

Keynote address by DPM Wong Kan Seng at the Singapore Perspectives 2011 Conference

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Introduction

It gives me great pleasure to be present for this year's Singapore Perspectives Conference.

The theme for this year's conference is "Our Inclusive Society: Going Forward". There are panels discussing the 3 sub-themes – Global City, Caring Society and the Singapore Spirit. It is timely and important for the Conference to address these issues. Why do I say that?

It is timely, because our economy has just recovered strongly, growing by 14.7% in 2010 after a recession in 2009. We are not likely to see such stellar growth for a long time to come. We should take stock of what we did well. Going forward, we must continue with sound policies to help us tackle the challenges of this fastchanging world. It is important, because inclusiveness and cohesion have always been the cornerstones of our multi-racial, multi-religious society, and it is vital for us to preserve what works, and is unique and precious about our society.

Part 1: Global City, Endearing Home

Our economy recovered strongly last year due to improved global economic conditions as a result of government intervention worldwide. The Singapore Government also took swift measures to deal with the economic problems head-on. The Resilience Package announced during the 2009 Budget helped both companies and workers. In order to sustain our development and deliver a better life for Singaporeans, we must continue to be open and connected so as to grow our economy.

Our rapid recovery was also possible due to the ongoing improvements to our economic fundamentals. In the last ten years, we have made great strides towards becoming a global city and society. We have attracted many international players in industries such as pharmaceuticals, biotechnology, alternative energy, aerospace engineering and tourism. We have broadened and deepened the base of our economy.

The developments around Marina Bay have created one of the most striking downtown landscapes in the world. We now have a beautiful skyline around a state-of-the-art barrage. Our residential heartlands are also being remade and rejuvenated. Looking ahead, Singapore will only become a more exciting place for residents and visitors alike when upcoming attractions such as the Gardens by the Bay, the River Safari, the National Art Gallery and the Sports Hub are completed.

Our voice is heard in international forums and taken seriously only because we are successful. If we are not, no one will pay attention to us. According to a study by Foreign Policy magazine, consulting firm A.T. Kearney and The Chicago Council, Singapore is one of the top ten global cities in the world in terms of how much influence it has on what happens beyond its borders, and how well it interacts with global markets, culture, and innovation.

Yet, not all Singaporeans are comfortable with the pace of change and developments. I can understand why, and I empathise with them. Some point out that the pace of life has picked up so fast, and that they are experiencing higher levels of stress. Some attribute the problems related to congestion and increased prices to the presence of many foreigners, and feel that we should

admit fewer of them. Others are concerned about potential erosion of our Singaporean identity, as we grow and become more cosmopolitan. In short, Singaporeans wonder whether a global city can also be an endearing home.

For Singapore, becoming a global city is not merely an aspiration. It is a prerequisite for our survival. Being open is the only viable option for us if we wish to be self-reliant and continue to prosper. Closing our doors would only turn us into an island of no consequence, unable to provide for our people. We will become irrelevant to the world.

Being open allows us to connect and trade with the rest of the world, and in doing so attract the best investments and talents to Singapore. Being open also helps us to overcome our physical constraints and small population. It helps us to create great things from the little things that we have. This is how, for example, despite having zero oil production, we became a global leader in oil trading, oil refining, oil rig building and so on. Singapore companies such as Singapore Airlines and Neptune Orient Lines are among the leaders in global transportation, despite Singapore being just an island of 710 sq km. The late Mr S. Rajaratnam had summed it up succinctly in 1972, nearly 40 years ago. He said:

“If you view Singapore’s future not as a regional city but as a Global City, then the smallness of Singapore, the absence of a hinterland, or raw materials and a large domestic market are not fatal or insurmountable handicaps. It would explain why, since independence, we have been successful economically and consequently, have ensured political and social stability.”

At the same time, Singapore has to be more than just a global city. More than anything else, this is our home, a place where we belong. Other global cities such as New York, London, Tokyo and Hong Kong, are part of far larger countries. They are connected to wider hinterlands which provide a constant source of skills and labour to sustain their competitiveness. Also, people in these cities can opt to move out of the city to another part of the same country for a more leisurely pace of life, lower costs of living, or to simply take a break from the hustle and bustle of a big, urbanised city.

As a small city state, we are not like New York, London or Tokyo. Our city is also our country and our home. To be an endearing home as well as a global city, however, we have to resolve a few tensions. One has to do with size, and the other has to do with change.

Size

Most global cities have sizeable populations. New York, London, Tokyo and Hong Kong all have populations of between 7 to 9 million people¹. Many aspiring global cities, like Shanghai, have much more. While population size is not everything, it provides the critical mass to attract investors and grow domestic markets.

Singapore, however, is a compact city state, and any growth in population size must be balanced against the need to maintain a liveable environment and a harmonious ambience. Because we are severely constrained in land area, we do what we can to create more land through reclamation, and building upwards and even underground. But there are limits. This is the first tension that we have to resolve.

Change

Global cities are also centres of change, as they are open to constant flows of people, capital, technology and ideas. To thrive, global cities remake themselves from time to time, implementing bold initiatives that the rest of the world study, and perhaps eventually adopt. This, we have been

doing. NEWater, ERP and our extensive and successful public housing programme are but a handful of our pioneering innovations which have attracted many overseas study delegations. 16. Too much change, and we risk losing the essence of home. Home is about familiarity, stability and comfort. We want to retain the vibrancy and dynamism of a city on the move, without eroding the sense of belonging and pride in our shared heritage. This is the second tension that has to be resolved.

Part 2: Our Way Forward

Resolving these tensions of size and change will be tough, but it is not mission impossible. These are the challenges that will drive and shape the work of the newly inaugurated National Population and Talent Division (NPTD). The NPTD's key function is to formulate, coordinate and review whole of Government policies related to population and talent. It will focus on achieving a sustainable population profile. Ultimately, it is about navigating a path that allows us to grow as a global city, yet remain a distinctive and endearing home.

In doing so, the NPTD, with other government departments and agencies, will be guided by three key principles. First, we have to preserve and uphold what is distinctive and unique about Singapore. Second, we will ensure that growth and change benefit Singaporeans. Third, we will remain nimble and be prepared to make adjustments along the way.

Preserve what is unique about Singapore

The first principle is to retain and preserve what is unique and distinct about Singapore.

To some, what makes Singapore unique or distinct is the presence of friends and family, and the treasured memories of time spent growing up in Singapore. To others, it could be our unique food culture, or just simply our way of life. To Singaporean men, it is the memorable experience of National Service which has instilled a deep sense of why we must defend our country.

To me, what is distinctive and unique about Singapore boils down to two aspects. One is our national character, which has been shaped by our forefathers and by our journey in nation building. Being descendants of immigrants who had to make a living on unfamiliar shores, we value hard work, thrift and honesty. This is the basis of our meritocratic society. Despite living in a highly urbanised environment, many of us still subscribe to the gotong royong spirit of neighbourliness and mutual assistance. We can be competitive, or kiasu, but we also have a strong tradition of philanthropy, volunteerism and caring for one another. We can see this in the early years when migrants came to Singapore and extended help to one another. We are an orderly, law-abiding people, but not so serious that we cannot poke fun at ourselves, with a humour that is folksy and unpretentious. But no matter how much better life has become for us, all true-blue Singaporeans will readily sit down at a hawker centre table and heartily enjoy the same hawker food that had nourished our forefathers decades ago. Our habits and character as a people reflect the simplicity of our roots.

Second is our multi-ethnic, multi-religious and multi-lingual society. Our forefathers came mainly from Asia, and some from other parts of the world. Our diverse roots and decades of living together helped us to understand the importance of tolerance, harmony and unity which have been painstakingly fostered and nurtured over the years. This is a unique feature of Singapore which we must treasure. Even rarer is the fact that we have made this diversity work for us. Most of us are so used to this that we do not even think of it as unusual. It has become part of our DNA. But to the casual visitors, this is an achievement that they truly marvel and admire. Let me quote from Mr Jack Blaylock, a frequent visitor to Singapore, who made the following observation in a letter to the Straits Times forum recently:

“On a daily basis, I see Christian, Muslim and Hindu office workers sharing a meal at a kopitiam (coffee shop), exchanging smiles or pleasantries on the street or otherwise kindly extending help to one another.

In all my trips here, I have not once witnessed religion-fuelled hostility or prejudice.

My travels have taken me to all corners of the world, yet I have never found a country that comes even close to the religious and spiritual maturity that Singaporeans demonstrate towards one another.”

Our people, and our multi-ethnic society are what make Singapore distinct. This is why, in managing our population, we will always be guided by the need to preserve a strong citizen core, and to maintain stability in our ethnic mix. A sustainable population profile must be able to address both needs.

Ensuring that growth and change benefits Singaporeans

The second principle is to ensure that any growth and change is for the benefit of Singaporeans.

One tangible benefit of our progress towards becoming a global city is our increased links with the rest of the world. As we grow, there will be an increase in job opportunities. The strong economic growth last year corresponded with low unemployment rates. Singapore’s unemployment rate fell to 2.1% in the third quarter of 2010, the lowest level in two and a half years. While growth in 2011 is unlikely to be as exceptional as in 2010, there will continue to be many job opportunities available for Singaporeans. There are many measures in place for Singaporeans to upgrade their skills. This will allow them to move into better and more productive jobs and earn higher wages over time.

Jobs, however, are not the only benefits that are enjoyed by Singaporeans. With economic growth come more choices and options to enrich our lives. Today, we see services or products that would have been considered ‘niche’ twenty years ago. As recently as ten years ago, the Esplanade, a world-class theatre and performance venue, did not exist. The local food and beverage (F&B) scene was significantly less vibrant. For example, popular F&B enclave Dempsey Hill, a disused Army barracks, was not there. For many, especially younger Singaporeans, it may be hard to imagine what life would be like without access to these choices and options.

Even in essential areas such as education, economic growth has expanded our choices. We have now more pathways beyond the ‘O’ Levels and for students to achieve their full potential. Those who are athletic and have a passion for sports can choose to hone their abilities at the Singapore Sports School. The artistic ones too, have a chance to nurture their talent at the new School of the Arts. They do not have to leave home to pursue these interests.

The Government has pledged that Singaporeans’ interest comes first. We will continue to ensure that any growth and change is to the benefit of Singaporeans. Part of that involves allowing sufficient intake of foreign manpower to top up our local workforce to meet economic needs. Ultimately, by making Singapore attractive to employers and investors, we will ensure that good jobs will remain in Singapore, for Singaporeans. At the same time, we will ensure that our population strategy mitigates the impact of ageing, so that the gains from economic growth will not be significantly reduced by the additional social burden of an increasingly ageing society.

Ensuring sufficient manpower for economic growth and mitigating the impact of ageing are two other needs that must be managed in achieving a sustainable population profile for Singapore.

The key hurdle to achieving a sustainable population lies in our local fertility rate, which is quite weak. For more than thirty years, we have not been having enough babies to replace ourselves. Preliminary estimates indicate that our resident total fertility rate has fallen to 1.16 in 2010, even lower than the 1.22 in 2009. The going is hard, but we have not given up. We will continue to support couples' decisions to get married and have children, and aim to create a pro-family environment. To be realistic, however, we must accept that boosting fertility will take a long time. For the foreseeable future, we will need to tap on immigration to augment our population, to support economic growth and to mitigate the impact of ageing.

Being prepared to make adjustments

The third principle, ladies and gentlemen, is to stay nimble and be ready to make adjustments along the way. We will continue to monitor the impact of our population policies closely and introduce refinements as and when necessary, to ensure that the policy initiatives serve the needs of a sustainable population.

We have already tightened the immigration framework to better manage the inflow and quality of new immigrants in the last quarter of 2009. As a result, the number of new permanent residences granted has been falling – from 59,460 in 2009, to 29,265 in 2010, and we have observed an improvement in the quality of new permanent residents (PRs). Because we have been able to attract new citizens of good quality, the number of new citizenships granted has remained relatively stable at 19,928 for 2009 and 18,758 for 2010.

We have also drawn sharper distinctions between the benefits Singaporeans, PRs and other foreigners enjoy, in areas such as housing, education and healthcare. This underlines our principle that Singaporeans will enjoy priority over non-citizens.

Ladies and gentlemen, Singapore's population story is still evolving. Looking ahead, continual refinements will need to be made at appropriate junctures to ensure that Singapore will remain our best home. Like other countries around the world, we must continue to welcome suitably qualified people to work and live in Singapore, and contribute to our society.

Conclusion

Before I conclude, let me sum up. While the drive towards becoming a global city and our quest to remain an endearing home for Singaporeans may pull us in different directions, resolving them is not impossible. Our "can-do" Singapore spirit will help us overcome the challenges before us. We will continue to forge our own path, by preserving what is unique and distinct about Singapore, and by being nimble and adaptable.

Whatever we do, we will ensure that Singaporeans will benefit from growth and change. The benefits will be concrete. We will not leave behind those who need more help. The surpluses we have set aside in good times can be tapped on to look after the needs of the poor and the old. Singaporeans will continue to enjoy quality education, healthcare, transport and other social infrastructure.

Our lives will get better as we continue to work hard, to remain competitive. This is the Singapore that we have built and will continue to improve - a country that provides the best home for all Singaporeans and creates bright opportunities for future generations. A home where we can enjoy what the rest of the world offers, and yet also remain firmly rooted with our Singaporean family and

friends.

I wish you all a fruitful discussion today. Thank you.

¹ The population sizes of the cities are - New York: 8.39 million, London: 7.80 million, Tokyo: 8.41 million, Hong Kong: 7.03 million.