

Launch of *The Singapore Synthesis: Innovation, Inclusion, Inspiration*

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(Checked Against Delivery)

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Good afternoon everyone — DPM Heng Swee Keat, Janadas Devan, ladies and gentlemen, friends and colleagues. Thank you for coming.

DPM Heng — Thank you for doing the honours of launching this book and for your kind words. You have consistently stood for many of the ideas that I advocated in my lectures — promoting innovation, keeping Singapore open, looking out for those less fortunate than ourselves, and most of all, an embracing ethos of setting aside our differences and coming together for the common good of Singapore. Thank you for your leadership and thank you for gracing this occasion.

Janadas — Thank you for your persistence in persuading me to give these lectures. You nailed it, as I recall, at a lunch we had in late 2020. What I cannot understand is why I not only agreed to do the lectures but I also paid for the lunch. I can only say we have the right person as Chief of Government Communications. But Janadas has done our nation a great service by facilitating through the IPS-Nathan lectures over the last eight years a deep, varied, and priceless body of work on Singapore.

There are many others whom I am indebted to for making these lectures possible. I have expressed my appreciation to them in the Foreword to the book.

There is one group that I want to warmly acknowledge: The more than two hundred individuals who wrote to me, offering thanks, praise, and encouragement. It was humbling to read their emails and letters — some from people I did not know, some from people who shared their insights and hopes, and I quoted a few of these in the subsequent lectures. Some said the lectures resonated with them, others that they learnt from them, and yet others that they were inspired. Some leaders made the lectures recommended reading for their staff. The Civil Service College is looking into converting the lectures into learning objects. Besides those who wrote to me directly, many others offered comments on social media, agreeing or disagreeing with what I'd shared. To all of them, my heartfelt thanks — you are the thousand points of light that I spoke of in my last lecture, the multiple sources of strength that make up an inspiring nation.

I wrote these lectures out of a conviction that Singapore can do better. It is about a refreshed approach building on our fundamentals while responding to four tectonic shifts: aging demographics, rising inequality, technological disruption, and climate change. And, as DPM Heng just reminded us, pandemics, conflicts and what have you.

Innovation must be at the heart of our economy. Singapore is no longer playing “catch-up”. Innovation will be our main source of future growth and prosperity. There are three areas where we can be truly innovative: Export our domestic

services like healthcare and education, digitalise our economy end-to-end, and make our economy green and sustainable.

Harnessing technology to create new value and enhance efficiency will be the way to achieve productivity growth and rising wages. But even more than technology, people will be critical to building an innovative economy. We must attract the best global talents as well as continually build our own skills and capabilities. We cannot do one and not the other.

Inclusion must be the hallmark of our society. To stay cohesive as one people, we must be a place where everyone has an opportunity to move up in life and everyone is treated with dignity and respect. We must lift our low-wage workers, sustain median wage growth, temper wealth inequality, and promote income mobility.

Our social inclusion agenda must be centred on good jobs and rising wages, rather than high taxes or widespread transfers. We need safety nets for a basic level of support through some form of minimum wage and an enhanced workfare income supplement. We need a trampoline to help those who have lost their jobs bounce back through re-employment support, and we need escalators to enable people to move up a trajectory of rising wages. For those at the lower third of the wage ladder, this is through an expanded progressive wage model. For those in the middle third, this is through reclaiming jobs for Singaporeans from lower-wage foreign workers. And across the spectrum, we must professionalise every job in Singapore, with competency frameworks, training pathways, certifications, career roadmaps, and the opportunity to excel in our chosen vocation. And we must make life-long learning a reality for every one of us, from kindergarten to the end of our lives. Finally, the true test of an inclusive society is about how well we look out for the least among us — our aged destitute, our disabled, our special needs children, and our migrant workers.

Inspiration based on values and driven by purpose is what will make our nation great. An innovative economy is not without risk. An inclusive society is not without cost. Whether we are willing to bear the risk or pay the price will boil down to values and purpose: Who we are, what we stand for, and where we want to go.

People are inspired when they focus on something larger than themselves. *The Singapore Synthesis* sets out five values that could make us an inspiring nation. Can we be a meritocracy of hope that is broad, inclusive, and compassionate? Can we be a beacon for diversity, that is gracious, that is open to different views, and empathetic to the lived reality of others? Can we be a city of giving, driven by a spirit of volunteerism and philanthropy? Can we have a heart for the environment, to do the right thing for a sustainable future? Can we summon a thousand points of light shining from every quarter of our country — an active citizenry, innovative businesses, a vibrant civil society, and many other sources of strength, brightening and energising our nation?

There is a coherence across the ideas in *The Singapore Synthesis*. Making our domestic services more productive and exportable goes hand in hand with

digitalising end-to-end the business processes in these industries, professionalising these jobs, and fostering a broad and inclusive meritocracy. The transition to a high productivity–high wage–high cost economy will not be without dislocations, which is why strengthened safety nets and trampolines to support workers are important. The impetus for restructuring towards a greener economy comes not only from economic incentive but a societal value, with people having a heart for the environment and willing to pay a price today for a more sustainable tomorrow. The social consensus in favour of global talent, open markets, and wealth accumulation is stronger if there is better protection for the median Singapore worker, a more progressive taxation of wealth, and a stronger spirit of philanthropy.

The era of cheap money, cheap labour, and cheap energy is over. There has been too much borrowing, too much inequality, and too much carbon emissions globally. Interest rates are not going back to the zero lower bound that we have seen in the last two decades. The cost of borrowing will be higher, more reflective of time horizons and risk premiums. Domestically, with a shrinking labour force, extension of progressive wages to more sectors of the economy, and increase in qualifying salaries for bringing in non-resident workers, we can no longer rely on cheap labour to power our economy and society; and we should not, as we forge a more inclusive society. The cost of energy can only go up as the world and Singapore seek to reduce carbon emissions in a race against time to cap global warming and avoid catastrophic climate change. It is not a bad thing that money, labour, and energy are being priced better — to better reflect their relative scarcities. An economy needs to adjust to these new cost structures, and the most effective way is through pervasive innovation and skills upgrading as the basis for higher productivity and wages across the board.

Is *The Singapore Synthesis* too ambitious? Perhaps. But can we not do with a dose of ambition, to spur bolder action? Shortly after separation from Malaysia in 1965, when our prospects looked gloomy and our future unsteady, our founding Prime Minister Mr Lee Kuan Yew proclaimed, and I quote, “*In ten years’ time, this will be a metropolis, never fear*”. We created an industrial estate out of mosquito-infested swamps and an island to house the world’s third largest oil refining centre despite not producing a single drop of oil. We became the first country in the world to close the water loop: We collect every drop of used water, treat and purify it, and turn much of it into clean water again. The Singapore Story is one of relentless ambition and achievement.

Is *The Singapore Synthesis* too idealistic? Maybe. But can we not do with a touch of idealism, to summon our best instincts rather than our worst fears? This nation was founded on principles that were idealistic for their times: A multi-racial society amid the realities of race riots and strife, a meritocracy among the dominant systems of class and privilege, and an ethos of integrity and excellence in public life amid widespread corruption and incompetence. It took courage and faith to make these ideals living realities today.

At the same time, we must see the world for what it is, with all its threats and challenges, some of which I described in my first lecture as “the four horsemen”. Since those lectures, a major war has broken out between the two largest countries

in Europe, global inflation has surged to its highest rates in four decades, and geopolitical tensions have sharply escalated in northeast Asia. And meanwhile, climate change continues to gather pace while the world is struggling to make headway on the transition to net zero — I gave a somewhat sombre speech on this just last week.

So, *The Singapore Synthesis* is about holding idealism and realism in equal measure. Uncertainty in the world around us need not obscure our own clarity of purpose. Our journey cannot be one of merely solving the problems that come our way; it must be guided by a vision of what we want to be and how we want to get there. In a sense, this is what the current *Forward Singapore* process is also about, and I hope *The Singapore Synthesis* can make a small contribution to the *Forward Singapore* exercise. If the lectures in this book help to spark fresh ideas and thoughtful conversations about the kind of economy, society, and nation we want to be, I would be very thankful.

Let me close with a well-known verse from Shakespeare:

*“There is a tide in the affairs of men
Which, taken at the flood, leads us to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea we are now afloat,
And we must take the current when it serves
Or lose our ventures.”*

There is a tide in the affairs of the world and Singapore. Let us not fear it. Let us take it and ride it — together.

Thank you very much.