

## **Little Red Dot or the Apple of Nations?**

**This is an excerpt from a IPS-Nathan lecture by Peter Ho, senior adviser to the Centre for Strategic Futures. The former head of civil service is the 2016/17 S R Nathan Fellow for the Study of Singapore. He talks about how citizen empowerment and changing expectations require governments to adapt. They must shift from a model of delivering 'government to you' and 'government of you' to 'government with you'.**

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In 2010, my friend, the futurist Peter Schwartz, described Singapore as the "Apple of Nations".

He was not using apple in its idiomatic form, but favourably comparing Singapore as a nation to Apple the company, which was then - as now - an inspiring paragon of innovation.

Apple is famous for its innovative and revolutionary products. Many think that this year, Apple will become the first trillion-dollar company in terms of market cap.

It was high praise from Schwartz. But of course, it begs the question of whether we can truly be the Apple of Nations, or whether we are in reality just a Little Red Dot.

Schwartz, who is no rosy-eyed admirer of Singapore, also warned: "The difference between Apple and Singapore is that the people of Singapore don't know how good they have it. They don't know just what a remarkable entity has been created here. They don't share yet that sense of passion that the people at Apple do."

This concern was echoed in Prime Minister Lee Hsien Loong's 2016 National Day Rally speech, when he said: "What I would like to have is that we be blessed with a divine discontent - always not quite satisfied with what we have, always driven to do better.

"At the same time, we have the wisdom to count our blessings so that we know how precious Singapore is and we know how to enjoy it and to protect it."

### **Big government versus small government**

Thrust into an unwelcome and unwanted independence (in 1965), the Singapore Government was in a hurry to turn the precarious situation around, and to transform Singapore into a "modern metropolis", in the matchless pledge of Mr Lee Kuan Yew in 1965.

So, it is not surprising that in the beginning, governance in Singapore was characterised by big government - if you will - through strong regulation, seeking compliance with policy rules, and maintaining as efficient a system as possible, in order to get things moving and to get them done.

Through this approach, the Government embarked on a number of major initiatives that helped to lay the foundations for Singapore's prosperity and stability.

These included a massive public housing programme; heavy investments in infrastructure - in public transport, our port and airport; and an activist, government-led approach to attract foreign investments and build up the capabilities to support higher value-added activities.

In these and many other policy domains, the visible hand of government was as critical as the invisible hand of markets.

The Government's interventions enabled new markets and industries to develop. They also helped to ensure that economic growth throughout the 1970s and 1980s benefited all segments of the population.

### **Government versus governance**

Today, citizens and businesses alike have far higher expectations of government than before. Access to information has increased dramatically in scope and speed as a result of the Internet revolution.

Social networking platforms like Facebook, YouTube and Twitter have empowered citizens to express their views. Virtual communities are beginning to shape the debate and context of public policy issues.

The view that "government knows best" that perhaps characterised the situation in the beginning is increasingly challenged in today's world, in which citizens and businesses can easily gain access to much of the information that governments used to monopolise and control in the past.

### **The future of government in Singapore**

Today, the quality of government in Singapore is routinely listed at the top of a host of global rankings. That Singapore is already operating at the leading edge in many areas of governance means that it is no longer enough for Government policymakers just to copy and adapt from elsewhere.

For many of the emergent issues that we have to deal with, Singapore will have to evolve its own strategies and approaches. To achieve real breakthroughs, the Government will have to depend more and more on its own innovations.

And as a result, the Government will have to assume new levels of entrepreneurship with its attendant risks and uncertainties. A government that explores will also at times have to sacrifice some degree of efficiency in service of discovery. And it will need to become expert at conducting bounded experiments.

Indeed, the emergent, complex issues of the 21st century suggest the need for a new paradigm in governance - one that is Whole-of-Government, networked, innovative, exploratory and resilient in the way it confronts the challenges of our time - challenges rooted in complexity and accelerating change.

What is the appropriate model of governance for Singapore going forward?

The coming years will see a growing need for governance - which requires collaboration across the public, private and people sectors - rather than government acting as the sole, or dominant, player.

Today, the Government faces a myriad of complex public policy issues in which the trade-offs are much more difficult to make, because each could lead to unintended consequences and risks. Many of these public policy issues exceed the capacity of government working alone. Instead, they require the active contribution of private and people sectors.

A government-centric approach focused on efficiency and productivity will likely give way to a broader approach that leverages on the collective capacity of non-government actors, in order to achieve results of higher public value and at a lower overall cost for society.

How government interacts with the private and the people sectors will in turn determine how big a role each of these sectors will play. It is often overlooked that the Singapore Government has been a world leader in the engagement of the private sector.

A succession of five economic reviews - the Economic Committee of 1986, the Committee on Singapore's Competitiveness of 1998, the Economic Review Committee of 2003, the Economic Strategies Committee of 2008 and, most recently, the Committee on the Future Economy of 2016 - saw the public and private sectors coming together every few years to produce far-reaching policy recommendations for Singapore's long-term economic competitiveness.

### **Free market versus market intervention**

A major factor that determines the size of our government has been our belief that free market forces should determine prices and economic outcomes. This is the approach that is the foundation of small government.

But in Singapore, faith in the market has not been uncritical or absolute.

Instead, the Government recognises that in certain cases, unfettered market forces can result in excessive volatility, negative externalities and under-provision of merit goods, like education, as well as public goods, like defence.

The economist Dani Rodrik outlined a framework that can be usefully applied to understanding how Singapore has chosen to blend the work of markets and government.

First, the Government has sought to enable markets. This includes ensuring rule of law, property rights and public infrastructure - functions that most governments perform. In Singapore, enabling markets has also included industrial policy and capability development, subjects of some controversy in policy circles around the world, especially among proponents of small government that believe in the laissez-faire approach.

Second, the Government has sought to regulate markets. This includes supervision of the financial sector, competition regulation and taxation of negative externalities, such as high charges for car ownership and road usage, and sin taxes on alcohol and tobacco products - and maybe in future, taxes on sugary drinks. But a key feature of Singapore's approach has been

the shift towards lighter regulation accompanied by risk-based supervision, most recently exemplified by MAS' (the Monetary Authority of Singapore's) fintech regulatory sandbox.

Third, the Government has sought to stabilise markets. This is the bread and butter of macroeconomic management. Singapore's basic approach in monetary and fiscal policy is not far different from global practices. But its efforts to address asset price inflation and credit crises are interesting examples of targeted interventions that harness market forces.

Fourth, the Government has sought to legitimise markets. Globalisation, free trade and open markets lead to significant dislocations. Some of the sharpest debates over the role of governments centre on this: To what extent should governments facilitate adjustments, redistribute incomes or provide social safety nets, so as to maintain public support for market-oriented policies?

### **Engaging the people sector**

Complementing government and markets is the role that society will play in tackling the great challenges and wicked problems of the 21st century.

A key part of this governance process will be growing mutual engagement between the public and people sectors.

In his 2011 National Day Rally, Prime Minister Lee Hsien Loong underscored the importance of such engagement, pointing out that the nation needs to "harness diverse views and ideas, put aside personal interest and forge common goals". This is especially important because people's expectations have changed - and are changing, continuously.

### **Why expectations are changing**

I think there are a couple of reasons for this development. The first reason is that as government policies lead to improvements, the needs of the people change in tandem.

This is explained by Maslow's Hierarchy of Needs. Maslow's proposition was that after the basic physiological needs of a person are met, more complex psychological needs will have to be fulfilled.

At the top of this hierarchy of needs are the need for self-actualisation, which is to realise the individual's potential, and transcendence, which is helping others achieve self-actualisation.

So, if you accept this proposition, then after government has delivered on the basic needs of food, security, shelter, transport and health, expectations of the people are going to change, not in demanding more of the basic needs, but in fulfilling their more psychic needs in the upper reaches of Maslow's hierarchy, including social, emotional and self-actualisation needs.

The challenge for governments everywhere is that success in delivering the material goods of life - housing, food and so on - is no guarantee that it can be successful in delivering "the good life", however defined.

I suppose the reverse is true as well, although it is hard to imagine the good life without the basic necessities of liveability.

### **Third generation Singaporeans**

The second reason is what I term the third-generation effect. Singapore is now 51 years old and into its third generation of Singaporeans. The first generation of Singaporeans lived through the turbulence and uncertainties of Merger and Separation. The next generation started life on a firmer footing, but at the same time imbibed from their parents a sense of the vulnerabilities. But the third generation of Singaporeans have known only the affluence and success of Singapore.

For them, the uncertainties of the 60s and 70s are abstractions from their school history books. When their grandparents speak of the turmoil and danger that they experienced, they shrug their shoulders because it is an experience outside theirs. Of course, they are hardly to blame for this, and they certainly need not apologise for it.

Singapore's founding generation made the sacrifices in order that their children and grandchildren would enjoy peace and prosperity.

But clearly, what persuaded their parents and grandparents will not wash with the third generation. But as long as we are all in this together - and I hope that they feel they are in this together - the hopes and dreams of our youth must also appreciate the tough realities that endure. By all means, dream, but dream with your eyes wide open.

So, communicating to the third generation will require fresh arguments and different approaches.

### **People empowerment**

Citizens today feel empowered, because of the social media and higher levels of educational achievement. Indeed, Singaporeans today are much better educated than their grandparents. In 1965, the cohort participation rate for university education was a minuscule 3 per cent. Today, it is 30 per cent.

The non-profit group Ground Up Initiative (GUI) points precisely to how attitudes are changing in Singapore. GUI operates a 26,000 sq m "Kampong Kampus" space in Khatib, with the aim of reconnecting urbanites to the natural environment. The group's founder, Mr Tay Lai Hock, said: "I think the top should set the example, but I also believe, you first and foremost, must take responsibility for your own life...Don't blame anybody. Don't blame the Government... I have a choice to decide that even though they have made this policy, I don't want to be a victim of their policies."

### **The Bukit Brown case study**

In 2011, the Land Transport Authority announced plans to construct a road that would cut through Bukit Brown, the oldest cemetery in Singapore. Heritage groups protested, while the Government maintained its position on needing land in land-scarce Singapore.

When Bukit Brown Cemetery was placed on the World Monuments Watch in 2013, one member of the group All Things Bukit Brown said: "I hope it shows that we are serious, that we want a seat at the table, just so we can present what we have heard from the community, what we have heard from the people who have encouraged us... You want development, but let's have a discussion, perhaps."

The Government has to deal with an electorate that feels empowered, demanding and actively seeks participation. In this regard, Our Singapore Conversation, launched in 2013, signalled the Government's commitment to listening to the people's views.

### **The case of the missing PM2.5**

By looking at issues from the perspective of end-users - namely the citizen - the government is able to design better policies than if they were just developed using the usual top-down approach.

During the 2013 haze, experts had advised the Government to consider releasing another indicator besides the Pollutant Standards Index (PSI) readings: the PM2.5 readings, which measure particles smaller than 2.5 microns. This is because PM2.5 particles greatly affect people with heart disease, as well as children and the elderly.

When the haze began, the Government published the three-hour PSI readings and 24-hour PM2.5. But netizens and doctors pointed out that the PSI did not factor in PM2.5 readings as air quality indicators.

Members of the public also expressed concern that the PSI values appeared different from what they had observed. Singaporeans even resorted to taking their own real-time air quality readings with commercial equipment.

The Government said at first that it would be confusing for the public to have too many figures to read.

But in the end, because of persistence of the public, NEA (the National Environment Agency) began providing more information on PM2.5, and from June 20, 2013, publishing the PSI and PM2.5 figures hourly, six days after the haze began. And eventually, from April 1, 2014, Singapore moved to an integrated air quality reporting index, with PM2.5 incorporated into the PSI as its sixth pollutant parameter.

### **Government with you**

I have spent some time explaining how and why society in Singapore is evolving, and how government itself has to evolve in tandem. Put simply, it means a shift from the paternalistic and interventionist "government to you" and "government for you" to "government with you".

The imperative is for government to move towards a collaborative approach to policy-making, and be prepared to connect, consult, and co-create with the people and the private sectors.