Business Sector Workshop Report

Changi Village Hotel Quad 1: 19 – 20 July 2012

EXECUTIVE SUMMARY

Introduction

1.　　IPS Prism is a platform for Singaporeans to think about the future and how we will govern ourselves in 2022. A series of seven workshops were conducted over June and July 2012. This is a report of the workshop featuring participants from the business sector.

2.　　At the workshop, participants were invited to form teams that convened to discuss how Singapore might evolve over the next 10 years and what the driving forces of change might be for various scenarios.[1]

Method

3.　　All teams in the Business Sector Workshop opted for the deductive approach to developing their scenarios. The scenarios were deduced from sets of driving forces that were deemed to be highly plausible in the future. By forming a matrix of these driving forces, each team produced at least four sets of scenarios, with each scenario fleshed out by a narrative depicting the state of governance, and in some cases with hypothetical media headlines. The teams also discussed a strategy for governance at the end of the workshop. Finally, the scenarios were put to a vote to select the most plausible as well as challenging set.

Driving Forces

4.　　Driving forces are defined as trends in the external environment that drive the plot of our scenarios, have an impact on the future and determine the outcomes. They are usually outside the immediate locus of control of one group or organisation, and would impact all the constituents in the system in one way or another.

5.　　One cluster of driving forces centred on the nature of the political system. Team 1 focused on the role of the state, contrasting a "*kaypoh* government" that was highly involved in the economy with a "*bo chap* government" that took a more hands-off, laissez-faire approach. Team 2 compared a polity with a centralised distribution of power on one end and a more participatory one at the other end. Team 3 compared what they termed "a singular political system" with a pluralist one. Team 4 felt that the government's ability to lead and to articulate a common vision for the nation was a critical driving force.

6.　　The values held by society and business formed another cluster of driving forces. Team 1 contrasted a world in which there was a low sense of corporate ethics with one where businesses behaved as "good corporate citizens". Team 2 felt that a critical driving force was whether Singapore society would be dominated by a concern for the material, what they call "value", or one animated by a value system that promoted care for individuals and the community, what they called "values".

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1. Please refer to the Appendix for the list of participants.

7.	Yet another cluster of driving forces focused on the social structure of the country. Team 3 used the level of economic opportunities for all as one of their driving forces; likewise, Team 4 used the level of social mobility and the equality of opportunity as theirs.

Winning Scenarios
8.	The participants decided through a vote that Team 4's scenarios — whose driving forces contrasted a situation of high and low social mobility, and a situation with a strong and weak common vision and leadership — were the most plausible and challenging set. Team 4 pipped Team 2 by just one vote.
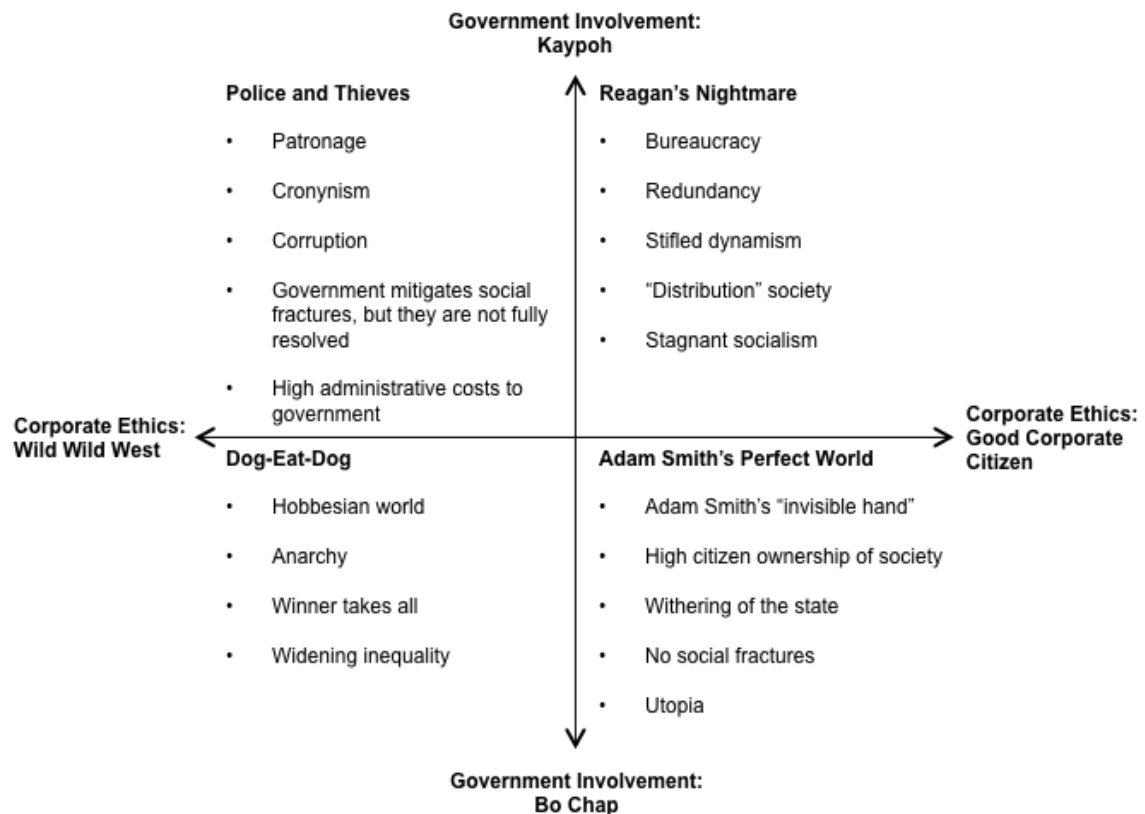

THE SCENARIOS

Team 1
9.	Team 1 compared a corporate world with values akin to those of the "wild wild west", and a corporate world where businesses acted as "good corporate citizens". This reflected what the team thought was a worrying decline in corporate ethics in recent years as reflected in the Enron and other financial scandals in the United States. Their second axis compared different levels of government involvement in the economy. This was linked to the recent interest in government regulation of companies, and reflected a world in which a government was highly involved in the economy (characterised by the word *kaypoh*). This was in contrast with a laissez-faire system where government takes a hands-off role in all things (characterised by the phrase *bo chap*). Social fissures are assumed to exist across society in all scenarios.

10.	The team felt that in the context of Singapore, the production role of the government (for example, through government-linked corporations, or GLCs) could be reduced if businesses practised good corporate behaviour. Businesses would then assume responsibility in people's welfare, the environment and such without the need for the government to fill the gaps or expend on other externalities that could arise from businesses being run in the usual way.

Figure 1. Team 1 Scenarios

Government Involvement:
Kaypoh

Police and Thieves
- Patronage
- Cronyism
- Corruption
- Government mitigates social fractures, but they are not fully resolved
- High administrative costs to government

Reagan's Nightmare
- Bureaucracy
- Redundancy
- Stifled dynamism
- "Distribution" society
- Stagnant socialism

Corporate Ethics: Wild Wild West

Corporate Ethics: Good Corporate Citizen

Dog-Eat-Dog
- Hobbesian world
- Anarchy
- Winner takes all
- Widening inequality

Adam Smith's Perfect World
- Adam Smith's "invisible hand"
- High citizen ownership of society
- Withering of the state
- No social fractures
- Utopia

Government Involvement:
Bo Chap

Reagan's Nightmare

11.   In this scenario, while the private sector is behaving responsibly, government intervention creates extra layers of bureaucracy and stifles dynamism. Here, the effect of government intervention is to replicate the redistribution that the private sector is carrying out. Examples of private sector redistribution could include corporations preventing huge inequalities of income between the highest and lowest earners. This is in contrast to government intervention that incentivises production. This scenario represents stagnant socialism in the extreme case. The team also produced a scenario narrative, which is reproduced below.

12.   It was 2012, and the spirit of Ronald Reagan, who dreamt of less government for the people, was soaring. He was attracted to the glistening tropical island of Singapore, and found himself on the magnificent rooftop gardens of the Marina Bay Sands, where he noticed casino employees hosting a group of handicapped children on the terraces of the garden. He was amazed by this act of corporate social responsibility (CSR), but alas, this was not to last! Within minutes, a group of policemen came and arrested these employees as they were holding the event without having the requisite public entertainment license.

13.   2011 had been described as a watershed election year, with the ruling party — the Beige Party, seeing its credibility being challenged by the key opposition party — the Turquoise Party. The Turquoise Party won the people over with their robust manifesto and gave the voters in Singapore the

alternative that they wanted. In the years after the 2011 election, government control over free speech was eased, and CSR was promoted. Singapore saw an increased awareness of social issues among corporations and civil society with these groups taking greater ownership in dealing with many of these issues.

14.   However, shortly before the 2021 General Election, Singaporeans were shocked by a major scandal involving the leader of the opposition Turquoise Party, whose affair with a fellow party member was exposed. This party member was a new citizen and a savvy businesswoman, who was trying to get an edge in the bidding for a new town council project in the eastern part of Singapore. This incident affected the credibility of the Turquoise Party, and the General Election of 2021 saw the ruling Beige Party entrench its position in government. The Beige Party wrongly read this endorsement as a mandate to tighten regulations in Singapore, and in a quest to be more *kaypoh*, they scrutinised all aspects of corporate functions, and made it a statutory requirement for companies to submit reams of documents in hard copy before any project in the country was approved. The Beige Party-led government also imposed high corporate taxes to fund various social programmes, even if these programmes duplicated the events that were already run by voluntary organisations and civil society groups.

15.   And so, while corporations in 2022 are well-behaved, transparent and have high levels of involvement in CSR projects, excessive government bureaucracy and regulation stifles dynamism.

Adam Smith's Perfect World
16.   This scenario represents the situation described by Adam Smith in *The Wealth of Nations* and in *The Theory of Moral Sentiments*, where the invisible hand works within a certain ethical and moral framework. This is an ideal situation of high citizen ownership in which there is a strange meeting of Adam Smith and Karl Marx. Here, the citizenry has reached a new communist consciousness, where everyone takes and gives according to their means and where the state is not needed. However, this scenario represents an extreme, almost unbelievable situation. The team produced the following scenario narrative.

17.   The year is 2021. Campaigning on a platform of "small government, big people", Prime Minister Wong swept into power in the last general election. Credit was not entirely hers though, as radical reframing of the role of corporates had captured public imagination. At the time of the last elections, the GSK-Pfizer "free hospital" had just performed its 10,000th surgery for poor Singaporeans and NTUC First Skool had become a leading early education provider, with public satisfaction with pre-school education at an all-time high. A record 15,000 companies, large and small, had signed up to affirm the "Corporate Framework for Social Responsibility". The Public Service Division had revamped the Public Service Commission scholarships in 2013 and no longer mandated service obligations to the government, electing instead to craft the contract as "serving Singapore". In the preceding ten years, many had entered corporate life holding a deep "Singapore" ethos. The economic

crisis of 2017 — when the government stepped in to bail out a number of large companies — was also not forgotten, and corporate chieftains had not flinched from playing their part in transforming the corporate-citizen compact since then.

18.   The great "new social compact" that then-Nominated MP Laurence Lien had articulated in 2012 had been thoroughly debated and discussed, and Singapore was confident of the path she had charted, which aligned people, the corporate sector and government. It felt like the golden era of the new tri-partitism of Government, Business and the People. Government focused on "light-touch regulation" and shrank back from massive production-side interventions, emphasising values and the "Singapore Way" over the previous doctrine of "pragmatism" and "growth whenever possible".

19.   Prime Minister Wong was still fretting though: how could Singapore be sustained on a soft and woolly basis of "values"? What if the corporates reneged? Could the government seize back the reins if needed?

20.   Online chatter was strident in calling for Temasek and GIC to be privatised.

Police and Thieves
21.   This scenario conjures up the image of when the West was being won in the United States and mercenary companies abounded. The government is highly involved in the economy, and its influence could go one of two ways. It could either "police" these companies or it could join forces with these companies to extract rents from the citizenry. If the government behaves in the former, "police" way, it is able to mitigate the effect of these mercenary companies on social fissures in society. However, this comes at a high administrative cost largely due to the cost of enforcement. Italy was cited as an example of this situation. The team produced the following scenario narrative.

22.   Once upon a time, a cocky little country called Singapore woke up one day to a horrific nightmare. Its much vaunted sovereign wealth funds, GIC and Temasek, were found to have papered over massive losses in the financial markets. Both collapsed, dragging down the Singapore economy. Businesses folded as capital fled. The government of the day was replaced by one that was distrustful of businesses. As businesses scrambled to survive in the new chaos, they found themselves buried under an avalanche of government regulations designed to police wayward corporate behaviour.

23.   To get ahead, savvy businesses cultivated governmental patronage. Cronyism and corruption ensued. As the mistrustful government spent a lot of time playing "police" to catch thieves, resources were directed away from tackling social fractures, which were mitigated to a certain degree but never fully solved.

Dog-Eat-Dog

24.   This situation is one of anarchy akin to that envisaged in a Hobbesian world, where life is nasty, brutish and short. Social fractures are made worse in this "winner takes all" scenario.

Discussion

25.   A participant had some reservations about presenting a world where CSR could be used to fully address social problems and needs such as healthcare, housing and social security. The participant felt that it was more plausible if CSR were to supplement government social policy that is itself workable, empowering and implemented in an ingenious way. This is in contrast to expecting the corporate sector to step up to cover the 10% of GDP that is needed to provide the public goods that are required.

26.   Another participant added that these scenarios were consistent with the current trend for corporations to embrace a more compassionate form of capitalism. The participant pointed out that the line between "the work I do" and "the good I do" has now become blurred for corporations. Now, mainstream companies are more socially conscious in their everyday operations.

27.   Another participant agreed that there is an increasing trend that companies get involved in social welfare activities in response to the interests of its employees, who would like to be involved in volunteering their resources to that end.

28.   Yet another participant commented that the nature of the public goods that society is currently most concerned about — housing, healthcare, unemployment protection, adequate pensions and welfare for the poorest Singaporeans — make it difficult to envision these goods being provided completely by the corporate sector.

29.   A participant pointed out that the current situation as described in the scenarios and the current situation in the real world might be different. In the current situation described in the scenarios, with the exception of GIC and Temasek, the corporate world and the government are fairly separate. However, this is not necessarily true in the real world, where there are large corporations that have close ties with the government. The participant provided the example of government-related health organisations, SMRT and CapitaLand Limited.

30.   A team member felt that some of these corporations could be privatised if they have shown themselves to have good corporate values that have been developed over time. While the choice to privatise SMRT is different as it provides a public good, there are other private companies that are owned partly by the government that could be privatised. The team member felt that the GLCs were generally good corporate citizens, and that these values would have permeated through the corporate world in Singapore. There was hence no need for government involvement in the

production side of things. Rather, the government should concentrate more on the provision of public goods and on redistribution.

31.   The same team member also agreed that perhaps the driving forces used in the scenarios were too reductionist. The team member would have liked to include another dimension, that of a civil society that is private. The government would then have the option of outsourcing the provision of these social services and public goods to this private civil society. This could result in better outcomes as these civil society groups are likely to be closer to the ground, less bureaucratic and different from the civil service.

32.   Another team member clarified that the definition of "private sector" used by the team referred to all organisations that were non-governmental. This would include voluntary welfare organisations, corporations and GLCs.

33.   This led to a debate over whether, based on the definition above, CapitaLand Limited could be included in the private sector. Some participants felt that CapitaLand Limited's involvement in the Iskandar Development Region was an example of a decision made based on political rather than commercial considerations. However, another participant felt that perhaps 90% of the decisions made at CapitaLand Limited were likely to be based on commercial considerations and presumably that a decision to invest in Iskandar was the exception to the rule.

34.   Others felt that perhaps the government could be in the best position to bear the risk that is associated with projects such as the Iskandar Development Region. This was also the main reason why corporations such as Temasek and Khazanah Nasional Berhad were formed — to invest in areas that the private sector would not, as was the case of Singapore Airlines. However, Temasek or CapitaLand Limited are unable to provide development bank functions, and there is still a role for the state in providing this. Also, the environment now is different from that when Temasek was founded as there is now a private sector that can afford to take the start-up risk that Temasek was set up to take, thus further reducing the need for government involvement in the economy.

35.   A participant felt that the relative share of the provision of public goods mattered, and that non-governmental organisations could do more while the government does less. Another participant pointed out that corporations are able to provide a lot more public goods than is generally assumed.

36.   The discussion moved on to the incentives that are in place for corporations to provide public goods or to carry out socially beneficial activities. Marketing and branding were provided as two possible reasons. However, one participant felt that businesses are driven by costs and preferences, and that these elements were not fleshed out that clearly in Team 1's scenarios.

37.   In response to this, a participant commented that some corporations now find it profitable to be green, citing the example of Unilever. CSR could
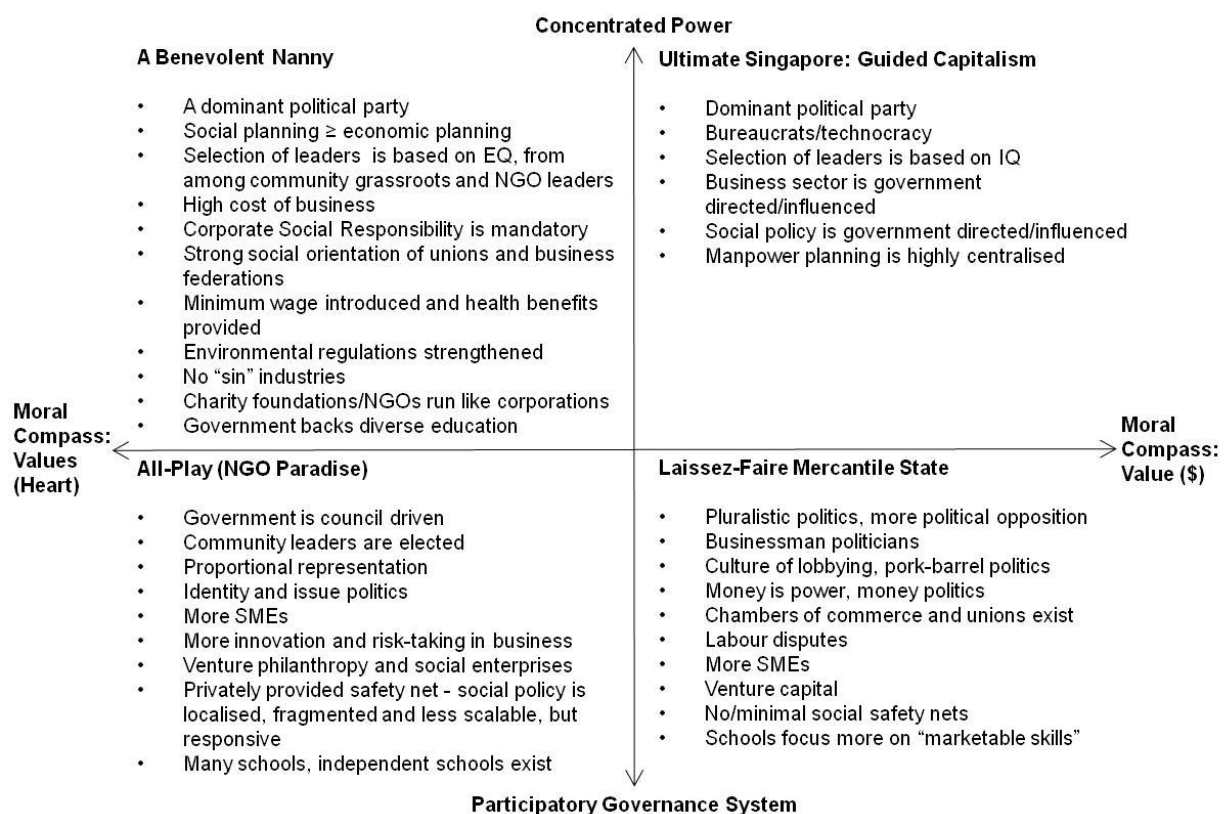
become integral to both the supply side (inputs) and the demand side (consumers) of a business. At the leading edge of these trends, corporations have gone well past requirements of social policies put in place or required by the government.

38.   One final remark was whether the Singapore government has provided corporations with enough incentives to do good.

Team 2
39.   Team 2 used the different values in society as one of their driving forces. "Heart" values, representing an interest in the welfare of society and its constituents were placed at one end, while "$" values, representing materialist interests, were placed at the other pole. The second axis represented the different possible forms of distributions of power. Concentrated power (in any centre of authority) was placed at one extreme, and a situation of a participatory political system was placed at the other.

Figure 2. Team 2 Scenarios

Concentrated Power

A Benevolent Nanny
- A dominant political party
- Social planning ≥ economic planning
- Selection of leaders is based on EQ, from among community grassroots and NGO leaders
- High cost of business
- Corporate Social Responsibility is mandatory
- Strong social orientation of unions and business federations
- Minimum wage introduced and health benefits provided
- Environmental regulations strengthened
- No "sin" industries
- Charity foundations/NGOs run like corporations
- Government backs diverse education

Ultimate Singapore: Guided Capitalism
- Dominant political party
- Bureaucrats/technocracy
- Selection of leaders is based on IQ
- Business sector is government directed/influenced
- Social policy is government directed/influenced
- Manpower planning is highly centralised

Moral Compass: Values (Heart)

Moral Compass: Value ($)

All-Play (NGO Paradise)
- Government is council driven
- Community leaders are elected
- Proportional representation
- Identity and issue politics
- More SMEs
- More innovation and risk-taking in business
- Venture philanthropy and social enterprises
- Privately provided safety net - social policy is localised, fragmented and less scalable, but responsive
- Many schools, independent schools exist

Laissez-Faire Mercantile State
- Pluralistic politics, more political opposition
- Businessman politicians
- Culture of lobbying, pork-barrel politics
- Money is power, money politics
- Chambers of commerce and unions exist
- Labour disputes
- More SMEs
- Venture capital
- No/minimal social safety nets
- Schools focus more on "marketable skills"

Participatory Governance System

Ultimate Singapore: Guided Capitalism
40.   This is "Singapore on steroids" and represents a more extreme version of Singapore than today. The government maintains its legitimacy as the country faces an uncertain global economy and its perception of security threats is acute. The team produced the following scenario narrative.

41.   After the General Election of 2011, the ruling party attempted to regain favour with the electorate. They retired the party elders and several ministers,

cut ministerial pay and tightened controls on immigration. They also stepped up efforts to improve the country's infrastructure to accommodate the present population and an eventual population of 10 million.

42.   In 2013, the US economy tanked and the Eurozone broke up. The world faced its worst financial crisis ever, and there was a global recession until 2015. The Singapore government did what it does best — it dipped into its reserves and implemented measures that were aimed at helping citizens and businesses survive. Meanwhile, in Malaysia the Pan-Malaysian Islamic Party came to power in the 2015 elections resulting in widespread racial riots there. During this time, there was also a terrorist attack in Singapore, and the government quickly put in place safety measures and apprehended the culprits.

43.   In the 2016 Singapore General Election that was held on the back of these events, the citizens rewarded the People's Action Party (PAP) for its work in the previous years. It romped home with 70% of the votes and almost all of the seats in Parliament. However, while they managed to win back the Aljunied Group Representation Constituency (GRC), they lost three Single Member Constituencies (SMCs) — Hougang, Joo Chiat and Potong Pasir — to the political opposition. The PAP was determined to deliver governance as people knew it.

44.   A year later, an elder statesman of Singapore died. This event saw the Prime Minister consolidating his power, and returning to the social compact that had worked well for Singapore in the past — that of a marketplace economy. Three more casinos were introduced in Hougang, Toa Payoh and Changi.

45.   Currently, the new Secretary General of the PAP, Harry Ali, is expected to become the new Prime Minister after the 2021 General Elections. He has an IQ of 180 and is an old boy of Raffles Institution and a former President's Scholar. Most of his fellow President's Scholars expect to be in Cabinet with him, along with several former high-flying Chief Operating Officers of large Temasek-linked companies. The PAP expects to win all the parliamentary seats in this election, helped by the removal of the SMCs. Only GRCs with greater than five members exist, and there is no strong opposition party as the leaders of the main opposition party were declared bankrupt in the previous year. The citizens do not have a problem with the current political situation, as the social compact is working well and Singapore's $120,000 per capita GDP is the world's second highest after Norway and is expected to surpass that by 2023!

46.   In the business sector, the Singapore Business Federation has become an umbrella organisation for all the various chambers of commerce, and the NTUC is the sole union in Singapore. The National Council of Social Service, along with all the other sector administrators have been consolidated into a single government department. Manpower planning in Singapore is centralised, and everyone has a role to play. Streaming begins in schools at

the age of six, and continues at the ages of 12, 16, 18 and 25. This is the ultimate Singapore, where everyone can be the best that they can be!

47.   The headline the team developed for "Ultimate Singapore" was "Harry Ali expected to be next PM with landslide victory".

A Benevolent Nanny
48.   In this scenario, the government depicted in the "Ultimate Singapore" scenario moves to the ideological left after the initial general election, and considers social welfare as a greater part of public policy. However, while the government takes a stronger position in favour of social provision, this provision is done by large entities such as businesses (for example, through CSR), the social sector (for example, through large foundations) and the government itself. The team created the following scenario narrative.

49.   After the watershed General Election of 2011, the government took measures to be closer and better connected to the people. As a result, they were able to win the seat in the Hougang SMC previously held by the opposition. This reinforced its commitment to listening to its citizens.

50.   In the run-up to the 2021 General Election, the government promised a slew of changes. The Prime Minister would step down after the general election, and the Ministry of Community Development, Youth and Sports (MCYS) would be split, and a "Social Ministry" would be created and handled by the Prime Minister, who was himself to be chosen from a "social ministry" — Mr Chan Chun Seng, the current minister of MCYS. More community grassroots leaders are also expected to become a part of the government. This reflected the government's belief in the importance of listening and being responsive to citizens' demands.

51.   Over the years, the government made it mandatory for all companies to contribute to CSR and to be involved in social action. The government also encouraged the NTUC, the Singapore Business Federation and the Singapore National Employers Federation to contribute to nation-building in this way. Environmental regulators have also been set up to ensure that companies take care of the environment as well. The government is much more "pro-people", and big foundations and non-governmental organisations are run more like corporations. The government also announced that the curriculum covered by the School of the Arts would be broadened to include other arts forms.

Laissez-Faire Mercantile State
52.   In this scenario, Singapore has a more participatory political system, but is still oriented towards pragmatic, hard-nosed, economic-based decision-making, as shown in the scenario narrative below.

53.   It is 2022, and I turn on my iPad (that has been manufactured in California!) and choose a newspaper to read from among the five available. After going through all the different advertisements, I finally get to the news and see the following headline "Eduardo Saverin runs for Parliament!". Over

the past 10 years, the government has responded to the citizens' desire for greater openness in government, and there are now more interest groups and a higher level of pluralism in the political landscape. Singapore's previous leader also opened up its borders and airwaves in order to attract foreign talent. That was seen as the way forward at the time; the Eurozone was falling apart, the United States was not in a good place, and Singapore wanted to attract as many people to Singapore as possible. The number of new citizens increased, and they became a significant political force, affecting the traditional balance of power in the population. Now, the ability to obtain citizenship — the passport to political legitimacy — is obtained through success in business, and an individual's place of birth is no longer as salient. Singapore in 2022 is more pluralistic, power is decentralised, politicians are businessmen and venture capitalists abound. In addition, schools are focused on training students in marketable skills, as the education system is very market-driven; the Theatre Studies and Drama Programme at Victoria Junior College has since been shut down, and a pre-business faculty opened in its place.

All Play (NGO Paradise)
54.   This scenario begins in a similar way as the Ultimate Singapore scenario, where Singapore faces economic problems that are accentuated by an aging population and a breakdown of the social safety net. The team created the following scenario narrative.

55.   Several worrying events have recently been reported in the news, for example, an elderly resident was found dead in his flat two weeks after his death. These stories upset the community and awakened their sense of social consciousness. This has led to the population losing its trust in the establishment and becoming increasingly disillusioned with the town councils and political leaders. There is a greater feeling that individuals cannot simply rely on social services to provide social welfare, and the population begins to think about how to organise the community in order to take charge of their own destiny.

56.   There has been a loss of jobs due to the economic problems that Singapore faces. However, there is also more incentive to take risks and to start companies, as there is no social safety net, and the alternative to this is unemployment. The business world is characterised by a larger number of small and medium enterprises (SMEs) and greater risk as the number of changeovers increase and business costs rise. This world is a messier than that described in the Ultimate Singapore scenario; manpower is not planned and the government gets its attempt at streaming wrong. The population tries to become more independent and rely less on the government. This results in an increase in the number of social enterprises. Venture philanthropy plays a bigger role. Individuals place an emphasis on first becoming financially independent, and only then do they make decisions about how to optimise their lives.

57.   Singapore in 2022 will also have many centres of power. The way that groups in the community come together to resolve their various issues, such

as economic interests and identity, will determine how Singapore will govern herself. There will be a greater tendency towards institutions such as a proportional representation electoral system (or a modified version of the first past the post electoral system used currently), councils, and consultative committees that allow many interest groups to influence government. It is now less important who holds the power, as whoever is in power has less of it, and there are balancing centres of power in the community. For example, Singapore could have a president with a six-month term of office. Government will also be smaller, as it can no longer afford to be big.

58.   In the area of education, there are now many more types of schools that cater to students' different needs.

Discussion
59.   A member of Team 1 found it interesting that Team 2 had taken a different approach with its "A Benevolent Nanny" scenario. Team 1 felt that a "*kaypoh* government" in an environment with good corporate ethics would be counterproductive and would reduce dynamism. In contrast, Team 2 felt that this situation would be a fairly pleasant one, where the government plays a positive role.

Team 3
60.   Team 3 used the type of political system at play in the country as the driving force on the horizontal axis, with one pole representing a singular centralised political system, and the other pole representing a more pluralist political system. They emphasised that this plurality might be expressed as a multi-party political system, and that this axis represented a spectrum of possibilities.
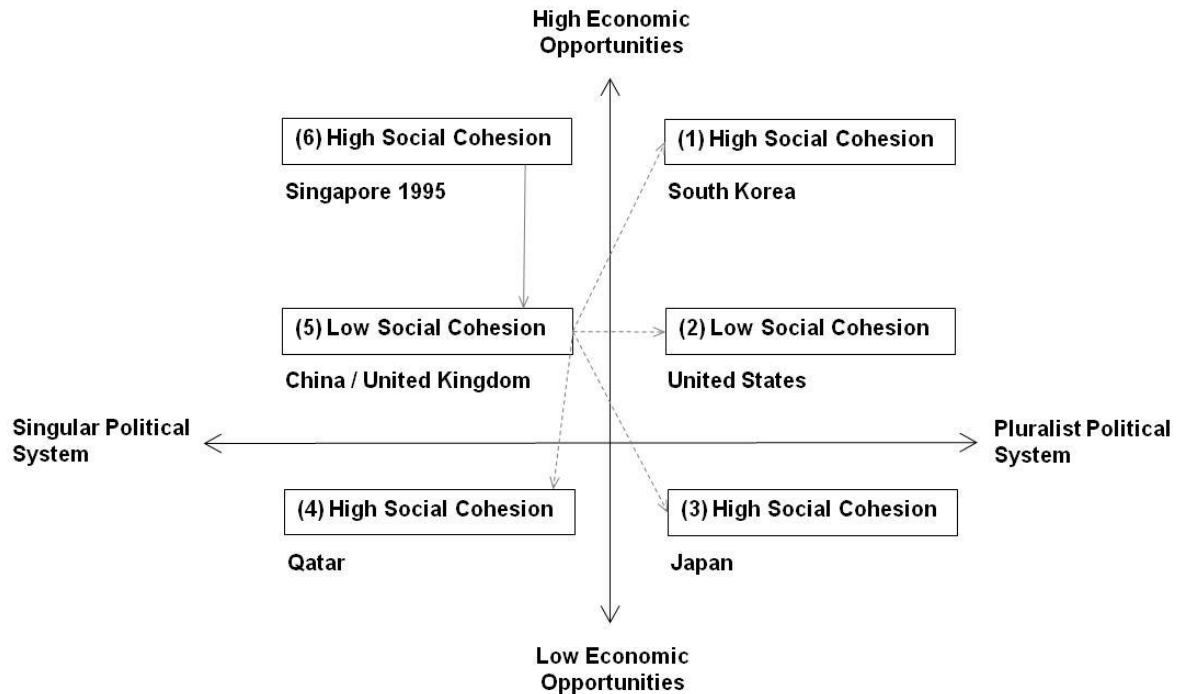
61.   They used the level of economic opportunities as the driving force on the vertical axis. The team's definition of economic opportunities included both the level of economic growth and the population's sense of opportunity. In considering the level of economic growth, the team chose to make a comparison between high GDP growth and low GDP growth, as opposed to comparing high GDP growth with no GDP growth; they felt that a situation of no GDP growth was an unlikely scenario. In addition to the driving forces above, the team also looked a third driving force: the level of social cohesion in a country.

62.   In crafting their scenarios, the team deliberately avoided painting a scenario that was the best, as they felt that each scenario had its favourable aspects and its consequences.

63.   Their starting point was that of Singapore in 1995, which was described as a highly cohesive society with a singular political system and high growth. However, this position was also described as quite unstable, as the high level of economic opportunities present made it difficult to maintain a high level of social cohesion. Over time, it is likely that Singapore will move from the "Singapore 1995" position to that represented by China and the United Kingdom at point (5). Singapore will face lower levels of social cohesion, and

will also become more pluralistic. However, the decisions that we make will determine whether we move to point 1 (South Korean), 2 (United States), 3 (Japan) or 4 (Qatar).

Figure 3. Team 3 Scenarios

South Korea
64.   This is a situation where there are economic opportunities aplenty and high social cohesion in a pluralistic political system. South Korea's success is due to its homogeneous society, and it may be harder for Singapore to attain that as we are already multicultural. However, Singapore has been able to find ways to integrate people well in the past and we could end up in this position if we are successful at that. The team felt that Singapore needed to remain an open economy and society to reach this position, as the level of immigration has a high correlation with the level of economic opportunity.

65.   This situation would not be without negatives as the high level of economic opportunities might lead to greater inequality which might result eventually in a lower level of social cohesion. However, this is mitigated to an extent by how the pluralistic political system allows the population to "vent" any frustrations it has.

United States
66.   This scenario is one where there is a pluralistic political system with plentiful economic opportunities, but a low level of social cohesion. The US is an example of a country with these characteristics. It faces a low level of social cohesion as there are tensions between immigrants and the native-born population, and between different socio-economic classes. The high level of economic opportunities allows more opportunities to accrue to corporations and to individuals that are already wealthy. Hence, while there is high GDP

growth and many economic opportunities, the distribution of this is fairly unequal. In Singapore, this might lead to an increase in the popularity of opposition parties, particularly the WP. Extrapolating from the 2011 General Election, Singapore's political scene might also become more pluralistic, with the possibility even of a multi-party system emerging. However, issues about how wealth is distributed and about how economic opportunities are made use of remain.

Japan

67.   Here, Singapore would have a high level of social cohesion and greater political pluralism, but it would face lower economic opportunities. The team prefers the scenario to be understood as "Japan Bright", a brighter form of the Japan of today.

68.   The team felt that a movement towards this point from (5) — a situation of low social cohesion in a singular political system with high economic opportunities — could occur if the government recognises that the population's demands for increased political participation need to be accommodated, and responds by loosening restrictions on the media, organisations and political parties. People are also willing to move away from the current system where there is a dominant single party that controls the unions. This results in a freer system, and in the flowering of NGOs and civil society. It is a messier Singapore, as there is greater fragmentation of political activity. However, the team believes that Singaporeans' deeply entrenched commonsense will prevail, and the messiness will be contained in a similar way to how it is contained in Japan. Overall, it will be a boring but quite pleasant society.

69.   Another way that a movement towards this point from (5) could occur is through the government accommodating growing social frustration. This results in a significant expansion of the social safety net — retirement funding is increased, wage floors for the Central Provident Fund are improved, an unemployment insurance system is introduced and healthcare spending is increased. Significant reform of the education system also occurs as some of the flaws that impede social mobility are addressed. Singapore's education system would then be similar to that of Finland's.

70.   However, the trade-off is slower GDP growth. This occurs as the increase in government spending, as a percentage of GDP, is likely to be funded from tax revenues. Tax rates increase, and the tax collection effort is likely to become more rigorous and intrusive to the corporate sector, resulting in slower GDP growth. In addition, restrictions on the inflow of foreign talent may also be necessary to assuage the citizenry, who feel alienated and sidelined. This could also lead to slower growth. This situation is more pleasant than Japan is today, more sedate and messier than Singapore is now, and overall, not too bad.

Qatar

71.   This scenario represents a situation that the PAP could possibly accept. It is one of high social cohesion in a single-party dominant political

system, which faces low economic opportunities. Here, social cohesion issues become more important, and greater emphasis is placed on social inequality and immigration. The government of the day has decided to turn populist, and implements policies that cater to citizens. There is also a clear citizens-first policy, and taxes have been raised to reduce social inequality. This results in Singapore becoming less attractive to foreigners. Immigration dries up, to the benefit of citizens, and Singapore's national identity starts to solidify. However, in exchange for these populist policies, the government extracts greater acquiescence from the citizenry, requiring them to vote for and listen only to them.

Discussion
72. A team member highlighted that the team did not include all of the possible combinations of the three driving forces as they felt that some of these were not that plausible for Singapore. For example, the combination of low social cohesion and low economic opportunities in both a plural and singular political system was not likely to occur in Singapore. They also did not choose scenarios that they thought were bogeyman-type scenarios such as the combination of low social cohesion and economic opportunities in a highly pluralistic political system. They felt that the main insight from their matrix was that there are sharp, multi-dimensional trade-offs, and that it was not entirely clear which scenario was the best. They hoped that this would open up a conversation about what kind of future Singaporeans wanted, as opposed to the scenarios painting a picture of what Singapore should strive for.

73. A participant pointed out that while it is tempting to say that there is a choice between a situation of high taxes and less inequality, and that of lower taxes and greater inequality, this may not always be the case. The participant emphasised the importance of making sure that this "trade-off" was consistent with a country's underlying economic reality. For example, Singapore may have the fiscal resources to reduce inequality and increase social mobility without requiring a large rise in taxes. Here, Singapore has the ability to make social choices that other countries do not and it is important to keep an open mind when crafting social policy, as opposed to working from assumptions that may be wrong. However, the participant commented that this presupposes that there is a transparent debate on Singapore's fiscal resources.

74. The team agreed with this participant's point. They clarified that the economic opportunity driving force was added to reflect that lower immigration would make it difficult for a country to maintain a high level of economic opportunity.

75. The team added that their definition of economic opportunities was greater than just that of economic growth. It focused on the sense of opportunity, for example, whether an individual would be able to pursue the career that they wanted. They agreed that it would be good to have an open and transparent debate about the fiscal options Singapore has. Higher taxation might be something that the population would actually be open to if
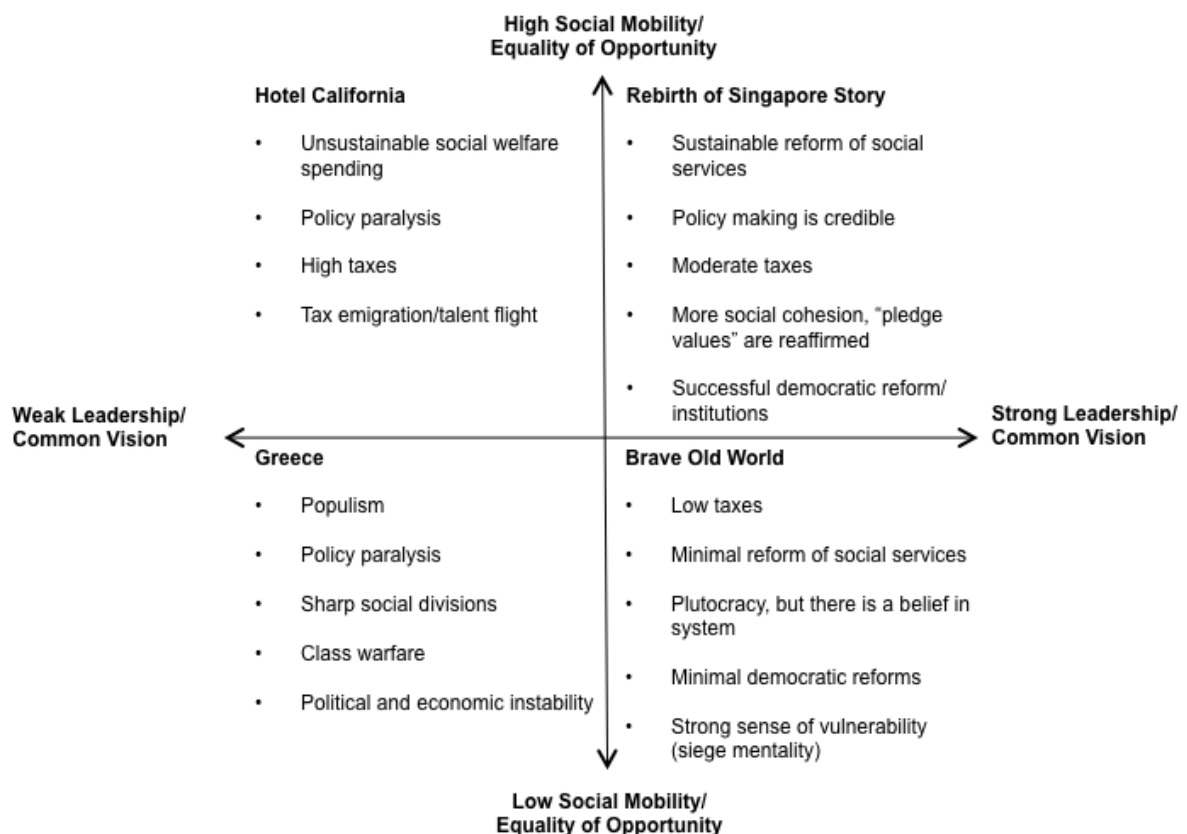
this came with a guarantee that social services and public goods that they need were provided.

76.   Another participant commented that the name "Japan Bright" would suggest that this scenario is a bright version of a dull story. A team member responded that the "Japan Bright" scenario is intended to be a good story, one in which Singapore has greater political plurality and cohesion. The team also emphasised that the scenarios are shades of grey, and that there are positives and negatives attached to all of them. They gave the example of the United States scenario — while there are negatives associated with that scenario, there are also many opportunities to become rich, and for the rich to become richer.

Team 4

77.   Team 4 used the ability of Singapore's leadership to exert a common vision and bring it to fruition as one driving force. The other driving force was the level of social mobility and the equality of opportunity seen in society.

Figure 4. Team 4 Scenarios

78.   They created the following narrative to introduce their scenarios.

79.   Long, long ago, in a galaxy far, far away, there was a group of Jedi that met in the basement of a house in Oxley Road. They were political refugees escaping from the dictatorial whims of an empire, and had decided to create a nation of their own. This nation would be based on the fundamental, esoteric

Jedi principle: the Force. The Jedi were not completely sure what the Force was exactly, but they knew that it was real. In order to be able to transmit it to future generations, they embedded it in a bit of bonhomie that they forced the citizens to repeat each day when they were young: the Pledge. The Force was encapsulated by the following line:

> …to build a democratic society based on justice and equality
> so as to achieve happiness, prosperity and progress for our
> nation

80.   One element of the Force that was felt in society was the level of social mobility and the equality of opportunity that was present (which was used as the driving force on the vertical axis). The Jedi then wielded this Force and created a miraculous society that, over thirty years, lifted the people to a level that entirely exceeded expectations.

81.   This was Singapore 10 or 15 years ago, and today we are fortunate enough to still have many elements of that Force with us. The Jedi were able to maintain this by establishing leadership and a strong common vision that enabled them to wield the Force among the populace.

82.   Singapore is now at a crossroads, as the current keepers of the Force have forgotten what it is. They did not think of repeating the Pledge to themselves, and instead relied on textbooks of market fundamentalism and neoliberalism to guide them in executing policy and in wielding the Force in the economy. However, things began to go awry, because the environment that their elders had enjoyed when they first established the nation was very different from that faced by the current generation of Jedi. The Singaporeans of the 1960s, 1970s and 1980s enjoyed strong incomes, few recessions, a young population and a plentiful workforce. The Singapore today has experienced a comparatively large number of recessions (four in the last 13 years!), rising structural unemployment and an aging population. As a result, the Force has become weaker and weaker among the population, and this new republic has begun to face political crises.

83.   How will this story end? Will the new republic made a comeback? Or will the empire strike back?

Brave Old World
84.   Here, the Jedi try to recreate the old success story by re-exerting leadership and a strong common vision. They would like this old success story to be replicated — in the form of a regime in which there is minimal reform of social services (and lower provision of social services than now), an ultra low tax regime and minimal democratic reforms.

85.   This scenario is more likely to occur in a situation where the Jedi can engender a strong sense of common vulnerability in the population. This siege mentality makes the new, unruly polity accept the brave old ways. However, given the wage stagnation and the centrifugal forces of globalisation that exist now, this course of action results in a plutocracy and an unequal society that

is sustained because its citizens believe there is no other choice. This is a situation of stagnation.

86.   The team felt that this scenario represented how the current government sees itself.

Greece

87.   In this scenario, the Jedi are unable to articulate a strong political vision to inspire the populace. While the Jedi in the Brave Old World scenario are able to inspire the populace with a feeling of common vulnerability, here the Jedi are unable to articulate a common vision and are reduced to trying to manage the situation. The combined forces of globalisation, wage stagnation and an aging population erode belief and trust in the Force and the republic.

88.   This situation degenerates into one in which ad hoc populism, which responds to various pressures in the polity, rules. However, this populism does not always add up to coherent policies. The republic also suffers from policy paralysis as the government is not trusted and is hence unable to make big, difficult decisions. It is reduced to doing what it *can*, as opposed to what it *should* do. Politics has become "the art of a very limited possible". Social divisions also continue to grow, as the essential element that would allow the Force to work in this new, more difficult environment — social mobility — is not reintroduced.

89.   As written in the Jedi archives, social mobility is positively correlated with income equality, good structuring of the education system and the presence of strong social safety nets. The structure of the education system could include the extent of streaming; how far the education system promotes or retards social mobility; and whether the education system is structured to the advantage of individuals with higher incomes. Currently, Singapore has an education system that practises extreme streaming, has extremely demanding syllabuses, and which is made unequal because of high income inequality. Social policies such as unemployment protection and adequate pensions help to build a strong social safety net. However, housing and healthcare in Singapore is now becoming unaffordable.

90.   As reforms to re-establish social mobility in Singapore are not carried out, sharp social divisions begin to appear in this Greece scenario in the form of internecine class warfare. An underclass is also created, and the republic suffers from bouts of political instability. The populace yearns for the old days when they knew that the Force was with them, and this creates many problems for the Jedi.

91.   The team felt that this scenario represented the state that the government is in now.

Hotel California

92.   Here, the Jedi respond to the populace's demands for better social services and social mobility. However, this populist response does not represent the strong exertion of leadership, as the Jedi are not honest with the

population about what the republic can afford. The Jedi are also unable to prioritise social spending and to ensure that it is sustainably financed. This leads to a situation similar to that seen in California today, where unsustainable, mandated social services are voted on by the public, and where the state is essentially bankrupt. Policy paralysis occurs, and the high taxes that are imposed lead to tax emigration and the flight of capital.

93.   The team felt that this scenario represented what the government is afraid of becoming.

Rebirth of Singapore Story
94.   The scenario represents a potentially happy ending to the Singapore story.

95.   A Jedi remembered that the Jedi of old had mentioned that the Force was in the Pledge. So after re-reading the Pledge, they decided to restore the institutional underpinnings of social mobility. They understand that what strengthened the Force were institutions that needed to be built, for example, institutions that provided core public services and promoted social mobility. To this end, the Jedi made HDB flats better, more affordable, and available to a larger group. They also reinstated universal healthcare and universal healthcare financing. The education system was also reformed towards the Finnish model. Raffles Institution and other elite schools were disbanded and forced to have the same number of highly qualified teachers as in neighbourhood schools. Under this new system, there were 15 to 20 students in each class, and mass streaming was removed. Despite doubts that Singapore's heterogeneity would thwart reforms, the Jedi were able to successfully replicate the Finnish miracle.

96.   Taxes were raised, but only moderately, as the Jedi realised what large reserves the old Jedi had built up. They were able to raise social spending by 10–20% of GDP, and this funded a newly designed social services core that was functioning and strong. The people's faith in the Force was restored, and the Singapore story was reborn.

97.   The team felt that this scenario represents what the population thinks the government should be like.

Discussion
98.   A participant commented that the Singapore that the Jedi were trying to return to in "Brave Old World" was actually different as the state then provided quite a lot of social services and taxes were higher. A team member agreed, pointing out that taxes were also higher, and there was socialised medicine, affordable healthcare and an egalitarian education system that promoted social mobility in the real "old world" that the Jedi were trying to return to. The team member clarified that the "Brave Old World" represents the old world that the Jedi think it should be, as filtered by their new understanding of market fundamentalism, rather than the old world that it actually was.

99.   A participant also asked if sustainable social equity would always require strong political leadership. The team responded that in this scenario, strong leadership was seen as being necessary for a strong political vision. Here, the Jedi understood that social mobility and equality of opportunity were of paramount importance to the people, and that it was a political necessity, especially in an open polity like Singapore. This social mobility is what would differentiate a healthy polity from a dysfunctional one. They also added that the creation of institutions that are needed to produce this social stability should be understood in terms of values, as well as sociologically and politically. Institutions that contribute to a healthy polity can then be built with this new wisdom.

100.   The team also pointed out that while the Jedi of old were able to create social mobility without democratic institutions, the "new normal" today means that the current Jedi are unable to create this social mobility among the people without these democratic institutions.

101.   A participant then asked how Singapore could get to the "Rebirth of Singapore Story" scenario. The participant pointed out that there are vested interests in any polity, and that any reform will face resistance from members of the population that are invested in the status quo.

102.   The team agreed and gave the example of meritocracy. It was described as a policy that "sows the seeds of its own destruction" by creating stratification and reducing social mobility. However, it is possible to counter the problem of entrenched interests in the question by building institutions that create social mobility, and then by creating institutions that also re-level society. Examples of these institutions include having a strong safety net, universal healthcare, an education system with less streaming, and democratic institutions such as a free press, a freedom of information act and an active citizenry and civil society.

103.   However, the same participant pointed out that these re-levelling institutions were also ends/outcomes, and that it would also take a lot of work to reach these outcomes. The participant felt that what was needed was a discussion about how to handle contestation in political systems. While a lot of talk currently is centred around governance, governance is but a subset of politics. There would always be different interests and friction in politics, the salient question is how these interests would be dealt with, as that determines how a society will get to the outcomes mentioned above.

104.   The team agreed that it was more difficult now for the new Jedi to implement the same policies as the old. This is as the Jedi today have to create policy through democratic institutions in a process of active collaboration and consultation with a more educated and fractious public.

VOTING

105. The participants voted on the set of scenarios they felt were the most plausible and challenging. Team 4's scenarios received the highest number of votes, followed closely by Team 2. The results of the voting are shown below.

Table 1. Voting results

Team	Number of votes
Team 1 • Police and Thieves • Reagan's Nightmare • Adam Smith's Perfect World • Dog-Eat-Dog	7
Team 2 • A Benevolent Nanny • Ultimate Singapore: Guided Capitalism • Laissez-Faire Mercantile State • All-Play (NGO Paradise)	19
Team 3 • South Korea • United States • Japan • Qatar	0
Team 4 • Hotel California • Rebirth of Singapore Story • Brave Old World • Greece	20

APPENDIX: LIST OF WORKSHOP PARTICIPANTS

Mr Akmal Abdul Rahman, Software Programmer, Tinkertanker Pte Ltd

Mr Azmoon Bin Ahmad, Chairman, Association of Muslim Professionals

Mr Willie Cheng, Director, Singapore Press Holdings Ltd; and Partner, apVentures

Dr Chong Ja Ian, Assistant Professor, Department of Political Science, Faculty of Arts and Political Sciences, National University of Singapore

Mr Hsieh Fu Hua, Chairman, Fullerton Fund Management Company Ltd

Mr Hsieh Tsun-Yan, Chairman, Linhart Group; and Adjunct Professor, Lee Kuan Yew School of Public Policy; and Provost Chair Professor of Management, NUS Business School

Ms Kwee Wei-Lin, Vice President, Pontiac Land Pte Ltd

Mr Lee Tzu Yang, Chairman, Shell Companies in Singapore

Mr Vincent Leow, Partner, Allen & Gledhill LLP

Ms Li Xueying, Assistant Foreign Editor, The Straits Times, Singapore Press Holdings Ltd

Dr Jeremy Lim, Chief Executive Officer, Fortis Healthcare Singapore Pte Ltd

Mr Manu Bhaskaran, Adjunct Senior Research Fellow, Institute of Policy Studies; and Partner and Member of the Board, Centennial Group

Mrs Sophie Mathur, Partner, Corporate, Linklaters Singapore Pte Ltd

Mr Mohd Nizam Ismail, Chairman, Centre for Research on Islamic and Malay Affairs; and Director and Chairman, Convention Steering Committee, Association of Muslim Professionals; and Executive Director, Morgan Stanley

Ms Rahayu Bte Mahzam, Partner, Heng, Leong & Srinivasan

Dr Teh Kok Peng, Advisor, Group President's Office, Government of Singapore Investment Corporation Pte Ltd

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