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Headline: Productivity growth, population and identity will be challenges over next 50 years: PM Lee

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In a Ho Rih Hwa Leadership in Asia Public Lecture, Prime Minister Lee says based on current trends, Singapore could have an inverted population pyramid by 2050 and that this would have implications for taxes, the economy and defence.

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Prime Minister Lee Hsien Loong speaking at the Singapore Management University Ho Rih Hwa Lecture on June 30, 2015 (Photo: MCI).

SINGAPORE: To achieve 2 per cent productivity growth a year may be difficult, but Singapore has "no other option" said Prime Minister Lee Hsien Loong.

"Bigger countries if you don't perform so well, you have a hinterland, you have resources in the ground to survive. We don't have anything but ourselves," he said, stressing that improving productivity and maintaining growth is the on way Singaporeans can continue finding good jobs and having opportunities.

Mr Lee on Tuesday (Jun 30) outlined the country's challenges in a speech which was part of the Ho Rih Hwa Leadership in Asia Public Lecture Series organised by the Singapore Management University. He said Singapore's challenges depends on the time frame. In a 10-year horizon, it is the economy, in a 25-year perspective, it is population issues, and viewed over 50 years, the main challenge would be identity.

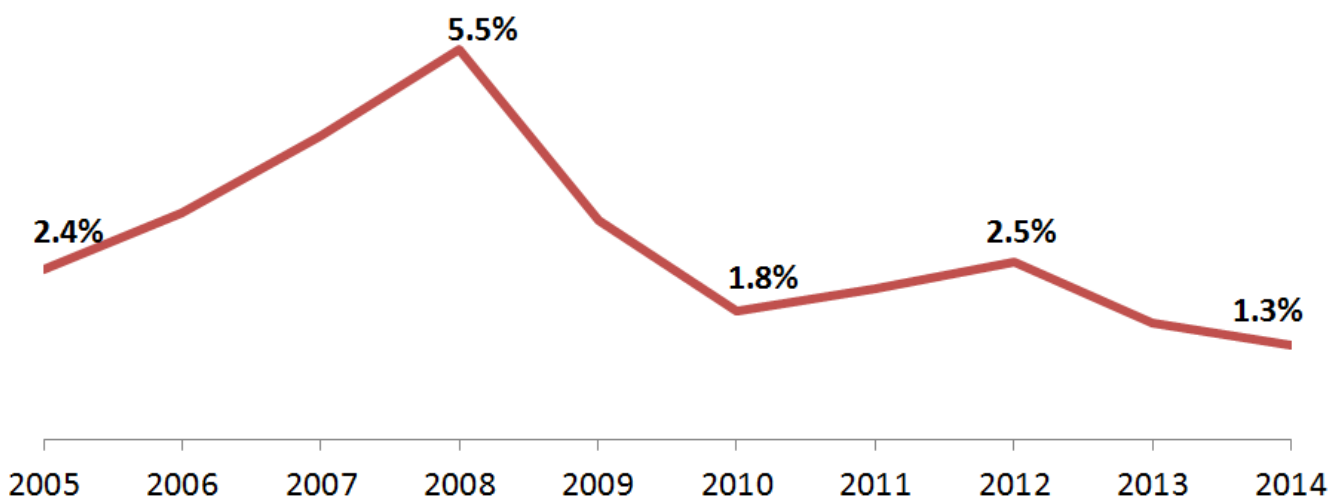
"DEMOGRAPHY IS DESTINY"

The Prime Minister spent much of his speech touching on Singapore's ageing population, given that this year, the country's population growth will be the slowest in a decade. The number of citizens aged 65 and above is increasing rapidly - and will nearly double from 440,000 today to 900,000 in 15 years' time.

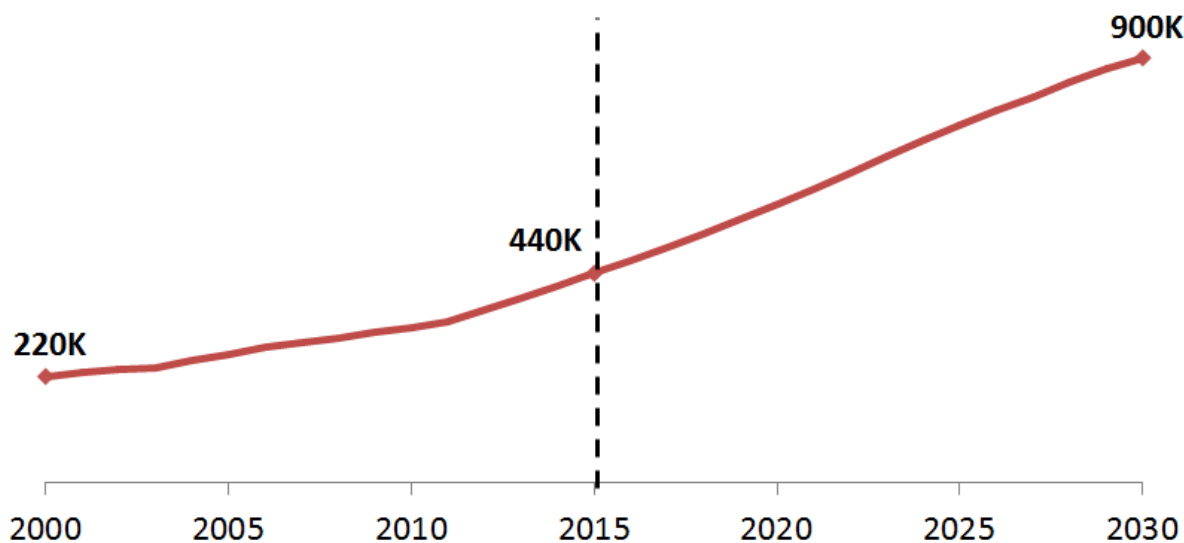
"While the economy will go up and down, in the long run, demography is destiny," said Mr Lee.

2014 Population growth was slowest in 10 years

Total population growth rate per year

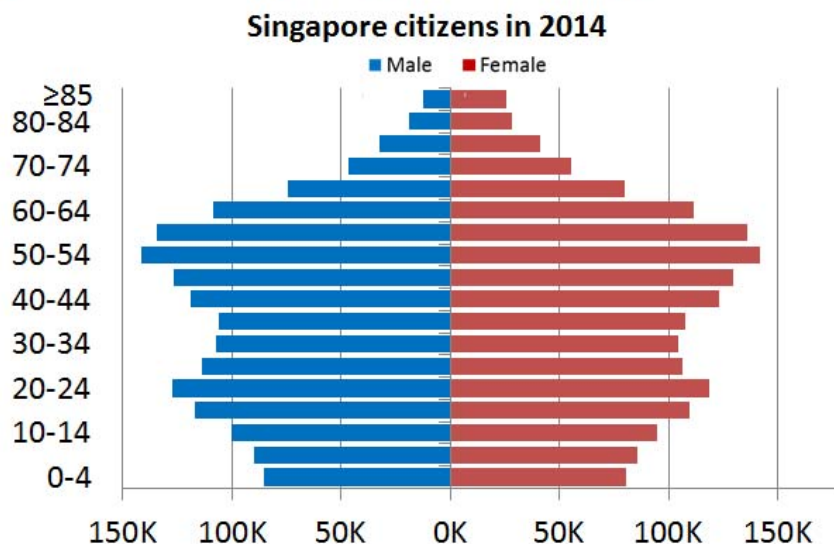


More senior citizens aged 65 and older

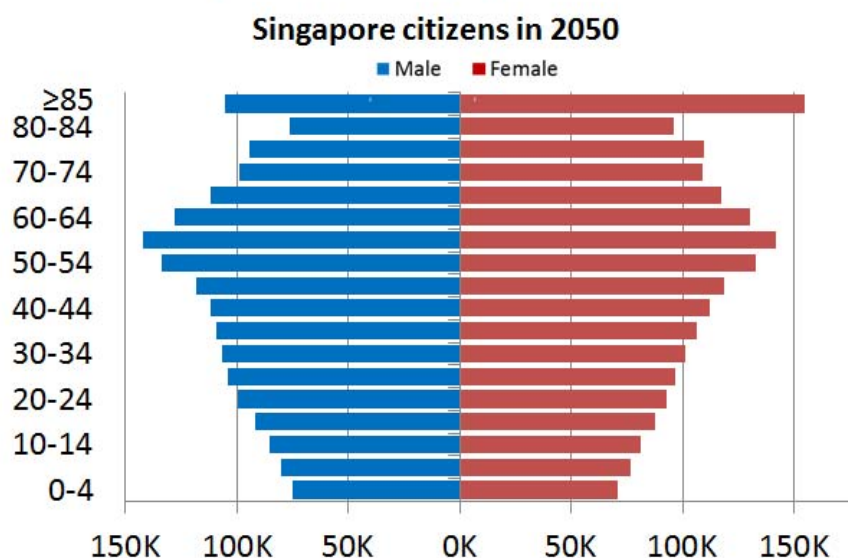


Citing latest statistics, Mr Lee said today, every five working adults support one senior citizen. In 2030, it will be two adults supporting one senior citizen. Based on current trends, by 2050, even with immigration, the population pyramid will be inverted.

2014: Population ageing with bulge 50-60 years old



2050: Population pyramid inverted



Mr Lee said the rapidly ageing society will raise questions on taxes to support social services and healthcare, how to keep the economy prosperous and vibrant and who to defend the country.

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If Singapore can get its Total Fertility Rate up from the current 1.2 to 1.5, then it could keep its population younger, he said.

"A shrinking society will be an ageing society, and an ageing society will cause profound problems. Our economy will be stagnant or declining; the whole tone of the society instead of being young and forward-looking, will be pessimistic, oriented to the status quo or even looking towards the glorious past and I think that's a sad place to be in," said Mr Lee.

The best and only solution, is for Singaporeans to marry and have more children, he stated. Mr Lee said the Government will do more to help Singaporeans marry, have babies, and take care of their families, and not just through baby bonuses. This will come in the form of help for young couples with housing, support for parents with care-giving and in promotion of flexible work arrangements. The Government will also work on providing affordable and quality child-care and reducing stress in the education system.

"These are just policies and the Government cannot solve this problem just by policies, because it requires all of us to change norms and culture for us to become a more family-friendly country and that takes time," Mr Lee said.

MAINTAINING A SENSE OF HOME

As Singapore celebrates 50 years of independence this year, Prime Minister Lee stressed that maintaining a sense of nationhood and strengthening the Singaporean identity will be equally important over the next half a century. He noted that Singapore can "dissolve with globalisation".

"If we become so comfortable abroad that we lose the sense that only Singapore is truly home ... and if a large part of our talent go overseas either to seek challenges or to seek fortunes, then I think we will be depleted, our centre cannot hold. We will just melt away with globalisation," Mr Lee said.

He also highlighted fault lines that could divide society, such as those along race and religion, along LGBT issues, the gap between the rich and poor, or external forces such as jihadist terrorism.

That said, various incidents have helped Singaporeans come together, Mr Lee said. These include the passing of founding Prime Minister Lee Kuan Yew in March, the recent Sabah earthquake which claimed the lives of Tanjong Katong Primary School students and teachers on a Mount Kinabalu excursion, and the SEA Games on home ground.

"To keep Singapore special, to maintain that sense that 'I'm a Singaporean, I'm proud of it and I want to uphold it', to feel a duty and responsibility not only to your fellow citizens today but to the next generation, to feel one united people and not warring clans, I think in the very long term, that is our most fundamental challenge," Mr Lee said.

About 3,500 people attended Mr Lee's lecture, including students, and members of the business community. Mr Lee is the seventh distinguished speaker in the lecture series. Others who have spoken include former Malaysian Prime Minister Mahathir Mohamad and Myanmar opposition leader Aung San Suu Kyi.- CNA/ly