

## Singapore

### A guide to the future: lessons and observations from a visit to Singapore

Singapore is a 'must visit' place for anyone who wants to get a feel for the future or for Asia - or indeed for both - especially as one ponders Asia rapidly taking over from the West as the driver of the 21st century. It is an energising and futuristic small (population 5 million) city-island country.

It has a unique character. The island city has some great style - the Marina Bay Sands, the science museum and other new buildings surely equate to New York 's Chrysler building and other skyscrapers built in the 1930s and are modern day world-beaters. The Orchard street and other retail malls match or exceed anything you will find elsewhere - New York, Tokyo, or Bangkok - whilst the universally high standard of housing and city planning and landscaping is just extraordinary.

It is, of course, it's human character that really counts. Somehow Singaporeans blend a reassuring respect for some of the best traditions, courtesy and elegance of the past with a ruthless and restless quest to get and stay ahead of others. Flying with Singapore airlines from one of the world's finest airports, with probably the most elegant - traditionally dressed - cabin crew in some of the newest and biggest airbuses flown anywhere today is an accurate poster image of modern day Singapore.

Whatever is the secret behind Singapore's 50 year enormous leap to global No 1 position based on per capita GDP wealth and national clout way beyond it's size - we need some of it. Sure, like every society throughout history, Singapore has it's downsides and social challenges. Its Asian-Confucian model is not replicable in a western liberal democracy and, no doubt, some recent and current successes will inevitably provide the seeds of future challenges and problems - but for now let's focus on it's successes and consider that which does have resonance. Maybe we can follow and adapt a thing or two to our own unique situation?

Singapore's success rests on 3 pillars. The first is a resolute focus on long-term sustainable growth and development. It knew where it wanted to go and focused on building for the long-term - it eschewed short-term fixes and quick wins. It embedded a culture that searched for the best, thoroughly analysed and adapted it, and then took full ownership of it - unlike many middle east countries which continue to rely on significant numbers of expatriates in important senior positions.

The second pillar is a very high standard of education. Today, Singapore is in 5th global position overall for numeracy, literacy, and science. This has provided the essential platform for it's extraordinary drive to innovate and to get ahead of other potential regional rivals. Building on this, the third pillar is a constantly adapting and diversifying economy which provides enormous resilience and sustains very high living standards.

With no natural resources, Singapore has had no option but to rely upon it's ingenuity and instinctive entrepreneurial talents. It's air fleet is complemented by a huge shipping fleet, bustling ship yards, and the second busiest port in the world - the horizon wall-to-wall view of ships at anchor off the south coast is an inspiring sight. It boasts world class pharmaceuticals and high and ultra technical hubs, as well as a sophisticated tourist industry. Singapore is a premier league financial and service sector centre. It is pushing now to become Asia's natural gas trading hub. Most experts expect it to achieve this on account of it's oil trading experience and wider institutional skills which should enable it to beat other competitors in the race.

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Even in today's difficult times Singapore continues to grow. It is on track to achieve around 2% growth and its unemployment rate - also 2% - is one of the lowest in the world. Yet it is not resting on its laurels. It knows that it is losing some competitiveness - including to ambitious new schemes in Iskandar economic zone close by in Malaysia - and that exchange rates and inflation pose significant risks. It is well aware that with one of the lowest birth rates it faces a demographic time bomb and may be forced to rely more upon foreign workers soon. It is also concerned about growing income inequalities, potential racial tensions, divergent birth rates, and social cohesion.

Will Singapore be able to sustain its remarkable success story? Most probably, 'yes'. It is not ducking the hard questions. It is examining future developments and scenarios much more thoroughly than most others - it actively seeks external inputs into its forecasting and planning. It is incredibly clear sighted about its comparative advantages and invests in its national assets. It is asking many of the right questions - strong government and incentives for science, business and creative industries or light touch government; go all out for growth or for lower growth and greater welfare and social cohesion? And it appears to be learning better ways to engage its citizens more effectively.

The most important question for us is what can we learn from Singapore as we consider some equally difficult future choices of our own? Top of the list should be: accept short-term pain for long-term gain - pay now for top dollar enabling infrastructure which includes education, human capital development, and essential welfare support - so that in future we can have a more resilient economy which must be dynamic and constantly adapting. With less compliant electorates in the West, the onus is upon new level of strategic leadership to make the case to go now for the long-term and pay the price - otherwise we will soon find ourselves even further down global league tables and with reducing living standards.