

## Working Towards “A World Without Poverty”

By Ray Chua  
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Public policy scholar and author, Dr Arthur Brooks, spoke on the topic “A World Without Poverty” at a seminar organised by the Institute of Policy Studies and the Lee Kuan Yew School of Public Policy on 12 January. Dr Brooks is the president of the American Enterprise Institute (AEI), a conservative, pro-business think-tank based in Washington D.C. He visited Singapore as the 49th Lee Kuan Yew Exchange Fellow, a programme where global leaders are invited to Singapore to meet with the country’s senior policymakers and leaders.

Dr Brooks has a BA and MA in economics and holds a PhD in policy analysis from the RAND Graduate School. He spent 12 years as a classical musician in Spain and the United States. In his speech, he spoke of the challenges that Singapore had faced as a fledgling nation and pointed to the factors that had helped it to overcome those obstacles and prosper. These lessons, he said, were useful for many other countries who were either trying to narrow existing economic disparities or working to pull themselves out of poverty.

### **Keys to Success**

Dr Brooks said that there were five factors that allowed Singapore to move from a society with a per capita income of US\$500 in 1965, to one where average incomes are US\$56,000 now. These were:

1. Globalisation
2. Free Trade
3. Property Rights
4. Rule of Law
5. Entrepreneurship

Looking at other countries today, he cited the European nations as an example of countries that had deviated away from most of these five tenets of progress.

Most of the continent has experienced weak growth rates within the past decade, with unemployment rates soaring. A problem primarily faced by European socialist states is that their people have become too dependent on the government. “In Europe, larger and larger percentages of GDP are consumed by the government, not for self-defence in this dangerous world, but simply to pay people who are not working,” said Dr Brooks. These problems combined have led to high taxation and labour market rigidity. “It is important for other places like the United States and Singapore to learn from the example of what has gone wrong in Europe, and not to make the same mistake,” he said.

He further emphasised that the equality that everyone deserves is the equality of opportunity, and that the equality of income, which is frequently discussed by international organisations such as the United Nations, should not be the main focus.

While world poverty has been reduced since the time when he was a child, there are still another billion or so who remain impoverished, with many of these people in sub-Saharan Africa. The promotion of free enterprise is a way to further reduce poverty, he said. Raising the example of Zimbabwe, a country with low per capital income, Dr Brooks said this is because of “dictatorship, and because of an economy that suffocates enterprise at the individual level.”

Countries like the US and Singapore could play a part, in offering help to other countries get on track to having a “flourishing economy”. In Singapore’s case, this could either be through specific programmes — such as the Singapore Cooperation Programme, which provides technical assistance to government officials around the world — or through spreading a philosophy of “the Singapore way” and also through foreign direct investment.

### **Question and Answer Session**



The Question and Answer session was chaired by Professor Tommy Koh, Special Adviser at IPS and Ambassador-at-Large at the MFA.

Professor Koh began by thanking Dr Brooks for giving his views and saying that he would begin by taking Dr Brooks up on his comments on the European continent. Europe was made up of different economies and societies, said Prof. Koh, and among them were countries that were known to be happy societies, such as Denmark. “Would it be fair to tarnish the whole continent with this very negativity that you expressed?” he asked.

Dr Brooks responded that his views were a cautionary tale for countries that are trying to develop. He noted that there were indeed diversities among the European countries. Denmark is in fact known as one of the happiest places to live in the world, but were people flocking to live in Denmark, he asked rhetorically.

Different people assess happiness in different ways, he said. And living in Denmark comes with its own set of challenges, he said, citing how regulations in Denmark made it difficult for someone to pursue entrepreneurship or career changes. In addition to this, the other side of the coin for the renowned free education in Denmark is that you cannot choose your university or course of study in Denmark. This may be a good model for Europeans, but it is definitely not a model for countries that are developing and moving forward. Dr Brooks ended his response by saying: “It is not my place to tell Europe what it has to do, but I think it is my place to suggest that it is a dangerous path for a continent that's ageing”.

A participant raised a question on the role of international organisations, and whether it was fair to say their discussions of inequality were not productive, since these organisations have largely been pro-enterprise.

Dr Brooks responded that his point was not that international organisations impede the growth of developing nations. While they push for liberalisation, countries that have succeeded have done so without the international organisations. This is due to the fact that these international organisations were simply not that effective.

Lastly, a participant asked Dr Brooks about the future of poverty and whether it will continue to be based on that of the children in sub-Saharan Africa, or if it will evolve into that of the poverty of the ageing population, and their increasing dependency on younger citizens.

Dr Brooks began his answer by explaining his views on materialism. “Materialism is a problem, insofar as we think that money solves all of our problems. That’s false.” He explained that poverty meant the lack of important things in life, such as being spiritually poor. Returning to the example of Spain, where he had lived and where unemployment was hovering at around 20%, he said that not having work and being dependent on the government itself is a form of poverty, because work gives life dignity, and allows us to make value out of it. He ended off by saying that it is very important to combat material poverty, but at the same time we cannot let go of the other things that make us who we are, such as our faith and our family.

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