

What is the answer to Singapore's HR 'trilemma'?

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Singapore should change its mindset on the inflow of foreign workers if it is to cope with an ageing population and the relatively low labour force participation rate, said the Monetary Authority of Singapore (MAS) managing director Ravi Menon.

Speaking at the Singapore Perspectives 2018 conference held by the Institute of Policy Studies, Menon emphasised the importance of being flexible "in allowing fluctuations in the ratio according to economic cycles, changing circumstances, and opportunities".

"It is not about how many foreign workers the industry wants or society can afford to have, but what number and kind of foreign workers we need to maximise the job and wage opportunities for Singaporeans," he said.

The underlying demographic slowdown is so severe, he said. But it is not a numbers game. "It is about rejuvenation and expanding (Singapore's) talent base," TODAY Online reported.

Menon spoke of a demographic "trilemma" facing the city state: labour force growth, zero net immigration and a stable share of foreign workers in the total workforce.

"Collectively, as a society, we have to decide which corner of the trilemma we want to be at, or which corner we want to be close to," he said.

Among the solutions are encouraging women to return to work after childbirth, and narrowing the gender gap.

Still, even at plausible stretch targets, these will have quite limited effect on resident labour force growth, he said.

Ultimately, numbers do not determine how dynamic an economy can be.

It is about the quality of the workforce, the companies and institutions, and being able to attract talent from everywhere. It is also about high levels of efficiency and productivity, characterised by a lot of start-ups, research and development, and experimentation.

"Dynamism must be about our people. We must remain an open society, not just in being open to foreign trade, investment, and talent, but being deeply connected to the rest of the world," Menon said.