

S'pore needs growth to retain talent, says Iswaran

Minister cites Japan and Taiwan in warning against allowing brain drain

By GOH CHIN LIAN

JAPAN and Taiwan once glowed as economic miracles, but lost their shine when growth slowed and job prospects at home turned bleak.

Japanese engineers left for nearby South Korea, which welcomed them with generous pay packages. Taiwan, too, suffered a brain drain.

Likewise, Singapore needs to keep growing so that it can create good jobs for its citizens – or risk losing its talents – warned Minister in the Prime Minister's Office S. Iswaran.

"If opportunities dwindle, the consequences can be quite austere," he told about 200 undergraduates at a dialogue on population and the economy.

"To meet the rising aspirations of present and future generations of Singapore, we will need growth – not as an end in itself, but rather for the opportunities it brings."

He also laid out the economic reasons for Singapore's multi-pronged approach to its population challenges in the next 20 years, and stressed that it involved both locals and foreigners playing a role in the economy.

The employment of foreigners and how much growth Singapore should aim for have been the subjects of national debate in recent months. Yesterday, they featured again at the 5th Ministry of Trade and Industry Economic Dialogue.

Held at Singapore Management University, it gave students from SMU, the National University of Singapore and Nanyang Technological University the chance to question Mr Iswaran, who is also Second Minister for Home Affairs and Trade and Industry, on demographic and economic issues.

Also taking questions were Deutsche Bank global strategist Sanjeev Sanyal and Ando Capital managing partner Henry Kwek.

During the one-hour dialogue, they discussed topics from raising productivity and education to growth and population levels.

SMU student Gabriel Tay, 22, asked if a plan to put 40 per cent of each cohort into university by 2020 was sustainable.

"Graduates are just going to have no jobs, be unhappy and migrate," he pointed out.

Mr Iswaran replied: That is why Singapore needs growth. If not, he said, talented and mobile Singaporeans will be drawn to the bright lights of not only Western cities, but also cities in Asia and other fast-growing regions.

And losing local talent will be a double loss: It means losing opportunities they could have helped to create here too.

At the same time, slower growth means less funding for programmes to help the poor and public services, including health care.

In his speech, Mr Iswaran identified three ways to deal with the challenges of a shrinking and ageing local workforce.

These included getting mothers and retirees to rejoin the workforce, boosting productivity and hiring foreigners for jobs that serve social needs but do not appeal to Singaporeans, such as in construction and health care.

The country also needs higher-skilled foreigners for new industries that can provide jobs for Singaporeans, such as the interactive digital media sector, but will need to achieve the right balance.

He said: "If we crimp too hard on access to foreign manpower, growth and opportunities will diminish. If we are too liberal, firms may become less productive and, indeed, over-reliant on low-cost foreign manpower."

He said the ministry will be adding to the discussion on population issues, by supplying the "economic angle" of trade-offs and choices. The Straits Times understands it is due to release a report this month.

He later gave out awards to the first recipients of the Economist Service Scholarship, which aims to attract young talent to be public sector economists.

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