

## **Beyond the lightning rod of 6.9 million**

**The White Paper on Population projects a population of 6.9 million by 2030. That figure is useful for planners. But it is just the starting point for a national discussion on the kind of Singapore we want in the future: zero growth, modest growth or unfettered growth.**

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Singapore's population figure has been a hot-button issue, heavily politicised since the 2006 Mid-Term Concept Plan Review when the Urban Redevelopment Authority announced it was looking at 6.5 million people as a planning parameter 40 years hence.

This week's White Paper on Population citing a 6.9 million population projection by 2030 has naturally fuelled further concern, even though it was formulated after public consultation.

Those arguing for tighter limits on population growth say that the all-too-quick increase in total population of the past half decade has resulted in a deterioration of quality of life experienced in physical discomfort due to congestion in the use of public amenities; financial stress with rise in cost of living; and social and psychological unease with the difficulties in cross-cultural integration of foreigners in our midst.

Income disparity has also widened, as masses of foreign unskilled workers and professionals depress wages at the lower end of the labour market and stretch it out at the top end of the ladder, respectively.

By focusing on one single point of the document - 6.9 million, which is 1.6 million more than today - and extrapolating the current situation to the future, it is no wonder one would feel alarmed.

The alarm dissipates somewhat when we consider that this is 20 years from now and is not a target to meet by any means.

It is simply one of many possible projections the Government is proposing after taking heed of concerns, yet ensuring that the economy remains dynamic to ensure the well-being of the Singaporean core is attended to.

In fact, a perusal of the White Paper and the follow-up Land Use Plan will show that it addresses all those concerns listed above.

### ***The world in 2030***

It does not hold all things constant. The 2030 described within is a vastly different world from today.

How so? For one thing, it is clear from the White Paper and Land Use Plan that the infrastructure - both physical and social - will be developed before Singapore's population approaches 6.9 million.

The population figure is premised on a high productivity and a high value-added economy with high quality, well-paying jobs. Singaporeans are being prepared for that future today, especially in the education system.

Also, Singapore will have more successful integration processes for the transient workers and immigrants that are carefully chosen and admitted.

Finally, the White Paper shows a clear commitment to ensuring that foreigners are brought in primarily for sectors Singaporeans either shun or do not yet have the capacity to develop. These should reduce the sense of alarm.

On the other hand, one might also try to imagine how 6.9 million looks to business stakeholders.

They will notice that it is premised on how little the workforce is projected to grow. Even with efforts to augment the resident population through immigration, the workforce will be allowed to grow by a maximum of 2.7 per cent in this decade to 1.1 per cent in the next, when compared to 3.3 per cent over the past three decades.

Employers will also know that the White Paper looks for productivity leaps that beat the historical trend - 3 per cent a year in this decade and up to 2 per cent in the next, compared to the lower 1.8 per cent of the previous decade. This will add up to 3 to 5 per cent growth in gross domestic product this decade, and 2 to 3 per cent in the next.

Businessmen know that while there is scope for growth, many that rely on large pools of relatively cheap labour to keep their margins will have to fight for their survival. Some of these are in domestic consumption areas - cleaning, retail, food and beverage, for instance. If they survive, it can only mean their costs, and their prices, will rise.

Public finances have been committed to help businesses make the transition. In that sense, Singaporeans as taxpayers and consumers will all be paying the price of a tighter cap on population growth and will continue to do so.

To square the circle, the wages received by the Singaporean core must outstrip the increases in cost. This is the only way to ensure that addressing the population issue will not exacerbate the other issue of cost of living.

### ***What if there is no workforce growth?***

There is a whole flip side to this debate. Remember that the White Paper proposes a limited workforce growth rate of 2.7 per cent or below this decade.

Let's say the naysayers to population growth have their way. Supposing Singapore clamps down on immigration and foreign worker inflows, keeping workforce growth at 0 per cent.

Will the economy grind down and be no longer attractive to the young working professionals of tomorrow? It will not be the case of a few adventurous ones leaving for bustling global cities but large groups of them doing so.

Or supposing the assumptions in the White Paper do not pan out. Say workforce growth is limited to around 1 to 2 per cent. But productivity does not advance. Singapore fails to move up a new "S" curve of innovation. Then, Singapore will not be able to make its targeted growth rate of 3 to 5 per cent this decade, and 2 to 3 per cent next decade.

Will Singaporeans then complain of a slowing economy, a less vibrant city, and fewer good jobs for their children? Could there be a tipping point where the business situation becomes untenable not just for a few laggards but whole sectors? What happens then to the workers?

Whichever course of action Singapore takes, there will be real consequences for the quality of life. As a nation, we need to come together to talk honestly and rationally about the options and trade-offs.

Time is needed for all aspects of this plan - holistic as it is - to be examined thoroughly and for different stakeholders to hear each other's concerns.

### ***All voices need to be heard***

Representatives of the business sector, unionists and economists must sit in the same room for full-fledged discussions with one another with the public closely listening in.

Can the projections and operating premises of this broad game plan really hold, keeping in view the sequencing of infrastructural development over a 20-year horizon?

If economists say these assumptions are realistic even in an age where workers seek work-life balance, will the business sector and labour chiefs step up to the plate?

If they cannot do it, do we have to be a bit more generous in the range of our projections and allow for some slack - or tightening? Would a "buffer" in manpower numbers be needed so the country can respond better to external economic conditions?

The public should voice their concerns to their Members of Parliament since this is a White Paper.

They should ask themselves: What future do they want for themselves and their children?

One where the workforce is very tightly controlled and the economy slows to a crawl, if our big bet on productivity and innovation fails?

One where the workforce is permitted modest growth as the White Paper projects, allowing a moderate pace of growth?

Or one with unfettered growth in the workforce, allowing Singapore to maximise growth opportunities while we become a more dense global city?

The White Paper is precisely that: a paper for public discussion.

It is vital for the full range of views to be aired. Given how vociferous the lobby against population growth is, it is important for those who take a different view to speak up.

Those voices must be protected; they must not feel intimidated from speaking up.

Singaporeans need time to absorb the population issue and chew on its ramifications.

While doing so, it is best that we avoid locking ourselves into fruitless debate about a rigid target or a tight range of possibilities.

Single points and figures are useful for political arguments or builders of MRT systems. They also serve as lightning rods for critics.

But for the realities of life, it is best to keep our national position adaptable to the vagaries of the changing economic and geopolitical environment.

Even as we debate this paper from diametrically different viewpoints, we should remember that we all share the same unchanging goal: promoting the Singaporean's well-being and preserving the quality of life for all who call this island home.

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