

# SINGAPORE PERSPECTIVES 2009

The Heart of The Matter

Monday, 19 January 2009  
Island Ballroom, Shangri-La Hotel

## CONFERENCE SUMMARY

The Institute of Policy Studies held its annual flagship conference, Singapore Perspectives 2009 today. It was attended by close to 630 participants.

The theme for Singapore Perspectives 2009 was “The Heart of The Matter”. The primary focus of the conference was on four major questions that Singapore needed to address in the medium to longer term.

- Can Singaporeans Afford a High-Cost Singapore?
- Can Singaporeans Remain Rooted?
- Can Singapore Preserve Its Hub Status?
- Can Government Do Less and Singaporeans Do More?

At the conference, the audience was also polled for their responses to these four issues. The summary of the polling results can be found in **Annex I**.

### The Big Picture

#### Speaker

- **Peter Ong**, Managing Partner, Gallup Singapore, Hong Kong, South-East Asia

Peter Ong offered the participants an overview on where Singapore was placed in the global scheme of things. He concluded that Singapore would need to forge new paths, use new flying instruments and need new concepts to engage the different groups.

Countries, cities and communities with high psychological capital and social capital in addition to good national, financial, and community infrastructure would be better placed to attract, engage and retain the very best talents especially those who were highly mobile. These talents would lead the way in creating the next wave of innovation, creativity, business and economic success; and the sustainability of that success. Already, Singapore was at the apex of the world’s stage in all aspects of national, financial and community infrastructure.

Moving forward, for Singapore to further move up the food chain and be a super strong magnet for talents and businesses, foreign and local, he felt that it was imperative that very high sense of Soul, Engaged Citizenry, Personal Expression and Well-Being on Singapore’s shores, was created for all Singaporeans.

Psychological and Social Capital were important concepts for Singapore to leverage and ace in the next lap. In his view, every Singaporean would need to be highly engaged, and exhibit a strong sense of pride and passion for the country.

## Panel 1

### “Can Singaporeans Afford a High-Cost Singapore?”

#### Speakers

- **Inderjit Singh**, Executive Chairman, Tri Star Electronics Pte Ltd
- **Laurence Lien**, Chief Executive Officer, National Volunteer and Philanthropy Centre

#### Chair

- **Kevin Scully**, Executive Chairman and Founder, NRA Capital Pte Ltd

In Kevin Scully’s opening remarks he noted that the current economic situation was complex with no ready solutions on hand that we could adopt. He thought that the high business and living costs were engineered by the government to promote economic restructuring and had indeed worked to attract global investments and keep the Singapore economy competitive. He wondered if greater investment in local enterprises would lead to a more stable economy and if a high cost of living was inevitable for Singaporeans.

In response, the first speaker Inderjit Singh traced the developments that led to Singapore having a high cost structure. Rising cost was the result of rapid restructuring. This was evidenced by Singapore’s high and laudable Manufacturing Value Added Index, but high business costs, and a decreasing rate of productivity. Instead of driving out older mature industries that enjoyed a high level of local participation for new high-value industries such as the bio-sciences, stretching these local capabilities, encouraging innovation and improving productivity in them could have made growth more sustainable and kept costs at more manageable levels. The result instead was a severe dislocation of infrastructure and human capital, leading to greater dependency on foreign labour and capital. At the lower levels, we also saw how general wages were depressed by greater access to foreign labour.

A more sustainable model for the future would be to rebalance the strategy of attracting multinational corporations here to one that was more focused on developing local enterprises. He also suggested introducing minimum wage system so as to give locals a better chance at job and improved wages. Perhaps there were sectors where a greater preference might be given to hiring local labour, as well. These measures might help us to achieve the right balance between achieving economic growth and accommodating increases in the cost of living.

The second speaker, Lawrence Lien highlighted the problem of growing income inequality and the fact that those in the poorest 30% of all households suffered a double whammy of falling wages and higher costs of living. Any money in the Central Provident Fund accounts were insufficient to help such families cope. He recognised how much the government had done most recently especially with the introduction of the Work Income Supplement scheme and its clear redistributive effects. Even in a rising tide of economic growth, not every boat would be lifted and therefore it was good to have the gainers share something with those who did not do as well. It was also imperative to try to keep the cost of merit goods and essentials like transport, housing, healthcare, and even food as low as possible to encourage their consumption perhaps through continued subsidies, so that the less well-off would always have the choice of cheaper or subsidised goods – a situation where you have ‘two Singapores’.

Going forward, Lien argued that there was a limit to how much the government could do as its policies were unable to meet the specific needs of those wanting help nor could it be too generous. Payouts also tended to affect self-esteem and confidence of those on the receiving end, and we also wished to avoid developing a sense of entitlement.

It was therefore important to look to the role of the people sector that could do some things much better than the state. It had the moral authority, the flexibility to experiment with new intervention models and a bias towards catering to the holistic needs of individuals. This sort of action also helped to foster social capital, a sense of community and happy society. Judging only from the receipts of institutions of public character in 2007, Singaporeans committed the equivalent of 0.34% of the gross domestic product to philanthropy whereas the total level of charitable giving in the United States (US) was at a much higher level of 2.2% of its GDP that year. The levels of volunteerism, both formal and informal, in Singapore, was 16.9% in 2008 in Singapore whereas the levels of just formal volunteerism in the US was 26.2%. There was certainly room to grow the level of giving here. Lien was heartened by the fact that private charitable giving rose in recession years of the past, and hoped that in the current downturn, Singaporeans would similarly give time and money to help those in need.

When asked if there was an alternative to having GDP ('gross domestic product') growth as a key performance indicator for the country as epitomised by how public sector wages were pegged to it. Lien responded that GDP growth of a country was akin to the profitability of a company therefore would not argue against it. It also meant that salaries could fall when there was poor performance and seemed responsive as a system. Another participant asked if Singapore could achieve the levels of charity and philanthropy as in the US. Lien responded that more was needed to communicate and educate the public on the gravity of the socio-economic situation in Singapore and the idea that every individual could make a difference. Another participant highlighted that there were four ways which make a difference with 'active giving', first through charitable giving; second, through volunteerism; third, through business practices of corporate social responsibility; and, fourth through the setting-up and support for social entrepreneurs.

On the issue about the feasibility of reducing GST ('goods and services tax') to mollify the impact of rising costs. Inderjit responded that lowering costs by supplementing income were a better solution compared to reducing GST. He also suggested that annual bonuses be given out in instalments throughout the year.

A participant suggested that the public housing policy should be reviewed for its over-emphasis on home ownership. This had three negative consequences: first, the debt culture where young people started life with a large mortgage to pay; second, it had the effect of siphoning off what would otherwise be liquid savings that could be used for investment or entrepreneurship; and third, it fed a speculative culture in housing. The model in Switzerland that had the highest per capita levels of home tenancy could perhaps be explored. There could be other ways of binding citizens to the country other than through home ownership. Inderjit added that the key factor that precipitated the rise in housing cost was the policy of 'asset enhancement'.

In response to Lien's notion of 'two Singapores' where one would cater to through subsidies to the lower income households and another for the well-off, one participant noted that this notion would be in tension with the desire to foster resilience and sense of community that Mr Lien hoped for.

## **Panel 2**

### **"Can Singaporeans Remain Rooted?"**

#### *Speakers*

- **Tan Ern Ser**, Associate Professor, Department of Sociology & Vice Dean, Office of Student Affairs, National University of Singapore
- **Eleanor Wong**, Associate Professor, Faculty of Law, National University of Singapore

#### *Chair*

- **Norman Vasu**, Assistant Professor, S Rajaratnam School of International Studies, Nanyang Technological University

Tan Ern Ser introduced the concept of Rootedness. Using the analogy of a tree, it could be seen as 'continuous nourishment' through for individuals in a community through their one connection to the past, present and future. It was necessarily hinged to the sense of place, and operated on the logic of community, as opposed to the logic of the market and helped units of the community to move beyond concerns over self-interest to that of public good. He benchmarked the sense of rootedness to the Jewish diaspora, where members of the community did not necessarily have to be in the geographical locale of their heritage but felt strongly about the past, present and future of their community derived from their sense of place. In that regard, rootedness was sometimes fostered by negative collective experiences of prejudice and discrimination, sense of suffering and injustice and contested geographical terrain as was the case with the Jewish diaspora.

Possible barriers to rootedness included the mentality of self-reliance cultivated by meritocracy, the tendency to view citizens in terms of their value-add in the market place, the lack of a culture of affirmation. In Singapore in particular, a key barrier to the developing rootedness was the tendency to view Singapore as an economy first, and only then as a nation.

Tan shared findings of a 2005 IPS Survey where respondents scored 74 on a scale of 100 on an index of rootedness. He also gave a breakdown of the sense of rootedness for different segments of society. He highlighted how the government was concerned to help foster rootedness to the nation, from the Singapore 21 initiative in 1997 to the Committee on National Education's 3H's (Head, Heart and Hands) framework in 2007.

Looking to the future, the key challenges to developing the sense of rootedness were first that globalisation would offer Singaporeans choices and nudge them to decide forcefully if Singapore was 'home'; also, if Singaporeans felt affirmed, accepted and secure in their sense of citizenship, they would be even more generous in welcoming foreigners into Singapore – this was not a mutually exclusive relationship.

Eleanor Wong argued that the way in which we seemed to make 'rootedness' a problem to be concerned about was a result of the narrative that was being applied – that of a story of an emperor who needed subjects and therefore was concerned about whether they would stay or leave. She proposed how there might be many other ways in which to speak about 'rootedness' or one's place in the world, one of which could be the 'narrative of the city'. This was a narrative of how people would be valued for the 'project' that they sought to achieve while resident in a certain place; giving their of their best for a finite period and moving on to the next place when they were done. Wong saw that the government had been 'telling the wrong story' with regard to foreign talent in drawing the artificial distinction between citizens and non-citizens, and should instead paint a narrative of a common purpose and community familiar to the immigrant population in early Singapore. Wong invited the examination of narratives that resonated within each member of our community, allowing for and celebrating something that was meaningful for each would be what was desired.

A participant suggested that rootedness should also be viewed through a narrative of love, as there were citizens (such as those in the European Union) who would stay in their country in spite of its imperfections, and not move on to other countries when the option of doing so arose. She agreed to say that when there was choice, which was only a recent phenomenon with globalisation, there would be there be the exercise of 'love'. This was also what brought her home to Singapore when she had the option to be anywhere else in the world.

Referring to the earlier analogy of a tree, a participant asked what type of tree Singapore was looking at cultivating in terms of encouraging rootedness. Tan saw that it was trees that had roots which enabled people to draw sustenance, no matter where one was in the world, like the Jewish diaspora was his model. Wong said her mental model was something that lay between that of the analogy of a tree and a virtual network, where there was something substantive and also an equal and complex network, spread broadly.

A participant suggested that Singapore could tap into the foreign community not just for brains and talent but also for emotional attachment, and could contribute more to the feeling of being Singaporean. Tan said that Singaporeans must first feel secure in their own land for there to be a generosity of spirit towards foreigners to permeate. Wong saw that from the perspective of the community, the key issue was not so much about citizenship in national identity but rather a sense of shared purpose from working together that was important. The idea about 'citizenship' was therefore not as salient as that of being part of a 'community'. There was therefore every potential for foreigners based here to contribute to that.

### Panel 3

#### “Can Singapore Preserve Its Hub Status?”

##### *Speakers*

- Manu Bhaskaran, Director and CEO, Centennial Asia Advisors Pte Ltd
- Tan Chin Nam, Chairman, Media Development Authority

##### *Chair*

- Tan Kim Song, Practice Associate Professor of Economics, Singapore Management University

In his opening remarks, Tan Kim Song highlighted that the concept of “Hub” was not new to Singapore, as the island-state had started off as a “Trading Hub”. In recent years, government attempted to broaden the hub functions of Singapore, through providing physical infrastructures, information communications.

Tan Chin Nam, in his presentation, drew a parallel between the definitions of “Hub” and “Global City”. He recalled that S Rajaratnam coined the term “Global City” in 1972, based on Capabilities; Connectivity; Culture; Community; Collaboration. Singapore was now “hubs” to arts, talents, logistics, transportation, oil and gas, media, education etc, under various initiatives of different Singapore ministries. Singapore was now ranked number 7 in the “2008 Global Cities Index”. Recounting the Economic Development Board (EDB)’s economic development path for Singapore as it moved from a “labour-intensive economy” in the 1960s to an “Innovation, Creative and Knowledge Economy” beyond year 2000. Reiterating Minister Mentor Lee Kuan Yew’s recent views that Singapore must embrace diversity in moving forward, and that Singapore should be a place for creation and innovation to grow. He highlighted some companies which EDB had succeeded in bringing in to make use of Singapore as a “home” to do business in the region/world. He added that EDB was using the Public-Private-Partnership (PPP) in courting companies to invest in Singapore. Tan Chin Nam noted that with the concept of using Singapore as a “home”, and not a “host”, the emphasis was now on growing the GNP (and not GDP).

Manu Bhaskaran likened the idea of a “Hub” to a “Node” which managed economic flows. On the whole, he deemed that Singapore had done well but “it has not made it yet”. Singapore must do more with the increasing challenges. He highlighted that Singapore was ranked 4th in the world, based on the MasterCard Worldwide Centers of Commerce Index 2008. Singapore was now facing competitions from Amsterdam, Moscow, and Dubai on the global arena, as well as from cosmopolitan cities in China, India, and in Greater Mekong Sub-region, such as Bangkok. In his evaluation of the strengths and weaknesses of Singapore as a hub, he found that there was insufficient critical mass/hinterland around Singapore, and there was thus an urgent need to gain scale. He reiterated that Singapore should continue to push for ASEAN integration. Singapore could look to new growth areas such as the Iskandar Development Region (IDR).

It was suggested that Singapore might have to relinquish some of its hub functions to its neighbours so that the region can progress as a whole, which would benefit Singapore. It was put forward that there should not be “double standards” but ethics and consistencies in Singapore’s ways of doing business with other countries and its internal message to its own people.

#### **Panel 4**

#### **“Can Government Do Less and Singaporeans Do More?”**

##### *Speakers*

- **Philip Jeyaretnam**, Partner, Rodyk & Davidson
- **Debra Soon**, Chief Editor, Mediacorp News

##### *Chair*

- **Mavis Chionh**, Director (Legal & Compliance), The Kind Exchange

Mavis Chionh opened the session by introducing various theoretical models of governance. According to her, theories of governance in recent years have tended to emphasise the place of civil society and the community in policy and decision-making. Noting a steady stream of Singaporeans over the years who entreat the Government to do more in matters in all areas of life, she recasted the framing question as: Are Singaporeans prepared to do more, and Government Less?

Debra Soon stated that in certain areas, Government action was still needed as certain initiatives and drives are highly dependent on the resources of Government and could not be carried out by the private sector. An example of this would be in the area of education: the Government must drive the development of creativity in our education system and establish a multitude of different education paths for our young people. The same goes for economic issues, especially in times of financial downturn such as in the current economic crisis.

In the area of political engagement, she observed that the Government may have no choice but to do more and engage Singaporeans who are better travelled and better educated, and who have ready access to the Internet. There may, however, an “inevitable collision course” between civil society and the Government ahead, as issues such as workers' rights inevitably overlap with matters of Government policy.

While civil society has grown in recent years, she wondered if civil society initiatives are but the domain of a minority of Singaporeans. In reference to the panel theme, she recast the discussion as a question of if Singaporeans as a whole actually want to do more rather than focusing on bread and butter issues. Singaporeans, said Ms Soon, “must step up to the plate”. Singaporeans deserve the government that they get, she said.

Mr Philip Jeyaretnam prefaced his comments by what he characterised as “the triangle of suspicion” which may be responsible for holding the growth of Singapore's civil society back: a) different groups of people living together in close proximity; b) a philosophy within the ruling party that political competition is a negative process; and c) the resulting caution on the part of citizens of association and action, for fear of being nipped in the bud. For Mr Jeyaretnam, it is crucial that this vicious triangle, as he called it, be broken.

Speaking from his experience in the legal profession and ex-President of the Law Society of Singapore, Mr Jeyaretnam said that Singapore should move away from the current emphasis on efficiency at the expense of the social process of value-setting. For example, the legal profession needs to be not just independent, but also to be seen as being independent. While the Law Society's independence has not be compromised by the power given to the Minister for Law to appoint Council members

to the Society and legislation which stipulates that the Law Society may only comment on legislation that it has been asked to comment on.

Singapore, said Mr Jeyaretnam, has reached the stage of development where we cannot afford not to have a protected space for Singapore civil society, and where we cannot afford not to have contributions from citizens banding together.

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This summary was prepared by the research team at the Institute.

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## ANNEX I

### POLLING RESULTS

The results of the polls conducted throughout the Institute of Policy Studies' annual flagship conference, Singapore Perspectives 2009 are shown below.

1. Can Singaporeans afford a high-cost Singapore?  
**Total number of votes received: 299**  
 Yes : 40.13%  
 No : 59.87%
  
2. Which of the following statements best reflects your view?  
**Total number of votes received: 294**  
 High cost is inevitable; it is okay if it is accompanied by strong social safety nets:  
 41.50%  
 High cost is inevitable; it is okay if there is strong economic growth  
 30.27%  
 High cost is not inevitable  
 28.23%
  
3. Can Singaporeans remain rooted?  
**Total number of votes received: 198**  
 Yes : 93.94%  
 No : 6.06%
  
4. Which of the following statements best reflects your view?  
**Total number of votes received: 205**  
 It does not matter where Singaporeans live so long as they remain emotionally attached to the country  
 72.20 %  
 It does not matter where Singaporeans live so long as they do not give up their Singapore citizenship  
 4.39%  
 Singapore cannot be a nation without a Singapore born and bred majority in the country  
 23.41%
  
5. Can Singapore preserve its hub status?  
**Total number of votes received: 150**  
 Yes : 62.67%  
 No : 37.33%
  
6. Which of the following statements best reflects your view?  
**Total number of votes received: 162**  
 It does not matter whether Singapore is a hub as long as economic growth is generally strong  
 22.84%  
 It does not matter whether Singapore is a hub as long as it is well-plugged into the global economy  
 38.89%  
 Singapore should work hard to preserve its hub status  
 38.27%

7. Can Government Do Less and Singaporeans Do More?

**Total number of votes received: 131**

Yes : 81.68%

No : 18.32%

8. Which of the following statements best reflects your view?

**Total number of votes received: 137**

A strong role for the government is inevitable given Singapore's special circumstances

40.88%

Singaporeans are prepared to take care of their concerns if only the government would let them

37.96%

More government regulation and action is needed because of growing economic and social challenges

21.17%

END