

SINGAPORE PERSPECTIVES 2010

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Singapore Perspectives 2010
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PANEL III: One Global City

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Agenda


- Why Singapore needs to be a “Global City”?
- How did we get there?
- At what future costs?
- What could be done to mitigate the costs?



What makes a city “global”?

- Linkages binding a global city have a direct and tangible effect on global affairs (Saskia Sassen, 1991)

- From various literature yardsticks include among others:
 - Significant financial market / output / services provision
 - Innovations, and the markets for these innovations
 - Active political influence in world affairs
 - Diverse demographical constitutes / expat communities
 - Renowned cultural / educational institutions
 - Advanced transportation system / airports / health facilities / communication infrastructure



But Singapore is a “global City-State”

- Friedmann (1986), Beaverstock *et al* (1999), Short and Kim (1999) all listed Singapore in their leagues of global cities
- Of these cities only Singapore and HK issue their own postal stamps (Olds and Yeung, 2004)

Singapore is a global city-state which comes with greater responsibilities and greater socio-economic challenges



What history says of “great cities”

- Henry James, a British-American author wrote of London in 1881 when he contemplated what was then, and still is, one of the greatest cities of the world, London “is not a pleasant place; it is not agreeable, or cheerful, or easy, or exempt from reproach. It is only magnificent.” (*Henry James, 1881*).
- *The Bible* described Babylon as “the mother of harlots and abominations of the earth.”
- *Lewis Mumford (1968)* gave an unflattering account of urban Rome and almost reluctantly added, “when the worst has been said about urban Rome, one further word must be added; to the end, men loved her”.

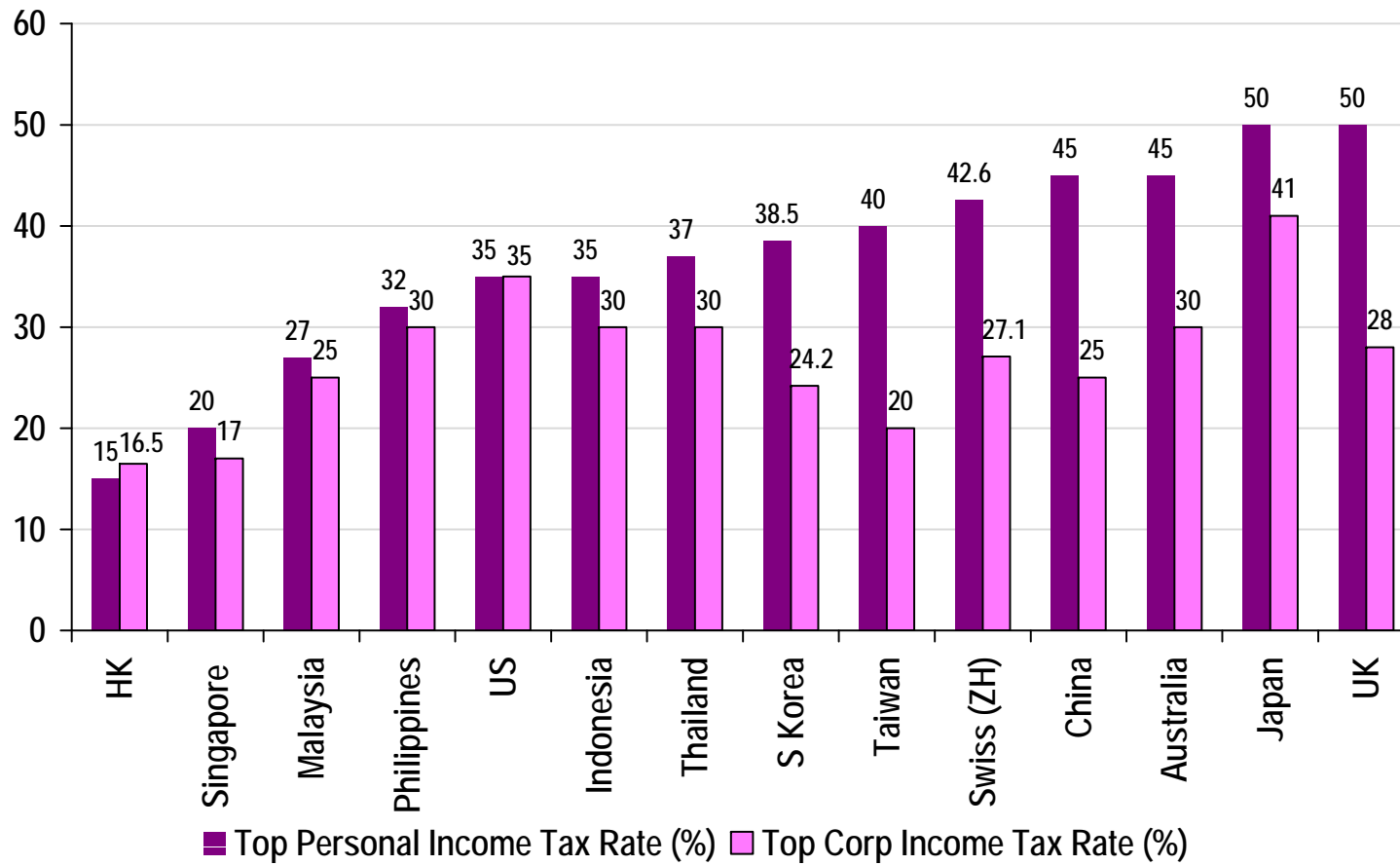


How we got there?

- Astute leadership
- Nurturing human resource: education, hardworking workforce
- Capital accumulation / attracting multinational corporations
- Import of talent

It is critical that Singapore maintains its status as a great global city as it is the crucial element in attracting these talents and MNCs to Singapore

How we got there? Tax rate

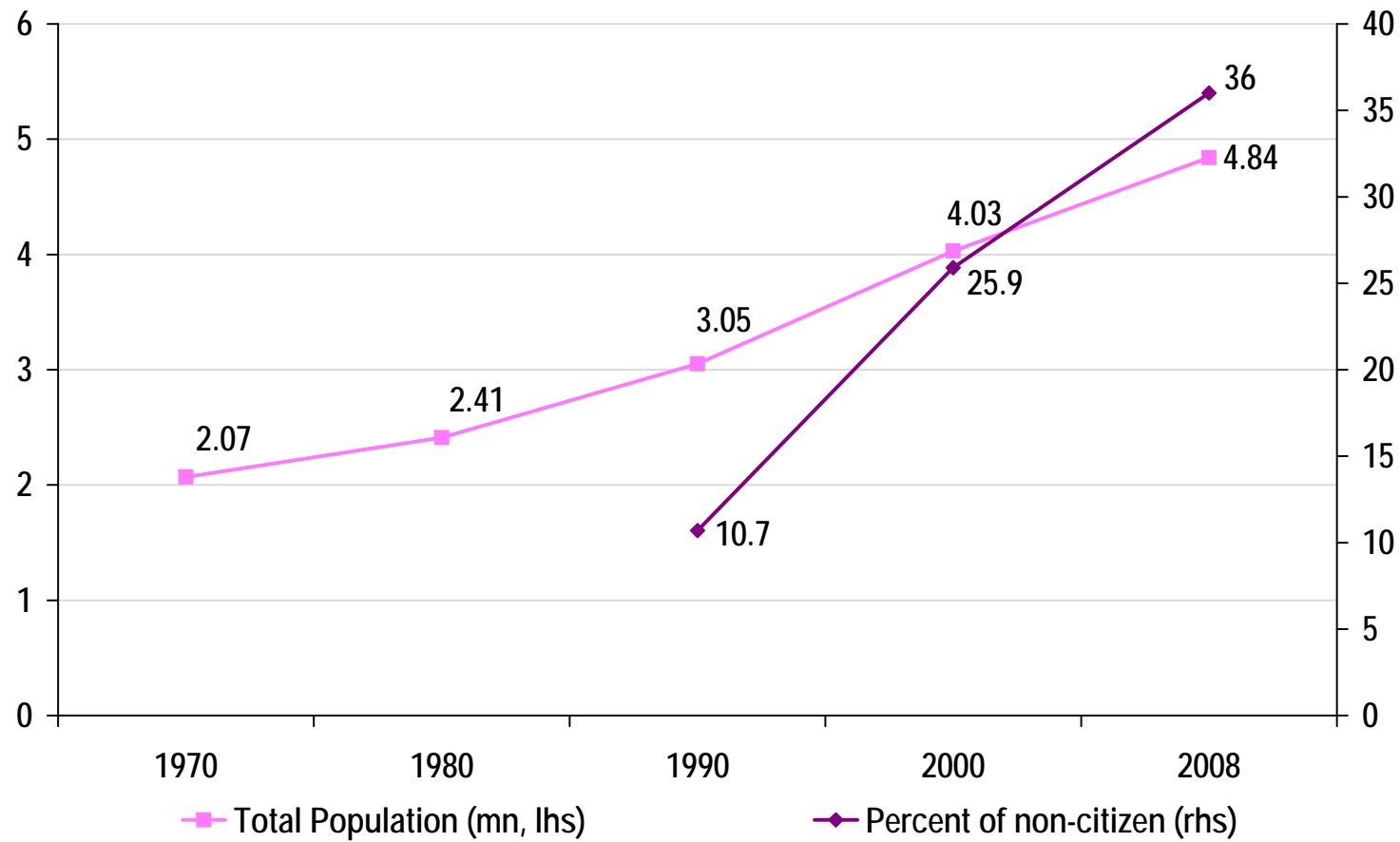




Military Spending

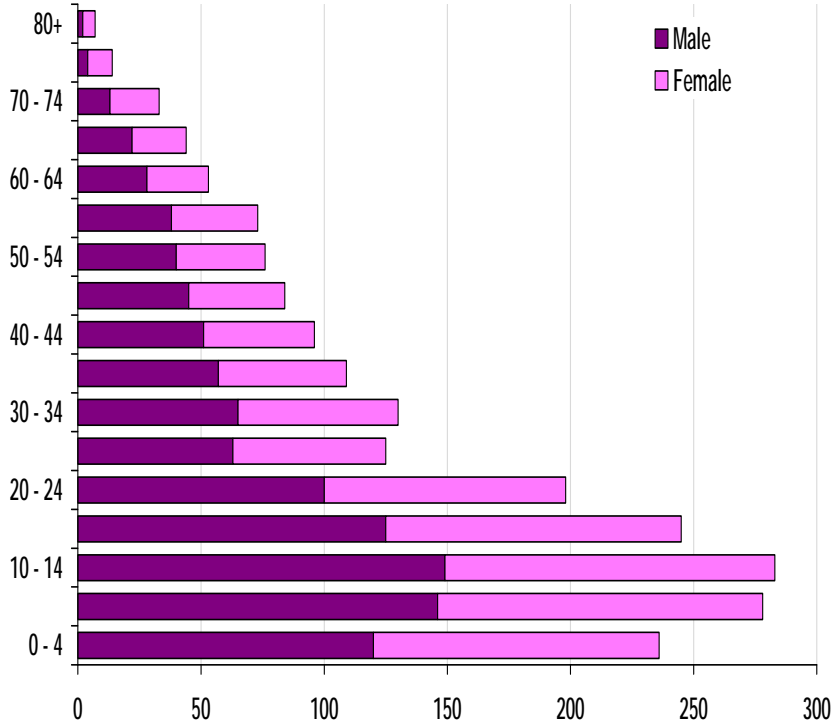
- The government spends ~26% of total fiscal expenditure (before transfers) or ~5% of GDP on defence over the last decade
- The US spends an average of 3.8% of GDP or 17% of total federal budget on defence

Population Trends

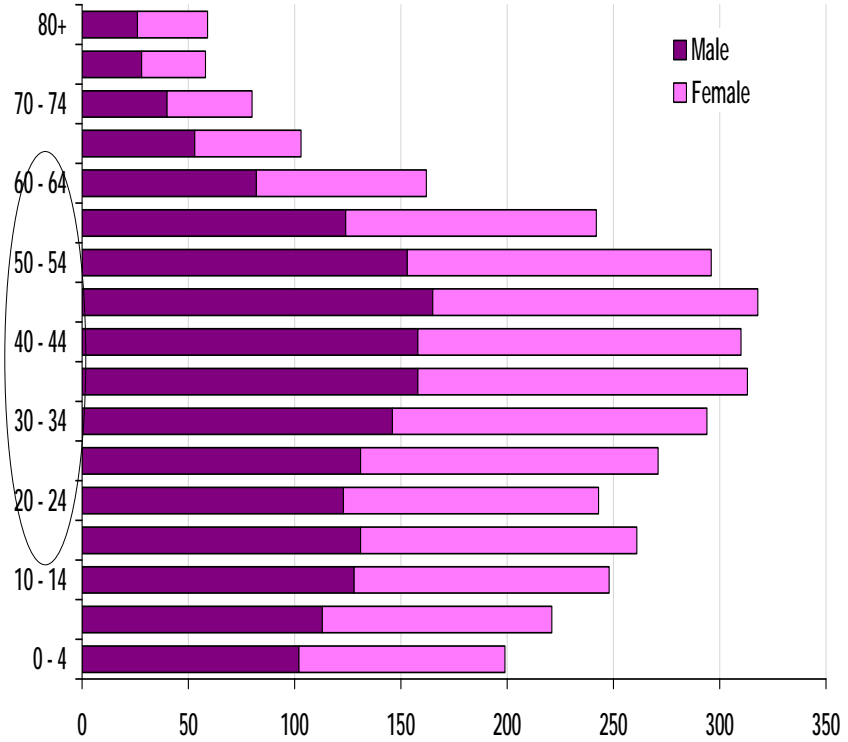


Source: Population trends, Department of statistics, Ministry of Trade and Industry

Demographic Trend



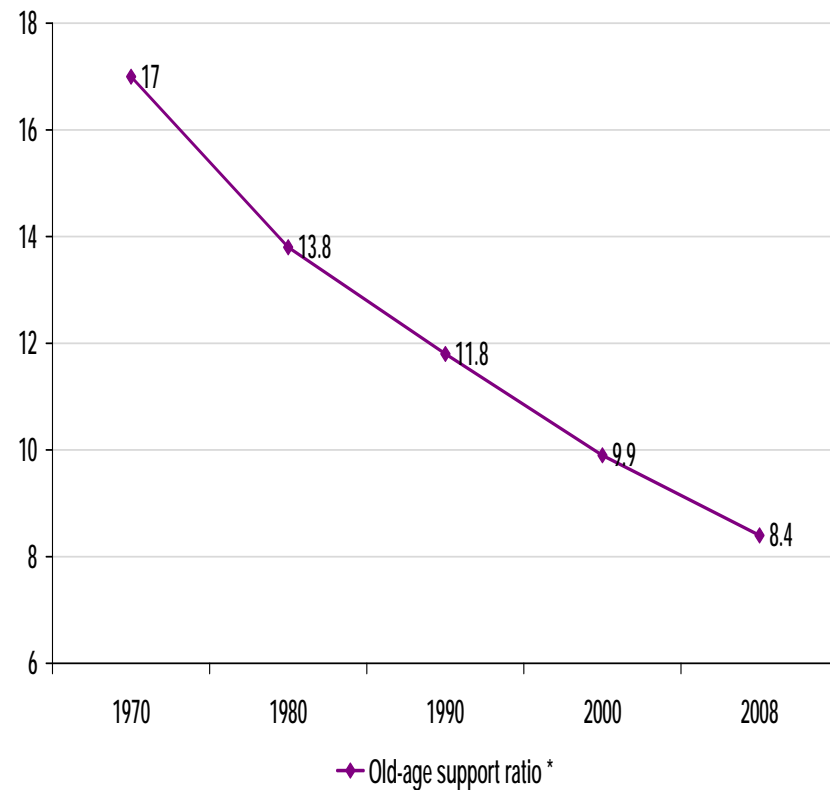
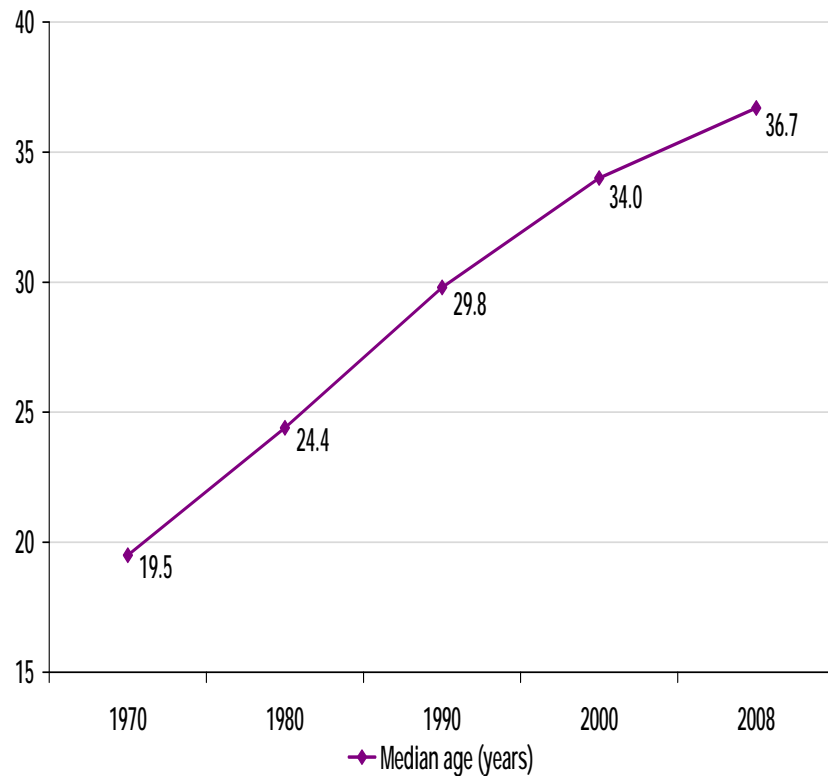
1970



2009

Source: Population trends, Department of statistics, Ministry of Trade and Industry

Demographic Trend



* Number of population between 15-64 per elderly (>64)

Source: Population trends, Department of statistics, Ministry of Trade and Industry



Retirement Years

- Assuming a retirement age of 65

- * 2003 average living years after retirement = 18.0 years
(M = 16.5, F = 19.6)

- * 2008 average living years after retirement = 19.2 years
(M = 17.4, F = 20.8)



Cost Of Living

- Mercer Cost of Living Survey

- Survey covers 143 cities across six continents and measures the comparative cost of over 200 items in each location, including housing, transport, food, clothing, household goods and entertainment.

| Position | Country | Index * | Position | Country | Index * |
|-----------------|------------------|----------------|-----------------|----------------|----------------|
| 1 | Tokyo | 143.7 | 51 | Seoul | 79.9 |
| 4 | Geneva | 109.2 | 61 | Taipei | 78.2 |
| 5 | Hong Kong | 108.7 | 66 | Sydney | 75.5 |
| 8 | New York City | 100.0 | 96 | Kuala Lumpur | 69.2 |
| 9 | Beijing | 99.6 | 98 | Bangkok | 68.6 |
| 10 | Singapore | 98.0 | 105 | Jakarta | 64.9 |
| | | | 138 | Auckland | 54.0 |



Quality of Living

- Mercer's Quality of Living Global City Survey

- This takes into account diversity, entertainment, freedom of speech and choice, availability of choice, etc, relative to the cost

| Position | Country |
|-----------------|------------------|
| 1 | Vienna |
| 2 | Zurich |
| 3 | Geneva |
| 4 | Auckland |
| 10 | Sydney |
| 26 | Singapore |



Proposal

- The end of retirement (a welfare state is not an option)
- OR; negotiate a “one federation, two system” arrangement with Malaysia (not dissimilar to HK-China deal)
 - Possibly extend this to ASEAN Union similar to the EU
 - But this might take years (EU took 20 years to formalise)
- This would reduce defence spending for social security
- At the interim, draw some of the fiscal reserve to ease burden on retiring / needy citizens