

Birth rate blues dog Singapore's rulers

By Jeremy Grant in Singapore

Dressed in the uniform of the ruling Peoples Action party – crisp white trousers and shirt bearing the organisation's red lightning-bolt logo – Singapore's Prime Minister Lee Hsien Loong is on the election stump in the Punggol East constituency.

"Getting people to work for the common good is what the PAP wants," he told the crowd. "To be your servant, to be your agent to make happen in Singapore what we all would like to see happen."

Even though the by-election was sparked by a scandal – the resignation of the parliamentary speaker after he admitted an extramarital affair – history might suggest that the prime minister has little to worry about.

His party has ruled since the island state's independence from Britain in 1963 and in recent elections the PAP has never been under serious threat in Punggol East, a microcosm of the nation's mix of ethnic Chinese, Malays and Indians.

But Saturday's poll of 32,000 voters provides the ruling PAP with an unwelcome test of its national record for a second time in six months.

For while the issues for voters are local – such as access to healthcare for the elderly – the government has been gripped by a far bigger problem in this island nation of 5.3m people: encouraging the population to reproduce.

With a persistently falling birth rate, Singapore's native population is shrinking, threatening to deplete the pool of working age people and undermining the economic miracle that has dazzled the world for decades.

This week the government took dramatic steps, dangling S\$2bn (US\$1.6bn) in cash handouts and other incentives such as subsidised childcare, in a bid to persuade citizens to do their patriotic duty.

First-time parents will now receive S\$6,000 in cash, up from S\$4,000 under an old scheme. And the reason is obvious: the birth rate of 1.2 per woman is well below a replacement rate of 2.1.

Much of that has been blamed on a culture of overachievement, where success in the 1990s was measured by whether citizens achieved the “five Cs” of cash, car, credit card, condominium and membership of a country club.

Starting families was a low priority, in stark contrast to the 1970s when a burgeoning birth rate forced the then prime minister and architect of modern Singapore, Lee Kuan Yew, to implement a “stop at two” birth control campaign.

Mr Lee, now 90, warned last year that with the birth rate having halved since he came to power in 1959, there was a risk that Singapore would simply “fold up” if urgent steps were not taken.

While the population-boosting measures have been in the works long before the Punggol East by-election, the timing of the new package comes as the PAP faces a tight fight with the Workers' party, which recorded its best result ever at the last general election in 2011. The PAP held Punggol with 54 per cent, against the WP's 40 per cent.

Other issues are resonating beyond Punggol. An influx of foreign workers – many of them needed to keep the economy moving – has caused friction with so-called “heartlander” Singaporeans, leading to soul-searching over national identity. Foreigners make up about 38 per cent of the population, compared with about a quarter in 2000.

Singaporeans also feel squeezed by rising inflation and property prices – something the government attempted to tackle earlier this month with draconian measures to cool an emerging property bubble.

And while the gleaming towers of Singapore's central business district speak of a vibrant financial sector, the economy narrowly escaped recession in the last quarter as weak demand from the eurozone hit manufacturing, which makes up a fifth of the economy.

That has only added to a sense that the future of Singapore's economic miracle is no longer assured.

“We are essentially at a crossroads and the Singapore model which has generally worked very well over the last 40 years is now showing signs that it may not be adaptable to the rapidly changing circumstances,” says Eugene Tan, assistant professor of law at Singapore Management University.

The appearance of Mr Lee on the last day of campaigning on Thursday was a sign that the PAP is taking no chances. The prime minister and his cabinet appreciate that the ruling party must better connect with a population increasingly embracing social media.



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Yet many Singaporeans seem unmoved by their efforts. Wayne Chan, a 35-year-old married public relations practitioner, says the new baby bonus has not persuaded him to start a family.

"Kids have always been an option but the way things are panning out I just don't see it," he says. "After we got married we did some maths and figured out that if we had kids we'd be working ourselves to the bone until old age."

This article has been amended to reflect the fact that Singapore secured its independence from Britain in 1963.