the healthcare system.

In recent years, the Hong Kong government budget for healthcare services increased every year. In the past decade, the growth of public expenses on medical services has increased by 10% (Food and Health Bureau, 2014), and the growth is expected to continue due to an aging population. According to the government statistic, 72% of the

population aged 60 or above suffered at least one chronic diseases, and among 42% of them had medical consultations on a frequent basis (Census and Statistics Department, 2014). In addition to this, the Hospital Authority revealed that the elderly population aged over 60 occupied over 50% of the hospital services utilization (Census and Statistics Department, 2014). The rising number of the elderly population further increased the burden of the medical sector. For the situation in Singapore is relatively less serious. As the Singapore healthcare system adopted the mixed financing system, including national life insurance schemes and compulsory saving campaign Central Provident Fund (CPF). However, the Singaporean government still subsidize part of the healthcare system. The Singaporean government's spending on health care rose from 4 billion to 9 billion from 2011 to 2016 due to the aging population (Vasoo & Lee, 2001). Hong Kong and Singapore are different in terms of the healthcare and funding system, leading to Hong Kong government's heavier burden on the healthcare system now and in the future.

#### *Weakening of Competitiveness*

Second, in both Hong Kong and Singapore, the aging population will possibly lead to the weakening of competitiveness. Due to the shrinking in labor force and rise in elderly population, the old-age dependency rate increases as a result. Moreover, there will be a shortage of labor force in certain industries and lower class jobs due to the decreasing birth rate in these decades and the higher educational level of the new generations.

## **Governmental Policies**

Foreseeing the inevitable welfare burden in the aging population, both Hong Kong and Singapore governments implemented multiple strategies in tackling the problems of shrinking workforce by attracting foreign labors and talents.

### *Importing Foreign Labours and Foreign Talents*

For Hong Kong, in order to attract foreign labors, the government has enacted the One-Way Permit (OWP) scheme (Chief Secretary for Administration's Office, 2015).

The new arrivals under the OWP scheme is a major source of population growth for Hong Kong. The educational level of OWP holders are relatively low, around 60% of them filled the gap of shortage in low-skilled workers in Hong Kong. For attracting foreign talents, the Hong Kong government has implemented the Admission Scheme for Mainland Talents and Professionals (ASMTP) as well as Quality Migrant Admission Scheme (QMAS). Both schemes attracted over 88,000 professionals and talents working in Hong Kong from 2006 to 2013 (Chief Secretary for Administration's Office, 2015).

For Singapore, they have a comprehensive foreign labor policy, attracting low-skilled labors via work permit, mid-level talents using S pass, and also professionals and skilled workers by employment pass (Chia, 2011). The differentiation targets the needs of different classes of workers and talents around the world to immigrant to Singapore. According to Global is Asian (2017), the government incentivized foreigner to work in Singapore as a first stage, then encourage them to apply for permanent residents through its welfare such as housing, healthcare, and education.

### 3. CULTURAL CONFLICTS

Addressing the major social concern - aging population, both Hong Kong and Singapore governments are proactive in attracting foreign talents and labors. Although this can effectively solve the problem of shrinking in labor force and enhance competitiveness, it is a double-edged sword in constructing cultural conflicts.

#### **Causes of Cultural Conflicts**

##### *Cultural Differences*

New immigrants are culturally different from locals. The influx of new immigrants resulted from the government immigration policies in both cities lead to adverse comments from local people. As the former Singaporean politician Lee Kuan Yew had put, the customs, mindset and business practices of the Chinese immigrants are different from the majority of Singaporeans (Liu, 2013). Due to the historical background that both Hong Kong and Singapore as former British colonies, the idea of Lee could explain the reason behind the conflicts between Singaporeans, Hong Kong people, and Chinese mainland immigrants. Protests resulted in both cities but both governments seemed passive in addressing the issue.

##### *Competition for Scarce Resources*

The major cause behind cultural conflicts between new immigrants and local people in both cities is the competition of scarce resources. In Hong Kong, local citizens blamed the OWP holders competing for local resources such as job opportunities, welfare, housing, and education. The situation is the same in Singapore. According to a study

by Singapore Indicators of Racial and Religious Harmony (2013) interviewing 5,000 households, 30% of Singaporean interviewees indicated that are not comfortable with having a new immigrant as their boss as they thought immigrants competed with them for jobs. The study indicates the growing discontent between local people and new immigrants in both cities.

### **Government Policies**

Addressing the social discontent between local and new immigrants, the Hong Kong government imposed policies that can alleviate the tension between both parties. In 2013, zero-birth quota policy for mainland Chinese was imposed (Carvalho, 2016), loosening the tension in between the two parties. While for Singapore, the government did not enact policies in addressing the discontent between local and immigrants at the moment.

## **4. CONCLUSION**

Due to the aging population, the Hong Kong and Singaporean government put great effort in formulating policies to attract global labors and talents to enlarge their workforce. In terms of strategies, both Hong Kong and Singapore have the same goals but attracting the talents via different means. However, the immigration policies led to the problem of cultural conflicts, between local people and immigrants. Both governments in Hong Kong and Singaporeans should establish a more comprehensive method for addressing the worries and discontent of local people while attaining their goals in enhancing population growth in long run.



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