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# RSIS COMMENTARIES

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## **Making Singapore Attractive for Permanent Residents: Past, Present and Future**

By Yolanda Chin and Norman Vasu

### **Synopsis**

*How can the Permanent Residence policy continue to attract foreign labour, entice Permanent Residents to become citizens while also placate a restive citizenry wary of fair-weathered immigrants? A graded system of benefits for PRs may be the way forward.*

### **Commentary**

Singapore's pro-immigration policy was designed mainly to mitigate the falling birthrates projected to have dire consequences on the demographic and economic vitality of the nation. Among the non-citizen population, permanent residents are accorded certain benefits not available to other foreigners who also contribute to Singapore, particularly in the area of housing, education and medical services.

The key justification for the extension of privileges customarily accorded only to citizens is that permanent residence is deemed as a first step towards the acquisition of Singapore citizenship. Hence the benefits given to permanent residents are to facilitate their integration into Singaporean society and signal to them that their long term commitment to Singapore is valued.

The evolution of the concept of the Permanent Resident (PR) in Singapore is revealing when considered in the current zeitgeist. Following separation from Malaysia, Singapore had to contend with a number of stateless people within its borders and PR status was bestowed upon them to enable them to work towards becoming full-fledged citizens. In effect, the situation Singapore found itself in at that time was – in economic terms – a buyers' market where these people were surplus for requirement and Singapore could take the pick of the crop.

Currently, Singapore finds itself a sellers' market where it is competing globally for talented labour in order to remain economically competitive. Unlike the stateless PRs of the bygone era, the present PRs arrive in Singapore with citizenship of their motherland which not all of them choose to give up. Nevertheless, they are still accorded similar benefits as citizens to induce them to stay and contribute to Singapore's economic development, first as long term PRs, with the hope that they will in future adopt citizenship, or – to employ the botanical metaphor – sink their roots in the nation.

## Challenge of PRs today

These privileges taken in toto have recently received great criticism from Singapore's citizenry who fear that PRs are in a position to enjoy all the benefits of being in Singapore during the good times while also being able to flee at the first sign of crisis with their own citizenship as the ejection seat button.

Consequently, the challenge facing the Singapore government with regards to PRs today is aptly summed up in an observation by Lee Hsien Loong in a debate in 1990: how can we "make it attractive for foreigners with skills and talents to want to come to Singapore and to be PRs ... [and] to make it even more attractive for such PRs to want to become citizens, instead of the other way around, to make it more attractive for citizens to wish that they were PRs"?

Unfortunately, it may be argued that the current response to the PR question merely attempts to stop citizens from wishing they are PRs. However it may neither entice foreigners with skills and talents to want to come to Singapore to be PRs nor make it even more attractive for such PRs to want to become citizens.

## Valuing the citizens more

In a bid to reassure Singaporeans that citizens are valued more than permanent residents, a slew of policy adjustments have been introduced over the past year, such as the reduction in the number of applications for permanent residences approved and the clawing back of subsidies for permanent residents in education and medical benefits.

Few would fault a government for ensuring citizens enjoy better privileges than non-citizens. However, penalising permanent residents to underscore the value of citizenship is a well-intentioned but flawed response.

Firstly, the goal of attracting talented and skilled international talent to Singapore that underpins the permanent residence policy in the current context may be undermined. Systematically scaling back on the number of permanent resident permits and benefits creates uncertainty pertaining to their status should they choose to settle in Singapore. Hence talented foreigners who could potentially call Singapore home may be deterred.

Secondly, such an approach may alienate the current pool of PRs. Making them bear the burden of Singaporeans' anxieties inadvertently implies that they are to blame. For instance, reducing educational and medical subsidies they are entitled to may vindicate anti-immigrant speculation that permanent residents have indeed been taking more than they have been giving. At the same time, it may also signal to them that their contributions over the years are not fully appreciated, which is counter-productive to integrating them into Singapore society.

## A Way Forward

How then can the PR system continue to attract foreign labour, entice them to become citizens while also placate a restive citizenry? Admittedly, there is no way to ensure PRs will adopt local citizenship. The most realistic outcome would be for PR status to be attractive enough for individuals to stay as long as possible to contribute economically with the hope that they will become citizens.

A problem with the current policy towards PRs is that it does not make a distinction between recent and long term PRs, who have the same entitlements. A manner in which this may be achieved would perhaps be through a graduated system of benefits for PRs. Effectively, such a system would reward the "long-stayer" PRs for remaining through thick and thin and drive home the point to all PRs that settling down has its privileges.

Within such a graduated system, not all PRs will have equal benefits of being a PR, be they educational or medical benefits; such benefits will increase perhaps in five year blocks as they continue to remain in the country. Furthermore, PRs within such a graduated system will not arrive at the full privileges of being a citizen. Instead, they will be made very aware that the telos of PR status is the eventual adoption of Singaporean citizenship with all its rights, duties and privileges.

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