

## **S'pore's birth-rate challenges: Ageing and shrinking population**

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THE recent recession may have dealt a double whammy to Singapore - having an impact on not just its economy, but also its declining birth rate.

Yesterday, Prime Minister Lee Hsien Loong sounded the alarm that about 170 fewer babies were born here last year than in 2008 - a worsening sign of Singapore's long headache of how to boost flagging fertility rates.

Speaking at the seminar Singapore Perspectives 2010, organised by the Institute of Policy Studies, he said: "Perhaps this (the decline) was because of economic troubles, but, even so, it (the flagging fertility rate) is still a grave trend. If unchecked, we will face not just an ageing, but (also) a shrinking, population."

Provisional figures from the Immigration and Checkpoints Authority's Registry of Births and Deaths showed that 39,654 babies were born last year.

This drop from the 39,826 babies born in 2008 put an untimely end to a brief respite from the downward trend - in 2008, the number of babies born had been 336 more than that in 2007.

Yesterday, PM Lee said that the best economic policy will not bring Singapore growth if its population starts to decline - or if its citizens lack the talent to solve problems, create opportunities, or lead the country in government, business and society.

He was confident of restructuring the economy in the wake of the financial crisis, but less than upbeat when it came to encouraging Singaporeans to have babies.

Referring to the slew of government baby-boosting measures implemented that has, thus far, failed to stem the decline in birth rates for a sustained period, he said: "The mountain has moved but we're waiting for the mouse to come out... I'm not confident that it can be done, but we have to do our best, and immigration has to be part of the solution."

The Government has sought various means to encourage Singaporeans to have more children, with the fertility rate plunging from 1.6 in 2000 to 1.28 in 2008 - far below the 2.1 needed for a population to replace itself.

It offered larger cash incentives to defray child-rearing costs, paid child-care and infant-care leave and subsidies, and longer maternity leave of four months, up from two months.

As there is currently no other alternative to topping up Singapore's population numbers, save opening its doors to foreigners, the issue of immigration and integration would be around for some time, PM Lee warned.

However, he stressed that Singapore could not rely solely on foreigners to sustain its population, so as not to "shift the tenor of our society and dilute the Singapore spirit".

Singapore is not alone in facing the prospect of an ageing and dwindling population.

PM Lee cited the example of South Korea, whose health ministry recently turned off its office lights at 7pm to persuade staff to go home to their loved ones and make babies.

On Singaporeans' reluctance to have babies, Associate Professor Tan Ern Ser, a sociologist from the National University of Singapore, said: "All things considered, the costs outweigh the benefits.

"To tip the balance, one needs to really love being a parent and having someone to love; otherwise, there is no compelling reason to have children.

"Ironically, the people who could afford to have children see having children as involving high opportunity costs; while many who can ill-afford to have children see them as a good investment for the future."

A possible solution would be for people to realise that giving love is a "wonderful human experience which money cannot buy" and receiving love is "worth all the money spent on raising children", he said.

Senior Minister Goh Chok Tong had said on Sunday that Singapore needs to become less dependent on foreign workers.

As a result, Singaporeans must raise productivity growth from 1 per cent a year to 2 or 3 per cent, PM Lee said.

On the focus on productivity, NRA Capital executive chairman Kevin Scully said: "In a period of economic recovery, it makes sense to retrain Singaporeans to meet labour needs, which are now less robust given the slower growth."

PM Lee reiterated that economic growth of 5 per cent per annum is no longer realistic, as Singapore is now more developed and can no longer grow as rapidly as before.

Instead, the focus should be on maximising existing land and labour resources, and raising the productivity of businesses and workers here, he said.

A report by the Economic Strategies Committee, due next week, is expected to address the subject, as will the Budget speech next month.

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