

By Invitation

To beat populism, blend democracy and technocracy, S'pore style

In these turbulent times, governments need to be cutting edge and diplomatically nimble, and combine markets with strategic master planning. Two countries excel at this, and one is Singapore.



Parag Khanna

For The Straits Times

As shocking as Mr Donald Trump's victory in the United States presidential election was to most of the world, it did not require me to change more than a few sentences of my new book, *Technocracy In America: Rise Of The Info-State*.

The fundamental health of a political system is determined by the quality of its institutions, not the force of its personalities. For more than a generation, citizens of Western societies have been voicing steadily increasing dissatisfaction with their system of government, and even directly challenging whether or not democracy is right for them. Forty-nine per cent of Americans now believe that experts should decide what is best. The "end of history" is being turned on its head.

America's geopolitical role is similarly in flux. The 2013 US National Intelligence Council report titled *Global Trends 2030* rightly forecast that the US has shifted from being the unshakeable anchor of the global system to a fairly volatile variable within it. Mr Trump's pulling the US out of free trade negotiations and threatening to ditch alliances underscore this new reality.

In such a complex global environment, governments will be judged by their ability to navigate turbulence while delivering security and prosperity, not on the basis of Western metrics of democratisation. Indeed, the West is now suffering from populist improvisation, a path unlikely to

result in the steadily improving governance we should expect from societies that learn from their own and others' experience. And yet, models of governance do perpetually evolve to suit the times.

In the 1940s, scholars praised elite-driven "garrison states", such as America and Japan, capable of deploying their military-industrial complex to marshal society.

As Cold War barriers dissolved, geo-economic thinking took on greater prominence. Scholars Michael Porter, Richard Rosecrance, Kenichi Ohmae and Philip Bobbitt began writing about the rise of "virtual states", "market states" and "region-states" that focus on concentrating production, investing in human capital and aggregating city-states.

Today we live in the so-called Information Age, hence the ideal regime type should logically be called the "info-state".

It must be militarily cutting edge and diplomatically nimble, combine markets with strategic master planning, and concentrate the flows of goods, capital, resources, technology and talent to expand its influence beyond their size.

The two countries that do this best are Switzerland and Singapore. On the surface, few countries could seem more different than Switzerland and Singapore. Switzerland is an ancient European democracy, mountainous and landlocked, while Singapore is a young post-colonial technocracy, tropical and maritime.

DIRECT TECHNOCRACY

Despite the obvious differences, what matters most is that Switzerland and Singapore are both verifiably democratic and rigorously technocratic at the same time. They both have a high percentage of foreign-born populations, national military and civil service, strong linkages between education and industry, diversified economies,

and massive state investment in R&D and innovation. Both are relentless in seeking self-improvement. Their only ideology is pragmatism.

A marriage of Switzerland and Singapore's governance systems would yield the optimal type of regime for the 21st century: a "direct technocracy". Switzerland has practised direct democracy since 1291. Communities in Swiss cantons gather to deliberate and vote on the most mundane as well as strategic issues as often as twice per month. Plebiscites and petitions, and initiatives and referenda ensure the public's priorities are always at the top of the government's agenda.

Singapore represents high technocracy. With the world's top-ranked civil service (as measured by merit and autonomy), detailed scenarios and forecasts are used to strategise the country's domestic priorities and international positioning. Crucially, both countries are also at the cutting edge of leveraging big data. Switzerland has pioneering finance and technology companies, while Singapore has become a living lab for those innovations.

In today's world, no country should be either too democratic or too technocratic. Democratic populism can be self-defeating, both fiscally imprudent and socially divisive, while technocratic authoritarianism can be counter-productive, tone-deaf and provoke public resentment.

Direct technocracy represents a middle path: It uses robust and

real-time public consultation, elections, workshops and data analysis to capture the specific desires of the people, while expert committees balance short-term needs and long-term objectives.

BETTING ON THE FUTURE

Singapore's modern history is a narrative abundant in big bets on infrastructure, free trade, multinationals, finance, technology and human capital. Now again is a time for big decisions about Singapore's future.

The present context has very recent echoes: Though not as sharply as 2008, the economy has slowed considerably with the simultaneous downturn in finance, shipping, logistics, oil and gas, and real estate. And despite the significant mandate the

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Government received from the 2015 General Election, mindful of the sentiments expressed in the 2011, there is a cautious air about policymaking. And yet the comprehensive proposals embedded in the report of the Committee on the Future Economy to be released next month will require decisive execution.

In the sub-committee on connectivity on which I served, we advocate major efforts at job creation and job enabling in crucial areas such as logistics and transport, finance and IT. Staying ahead of competitors and disruptions requires serious investments such as harmonising food safety standards, raising labour productivity through digital enhancements and increasing venture-capital financing for start-ups.

With Asean becoming the fastest-growing region in the world, some of the greatest opportunities are in fact in our own backyard, establishing smoother and deeper supply chain connections from Myanmar to Indonesia, and pushing for accelerated implementation of Asean's 2025 Connectivity master plan that calls for faster Customs clearance, banking-sector regulatory convergence and mutual recognition of academic certifications (as in the European Union). More regional technocracy would be a huge boost for Singapore.

SINGAPORE'S APPROACH

After all, America's turn inward has global implications. The US is (for now) abandoning the Trans-Pacific Partnership trade agreement. Thus Singapore must move forward with other signatories while also

reinvigorating its participation in China's proposed Regional Comprehensive Economic Partnership. Singapore can capitalise on India's surging momentum as well as the many infrastructure projects that will sprout as a result of China's One Belt, One Road initiative and Asian Infrastructure Investment Bank.

These large-scale realignments are fresh opportunities for Singapore to continue to do what few other small states can – influence large ones. Much as Singapore has shaped the course of Chinese thinking on urbanisation, governance and financial regulation, so too does it seem to inspire Indian Prime Minister Narendra Modi and Kazakhstan President Nursultan Nazarbayev. A decade ago I coined the term "multi-alignment" to describe the deft diplomacy of maintaining good relations with as many powers as possible, even those that rival each other. It is a principle that will continue to serve Singapore well in the future.

Furthermore, Singapore should continue to build networks with other info-states, pockets of innovation and opportunity. There is much more to learn from Silicon Valley than from Washington, and new non-stop flights to San Francisco will accelerate that knowledge transfer. Barcelona and Berlin are hubs for smart city policies that can be very instructive. The new maritime Silk Road to Dubai is another axis of opportunity as the Middle East's only global city seeks to emulate Singapore's success. Governance is now a marketplace of ideas, not a one-way lecture.

Indeed, there are numerous quick wins Singapore can take away from studying other info-states closely.

Imagine jettisoning the PSLE, and with it the kind of academic stress that is wholly absent in fun-loving but Pisa-topping Finland; consolidating the jumble of payment systems in all our retail outlets and taxis into a single digital card as in Hong Kong; allowing foreign employment-pass holders to work part-time in the sharing economy or start their own businesses as in New Zealand or Ireland; or admitting young and hard-working immigrants (from Asean countries) to stoke the real estate market and fill labour shortages, as the United Arab Emirates has taken in from its region. A decisive technocracy doesn't fear the short-term adjustments, given the undeniable long-term gains.

The central challenge of governance for the years ahead is to manage geopolitical and economic volatility alongside domestic populist pressures. Singapore's governance model makes it far better placed to navigate this landscape than almost any other country in the world.

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• On Jan 25, at 12.15 pm, he will be leading a townhall discussion at the Lee Kuan Yew School of Public Policy on what Mr Trump's America means for the world.