

5 ideas from Ho Kwon Ping's second IPS-Nathan Lecture that will make the government go "sure or not"?

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Two lectures down, three more lectures to go. The IPS' first S R Nathan Fellow continues his lecture tour next year.

In his first public lecture on Singapore's future, the Institute of Policy Studies' S R Nathan Fellow Ho Kwon Ping highlighted the "elephant in the room" – the People Action Party's political dominance.

However, there are no "elephant in the room" on economic matters. Therefore, the 61-year old businessman slaughtered a large "sacred cow" on Nov. 12, 2014, or "an antelope" in his words, during his second public lecture on the economy and business.

The cow he slaughtered was the Housing Development Board (HDB), whom he opined was possibly the largest creator of public housing in the whole world, except North Korea.

So here are the five economic ideas Ho made that will make the bureaucrats twitch because more work for them:

1. Bye bye Housing Development Board (HDB). Say hi to National Housing Price Regulator (HPR)

HDB will consider an exit over the next decades from its role as housing developer to:

a) A master land developer for entire new towns or districts

It will set residential product sale-price caps for each land parcel, to be auctioned off to private developers. The competition by private developers on detailed design, quality and features would ensure that market forces dictate, but within residential price ranges set by HDB.

b) A regulator of housing prices in these areas.

The objectives of the national housing price regulator would be to integrate and influence the pricing of the three housing markets — HDB entry level, HDB resale and private housing, so that the whole market is not led by private housing, which in turn is led by foreign demand.

2. Provide CPF savings for foreign workers

Foreign worker levy could instead be converted into each worker's deferred savings account — similar to a CPF — to be withdrawn upon his permanent repatriation so as to ensure good behaviour whilst in Singapore.

Foreign work levy is counterproductive because the better-skilled prefer to go to countries where the take-home pay is higher.

The conversion of levies into a CPF look-alike for foreign workers is also the most effective way to ensure voluntary repatriation after the long-term residency has expired.

3. Have graduates of vocational and technical schools command similar starting salaries of those of university graduates.

Education pathways can be re-designed to help reduce income inequality.

The technical school educational pathway can be amended so that their students graduate at the same age as university graduates, and have starting salaries closer to graduates.

This can be done with a longer industry attachment and genuine apprenticeship programmes. Government should also re-look at how vocational guilds can be set up, like those in Europe, to generate artisanal pride in and status for their members.

4. Invent a Singapore-created index that measures beyond GDP

Singapore can take the lead in defining new and more holistic indices for economic progress, which take into account factors such as human well-being, environmental sustainability and socio-cultural development.

5. Nurture an inclusive culture to attract innovation

A culture of freedom, inclusion and diversity is very important to attract innovation — perhaps even more than tax incentives.

Ho cited a study that noted that cities with an “actively pro-gay culture” were found to have more high-tech start-ups and creative enterprises. This is because researchers found that many “totally straight, decidedly geeky or nerdy people” often interpreted a pro-gay culture simply as a bellwether for tolerance.

He added that these innovative people like to live in environments where diversity rather than conformity is the daily ethos.