

**IPS-Avenir Suisse Conference on “Singapore and Switzerland:
Learning from Each Other”**

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On 4 October 2013, the Institute of Policy Studies (IPS) and the Swiss think-tank Avenir Suisse presented a special seminar titled “Singapore and Switzerland: Learning from Each Other” at the Orchard Hotel, Singapore. Its objectives were to facilitate a greater appreciation of each country for the other, as well as to explore opportunities for deeper collaboration between the two.

The chairpersons, speakers and discussants were invited to highlight both common and different challenges that Singapore and Switzerland face, with special focus on two topics: business innovation and workforce development. The Guest of Honour was Singapore’s Second Minister for Trade and Industry, Mr S Iswaran. The 89 participants comprised representatives of Singaporean and Swiss companies, think-tanks and business associations as well as business consultants and academics.

Welcome remarks by Convenors, Professor Tommy Koh and Dr Gerhard Schwarz

IPS Special Adviser, Prof. Tommy Koh expressed his admiration for the Swiss, who are able to achieve economic competitiveness alongside a high standard of living and well-being for its people.

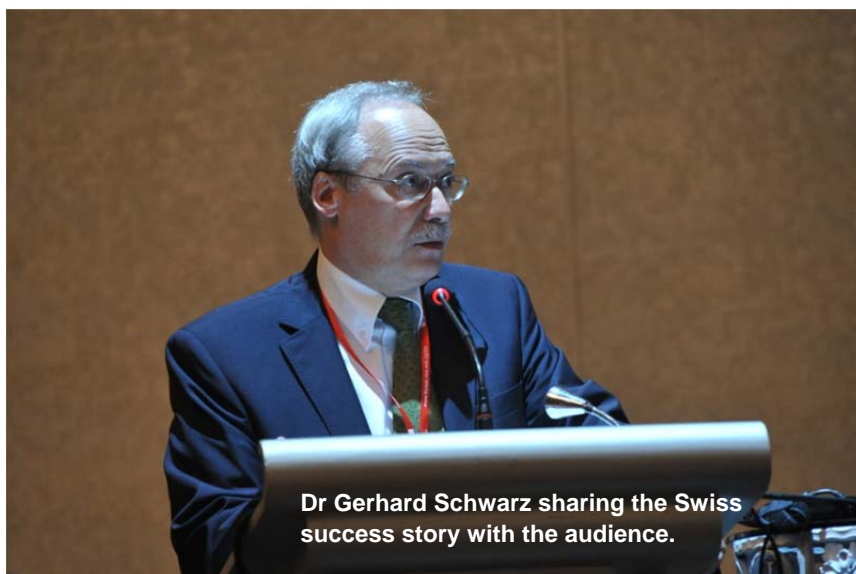
He reminded the audience that in 1984, Singapore’s Deputy Prime Minister at the time, Mr Goh Chok Tong said that Singapore’s aspiration was to reach Swiss standards of living by 1999. This had put Switzerland on the mental map of many Singaporeans.

While Singapore succeeded in raising its per capita income to Swiss levels ahead of time, Prof. Koh cited three areas where Switzerland continues to be a good role model for Singapore:

Sustainable and inclusive economic development — Switzerland’s Gini coefficient is 0.33, a much lower level of income inequality than Singapore, and it has also developed in an environmentally-friendly manner.

Developing globally competitive companies regardless of size — Though it has a small domestic market, Switzerland has 15 companies in the Fortune Global 500 and its companies lead the world in many knowledge- and capital-intensive industries.

Visionaries, entrepreneurs and civil society leaders — the Swiss have established organisations such as the Red Cross and the World Economic Forum that help make this a better world.



Dr Gerhard Schwarz sharing the Swiss success story with the audience.

Next, Dr Schwarz, the Director of Avenir Suisse (AS) shared that the organisation was established in 1999 by 14 private international Swiss companies. It is now also supported by small and medium enterprises (SMEs) with the objective of influencing the political agenda to strengthen Switzerland’s governance system. AS is not shy in suggesting unpopular but practical policy options like that of mobility pricing for its transportation system.

As each country learns from the other, Dr Schwarz felt it is important to identify and accept the differences between them. While it is not likely that entire models would be transferable, the key is in discovering what elements might be relevant and useful. Although Switzerland may have been a role model for Singapore in the past, Dr Schwarz noted that times have changed and the nation would relish the opportunity to learn from Singapore too.

Session 1: What can Singapore and Switzerland learn from each other?

Chairperson: His Excellency Thomas Kupfer, Ambassador, Embassy of Switzerland

Keynote speaker: Mr S Iswaran, Minister (Prime Minister’s Office), Second Minister for Home Affairs and Second Minister for Trade & Industry

Minister (Min) Iswaran began with an appreciation of the similarities and differences between Singapore and Switzerland. Both are highly competitive economies, have a small workforce and an external orientation. However, while Switzerland is located in the heart of Europe, a region with strong and well-developed governance institutions, Singapore is in the heart of Asia with fast-growing emerging economies and seeking to strengthen regional economic integration.

Min Iswaran focused on three key areas that Singapore could learn more from Switzerland, especially with the latter’s emphasis on productivity and innovation, and its commitment to sustainable and inclusive economic growth.

Although Switzerland, like Singapore, possesses a large manufacturing sector, the Swiss brand is strongly associated with quality, trust, innovation and strong capability — setting it apart from competitors and commanding a premium. This, he said, is the result of long-term commitment by the private sector to develop deep capabilities. Singapore companies therefore need to recognise that it is critical to make that steady, consistent, commitment and investment into building deep capabilities.

Second, Min Iswaran highlighted how the research and development (R&D) eco-system has been set up mostly by the private sector, which has made the development of deep capabilities possible; private sector provides 75 per cent of total R&D spending in Switzerland. There is external and organic interaction between industry and institutes of technology. Inter-cantonal competition for business innovation creates the drive for research excellence too, and SMEs are involved in this eco-system. These research institutions attract talented students and keep the virtuous cycle going.

Finally, Min Iswaran highlighted the Swiss system of developing a skilled and talented workforce. The Swiss model provides many pathways – academic and vocational – to students to build broad-based skillsets relevant to the knowledge economy. There is also continuing education and training (CET) that complements pre-work education, allowing Swiss workers to receive training and further education later in life. The Swiss also recognise the importance of judiciously complementing their local workforce with foreign workers to remain competitive, offering lessons to Singapore in how to run an open economy.

Min Iswaran said that Singapore has already taken its cue from Switzerland in some of these areas. He pointed out that the Economic Development Board (EDB) works with both local and multinational companies (MNCs) to establish that larger R&D and business development eco-system. A*STAR and SPRING help local companies along the learning curve to increase technological innovation. Education-wise, Singapore is now trying to create multiple pathways for students to realise their potential, to strengthen internship and apprenticeship opportunities, as well as ensure that employers create interesting and productive work experiences.

Min Iswaran closed by suggesting briefly what Switzerland could learn from Singapore. Singapore has positioned itself as a springboard for MNCs into the Asian market and has established research units to uncover the consumer preferences in the region. Companies could then customise their offerings accordingly. This is something Swiss companies are welcome to take advantage of.



Second Minister for Trade and Industry S Iswaran and His Excellency Thomas Kupfer, Ambassador of Switzerland to Singapore, addressing the audience during the first open discussion.

Open Discussion

(The questions and comments from participants are reflected in italics.)

Singapore has much more to achieve. If the previous national metaphor of Singapore was that of a sampan (small wooden boat), could Singapore now be more like a cruise ship? How can we learn from how Switzerland sees itself?

Min Iswaran said he generally did not like any of the maritime metaphors, and that of a cruise ship was certainly undesirable, as it implied a languorous approach towards issues whereas Singapore needed to have the nimbleness to be aware of changes in the operating environment and respond accordingly to maintain its competitive advantage. The path forward would be for enterprises to invest in capability development and maintain their competitive edge.

Singapore and Switzerland seem to have different models of costs and wages — Singapore’s is “low-wage, low-cost” while Switzerland’s is “high-wage, high-cost”. Are the paths compatible given that both countries aim to become leaders in knowledge-driven growth. And, wages in Singapore high enough to motivate people to go down the vocational training path?

Min Iswaran clarified that Singapore’s model is not “low-wage, low-cost”. However, Switzerland’s standing and location has meant that its wage structure is different from Singapore’s. Singapore competes with many global centres and hubs in both high- and low-cost businesses, and as such, it is important to sustain productivity and innovation to ensure that the economy creates high value.

Regarding education and vocational training in Singapore, Min Iswaran shared that the challenge is not so much with the younger generation given the new facilities and training systems available to them now but rather with the older generation, who may not have the wherewithal to keep up with the demands of the changing economy as they did not have the benefit of the education programmes of today. This again is the difference between Europe and Asia.

How long does it take to develop a successful economy, and is there any advice for Myanmar to become a key player in ASEAN?

Min Iswaran felt that there is no set answer to how long economic take-off requires in an emerging economy. He suggested three things that would be important for Myanmar in order to establish a strong base for that to happen: strong institutions to ensure long-term stability; clear rules of operation for both local and foreign institutions; and greater economic integration with ASEAN and the world.

Does Singapore have any plans to implement a referendum system similar to the Swiss political system, and if so, is there a timeframe for implementation?

Min Iswaran said that “government by referendum” is not on the agenda here, but said this does not mean that there is a lack of consultation between government and citizens. He pointed out that many policymakers in Singapore do in fact exercise consultation and citizen engagement, citing the recent “Our Singapore Conversation” process as an example, and said that this would continue.

Session 2: How does a small country like Switzerland produce so many globally competitive companies?

Chairperson: Dr Ishtiaq Pasha Mahmood, Associate Professor and PhD Programme Coordinator, NUS Business School, National University of Singapore

Speaker: Dr Gerhard Schwarz, Director, Avenir Suisse

Dr Schwarz shared that Switzerland’s ability to achieve economic competitiveness and a high standard of living is the result of an interaction among many factors, and he cited eight factors in his presentation:

Direct Democracy. The Swiss political system allows for ground-up initiatives from citizens to shape governance and referendums in decision-making. Dr Schwarz explained that direct democracy conferred the advantages of stability and slowness. While the latter might seem a disadvantage, it did prevent any sudden shifts that could be negative; a decline as a result of a policy change, for instance, would at least be delayed and can then be reviewed.

Neutrality. Switzerland maintained a policy of non-involvement in both World Wars, and enjoyed a rise in GDP per capita after each war while other countries struggled with ruined economies. Foreigners are always welcome as buyers and entrepreneurs regardless of nationality, allowing the economy to flourish.

Entrepreneurial and institutional liberties. Switzerland provides a substantial level of economic freedom, and ranks among the top countries in the Economic Freedom Index. This allows enterprises and companies to be set up easily, benefitting its economy and people.

Openness. Switzerland’s location in the heart of Europe and at the crossroad of three important language-based communities, together with its small size, forces it to be more open than other countries. Dr Schwarz shared that 20 per cent of the Swiss population is foreign-born and that 7 per cent of the population lives overseas. This reflects a fundamental willingness to explore and adapt, with cultural co-existence taught early among its people.

Flexible labour market. There are many laws protecting permanent workers against individual and collective dismissals, as well as regulation on temporary forms of employment. As a result, there are no aggressive labour disputes in Switzerland, and labour unions are relatively weak.

Federalism. The average Swiss municipality contains half the number of people compared with those in Germany, but has three times the fiscal autonomy, with the central state collecting just 34 per cent of tax revenue. Dr Schwarz argued that this federal system allows the local government to act in accordance with people’s preferences and citizen needs, which in conjunction with direct democracy and the militia system has been very successful.

Competitive tax system. Each Swiss canton has the authority to set its own tax rates; as a result, the corporate tax rate is highly competitive as cantons compete to attract businesses through tax rates, addressing concerns about human resources and infrastructure effectively.

Efficient educational system. The education system in Switzerland is based on a dual approach of academic education and apprenticeships, with companies taking a direct stake in the education of youths. The upper secondary graduation rate is high and youth unemployment is low, and no country in Europe has more universities ranking in the top 150 in the world.

While the session focused on Swiss success, Dr Schwarz said that the country did face challenges that will have to be managed: an ageing population and avoiding a cost explosion in social security; stresses on public infrastructure due to increased immigration and densely populated urban areas; international pressure due to financial flows to Swiss banks leading to a loss of tax income for other nations; appreciation of the Swiss franc leading to the implementation of a currency floor and a loss of monetary policy autonomy; and upcoming initiatives proposing maximum and minimum wages for Swiss labour that could lead to a loss of economic competitiveness.

Discussant: Prof. Annie Koh, Associate Professor of Finance and Vice President of Business Development & External Relations, Singapore Management University

Prof. Koh focused her remarks on the lessons for building successful global companies in Singapore that she has garnered from her experience and what she understands of the Swiss experience. These are what she called the four Ps:

Pro-market. Prof. Koh cited the example of Swiss pro-market policies, which provide a healthy entrepreneurial environment for companies.

Passion. Prof. Koh argued that the passion for excellence is a strong driver of Switzerland as a place of entrepreneurship because companies have been built to be passed from one generation to the next especially since many are family-owned enterprises. Pride for heritage, history and excellence are great drivers of not only companies but institutions as well.

Perseverance. While passion is important, it is in itself insufficient, as companies would experience ups and downs and many reasons to fail. Here, Prof. Koh argued that perseverance needs supporters; in particular, she was advocating greater partnership from the public and academic sectors with the private sector.

People. Ultimately, it is the people factor that is a key driver of success in companies. Though Singapore has sought to provide multiple routes of education and training that engage the young, parents may not be ready to allow their children to try out these different options. It would be important to develop many education pathways that should include options for lifelong learning for the professionals, managers and executives sector of the labour market.

Open Discussion

How do we encourage the development of entrepreneurship given Singapore's traditional “state-driven” capitalism, which may squeeze out private investment?

Prof. Koh said that the notion that the Singapore economy is primarily state-driven is “overblown”, pointing out that even in the earlier days of development, about 60 per cent of economic activity would have been generated by privately-owned enterprises and SMEs. The Singapore government is primarily focused on developing institutions and upholding the rule of law to create a conducive business environment.

Even if Singapore is markedly more state-managed than Switzerland in the ownership structure of many of the leading companies, Prof. Koh noted that ownership and management are different things; companies partly owned by the state here use professional and independent management to build corporate and brand excellence.

How does a nation go about building global partnerships and improving its human capital index?

Dr Schwarz responded that the key for Switzerland in this area boils down to its centuries of development. There is no immediate recipe for success, and long-term stability is most important for attracting investment.

Prof. Koh said a World Economic Forum Human Capital Index had ranked Singapore third, reaffirming the value of human capital development systems in resource-scarce Singapore. She argued that turning “human resource” into “human capital” is the duty of all parties (government, academics and the private sector), and is absolutely important for building companies and the economy.

How do Swiss companies sustain such a high wage level even if labour unions are weak and there is no legislation?

Dr Schwarz expressed his opposition to proposed legislation to institute wage floors and ceilings, explaining that this would be detrimental to Switzerland’s competitive advantage. He champions pro-market ideology, which he believes has kept unemployment low in Switzerland and gives strong bargaining power to employees without the need for strong unions.

What specific advice is there to help produce global champions and overcome the limitations of being a small country?

Responding to the question, Dr Schwarz explained that there is no single answer; however, he did single out the small Swiss market as one key aspect. The small market forces Swiss companies to be outward-looking, compared with companies that have large local markets (such as in Germany and the US). As such, Swiss companies have to adapt to various demands and be flexible, catering to global consumer needs. So while having a small market might seem to be a disadvantage at first glance, it has turned out to be a major boon for Switzerland. Amb. Kupfer also added that Swiss SMEs maintain a strong presence outside of Switzerland, allowing them to carve out a market niche and work worldwide in future.

Meanwhile, Prof. Koh argued that the ability to innovate would be a key factor — organisations need to adopt a learning mindset and draw on historical lessons to push themselves to the next level. She cited the transformation of traditional companies that owe it to a strong focus on R&D, allowing them to come up with new products and enter new markets. Chairperson Prof. Ishtiaq added that different industries have different recipes for success, and as such, the question is how some companies got there and what were the trade-offs involved.

Prominent Singaporean brands such as Tiger Beer and Raffles Hotel have now come under foreign ownership, presumably for profit. Could the secret to Swiss success be global aspiration driven by national pride rather than money? Would iconic Swiss brands be sold to foreigners?

Dr Schwarz said that Switzerland had indeed sold local brands such as SwissAir to foreign owners, and questioned the idea of a “Singapore” or “Swiss” company needing to be defined by who owns them. Also, private ownership and shareholding makes it difficult to tell if the majority of shareholders are local. Also, many Swiss brands, still presumably locally-owned, benefit from strong management that can be led by non-Swiss people, citing Nestle as an example, which benefits from having an Austrian chairman and a German CEO.

Session 3: How does Switzerland develop its world-class workforce?

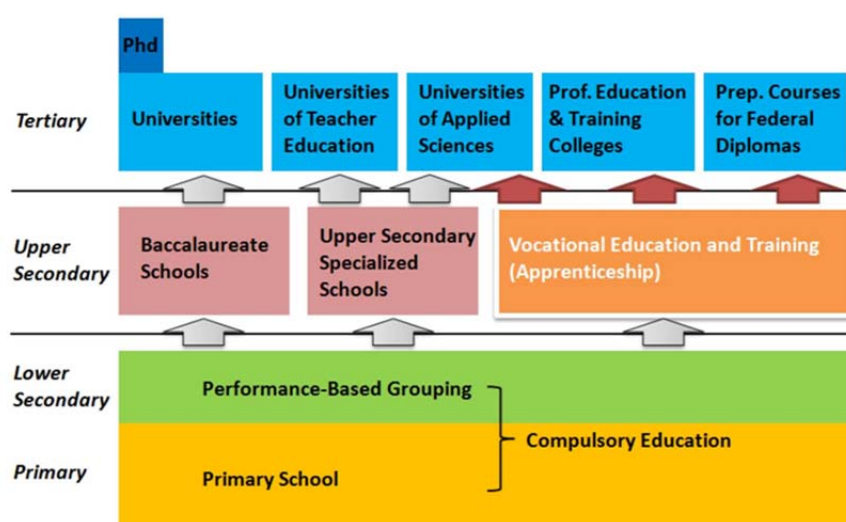
Chairperson: Mr Tee Tua Ba, Singapore Ambassador (Non-Resident) to Switzerland

Speaker: Dr Samuel Rutz, Vice-Director, Avenir Suisse

Dr Rutz provided the seminar with an overview of the Swiss education system, explaining its intricacies. The state in Switzerland is responsible for compulsory education, which starts at the age of four and lasts for 11 years. After this period, students have the chance to go to baccalaureate school (leading to university); to upper secondary specialised schools; or to vocational education and training, including apprenticeships. This system is based on the concept of “permeability”, allowing students to move freely between systems and develop skills to succeed in the workforce.

The output of the Swiss education system is varied: Dr Rutz shared data that showed two-thirds of all students choose apprenticeships rather than go down the path of higher education although the number fluctuates according to economic conditions. What should be noted though is that baccalaureate student numbers have risen consistently over the years.

The Swiss Education System – Some Stylized Facts (I)



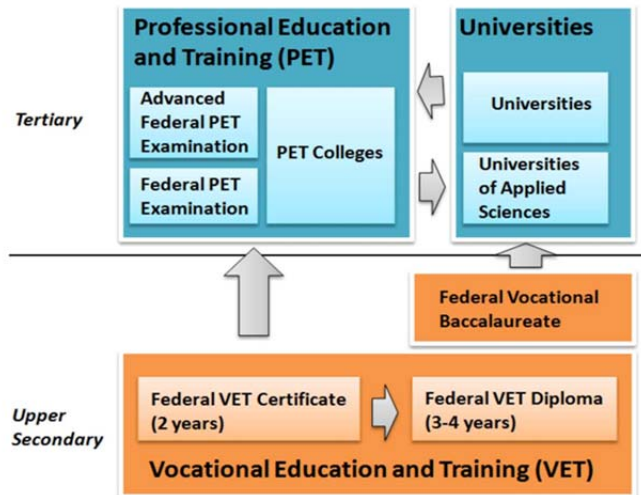
Next, he went into more detail on the apprenticeship system. The apprenticeship system allows students to enter the Professional Education and Training (PET) sector, and is supported by a confederation of professional organisations and companies as well as cantons. Apprentices undergo a combination of work-based training, classroom instruction, and industry courses. This ensures a steady supply of well-trained craftsmen with a high degree of specialisation and quality, with Swiss apprentices regularly winning international skills competitions to attest to its success.

The advantages of the apprenticeship system include: the integration of intellectually less gifted people into society; the provision of solid foundation in an occupation; the continued option of continuing through tertiary level at a later date; career prospects; and the ensuring of low youth unemployment rates.

However, Dr Rutz also noted that the apprenticeship system now faces new challenges in the global economy because of increased labour mobility and the erosion of the notion of “jobs for life”; decreasing youth cohort sizes and their preference for higher education; as well as greater demand for highly qualified employees due to globalisation and “tertiarisation” of education.

Lastly, Dr Rutz discussed the potential adoption of an apprenticeship model. He laid out three main issues to accomplish for interested countries: co-operation between government and firms to ensure an adequate institutional framework; establishing a critical mass for both the supply and demand sides; and, a positive cost-benefit ratio and entrepreneurship culture.

The Apprenticeship System



Discussant: Mr Ang Kiam Wee, Principal, ITE College Central, Institute of Technical Studies, Singapore

In his talk, Mr Ang gave the story of the evolution of vocational and technical education (VTE) in Singapore, which can be broken into several phases: the labour-driven phase immediately after 1965; the knowledge-driven phase in the 1980s; and the innovation-driven phase starting from the 2000s.

In the first phase, Singapore needed to ensure that there were people with sufficient vocational and technical skills to support the developing economy, and as such, ramped-up the VTE training to keep pace with industrialisation and development. Anticipating change in the early 1980s, the Vocational & Industrial Training Board (VITB) was established in 1979; this Board was then replaced in 1992 by the Institutes of Technical Education (ITE) which has transformed into the system that we know today.

Mr Ang noted that ITE has successfully enhanced staff and organisation capabilities since inception, having established large campuses across Singapore. ITE now places emphasis on creating value for its stakeholders, producing students with workforce-relevant skills and adopting new approaches to its pedagogy. He concluded that Singapore’s next phase of development would be to explore the possibility of adopting what Switzerland has done to keep up with the changing economy.

Open Discussion

What can be done to develop a critical mass of local students to join apprenticeships, given signs of possible decline of the system in Switzerland and the mindset of Singaporeans who may not see it as a viable long-term strategy?

Mr Ang replied that he would mirror the lexicon of “Ps” in Prof. Koh’s earlier presentation, and say there were “3 Ps” for Singaporeans to see apprenticeships as viable: pay (ensuring that people with skills were properly remunerated); pride (respecting the apprenticeship system); and, progression (proper avenues for career progression like what Switzerland has provided over the years). He argued that once these are provided for, many potential problems would be alleviated.

Additionally, participants shared that the University of St. Gallen in Switzerland hosted a project from 1996–2000 about how Singapore and Switzerland could learn from one another in this respect. The university concluded that it would be difficult to adopt the Swiss model, as there were significant differences between the two education systems at the time. The overarching issue is how to equip young people well so that they have the skills to respond to the changing world and how each education model can stay relevant in this context.

On the subject of differences in educational systems, participants noted that unlike Singapore, Swiss children are not tested in school till the age of 10. Furthermore, any Swiss student who meets the minimum requirements would be able to attend the best local universities, compared to Singapore where students compete for spots in tertiary education. On the other hand, Switzerland has considered modifying its education system to do better in essential skills, as it has consistently been placed below Singapore in standardised tests given to school children. Nonetheless, as both countries have reached the top relative to many other countries, these learning points could be used to empower each other.

How has the Swiss health system, that presumably affects the general health of a population, supported or shaped their educational outcomes? What has each government done to ensure that the poor can receive an education?

Dr Rutz explained that the Swiss health system was the second most expensive in the world after that of the US, as there are insufficient doctors and healthcare providers such as nurses. The solution is for the government to ensure a minimum necessary amount of schooling, with the apprentice system acting as an “equaliser” as people can earn comparable salaries and ensure a minimum standard of living.

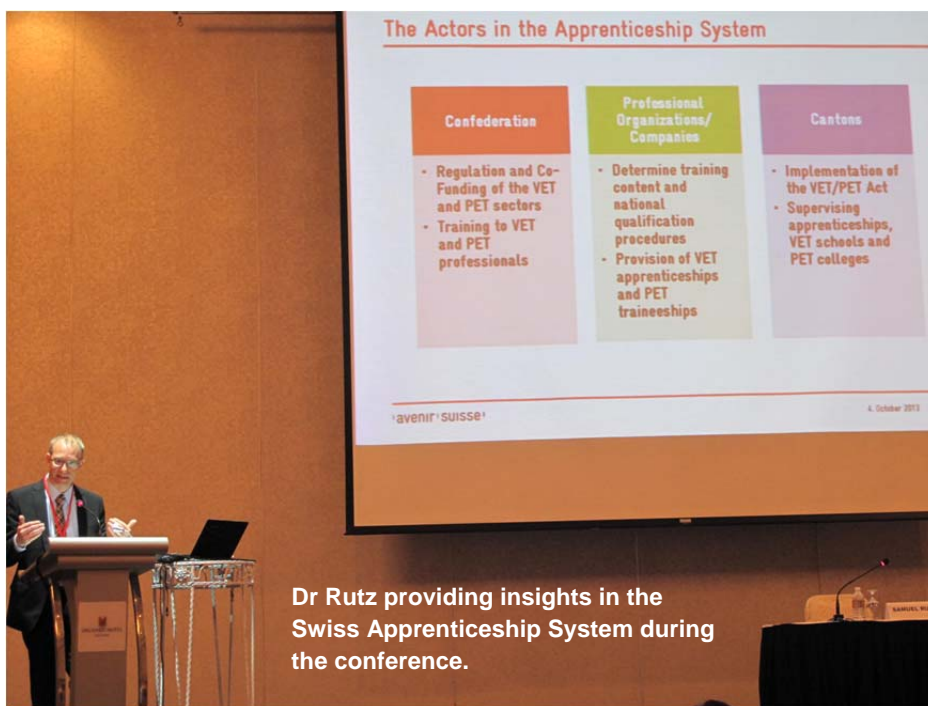
Mr Ang added that the philosophy of ITE is to help people help themselves — ITE students pay just 3 per cent of the total fee, and the fee would be waived for the most needy students. ITE believes that if people gain sufficient skills to be useful workers, they would be able to support themselves.

What are the costs of the increasing migration from the vocational track to the university track in both Switzerland and Singapore? Are apprentices less well-paid?

Dr Rutz stressed that an apprenticeship in Switzerland does not automatically translate to less earnings, although they might be lower on average than those of students who chose to take the academic track. He gave anecdotal examples where apprenticeships paid better, and explained that taking the vocation track does not handicap anyone compared to those who had not taken it.

Mr Ang shared data that showed the average ITE graduate earned approximately S\$1,650 per month. He agreed that people could be paid better and he believes that ITE graduates can potentially generate better value and productivity, commensurate with the higher salaries.

How do the Swiss see risk? Does the education system in Switzerland make it more conducive for innovation, or does the Singaporean system make it riskier?



Responding to the question of risk, Dr Rutz believed that the Swiss are largely risk-averse. However, he conceded that the education system may create an environment conducive to entrepreneurship and innovation. He stated his belief that bridging institutions are vital to get human capital into industry and spread ideas from research institutions as well as encourage innovation. While it is important, the state takes a back seat to the sharing of ideas between people in the Swiss system.

Session 4: How can the co-operation between Singapore and Switzerland be raised to a higher level?

Chairperson: Dr Yeo Lay Hwee, Director, European Union Centre in Singapore

Co-chairs: Dr Gillian Koh, Senior Research Fellow, Institute of Policy Studies; Dr Gerhard Schwarz, Director, Avenir Suisse

Dr Yeo said that there are three levels at which the participants could think about how to foster greater collaboration between the two countries.

The first, on the bilateral level, she suggested that there are several social and economic concerns that both countries share and may benefit from greater investigation. These include ageing and how to ensure that healthcare and social spending is sustainable, migration and social cohesion to ensure that far-sighted migration policy recognises and mitigates social tension early on. These areas could benefit from greater policy research.

The second level would be the inter-regional. While the ASEM (Asia-Europe Summit) process has been set in place, it seems to be withering away. Is this something to which the two countries could make a greater contribution, together?

The third level concerns the global arena. Both Singapore and Switzerland could feed into the 3G (Global Governance Group) process to ensure that while greater regulation on international trade and global development is contemplated, these would not result in a greater level of protectionism instead.

Open Discussion

There were three main threads of discussion. They were on: education and academia, workforce training and productivity, and public policy and governance.

Education and academia

Professor Peter Edwards, Director of the Singapore-ETH Centre, suggested that Singapore and Switzerland could collaborate far more in higher education. He explained that although both countries are small, they have been able to cultivate world-class universities, which is not at all intuitive. From this, the two countries could try to understand and sustain elements of success, such as autonomy in hiring, focus on research, developing good quality students, adopting an international outlook and allowing for a strong foreign presence in local universities.

He suggested more symmetrical partnerships between both countries, pointing out that many initiatives were currently one-way. He said while researchers from Swiss-based institutions have benefitted from the support to be located in Singapore, Swiss institutions could also provide more opportunities for academics and researchers of Singapore to go out to Switzerland and be based there.

Participants pointed out that top Swiss universities, such as the University of St. Gallen, have raised their presence in Singapore and remain strongly committed to a continued partnership with local universities. Additionally, Singapore ministers and school principals are impressed with the Swiss apprenticeship system, and have begun to implement it in IPS-Avenir Suisse Conference on “Singapore and Switzerland: Learning from Each Other”, Tay Ek Kiat, *IPS Update*, November 2013

local VTE institutes. More collaboration would help create a critical mass of students and employers to further cement the system here.

In terms of content, two students at the Lee Kuan Yew School of Public Policy, Mr J J Woo and Ms Yvonne Guo suggested that there should be a more institutionalised way in which scholars in public policy can have exchanges on the nuts and bolts of policy in the two countries. Specifically, there is much to learn in terms of how governing authorities at different levels in Switzerland manage public engagement to support its system of direct democracy. Singapore is only just learning the ropes of citizen engagement and there could be more sharing on this.

Head of Swissnex, Dr Hrabá-Renevey said that there have been discussions about getting the National University of Singapore to set up an “overseas college” in Switzerland. Perhaps it is a question of time but it would be good to see that come to pass sooner than later.

Workforce training and productivity

Regarding the concept of lifelong learning in Singapore, participants suggested that proper incentives are needed for locals to undergo re-training. The education system, while evolving, remains one-track as vocational training is seen to be ranked below tertiary education. Here, it was proposed that Switzerland could help by creating initiatives to co-operate with the Singapore government and help up-skill Singaporean workers. This would provide quality retraining and help change the perception of Singaporeans towards vocational training. Dr Rutz also reiterated the importance of multiple tracks for apprenticeships, noting however that increasing flexibility and permeability would be easier said than done.

Professor Hui Weng Tat from the Lee Kuan Yew School of Public Policy argued that Singapore has much to learn from Switzerland in enhancing productivity, given the figures in recent years showing negative productivity growth in Singapore. He supported the apprenticeship system as it gives students intense training outside the classroom and instils in them a culture of pride and excellence. The Singaporean system, in contrast, emphasises “shortcuts” in the form of paper qualifications rather than in developing actual work skills. Prof. Hui further noted that apprenticeships could allow companies to develop necessary skills in people and be rewarded with their loyalty. Lastly, Prof. Hui advocated the Swiss model of wages, sharing data that Singapore had the largest wage gap in OECD countries between the 10th and 19th percentile of workers.

In line with the need for a critical mass of people involved in the apprenticeship scheme before vocational training can be developed into a viable and attractive process of career development, the Deputy Principal of Republic Polytechnic, Mr Heng Guan Teck asked if it is possible for more Swiss firms in Singapore that are indeed familiar with the apprenticeship scheme to help get the ball rolling in Singapore. Employers will only invest in the scheme when they can see the value of it, and workers will only do this if they can see the rewards. Swiss firms could show the way.

More generally, participant Dr Ong Siew Hwa, an Adjunct Assistant Professor from the Yong Loo Lin School of Medicine, NUS, said that as with any other foreign group in Singapore, it would be helpful to the cause of social integration if Swiss nationals in Singapore were more

involved in community service by way of sharing their skills sets and experiences with the local community.

Public policy and governance

In the areas of public policy and governance, it was suggested that policy learning and diffusion could be highly beneficial for both countries, with the involvement of civil servants as well as public servants such as nurses and teachers. Dr Schwarz elaborated that Singapore had a high degree of permeability between the public sector, academia and business, with many examples of people having split careers. As such, Singapore might understand what it takes to bridge the different sectors, which could help increase inclusion in Switzerland.

Furthermore, Dr Schwarz noted that governance in Singapore and Switzerland are almost polar opposites. Switzerland’s weaker system of political leadership has paradoxically been a factor in its success, allowing people to feel that they are part of the decision-making process and identifying with the results. Although, he said, Switzerland may need to give political leadership an even greater role in governance in the future, particularly if there are urgent public policy challenges lying ahead.

Amb. Kupfer also clarified that many areas of collaboration are already in effect: Singaporean and Swiss leaders are in frequent contact and discussion with one another. Switzerland is actively looking to continue regional co-operation with Asia in general, and the ASEM secretariat is in Singapore, making it a good springboard to reach the rest of the region.

Dr Koh said that there were several themes that stood out from the seminar that would benefit from further investigation and sharing: First, it was clear that there is a premium to the Swiss brand. This is its soft power and it transcends who might own or run Swiss companies. Singapore will benefit from giving this more thought.

Second, it was clear that the willingness of Swiss to relocate to foreign markets for business development was remarkable. With 7 per cent of its population overseas at any one time, it would be instructive to see what could make Singaporean business professionals equally willing to relocate.

Third, Dr Rutz’s point about “permeability” of the Swiss education system between the academic and vocational track, and among different levels of that education were most instructive and worthy of greater emulation in Singapore. The early integration of vocational training as well as the integration of the role of universities of applied sciences in the workforce development and R&D scene in the Swiss system is notable. This is something Singapore can think through more carefully.

Fourth, there are some other areas of public policy that seemed intriguing and would allow for greater joint investigation: the trends of ageing and managing its costs; the integration of women in workforce development and the social support system that enables that; how greater private sector involvement in developing innovation hubs can be facilitated as has happened in Switzerland; and finally, as Dr Yeo mentioned, how migration and social

cohesion could be managed. These are all areas that can be taken up at the next IPS-AS Seminar, Dr Koh said, in closing.

For more photos of the event, please visit: <http://lkyspp.nus.edu.sg/ips/event/ips-as-seminar-on-singapore-and-switzerland-learning-from-each-other>

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APPENDIX: LIST OF PARTICIPANTS

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