Grey is the new white for Singapore

BY NEO BOON SIONG & LEONG CHING
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IT WOULD be easy to paint Singapore in black and white in recent months as public debate on key issues becomes increasingly polarised.

In housing, should supply be ramped up fast to meet short-term demand, or maintained on an even keel to keep long-term prices stable?

In transport, should buses and trains be nationalised or stay in private hands?

In immigration – should the intake of foreigners be reduced to pacify the unhappiness of locals or kept up to ensure economic growth?

In politics – should the Government make a greater effort to tailor policies to satisfy the public even if these have long-term costs? Or should it stay coldly rational and fight shy of decisions that are populists?

These dichotomies risk dominating the public space for debate. But they are false. Framing policy options in such terms is too simplistic, creates false expectations among the citizenry and worst, risks creating bad policy.

Policy-making in Singapore has seldom been clear-cut, but has always involved weighing options and trade-offs.

Take, for example, land acquisition in the 1960s to the 1980s. During that time, the Government pursued an aggressive land buying process that allowed for speedy resettlement, and moved the country towards a more or less centrally planned public housing and industrialisation programme.

It was the forerunner of a large strategic plan for the overall development of Singapore that manifested itself in the 1990 Concept Plan.

At the same time, there was a deliberate move to tap the energy and commercial acumen of the private sector, with 30 per cent of the land left in private hands. This policy innovation led to a lively development in many central parts of the city, where commercial, residential and entertainment usages of the land were integrated by the invisible hand of the market.

So in managing the land bank of Singapore, we are neither public nor private but somewhere in between; and there is no tension between the two.

Or take transport. The Workers’ Party is calling for the public transport system to be nationalised, arguing that a public-listed public transport operator is profit-seeking and answers to shareholders whereas a national agency answers to the people.

This is an attractive argument, but is not borne out empirically. There are in fact many national transport companies across the world which do badly financially and in service provision.

The choice thus isn’t between private and public, but between good and bad. In many ways public transport in Singapore is already a hybrid creature. MRT infrastructure and the first set of trains are paid for by the Government. Bus stops and bus terminals come from government funds.

Government funds the infrastructure, but a private company operates and runs the service. There is wisdom in leaving the private sector to operate the service, as the discipline of the market prevents over-provision of service.

The challenge for Singapore is to have the right incentives to prevent under-provision of service by operators.

In water, Singapore continues to increase water catchment capacity, utilise technology to reclaim water, promote water conservation, and maintain cordial relations with its neighbours – all at the same time.

In higher education, Singapore seeks to attract some of the best overseas institutions to be based here, but also continues to invest significantly in improving the quality of its own public universities.

In economic development, while the Economic Development Board continues to attract global players to invest in Singapore, Spring works relentlessly to build up local enterprises.

Rather than opt for black or white solutions, embracing the inherent tension in the above choices has led policy-makers through an innovative thinking process that results in creative and workable solutions.

From the history of Singapore policy making therefore, we can see that trade-offs are often necessary, as policy-makers consider opposing but important goals and values. Rather than an “either-or” mentality, Singapore prospered trying to integrate “both-and”.

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