

The Population Conundrum

Roundtable on Singapore's Demographic Challenges

OPENING REMARKS

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I would like to underline some points before opening this to general discussion.

Firstly, these are scenarios¹ – not predictions or even forecasts. We are not saying this is going to happen. We are saying, given certain assumptions, these are possibilities. If these scenarios give you pause – and judging from the glum faces all round, they have – that is altogether for the best, for we should indeed think seriously about these possibilities.

Second, we should be conscious of the likely make-up of the non-resident population. Words are a slippery business – they slip, slide, perish, will not stay in place. Take the words “foreigners”, for instance, or “foreign talents”, which have become almost terms of abuse: Get rid of the foreign talent, we hear. We don't need these “foreigners”.

Ok, let's take that proposition seriously. What's the next step? Which foreigner would you want to eliminate? Which group do you want to send packing? The maid who cleans your house and helps look after your children? The nurse who looks after your aged parents in a hospital or nursing home? The construction workers building the flats, and train lines, and hospitals you want built?

Together, work permit holders, including domestic maids, make up 60 per cent of the non-resident population. Employment Pass holders – your “foreign talent” -- make up just 12 per cent. It seems to me there is no doubt we were too lax in letting in too many foreigners in some categories – because employers found them cheaper than locals. We have got to fix those loopholes; we have got to get the balance right. But that doesn't mean by any stretch of the imagination that we can do without foreigners. It can't be that my foreigner – my maid, my construction worker, my nurse – is ok, but yours is a problem.

Three, it is altogether likely that the chief driver of demand for non-resident workers in coming decades will not be economic growth but our burgeoning social needs. As our population ages,

¹ The scenarios analysed in Dr Yap Mui Teng's study on projections of Singapore's future population up to 2050, which include both the resident and non-resident population under certain assumptions about the course of fertility, mortality, and net migration, are available here:
http://www.spp.nus.edu.sg/ips/docs/events/RT_Singapore%20Demographic%20Challenges_030512/SI_Yap%20Mui%20Teng_web.pdf

we will need more nurses, more care-givers, more maids. There can be a trade-off between economic growth and population growth. You can have less of one if you are prepared to have less of the other. But can you really have a trade-off between meeting our burgeoning social needs and population growth? We can grow more slowly economically but we can't age more slowly. As it is our domestic maids number about 200,000. This is projected to grow by 5 per cent or so a year. We will have to think about how we can meet the needs of our ageing population efficiently. We have to get the right mix of foreigners.

Four, I should point out that Dr Yap Mui Teng's projection does assume we will have a trade-off in favour of less economic growth. Singapore's labour force has grown historically by an average of 3.6 per cent a year since 1970. Even in the worst case scenario in the projections – Scenario 2C – we have total labour force growing by 2.47 per cent annually from now till 2020 – and by much less than 0.5 per cent after that. This is well below our historical average. The labour force growth rate for Scenarios 2A and 2B are even lower. Can we meet these targets?

This leads me to the last point I wish to underline – thrice: Whichever scenario pans out, the fact is this country is going to face enormous challenges before us. Number one challenge: We have got to raise our total fertility rate. This will solve a great many of our problems. In this sense, the most important session in this conference is the last – on making babies. If other developed countries – Sweden, Norway – have managed to reverse their fertility declines, there is no reason why we can't.

Number two challenge, we really have to work hard on productivity growth. As I have mentioned, even in the worst case scenario, our labour force would be growing by far less than the historical average of 3.6 per cent. That means we have to have productivity growth if we are to grow at all. We say we want to register productivity growth rates of 3 per cent a year. That isn't going to be easy at all at all. We will look at this challenge in the second session.

Number three challenge, we have to do a better job of integrating the foreigners in our midst – the Non-residents, the PRs, above all, the new citizens. Whichever scenario pans out – even if we cut the proportion of non-residents in our population to just one in five – we would still have sizable numbers of foreigners in our midst. We just have to learn to be kinder to each other, to learn to rub along as best as possible. And this can't be just a one-way street – with Singaporeans smiling and welcoming foreigners. The foreigners will also have to learn to adjust, and behave like Singaporeans when they are in Singapore, as the saying goes. We queue here. We don't spit. We don't air mattresses in void decks – as I'm told some foreigners do. We speak English – sort of. And so on and so forth. I believe we need to take integrating foreigners as seriously as we took religious harmony or racial integration. And if I may rewrite Rajaratnam slightly, we must learn to say: We, the citizens of Singapore, pledge ourselves as one united people, regardless of race, language, religion or country of origin.