

Getting out of a hole, after Lee Kuan Yew

Singapore's leaders after Lee Kuan Yew have navigated several crises well, but have to govern in a more complex environment driven by geopolitical change and rapid technological advances.

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SINGAPORE just crossed a watershed with the passing of Mr Lee Kuan Yew. Some Western journalists and not a few Singaporeans have asked: "How will Singapore do after Lee Kuan Yew?"

My answer has been quite consistent. We have as strong a chance as any country, after the departure of a giant from the political scene, of continuing well into the future, and we are better placed than most.

Why do I say that?

Mr Lee always emphasised building institutions and finding the right people to run them. He shaped the civil service, demanding nothing less than excellence. He emphasised the importance of finding good men and women for politics and the civil service. It was not just paper qualifications he was after. He wanted people with ability, integrity and that special quality of keeping cool under severe stress.

Mr Lee was fascinated by the Apollo 13 astronauts who in 1970 were in trouble out in space. They had to get themselves out of the jam. One false move and they would be orbiting in outer space, never to return to earth. We know what happened. The three astronauts came back. Mr Lee was very interested to know how Nasa selected the men.

In the first three decades, our civil service came under his direct tutelage. Even when he was no longer prime minister from November 1990, Mr Lee was in the background symbolising the high standards of public service that civil servants are urged to reach for.

Getting out of a hole in a crisis

THE successor generation of leaders who took over from 1990 have been in place for 25 years. They have produced policy initiatives and handled crisis after crisis, changing the direction of the economy in tandem with global trends.

There were the Economic Committees and the Competitiveness Committee. PM Goh Chok Tong, the first successor, was in charge for the post-9/11 Jemaah Islamiah threat. Singapore averted the terrorist attacks and, though there were sensitivities initially, we kept good relations among our ethnic groups. It could have gone the other way, developing into Islamophobia, as happened elsewhere.

Then PM Goh had to deal with the Sars threat. It was heart-stopping as it was a total unknown and the illness spread stealthily and fatally. The Task Force of Ministers, medical doctors and civil servants worked round the clock. It was full credit to the medical service, doctors and nurses, that they took the brunt of the crisis. It showed that Singaporeans pull together when a crisis happens.

Tourist arrivals fell. The airport emptied. The Government introduced a package of economic policies to help Singapore businesses recover from the economic crisis created by Sars. It was not just a medical disaster by our reckoning. I do not know how many countries would have adopted this comprehensive approach to deal with a pandemic.

In 2008, the US economy saw the near collapse of its financial industry and housing market. The world was clearly going into deep recession. It was only a matter of months before it would hit us.

Mr Lee Hsien Loong had taken over as prime minister. With Finance Minister Tharman Shanmugaratnam, they came up with a Budget to anticipate the downturn. The Budget presentation was brought forward to the end of January instead of the usual period in late February to put a stimulus in place early.

What we did with our \$20.5 billion "Resilience Package" Budget was declared creative by foreign observers. The Government decided that the best stimulus to the economy was to make sure people kept their jobs. Under the Jobs Credit Scheme, the Government gave employers a 12 per cent cash grant on the first \$2,500 of an employee's monthly wages.

There were other measures like a Workfare income supplement and also easier bank lending terms for businesses. I recall when our ministers and officials told Treasury and White House officials of our measures, the Americans were struck by how smart and sensible our approach was and how immediate the impact could be.

So it is clear that our successor leaders can come up with good policies to meet the challenges. Some policies will work better than others. Some will not work.

The important question is: When faced with a crisis, can we get out of the hole? Can we recover fast enough? There is ample evidence the successor leaders can get us out of the hole.

Governing, the next 50 years

BUT going forward, with or without Mr Lee Kuan Yew, after the first 50 years the job of governance will be harder.

It will be so all over the world. Governments are feeling the pressures of getting policies accepted and keeping structures together. Governments in industrialised countries are finding it hard to balance entitlements with growth, and to deal with issues of immigration and growing diversity.

The drivers of change in the next 50 years cannot all be imagined. What are the drivers that will impact on Singapore going forward? What will Singaporeans and our political leaders have to deal with?

- **First, the geo-political drivers.**

It remains to be seen in the coming decades if the region will remain peaceful and stable.

On the level of great power rivalry, Singapore and Asean have been preparing for this for a long time. The bipolar order of the Cold War has ended. The new order has gone through different iterations. The US is still the only superpower in the world but its position is changed.

To take serious international action, the US needs to have a coalition of the willing on its side. China is a rising power - rising rapidly, close to us, in the vicinity.

In the Asia-Pacific, the biggest challenge is to see how a new order can be evolved where the established US role and presence can co-exist with the Chinese emerging role and interests.

Countries will be pressured to choose sides. That will require delicate diplomacy. Singapore has maintained a balance before - and we must strive to maintain a balance in future, always bearing in mind Singapore's interest as the guiding principle.

Then there is global terrorism. The Islamic State in Iraq and Syria (ISIS) is spreading its influence and recruiting followers globally.

ISIS atrocities are regularly featured in local media, and the group has been able to recruit citizens from the region to join them - Malaysia, Indonesia and even a few from Singapore.

We should add to this cybercrimes and cyber security, which are challenging our traditional notions of how to deal with crime and security.

- **Second, the technology drivers.**

Technology is and will continue to be king. We live in the midst of hyper-connectivity. It can only get more so. What hyper-connectivity means is that each of us will be connected by the Internet and social media to receive our news from multiple sources. We do not know yet what new media and speed will define us.

For instance, what will be a citizen's interest, and how will each person see himself or herself? What will he read that will influence him and persuade him that his interest is identified with what the source suggests?

Is the Singapore environmentalist impacted by what his peers are doing elsewhere, and does he find solidarity with their views? How will any government compete with these multiple influences to get their messages across or explain policy to the citizens?

- **Third, the social drivers.**

Demographic change will be the most striking development for Singapore. By 2030, 900,000 in Singapore will be aged over 65, or 20 per cent of the population.

The ramifications are enormous. Beyond healthcare, there is an impact on the workforce, national service and police. Imagine a city where one in four walking in the streets will be old. How will a large ageing population affect the vibrancy of the city? We can help the ageing stay fit and healthy, but can we maintain a vibrant economy?

Linked to this is the difficult question of whether we should just let our population shrink or whether we allow immigration to augment the population.

Our birth rate is below replacement rate. This is a big issue for Singapore. Our population will start to shrink from 2025 without immigration.

Numbers matter in economies. The client base and customer base will shrink. The diversity in the economy will start disappearing too. How will leaders handle the hot issue of population, ageing and immigration? More importantly, how will Singaporeans think about this issue?

Robots: The next big thing

FINALLY, the economic drivers. This, too, is driven by technology. The globalisation of the production of goods saw jobs moving out of some countries and going to others. In Singapore, we moved speedily to phase ourselves out of jobs for cheaper labour markets. We went upstream to pursue the knowledge industries. Some jobs were lost, but many Singaporeans could train for new jobs.

Today, technology threatens to wipe out many jobs. Robots today can analyse documents, fill prescriptions and handle manual and mental tasks done by humans. Robots are considered the next big thing after computers.

The upside is that in a labour crunch, robots augment or replace human labour. Japan's "robots with a heart" help look after the elderly and to care for children.

The Softbank robot called "Pepper" will be on sale for something like 198,000 yen or S\$2,250 and is apparently good for looking after people with dementia.

In Singapore, robots are used in the Villa Francis Home for the Aged in Yishun. A stuffed monkey is a hit. HuGGler is a robot reacting as a human to touch, clearly introduced to help seniors keep in touch with emotions for healing.

The downside of having intelligent machines is that jobs can be lost. How fast can people be retrained for another job - that is a serious issue governments are grappling with.

Going forward, with these many uncertainties, Singaporeans will have to use pragmatic good sense, which I believe we all have, to prepare ourselves individually and as a nation to work together if Singapore is to do as well as we have in the first 50 years.

Future leadership will have to keep up with the many voices, listen to them, prioritise the choices with these inputs, communicate the choices and persuade people to go on the journey with them.

Leaders must be unifiers. Most importantly, leadership must come up with bold ideas and solutions to an increasingly complex and challenging environment.

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