

IPS Conference: Inclusive growth Disney 'offers important lesson' on transforming economy

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Acting Minister for Education Ong Ye Kung believes that the way Hollywood movie giant Walt Disney Company has changed over the years holds an important lesson for Singapore.

Initially, the focus of the United States company was on cartoon characters Mickey Mouse and Donald Duck. But today, the spotlight is on the superheroes of Marvel comics fame and the Star Wars series.

Similarly, Singapore's economy needs to transform itself to be more competitive and attractive so that it does not fail its young.

"For the young, their biggest concern is their jobs and their careers. What are the opportunities for them?" he said yesterday.

"We cannot fail the young," he added, his mind on the projected growth slowdown and Singapore's drive to restructure its economy.

Mr Ong, who helms the higher education and skills portfolio, was speaking about inclusive growth at an annual conference on Singapore by the Institute of Policy Studies.

He cited strategies that will play a crucial role in Singapore's economic transformation.

These include the five-year Research, Innovation and Enterprise 2020 scheme that will pump \$19 billion into science and technology, and SkillsFuture, which promotes lifelong learning for workers to stay skilful and relevant.

But two experts said they worry Singapore's sputtering productivity will be a blight on its economic future. They are Bank of America Merrill Lynch economist Chua Hak Bin and former government chief economist Tan Kong Yam.

Mr Ong said he shared concerns that "the Committee on the Future Economy (will) end up just tinkering and not doing something bold that can transform us just like Walt Disney". He is a member of the committee, led by Finance Minister Heng Swee Keat, that will produce plans for Singapore's next phase of development.

"We must find a way to translate research to innovation, innovation to enterprise," he said. "Research converts money to discovery, and innovation, discovery to business ideas. Enterprise converts business ideas back to money, hopefully more than when we started. So we have to push forward."

In his speech before the discussion, Mr Ong said Singapore's progress and prosperity have raised incomes and helped lower-income families.

But he also acknowledged the prevailing concerns over social mobility and income inequality.

The question of how to achieve inclusive growth - which he said is "elusive" - points to the need for a system that best delivers dignity and pride for its people. This is regardless of whether government policies lean left or right, he added.

While the Government has taken steps to help those left behind, such as the Workfare Income Supplement for lower-wage workers and the Silver Support Scheme for poor elderly people, Mr Ong said: "If you look further left, there are still more left policies on the table for debate."

These include a national minimum wage as opposed to a sectoral one as is the case now, or defining "absolute poverty", he added.

At the other end are extreme right policies, like further restricting - or freezing - the inflow of foreign workers or nationalising some firms and having them contribute to national coffers, he said.

"Ultimately, we don't move left for the sake of moving left. We don't move right for the sake of moving right... We decide on what policies will best serve the welfare of our people and help achieve that elusive inclusive growth."

Mr Yeoh Lam Keong, former chief economist of sovereign wealth fund GIC, argued that more could be done for the lower-income earners by, for example, increasing payouts of redistributive schemes. This will cost 0.7 to 0.8 per cent of Singapore's gross domestic product, he said.

Replying, Mr Ong said it is not that straightforward: "You need to ask how to implement, at what cost, who pays and in the long term, what is the impact."

But, he added, "this is the direction the Government has been moving towards".