

The Management of Globalization in Singapore: Twentieth Century Lessons for the Early Decades of the New Century

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Abstract: *Globalization exposes nation-states to both opportunities and challenges. Singapore, an island country, moved from the process of building a nation-state to becoming a global city in the last decade of the twentieth-century. This meant increased migration of people at all levels of the economy to enable Singapore to remain a competitive economy. Though Singapore's economy prospered, its citizens were beset by structural unemployment and increasing income inequality. The Singapore state responded with the twin solutions of maintaining a sustainable economic growth while complementing it with policies to manage inequality. The paper examines the policies that were created in the 1990s to capture the benefits of globalization and the years from 2000 to 2008 during which the entire Singapore population felt the full impact of the challenges of globalization. The paper argues that the Singapore state must invest in its citizens to give them the hope of belonging to a nation to overcome the negative impact of globalization, a scenario in which a strong state like Singapore may survive while it flounders as a nation of hope-filled citizens.*

Keywords: *Globalization. Singapore. Income inequality. Sustainable economy. Nation-State. Management. Migrant workers.*

1. Background

Singapore, an island country, has done remarkably well in the last decades of the twentieth century to rise from an entreport centre to be a global city and a developed nation. It had resolved most issues pertaining to underdevelopment and had developed the needed institutions to prepare its survival in the twenty-first century. This paper examines the years beginning from 2000 to 2008. These years mark the period in which globalization as a process affected all parts of the world. Singapore being one of the nodal points for these processes was also carried along. These years were significant politically, socially and economically for Singapore.

This paper, however, highlights some of the social and economic dimensions of Singapore's transition and adaptation to globalization in the last eight years of the new century.

The paper has identified only some aspects of globalization for in-depth analysis. Being a global city all issues may be interrelated. The first part of the paper examines the theoretical perspectives of globalization by using the work of leading commentators on Singapore. The next section examines the parameters of globalization that Singapore has imposed on itself. This is followed by a section on embracing global economic ethos while rejecting socially undesirable trends. The issue of immigration is examined in the next section. The responses to the growing income-gap in the context of globalization are taken up in the sixth section. The conclusion provides an overview of the strategies of globalization in Singapore.

Many scholars regard globalization as a force which will inevitably bring about the decline (Held 1995), erosion (Hall 1991) or the end (Ohmae 1995) of the nation-state. As the argument goes, the process of globalization in its various manifestations is increasingly undermining the territorial boundedness, sovereignty and traditional role of the existing system of the modern nation-state. These processes, often perceived in terms of disjunctive cultural "flows" as theorized by Appadurai (1996) and others, have necessitated the rethinking of the nation-state. As a territorially and symbolically bounded "imagined community" (Anderson 1983), the result then is a call to think beyond the nation-state, emphasizing the transnational, deterritorialized and cosmopolitan forms of imagined communities.

The objective of nation building in Singapore was to bring together the heterogeneous immigrant population under a common and collective banner of the nation-state. The government hoped that through this process a distinctly Singaporean identity would evolve and that the population would identify with the nation. Later, the government feared that Singaporeans were becoming too "Westernized" and losing their "Asian" identity. It responded strongly by asserting and defending Singapore's identity as an Asian

nation. It began promoting Confucian/ Asian values as a counter-discourse against Western ideas of modernity. Singapore's territorially delineated national identity gave way to the articulation of a broad regional-based "Asian" identity. By the early 1990's the Singapore government began to realize that as a city-state it needed to embrace the world as its hinterland. The drive to globalize Singapore began in earnest with the government promoting and representing the city-state as a cosmopolitan global city (Velayutham, 2007: 52-148).

So the construction of Singapore's national identity was largely driven by the state and not, as in much of the colonized world, by grassroots movements and supported by the population at large. The features of the modern Western nation-states in contemporary societies are: that power is shared; rights to participate in government are legally or constitutionally defined; representation is wide, state power is fully secular and the boundaries of national sovereignty are clearly defined (Hall 1984: 9-10). The Singaporean "state" has most of these features, in that a democratically elected government runs the country, it is a secular state, and its territorial boundaries are clearly defined. However the hegemony of the dominant order (represented by the PAP) is rarely contested. As Yao (2001, p. 5) argues:

[I]n spite of their recent histories, nation-states in Southeast Asia are endowed with awesome coercive power to impose their iron will on their societies. In this context, state power is not merely an abstract entity but a sharp reality which permeates everyday experiences. From the time we pick up the morning paper, the moment we turn on the radio or television, the state is there with its busy pronouncements of another achievement of economic and national development, of another victorious crushing of political dissent which threatens national security or misleads the public about the doing of the government. Thus,

those of us in Southeast Asia may be forgiven for overstating, out of experience and habit, the totalizing and systematic quality of the state and its power.

Yao's overview of the state power and the role of states in Southeast Asia applies to Singapore. The PAP government has held power since 1959 with little effective opposition. The PAP maintains its political and popular legitimacy by constantly claiming to represent the collective interests of the nation. It has been peculiarly effective in repressing and silencing any form of dissent as undermining the "national interest". Democratic elections are held once in every five years in Singapore. These elections have been marked by a small and weak political opposition, gaining little success. The PAP government has preserved its power primarily by delivering on its election promises, by securing continued economic growth and security, and investing in public housing, education, healthcare and social security (Quah 1990; Brown 1998).

2. Parameters of Globalization

If Singapore's policymaking style had to be summed up in a phrase, it would be the practice of selective globalization; that is, the conscious effort to encourage certain forms of globalization and to discourage others (Chong, 2006: 266). For example, the government, on the one hand, encourages economic globalization through the synchronization of local financial regulations and policies with international standards while, on the other, energetically protects an Asian "conservative" society from the ills of satellite dishes, pornographic magazines, and other unwholesome global commodities.

This constant oscillation between being globally open and locally particular has given rise to the Singapore paradox. The city-state enjoys its status as one of the most globalized countries in the world in terms of migration, global finance, and telecommunications, and yet regularly garners criticism from international human rights institutions for its insistence on practicing its own brand of

politics, whereby certain civil liberties are curtailed in view of local multiethnic and multi-religious realities. The practice of selective globalization expresses the need to remain globally connected for the sake of nothing less than national survival, and the desire to retain certain notions of tradition and conservatism that protect specific dominant interests.

The year 2005, for example, has been a land-mark in selective globalization. It has been a year in which the city-state duly served as a site for global events such as the Shangri-la Dialogues (3 to 5 June); Asia-Middle East Dialogues (20 to 22 June); and the International Olympics Committee meeting (6 July). The economic pact, Comprehensive Economic Cooperation Agreement (Ceca), signed between Singapore and India in June set the stage for the city-state's accelerated involvement in the second fastest-growing economy in the world. Conversely, it has also been a year that saw a police investigation into a political film; the government's withholding of an entertainment license for a gay party; and finally, PM Lee's announcement that a Western model of democracy was not for Singapore. As the events in the last eight years show, and as the government's responses to them crystallized, it is clear that Singapore seeks to globalize selectively and at its own pace.

3. Negotiation, Mediation, and Rejection

The PAP government practices selective globalization. It is also open to economic globalization; on the other, it shuts its doors to liberal democratic processes and organizations. The government has succeeded in negotiating global forces, and has mediated the external influences and pressures on the local. Some events in 2005 suggest that this negotiation and mediation may have ramifications for its global city ambitions.

In June 2005 the Singapore government denied 'Fridae. Com', a gay portal, the entertainment license to hold its annual Nation Party. 'Fridae. Com' responded by moving its annual bash to Phuket. For a government that already acknowledges that there are homosexuals in the civil service,

the license withdrawal looked like a step backwards. Fridae. Com's pull-out may have mollified the majority of conservative Singaporeans but it does little to show the international community that the city-state is culturally exciting.

Lastly was Warwick University's decision not to set up campus in Singapore. According to reports, the Economic Development Board invited the British university, on account of its vibrant research culture, to set up campus on the island. After months of deliberation and feasibility studies, the university turned down the invitation, citing its concern over both financial costs and the lack of academic freedom in Singapore. Predictably, it was the latter issue that dogged the headlines. Whether overblown or not, the perceived lack of academic freedom has had economic consequences for Singapore. This is the first time that a potential investor has publicly cited Singapore's famed outer boundary markers (OB-markers), its emphasis on non-confrontational academic analysis, and the government's intolerance for dissent, as reasons for not coming. The consequences of this on the city-state's education hub ambitions will only unfold later.

These incidents suggest that a nation-state and a global city require different management ethos. Conventional arguments for cultural and ideological protectionism may sit well with the character of nation-states, but are increasingly incongruent with the functions of global cities. And since a global city cannot be willed into being but becomes one only when others recognize it as such, all global cities require cultural legitimacy from the international community of transnational professionals, creative classes, and international opinion-shapers who have the power to confer it recognition. The competition to distinguish oneself as a global city is, in reality, the competition to win legitimacy and recognition from this international community. The fact that Singapore's survival as a nation-state depends on its status as a global city means that the government has little choice but to constantly shift gears between the national and the global when it comes to policymaking, thus compelling it to send mixed signals to this international community. Casinos are allowed but satellite dishes are not, topless cabaret shows are permitted but civil disobedience is not,

and the list goes on. These discrepancies are at the heart of the dilemma facing Singapore at the dawn of the 21st century---globalizing at one's own pace and terms may be prudent for a small nation-state, but how much of this prudence can an aspiring global city afford?

Though Singapore actively seeks to mediate globalization's side effects such as structural unemployment and terrorism, the PAP government has also made bold strides towards opening up the city-state. One of the main talking points of 2005 was PM Lee's 18 April announcement that two casinos both incorporated in larger "Integrated Resorts" (IRs) were to be built by 2009. One located in the southern island of Sentosa, and the other in downtown Marina Bay, these two casinos, though taking up no more than 3 to 5 per cent of the total floor area of the IRs, have polarized Singaporean society. Although the government had stoically opposed casinos in the past because it was thought that their ill effects outweighed their economic advantages, it was now believed that casinos, and the larger IRs, could help to boost tourist figures, which have been generally declining over the years. Both the casinos and the IRs were necessary, it was also argued, to combat the strait-laced and sterile reputation that the city-state had garnered. Another argument presented to the public was that Singaporean gamblers often flocked overseas, and sometimes to the high seas, to gamble, which resulted in an estimated S\$1.8 billion to S\$2 billion loss in potential revenue.

The idea to build a casino on Singaporean soil was floated to the public in 2004. The latter half of 2004 witnessed an island-wide debate on the casino issue with the national newspaper, government policy institutions, and other feedback organizations providing ample space for the airing of views from both the pro-and anti-casino camps. The issue stirred up strong views from conservative groups, religious organizations, and economic pragmatists alike, and it is hard to think of another national issue that has generated the same amount of public interest and participation. Eventually the public debate congealed into a simplistic contest between the conservative moralists and economic pragmatists with the former associated with softness and dogmatism, and the latter with hard-headed rationalism.

Sensitive to criticisms and constantly alert to threats to social order, the government has, in its usual efficient manner, announced several safety net features. Firstly, to dampen the gambling appetite of locals, Singaporeans will be charged an entrance fee of S\$100 per day, or S\$2,000 per year. Foreigners and tourists will enter free of charge. The government's initial suggestion to allow only Singaporeans of a requisite income was quietly dropped after charges of elitism were leveled. Secondly, gambling on credit will be prohibited. Thirdly, Singaporeans will be able to exclude themselves or their family members from entry. Those on financial assistance programmes will be automatically barred. Fourthly, the Casino Control Bill was to be prepared as early as 2006 to spell out the operational and regulatory ground rules, while in 2007 or the year after, a regulatory body for the casinos will be born. The decision to cap casino revenue at 50 per cent of total IR earnings was rescinded after protests from potential IR operators. Fifthly, the government has promised assistance to counseling and rehabilitation centers in the combat against gambling addiction.

The lesson of the casino issue is that the PAP government is willing, and capable, of forsaking long-held competition principles for economic gains. Unprecedented levels of regional competition and a worrisome economy have paved the way for this ideological U-turn.

If the casinos demonstrated the government's ability to make U-turns, other events highlighted its ability to refuse to accede to certain global trends and politics. On 13 May 2005, 38-year-old Singaporean Shanmugam Murugesu was hanged for trafficking 1 kilogram of cannabis from neighboring Malaysia into Singapore. The run-up to 13 May saw a campaign conducted by various groups and individuals from the arts and academic communities to save Murugesu from the gallows. Among the events organized to promote awareness of Murugesu's plight were candlelit vigils, press conferences, petitions, prayer sessions, and an appeal to the President for clemency, which was rejected. Murugesu was duly hung on 13 May. The police only permitted an anti-death concert at the Substation to go ahead on 18 August after the organizers removed all images of Murugesu;

presumably because the government did not want him turned into a martyr.

A similar case that had international dimensions was that of Australian citizen Nguyen Tuong Van. Nguyen was arrested on transit at Changi Airport in December 2002 with 396 grams of heroin. Nguyen's case came to attention when his appeal to the President for clemency was rejected in October. Sections of the Australian liberal media played up the story while some Australian politicians predictably indulged in Singapore-bashing with "Chinese rogue port city" among the more colorful descriptions of the city-state (Grattan, Gordon and Button, 2005). Meanwhile, on a more constructive note, local civil activists sought to raise debate over the death penalty. All these, however, were to no avail. Even letters from the Australian Foreign Minister Alexander Downer to his Singapore counterpart George Yeo failed to change the government's mind. Nguyen was hung on 2 December 2005.

According to PM Lee, this uncompromising stance is to, firstly protect citizens from drugs and, secondly, to ensure the country does not become a transit centre. Such resistance to external pressures wins the government legitimacy from many Singaporeans, who believe in the direct link between capital punishment and low crime rates. Nonetheless, there is a growing section of vocal Singaporeans who oppose the death penalty, ensuring that the issue will be re-visited over and over again.

Other examples of resistance to external pressures include the government's defense of Singapore's press. In a global survey on press freedom, Singapore was ranked 140 out of 167 countries by an international NGO, Reporters Without Borders. The ranking itself was of little consequence but the minor debate it stirred provided the government the opportunity to reiterate that "an unfettered press that acts irresponsibly can be destructive", and to conclude that "Singapore's model of government and the media has given our country a clean government, social equity and harmony, and as a result, a strong economy" (Stanley Low, 2005).

4. Immigration and Foreign Talents

The rationale for welcoming "global talent" is economic; however, its social dimensions needed to be managed. This became especially evident during the economic crisis in 1998 and 1999. As the government continued to allow foreigners to live, work, and settle in Singapore while Singaporeans were experiencing lay-offs, resistance from Singaporeans grew against the influx of foreign talent. In 2000, Prime Minister Goh addressed the issue in his National Day Rally speech, calling on Singaporeans to change their mindset towards "global talent". He asked Singaporeans to welcome them, offer them the status of permanent residents, and "absorb them as Singaporean citizens, wherever possible" (Mahizhnan, 2000: 218). The government itself strongly signaled change in this area by appointing foreigners to head two government-linked companies (GLCs), the Development Bank of Singapore (DBS Bank), and Neptune Orient Lines (NOL), the national shipping line that Prime Minister Goh himself once headed before entering full-time politics.

The appointments caused some consternation as a sense of nationalism continues to suggest that a Singaporean should head these Singaporean institutions. At the DBS Bank, the appointment of the new Chief Executive Officer (CEO) was followed by a levy on small accounts previously held by the Post Office Savings Bank (POSB) that had been merged with DBS Bank. This led to public concern that the social mission of the POSB, to encourage all Singaporeans to save, had been lost. Given the ambitions of the foreigner-led corporate leadership to make the bank "world-class", the closure of many branches and a number of unprecedented service lapses attracted considerable attention. At the Neptune Orient Lines, staff changes with the hiring of more foreigners led to the joke that NOL now stood for "No Orientals Left".

The government defended its stand by saying that a Singaporean would be CEO of NOL or any other GLC if he or she was suitable. Prime Minister Goh cautioned against excessive nationalism, however, arguing that the job was too important to be left for Singaporeans only. He rebutted the NOL joke with another: that if not run properly, regardless of nationality, NOL would be "No One Left".

Two other areas of possible social stress relate to structural unemployment and to a widening income gap in Singapore's globalized economy. These by-products of globalization are common to most developed economies. It is widely accepted that globalization benefits an elite, while creating income gaps between them, the middle class, and the lowest earners in society. The example of Singapore had in the past bucked this trend: growth and globalization in Singapore had raised the standards of living for the vast majority of its people, and provided nearly full employment. If further globalization accelerates income disparities and unemployment for some, such trends will require political attention and the crafting of appropriate policy responses.

The government's response to the widening income gap was, therefore, to reinforce the idea of meritocracy, a foundational idea in the imagining of modern Singapore, to emphasize that those who work hard can get ahead in life, regardless of their background. This emphasis has brought more focus on the education policy, not just for its own sake, but as a vital complement to the globalization process.

The rationale for Singapore's immigration policy has been articulated by former Prime Minister Goh, thus: "I see foreign talent, or global talent, not as a quick fix to make up for the shortage of local workers. This is a long-term strategy to enable Singapore to sustain its vitality, competitiveness, and prosperity. If we can absorb a steady inflow of global talent into Singapore, our ideas and outlook will stay fresh and vibrant, and we can be a competitive, global player" (Yap Mui Teng, 2001). However, Goh has himself articulated what must have been on the minds of many Singaporeans -- that Singapore could not rely only on foreigners. In the Prime Minister's words: "...we will bring in foreigners and new immigrants. They will complement our needs, but they cannot replace us". Apart from the need for national servicemen, some political issues associated with a large immigrant population could be whether they would stay in times of trouble and the issue of divided loyalty (for which reason Singapore has been reluctant to allow dual citizenship). The above are quite apart from the question of conflict and competition for resources, particularly when times are difficult. As an example, Singaporeans are already

beginning to worry about unemployment when the population is increased to 5.5 million, part of which would undoubtedly be made up of immigrants. Seventy-eight per cent of those polled by a Channel News Asia/Gallup poll felt that Singapore should restrict the number of foreign workers as the population expands. How this will work out in view of the expected increase in structural unemployment remains to be seen.

The management of the consequences flowing from the decision to attract more talented migrants has become a political challenge in the economic sphere. With globalization forces creating more acute income inequalities and placing a high premium on talent, Singaporeans at both ends of the skills spectrum fear for their future. At the lower end, the possibility of cheaper labour from neighboring countries has created the pressure to improve skills more effectively. At the higher end, Singapore's push into higher value-added industries has also storm skills deficit. Better educated Singaporeans have become vocal aloud being placed at a disadvantage in an increasingly competitive job market. There is also concern aloud on the impact of sizable migration on the formation of Singapore's national and cultural identity, and on the state's management of ethnic diversity (Koh, 2003: 230-256).

5. Measures to Combat Globalization

Singapore, being a country that conducts regular elections every five years, has an electorate that demands responses from the government. In order to respond to the electorate, the Singapore government undertook two measures to counter the ill-effects of globalization. These included the reform of education and steps to reduce the ill effects of unemployment and falling incomes.

Education in Singapore has moved in the past few years away from rote learning for students, to increasingly emphasize new elements. Perhaps the most notable of these elements is creative and critical thinking. The government

budgets of the crisis years and after have recognized the new importance of education with increased funding.

One of the best ways of achieving that is to catch them young -- before the mind becomes too set. While many adult education programmes are going on around the country to induct the older generation into the world of computers and the Internet, the biggest and most productive effort is being channeled into the education system. In fact, a slogan has been coined by the government to reflect this focus: *Thinking Schools, Learning Nation*. Though some might wonder if it should not be the other way round, the government is keen to make "learning schools" -- which is perhaps a traditional way of thinking of schools -- into "thinking schools" -- which is perhaps what many have criticized Singapore schools of not being! Singapore has taken specific and sustainable steps to align the education system to meet the challenges of the new century. The master plan for IT in Education, drawn up in 1997 by the Ministry of Education (MOE), set out clear goals and specific milestones for the schools. The goals include enhancing creative thinking, lifelong learning, and social responsibility. The milestones include completing core computer training for teachers in every school by the year 2000, and achieving a 2:1 ratio between pupils and computers in schools, with 30 per cent of curriculum time devoted to IT-based learning by 2002 (Tay, 2001).

In addition to providing hardware and software infrastructure to transform the education system, the MOE is also focusing on the more important aspect of curriculum development and teaching. Information technology is seen as a means to expand and enrich the learning process itself. School children are now routinely doing project work that necessitates surfing the net and looking for materials that are normally not available within Singapore itself. They are also exposed to different technological possibilities in assembling and presenting these materials in ways never before done. In the process, they are not only learning different things but also learning things differently. There are also virtual classrooms now whereby pupils may remain in their respective homes but join their classmates in cyberspace with the teacher conducting lessons through the computer or a nifty hand-held device called Edupad. Several

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libraries are digitizing their collections to create virtual books that could be accessed anywhere, anytime. All these seem to add to the children's ability to learn independently, to think innovatively, and even to cooperate constructively. These are attributes that any Intelligent Island would consider prerequisites.

Beyond the formal education sector and schools, worker upgrading and the learning of new skills, including the smaller and medium-sized enterprises, have received more emphasis. Schemes to help achieve this include the Manpower Development Assistance Scheme to help those in the work-force to upgrade their skills and knowledge continuously; and the Lifelong Learning Endowment Fund announced by Prime Minister Goh in August 2000, with a budget of \$1 billion, to help equip workers with the skills to take on existing and new jobs, create new products and services, and capture new markets in this stage of economic development.

Managing income inequality need not mean reducing income inequality. It can be also about making “transparent attempts to reduce the real and imagined frustrations arising out of growing or high inequality. Managing may take various forms: national public discussions, ensuring equality in education and other opportunities, use of targeted and general subsidies and various other forms of asset redistribution, the extent of redistribution being a function of political will, economic imperatives and stage of development” (Bhanoji Rao, 1996 : 360). However, Fields (1993 Cited in Shandre, 2009: 232) notes that for the effects of economic growth to be broad-based, there must be mechanisms for transmitting gains throughout the economy and especially to the poor. Since the poor have only their labour to sell, economic growth can only reach the poor if it increases the demand for their labour or provide complementary inputs that make their labour more productive. Singapore government followed the twin solution of maintaining a sustainable economic growth while complementing it with a sound policy to manage inequality. Education policy and the public housing upgrading programme were used to improve the earning capacity of the population and enhance their wealth holdings in the form of

assets. These were targeted at the middle and lower income groups of the population living in public housing, as the higher income group living in private apartments and bungalows were perceived as having done well on their own ability. The housing upgrading programme were targeted at the older HDB flats that represent the greater proportion of the lower income population.

In January 2001, Singaporeans received a first payment of the CPF Top-up promised in August 2000. The CPF Top-up is a tangible way of sharing the nation's success with Singaporeans and, for the first time, was structured to give more to those in the lower income groups. Other rebates on taxation and government charges were also given, again targeting the poorer households and lower income taxpayers. Efforts to help pensioners, to some degree, and for the medical care of the elderly and poor were also strengthened.

The Minister for Finance, Dr Richard Hu, set the context in his Budget Speech 2001 (Tay, 2001: 218).

While we make these adjustments to anticipate and embrace global trends and changes, we must continue to be mindful of our local context: those who can run faster should pave the way for the rest; however, those who may be unwittingly left behind must not be left with no help.

There has been a growing realization in Singapore that the imperatives of trying to enter the new economy and to transform Singapore -- with a more creative and critically aware work-force and citizenry, considerable socioeconomic change and adjustment, and a widening income gap -- have social and political implications. Immigration, education, and social assistance policies have therefore become imperatives, setting new directions, and receiving more funding.

The government also set up the Work Force Development Agency (WDA) in 2003 to facilitate and increase the employability of vulnerable workers in the economy. The objective of WDA is to promote the employability and

increase the relevance of local workers by re-tooling and training them. In addressing the widening gap between skilled and unskilled workers, a Ministerial Committee on low wage workers announced in January 2006 the Workfare Approach to support the low wage workers in the labour market. The Workfare framework is based on four principles: continued economic growth and job creation for Singapore; efforts to help low wage workers must reinforce Singapore's strong work ethic; increasing opportunities for upward mobility should be the main means to help low wage workers; and, focus on raising the skills and know-how of the next generation to create hope for their own future. To achieve these outcomes, a \$1 billion Workfare package was approved by the government. The key component of the Workfare bonus is for the employed or self-employed local worker to have at least six months of continues employment and earn an average monthly income of \$1,500 or less (Shandre, 2009: 236).

As the Singapore economy moves into higher value-added goods due to globalization, the widening income gap amongst its population becomes the key political challenge. The rate of accumulation of human capital through education and training needs to keep pace with the rising demand for more skilled workers as the economy moves on to a higher value-added industrial structure. This will increase the wages of skilled workers relative to low skilled workers and increase the income inequality and vulnerability of local workers to the global trends. This suggests that education alone would be inadequate to manage income inequality in the future. Singapore may need more social welfare schemes to balance economic growth and the widening economic gap. (Bilveer Singh, 2008: 313-330)

6. Conclusion

Increasingly the challenge for the modern Singapore metropolis is one of coping with the task of never ending building. As Singapore has learnt, there is no completion date for building the Intelligent Island. Even as one part is being built, another part becomes obsolete, or worse still, what one is building becomes obsolete even before completion. This is the nature of information and

communication technologies. The most famous of the computer-related laws, Moore's law, which stated that computing power doubles every eighteen months, is itself becoming outdated. Thus, the Intelligent Island may never be completed but it seems likely to flourish even in an unfinished state.

Singapore has an excellent track record of being able to survive and thrive despite its constraints as a small country that lacks natural resources. The key performance indicator of good governance is not efficiency but rather the ability to weather a sudden turn of events. Singapore has proven capable of this kind of resilience. It is a state that weathered crises such as the Asian financial crisis in 1997-98 and epidemics such as SARS.

Summarily, as Minister Mentor Lee Kuan Yew said in an interview with the *International Herald Tribune*, despite good times, Singapore's survival is not guaranteed. Unlike an ageing population and the issue of longevity that can be dealt with through adjustments in Central Provident Fund schemes, there are more tricky imperfections that require greater attention. Being governed like a corporation that can gauge its success by its wealth is insufficient because the threat of radicalism cannot be countered through accumulation of wealth. The danger from extremist ideologies can be managed by strengthening social resilience to augment hard security.

Clearly the founding of Singapore and its formation as a modern nation-state were inextricably connected to global processes such as colonialism, migration, the emergence of the postcolonial interstate system and capitalism (Gupta, 1997). The forces of global capitalism have largely contributed to the reshaping of the Singapore city-state in complex and contradictory ways. In response, the PAP government has employed a range of strategies. Some of these strategies implemented in the last decade of the twentieth century were highlighted in this paper as having produced effects in the first decade of this century.

Speaking at the National Day Rally 2005 - commemorating the nation's fourth decade of independence - Singapore's newest and third Prime Minister, challenged Singaporeans yet again to think about its future.

What will Singapore be like 40 years from now? I can't tell you. Nobody can. But I can tell you it must be totally different Singapore because if it is the same Singapore as it is today, we're dead. We will be irrelevant, marginalized, the world will be different. You may want to be the same, but you can't be the same. Therefore, we have to remake Singapore – our economy, our education system, our mindsets, our city (Lee Hsien Loong, 21 August 2005).

His words were no different from those echoed by his predecessors, Goh Chok Tong and Lee Kuan Yew. The challenges facing Singapore whatever its guise maybe, whether it is economic, ideological, cultural, SARS, bird-flu virus or terrorism remain the same, always threatening. The relevance of Singapore rests upon its ability to adapt to its ever changing geographical, economic and cultural environment. In this, we can argue that the only certainty about Singapore's future is that it is uncertain. But we should be careful to distinguish between the Singapore economy and the nation, and it is the former which faces the danger of becoming irrelevant and marginalized. Of course, this separation is never made in Singapore. Thus the fragility and the uncertainty of the state of the nation both in economic and cultural/symbolic terms are closely interlinked in political discourse.

The Singapore nation/global city is a powerful symbolic and material force. It offers the social hope of belonging, identity, sense of place, prosperity, opportunities and excitement for its citizens. The fostering of hope is necessary in the context of Singapore where uncertainties prevail. Beyond the types of strategies found in *Singapore 21* and *Remaking Singapore* (improving the material quality of life and building of heartware) as way of dealing with the challenges of globalization, it is critical that the Singapore state endeavors to cultivate both an active sense of belonging and ownership over the nation's destiny and a sense of hope among its citizens. Most Singaporeans have internalized the

anxieties of living in Singapore (also reproduced by the state) negating the social conditions that can activate hope as an enduring characteristic and approach to life (Hage, 2003). It is vital that hope replaces the deep uncertainties that characterize the socio-economic life of the Singapore city-state. For that to emerge the Singapore state must invest in providing opportunities for its citizens not just to benefit from the nation's economic success but to exercise their citizenship and affective commitment to the nation.

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