

WHITE PAPER ON POPULATION: Key figure is growth rate, not headcount

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While the projected 6.9 million population in Singapore for 2030 is likely to grab eyeballs, experts and Members of Parliament said the more important figure to focus on was the anticipated lower growth rate.

Most felt the 2 to 3 per cent growth in Singapore's gross domestic product (GDP) was reasonable.

This gradual decline from a growth of 3 to 5 per cent is "realistic and certainly achievable", DBS economist Irvin Seah said. It is in line with an ageing population.

Ang Mo Kio GRC MP Inderjit Singh noted that in most developed countries, people worry about lower growth as there may not be enough quality jobs and unemployment will rise. But he argued that the situation in Singapore will be different as it has a buffer: its pool of cheap foreign labour, which is still sizeable.

This pool could be reduced further, he said, so that there is room for productivity to grow and employers are willing to pay more. "So, there will still be good jobs for Singaporeans," he said.

Some, however, were unsure whether the lower pace of growth could ensure a continued high standard of living.

"Everybody is going to work three times harder to maintain the current standard of life... if our productivity and service innovations don't kick in. I don't know what we can do to maintain a comfortable standard of living," said senior research fellow Gillian Koh of the Institute of Policy Studies.

Some also voiced concern that lower growth would mean lower wages.

But Mr Seah Kian Peng, member of the Government Parliamentary Committee for National Development and Education, noted the Government's goal to raise real wages by 30 per cent in the current decade, through productivity increases and investment in skills upgrading.

If this is fulfilled, "I think quality of life would not be compromised," he said.

Veteran MP Charles Chong observed that the economic and population growth figures were calibrated "so that we can accept slower growth, and Singaporeans will still be the core".

While most believe that foreigners are essential for a vibrant economy, they said the Government needs to ensure that Singaporeans will still feel valued and that infrastructure is built on time.

The Government will build additional homes and rail lines, and add hospital beds, but these will take time, creating a "lag" that might lead to a "mismatch" between available infrastructure and the population growth, said Moulmein-Kallang GRC MP Edwin Tong.

Political scientist Reuben Wong of the National University of Singapore said the shrinking proportion of the citizen core would pose questions on how the social fabric and a cohesive identity of Singapore will be maintained.

"This is going to be a hard sell, politically," he said.

One way to overcome it is for the Government to explain to people clearly and in detail how their lives will be affected, said sociologist Paulin Straughan.

"People want to understand it in bread-and-butter terms. When you say 2 to 3 per cent GDP growth, what is my job and my salary going to look like?" she said.

"The Government has to ask citizens, are you comfortable with a more modest growth rate? Because if you are not, to go even higher would require an even bigger population growth."