

**YOUNG
SINGAPOREANS
CONFERENCE**



Future.Identity.Talent@Singapore

11 November 2010
Amara Sanctuary Resort Sentosa

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FULL REPORT

EXECUTIVE SUMMARY

The Institute of Policy Studies held its biennial Young Singaporeans Conference (YSC 2010) with the theme 'Future.Identity.Talent@Singapore' on 11 November 2010 in Amara Sanctuary Resort Sentosa. It was attended by 80 people from the government, private, academic, civic sectors and IPS itself.

The objective of the YSC series is to gather young and emerging leaders across society to exchange views and ideas on national issues.

YSC 2010 aimed to: (1) explore the economic scenarios that Singapore faced in the post-financial crisis world, given the rise of Asia and the deep uncertainty in developed Western economies; (2) explore whether Singaporeans needed a cultural re-orientation to take advantage of the opportunities presented by these scenarios or a reinforcement of the sense of national identity instead; and (3), explore how talent flows and macroeconomic policy discussed in the first session would affect wealth creation and distribution in the country.

Participants were divided into discussion groups to flesh out specific ideas and actions to address particular challenges Singapore faced. They presented their conclusions to the Guest-of-Honour, Deputy Prime Minister (DPM) Teo Chee Hean at the closing dialogue session.

Session I: Sharing a Common Future?

The chairperson of this session, Professor Phang Sock Yong, Interim Dean of the School of Economics, Singapore Management University said that the world had been through a deep and complex crisis which would result in new configurations of economic and geopolitical power. The future looked anything but shared and common. The question was what Singapore's role would be in this new future.

Giving a detailed account of the shifting global economic landscape, the first speaker Dr Stephen Roach, Non-Executive Chairman of Morgan Stanley Asia, and a faculty member of Yale University at the Jackson Institute for Global Affairs and the School of Management said that the future hinged primarily on the nature of the relationship between the United States (US) and China. The US suffered a persistent savings deficit and China suffered a consumption deficit. While it had been politically expedient for some quarters in the US to blame China for its economic malaise, Dr Roach hoped for clear-eyed, forward-thinking political leadership to help the US deal with its deep structural issues for a sustainable recovery.

The second speaker, Mr Manu Bhaskaran, Adjunct Senior Research Fellow at the Institute of Policy Studies, and Partner and Member of the Board at Centennial Group Inc. outlined the short to long-term challenges facing the Singapore economy. Singapore had weathered the immediate crisis situation in 2009 well, but trade, finance, transport and tourism would continue to be affected by the economic difficulties faced in the United States, Europe and Japan. He said that the region would see accelerated growth in comparison, which could attract multinational corporations out of Singapore. The challenge therefore was for Singapore to continue with its efforts to regionalise, press on with its drive towards higher value-added manufacturing activities, support innovation-driven growth and improvements in labour productivity. Likewise, Singaporeans would have to demonstrate skill, flexibility and the cultural facility to meet those demands ahead.

The open discussion centred around the need for far-sighted and firm leadership to lead the US and also Singapore towards sustained growth and prosperity. Citing the example of the new coalition government in the United Kingdom and the political will it had demonstrated in dealing with the country's fiscal difficulties, it was argued a democratic political system could throw up good leadership. Dr Roach however felt that America's particular democratic institutions needed reform to make them more responsive to the modern challenges the country faced.

Another thread of discussion focused on strengthening economic ties between Singapore and India. These were growing on the basis of trade and investment and the sheer number of Indian companies that had been established here. Singapore was poised to be a regional hub for southern India where much of that country's growth was generated.

Session II: Sharing a Common Identity?

The chairperson of this session, Associate Professor Shirlena Huang said that globalisation had brought unprecedented levels of transnational mobility and a looser sense of belonging among people in the *space of flows*. This was held in tension with the national loyalties of the less mobile in the *space of places*. Singapore's global city aspirations, the influx of international talent and the strategy of leveraging on the world as our hinterland would heighten Singaporeans' anxiety about their sense of identity and belonging. The question was how to define and propagate a sense of identity.

The first speaker, Mr Calvin Cheng, Nominated Member of Parliament argued that the fostering of a national identity was an organic and emotional process; it could not be imposed by policymakers. It needed time to evolve. It would be important to teach students pre-Independence history as part of the process. Also, it might be possible to draw some inspiration from the cultures of traditional homelands of the immigrant stock of our nation although descendents of these migrants or Singaporeans today were quite distinct from the new migrants from these places.

The second speaker, Mr Nazry Bahrawi, a doctoral student in comparative literature with the University of Warwick argued that since Singapore was a

developed economy, the time had come for Singapore to move towards a 'post-pragmatic', values-laden outlook and definition of our nation. He proposed three alternative tenets to consider as part of that. First, 'post-racialism' to ensure that while race was an important marker of identity, it would not be the only nor the most important one. That way, Singaporeans would not view their social reality, social ills nor the remedies through a racial perspective. The second, was 'post-secularism', which would allow issues of religiosity and theology to be discussed in the public sphere in a 'marketplace of ideas' rather than to be relegated to the private sphere. The third, was 'post-economy' which would place the level of the arts and social sciences at the same level of science and technology as these would contribute to the cultural capital of the nation and critical thinking among the people.

Participants discussed the process by which to flesh out the notion of the national identity. While it might be possible to propagate it top-down with the help of national institutions and the media, it was clear that participants and speakers felt it had to be articulated through a bottom-up process; through rich civic engagement. They felt that there should be platforms and greater freedom to discuss this. It was also clear that the sense of identity and citizenship was far more complex than just a question of where one was born, even though there was heated public debate about the presence of foreigners over recent years. It was suggested that new citizens could be part of the process. It was also suggested that more effort should be made by people with influence like YSC participants to unpack common assumptions that foreigners competed for opportunities and resources against Singaporeans rather than allow these to be accepted wholesale and perpetuated.

Session III: Sharing Talent for Inclusive Growth?

The chairperson of the session, Mr Donald Low, Head of the Centre for Public Economics at the Civil Service College noted how Singapore's liberal policy towards foreigners working in Singapore had led to anxiety about social inequality and the difficulty of achieving inclusive growth. He said that there were two ways to view the issue – the first, of how global talent could hasten Singapore's transition into a vibrant knowledge-based economy and second, that the way to address the widening income gap would be to enhance wage supplements and other social assistance policies targeted at those at the lowest levels.

Likewise, the first speaker, Mr Tan Chade-Meng, a pioneering engineer at Google and its 'Jolly Good Fellow' noted that Singaporeans tended to worry about being crowded-out of employment and business opportunities by foreign companies, talent and workers. He suggested Singaporeans adopt a new and creative way of thinking which optimised the presence of these to benefit Singapore and her people - that they could help to expand opportunities. He described the optimism, self-confidence and entrepreneurial spirit that defined Silicon Valley and the US more generally. He said that start-ups in America had generated more jobs than existing firms in recent years and therefore we should not overlook the power of entrepreneurship. To create a more conducive climate for entrepreneurship, individuals would need greater emotional intelligence and a mental disposition for innovation; public policy needed to be more pro-enterprise; society would need to be more welcoming of 'failure' as part of the process of innovation; and, the country had

to strengthen that democratic notion of 'freedom', the 'freedom to think'.

The second speaker, Mr Yeoh Lam Keong, Vice-President of the Economic Society of Singapore said that the early leaders of Singapore had harnessed the forces of globalisation and immigration to deliver spectacular economic growth. However, the entry of emerging economies in recent years had led to job off-shoring, and rapid technological innovations had enabled machines to replace people which together put downward pressure on the wages and led to structural unemployment especially among the low-skilled and older workers. Immigration of low and unskilled labour over the past two decades, the arrival of top talent and capital have all caused the income divide to stretch out even further. Mr Yeoh cited published research that demonstrated that the incidence of social and psychological dysfunction increased with a greater level of income inequality among different societies. He made a plea for more intelligently-designed social safety nets and incentives for work targeted at those at the bottom end of the income divide, and the seniors. For instance, he recommended wider, compulsory medical insurance schemes that might even cover people past 85 years old, basic unemployment insurance in the form of an unemployment credit and wage insurance scheme, basic means-tested pensions and raising the Workfare Income Supplement payments. Policymakers could draw on best practice and the best minds to ensure that such policies would not be an unsustainable drain on fiscal resources nor erode the work ethic, yet preserve the social compact with citizens over the long run.

The speakers expanded on their points in the discussion time as participants asked what would be the optimal level of social support that Mr Yeoh had in mind, and how to reduce the cost of risk-taking and business failure to promote entrepreneurship. They also mentioned that the model of governance and the government's role in economic development would have to change. The heavy government-led bureaucratic model of the past, as exemplified by the role that companies like Jurong Town Corporation, Sembawang Corporation and Singapore Telecommunications played, would have to give way to a more flexible and collaborative model to empower small, innovative firms to lead growth.

In the same way, younger Singaporeans would have to place less emphasis on prosperity, predictable routes of success and achieving elite status in how they chose their careers. Instead, they would have to be driven by a sense of passion, an assessment of their talent and a desire to fulfil a purpose. The new dictum to life at the personal level would be 'mastery, autonomy, and purpose'.

Group Presentations

Participants were invited to pitch to each other, ideas for one key action that Singapore could take over the next three to five years to address the challenges discussed earlier. Participants who had not made a pitch chose which topic they wished to discuss and were allowed to move among different groups and topics according to their interest. There were nine topics and these were presented to Guest-of-Honour, DPM Teo.

In brief those nine topics were:

1. The Complacent Singaporean. Singaporeans had a smug sense of satisfaction with the *status quo* this group noted; people generally were self-interested, narrow-minded and lacked civic-consciousness. This was the result of an over-reliance on an efficient and effective government and over-indulgent parents. To spur Singaporeans to be competitive on the world stage, the group suggested that first, the country should continue to benchmark itself on various areas of achievement but only against the very best; second, that there should be a greater acceptance of failure as a necessary evil in striving towards excellence; third, to allow for a better calibration between the locals and foreigners to 'keep Singaporeans on their toes'.

2. Enabling a 'Creation Economy'. Countries typically climbed up the value-chain by improving the value-added content of what they produced but this group wished for a 'Creation Economy' where Singaporeans would create attractive new goods and services. To achieve this, people at all levels should be allowed to pursue their passion; they should not be held back to take only the safe and secure routes in their career choices. Companies should incentivise creativity by rewarding employees for innovations at the workplace.

3. Family-friendly Culture. In recognition of the centrality of the family in ensuring individuals were well-adjusted and resilient, and in transmitting values including national identity, this group felt that there should be a more holistic approach to strengthening families in Singapore. Role models of people who had prioritised family could be held up, social safety nets and grants should be made available to those who had done so. However, the emphasis in policy and communications of the pro-family policies should be on personal development and avoid the current transactional approach. Companies could also be explicit about their overtime policies and allow considerations of family obligations in the performance appraisal system. Finally, the group applauded the Education Ministry for reducing the workload of schoolchildren so that there would be more quality family time in Singaporean homes.

4. Creating Entrepreneurial Talent. This group focused on how to develop a culture of creativity, risk-taking and entrepreneurship. More emphasis should be given to building-up confidence and self-esteem among school children perhaps through the use of public-speaking courses. They felt that engaging the schoolchildren in the performing arts was another good way to promote creativity, teamwork, and provide a safe-to-fail environment for them to learn many of life's lessons.

5. Cultivating 'Phenomenalism'. This group wanted Singapore to progress from 'good' to 'great' and for Singaporeans to become the 'coolest people on earth'. They argued that the social barriers to people taking up alternative paths to success should be removed. Otherwise, the country would not get the best out of her people. People should be allowed to pursue their passion, what would give them pleasure, and most importantly, give them a sense of greater purpose in their work.

6. Reducing Inequality Without Welfarism. This group argued for more help for the underprivileged which included the sick, disabled and old; the structurally

unemployed and underemployed; and, youths trapped in the poverty cycle. They felt that the existing level of government wage supplements and grants should be increased to better reflect the social cost of these. Philanthropic giving should be promoted beyond the incentives of tax rebates. Youths should be mobilised to take on more community service especially inter-generational programmes with seniors.

7. Beyond Speakers' Corner. This group argued that the limits to free speech exacted a heavy price on society. It limited what people were allowed to think which hindered the development of a knowledge-based economy. It resulted in social alienation for those who felt that their views were not acceptable or accepted. The lack of freedom of speech also meant that policymakers would be unable to know the real public sentiments on policy. This should be addressed by allowing for greater space for civil society, dialogue and debate, and a basic trust in the good sense of citizens that this would be handled maturely.

8. The World is our Hinterland. This group said that there should be a renewed effort to package Singapore as a great place to live, work and play and maximise the opportunities presented by the flow of human capital. They proposed that the ban on dual citizenship be reviewed as 21 years was too early for people to make difficult choices about nationality. They argued for more encouragement to Singapore companies to go overseas to grow before returning to Singapore. Also, they thought that someone should devise a simple 'toolkit' on the Singaporean national identity.

9. Inspiration for Innovation. This group said that there were three ways to motivate and mobilise workers – intimidation, incentives, and inspiration. Companies that had the culture of excellence were those where leaders were inspirational and compassionate, and mobilised people by the sense of contribution to the greater good or a higher purpose. Singapore needed to create more safe-to-fail spaces in order to encourage entrepreneurship and schemes in a student's education journey that would allow him to find and pursue his passion, like flexibility for a gap year and hybrid public-private sector scholarships that would be less transactional, more focused on personal development.

Dialogue with DPM Teo Chee Hean

In the dialogue session with participants, DPM Teo highlighted how critical it was for the future of Singapore that the current leaders spotted and groomed younger leaders to lead the country.

When a participant suggested that the public sector had attracted too much of Singapore's talent pool into its ranks rather than allow more to flow into entrepreneurship, DPM Teo explained the public sector was very lean and it comprised only a small proportion of the country's workforce.

Looking at the global economic situation, DPM Teo noted that key adjustments were needed in the trade imbalances between China and the US. For Singapore, the critical issue was how to spend its fiscal resources wisely to improve the productive capacity of the workforce and provide for an ageing population.

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DPM Teo said that it was not the government's place to tell Singaporeans how to spend their money. This was in response to a question about whether the government had calculated the social cost of having the integrated resorts here. Another participant had suggested greater public education on how to make wise personal investment decisions especially with regard to spending on housing. DPM Teo said that he was heartened at least to know that the majority of owners of public flats paid for them with their Central Provident Fund contributions (CPF). Prices were difficult to predict and manage because of the supply lag in the sector but he was confident that a large majority of Singaporeans would always find that they could afford an Housing Development Board (HDB) flat and that Singapore was a very liveable city.

In closing, DPM Teo said that Singapore needed to hold fast to three key values to maintain her economic competitiveness. The first is 'knowledge' which meant that efforts to upgrade the skills of the workforce were very important. Investments in research were likewise, very important although it would take a while to see the fruits of those efforts. The second, was 'connectedness', where Singapore straddled very comfortably between East and West, India and China, and this would always be her distinct advantage. Finally, 'trust', was important as Singapore moved into high-value and high-tech goods. The ability to turn out a trustworthy product would be very important.

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Welcome Remarks

Ambassador Ong Keng Yong, Director, Institute of Policy Studies welcomed 80 participants from the government, private, academic, civic sectors and IPS itself, to the biennial Young Singaporeans Conference (YSC2010). He said that the objective of the conference series was to gather young and emerging leaders across society to exchange their views and ideas on national issues. He highlighted that participants would have the opportunity to share their thoughts with Deputy Prime Minister (DPM) Teo Chee Hean at the closing dialogue session of YSC 2010.

The Big Picture of YSC 2010

Dr Gillian Koh, Senior Research Fellow, Institute of Policy Studies and convenor of YSC 2010, introduced the conference programme and its key themes.

Dr Koh reminded participants that the conference was held at a time when there was a shifting global order in geopolitics and the world economy. The United States (US) had been grappling with high unemployment, and a massive fiscal deficit as a result of the Financial Crisis of 2008-2009. It was also struggling to manage its commitments to international peace and order within that context. The European Union (EU) faced the threat of sovereign debt crisis among its constituent countries, and a demographic bust in many of its most developed parts. On the other side of the world, India and China were emerging as economic giants, with the attending risks of overheating and social disruption from rapid growth. It was also uncertain how much that economic performance depended on the health of the developed economies. Three of the five fastest growing economies in the world were Asian. The world's leaders now had to find a new *modus vivendi* to accommodate the new Asian players in discussions about the global economic and financial system as exemplified by the growing relevance of the G20 countries in comparison to the smaller club of G7 comprising the old western developed economies and Japan.

As a former British colony, Singapore had very strong cultural, economic and political affinity with West. However, Dr Koh pointed out that the political leaders had also been very conscious about nurturing the country's ties with the major Asian powers, right from Deng Xiaopeng's visit in November 1978. There had been a good deal of emphasis on understanding Asia.

Dr Koh hoped that participants would view the YSC as a useful platform for them to share cross-sectoral views on issues of public interest. The shifting global order raised the question of how Singapore should respond to those changes in terms of economic, cultural and social policy in order to take advantage of the opportunities and avoid the risks that might emerge.

The first session of the conference would provide an overview of the global economy, the regional economic landscape and discuss how Singapore should respond to the ebb and flow of economic trends. If indeed Asia was rising, then the second session would examine whether Singaporeans had the cultural facility to operate in the new milieu and yet maintain a sense of national identity. This, also as

the city-state welcomed a greater number of foreigners to her shores who were here to take advantage of such trends. The third session would explore whether the competition for talent and economic activities generated under the emerging conditions could be made to genuinely translate to better lives for Singaporeans.

Dr Koh explained that participants would have a session to discuss their own response to the presentations and themes of the conference and present them to DPM Teo Chee Hean in the closing dialogue session.

Sharing a Common Future?

Dr Phang Sock Yong began the session by observing that recent developments in the global economic landscape suggested a future that was anything but shared and common. The world had undergone a deep and extremely complex crisis in the recent Financial Crisis, and the liberal democracies of the West, once emulated by the rest of the world had lost their shine. Commentators like Niall Ferguson observed that the descent of the West impelled the reorganisation of the world towards the East. In this process of renewal and change, emerging global tensions had to be adjudicated by a new set of rules and institutions. What might Singapore's role be in this transition? What might happen to the trading markets Singapore traditionally relied on? How might we adapt our policies to take advantage of new configurations of power tilting in favour of Asia?

The first speaker was Dr Stephen Roach, Non-Executive Chairman of Morgan Stanley Asia, and a faculty member of Yale University at the Jackson Institute for Global Affairs and the School of Management. Dr Roach focused his discussion on the most important geopolitical and economic relationship in world today which was the one between the US and China. The development of this 'defining relationship for the first half of the 21st century' would have profound implications for the rest of the world, particularly for economies in the rest of Asia.

According to Dr Roach, the US essentially suffered a persistent savings deficit while China suffered a consumption deficit. America's fiscal deficit could be attributed to a consumption culture that had eroded savings among individuals, businesses and government. This had forced the US to borrow from other nations to propel its recovery. On the other side, China possessed a large current account surplus. The Chinese economy was highly imbalanced. Despite dramatic growth in investment and exports, consumption was falling and the economy would eventually suffer if weak demand abroad and at home persisted. The Chinese government was therefore pursuing a pro-consumption five year plan. This meant that the US had to continue to be open to trade with China. Access to new Chinese markets would stimulate export demand for US products, the key to rebuilding America's ailing manufacturing sector and creating jobs.

Unfortunately, the bipartisan political structure in the US had resulted in a highly politicised economic relationship with China. It was characterised by misinformation and aimed at defending the record of American economic policymakers. The pre-election rhetoric that the Chinese were stealing American jobs found traction. As such there seemed to be support for an aggressive stance on China on currency exchange rates. In Dr Roach's judgment, this obfuscated a much larger problem facing the US — a multilateral trade imbalance with 89 other countries besides China. The idea that fixing a bilateral exchange rate was the solution to a multilateral imbalance and the deep structural issues of the American economy was ludicrous. He was disappointed that the mainstream media's coverage of the 'currency war' had failed to capture accurately the backstory to the current global imbalance.

Against the backdrop of the G20 meeting that was taking place in Seoul at the time of YSC2010, Dr Roach warned that global policymakers could either pursue a

strategy that would accommodate the US position of finding the right 'currency fix' for the world, or they could take an impartial look at the structural imbalances facing the global community and mete out constructive policies for sustainable growth in the long run. He said that if a positive framework emerged to push the world's two most important economies in latter direction, the post-crisis world would be much better off for it. However, the G20 had to ensure that the group's financial architecture and institutions were robust enough to support a sustainable recovery.

The second speaker was Mr Manu Bhaskaran, Adjunct Senior Research Fellow at the Institute of Policy Studies, and Partner and Member of the Board at Centennial Group Inc. Mr Bhaskaran outlined the short to long-term challenges facing the Singapore economy given the outlook on the wider global economy. He reminded participants that Singapore would be vulnerable to the slowing-down of the G3 economies – the US, Japan and the European Union – because Singapore's exports were geared towards serving those markets. In addition, the banking and finance sector—the fastest growing part of the economy – had been significantly affected by the financial crisis because of its strong links with those developed economies. As a regional hub for international flows in transport and tourism, those sectors were also in danger of being affected by external developments. In response to ailing economies at home, the central banks of the US, Japan, and England had introduced policies of 'quantitative easing' in the hope of stimulating growth. This caused problems for Asian economies as they experienced a surge in capital inflows. Many policymakers in Asia sought to resist the inflow of short-term speculative 'hot money' by introducing capital account restrictions. However, the danger lay in uncoordinated responses by policymakers in the region, which could be detrimental to Singapore as a major financial centre.

Mr Bhaskaran was optimistic about economic developments in the region, expecting accelerated growth in countries such as the Philippines, Vietnam and Indonesia. Singapore could leverage on the rise of these countries. He expressed concern however over Malaysia, observing that the factors such as vast oil reserves that enabled Singapore's closest neighbour to outperform other neighbouring economies, were now losing steam. Malaysia would have to rebuild her state institutions and pull together a great deal of political will to transform her economy.

On the domestic economy, Mr Bhaskaran noted that Singapore policymakers had successfully steered the economy out of the crisis. The Monetary Authority of Singapore had recently allowed a more rapid appreciation of the Singapore Dollar given concerns of inflation. As a result of 'hot money' inflows, the prices in the property market had risen and administrative intervention had been introduced to cool it down. However, these measures were blunt, and carried the risk of unintended consequences. There were other strains emerging in Singapore's economic model like the public disquiet over the influx of foreign manpower into the city-state.

Going forward, it would be a challenge to sustain the growth of the Singapore economy against a backdrop of structural changes in the global economy and slower global growth. Emerging economies were moving quickly up the value chain and becoming increasingly competitive. Multinational corporations could easily choose to relocate. Singapore would have to remain competitive by focusing on productivity

growth, and balancing her dependence on foreign-owned companies by becoming even more integrated with the region. So far, Singapore had capitalised on the region's positive trends to emerge as a growth centre in Southeast Asia by entering high value-added manufacturing industries such as solar fuel cells. In the future, there would be a premium on innovation and the ability to build up cross-cultural ties in new territories. It was therefore critical that Singaporeans, who had proven to be economically resilient in the crisis, also develop their capacity, skill, and flexibility to meet such demands over the longer term.

Open Discussion

One participant wanted to know how Singapore's economic relationship with India, one of Asia's fastest growing economies, was progressing. Mr Bhaskaran said that he was confident that Singapore would deepen her economic ties with India. The number of Indian companies in Singapore had increased from 200 six years ago to approximately 4000 today. Indian entrepreneurs were increasing their acquisitions thus adding to the flow of goods and financial services between Singapore and India. Singapore was also a huge source of foreign direct investment in India and a preeminent business and tourism gateway to the region in terms of aviation, with more flights between Singapore and India than from Bangkok or Dubai. Culturally and geographically, Singapore was also well-positioned to be a regional hub for southern India, where much of India's growth was generated.

Another participant asked Dr Roach for his comments on the future of American democracy. Looking in, the US seemed not to have been able to provide strong political leadership to manage the crisis, while China's much criticised Communist government had been able to come through the crisis more effectively. It seemed as if the once-admired American model was failing, its system of checks and balances had failed to work resulting in the crisis and since then, a vacuum in leadership. How democracy continue to evolve in the US as a result? Dr Roach said that while Americans held strong democratic convictions, the nation's democratic institutions had not been updated in a way that was aligned with the modern challenges faced by a large economy. One important improvement would be to streamline America's congressional decision-making processes. He wished that leaders would not be distracted from dealing with deep structural issues by the anxieties of mid-term elections. Mr Bhaskaran noted that the world's other historic democracy, the United Kingdom, had managed to deliver tough fiscal responses to the crisis which were not popular, but would probably be effective. So it was not the political system of democracy *per se* that was at fault. Perhaps all political systems had to endure difficulty before learning from past mistakes, just as China had suffered through its Cultural Revolution. However, other countries could not afford to make mistakes as grave as those in America. Despite policy failures of crisis proportions, the US economy had been buoyed by the dollar's position as the world's reserve currency said Prof Phang.

Dr Roach commented that the crisis could be attributed to an investment culture of 'instant gratification' without serious consideration of longer-term outcomes. A participant asked how policymakers could encourage Singaporeans and policymakers to focus on long-term goals. Having met with senior officials of the

Singapore government, Dr Roach said he was confident that policymakers were correctly focused on the long-term. The pressures of globalisation meant that success would be constantly challenged since others could replicate work for much less. Dr Roach warned against viewing prosperity as an entitlement, and emphasised that great leaders were the ones who grappled with the tough choices that were needed for long-term success.

Sharing a Common Identity?

The second session, chaired by Associate Professor (A/P) Shirlena Huang of the Department of Geography, National University of Singapore, focused on the issue of the nation's search for a common identity. A/P Huang highlighted how this had been a constant preoccupation here but had intensified most recently in discussions about the impact of the rapid influx of foreigners on Singaporean society. Globalisation had brought unprecedented levels of transnational mobility and a looser sense of belonging among people operating in what urban sociologist Manuel Castells had called the *space of flows*; these were held in tension against the national loyalties of the less mobile in the *space of places*. The pursuit of Singapore's global city aspirations, the influx of international talent and the strategy of leveraging on the world as our hinterland would affect Singaporeans' sense of identity and belonging. How would we address this? Should we try to distil a set of common or cultural values that could hold the nation together? Were pragmatic Singaporeans prepared for a public dialogue on these issues? How would conceptions of identity among Singaporeans today square with the national Shared Values articulated by the government in 1991¹?

The first speaker of the session, Nominated Member of Parliament (NMP) Calvin Cheng said fostering a national identity was an organic and emotional process; it could not be imposed by policymakers. It would need time to evolve. Singapore could draw some inspiration from the countries of origin of our immigrant stock such as China and India. Providing students with a good understanding of Singapore's pre-Independence history in our schools would be an important step towards developing that sense of identity. Since Singapore was both a city and a country unlike global cities of London and New York that had hinterlands to provide deep anchors of identity, we had first to be sure of our identity or risk diluting a sense of nation by too rapidly accepting new immigrants. Identity formation of Indian and Chinese migrants from 30-40 years ago had begun to make their descendents quite distinct from today's new immigrants from those places.

The second speaker, Nazry Bahrawi, a doctoral student in comparative literature with the University of Warwick felt that since Singapore was a developed economy, the time had come for Singapore to move towards a post-pragmatic, values-laden outlook and definition of our nation. Narratives, or the stories and the ways we speak about ourselves, were integral to identity formation. Mr Nazry felt that there were warning signs that Singaporeans were becoming disenchanted with the idealised national narrative, most recently conceptualised as the 'Singapore Spirit' by Prime Minister Lee Hsien Loong in the 2010 National Day Rally. Even as media reports of the dilution of this Singapore Spirit amongst the young and cynicism among the older generation were swiftly rebutted by citing national surveys that suggested otherwise, Mr Nazry was also hopeful that Singaporeans were ready to do their part in writing the next chapter in The Singapore Story.

¹These values are "Nation before community and society above self; Family as the basic unit of society; Community support and respect for the individual; Consensus, not conflict; Racial and religious harmony" Eugene Tan, "Singapore Shared Values," Singapore Infopedia, Singapore National Library, http://infopedia.nl.sg/articles/SIP_542_2004-12-18.html

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Mr Nazry proposed a shift in outlook from pragmatism to idealism or post-pragmatism in the three spheres of race, religion and the cultural landscape. The pragmatic framing of multiracialism was aimed at helping the population avoid ethnic conflict, or to ensure social peace and thereby, economic progress. This had ironically resulted in racialism, where ethnicity shaped so much of how Singaporeans viewed their social reality. Post-racialism would allow people to look at say, social ills as much more than simply some racial pre-disposition. Likewise, this would mean an approach to social needs that would transcend the ethnic self-help approach. The other advantage of taking this approach would be to enable us to celebrate hybridity and not have to compartmentalise things according to whether they were Eastern or Western. Race would be one but not the most important marker of identity.

On religion, the current practice of secularism was to view religion as something that was restricted to the private sphere and gingerly dealt with in the public sphere. In his conception, a post-secular orientation would allow, for instance, on the difficult issue of proselytisation, the liberty of individuals to choose their religious affiliation and the 'free market' of theological ideas to prevail. This position would not undermine current achievements of secularism but build on its successes and its key guiding principles.

On the cultural landscape, a post-economy culture would allow for the establishment of institutions in the Arts and Social Sciences that would be placed at same level of value as institutions of science and technology like A*Star currently. A lot of the investments in the arts had been viewed as strategies to generate further economic revenue. With the new orientation, the end-goal would be to build up the cultural capital of the nation and promote critical thinking. In closing, Mr Nazry said that he was not proposing that we abandon the desire to make economic progress but to augment that with the desire to nurture the soul of the nation and make Singapore a more inclusive society.

Open Discussion

A key theme in the discussion was on whether national identity had to be imposed from the top to be effectively absorbed or allowed to originate organically from the bottom-up. A/P Huang said that top-down narratives, like the Shared Values document provided a starting point for a discussion on what our national values were. Contrary to what some participants believed, the Shared Values were conceptualised through a process of public consultation. One participant said that the Shared Values were built on a hope for a better future but also a fear of the worst. Responding to a question from the floor, Mr Nazry said that narratives had to be developed with feedback from the ground for them to effectively shape national consciousness but also ought to be maintained by national institutions like the media. The training process which converted ordinary girls into the iconic Singapore Girl was cited by a participant as an example of how the top-down approach did work in certain contexts. Would it apply to national identity though?

Several participants felt that an authentic sense of national identity had to evolve from the bottom-up with civic engagement and discussion but asked if there was need to make more dialogue space, appropriate platforms, civil society efforts available for this to happen. Mr Nazry suggested that out-of-bounds markers on public speech be removed incrementally for greater civic engagement to take place on this matter. One participant asked if out-of-bounds markers imposed top-down were necessary pre-emptive guidelines against real threats to social harmony. It was felt that real engagement and questioning of the country's history and alternative narratives should have its place in the school curriculum.

Drawing on his background in philosophy, Mr Cheng posited that an emotional-logical dichotomy existed in the formation of identity. The Humean conception, which Mr Cheng subscribed to, saw identity as an emotional response, whilst the Kantian approach considered the process of reasoning as its pathway. Mr Nazry disagreed that such a dichotomy existed saying that the spirit could be influenced by reason too and there was interaction between the two.

Some participants said that the entry of foreign talent had put the sense of national identity into sharper relief by precipitating discussions of what it meant to be Singaporean. One participant felt that citizenship was a matter of choice, and not simply a result of one's place of birth. Another point of view was that the 'foreign versus local-born' narrative was inadequate in capturing the reality of multiple identities that people had these days. To this, Mr Nazry's said that the choice of citizenship was not simply influenced by national identity, but rather a result of many factors. Concerns about the influx of foreign talent did indeed reveal the existence of a sense of national identity. More could be done to help assuage concerns about the place of foreigners in Singapore. People had to see how this group of workers helped to expand the economic pie. Another participant suggested that new citizens should be invited to be part of the process of identity formation. The onus was on participants of the conference, as leaders of their respective spheres, to unpack common assumptions of resource competition by foreigners instead of simply accepting them wholesale.

Sharing Talent for Inclusive Growth?

The chairperson for the third session was Mr Donald Low, Head of the Centre for Public Economics at the Civil Service College. Mr Low observed that there were people who believed that Singapore's liberal policy towards foreigners working in Singapore had led to rising social inequity instead of inclusive economic growth. He highlighted two ways participants could approach this issue: first, they could consider the influx of international talent as a means of hastening Singapore's transition into a vibrant knowledge-based economy. While focusing on negative externalities such as traffic congestion and rising property prices, the public discourse had often failed to recognise positive spillovers accruing from a liberal inflow of foreigners into country. Densely populated cities with knowledge-driven economies tended to be exciting and creative, with the ability to offer a variety of lifestyle choices. The second way of reaching an optimal balance between talent and inclusive growth was the improvement of social security policies to bridge the widening gap between the rich and poor, because the latter may have fallen behind in a knowledge-based economy. As Singapore increased the size of her economic pie, social safety nets could be reformed to give greater help to those receiving the smallest share of it.

The first speaker, Mr Tan Chade-Meng, was a pioneering engineer at Google, one of the world's leading multinational corporations in Internet and computer technology. As the company's current Head of Personal Growth, Mr Tan had drawn a lot of attention with his intriguing official job title: 'Jolly Good Fellow'. It was a reflection of the unorthodox and creative work environment at Google. Its pioneering team was driven by a strong conviction in their ability to 'change the world'. The widespread spirit of entrepreneurship in the Silicon Valley inspired many people to pursue their dreams; entrepreneurs could be found everywhere.

Mr Tan said that the American Constitution with its articulation of the fundamental principles that 'all men were created equal' and had 'inalienable rights to life, liberty and pursuit of happiness' was the basic underpinning of the culture of optimism, self-confidence and entrepreneurship so well exemplified by Silicon Valley. In contrast, Singaporeans seemed risk averse and were locked in a 'sandbox mentality' of limitations and the zero-sum game. Foreigners were perceived as intruders who had overcrowded the sandbox. He suggested that Singaporeans adopt a new and creative way of thinking which optimised the use of foreign talent for everyone's benefit. Also, the importance of entrepreneurship and start-ups was often underrated for its capacity to generate jobs here. In the United States, the net number of jobs created by start-ups had in fact far exceeded net jobs created by existing firms that had mostly axed jobs as a result of the global recession. An influx of foreign talent and their start-ups could bring more opportunities to Singaporeans.

However, instead of simply relying on foreign talent to start new firms, Mr Tan suggested a four-step approach to create a more conducive environment for entrepreneurship in general, here. First, at the level of personal choice, individuals had to develop the emotional intelligence and the appropriate mental mindset for innovation. Second, at the level of public policy, the government had to check that its policies supported entrepreneurship. Foreigners could be invited to advise on start-ups rather than invest in their own firms. Mr Tan suggested that agencies providing scholarships for higher education could allow scholars who pursued successful

entrepreneurial activities to exchange equity in their start-ups in place of years of service that they would otherwise have to give as part of their bond. Third, at the societal level, it would be important to continue to nurture a failure-friendly culture; to 'glorify' failure that had led to innovation; to reduce the cost of business failure. Fourth, at the national level, it would be important to strengthen the institutions of democracy as the fundamental value of 'freedom', the 'freedom to think' was the lifeblood of innovation. It would be critical to creating a 'nation of possibilities'.

The second speaker was Mr Yeoh Lam Keong, Vice-President of the Economic Society of Singapore. He noted that the two sweeping forces of globalisation and immigration had been intentionally harnessed by early policymakers to form the basis of Singapore's economic model which had indeed delivered spectacular growth. However, the entry of emerging economies into the global labour force had led to job off-shoring, and rapid innovations in technology had enabled machines to replace people and off-shore low skill service sector jobs. These effects had exerted downward pressure on the wages of those at the bottom of Singapore's labour force. In particular, massive immigration of low and unskilled labour over the last 20 years had deeply exacerbated these effects in Singapore. The last trend was what the Economic Strategies Committee (ESC) recommendations and strategy to limit the pace of immigration sought to correct in the next decade.

The most vulnerable included four hundred thousand older, poorly educated workers. While they had helped to build Singapore's economy in the early years, these 'economic veterans' became redundant when labour-intensive and low productivity industries were phased-out and the level of immigration was raised. They faced structural unemployment, or found their wages stagnating or falling by up to 30 percent in the last decade. At the same time, those with capital saw their real incomes rise. This was how the income gap had widened. This group in turn was the most vulnerable in the decade ahead as labour-intensive industries were phased out more rapidly under the new ESC labour policy.

Mr Yeoh cited recent studies in policy research such as that found in the book *The Spirit Level: Why More Equal Societies Almost Always Do Better*, by epidemiologists Richard Wilkinson and Kate Pickett, that demonstrated how the most unequal societies exhibited the most severe signs of social and psychological dysfunction, such as higher incidence of mental illnesses, juvenile delinquency, and lower scores of social trust. With a score of up to 0.489 on the Gini Index (in 2007), Singapore was one of the world's most unequal societies. While education had previously been a social leveller, rising inequality was eroding social mobility and opportunity. For example, tuition fees required for students to excel in so-called elite schools today far exceeded what most parents of kids in neighbourhood schools could afford.

He argued that well-designed policies could make a difference both to reduce inequality and to raise the absolute incomes of the lowest income groups. Existing welfare policies to assist low-wage households had improved income distribution in Singapore, but more could be done. Singapore did not have the fiscal constraints faced by developed economies such as the US. Its fiscal position should allow policymakers the flexibility to exercise a range of policy measures to improve the

nation's social safety nets. Mr Yeoh cited the value of recent innovations in social security such as the Workfare Income Supplement (WIS) and other public assistance schemes. However, he highlighted how more could be done. Currently, the bottom decile of households had average incomes that were not sufficient to cover basic consumption needs such as food and utilities. Families with children realistically required a higher expenditure beyond their basic living costs in order to cover school supplies and basic education supplements such as computer access. Mr Yeoh estimated that up to 30 percent of the lowest income households would have trouble meeting such supplementary expenses, or would be left with no savings. In the area of healthcare, he cited how the current Medishield scheme did not cover the needs of those past the age of 85 years old. As such, it could be extended with wider, compulsory medical insurance scheme as was the case in New Zealand, Canada, Taiwan or South Korea. He also advocated introducing basic unemployment insurance but in the form of an unemployment credit and wage insurance scheme, basic means-tested pensions, as well as raising WIS payments.

Addressing fears that expanding welfare policies could be a slippery slope to fiscal ruin, Mr Yeoh emphasised that policies could be intelligently designed, based on rigorous research carried out by renowned global institutions. Rather than the eroding work ethic, they could provide incentives and smart subsidies for productive work, and preserve the social compact with citizens over the long run.

Open Discussion

A participant asked who would pay for expanded social safety nets and what level of expansion would produce the most optimal level of benefits versus the costs. In response, it was noted that it had been relatively inexpensive to raise WIS payments to help the lowest income households and substantially decrease inequality. Altering society's propensity towards social ills by adopting such pre-emptive measures against rising inequality could ultimately be cheaper than hiring an army of social workers to deal with its effects. Policymakers also had the capacity to tailor the best practices worldwide to the Singapore context and develop an intelligent and optimal system.

While one participant admired Mr Tan's approach of encouraging innovation through failure, he wondered how such a radical attitude could be realistically adopted among young Singaporeans, who were often advised not to 'rock the boat'. This caused many to fear the uncertainty of start-ups. Mr Tan explained while certain infrastructure and education policies remained government imperatives, Singaporeans could lobby rationally and respectfully for ways to reduce the cost of failure in society. For instance, the relative cost of failure was low in the Silicon Valley because housing and vehicles remained affordable. In addition, bankruptcy laws in Singapore were a lot more punitive than in the US, where entrepreneurship had proliferated. Intelligent policies which changed the structure of risk could thus be critical to fostering an entrepreneurial spirit.

One participant asked how Singapore might practically strengthen democratic ideals to foster creativity and entrepreneurship. He noted that Google's efforts in pressuring the Chinese government to increase openness in information channels

had been less than successful. Mr Tan agreed that access to information was a critical aspect of democracy. The speakers also noted that while policymakers in Singapore had done an excellent job in developing and managing the economy, it was rapidly outgrowing the previous model of having government-linked corporations such as JTC, Sembawang Corporation and Singapore Telecommunications lead the local sector. Singapore's economy was instead becoming increasingly focused on specialised skills, hence a different and more flexible governance model might be necessary to govern an increasingly complex economy. The government would have to critically engage professionals in industries such as environmental management, technology and finance. Going forward, a collaborative model of governance may be the most effective way to manage a modern economy.

In an increasingly sophisticated knowledge-driven economy, Singaporeans would also have to learn how to be a part of small and fluid firms, like Google and Facebook when they first started. This shift could entail sacrificing pragmatic concepts such as prosperity, economic stability and elite status which once drove Singapore's economic development. As opposed to these old values, new intrinsic drivers to success at the personal level such as 'mastery, autonomy and purpose' were taking hold in the work cultures of radically innovative organisations. The speakers agreed that more had to be done in local schools to educate children about their future career choices too. Rather than encourage choices based on salary or status, young people should be trained to recognise their interests, passion and talent, and how these could converge in ways that could contribute to society. If this were so, more local talent would be inspired to build start-ups or join small and medium enterprises.

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Group Presentation

As a follow up to the first three sessions, participants were invited to interact in an Open Space setting. This concept required interested participants to make a pitch to other participants on what was *one key action they felt could change Singapore in the next three to five years, or more ambitiously, for an indefinite time horizon* and attract people who were similarly interested in such an idea to join in to flesh it out. Participants were free to join the group that best resonated with their own thinking. They were also allowed to 'vote with their feet' and join other groups if they did not feel that they group they were with was interesting enough. Groups exceeding the size of 10 were split up, whilst groups that did not receive more than two or three participants were closed down.

The nine groups that emerged out of this process presented their ideas to Deputy Prime Minister Teo Chee Hean.

Group 1: The Complacent Singaporean

This group was cognisant of the danger of complacency among Singaporeans as they faced a fast-changing global economy. Singaporeans seemed to have a smug sense of satisfaction with the *status quo*. Also, the group argued that 'The Complacent Singaporean' craved stability and comfort, and was self-interested, narrow-mindedness, and lacked a sense of civic-mindedness. The Complacent Singaporean was a product of an over-reliance on an efficient and effective government and over-indulgent parents. In addition, national narratives suggesting that Singapore was too small and could not afford to fail would decrease the drive of Singaporeans to be competitive on the world stage.

The antidote would lie in first, the benchmarking of Singapore against the best; second, in having a less interventionist government which allowed the Singaporean to fail from time to time; and third, in greater openness in the right areas. There should also be a calibration in the balance between foreign talent and locals in the workforce to keep Singaporeans on their toes.

Group 2: Enabling a 'Creation Economy'?

This group coined the idea of a 'Creation Economy' which they hoped would propel Singapore forward. This idea was a response to and an improvement on the concept of the 'Production Economy'. The Production Economy operated in simple terms of an input and output equation, where the increase of output was achieved with either an increase of input or the optimisation of the system. Typically, countries seeking to improve themselves in the Production Economy hierarchy would attempt to create items of higher value-added, an approach which would not cause most countries to lead the pack in the global production economy. The Creation Economy, which should be implemented across the entire economy, would seek to move it beyond competing on cost to creating new goods and services that the consumers would most want or need.

To achieve this, students and indeed everyone at all levels should be allowed to express and pursue their passion. The group presenter related his own case where a cost-benefit analysis on his career choices of research, entrepreneurship and civil service led him to choose the latter only as a relatively sure route to

success and not on where his passions lay. Society would then have to suffer the potential loss of a researcher or entrepreneur. Also, creativity could be incentivised, where for instance, companies could reward employees for creative solutions for the company's operations with a certain percentage of the savings attained.

Group 3: Family Friendly Culture

This group, believing that the family was the most important institution on the individual and national levels, made a pitch for a more family-friendly culture in Singapore. It outlined the importance of the family unit with some background information this. Families could offer stable units to turn to in times of crisis. On the other hand, it was the lack of a strong family fabric that had, in some cases, led to youth delinquency. Some Singaporeans were still very keen on having children but did not do so because of competing life goals. The group also said that the family was a large factor building up the sense of national identity too.

The group felt that the creation of a more family-friendly culture with its current emphasis on increasing fertility rates should be rebalanced with a holistic consideration of a range of perspectives. They offered several suggestions on this broader approach. First, emphasis should be given to the family unit so that it would take greater priority in people's lives. Down-to-earth family role models exemplifying even those who had foregone work-related opportunities for their family could be used. Second, the tone of policies should move beyond the transactional to the personal. The discussion of addressing the low fertility rate could go beyond the focus on fertility and procreation to a discussion of the affective and social aspects of family. Third, as there were trade-offs between the pursuit of activity (work or study) and family, perhaps social safety nets and grants could be introduced to take care of those who remained at home to look after their family. Fourth, the choices between staying at home and going to work could be further developed and articulated to help people through the process of making these life choices. Fifth, companies could help improve work-life balance by communicating their policies on working overtime especially over weekends explicitly. They could let employees factor in family obligations in the performance appraisal process. Sixth, the group felt that the education system was far too competitive which meant that many parents spent their weekends coaching their children in schoolwork. The steps the Ministry of Education had taken in reducing the workload of schoolchildren were certainly steps in the right direction.

Group 4: Creating Entrepreneurial Talent

This group expressed the need to develop a culture of creativity, of risk-taking and innovation for entrepreneurship to take greater flight and had several suggestions for the creation of entrepreneurial talent. Whilst the education system had and would continue to serve Singapore well, the group recommended placing more emphasis on cultivating confidence in public speaking in the young. Performance arts could be used as a tool to help primary school children develop creativity, develop team work skills, a safe environment where kids could learn to deal with life problems and not be afraid to fail. The role of the Primary School Leaving Examinations could be de-emphasised so that children would not be labelled too early on in life or be preoccupied with the notion of avoiding failure. In commenting on secondary school education, the group suggested that general knowledge classes could be used to build knowledge on current affairs. The group

added that a gap year in the course of 12 years of mainstream education would give students space and awareness to grow and develop their entrepreneurial talent.

Group 5: Cultivating 'Phenomenalism'

This group had several ideas on how Singapore could progress from being 'good to great' and for Singaporeans to be 'the coolest people in the world'. Their focus was on starting with the young. They highlighted how people had different types of talent but how this potential was lost as most would be dissuaded from pursuing alternative paths to success (e.g. soccer player or artist) by social policy. In response to Tan Chade Meng's presentation of moving from allowing 'passion', 'pleasure' to dictate one's career choices to the higher goal of choosing a career with a sense of 'purpose', the group said that Singaporeans were guided instead by wanting to avoid 'displeasure' from many quarters. This led them to gravitate towards safe, mainstream choices that would lead to a comfortable existence. This mindset would hinder the country from getting the best out of her people.

Group 6: Reducing Inequality Without Welfarism

This group had proposals for improving the lot of the underprivileged, which they defined as first, the sick, disabled and old; second, the structurally unemployed and underemployed; and third, youths trapped in the poverty cycle. First, it suggested that existing government wage supplements could be increased to better reflect the cost of unemployment and underemployment and other social costs if people were not in employment. Next, efforts to boost philanthropic giving could extend beyond tried and tested ideas of tax rebates to the encouragement of corporate social responsibility through greater public recognition of it. Finally, efforts to involve youths in community service could be fine-tuned to persuade the young to contribute to community work beyond the fulfilling of their school requirements. Youths and the elderly could be brought together through programmes of inter-generational collaboration where for instance, youths aid the elderly working with information technology, and the elderly could share life's lessons with youths. Youths from disadvantaged families should receive extra help to break out of the poverty cycle. Resources should be channelled in a strategic way to deal with income inequality but clearly to avoid the sort of over-expenditure and entitlement trap that welfare states faced today.

Group 7: Beyond Speakers' Corner – Exit, Voice and Loyalty

This group suggested that Singapore had an image problem in the area of the freedom of expression which had implications in the economic, social and policy fronts. On the economic front, the presenter said that the lack of free speech had an impact on the knowledge-based economy as there were invisible limits on what people were allowed to think. In the social domain, the perceived lack of free speech excluded those who felt that their views would not be acceptable. This would affect the sense of belonging that people would have to the country. On the policy perspective, the lack of freedom of speech would hinder policymakers from obtaining an accurate picture of the ground and communicating effectively with the public especially on policy developments.

Some ways to remedy this could include refraining from obsessive screening of persons and questions at forums, promoting of criticism, debate, a failure-friendly culture, and providing space for civil society organisations. The public was mature

enough to handle a more liberal regime, as could be seen how they responded to news of the review of the weightage given to results in the Mother Tongue in the Primary School Leaving Examinations. Petitions were signed and presented calmly to policymakers.

Group 8: The World is Our Hinterland

This group proposed that Singapore should view the world as her hinterland and repackage herself as an attractive place to live, work and play. We should maximise the opportunities that were presented with the flow of human capital. There was the need to take the gamble and not be afraid of high human capital brain drain. The group proposed a review of the ban on dual citizenship so that Singaporeans could be ambassadors in different parts of the world, and not be kept back in Singapore by the ban. Referring to comments by Nominated Member of Parliament Paulin Straughan, it was difficult for Singaporeans to make the choice on citizenship at the young age of 21 when some had parents in different countries. The group suggested that there should be further incentives and encouragement for local firms to go overseas to grow in bigger ponds and showcase Singapore to the world before returning to Singapore. Finally, the group suggested that a simple toolkit of what Singapore stood for, our national identity could be created out of bottom-up narratives of ordinary Singaporeans.

Group 9: Inspiration for Innovation

The final group gave broad suggestions on how Singapore could move towards becoming an idea-based economy conducive for entrepreneurship. The group focused on the Mr Donald Low's articulation of the three 'I's (Intimidation, Incentives, Inspiration) for mobilising individuals. A critical mass of idealistic persons who believed they could change the world would create a domino effect, resulting perhaps in the recreation of the dynamics of the Silicon Valley in the US. The group presenter referred to management book "Good to Great: Why Some Companies Make the Leap...and Others Don't" by Jim Collins of the Stanford Business School which examined the strategies that allowed some companies to outstrip their fellow competitors. Leaders in such organisations tended to adopt a compassionate view of wanting to create virtuous circles, playing on the sense of the contribution to the greater public good. Such leaders would bring others along with them as they reached the pinnacle of excellence. Fail-safe environments could be created to encourage entrepreneurship. An entrepreneurial city, insulated from failure could possibly be created in say, Pulau Ubin, one of Singapore's offshore islands. Role models could also be highlighted for young entrepreneurs to learn from.

The group suggested longer-term measures of allowing greater flexibility in the education system so that students could pursue their passion, focus on character development, as opposed to only academic excellence which could still be developed at later stage. Hybrid private-public sector scholarships, different from the government scholarships with were too transactional in nature could be developed to help outstanding young people find their passion and purpose in life.

Dialogue with Deputy Prime Minister Teo Chee Hean

In his opening remarks at the dialogue session chaired by Ambassador Ong Keng Yong, Deputy Prime Minister (DPM) Teo Chee Hean recounted a recent visit to the Gulf of Aden and the former French colony of Djibouti. Djibouti was like Singapore with its geographical positioning (tip of a large land mass, surrounded by large neighbours), port status (historically, for Djibouti), and history of being occupied by a European colonial power. However Djibouti turned out rather differently from Singapore. DPM Teo asked the audience if Singapore would be where it was today or look like Djibouti in 30-40 years. This counterfactual highlighted the difference that good leadership and the right policies could make to the fate of a country.

A participant asked DPM Teo how one would know if the policy decisions made today would still be valid and put the country in good stead ten years from now. DPM Teo said that it was indeed difficult to project into the future in this fast-changing world, which was why the leadership of Singapore had put so much effort into spotting and grooming talent that could take the right decision on policies in their time in to prepare for the future.

Another participant asked if there was a policy disjunct with the public service courting the best to join it rather than allowing them to venture into entrepreneurship. DPM Teo said that Singapore maintained a lean and innovative public service with only a small proportion of the talent pool. At the same time, he said that there was just as much scope and need for innovation in the public sector. It was highly competitive and demanding too.

Given the current global economic outlook, one participant noted that Singaporeans did not seem quite aware of the trends and their implications for Singapore. He cited the prospect of another round of 'quantitative easing' by the US to re-calibrate the balance in world currencies and global trade as an example. He asked if Singapore might come under any sort of pressure under these circumstances. DPM Teo said that Singapore's small size meant that her current account imbalances would not heavily distort the world trade. The key adjustments needed were in the trade imbalances between China and the United States. The issue for Singapore was how we were spending our money. The decision to invest in increasing the productivity our workforce and economy was a wise one, said DPM Teo. Like China that was desperate to grow rich before it grew old, Singapore too would need to prepare for the implications of an ageing population.

Singapore was a resource-poor country and could be in a vulnerable position should countries decide to hoard supplies in situations of conflict. A participant asked if there were efforts to increase Singapore's level of resource self-sufficiency. DPM Teo said that the government was conscious of this and had taken steps to experiment with environmental sustainability through eco-buildings and zero-energy building to improve the country's environmental and energy sustainability. The story of water technology in Singapore was instructive in how to achieve better resource self-sufficiency.

A participant asked if the government should provide greater public education so that people would make wise personal investment decisions, especially with

regard to property purchases that also had social implications. DPM Teo responded that it was not the mandate of the government to do so, and that the property situation was a rather unique one amongst other economic goods. Property suffered from a long supply lag which would have a huge impact on prices. Concerns over rising property prices surfaced in the past, for instance with the property boom in the 1990s. The fact that the current generation could afford public housing flats suggested that future generations would be able to do so too. According to Housing Development Board (HDB) statistics, the large majority of Singaporeans could manage their housing loans for HDB flats with their Central Provident Fund contributions. DPM said that he was quite confident that Singapore would still be one of the most liveable cities in the region in 30 years.

A participant asked if the government had fully factored in the social costs of allowing for the establishment of integrated resorts (and the casinos within) to Singapore. DPM Teo said that the government had introduced entry impediments in such a way that the casinos were not easily accessible to locals. Also, he found opposition towards the integrated resorts ironic in light of the promotion of the risk-taking culture everyone wanted as was mentioned in the group discussions. At the end of the day, on the personal level, all Singaporeans had to make their own decisions and live with the consequences of their choices.

In closing, and in response to a question on what the future engines of growth for Singapore were, DPM Teo said that it was upholding three core values often cited by the Economic Development Board, namely, 'trust', 'connectedness' and 'knowledge' rather than industries that would be important for the future. The way forward did not lie in the ability to predict the future, but in grooming talent and leaders who were able to rise to the occasion whatever the circumstances. In the same way, he favoured the expansion of funding for the Continuing Education and Training infrastructure over the Workfare Income Supplement, as this would allow the Singapore workforce to upgrade or keep its skills relevant. With regard to 'connectedness', Singapore straddled key global and regional relations such as the East and the West, and India and China very comfortably and this was an important advantage for the country. Finally, 'trust' was an important element to ensure success in creating high-value goods. The negative impact of getting the development of an artificial body part wrong, or to allow some compromise in high-security technology would be very damaging to our participation in the new industries and must to be avoided. If Singapore kept pushing in the right direction, she could remain at the head of the pack in economic competitiveness.

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**The Young Singaporeans Conference (YSC) 2010
Future.Identity.Talent@Singapore**

**PROGRAMME
11 November 2010
Amara Sanctuary Resort Sentosa**

8.45 am	Registration
9.00 am – 9.10 am	<u>Welcome Remarks</u> Ambassador Ong Keng Yong Director Institute of Policy Studies
9.10 am – 9.30 am	<u>The Big Picture of YSC 2010</u> Dr Gillian Koh Senior Research Fellow Institute of Policy Studies
9.30 am - 11. 15 am	<u>Session I</u> Sharing A Common Future? <u>Chairperson</u> Professor Phang Sock Yong Professor of Economics and Interim Dean, School of Economics Singapore Management University <u>Speakers</u> Dr Stephen Roach Non-Executive Chairman Morgan Stanley Asia Mr Manu Bhaskaran Partner and Member of the Board Centennial Group Inc and Adjunct Senior Research Fellow Institute of Policy Studies Open Discussion
11.15 am - 11.30 am	Coffee Break
11.30 am – 1.15 pm	<u>Session II</u> Sharing A Common Identity? <u>Chairperson</u> Associate Professor Shirlena Huang Department of Geography National University of Singapore

Speakers

Mr Calvin Cheng

Nominated Member of Parliament

Mr Nazry Bahrawi

Doctoral Researcher

University of Warwick

Open Discussion

1.15 pm – 2.15 pm

Lunch

2.15 pm – 4.00 pm

Session III

Sharing Talent for Inclusive Growth?

Chairperson

Mr Donald Low

Head, Centre for Public Economics

Civil Service College

Speakers

Mr Tan Chade-Meng

Jolly Good Fellow

Google Inc

Mr Yeoh Lam Keong

Vice President

Economic Society of Singapore

Open Discussion

4.00 pm – 6.00 pm

Session IV

Group Discussion

6.00 pm – 6.30 pm

Break

6.30 pm – 7.00 pm

Cocktails

7.00 pm – 7.45 pm

Dinner

7.45 pm – 8.30 pm

Session V

Group Presentations

8.30 pm - 9.30 pm

Session VI

Dialogue with DPM Teo Chee Hean, chaired by Amb Ong Keng Yong

9.30 pm

End