



The writer says a structured, mechanistic and top-down approach to solving problems that is underpinned by an interventionist ethos worked in the earlier stages of Singapore's development. Given the present set of complexities, the challenge is changing how problems are approached. ST FILE PHOTO

The challenge in changing the way we tackle problems

Adrian W. J. Kuah

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The Committee on the Future Economy (CFE), announced by Prime Minister Lee Hsien Loong last October, is finally off and running. With five sub-committees looking at a broad range of issues – corporate capabilities and innovation, new growth industries and markets, connectivity, urban development and all things “city”, and jobs and skills. With each sub-committee helmed by political heavyweights and business leaders, the CFE promises to be a high-profile exercise in intensive research, rigorous analysis and whole-of-government coordination.

The CFE is, of course, the latest in a line of high-powered committees that include 1997's Committee on Singapore's Competitiveness, 2001's Economic Review Committee, 2009's Economic Strategies Committee – convened to answer the critical question, “What's next for the Singapore economy?”

While each committee faced a different set of challenges, there is a striking similarity in their modus operandi: a structured, mechanistic and top-down approach to solving

problems that is underpinned by an interventionist ethos.

Such a governance approach was precisely what was called for in the earlier stages of Singapore's development. And it worked too. With a weak civil society and an underdeveloped private sector, an elite and interventionist government was necessary and able to solve the problems of unemployment, housing, transport and so forth. And with each successful intervention, the transactional relationship between the Government and the governed was further cemented, along with a sense of dependency.

But the present set of complex challenges defy the bureaucratic and interventionist approach that Singapore has come to rely on. For a start, the emergent and dynamic nature of an advanced economy is such that it cannot be reduced to its parts. As the aphorism goes, the whole is greater than the sum of its parts, and everything is connected to everything else. That means the usual approach of reducing the grand economic challenge into smaller problems, such as innovation and connectivity, will not work. A complex problem strangely “disappears” when it is dismantled into its component parts. The CFE, with its division of labour among the sub-committees, suggests a divide-and-conquer

approach that will prove futile if the “whole” is ignored.

At the same time, the complex interconnections between areas covered by each sub-committee means that, if they operate in silos, one sub-committee's solution may inadvertently turn out to be another's problem. Or a sub-committee may be solving the symptoms of a problem that has deeper roots in other domains. Furthermore, the economy itself is embedded within a bigger socio-cultural and political “whole” and must be approached as such. The key to the future economy may turn out to be extra-economic, such as shifts in values and mindsets, and in engaging with emotions and aspirations.

The ability of different actors – especially the regulator and the regulated – within an economy to adapt and learn also means that sophisticated policy instruments, such as behavioural nudges, will also fail if they are applied linearly and do not adapt to people who, over time, know they are being nudged and adjust accordingly. A system of rules and incentives will be gamed, exploited and resisted, thus thwarting policy objectives.

Such complexities call for a more sophisticated appreciation of how direct interventions can create unintended negative consequences because all the

workings of a complex system are not known and not knowable. By corollary, desired outcomes might turn out to be the happy but unintended consequences of local, bottom-up actions. Clearly then, the setting up of the CFE, or any bureaucratic structure for that matter, is no panacea to Singapore's economic challenges, especially with a more diverse, more educated population.

Perhaps some guidance from an ancient Chinese philosophical tract might suggest a way forward. On a wall at the Lee Kuan Yew School of Public Policy, there is an excerpt from the Tao Te Ching:

When the effective leader is finished with his work,

The people say it happened naturally.

This is ironic, given how the name Lee Kuan Yew is synonymous with directness, boldness and interventionism. But complexity calls for a more oblique way of acting. The most efficacious recommendation that the CFE makes may be to restrain the Government from action, and to create space for outcomes to emerge from the ground up.

The challenge then is changing how we tackle problems. It is never easy to modify, let alone abandon, an approach that has worked so well for so long. The image of the policymaker as a heroic figure who

takes direct and decisive action is an enduring one and difficult to shake. Policymakers have an inherent bias towards action. Also, most people continue to expect their governments to “do something, anything”, especially during crises. Governments remain the responder of first recourse and last resort, even if the effectiveness of the responses is questionable.

The Government taking a step back to create space for solutions to emerge is only a start; people still need to organise themselves and to act. This requires shedding a mindset of relying on the Government, and the learned helplessness that is the result of effective state interventionism.

But there are promising signs: The growth of the social sector, rising levels of voluntarism, and the emergence of maker spaces all speak to the risks that Singaporeans are increasingly willing to take to figure out solutions on their own. What the Government needs to do is to protect these green shoots of emergent solutions so that the people can say it happened naturally.

stopinion@sph.com.sg

• The author is a senior research fellow at the Lee Kuan Yew School of Public Policy