

DISCUSSION PAPER 3/2016

A research contribution to The Future of African Cities project

# Up the creek with a paddle

## Building modern Singapore

Greg Mills



Strengthening Africa's economic performance



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Published in February 2016 by The Brenthurst Foundation  
A research contribution to **The Future of African Cities** project

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Layout and design by Sheaf Publishing, Benoni.

## Executive Summary

Today it is difficult to think of Singapore as a fragile, poor backwater. Yet it was born in crisis out of the separation of the Malay Federation, amidst *Konfrontasi* with Indonesia, and riven with multiracial, ethnic and religious sensitivities and differences. Thus economic and social delivery – from jobs to housing – was politics by

other means. While the state under Lee Kuan Yew was at the helm of this transformation, its actions were guided always by commercial principles, an experience that Pretoria would do well to examine as it ponders how to repair South Africa's failing state-owned enterprises.

This Discussion Paper forms part of the Brenthurst Foundation's multi-disciplinary policy project on **The Future of African Cities** which will run until 2018. By identifying best international practice through detailed case studies on a dozen cities, this project aims to establish what policy interventions and partnerships will enable Africa's urban areas to achieve the upsides of economic development while managing the downsides of the various forms of instability that often arise from rapid urbanisation.

# Up the Creek with a Paddle

## Building Modern Singapore

In 1968, a team of Singaporeans came to Kenya to learn our lessons, since we were then a more developed country than they were. As Prime Minister I took a study trip to Singapore with six ministers. That was the latest in many trips taken by the Kenyan government, about which no report was ever written, and where the participants kept everything to themselves. I said that this trip had to be different, that we had to translate our findings into actions. On our return, I asked for a plan of action from each minister learning from Singapore, since there was no point in reinventing the wheel. Each minister was tasked to prepare their action plan against our Vision 2030 .... But after I left government, nothing further happened.

*Raila Odinga, Prime Minister of Kenya, 2008-13.<sup>1</sup>*

Liu Thai Ker returned to Singapore from his studies in Sydney and at Yale and a stint working under the renowned architect IM Pei<sup>2</sup> to serve, first, as the Deputy CEO then CEO of the Housing Development Board (HDB) for twenty years from 1969 and, then, the Chief Planner and CEO of the Urban Redevelopment Authority (URA). Now in private practice, in 2008 he was appointed as the Chairman of the Centre for Liveable Cities within the Ministry of National Development.

His career has provided a unique window on Singapore's transformation: from a city where, at independence in 1965, two-thirds of its 1.6 million people lived in overcrowded slums, most without water-borne sewerage, and many without employment, on a tiny island-state of just 580-km<sup>2</sup>. Fast forward 50 years, 83 percent of the 5.5-m population lives in publically-supplied HDB apartments, 90 percent own their own homes, the rivers are clean, the island is 15 percent larger as a result of land reclamation, and despite the population increase, green cover has increased to 47 percent of the territory.

Thai Ker observes that this extraordinary transition has hinged on the government's credibility among

its population. And that, in turn, has depended on delivery and, 'behind that', he says, 'is its record of transparency, frugality and the absence of corruption.'

The pace and scale of Singapore's transition from urban slum to global city has probably been unparalleled. Despite the common narrative of critics and wannabe autocrats that this action was down to authoritarianism, the ability to get things done, as Thai Ker argues, has relied principally on the government's record and commitment to popular welfare. Success has depended, too, not on a few big or iconic infrastructure projects or even the provision of necessary funding, housing and land, even though all these were all necessary aspects, but fundamentally on ensuring a complete cycle of economic growth, governance and job creation within an overarching 'can do' political framework. In this regard, reflects the URA's CEO Peter Ho, Singapore's urban success 'all boils down to pragmatic leadership' led at the outset by Lee Kuan Yew, citing Lee's comment to him personally (paraphrasing George Bernard Shaw) that 'Reasonable men adapt, unreasonable men change the world'.<sup>3</sup>

## The Immutable Value of Location

Contemporary Singapore is a metaphor for world-class.

The city-state's skyline reflects a continuous, driving reinvention and fast-paced expansion; one year an idea, the next a Singapore Flyer, Marina Bay

Sands, Art Science Museum, 42 million tonnes of underground oil bunkering, a \$1 billion Gardens by the Bay, and so on. 'It is because we don't want to fail,' has reflected one official. 'We also have no natural resources to fall back on' she added. It is the

epitome of globalisation, possessing the world's second busiest container port handling more than 34 million containers annually, a ship arriving or leaving every 2-3 minutes, while Changi Airport is consistently ranked as the world's best airport,<sup>4</sup> handling 150,000 passengers daily and 6,700 flights weekly. This is more than logistics. Today Singapore is home to 121 foreign banks and 7,000 multinational companies, two-thirds of which have their Asian headquarters on the island.

Singapore's 2015 GDP per capita at US\$56,284 is more than fifty times more than it was in 1960,<sup>5</sup> and ten percent higher today than its former colonial master Britain.

Employing the benefits of its geography has always been at the heart of modern Singapore, and so has its people's industriousness. The founder of modern Singapore, Sir Stamford Raffles commented that 'it is impossible to conceive of a place combining more advantages' referring to its proximity to China and its positioning in the Malay Archipelago. Or as Lee noted in 2012, 'We became a hub because

of the convenience. For shipping, you have to pass Singapore, it's the southernmost point [of continental Asia] ... we were poor and we were underdeveloped, so we had to work hard.'

Following its birthing in 1819 by Raffles and Major William Farquhar as a free port which Raffles declared would be 'open to ships and vessels of every nation free of duty', the *towkays* (Chinese merchants) quickly came to dominate regional commerce.

As the British Empire flourished, so did Singapore, its growth powered by trade and its role, not unlike today, as an international financial centre. The front page of the first issue of *The Straits Times* on 15 July 1845, for example, is filled with notices on shipping activity, lists of foreign goods for sale, market reports from around the world and warehouses to let.<sup>6</sup>

Declared a crown colony in 1867 along with Malacca and Penang, by the time of its centenary in 1919, Singapore boasted modern conveniences including telegraph and telephone connections, electricity and cars along with the world's second largest dry dock. Jules Verne described Singapore in



'The Architect of Modern Singapore'. Lee Kuan Yew, Jurong Industrial Estate, 1965 (National Archive of Singapore/URA)

*Celebrated Travels and Travellers* in 1881 as ‘simply one large warehouse, to which Madras sent cotton cloth; Calcutta, opium; Sumatra, pepper; Java, arrack and spices; Manila, sugar and arrack; all forthwith dispatched to Europe, China, Siam, etc.’

With the opening of the Suez Canal in 1869 more vessels called at Singapore’s deep water harbour at Telok Blangah, the site of the contemporary container operations known as Keppel Harbour. The completion of the causeway in 1923 connecting the Malay peninsula enabled Singapore to profit from the booming Malay mining and rubber industries, the latter driven by the advent of the motor-car.

With prosperity Singapore’s population grew quickly. From just 5,000 inhabitants in 1819, it had doubled in size by 1825 by which times trade had reached US\$22 million, more than the established port of Penang. By the turn of the 19<sup>th</sup> century Singapore housed an estimated 225,000, more than 550,000 by 1930, and touching a million by 1950.

This reflected the growth in commerce. The US Treasury estimated the trade of Singapore at US\$210 million in 1898, more than Japan and the Dutch East Indies. Between 1873 and 1913, Singapore’s volume of trade increased eightfold, making it the second busiest in the world after Liverpool.<sup>7</sup>

On the banks of the Singapore River today stands Raffles’ white marble statue at the site of his original landing. The inscription reads: ‘On this historic site, Sir Thomas Stamford Raffles first landed in Singapore on 29th January 1819, and with genius and perception changed the destiny of Singapore from an obscure fishing village to a great seaport and modern metropolis.’ With the river and skyscrapers to his back, Asian Civilisations Museum on his right shoulder and Parliament to his left, arms folded he is apparently gazing out to sea. This effigy is not, however, the original, unveiled on Jubilee Day on 27 June 1887. That bronze statue is 100 metres away in front of Victoria Memorial Hall where it was moved on



Boat Quay in the 1960s (URA)

Singapore's centenary from its earlier location at the Padang, between the fields of the (emphatically once white- and male-only) Singapore Cricket Club and (originally Eurasian) Singapore Recreational Club.

Jewel of the British Empire it may have been, it also was a site of great hardship, of callous division, a world of European *tuans* and coolies, bumboats and *memsahibs*, two cities and societies: one driven by international finance, steam and the telegraph that enjoyed lifestyles of leisure; the other a rickshaw society, marginalised, violent, poor, disease- and drug-ridden, and for whom laws and justice did not equally apply.

Jewel of the British Empire it may have been, it also was a site of great hardship

Those rickshaw pullers, often Chinese migrants, would work up to 12-hour shifts for as little as 60 cents a days, much of which would, invariably given the levels of addiction among pullers, be consumed on *chandu*, opium. As the National Museum of Singapore notes, 'Because of the physical toll on their bodies, coolies usually worked for five to seven years before returning to China'. This occasionally flared into violence, such as the Post Office Riots of 1876 or the Verandah/five-foot-way riots of 1888. In 1896 Dr Lim Boon Keng led an enquiry into the 'four social evils': gambling, alcoholism, prostitution, and 'chasing the dragon' (opium smoking). After the Second World War these frustrations found voice in

the expressions of *Merdeka* ('freedom' in Malay) and the pan-Malayan independence movement.

Still, after its departure from the short-lived Malaysian Federation in August 1965, independent Singapore was faced with fewer resources in meeting the aspirations of its people. To do so, Lee's team of 'founding fathers'<sup>8</sup> and subsequent governments relied on gathering and deploying efficiently scarce resources. Their success exactly illustrates the value of decisive domestic leadership concerned less with grand visions, governance frameworks and mobilising aid, than the things they were themselves in control of – policy tools, tax revenue and execution.

To reiterate, the challenges at independence seemed formidable: high levels of poverty and inequality, limited infrastructure geared for the British naval presence, limited literacy (just 60 percent) and widespread squalor with half a million in slums, and high unemployment. Goh Keng Swee, regarded as the father of Singapore's modern economy, learnt from the 1952 Social Survey that of the 1,814 people who lived in Upper Nanking Street close to his own home, that just three households had their own toilet, bath and kitchen. The others shared open-bucket toilets and open coal fires to cook. As a result, '[H]e decided that his priority should be to provide jobs. And the best way to do this was to encourage capitalism and private enterprise.'<sup>9</sup>

The government's response was to align the economic, social, international and legal context to the nation's needs: land, housing, jobs and investment were the priorities.

## Land, Housing, Jobs and Investment

To support the priority of urban renewal, Lee's government enacted the Land Acquisition Act in 1966 which granted the power to acquire land quickly and at reasonable rates of compensation. This was followed, later, by an amendment of the Foreshores Act of 1964, which enabled the government to embark both on reclamation and to build the East Coast Parkway linking Changi Airport in particular with the city centre. By 1979, 80 percent of land belonged to the government to be sold on long-term (usually 99-year) leases to developers. 'Without land,'

says Cheng Tong Fatt, Permanent Secretary in the Ministry of National Development in the 1970s, and later Ambassador to China, 'you can't talk about planning'.

Today 12 percent of Singapore's land is allocated to roads, and just 17 percent to residential areas.

Land acquisition was sometimes only grudgingly accepted. 'Government had a vision,' reminds Peter Ho, 'and knew what had to be done, even if unpopular, for the greater good of the people.' But it was

more palatable with the payment of compensation and promise of resettlement.

The resulting resettlement of those living in the CBD required alternative housing through the HDB. At the end of the HDB's first decade in 1970, one-third of the population lived in public housing, and it had built 120,669 units, compared to the 23,019 constructed by its predecessor, the Singapore Improvement Trust, in 32 years. Now apartments are funded through a combination of home-owner grants and loans, the latter both commercial and from the Central Provident Fund, a mandatory savings scheme in which employers and employees contribute (a maximum of) 16 percent and 20 percent of salary respectively. CPF loans, in 2016, were at 2.6 percent, repayable over 30 years, the aim, says the HDB's chairman remaining now, as in the 1960s, 'to provide affordable housing'.

Home ownership, emphasises the HDB's Sng Cheng Keh, gave the population a 'stake in their society, building a strong work ethic, a store of value to be monetised, and a sense of belonging'.<sup>10</sup> Effectively, it turned a radical discontented society into one with conservative values and suspicious of populist solutions as they saw themselves as owners.

The son of a 'mother who survived as a hawker and taught me the value of multi-tasking and hard-work', Alan Choe, 85 in 2016, was the first architect-planner of the HDB and the founder of the URA. Having returned with a town planning degree from Melbourne University in 1959, he was quickly recruited into the nascent HDB. After the failure of the SIT to deliver more than 1,000 units a year due to, he says, a lack of empathy with local culture and needs, the HDB was tasked with delivering 50,000 units in five years.

'My first job was to finish off [the development of] Queenstown. My Master's thesis on small scale industrial cities had not prepared me for this' he laughs. 'We had nowhere to turn to for ideas, since there was no internet, no-one had done public housing on this scale, and since in those days a trip to Sentosa,' a ten minute cab ride from the city centre today, 'let alone overseas, was regarded as a long journey. To take on a job like this you have to have a brave and dynamic leader, as we had.' The team learned to bring down costs by using louvre rather than casement windows, and having lifts stopping at

every fifth floor. 'We required a political solution to the problem. If you had people who were aesthetically inclined then you will never solve the housing problem, except perhaps only for the elite.' Cheaper building techniques were developed – the byword being 'no frills'.

After Queenstown the next major project was Toa Payoh, situated on 600 hectares in the central part of the island. 'The land was full of squatters with their thatch and tin-roofed shacks, and infested with gangsters, who unofficially provided different services to the community. It was dangerous to go in and to try and remove them, and there was a lot of resistance. To achieve this,' he recalls, 'we needed to resettle the residents to other, nearby flats. Changing the culture, too, of the people used to living in such kampongs, with animals out the back and fruit trees, into a high-rise was also challenging.' Aside from the compensation paid under the Land Acquisition Act, 'our most formidable weapon was that this was for the good of the nation, and that no one could challenge the order.'

The land was full of squatters with their thatch and tin-roofed shacks, and infested with gangsters

By 1963, having completed 'around 20,000 units', Lee Kuan Yew realised that just rehousing squatters was not enough, and shifted focus to the city centre. 'I was asked to shadow a UNDP expert to learn about how we should go about this. Additionally, I took study-tours organised by the Ford Foundation to the US, the British Council to the UK, and to Germany and to Japan to understand urban renewal. In all cases, with the exception of only the US, it was urban reconstruction that they were involved with. And in the US, urban renewal was a dirty word, seen as corrupt.'

A report to his minister, Eddie Barker, followed, and the UNDP sent further three experts – legal authority Charles Abrams, traffic engineer Susumu Kobe and urban planner Otto Koenigsberger – to Singapore for three months, again shadowed by Choe and his team of two. Their job was to demarcate an area for central development. The resulting four-year



'Urban Development and Renewal Project', started in 1967 cost around S\$15 million, of which a third was contributed by the UN. The concept envisioned a circle of high-density development around three sides of the central water catchment area, as well as a southern development belt that spanned from the industrial area of Jurong to the airport at Changi.

Redevelopment of the city centre required amalgamation of the '18 to 22 foot' river-front properties. Again the Land Acquisition Act served this purpose, though 'tension between the URA and the HDB over whether this land should be used for housing (the HDB's preference) or commercial property (the URA's) led to the latter's establishment as an autonomous body in October 1974.

Cheng Tong Fatt joined government in 1957 fresh from his veterinarian studies at Glasgow University. 'Then the city was just 15-km<sup>2</sup> under the City Council, the rest of the territory being under the control of the Rural Board. Nothing much,' he

recalled of nearly 60 years ago, 'was going on. There were no big buildings and very limited authority. Things changed when the PAP comes in,' he says, 'in 1959, merging the two boards into a single administration.' In the run-up to the Federation in 1963 he spent a lot of time in the company of Lee Kuan Yew canvassing support in the rural areas. 'I bought a new car with a government loan on my return,' he smiles. 'Within three years it was gone already, destroyed by the poor rural roads and the demands of getting things done.'

After the merger with Malaysia 'things were still very poor, very haphazard, with very few resources, with most development still within a 30-km<sup>2</sup> area around the city centre. His record in turning Singapore into a self-sufficient food producer however, saw him appointed in 1971 at the Permanent Secretary in the Ministry of National Development. 'There were eight new PS' appointed at the same time. I inherited a more -or-less complete five year



Marina Bay, 1977 (URA)

masterplan which the UNDP [United Nations Development Programme] had assisted in drafting, which provided for different types of land usage – residential, defence, commercial, recreational, industrial, transport – across the island. With continuous reviews and adjustments, this remains the basis of development in Singapore today’ he notes.

The plan was intended to ensure the optimal use of limited land resources to meet the residential, economic and recreational needs of a population projected to reach four million by 1992. It provided for the location of the airport at Changi, the construction of the Mass Rapid Transit (MRT) system and the network of expressways.<sup>11</sup>

The plan was intended to ensure the optimal use of limited land resources

In all of this, Cheng recalls, Lee Kuan Yew was ‘in absolute control. He was always sending me notes. Although he learnt from other cities, he formed in his own mind a vision what Singapore should be, and he implemented this step-by-step, throughout his life, learning all the time as he went along.’

This was not without its tense moments. ‘In the mid-1970s we were working on what has become the Marina Sands area. Lee Kuan Yew wanted to know why we had narrowed the entrance to the River with the reclamation, when he believed that a wider mouth was necessary to remove the pollution. When I explained to him why, he went very quiet for a while. He was thinking. He then came up with a solution, which was to clean the river up

at the source of the problem, rather than try to deal with the consequences of pollution. That is where his clean up programme for the Rivers came from.’ As Lee put it publically at the time, ‘It should be a way of life to keep the water clean, to keep every stream, every culvert, every rivulet, free from unnecessary pollution. In ten years let us have fishing in the Singapore River and in the Kallang River. It can be done.’

Frugality required taking a long view. Although Marina Sands reclamation was completed by 1980, the building development only took off twenty years later.

Under Lim Kim San, known as ‘Mr HDB’, a Public Utilities Board was set up in 1965 to oversee the provision of water, electricity and gas, ensuring better sanitation and amenities. This included the ‘Clean and Green’ Singapore programme, and the clean-up of the Kallang River Basin and Singapore River, which took ten years from Lee’s statement in 1977 that he wanted fishing on both waterways.<sup>12</sup> It was a signal, also, on Singapore’s economic transition from the lightermen who plied their trade on the creek to a new stage of development, from a heavily polluted port to a fashionable commercial and residential neighbourhood.

This was not the only action on water. In addition to securing its potable water provision from Malaysia through treaty, Singapore focused on developing its own resources including converting more than one-third of the island into a water catchment area, desalination and reclamation.

The HDB and URA were not the only ‘action-oriented agencies’ set up to get things moving.

## The Commercial Imperative

S Dhanabalan has enjoyed a stellar career as a Singaporean lawmaker, minister and public servant. He was a member of the Economic Development Board (EDB) ‘from minus Day One’ in 1961 and the Development Bank of Singapore (DBS) Elected as a member of parliament in 1976, he worked in various ministerial portfolios, including Foreign Affairs, Culture, Community Development, National Development, and Trade and Industry. After his

retirement from government he has served, among other positions, as chairman of Singapore Airlines, DBS Holdings, and for 17 years until August 2013, of Temasek Holdings. He remains a member of the Council of Presidential Advisers.

Temasek is the investment arm of the Singapore government. With a portfolio of \$160 billion, Temasek owns stakes in many of Singapore’s largest and iconic companies, such as SingTel, DBS,

Singapore Airlines, Port of Singapore Authority (PSA) International, SMRT Corporation, Singapore Power, and Neptune Orient Lines. Since it branched out into the region in 2002, today 72 percent of its underlying assets are in Asia, with 25 percent concentrated in China.

In the early-1960s, to encourage manufacturing in a trading economy, the EDB took stakes in a variety of local companies, notably in manufacturing and shipbuilding. Prior to creation of Temasek, these stakes were held by the Ministry of Finance. Today that ministry remains Temasek's sole shareholder.<sup>13</sup>

Temasek was born out of the decision to divest the EDB from various businesses in the late-1960s since the 'government decided that, in addition to its role in investment promotion, there was too much under its one roof.'

As result, Jurong industrial park assumed EDB's land portfolio, DBS bank took over the EDB's financing role, while Ministry of Finance took over EDB's equity stakes. Later Temasek was created in June 1974 with a share capital of just \$250 million to assume the equity in the various businesses, including the airline (which had been created out of the split in Malaysian-Singapore Airlines). Government-owned entities such as telecoms, ports and power were later corporatised and passed over to Temasek.

Its annualised total shareholder return since inception has been 18 percent.

Critically, from the outset, Temasek's governance model relied on an independent board which comprised mainly public servants, who were made responsible for supervising the management. Similarly the various companies under its control were run mostly by professionals with independent boards. Strict commercialisation sets it apart from most other state-owned enterprises.

'The purpose,' Dhanabalan says, 'was not jobs for the boys, but to make the investments pay'.

Unusually for SOEs, as a result Singapore's Temasek made money. 'It's an investment house,' he stresses, 'not an investment promotion agency.'

The reasons for lack of profitability in many SOEs, Dhanabalan says, are 'never because people don't know what to do. We get many, including many from Africa, coming to ask us how it is that Singapore's state-owned enterprises make money. Technically the answer is text-book. You can find

this out anywhere. But the answer why Singapore and not others has managed it is in the governance framework. It makes decisions on commercial principles and commercial needs.'

For example, he explains further, in the 1970s, 'Singapore Airlines had decided to make a \$1 billion order for new aircraft, the largest ever at the time.' Even though the government was, through Temasek, the major shareholder, they did not go to it for permission. In every other country politicians want to have their say. 'In Singapore's case it is different. If the company does not make money, then the administration would be sacked, but not for any other reason.'

The answer as to why Singapore has carved out this path lies 'in a mix of pragmatism and idealism' he reflects. 'I thought about this when I was asked to speak at Lee Kuan Yew's funeral,' Dhanabalan says of the Singaporean leader who died in March 2015. 'Because of Lee's background and the group that he led, there was a strong sense that Singapore had to be driven by a sense of fairness and equity, a meritocracy, and one continuously aware of Singapore's position as a majority Chinese government in a Malay region.'

Under Lee Kuan Yew, the state's actions were guided by commercial principles

This is why,' he adds, 'why today you have so many minorities in key positions, and why I served 17 years as chairman of Temasek. People have consistently been appointed on merit not on race.' Dhanabalan is an Indian Singaporean, a group totaling 9.1 percent of Singapore's 5.3 million people, compared to the Chinese (74.3 percent) and Malays (13.3 percent) populations.

Under Lee Kuan Yew, the state's actions were guided by commercial principles, not least since it had to make its investments, even those in public housing, pay for themselves in order to ensure sustainability. Dhanabalan notes that delivery demanded integrity through good governance and efficiency and through the establishment and maintenance of a

meritocracy precisely because – and not in spite – of the island’s multi-ethnic make-up.

The EDB is an example, too, of this commercialisation. It was established in 1961 as a government statutory entity with the objective of integrating the growth process. In fulfilling its motto ‘There is always an EDB near you’, the agency employs 500 people in 22 offices worldwide, including five in the United States and Europe each, and four in China, aimed primarily at attracting investment and business. Another statutory body, International Enterprise Singapore, formerly the Trade Development Board, is similarly tasked with promoting Singaporean exports through trade missions and its 30 offices world-wide. Both the IE’s and EDB’s budgets (\$40 million and \$120 million, respectively<sup>14</sup>) are dependent on how well they perform.

But Singapore’s extraordinary development success is not just about institutions, or for that matter, planning alone. It’s about growth, jobs, governance, business and people.

Singapore ranks at the top end of the key doing business indicators, from the ease of starting a company to best labour force and intellectual property rights protection. As a result today there are more than 7,000 multinational companies present on the island, two-thirds with their Asian HQ. And Singapore does business with 40,000 other companies, some 50 percent being from elsewhere in Asia.

‘For development to be successful,’ Dhanabalan observes, ‘one must gather a group of people who are completely honest and prepared to put their job on the line. This requires, however,’ he admits, ‘more than determination. It requires a certain ruthlessness, to fire people who don’t do what they are supposed to.’

In essence, politicians have to allow the planners and professionals to get on with it. Tough words – but from a man who, like Singapore itself, can back them up with an extraordinary record of delivery.

## International Relations and Security

Diplomatic recognition and the development of Singapore’s trade means similarly went hand-in-hand. The early signalled withdrawal of the British military bases ‘east of Suez’, which provided one-fifth of GDP, in 1971 offered an opportunity to redevelop these facilities. Multinationals and other investors were actively courted through the EDB while the establishment of the Stock Exchange of Singapore in 1973 facilitated investment.

Instead of being overwhelmed by the challenges before government, Singapore took advantage of the moment of crisis, a task which demanded intense discipline from government.

All of this occurred at a time of great insecurity. Indonesia had launched the *Konfrontasi* series of armed attacks against the formation of the Federation in 1963. Possessing only two old ships, no air force and 1,000 soldiers in two infantry battalions in 1965, a two-year national service regime was introduced in 1967. With the early advisory assistance of Israel<sup>15</sup> and through its own ‘Total Defence’ concept introduced in 1977, Singapore has developed its own army, navy and air force. As

Prime Minister Lee observed, ‘in a world where the big fish eat small fish and the small fish eat shrimps, Singapore must become a poisonous shrimp’. This also demanded alliances with others. In 1971, signed the Five-Power Defence Arrangement with Australia, Britain, Malaysia and New Zealand which allowed

Instead of being overwhelmed by  
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for shared exercises and activities *Konfrontasi*, which was intended to undo the Federation, had also served to galvanise the internal security apparatus. Between 1963 and 1965 there were no fewer than 50 IEDs in Singapore, including infamously the bombing at the Hong Kong and Shanghai Bank building, also known as MacDonald House, in March 1965. The value of domestic peace was recognised, too, in the

need to bring the unions into a more collaborative and productive tripartite relationship with business and government following the ‘modernisation movement’ of 1969.

The rule of law has equally been part of this security dimension. Success requires clean government.

## Outsiders and Politics

As the UN’s role in planning suggests, Singapore has been open to external advice and ideas, not just on urban development, but also on wider issues of growth and development, notably with the involvement of the (unpaid) Dutch consultant Albert Winsemius, who advised the government for nearly 25 years until the mid-1980s. It was his advice, for example, not to remove the statue of Raffles as a

This demands establishing the systems – and the institutions – which obfuscate and create latitude for corruption. One of the first tasks Cheng, for example, had as Permanent Secretary in National Development was to disband the Building Survey Department and institute proper controls.

symbol of public acceptance of the British heritage, settling fears of investors.

Dr Winsemius<sup>16</sup> was also central in the early plans to expand the embryonic country’s economic base. The strategy to do so focused, first, on heavy industry and electronics which would provide, Dr Goh envisaged, 50,000 jobs in the first five years. Land was set aside for export industries, notably the



Marina Bay today (Greg Mills)

Jurong Town Corporation complex created in 1968. Manufacturing's share of GDP increased from 20.5 percent in 1967 to 29.5 percent by 1980, driving the country's annual economic growth at over 12 percent from 1966 to 1973.

While it built on Singapore's trading legacy, the openness underpinning the socio-economic transition was not preordained. Indeed, the opposition *Barisan Sosialis* (Socialist Front), formed in 1961 by left-wingers expelled from the ruling People's Action Party, offered a more state-directed and centred alternative, 'more akin to the Communist Chinese model at the time'.<sup>17</sup> Despite initial suspicions of Lee's leftist political leanings, which led to some industrialists

With full employment in 1972 came a shift from labour-intensive manufacturing to skill- and capital-intensive operations

relocating to Kuala Lumpur, his administration soon gained a name as honest and pragmatic administrators. As *Time* noted in its report of 7 November 1960, 'Lee ... soon grasped that Singapore by itself is an island emporium ill-suited to revolutionary socialism since, among other things, it lacks any major industries to nationalise. His revised economic policy: 'Teaching the capitalists how to run their system'.<sup>18</sup> Lee could move to the centre once the left had hived off into the *Barisan*.

With full employment in 1972 came a shift from labour-intensive manufacturing to skill- and capital-intensive operations. 'We needed labour-intensive industry to suit our needs in the 1960s,' remembers

Ngiam Tong Dow, who served as Goh's Permanent Secretary, 'but you cannot compete on low labour costs alone. We asked the employers to provide the training if we provided the facilities, since you cannot train in a vacuum but rather with a job in mind.'

This required ongoing investment in training through technical schools, vocational institutions and joint government-business training centres for workers. Early emphasis was placed on mathematics, technical subjects and science, a bilingual policy insisted on the widespread use of English, and television was used early on (in 1967) as a medium for learning. With few exceptions, all secondary school students had to undergo, from 1968, a two-year course including technical studies. By 1972 Singapore's nine vocational institutes produced more than 4,000 graduates compared to just 324 in 1968.

This was not the only 'soft' aspect. Singaporeans were actively encouraged to reduce family sizes which put a strain on health-care, education and housing. In 1966 the government established the Family Planning and Population Board and launched a national programme to encourage smaller families. The 'Stop at Two' policy was backed up by financial incentives, resulting in a decline in Singapore's fertility rate from 4.7 in 1965 to 2.1 in ten years, and 1.7 in 1980. This has created a different challenge of renewal today however.

Rather than numbers being decisive, the opposite has held true. Singapore's economic growth rate is linked to the likely pace of economic growth. Thought is now given to the viability of further expansion, and the future city model required – Vertical City, Sci-Fi Utopia, Compact Nation among others – with the island's holding capacity potentially as high as 10 million people.

## Leadership, Application and Context

In the foyer of the URA is a display outlining 'ten qualities of a good city: Good transport, good amenities, clean and green, good governance, ease of business, liveable, people-centric, 24 hour activity, vibrant and unique.' This display forms part of an attempt to engage the public, reflecting the long road travelled since the more draconian days of the

1960s. Achieving these qualities is more complex. Throughout interviews with the politicians, planners and doers (and unusually inseparable bunch in Singapore's case then) of the 1960s, the following issues came up time and time again:

- The centrality of leadership, political will, and the integrity of government. As Ngiam Tong Tow summed up: ‘investors are attracted by the integrity of government’.
- The importance of leading from the front, and attending to the detail. Again, in Ngiam’s words: ‘If you are the Chief Surgeon, then you must operate on the most difficult cases, otherwise the other doctors, the nurses, they will never respect you’.
- The establishment of priorities. In Singapore’s growth this was centrally around the need to create jobs, ensure economic growth and provide housing, all with the aim to build a harmonious multi-racial, multi-religion society.
- The importance of a whole of government approach, where compromise and co-operation is expected as a matter of course, and where there was constant communication ‘up and down’ between politicians and civil servants.
- Employing the sense of desperation and crisis in driving Singaporeans to action.
- The necessity of matching execution with ideas. ‘Policy is implementation and implementation is policy’.
- The alignment of the regulatory and legal environment, such as with the Land Acquisition Act and Foreshores Act.
- The need to pick an appropriate solution to your particular circumstances, and not to reach for ‘first world’ answers.
- Spend frugally.
- Establish an overall plan and design.
- The necessity of action-oriented institutions and agencies.
- Aim to be ‘as good as your competitors, or the money will go elsewhere’.
- Don’t aim for incremental improvements, but more radical step-change as the situation demands.

Overall, Singapore’s continuous transformation and development speak of the importance of matching deeds with words and of careful planning. It illustrates the necessity of rooting actions in the population’s principal needs – jobs and housing were the priorities in the 1960s, and better infrastructure and urban renewal those of the 1970s. It has required security, achieved through local capacity and international diplomacy.

More than anything Singapore’s transformation illustrates the necessity of getting the overall environment right. You can’t do big infrastructure without building an economy, and you can’t do that without security, savings (both local and foreign) and skills.

## Endnotes

This paper is based on several visits to Singapore, the most recent in January 2016 as part of the Brenthurst Foundation’s Future of African Cities Project. Grateful thanks are expressed to Ambassador Barry Desker and Sng Seow Lian of the Rajaratnam School of International Studies for their kind assistance in arranging a programme of meetings.

- 1 Discussion, Nairobi, 1 February 2016.
- 2 IM Pei, who *inter alia* had designed the pyramid at the Louvre, and Kenzo Tange were roped in to improve the cityscape of Singapore in the 1970s. Lee had met Tange when receiving an honorary degree at the University of Hong Kong in 1970, and the following year invited him to the Istana. Tange redesigned the United Overseas Bank building, while Pei designed the Raffles City complex and rebuilt the Overseas Chinese Banking Corporation.
- 3 This and the other interviews cited here were conducted on 18-20 January 2016 in Singapore, unless otherwise indicated. See also Remarks by Peter Ho at the Public Conference on ‘Lee Kuan Yew and the Physical Transformation of Singapore’, 18 September 2013, and also his same remarks on 16 September 2013. See *Liveable Sustainable Cities*. Singapore: Centre for Liveable Cities, 2014.
- 4 See for example, [http://www.worldairportawards.com/awards/world\\_airport\\_rating.html](http://www.worldairportawards.com/awards/world_airport_rating.html).
- 5 <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD?page=6>.

- 6 See Huang Lijie and Joyce Fang, *Front Page Stories of Singapore Since 1845*. Singapore: Strait Times Press, 2015.
- 7 Iain Manley, *Tales of Old Singapore*. Hong Kong: Earnshaw Books, 2010, p.9.
- 8 Commonly held to be: Lee Kuan Yew, lawyer David Marshall, unionist Devan Nair, lawyer Eddie Barker, Goh Keng Swee the economist, Lim Kim San, Ong Pang Boon, Othman Wok, S Rajaratnam, and Toh Chin Chye.
- 9 Cited in *Founding Fathers*. Singapore: The New Paper, 2015, p.123.
- 10 Discussion, HDB, Singapore, 5 December 2013.
- 11 At <http://eresources.nlb.gov.sg/history/events/c4c0b6bf-d674-4851-a3d4-fcc0b9d785d2>.
- 12 See Stephen Dobbs, *The Singapore River: A Social History, 1819-2002*. Singapore: Singapore University Press, 2003.
- 13 For further details, see 'Our journey has just begun', Temasek Review 2014, at [www.temasekreview.com.sg](http://www.temasekreview.com.sg).
- 14 In 2008.
- 15 Only after India and, then, Egypt had turned down the request. The Israelis were known as 'Mexicans' to disguise their origins.
- 16 See *UNDP and the Making of Singapore's Public Service: Lessons from Albert Winsemius*, at [http://issuu.com/undppublicserv/docs/booklet\\_undp-sg50-winsemius\\_digital](http://issuu.com/undppublicserv/docs/booklet_undp-sg50-winsemius_digital).
- 17 Thanks to Professor Barry Desker for this insight.
- 18 Cited in Manley, *op cit*, p.132.