

Time to face up to the big questions?

Earlier this year there was very wide coverage in the Irish and international media of the death of Lee Kuan Yew, former Prime Minister and 'Founding Father' of Singapore. The media focused on his success in building the economy of Singapore – causing it to grow at a pace many times faster than in other economies in the region. A steady pace of growth was achieved by having a consistent development policy supported by countercyclical macroeconomic policies. Today many countries in Asia and elsewhere recognise the success of the 'Singapore model'.

Not all of the commentary has been favourable – some have argued that the cost of delivering a strongly rational economy with high average living standards involved the curtailment of personal freedoms. Inequality has grown rapidly in the past decade and the treatment of immigrants on temporary work permits has been widely criticised. And arguably, Singapore's achievement of consistent policies has been facilitated by the People's Action Party being in power since the modern state was established in 1965.

For Ireland, there are some aspects to Singapore that bear some reflection as we work our way through our 'decade of centenaries'. Ireland and Singapore were almost unique in the 1960s in opening up their economies to international trade and foreign direct investment. In both cases this policy was driven by the desire to create sustainable employment at a time of major sectoral restructuring – Ireland was facing a major decline in agricultural jobs while Singapore was facing a major decline in jobs linked to supporting British trade before independence.

Both economies promoted inward investment by extensive use of tax and financial incentives at a time when most other countries had set up barriers to such investment. As small countries with few natural resources and a small domestic market, both sought investment in products that could be readily traded – products that have a high value to volume ratio. This gave both an early mover advantage in the information technology and pharmaceutical sectors – sectors which have grown more rapidly than most others in the past three decades.

Thus it is not surprising that Ireland and Singapore have been at the top or close to the top of the globalisation and competitiveness indices for many years in the past decade.

While Ireland would not have thought to look at Singapore in the 1970s and 1980s, its success in achieving full employment and in taking the development model further than Ireland had done brought it into the Irish policy radar in the late 1980s. Since then, many Irish Ministers and public servants have visited Singapore, seeking to understand its success factors.

Policy emulation can be a dangerous game – but looking at other countries to challenge our own policies and standards can be very valuable. And while our economic development policies are still quite similar, there are many aspects to Singapore that provide a challenge to Ireland today.

For example, as a city state it provides a lesson in how to design urban areas with people's wellbeing in mind – one can only imagine what a Singaporean planner would make of Dublin's traffic, its housing shortages and the dereliction in the inner city.

Singapore promotes excellence in education and research without apology – it spreads resources at second level to ensure that the school system is strong and it concentrates resources in higher education so that it has world class research.

Its public servants are well paid, so that talent is attracted into public employment and a first class performance is expected – the salary structures are designed to reward individual as well as group efforts. The system is also organised to facilitate movement between public and private sectors.

Singapore has a strong sense of itself as a nation, as evident in the huge response to Lee Kuan Yew's death. For some years, Singaporeans have been conscious of the passing of what they call the 'Pioneer Generation' which set the values of Singapore for its first half century. This year as it celebrates the 50th anniversary of its independence, and there is a strong public discourse centred on examining the country's direction and focus in the next half century.

In effect this anniversary is seen as an important occasion to look forward. Among the events is a series of lectures in honour of SR Nathan, Singapore's 6th President. These lectures¹ cover Politics and Governance; Economy and Business; Security and Sustainability; Demography and Family; and Society and Identity. They ask: over the next 50 years, what are the big challenges facing Singapore in these areas and how might we address them?

Perhaps unusually for what people might expect of Singapore, the lectures identify the 'elephants in the room', such as inequality, immigration, low fertility, pension funding and the future of democracy - how the one-party state model might be replaced.

From an Irish perspective, what stands out is that while we did change our economic policy radically around the time of the 50th anniversary of the state (including ending economic protectionism and joining the European Economic Community), we did not have any broad discussion about our values or about the range of issues that Singapore is addressing at a similar stage of its history.

As Ireland progresses through the 'decade of centenaries', there is surely something in what Singapore is doing that we might usefully consider? Is it not time to consider our societal values - how we weigh up the common good relative to the individual's rights – as we explore the long-run challenges we face? As growth returns and we move beyond the short time horizons necessarily forced on us by the economic crisis, we should have the confidence to explore the larger questions about the society and economy we are leaving for our children and grandchildren.

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¹ Videos of the lectures and printed versions are at <http://lkyspp.nus.edu.sg/ips/research/s-r-nathan-fellowship-for-the-study-of-singapore>