

YES, WE CAN

SINGAPORE'S survival is by no means guaranteed. Historically, city-states have not lasted long. Venice, Athens and the Rakhine state, just to name a few, have long fallen into the musty annals of history. Singapore, a small city-state without any hinterland, is not an exception by any measure. As Mr Lee Kuan Yew said: "When I project myself forward 100 years for Singapore, I cannot tell you that it will exist."

Singaporeans must continue to be alert to threats which could lead to Singapore's fall.

On the other hand, our founding fathers have placed us in a wonderful position to succeed. One of their most important contributions was to institute governing principles of meritocracy, pragmatism and honesty. These principles have driven our first 50 years of extraordinary success, and will continue to do so in the years to come.

Meritocracy has ensured that our key institutions are run by truly talented individuals. Our selective government scholarship schemes, for example, attract top talent to key leadership positions. Our army, air force and navy are among the best in the world. This raw talent is further augmented by the best training and equipment - Singapore has the fifth largest military spending per capita in the world.

The spirit of pragmatism was driven in no small part by Dr Goh Keng Swee. He had no qualms about modernising Singapore by copying best practices from other countries, just as Japan modernised by learning and copying from the rest of the world during the Meiji Restoration.

Dr Goh used to say: "Kishore, no matter what problem we encounter, somebody, somewhere has found the solution. Let us find that solution and adapt it intelligently to Singapore."

Honesty was the most difficult trait to develop in Singapore's culture. In the 1960s, corruption was rampant. School examination papers and driving licences could be bought under the counter.

By prosecuting people for corruption even at the highest levels, the Government sent the message that no one was immune. Today, Transparency International ranks us among the top 10 most honest countries.

Singapore also invested greatly in physical and human infrastructure, such as our world-class education system. Our children continue to score well in maths and science compared to those in other countries. As a result, Singapore ranks as one of the most competitive countries in the world.

We also promoted racial and religious harmony by treating all ethnic groups equally. The move to make English Singapore's common language was also inspired - choosing Mandarin, Malay or Tamil would have been divisive. Our English proficiency has made us a great place to do business for the international community.

Regionally, Singapore is also blessed by the presence of Asean, which acts as a protective umbrella for us. In 1967, when Asean was first formed, the region was a hotbed of tensions and unrest. As South-east Asia is incredibly diverse in its racial and religious composition, this was unsurprising. What is surprising is that there is now remarkable peace in the region, as a result of the culture of *musyawarah* and *mufakat* (consultation and consensus in Bahasa Indonesia) which Asean has carefully cultivated.

Another positive force that will drive Singapore's future success is the fact that the centre of gravity of the world's economy is shifting inexorably to Asia.

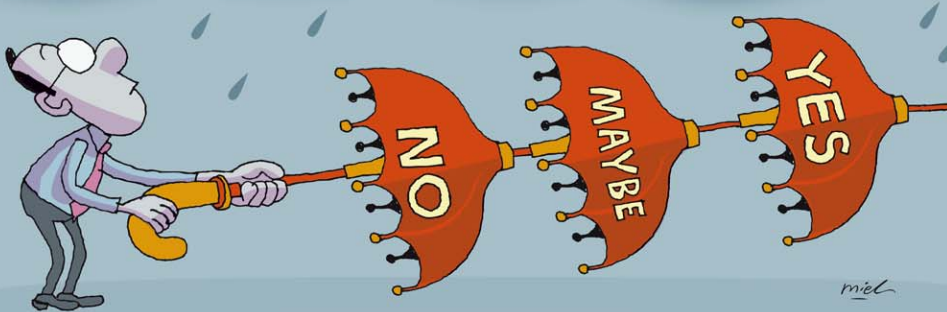
China's share of the global GDP (in purchasing power parity terms) exceeded America's share just last year. If Singapore plays its cards right, it could well become the new Asian capital in the coming Asian century.

After all, it is culturally well-connected to both the West and the rest of Asia. It is also a relatively short flight away from major Chinese and Indian cities. It is no wonder that Singapore ranked third in PwC's 2014 Cities of Opportunity report, after London and New York.

It is clear from these few examples that if we can grasp the wonderful domestic, regional and global opportunities which will be presented to us, the answer to the question of whether Singapore can survive will be a resounding "Yes, we can".

Can Singapore survive?

The Big Tent approach to increasing the Republic's chances



This essay is adapted from the introduction to the latest book by **Kishore Mahbubani**, *Can Singapore Survive?* Published by Straits Times Press, Singapore Press Holdings, it retails for \$25 before GST and is available at leading bookstores or from the website www.stpressbooks.com.sg. The writer is dean of the Lee Kuan Yew School of Public Policy, National University of Singapore. In this essay, he asks: Can Singapore survive? His take: There are good reasons to answer "yes", "no", or "maybe".

NO, WE CAN'T

ON THE other hand, much has been said about Singapore's vulnerability as a small state. If a cat has to live in the same enclosure as an elephant, it has to remain nimble and alert in order to avoid being stepped on. Similarly, Singapore has to be careful around its bigger neighbours. However, the biggest threat to Singapore's survival could actually come from inside Singapore.

The political environment in Singapore is rapidly changing. Though the ruling party has long been the People's Action Party (PAP), its support has gradually been waning in recent elections. In May 2011, in fact, the PAP saw its lowest-ever percentage of votes - 60.1 per cent. In the presidential election in August 2011, Dr Tony Tan Keng Yam scraped through with only 7,382 more votes than his nearest rival, Dr Tan Cheng Bock. The idea that the PAP could lose an election was previously inconceivable. Now, it is no longer so.

One big danger to Singapore's political stability could be the emergence of a populist party. The reason we face this danger is that we have accumulated huge reserves, which includes about US\$250 billion (S\$347 billion) in official foreign reserves as declared by the Monetary Authority of Singapore.

In per capita terms, we likely have the most foreign reserves in the world. A populist politician can easily promise to draw on these funds to give each of

Singapore's 1.17 million citizen households \$10,000 for 21 years. It would be unwise to assume the Singapore electorate would not vote for such a politician. Even the leading modern Western democracies have been providing fiscally unsustainable subsidies to their populations.

The European Union, for example, spends about €58 billion (S\$85 billion) on farm subsidies annually. Furthermore, such subsidies are very difficult to remove because over time they come to be seen as "entitlements". It would be political suicide for any politician to remove such "entitlements", however necessary it might be to do so. A populist government would erode both our savings for a rainy day and our credibility with the international business community, leading Singapore into ruin.

External dangers will always remain a concern for Singapore, especially in the coming decades. The biggest emerging geopolitical threat to us is rising great-power rivalry between the United States and China. The most dangerous moments in history are when the No. 1 emerging power is about to pass the No. 1 power. That moment is happening now.

In October last year, the International Monetary Fund's World Economic Outlook Database showed that China had already overtaken the US in terms of its share of the world GDP: Last year, China's share was 16.4 per cent while the US' share was 16.2 per cent.

Surprisingly, the US-China

relationship has been remarkably calm. However, this unusual state of affairs cannot last forever. Rising competition and rivalry between the US and China could rend Singapore apart. Already, China has expressed concerns about our close defence relationship with the US. Meanwhile, the US has concerns about our close economic relationship with China, such as our participation in the Asian Infrastructure Investment Bank, which the US opposes.

Many leaders and thinkers in the US also see Singapore as a US ally, even though we are not technically treaty allies with the US. This places Singapore in a difficult position. Though most Singaporeans' identities are based on their citizenship first and their ethnicities second, Chinese Singaporeans would understandably be uncomfortable if Singapore were to take a strong pro-American stance in the event of a US-China split.

Finally, Singapore's survival could be threatened by "Black Swan" threats. As the world becomes increasingly complex and unpredictable, previously inconceivable threats are likely to emerge. While it is futile to predict the inconceivable, I will try to suggest some possible "Black Swan" events.

The first possibility is Singapore could go the way of Malacca. Malacca was a thriving port for 200 years, but eventually fell into complete obscurity. This can happen to Singapore as well. As Prime Minister Lee Hsien Loong pointed out in his speech at the NUS 60th Anniversary Lecture on Oct 3 last year: "The climate is changing and the Arctic Ocean is melting. New sailing

routes are opening up, the North-east Passage via the Arctic Ocean from Europe to the Far East. Not all the ships will go there but some will and bypass Singapore and PSA." Singapore's port could diminish in importance as a result.

The second possible threat is technology. New technology is destroying jobs in the manufacturing and service industry. According to a 2013 McKinsey report, by 2025, automated tools and systems could handle a volume of output which would normally require 110 million to 140 million full-time staff. Singapore will need to ensure that its workers will be able to handle these profound shifts in labour needs.

A third category of unexpected threats to Singapore is pandemics. In 2003, the severe acute respiratory syndrome (Sars) claimed 33 lives. It also inflicted a great deal of economic damage as tourists and businessmen would not come to Singapore. Our GDP contracted by 4.2 per cent in the April to June quarter. The recent Ebola crisis is another clear example of pandemics spiralling out of control. As of early last month, there have been 22,500 known cases and nearly 9,000 known deaths. A small, densely populated island like Singapore could easily be wiped out by such a virus.

It is clear that there are many ways in which Singapore could be overwhelmed. If we lose our current traits of remaining vigilant and shrewd, it is possible that the answer to the question "Can Singapore survive?" may well be "No, we cannot".

MAYBE

HAVING discussed the reasons why Singapore might or might not survive, let me now suggest three concrete ways in which Singapore can increase its chances of survival.

First, Singapore can take the "Big Tent" approach that its founding fathers adopted. Mr Lee Kuan Yew, Dr Goh Keng Swee and Mr S. Rajaratnam were the pioneers of this approach. As Singapore is small, its pool of top talent is naturally also small. Hence, our founding fathers knew that they must be prepared to work with all Singaporeans, even those who had been critical of the PAP and its leaders.

As an undergraduate at the National University of Singapore, I myself had written several articles criticising the Government and its leaders. These included a very strongly worded piece which warned that Mr Lee could be on a "slippery slide to dictatorship". (Those who are interested in witnessing this youthful indiscretion can read this article in *Can Singapore Survive?*) Even so, Dr Goh offered me a place in the Defence Ministry (which I turned down in another act of folly).

Professor Tommy Koh, my predecessor as Singapore's ambassador to the United Nations, and Professor Chan Heng Chee, my successor, also wrote articles criticising the Government in their youth. Prof Koh challenged the PAP's claim that a political union with Malaysia was necessary for Singapore's survival. He also advocated that an ombudsman be set up in Singapore "because in Singapore, the exercise of discretionary power by the Government is not subject to judicial review", and spoke out in defence of The Necessary Stage in the wake of Josef Ng's arrest.

Meanwhile, Prof Chan's first book was seen as an attempt to discredit Mr Lee. Her second book criticised the PAP for weakening democracy in Singapore in order to consolidate its own power.

Many other critics of the PAP and its policies have been invited to join the "Big Tent" over the years. These include Mr David Marshall, Dr Vivian Balakrishnan and Mr Raymond Lim. I firmly believe that we must continue with this "Big Tent" approach to politics. If not, Singapore society is likely to become more politically fractious and divided in the coming decades.

Second, the survivability of Singapore can be enhanced if we become the biggest cheerleader of Asean. It is truly sad that so few Singaporeans are aware that one reason Singapore remains so peaceful and safe today is because a giant political umbrella called Asean has been erected over South-east Asia, including Singapore. South-east Asia is incredibly diverse. In a relatively small geographical space, we can find Muslims, Christians, Hinayana Buddhists, Mahayana Buddhists and Hindus. This range of religious diversity is remarkable.

Given this diversity, wars of separation should have emerged as a natural consequence in South-east Asia. As the Balkans of Asia, it should have been the natural epicentre of separatism and conflict. Instead, over the past five decades, it has emerged as one of the global epicentres of peaceful resolution of conflicts. Any objective audit of Asean and its contribution to South-east Asia would show that Singapore is probably the biggest beneficiary from Asean's success.

As a small state, Singapore has benefited the most from the culture of peace Asean has

introduced into the region.

On the economic front, Singapore may have also benefited the most from the gradual opening up and liberalisation of the Asean economies. Singapore's trade with the nine other Asean member states is larger than that of any other Asean country. Therefore, given the huge political and economic benefits that Singapore gets from Asean, Singapore should become the chief cheerleader and champion of Asean.

Historically, Singapore has played a pivotal role in championing the success and survival of Asean. History books will eventually reveal that one reason Asean survived those early scary years when the spectre of communism loomed over South-east Asia was because of the close friendship that had developed between Mr Lee and former Indonesian president Suharto. When two strong leaders trust each other and work well together, there are bound to be positive results. Behind the scenes, the quiet and forceful leadership of Mr Lee led to the extraordinary success of Asean. We need to maintain and strengthen the tradition. To prepare for this championship of Asean, each Singaporean child should be taught in school the importance of Asean for our long-term survival and prosperity. Additionally, in all global fora, Singapore should also speak out in support of Asean.

The third thing that Singapore can do to enhance its long-term survival is to go back to its roots, follow the examples of its founding fathers and go for bold, even risky, public policies. Our founding fathers were prepared to take big risks because they knew Singapore had no choice. Instead of being paralysed with fear, they displayed extraordinary courage. As a result of their courage, we have

succeeded. Success, in turn, has led to a natural result of success: a culture of risk aversion. Indeed, this culture of risk aversion is one of Singapore's biggest challenges in the coming years.

The best way to change this culture of risk aversion is to launch bold, iconic and heterodox policies that will catch the attention of our entire planet.

This is one reason I have advocated in my Big Ideas series that Singapore should strive to be the first city in the world to move towards a zero-car ownership city. This world of zero-car ownership is already on the way.

Well-known futurist Paul Saffo said in the National Geographic that within just five to 10 years, "Driverless cars will share roadways with conventional cars. This will happen in urban areas first and will take a decade to fully diffuse. In the long run, people will not own cars at all. When you need to go somewhere, you will have a subscription to an auto service, and it will show up at your door".

By displaying extraordinary courage in going for such a bold new policy, Singapore will also help to ensure its long-term survivability because it would demonstrate that the culture of risk-taking was not confined just to the generation of the founding fathers of Singapore. Instead, it would demonstrate that the culture of risk-taking has been hardwired into the DNA of Singapore.

This culture of risk-taking may well be the best way to ensure Singapore's long-term survivability as many new challenges will come our way. We must develop the culture of courage to respond boldly to each new wave of challenges. If we do so, the final answer to the question "Can Singapore survive?" may well be "Yes, we can".

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