

Reforms key to easing reliance on foreigners

FROM NG YA KEN

Professor Eugene Tan raised the issue of viability of the policies in the Population White Paper and expressed the need to “right-size the benefits and costs of our economic and immigration policies” in the aftermath of the riot in his commentary “The Little India riot: The dog that did not bark” (Dec 31).

The White Paper projected that the non-resident population may hit between 2.1 million and 2.5 million, from the 1.5 million now. Foreign workers make up 80 per cent of non-residents. If this percentage stays, about 480,000 to 800,000 extra foreign workers would be needed from now until 2030.

With low birth rates and an ageing population, our dependency on foreign workers can only grow. To minimise this dependence, the Government has set out to transform the economy and



About one-quarter of foreign workers are in construction, with others in manufacturing, domestic help, healthcare, education and other businesses. They provide the goods and services we consume and help us earn foreign exchange.

raise labour productivity, so the overall workforce grows only 1 to 2 per cent each year. This is a very tough target considering that our workforce has been growing at an average rate of 3.3 per cent a year over the past 30 years.

The economic restructuring has begun to affect industries here. About one-quarter of foreign workers are in construction, with others in manufacturing, domestic help, healthcare, education and other businesses. They provide the goods and services we consume and help us earn foreign exchange.

Whether our population would hit 6.5 million, 6.9 million or even higher by 2030 hinges heavily on how successful our economic restructuring and productivity enhancement would be in the coming years and its impact on our dependence on foreign workforce. If we fail, we have to bear the consequences.