

For society to mature, Singaporeans shouldn't rely too much on Government to solve problems: MAS chief

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SINGAPORE — Having a good government is Singapore's greatest strength but also its greatest vulnerability, because it is a single point of failure, the country's central bank chief said.

Mr Ravi Menon, managing director of the Monetary Authority of Singapore (MAS), was speaking at a lecture on Wednesday (July 28).

“We depend too much on the government to solve our problems.

“For a small young country, good government is critical. We don't have the ballast that many larger countries with long histories and deep traditions have to survive bad government,” he added.

To face challenges ahead, Singapore must forge various sources of strength across different segments of society, he said. That includes its citizenry, business and philanthropic communities, civil society, academia and the media.

Mr Menon was giving the last of a four-part lecture series organised by the Institute of Policy Studies (IPS), a think tank under the Lee Kuan Yew School of Public Policy.

The first, where he talked about “hereditary meritocracy” in society, was held early this month.

His views were expressed in his capacity as IPS' ninth SR Nathan Fellow. The fellowship was launched in late 2012 to advance research on public policy and governance issues.

‘A THOUSAND POINTS OF LIGHT’

Dr Yaacob Ibrahim, former minister for communications and information who was an audience member, asked Mr Menon what changes he would first like to see in Singapore.

His reply was that too often in Singapore, initiatives are led by the Government when it is the organisations or the people involved that would understand how best to improve systems or solve a problem.

“There are some initiatives where it’s the private and the public sector together. The Government does 70 per cent of the work, has pretty much decided what it wants, but wants some embellishments and enhancements and the reality check,” Mr Menon added. “I think that model is shifting.”

He cited the example of Singapore's Private Banking Industry Group, which includes more than a dozen major banks, in coming up with standards to lower the risk of money laundering.

The work was mostly done by private bankers, with MAS taking a back seat and only setting out broad principles for what it wants to achieve.

Earlier in his lecture, he had quoted a term used by former United States president George HW Bush — “a thousand points of light”, referring to the community organisations spread out across the nation.

Singapore, too, must have “a thousand points of light”, but it will take some getting used to this.

The Government, he said, has been trying to be less directive and more directional, but is still “progressively building up these muscles”.

After all, the social compact in Singapore cannot be just between the Government and the people, he said.

Rather, it should be between segments of society, and the Government should merely be one player among them, albeit an important one as an arbiter.

“Many parts of our society are responding constructively. But it does mean more diverse views, more public debate, more messiness, maybe even more confusion before there is consensus or compromise.”

People must get used to it, because that is a sign of a maturing society and the basis for innovation and a more durable nation, he added.

Asked by an audience member whether he thinks the Government is prepared for this level of public discourse and a less orderly society, Mr Menon said: “It’s a bit unfair to ask the Government, ‘Are you prepared for this?’”

The society is not yet there and the Government is but a microcosm of public views.

“There are parts of the public that value that predictability, of things being structured, the stability and so on. And they are not wrong to value it because it has gotten us so far.”

A SOCIETY UNDERPINNED BY VALUES

His comments on nurturing many sources of strength in Singapore was part of a larger point he was making during his lecture, which was themed An Inspiring Nation.

In his first lecture this month, he had spoken about how Singapore's emphasis on adaptation, meritocracy and pragmatism would come under pressure from major shifts in the global landscape.

His other lectures then delved into the need for more innovation, inclusion and inspiration to secure the country's future.

To Mr Menon, an inspiring nation is one underpinned by values, of which he proposed five for Singapore:

- Having a meritocratic system that offers hope rather than resignation
- Becoming a beacon for diversity
- Becoming a city of giving and philanthropy
- Having a heart for the environment
- Forging a stronger society with many points of strength

Like many societies, Singapore is grappling with managing greater diversity across many fronts — nationality, ethnicity, cultural values, political views and belief systems.

“It comes down to values rather than policies. Values like keeping an open mind, developing empathy and being gracious.”

The reason behind many disagreements in society is that the lived reality of some does not match up with statistical facts.

He raised the example of concerns about job security and discriminatory hiring.

During the first quarter of this year, net jobs for residents went up by 24,000 and there were 68,000 vacancies left at the end of the quarter.

“But for those who have lost jobs or know of friends who have lost jobs or seen a less qualified foreigner being employed in place of a local, that is their lived reality and it is at variance from the statistical fact.”

This is where empathy comes in, he said.

While society should not trivialise anyone's lived reality as a mere exception to the statistical facts, people also should not reject facts and over-generalise.

"There is some discriminatory hiring; let us stamp it out. There have been fake certificates presented by some employment pass holders; let us send them back," Mr Menon said.

"Let us also acknowledge that many foreigners who come here to work are highly qualified, passionate about their work and decent people."

While Singapore's approach to meritocracy has worked reasonably well so far, there is a real risk of an increasingly narrow and rigid meritocracy, Mr Menon said.

He proposed that society redefine the system to recognise a more diverse set of skills and talents, as well as acknowledge the role that family and "luck" play in a person's success.

He warned again of the risk of hereditary meritocracy, the danger he expounded during his first lecture.

The education system in Singapore has been placing less emphasis on students' grades, he noted.

Yet, during work interviews, too much weight is still being placed on educational qualifications and performance during interviews, which tend to favour those of a certain socio-economic class.

"I don't have a solution, but I think this is an area where every business needs to seriously think about how it wants to recruit people."

For these values to develop, everyone in society will need to put these words into action.

Echoing the teachings of the ancient Greek philosopher Aristotle, Mr Menon said: "The way to build virtue is to practise it... You become just by doing just acts; you become temperate by doing temperate acts.

"And if pockets of people start doing that, and that gets noticed, then maybe it will take shape."