

Restructuring of Singapore Inc – Vivian: Globalisation has a downside for Singapore *Social inequalities will increase, along with perceived lack of political freedom*

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WHILE Singapore looks set to do well economically in an increasingly globalised world, domestic concerns – such as increasing social inequalities and a perceived lack of political freedom – are still aplenty, said speakers at the Institute of Policy Studies' annual Singapore Perspectives 2006 forum yesterday.

Other than intensifying economic competition and Singapore's increasing susceptibility to problems originating elsewhere (such as with Sars), globalization will accentuate social inequalities, said Minister for Community Development, Youth and Sports Vivian Balakrishnan.

"Those with unique marketable skills will command First World wages, whilst those without relevant skills will have their wages dragged down by the going rate in the Third World," he said.

The government will respond to economic challenges by continuing to restructure the economy, said Dr Balakrishnan, but he added that to overcome social inequalities, civic society must play a part.

"Volunteerism, philanthropy and strong charity organizations must grow significantly over the next few year," he said.

In line with the government's stated goal of helping those with lower incomes, the Ministerial Committee on Low-Wage Workers said yesterday that it is recommending a package of measures costing up to \$1 billion that will encourage low-wage workers to take on jobs, upgrade their skills, and stay employed.

Underlying the help package is the principle of Workfare, which rewards those who help themselves.

At the forum, Chew Soon Beng, an economics professor with the Nanyang Technological University, said that Singapore's method of looking after low-income workers is "tolerable" – as long as jobs are available for those who want to work and are able to.

The plan, however, requires an effective system of crisis management, so that the impact of a recession on unemployment can be minimized.

When restructuring the economy, Prof Chew said that Singapore must continue to attract foreign investment, while, at the same time, promoting local investment. He also recommended that the government continue to

promote the flexible wage system to avoid large-scale retrenchments in case of an economic downturn.

Another issue that caused passions to rise at the forum was political freedom (or the lack of it) in Singapore. While Dr Balakrishnan promised that Singaporeans will hear louder political debate both within and outside the PAP, he added that the government will be "cautiously radical rather than ideologically revolutionary" when allowing political freedom to evolve – a response which others, including writer Catherine Lim, found wanting. She said, while areas such as the arts and education have been liberalized, the political arena continues to be unchanged.