

Three lessons from Singapore, with or without Brexit



Comparison between the UK and Singapore has garnered much interest in recent months, mostly for the wrong reasons and certainly in the wrong tone. Singapore is meant to demonstrate the promise of Brexit (erroneously, in my view). Or, Singapore's experience is dismissed as entirely irrelevant for Britain (erroneously, in my view).

In absolute amounts, five million Singapore residents [export](#) almost as much every year as sixty million of us here. In fact, they run a trade surplus of 15 per cent, while we run a deficit of close to 6 per cent. Their annual income per person is about 30 per cent higher than ours.

In the World Economic Forum Global Competitiveness [index](#) released last month, Singapore ranks third while the UK sits in a different cohort at 8th. Ten years ago, one [pound](#) would have bought over three Singapore dollars; today, it will buy us less than two. As a regional hub and conduit into the rest of the region, Singapore is the largest foreign investor in many of its neighbours.

Is any of this relevant at all?

Notwithstanding the vast differences in scale, culture and history and without suggesting that a wholesale transplant of the Singapore template is either feasible or desirable, there are at least [three areas](#) in which the Singapore experience is instructive.

1. Compete on customer service

Singapore's ejection from the federation of Malaysia in 1965 marked an immediate loss of access to that 'single market'. In 1971, withdrawal of the British military base (which was responsible for 20 per cent of employment) left the resource-starved city-state in existential economic peril. It is this specific context that allowed for a survivalist and entrepreneurial approach to nation building.

Singapore was and is aware that its economic lifeline rests on its attractiveness to the outside world. In its pursuit of capital, trade and skills, much emphasis was placed on customer service and superior execution. As Neo Boon Siong and Geraldine Chen outline in their book [Dynamic Governance](#), civil servants made cold calls to CEOs of global multinationals inviting them to move their oil refining or ship repairing or electronics operation to Singapore.

Efficient follow-through ensured that at least one particular manufacturer was able to start operating and exporting semi-conductors within three months of the date of the CEO's first visit to Singapore. Civil servants also played an active role in marketing success stories, creating a [bandwagon](#) effect.

What may be less appreciated is that the UK too relies on international goodwill and on making itself attractive to others. Our export of services (finance, advisory, tourism, higher education) and continuing foreign interest in our securities and property help pay for our significant trade deficit – roughly 350 million pounds every day.

Even while we seek to grow our manufacturing base, we must not squander or impair our strengths. Singapore does not compete with Hong Kong, Tokyo or any of its neighbours on the basis of tax or regulatory arbitrage. It does so through superior, friction-free service.

It is telling that in the Global Competitiveness index, Singapore ranks 1st worldwide for public sector performance. A capable, dynamic, re-tooled and re-oriented civil service – unencumbered by legacy and tradition – can be an enormous source of competitive advantage.

2. Do the vision thing

Singapore's governing mantra of "think ahead, think across and think again" is effected through articulating and updating its broad direction of travel.

The Committee on the Future Economy ([CFE](#)) was convened in January 2016. It engaged 9,000 stakeholders across trade associations, public agencies, unions, companies and academics to produce a comprehensive set of strategic actions. (I had the opportunity to contribute to [this](#) discussion, hosted by the Straits Times, which fed into the committee's work). It takes stock of trends in technology and global trade to contextualise creative measures around skills, innovation and collaboration. It anticipates and in many ways, accelerates disruption to the structure of the economy and seeks "not to pick winners but to build capabilities that give enterprises and workers the best chance of succeeding in the open world".

'SkillsFuture' and 'SmartNation', designed to boost employability and the digital infrastructure, are two measures that are marketed like a corporate campaign and used as an organising framework for a variety of initiatives both in the private and public sector.

By contrast, national discourse in the UK can be dominated by incremental, piecemeal measures around health, education and sometimes police numbers. It is a marvel that the entire debate around Brexit is conducted without reference to a steady-state vision and what it means for stakeholders within it.

3. Rise above the false binary

Singapore is a poster child for pragmatism over ideology, outcomes over platitudes. Many of Singapore's policies do not fit neatly into the traditional boxes of right and left. It is a market-driven economy with a tight public budget. As deputy prime minister [Tharman Shanmugaratnam](#) put it on BBC Hardtalk, "It is the notion of a trampoline, not safety net". Yet, it has highly interventionist policies in industry, education, retirement savings and housing. Remarkably, about 85 per cent of Singaporeans own and live in public housing.

Going forward, responsible and nimble policy everywhere will require crossing ideological divides: labour market flexibility *and* greater support in transitional welfare. More immigration in some areas *and* less immigration in others.

Of course, Singapore has its shortcomings and it is going through its own introspection on many issues. Some of its policies, for example on ethnic quotas in housing estates, may not be culturally acceptable elsewhere.

However, there is much to admire. The question for Britain is not whether we wish to become the Singapore of Europe. Rather, the question is this: Do we have the mindset, capacity and orientation to emulate some of what Singapore does *even if we wanted to*?



Notes:

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