

# Report on the "Singapore at 50: What Lies Ahead?" (SG50+) Conference 2 and 3 July 2015

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On 2nd and 3rd July, the Institute of Policy Studies (IPS) and Lee Kuan Yew School of Public Policy (LKYSPP) organised a two-day conference, "Singapore at 50: What Lies Ahead?" to explore the trends likely to shape Singapore's future for the next 50 years.

Prime Minister Lee Hsien Loong graced the Opening Dinner with a conversation moderated by Dr Fareed Zakaria, host of CNN's flagship international affairs programme, *Fareed Zakaria GPS*.

Dr Zakaria kicked off the conversation with questions on Singapore's early years before exploring the domestic and international trends that might influence Singapore's future success. The conversation concluded with a question and answer (Q&A) session.

## Singapore's Early Success: Leadership, Luck, History

Referring to the late Mr Lee Kuan Yew's belief before 1965 that an independent Singapore was an "absurdity", Dr Zakaria asked PM Lee for his views on what accounted for Singapore's success. PM Lee stated that the greatest challenge was to disprove Mr Lee's earlier conviction, and to believe in the possibility of building a nation. Three broad factors were crucial to Singapore's success: luck in having the stabilising force of American presence in the region; history, given Singaporeans' common experience of separation and merger; and most importantly, good leadership that charted the way ahead.

Given that American presence has enabled peace in the region and Singapore to prosper, Dr Zakaria questioned the impact of the rise of China especially as it acts in a way that changes the current order in the region. PM Lee said, "I think they just want to come into their own in the world... If they can get it under the status quo... they would prefer that because they know that conflict is not a straightforward matter." To Dr Zakaria's question on China's perceptions of the US-Singapore relationship, PM Lee responded that Chinese policymakers respect Singapore's sovereign right to act on the basis of its national interests. They "understand why America is important

to us" and so while the Chinese prefer Singapore to be closely aligned with them on every single issue, they understand how that is not possible.

During the Q&A session, two participants had additional questions on Singapore's future geopolitical agenda. One asked if Singapore could serve as a diplomatic hub like Switzerland, to which PM Lee responded that Singapore must be a selective international host, which it already is, as it might not be comfortable for locals to have so many diplomats living "the diplomatic lifestyle" among them. Another asked about the future of ASEAN integration. PM Lee expressed cautious optimism that ASEAN is heading "in the right direction", yet it could be derailed by bumpy political transitions in member states. One way or the other, Singapore will find the best way of making a living, he said.

Given the importance of good leadership which PM Lee highlighted, another participant asked PM Lee if he would continue as prime minister for the next decade. PM Lee said he would strongly prefer not to stay for as long as that because the job of prime minister requires someone with whom the people of each generation could clearly identify.

## Singapore's Political Future

The conversation also discussed the viability of the current political system in the new age. Dr Zakaria pointed out that younger Singaporeans have grown up "much more autonomous", and questioned if the government would have to "accommodate to that reality", lest young Singaporeans get frustrated and leave. PM Lee stated that politics would change; the young would have to find "leaders able to marshal enough of them to form a core to lead the country, and a majority of them to support the system." He agreed that Singapore could only survive if people wanted to build their homes here.

Issues centred on freedom of speech featured strongly in the discussion. PM Lee noted that restraining religiously offensive speech was vital in an age of rising religiosity, referring to Amos Yee's offensive remarks as a case *in extremis*, where recourse had to be sought in the courts. On the other hand, Dr Zakaria shared his view that the most innovative countries often had a culture of "a lack of respect for authority, of a deliberate, almost upending of hierarchy." He cited PM Lee's court case with Roy Ngerng as the government's attempt to instil a culture of respect, and questioned if that was counterproductive to the goal of fostering innovation. PM Lee argued that Singapore did not have the "same concentration of brilliance" as countries like America and Israel to achieve the same level of innovation. If Singapore were to forego a culture of respect for people who had earned their positions, and "level down everything to the lowest common denominator", it would lose out. In any case, Singapore was not as "orderly" as Dr Zakaria made it out to be,

as evidenced by the PM's own six-hour hearing in court to establish damages against Mr Ngerng for defamation.

Following on from that, a participant asked if, given the government's recent "focus [on]... minor players such as a rude and insensitive teenager", there would be "more space for diverse views... that could lead to [innovations like] Facebook or Instagram coming out of Singapore?" PM Lee said that Singapore had made progress in this respect, as Singaporeans were now able to talk more openly about many issues and even racial and religious differences that would be considered taboo in other nations. Yet, he said, there must be limits, and in the case of defamation, "If you can't redress defamation, how can I clear my name when somebody defames me?", he asked.

The conversation with the Prime Minister covered a wide array of themes that ranged from the domestic to the global, and set the stage well for the multi-themed Conference held the next day.

## SESSION 1 – GEOPOLITICS: PREPARING FOR MULTIPOLARITY

The session was chaired by Ambassador (Amb) Chan Heng Chee, ambassador-at-large for the Singaporean Foreign Ministry; and involved Professor (Prof.) Jia Qingguo, Dean of the School of International Studies of Peking University; and Ambassador (Amb) Bilahari Kausikan, also an ambassador-at-large for the Singaporean Foreign Ministry.

## Idea of Multipolar Future Called into Question

Prof. Jia Qingguo acknowledged that the rise of both China and India meant the world's future would look significantly different. However, he doubted that either would take over the United States' (US') global leadership role, saying that the its advantage in diplomacy, soft power, technology and military power was so great that it would take longer than 50 years to surpass. While China, India, Russia or the European Union (EU) each had areas in which they could surpass the US' lead, none could overcome the totality of American strength.

China's rise has taken place with the backdrop of the stability and prosperity that the American global order has allowed, and those who think that China seeks to upend that order are mistaken; it is in China's interest to maintain that world order. As such, the US had little to fear of China that only seeks to develop its national welfare though trade and prestige; Chinese and American priorities are aligned.

What has to be understood however is that China's rapid rise has led to a set of dual and duelling identities within it — It is both a rich and poor country; a developed and developing nation; an ordinary country and a potential superpower. The status of its rural citizens is almost entirely different from those who live in its most prosperous

cities. As a result, it seems to have contradicting interests and behaviours that make it difficult for neighbours to interpret its actions — sometimes its behaviour seems "good", sometimes "bad". It is therefore important for all sides to give China the benefit of the doubt.

Amb Bilahari Kausikan then gave his presentation, entitled "Preparing for multipolarity". He too cast doubt on the idea of an emerging multipolarity in East Asia. Multipolarity demanded an alternative to the established global power of the US, and not even the EU or the BRIC nations have demonstrated the capacity to challenge this order.

It is the lack of coherence on the global stage that has been mistaken as the rise of a multipolar order. What is more useful is to analyse the changes that are taking place at the regional level and indeed, in East Asia, US and China are "groping for a new order", he said. Each is seen to be conducting experiments on how to best handle the new diplomatic structure, which could take decades to settle. Meanwhile, Singapore's goal, like other smaller countries of the region, is to avoid being forced into "invidious choices". Singapore should ideally be able to clinically assess the situation it faces, and respond nimbly and in a nuanced fashion to developments.

The ability to do so would depend on three conditions: First, Singapore's ability to accurately understand the US-China relationship and the complex interdependence that has sprung up around it. While the US has traditionally been a friend. Singapore's relationship with it has not always smooth. China's relationships, however, with its neighbours and the US could be tense, but their relationships were far more complex than simply being enemies with each other. Second, Singaporeans need a better common understanding of Singapore's position as a small country in South East Asia, as opposed to being a country in a more forgiving region. In this regard, domestic factors that may degrade Singapore's ability to act in the fashion such as partisan politics — can threaten to contaminate foreign policymaking; foreign powers seek to influence political actors and the public does not believe that Singapore faces constraints of being in a less than salubrious environment. The instincts of the public and civil servants will have to be honed. Civil servants need to understand that Singapore's position is just as much about a gradual accumulation of many small decisions made at all levels of policy as it is about singular large foreign-policy decisions. Third, the Association of South East Asian Nations (ASEAN) should be recognised as an indispensable tool for Singapore, both as a buffer and an influence multiplier. Amb Kausikan said that too often, criticism of ASEAN was that of "complaining a goat was not a horse".

## **Question and Answer Session**

A participant asked how ASEAN had managed to be relatively successful as a regional group when compared to others like the one Amb Kausikan was familiar with — the South Asian Association for Regional Cooperation (SAARC). The ambassador said there were two factors. First, ASEAN's largest member, Indonesia, was willing to define its national interest broadly to include ASEAN in it and embrace the grouping's "consensus-based decision-making". Second, ASEAN's goals have always been modest, restrained by South East Asia's limitations. With the rise of China and India, ASEAN would have to become more cohesive and work more nimbly. In ASEAN's case, economic cohesion must be the foundation upon which political and security cohesion is built. However, ASEAN, he said, was coming to the end of a phase of cohesion, where the easy decisions had been made and also where all member states now faced challenging domestic arenas. He noted Indonesia in particular as taking a more nationalistic approach in its foreign policy. These trends could undermine those two factors for success.

China's rise and America's reaction to it were two separate but closely related points. A participant asked if China was coming to an end of a foreign policy that was guided by Deng Xiaoping's maxim of "Tao Guan Yang Hui" ("taking a low profile"). Prof. Jia said that it was not clear among the Chinese leaders themselves what precisely they wanted out of foreign policy and what price they should be willing to pay for it. It was also clear, paradoxically that there was increasing pressure on China to take a more prominent role in international politics, which it was unused to. No one would allow China to continue to be a free rider of the global order; the country was expected to put its resources into upholding this order.

A participant asked if there was a sea change in the way the US responded to China, from competition and corporation to containment in line with shifts in domestic politics. Amb Kausikan said that American reaction had always fluctuated, and was now in a more conflict-driven phase. He thought that while containment was possible in the Cold War because the Soviet Union had attempted autarky, China was too plugged into the global economy and the US and too entangled in East Asia for containment to work. Neither could displace the other without harming itself. And while China might want to shape the manner of decision-making more in its favour, intrinsically, there was a need to preserve the current world order.

The session ended with the summation by Amb Chan who said multipolarity had certainly not arrived on at a global level, but was already very present on a regional level, particularly in East Asia. Both the US and China needed to ask themselves what they expected of each other and of themselves in the current situation.

## SESSION 2 – THE ECONOMY: TECHNOLOGY, TALENT AND SOCIAL JUSTICE

The second session of the Conference focused on a discussion of economic and technological trends that would affect Singapore's workplace, and income and wealth distribution in the future. The speakers were Dr Byron Auguste, Managing Director of Opportunity@Work in the United States, and Ravi Menon, Managing Director of the Monetary Authority of Singapore. The session was chaired by Ambassador-at-Large Professor (Prof.) Tommy Koh.

#### The Future of Work

According to Dr Auguste, the future prosperity of advanced economies would depend on maximising three conditions: productivity through innovation, participation in meaningful work, and sharing in the rewards of one's labour, where historically, the great gains in the American economy could be attributed to gains in total factor productivity, or innovation-based growth. So how would people in advanced economies respond to technological innovations? Dr Auguste said there were three possible scenarios.

The first is a "Luddite Reaction", where technological development or implementation is hindered by personal or communal passions and prejudices and regulatory resistance to change. The second is the "Metropolis Scenario", where the fruits of the economy have been so inequitably distributed that it has compromised social justice and social cohesion. The third scenario is called "Talent Unlocked", where there is a surge of human productivity through the activation of human capital working in tandem with machines. "This is a major challenge for public policy in the next 50 years, if we are to realise this talent scenario," he said.

## Singapore's Economic Landscape — The Drivers of Change

Speaking about economic factors more specific to Singapore, Mr Menon identified three major drivers of our economic future. The first driver is the economic conditions in Asia and China, the prospects of which remain bright. While China's rate of growth was predicted to slow down, Mr Menon said that absolute returns from a higher base would be much higher than before. For Singapore, he believed that even more growth could be garnered by moving from the exportation of goods and services to the exportation of capital and people. Currently, 22% of Singapore's GDP came from income from abroad compared to the 35% enjoyed by the Swiss.

Techonology and skills is the second driver. Mr Menon said he was a techno-optimist who believed that new technological developments had as much potential as

inventions of the past. To take full advantage of these trends, there has to be more "intertwining of learning and working" and we will have to commit to life-long learning.

Mr Menon also believed that the social compact was an important third driver because the issue was not just about consequences on growth or even social cohesion, but what it meant for the moral dimension of society. "We have to think about interventions in ways we have not before," he said. Transfers to low-income households would have to be a major part of the future social compact.

## **Question and Answer Session**

Half of the questions from the audience were focused on how Singapore could deal with challenges in becoming a more innovative economy. One participant asked why Singapore did not have a more efficient ecosystem to translate innovation inputs into real outcomes. Mr Menon agreed that we were not where we should be, yet Singapore did not lag in innovation and the translation to market value will take time. "It is still early days," he said.

In the same vein, another participant asked if it would make for good policy to provide a safety net for young Singaporeans to become entrepreneurs. Mr Menon replied that safety nets were antithetical to entrepreneurship because they neutralise the risks that entrepreneurship was meant to overcome. However, he conceded that the real problem was that the consequences of failure were higher in Singapore because of our family obligations and the desire to own our homes.

The same participant was curious to know how the policy suggestions by Dr Auguste would work since they called for more government intervention when it seemed that government intervention, historically, would dampen creativity and innovation. Dr Auguste's reply was that it was incorrect to think that innovation required completely unfettered free markets. The bigger obstacles to technological progress were Luddite reactions, or regulatory environments that were not flexible to accommodate or facilitate the changes necessary.

Prof. Tommy Koh and a participant expressed concern about developments in the US economy, which was often taken as a model, as they noted that the US recovery since 2007 led to joblessness, inequity, and the lack of social mobility for university graduates, which could lead to social tensions. Dr Auguste said there was no longer a joblessness recovery, with 15 million new jobs created so far — but he also conceded that there seemed to be a reduction in dynamism in the US economy. This was partly because job mobility, which had traditionally accounted for half of wage growth, was decreasing. As for the issue of high graduate unemployment, this was

because colleges were not optimised for learning. "When it comes to education and talent," he said, "there has been an appalling neglect for human capital in the US."

Prof. Koh also brought up the possibility of Singapore being disintermediated in its role as an important transport hub with the opening of shipping lines through the polar regions, thanks to climate change, or the building of a canal through the Kra Isthmus. Singapore's port could be bypassed with all its attending economic multipliers reduced in value. Mr Menon agreed that this was a danger, so "we simply have to figure out other sources of strength". Even as entire manufacturing industries were being hollowed out, it was important not to neglect the potential of the service industries.

A participant expressed concern about Singapore's lack of a hinterland and inability to up-scale industries in the way Hong Kong and Bangkok were poised to do. Mr Menon agreed that our inability to do this was a problem but noted that "there are many other activities like manufacturing services, consultancy, aftersales, R&D, testing and certification, where scale does not matter as much." There does exist a trend in the economy towards customisation rather than mass production.

In summation, Prof. Koh said that while it was not possible to predict the future accurately, it would be important to continue to educate Singaporeans well, from primary to tertiary level, in preparation for it.

# CONVERSATION WITH DEPUTY PRIME MINISTER AND FINANCE MINISTER THARMAN SHANMUGARATNAM

Hosting a lunchtime conversation with the Deputy Prime Minister (DPM) Tharman Shanmugaratnam on the second day was Dr Fareed Zakaria, host of CNN's flagship international affairs programme, *Fareed Zakaria GPS*. DPM Shanmugaratnam answered questions regarding Greece, the Singaporean economic model, and the future of Singapore politics and its meritocratic system. The DPM's candour throughout the session was well-received by both his interlocutor and the audience.

#### The Greek Debt Crisis

Tapping DPM's knowledge of the global financial system, Dr Zakaria asked if the Greek Debt Crisis would be another "Lehman moment". The DPM opined that the risk was low, since both sides wanted to avoid catastrophe — a Greek default would not only be bad for the Greek people but for the European project as well. Responding to the question of how he would restore the situation, DPM said that if Singapore were in that situation, there would be great value in straight-talking by

leaders, in strengthening the country's administrative capacity, and an explanation as to how all the key stakeholders would have to make the effort over the long-term to enjoy a restoration for the situation.

## The Singaporean Economic Model

Dr Zakaria moved on to the topic of the Singaporean economic model, which he recognised was a mix of neoliberal and socialist features. The DPM agreed, saying Singapore was a free market economy, but there was a role for government to intervene to maximise chances for every citizen to progress, and it was important to maintain the governance culture. "Preserving the centre is the central challenge of any modern democracy," he said.

Asked if the next phase of Singapore's economic development would require a loosening of its political culture, the DPM replied that while we needed to get the young to speak up more, that did not mean we should become more "American", culturally speaking. Pointing to the innovative yet communitarian Swiss, the DPM reiterated the importance of maintaining the centre.

Turning to Singapore's model of meritocracy, Dr Zakaria questioned whether Singaporean meritocracy as it stood was costing us our future because it measures intelligence on a very narrow band. DPM clarified that the Singapore system has changed: "We are broadening the range of criteria and recognising talent beyond exam scores." Nevertheless, he reiterated the need to balance discretionary talent recognition with fairness and meritocracy.

A member of the audience asked whether the Singapore government was thinking about the "soft infrastructure" of legal constructs and social mores that should accompany the "hard infrastructure" technologies planned for Singapore's Smart Nation vision. The DPM's reply was that the Smart Nation vision is ultimately about society and not technology. It is a vision to help people feel empowered because the system is intelligent and easier to manipulate. The Smart Nation vision is also about accountability, he said, because problems and how they are dealt with will become more transparent.

## The Future of Singaporean Politics

When Dr Zakaria asked if the dominance of the PAP government was a necessary condition, DPM first opined that longer-term policies were fairer because unsustainable policies usually harmed the poor and middle-income groups. This

would require leadership and in Singapore a culture where votes cannot be won by pandering to present or particular interests.

Dr Zakaria then asked if it was healthy for a country to see a rotation in parties, to which DPM asserted that while there is an advantage to having one dominant player in politics, Singapore was not a one-party state; it was important to have competition, which the governing People's Action Party does face. PAP's dominance was an outcome and not by design, he said.

Dr Zakaria also asked if Singapore could have an Indian prime minister. In reply, DPM said, "it is inevitable that a minority Prime Minister is going to be a feature of the political landscape," but added that he is not interested in the role nor was there a need for him to take it up, as there was a younger generation of leaders coming through the ranks.

## Singaporean Society

A participant asked the DPM if he could offer a more positive narrative for an ageing Singapore than the current one of gloom and doom. DPM said that unlike other countries, Singapore did not have unfunded liabilities, which made it unlikely that its ageing population would become a sap on the fiscal system. It is important to emphasise Singapore's commitment to lifelong learning, to ensure that it is a society that welcomes diversity and ensure that seniors have a meaningful role in the community. "People gain satisfaction from being useful," he said.

Another audience member asked if there was a way in which mother tongue languages could be taught without the ethnic segregation that comes from the system of having Special Assistance Plan Schools that was currently in force. The DPM said that a balance had to be struck between being efficient yet equitable, and being able to provide a "communality of experience". With regard to the mother tongue policy, it was also important to recognise the deep legacy of our historical Chinese-medium schools, he said. While we needed to ensure that our four main ethnic groups overlap and that the common space among them expands, each group must also be able to preserve and nurture their distinct cultures.

The conversation with the Deputy Prime Minister brought out his knowledge of the inextricable interconnections among Singaporean society, its politics and its economy. It also became clear that the Singaporean political leadership was unafraid of shifting long-held policy directions in response to the demands of a changing society in a changing world.

## SESSION 3 – THE CITY: ENERGY, THE ENVIRONMENT AND RESILIENCE

The third session explored how cities like Singapore might be able to meet the energy and spatial needs of a growing population for the next 50 years, within the constraints of what was environmentally and ecologically sustainable. It was moderated by Dr Noeleen Heyzer, Under-Secretary-General of the United Nations. The speakers were Peter Schwartz, Senior Vice President of Strategic Planning for Salesforce.com, and Dr Liu Thai Ker, Chairman, Centre for Liveable Cities and Senior Director, RSP Architects Planners & Engineers (Pte) Ltd.

Dr Heyzer began with an introduction of the issue at hand. The world's high carbon footprint has created climate and ecological crises, with cities being the greatest source of greenhouse emissions. This makes it imperative that cities are designed to rely less on fossil fuel and be more energy-efficient.

# Presentation One: "Free Riding or Great Transformation?"

Where does the city-state of Singapore fit into this picture? After all, Singapore seems so small and what it can do may not make much impact on the world; it can be a "free rider". However, to do so will affect its moral, political and social standing in the world, argued the first presenter, Mr Schwartz. After all, he said, climate change would impact Singapore directly: Singapore needed to start building protective measures as rising sea levels would engulf the island. There were several ways in which it could do its part — building energy-efficient buildings, improving land distribution of human activities, and switching to sustainably powered electric cars. As for energy production, various alternatives to coal were possible but renewable sources like solar could not be utilised on a large scale in land-scarce Singapore. Therefore, he felt that Singapore should consider adopting nuclear power, which has become much safer with new developments in the technology. Singapore could consider building nuclear plants underground, on offshore barges, or in cooperation with our neighbours on an island close by.

Dr Heyzer recognised the transformative power of nuclear power, but wondered how people's ambivalence about it after recent nuclear disasters, could be changed. Mr Schwartz argued that perhaps people would have to wait to be pushed to make difficult trade-offs after experiencing actual climate disasters that threaten their lives and livelihood. Many Bangladeshis, for instance, will soon be forced to leave their home country as it becomes increasingly submerged under the sea.

During the question and answer session, one participant said he remained unconvinced that Singapore's policymakers would be open to nuclear energy and asked if there were any other "big alternative" ideas. Mr Schwartz stated that Singapore was already investing in research in areas like urban design and car-less technologies. Just as horse-riding died out as a mode of transport and became a

sport, driving around in cars could soon be made redundant by automatic vehicles. Driving would then be a hobby one does in special driving ranges.

## Presentation Two: "Ideas for Cities In the Future: Singapore Perspective"

Dr Liu focused on the urban development of an eco-friendly Singapore. He urged that "intelligent planning" of the city-state was needed to address issues of sustainability engendered by population growth, which he suggested for Singapore might be a total of 10 million people over the next 50 years. He cautioned against blind faith in technology, as it could enhance, but never replace good design.

"Intelligent" planning takes into account the objectives of the city — formulated on human needs, the concept of a city, and physical constraints — before strategising, planning, implementing, and then finally, designing the urban landscape. Governments that leap directly from a will to create a city to architectural design, build "bad cities", he said. Intelligent policies are needed to complement the planning process. Dr Liu called Singapore's public housing policy its "secret weapon" in the early years, enabling the authorities to clear land not only for housing, but also commercial and industrial purposes and allowing for the intensification of the use of available land. The same intelligent urban planning processes that made the 1991 Master Plan successful, could prepare Singapore for the next 50 years.

Dr Heyzer wondered if given Singapore's physical constraints, it has no choice but to innovate to survive, and whether Singapore could serve as "a hub of knowledge for an urbanising world." Dr Liu offered Singapore's "secret to success" as a process by which leaders hold "the truth" as their highest authority. "Even in front of the Prime Minister... [and] President, if you tell them the truth with good reasons, they listen to you." He agreed that our limited options drove us to work harder to better our environment, but cautioned that it was not just Singapore that has little choice — with 60% of the world living in Asia, if we do not "plan intelligently... we will be in trouble."

A participant asked how it was possible to plan Singapore's infrastructure for the long term without certainty of how its economy will take shape. Dr Liu agreed that "nobody can plan", but the planner's job was to look at general patterns to prepare for possibilities. Given its size, it is even more crucial that Singapore plans for the long-term as we have little room for error, he said.

Another participant asked how the balance between development and conservation should be struck, citing places like Bukit Brown. Dr Liu expressed his belief that the Urban Redevelopment Authority (URA) was guided by the conservation ethic too, having conserved over 7,000 historical buildings now compared with the 5,500 conserved during his time in URA. It is vital for cities to keep old buildings "as memories".

Dr Heyzer remarked that these recommendations by the speakers marked a shift away from conventional thinking that sees a trade-off between being "planet-sensitive and people-focused". Eco-friendly, energy-effective and integrated cities can actually do both, as people get to enjoy fresh air, the greenery, more leisure and save on travelling time. The session concluded with Dr Heyzer's summary of the key points raised.

#### SESSION 4 – GOVERNANCE: NEW DEMOCRATIC CHALLENGES

The fourth and final session "Governance: New Democratic Challenges", was chaired by Professor Mahbubani, Dean of the Lee Kuan Yew School of Public Policy. Both the two speakers were former prime ministers: Sir John Major, former Prime Minister of the United Kingdom; and Goh Chok Tong, second Prime Minister of Singapore and currently Emeritus Senior Minister (ESM).

# Governance Challenges of the Future

Sir John began by noting that not only had he and ESM Goh entered office in the same year, they had done so on the same day. He remarked on the scale of change since then, both in Singapore and to the global democratic environment. Globalisation was the driver of change and brought many governance challenges. The current globalised economy provided many opportunities for prosperity, but had also led to unsettling change. National markets, and by extension politics, were exposed to international events in ways never thought of before — from currency markets to climate change. A country's fate was shaped by factors outside its own direct control.

Likewise, the globalisation of information, as embodied by the emergence of the Internet, which has largely occurred after both speakers took power, has brought similarly unsettling change. Social media, for example, presents a challenge for governments, for good and for ill. During the Arab Spring, pressure exerted through social media toppled despots, but its limitations were clear; social media is unable to then ensure that good governments follow. Social media can "offer truth, and it can offer lies", and it can do so with frightening speed. It can reduce misunderstanding or frustrate, but it can also radicalise, said Sir John. It can and will diminish the standing of governments until governments learn to use it effectively.

In that regard, governments seemed not have harnessed the Internet's ability to enrich citizens' lives fully. Instead, it often pressured governments into having to make decisions quickly without adequate consideration. With the availability of data, governments are increasingly unable to hide behind the excuse of "we didn't know". Good governance, however, requires "tolerance and understanding from government

and governed alike", but Sir John felt that neither were available in great quantity nor quantity, and the new communications technologies did not promote that at the moment. He felt however that given the government's ability to place long-term planning and outcomes first in Singapore, the country was well-placed to do well in the future.

ESM Goh Chok Tong started by quoting an American senator, who said "it is easier to run for office, than it is to run the office." The corollary, Mr Goh noted, was that "good people who could run the office, might not win when they run for office." The fundamental conundrum of democratic governance was getting good people to run for office in the first place, producing a stable government after an election as opposed to playing musical chairs.

In ESM Goh's opinion, good leaders must be defined by the following attributes: integrity; competence; compassion; a strategic mind to think ahead while tending to current problems; conviction; selflessness; and adaptability. He noted that it was easier to spot good leaders in hindsight. He shared his observation that expectations of the electorate were much higher than before — where they used to be at the level of Bukit Timah Hill, they were now at the level of Mount Everest.

However, the responsibility for delivering good governance lay not only on the political parties and the government but also on citizens. They have to vote for the best government and not treat elections as "circuses, auctions, beauty contests or *tikam tikam* [a guessing game]." He felt that "on the evidence of past general elections, Singaporean voters are astute, choosing when and how to calibrate between showing approval or unhappiness."

## **Question and Answer Session**

The question and answer session focused on a number of themes: the renewal of a country's leadership; the challenges facing the United Kingdom and the European Union; and the expectations of the Singaporean electorate.

Several questions were posed to both ESM Goh and Sir John about the recruitment of new leaders. ESM Goh said it has always been a challenge that not all who were approached were found to be adequate, and some who were approached felt that the political life was not for them. He said that there was higher success rate with those who had been in the civil service, as they knew what was at stake. Those from the private sector preferred the tangible returns and outcomes of what they did. Sir John felt that the silver lining of the 2008 global financial crisis for the UK was that it led to a wave of outstanding, well-qualified young people entering the public service

and politics. However, he was wary of people who treated politics as a career rather than a calling and also noted that the leaders tended to get younger and younger. He felt that there was merit in having some leaders who have the experience to know why certain policies had been put in place.

There was also the necessity of finding the right person for the times. Responding to a question about how ESM Goh would have handled the challenges of his predecessor Lee Kuan Yew, ESM Goh said that, frankly, he would not have been able to handle them. Sir John opined that Baroness Margret Thatcher could not have enacted her policies at any other time than the 1980s, and even then faced great difficulty. This required her to be a forceful leader, the consequences of which were national wounds that had yet to heal.

Sir John was asked if the Scotland would remain in the UK and the UK in the European Union (EU). In his reply, he felt that worries about rising nationalism and sub-nationalism were overblown. Scotland and the Scots were very much leading the UK; and as much as the idea of "splendid isolation" appealed to some, the truth was that there were too many benefits and economic consequences to seriously contemplate leaving the EU. While it would be frustrating for electorates and governments to lose total control, ultimately a better-integrated world was in the interest of all. The EU however, had a long way to go, and he considered his refusal to join the single currency the right and perceptive one, given the current difficulties in the Eurozone. The creation and expansion of the Eurozone to countries that were too disparate in their levels of economic competitiveness was the cause of the difficulties.

On a similar note, ESM Goh was asked about the prospects for closer economic ties with ASEAN, particularly with regard to the ASEAN Economic Community 2015 goal — and how that sense of Singaporean exceptionalism affected it. ESM Goh said Singapore's role in ASEAN was best served by being successful as an open economy, which gave the country a platform to discuss matters with other ASEAN nations, and be a sort of role model to give them confidence in opening up their economies.

Sir John also spoke about the differences between British and Singaporean leaders. He found Singaporean leaders more willing to speak about long-term goals and ideals for the country, and wondered if he would have been better served by extoling such a long-term ambition rather than chasing the short-term issues of any particular day as often. It was for similar reasons that he felt the opposition Labour Party had lost in recent general elections, owing to a failure of policy rather than of the leadership alone.

ESM Goh also spoke about the expectations of Singaporeans, particularly that of the young. He noted that in the market place of ideas, young Singaporeans had little time for what they considered scaremongering, and the Singaporean government had to work hard to keep the trust of the voter. Citizens were more concerned about the "here and now" than the long-term future. Also Singaporeans are not homogeneous and the government would have to respond to different needs and concerns of different segments of people; the less well-off want to move up the income ladder while those in the middle class want something more ephemeral such as more freedom and space.

Professor Mahbubani ended the session and conference by saying that Singapore had been a lucky country and had much to celebrate. He hoped that attendees did not think they would walk away with concrete answers, but with the tools they needed to ask the right questions about Singapore's future.

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