

**PLEASE CHECK AGAINST DELIVERY.**

**Singapore Perspectives 2019**  
**Singapore.World**  
Monday, 28 January 2019  
Sands Expo and Convention Centre



*\*\*\*This is the prepared text of the speech. Please check against delivery. The video recording of the speech is available on IPS' Youtube channel.\*\*\**

## **Opening Remarks**

**Mr Janadas Devan**  
Director  
Institute of Policy Studies

TODAY, 28 JANUARY 2019, is the Bicentennial of Stamford Raffles' arrival in Singapore. His own and other accounts have his ship the *Indiana* and its accompanying schooner *Enterprise* anchoring off St John's Island at 4pm 200 years ago today – just in time for tea, I presume. A delegation from Singapore boarded the *Indiana* the same afternoon, curious what Raffles and his crew were about. Raffles asked them if the Dutch – then Britain's chief rival for supremacy in this region – were present on the main island of Singapore. Told the Dutch were not, Raffles landed on the main island – by some accounts on the evening of 28 January itself; by others the morning of 29 January. This evening, 200 years later, the Prime Minister will be launching the Singapore Bicentennial commemorations at the Asian Civilisations Museum, near the spot where Raffles, Farquhar and their crew first landed on our island. The Union Jack was officially raised on 6 February 1819, following the signing of the Singapore Treaty between Raffles and Sultan Hussein and his Temenggong.

FOR BETTER OR WORSE, that moment marked a decisive break for this island. Singapore had a past before Raffles landed here – a past stretching back at least to the 13<sup>th</sup> century. The gentleman-pirate didn't find or found Singapore, as the British once claimed, as though nobody knew of its existence till Raffles stumbled upon it. But the British arrival here did lead to a future vastly different – unimaginably so -- from the preceding 500 years. There are many ways that decisive break can be understood. Most obviously it marked the entrenchment of colonialism in the Malayan peninsular. Singapore became a part of the British Empire – a pawn in the prosecution of its interests in China, for example, in the opium trade; and later in the early 20<sup>th</sup> century, as a naval outpost to defend the eastern approaches to British India, the jewel in the crown. We were never of interest to Britain only for ourselves. We were of value only as part of the constellation of intricately intertwined interests that constituted the British Empire -- the most far-flung empire in human history, an empire on which it was famously said the sun never set.

But I wish to propose this morning another way of understanding 1819. Raffles' arrival, unbeknown to himself, marked the explosive eruption of modernity in this part of the world. Now modernity is not new. There have been many modernities in history. The modernity I speak of is the trajectory that led to the present, with Singapore as a "global city", as Mr S Rajaratnam forecast with great prescience we would be. His speech of 46 years ago in 1972 provides a useful frame for me to outline the various possible themes of this conference -- "Singapore.World"

## PLEASE CHECK AGAINST DELIVERY.

AS MR RAJARATNAM POINTS OUT, the concept of a “global city” was first formulated by the historian Arnold Toynbee. It was a new form of human organization and settlement, Toynbee had argued. Cities of the past were relatively isolated centres of local civilisations and regional empires. “They were either capital cities or cities of prestige, holy cities, city states and even capitals of convenience.” The global city, by contrast, was an “Ecumenopolis” — a world-embracing if not world-straddling entity. This is how Rajaratnam saw it:

“The Global Cities, unlike earlier cities, are linked intimately with one another. Because they are more alike they reach out to one another through the tentacles of technology. Linked together they form a chain of cities which today shape and direct, in varying degrees of importance, a world-wide system of economics. It is my contention that Singapore is becoming a component of that system – not a major component but a growingly important one.”

This was in 1972. Today, we have indeed become “a major component” in this system of linked global cities, a world-embracing “Ecumenopolis”. Forty-six years later, what might we say of Rajaratnam’s vision? Can our future still be said to be encompassed in being a node in a system of linked global cities: New York and Shanghai, London and Berlin, Tokyo and Paris, Hong Kong and Singapore? How has the vision of Singapore as a global city held up?

TO BEGIN WITH, the vision has held up remarkably well. Indeed, Rajaratnam’s speech might be regarded as one of the founding documents of independent Singapore, on par almost with the Separation Agreement. Why do I say that? Because prior to this speech, we didn’t have a theory – a “story” as we would say now -- as to how Singapore, alone and bereft of a hinterland, might not only survive but also thrive. Perhaps only a couple of you here would remember this, but Rajaratnam’s 1972 speech began with a question: How come, seven years after separating from Malaysia, Singapore is still surviving? After all, all our founding leaders – especially Rajaratnam – had assumed “an independent Singapore cannot be viable,” as he himself admits in his speech. The settled conviction then, on both sides of the Causeway, was that “a small city state, without a natural hinterland, without a large domestic market and no raw materials to speak of, has a near-zero chance of survival politically, economically or militarily.” So why didn’t we sue, on bended knees, to be re-admitted into Malaysia, as the Tunku and other Malaysian leaders had expected us to?

Rajaratnam’s answer – and this was the first time it was articulated explicitly thus – was that Singapore could defy the odds because it had begun transforming itself into a new kind of city, a global city, with the world as its market. Before we had assumed Singapore could at best be a regional city – playing the role of a middleman as exemplified by our dependence on entrepôt trade. Its transformation into a global city, with the world as its hinterland, was what enabled Singapore to prosper despite the loss of a common market with Malaysia.

(Incidentally, though Rajaratnam was the first to articulate this vision of Singapore as a global city, it was Dr Albert Winsemius – the Dutchman who fortuitously did come often to Singapore roughly 150 years after Raffles was relieved to find no Dutchman here -- it was Winsemius who first told our founding leaders that the world could be our market. Visiting Singapore soon after Separation and discovering Mr Lee Kuan Yew, Dr Goh Keng Swee and the rest staring up at the ceiling in despair, wondering how we were to survive without a hinterland, Winsemius told them to stop moaning. Why are you worried about the loss of a common market of a mere 10 million, he asked them, when the whole world beckons? We take all these insights for granted now but they were once un-thought — perhaps even unthinkable. The received wisdom in development economics then stressed import substitution and producing for protected markets.)

## PLEASE CHECK AGAINST DELIVERY.

MY SECOND OBSERVATION, is that Rajaratnam's forecast of how our economy, along with the global economy, would develop was spot on. He didn't use the term "global supply chain" but that is what he meant when he spoke of the "internationalisation of production" led by multi-national corporations. Nor did he speak of "globalisation" – another term that wasn't current as yet in the 1970s – but that's what he was gesturing towards when he observed: "The conventional idea that goods move internationally but that factors of production do not is being eroded by new realities."

But do cities — global cities, to be precise — remain the primary engines of the global economy? I don't have time, let alone the qualifications, to pronounce at length or authoritatively on this subject, but the ecology of cities I suspect is more complicated now. Global cities undoubtedly remain prominent in that ecology. But we also have a plethora of regional cities, manufacturing centres like Shenzhen, financial centres like Zurich, technology and innovation constellations like Silicon Valley, hubs of various kinds, satellites and triangles and what not.

In addition, globalisation has eroded the distinctions between cities and countries, regions and the globe. Singapore need no longer wrestle with a choice: Either we remain a regional city, serving our immediate neighbourhood, as we did for almost 150 years; or leapfrog the region to hook up with a network of other global cities, as was the main (but by no means exclusive) thrust of our economy the past 50 years.

Our region, like many other regions, has itself been absorbed into the global supply chain. As a result, our economy can be at once global as well regional. With the global centre of gravity shifting to Asia, we can pursue what has been called a Global-Asia strategy, with Singapore serving as a gateway to the world for Asia and a gateway to Asia for the world – reprising our historic entrepôt or intermediation role but on a vaster, more complicated, more interdependent stage.

RAJARATNAM'S VISION OF SINGAPORE as a global city has come to pass not least because the first 50 years of our existence as an independent, sovereign city-state coincided with a particularly benign period in world history. We couldn't have guessed it in 1965, when the Vietnam War was still raging and Mao's China was in the throes of that mad paroxysm known as the Cultural Revolution. But the second half of the 20<sup>th</sup> century saw the greatest expansion of trade the world has ever seen, as barriers to the free movement of goods, services, capital, talents, ideas and innovations crumbled and the primarily Anglo-Saxon liberal world order triumphed.

Which leads me to the third observation: Is that world order retreating, as many fear? And if it is, how is Singapore to position itself? These are questions Rajaratnam was not unaware of. For in that same speech, he spoke of the possibility of this global system collapsing:

"...Singapore survives and will survive because it has established a relationship of interdependence in the rapidly expanding global economic system. Singapore's economic future will, as the years go by, become more and more rooted in this global system. It will grow and prosper as this system grows and prospers. ***It will collapse if this system collapses.*** But the latter is hardly likely to happen because that would be the end of world civilization."

Indeed, the system may not collapse, but what if the system retreats, contracts, or worse still, divides into two or more competing systems? We are not likely to find answers to these

## PLEASE CHECK AGAINST DELIVERY.

questions anytime soon -- not least because there is “little hope of fixing the divisions in the international order,” as Deputy Prime Minister Tharman Shanmugaratnam observed the other day, till the “domestic divisions and the loss of trust in political leadership [in the advanced economies] are repaired.”

WHICH LEADS ME TO MY FOURTH AND FINAL OBSERVATION: The divisions that DPM Tharman mentioned can occur here too, as indeed Rajaratnam foresaw 46 years ago. For in the same speech celebrating the emergence of Singapore as a global city, Rajaratnam warned:

“In this address I have dealt largely with the economic aspects of Singapore as a Global City. But the political, social and cultural implications of being a Global City are no less important.... The political, social and cultural problems, I believe, would be far more difficult to tackle. These may be the Achilles’ heel of the emerging Global Cities. Laying the economic infrastructure of a Global City may turn out to be the easiest of the many tasks involved in creating such a city. But the political, social and cultural adjustments such a city would require to enable men to live happy and useful lives in them may demand a measure of courage, imagination and intelligence which may or may not be beyond the capacity of its citizens.”

We know now why the political, social and cultural adjustments attendant on becoming a global city may be more difficult than the economic adjustments. We have been grappling with these difficulties – most pronouncedly since the 2011 General Election but in reality since the 1990s. Let me end with a series of one-liner thesis statements to outline that reality:

- Singapore may be a global city, but not all parts of its economy are equally globalized
- Singaporeans may be global citizens, but not all Singaporeans are equally cosmopolitan in their outlook
- Communities exist here and now, locally; or they don’t exist at all
- Singapore is a global city, linked to other global cities; but there is no singular community linking these global cities
- The global economy doubtless exists; but there is no global society subtending the global economy
- Income inequality is ultimately due to the incomes of the globalized elite in any society outstripping the incomes of the rest in that society
- The most privileged locally are also the most mobile globally; the most mobile globally are also the most privileged locally
- Meritocracy=Local Privilege=Global Mobility
- If we do not resolve the political, social and cultural problems attendant on Singapore being a global city, our politics will turn vicious, our society will fracture and our nation will wither

And finally:

- We cannot secure Singapore’s place in the world without first securing Singapore.

**PLEASE CHECK AGAINST DELIVERY.**

Rajaratnam's vision of Singapore as a global city is a work in progress. Let us strive, as he urged, "to make the Global City now coming into being into the Heavenly City that prophets and seers have dreamt about since time immemorial."

. . . . .