

## BOOK REVIEWS

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***Singapore: Towards a Developed Status.* Edited by Linda Low.** Singapore: Centre for Advanced Studies, National University of Singapore and Oxford University Press, 1999. Pp. 401.

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*Singapore: Towards a Developed Status* is an ambitious book. It focuses on various strategies and future actions which the authors consider will bring Singapore closer to the status of a developed country. The book discusses at length the pre-conditions for attaining such a status which often stretch beyond economic and social contours. The perceptions emerging from the new directions in the social, technological, economic, political and cultural spheres have been highlighted. At times, authors seem over-enthusiastic and try to develop an alternative framework for a developed status focusing on size, special Asian attributes, economic performance and the imperative for a hard state.

The book covers a wide range of topics from conventional indices like economic growth, R&D, and technology to non-economic parameters like politics, civil society and culture. One may not agree with all the conclusions presented in the book, but it is a very well researched book. The authors have taken pains to present both analytical and empirical information in a comparative setting. The rigour of the analysis is noteworthy even if one has some reservations about the tone of the presentation. The book is well edited by Dr Low.

There are seventeen chapters, mostly originating from the conference on this theme. The open-

ing chapter by Hang examines critically the sustainability of R&D in the context of new millennium. Singapore being only a city-state has the inherent limitation of meeting the gap between R&D sponsored by the state and its successful diffusion and application which requires participation of other institutions, particularly the private sector. Singapore still lags behind other developed countries in terms of the number of research scientists and engineers (RSEs). The critical role of the private sector in commercialization of new innovations and inventions is also been examined.

The next chapter touches on the most important current issue — whether Singapore has already become an information society or not. While the physical infrastructure has been put in place, the constraint of manpower and skill still persists in Singapore. To attain the status of a developed country Singapore has to evolve into an environment for creative thinking where civil society can play an active role.

Lee's chapter recommends some important ways out for Singapore which is small and resource scarce. Taking a cue from the Scandinavian experience, Singapore too can tap regional markets and improve its R&D to home world-class companies.

Tan and Lee explore the potential of Singapore becoming a regional hub for venture capital, thus moving to developed status through the successful transition of SMEs into higher order technologies.

A developed country also has a developed national account and statistical system. While Singapore has been moving forward in developing

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the statistical system, it is argued that there are still many unmet challenges, particularly in the areas of accounting for non-economic changes and developments.

The chapter by Savage focuses on careful urban planning, mindful of the new challenges emerging out of digital speed of unfolding of events. Ooi and Kong also discussed urbanization and propose the complementary roles of the state and the private sector in shaping Singapore of the future.

The next three chapters focus on the social aspects of developed country status. Cheung's views on the after-effects of the demographic transition in the context of a cosmopolitan Singapore are well taken.

By highlighting the issue of international competitiveness, this chapter really grasps the core challenges of the transition.

Chua provides some provocative views on a consumer society focusing on issues like modernization, urbanization and technological changes. The chapter by Low and Ngiam is indeed a well thoughtout pointer to the fallout of rapid modernization where poverty, marginalization and other social issues continue to haunt policy-makers. The chapters by Seah, Singh, and Chin cover political, defence and security dimensions of developed Singapore. Gilberg then provides a survey of Western scholarship on multiple dimensions of the concept of development. He argues that the growth of a full-fledged civil society accompanied by vibrant political liberalization is necessary for acquiring developed status.

Haggard draws the conclusion that even after attaining most of the conventional indicators of development, Singapore is still constrained on three counts:

- i. it is small and its policy-makers have not been providing appropriate support for the development of institutions, regulatory framework and market-oriented economy.
- ii. Singapore cannot follow an open foreign policy because of its economic management and geo-strategic position.
- iii. Singapore's interpretation of democracy, human rights and Asian values do not fit well with the Western framework of the above.

While projecting the successful indicators of developed status for Singapore, the authors nevertheless seem ambivalent. Their lack of conviction really emanates from the nature of the state which Singapore has been experiencing. While the administrative state of Singapore has achieved enviable progress in the area of economic growth, high levels of literacy, good general health care, and sophisticated technology, the country lacks the high quality of education, vibrant civil engagements and insurance from occasional vulnerabilities originating from the neighbours mainly because of its small size. Singapore's decision to go with the nearest neighbours, particularly Malaysia and Indonesia and its not too distant neighbour China, in terms of foreign policy and regional development speaks well of the maturity of its leadership. The way Singapore faced the recent Asian financial crisis and its rebound also have added a few more points towards its claim for developed status. Yet Singapore's strong image as an authoritarian state will definitely stand in its way in acquiring the status of a developed country. The authors are apparently aware of this "Achilles' heel" of Singapore but have not really addressed the problem boldly. At times they opine for stronger democratic governance but do not know how to achieve it given the current structure of politics. At times, they argue for a special dispensation for an Asian case of developed status with special attributes. Such ambiguity will continue to plague the proponents of developed status for Singapore unless they are prepared to face the problem squarely. The latest book by Amartya Sen<sup>1</sup> speaks quite clearly the limitation of the strategy being pursued by Singapore.

"... a great many people in different countries of the world are systematically denied political liberty and basic civil rights. It is sometimes claimed that denial of these rights helps to stimulate economic growth and is "good" for rapid economic development. Some have even championed harsher political systems with denial of basic civil political rights — for their alleged advantage in promoting economic development. This thesis (often called "the Lee thesis" attributed in some form to the former Prime Minister of Singapore,

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Lee Kuan Yew) is sometimes backed by some fairly rudimentary empirical evidence. In fact, more comprehensive intercountry comparisons have not provided any confirmation of this and there is little evidence that authoritarian politics actually helps economic growth. Indeed, the empirical evidence very strongly suggests that economic growth is a matter of a friendlier economic climate than of a harsher political system.”(Sen 1999, pp.15–16)

Such cautionary words by a Nobel laureate economist like Amartya Sen may have to be taken seriously by the proponents of developed Singapore and strive for an economic environment which conforms to such a status. Japan is also an Asian country. Yet it has blended indigenous traits with pluralistic norms of democracy. Singapore too will have to innovate in that direction. In recent years, Singapore has been apparently moving in that direction and encouraging some civic actions. However, the political élites are too cautious about the outcome of such engagements and do often try to “manage” civil society. This may not be the right approach, at least at present. Despite these limitations, this is a well-researched, well-articulated book. The efforts made by Singapore, as projected in the pages of this book, can indeed be an eye-opener for many other Asian economies that too may aspire to developed country status.

The book will surely be a rich resource for teaching, research, policy-making, and public debate.

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***Competitiveness of the Singapore Economy: A Strategic Perspective.*** Edited by **Toh Mun Heng and Tan Kong Yam.** Singapore: Singapore University Press and World Scientific, 1998. Pp. 354.

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Singapore has come a long way in an economic sense to attain one of the highest levels of GDP per capita in the world. The next item on its

agenda is to sustain that growth momentum by jumping on the bandwagon of “competitiveness” which has become the buzzword for all newly industrializing economies in the region. Thus, this book is a timely contribution, intended to provide a review of the several aspects of competitiveness in the Singapore economy to vie for the development and status of a global city. This volume addresses the issue from three perspectives: macro-economic policies for continued growth and sustainability; microeconomic strategies for promoting and sustaining competitiveness in some economic sectors; and the interface of social and cultural dimensions of competitiveness.

At the outset, the definition of competitiveness and a neat framework for national competitiveness is presented in good detail, incorporating aspects such as the government, the endogenous growth theory, technology policy and the information economy. The chapter on technology policy and national competitiveness in particular was well written, providing a good balance and a link between the underlying theories and the policy directions of Singapore. It not only highlights that the successful government intervention in Singapore was due to its unique feature of smallness but also acknowledges the failure of government intervention in the factor market. This is important for economies trying to replicate the Singapore model in the art of “economic steersmanship”.

On the microeconomic strategies, there was good coverage in content and depth on the various high growth sectors in the face of globalization. The sectors include the shipping and air transport industries, the manufacturing industry, the tourism industry and the financial service industry. The issues broadly fall into the categories of challenges and impediments, implications of the information economy as well as recommended strategies to deal with increasing regional competition. However, the inclusion of the construction industry as a strategic industry does not sit well, given the domestic-orientation of this industry and its limited potential to undertake major construction projects in the region due to the sheer lack of experience from handling projects in small Singapore.