

Learning from the spectacular rise of Singapore

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IT was one of history's rare instances when a country's independence was declared with tears and broken hearts and not with joy. Singapore was literally expelled from Malaysia in 1965. The island's leadership under the legendary leader Lee Kuan Yew decided to join the neighbouring Federation of Malaya in 1963 with an objective to best serve their interests. However, within just one year of joining the federation, dispute started creeping in when Malaysia's constitution granted special privileges for the ethnic Malay majority. Naturally this decision was not well accepted by the Chinese who were the majority in Singapore. In fact this tension in 1964 contributed to riots in the island, resulting in the sad demise of many innocent citizens. The then Malay leadership started to perceive Singapore as a threat to their heritage. Consequently in August 1965, the Malaysian parliament voted to expel Singapore from the federation.

Who would have thought that the harsh decision taken by the Malaysian parliament would be a blessing in disguise for Singaporeans? The resilient people of the island, under the dynamic and charismatic leadership of Lee Kuan Yew, did not take much time to prove the decision wrong. Today, Singapore is an enviable country from many aspects. According to the Human Development Report 2016 by the UNDP, Singapore ranked fifth in the globe in Human Development Index with a score of 0.925. The International Monetary Fund's data shows that, the country has the third highest GDP per capita in the world [in purchasing power parity (PPP) terms] with an impressive figure of \$87,855. When Singapore became an independent country in 1965, its GDP per capita was only \$500. A report from Wealth Insight says there are more than 150,000 millionaires in Singapore, and there will be another 30,000 of them by 2018. It means one in every 36 persons in the country is a millionaire. Singaporeans are known for entrepreneurship. The US is the only other country in the world with more entrepreneurs-per-capita.

There are plenty of other things for which Singapore should really be proud of. It has constantly been ranked as one of the best cities in the world to live in. It is also highly regarded as one of the safest places in the planet and hugely respected for its state-of-the-art education and health system. The list goes on. The question naturally arises on how such a small island, without having the blessing of any natural resource or whatsoever, turned around their luck so fast.



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A view of Singapore, which is ranked as one of the best cities in the world to live in.

Singapore is a classic case of holistic approach for development. Economic and social reforms went together. Singapore was blessed with some extraordinary founding leaders like Lee Kuan Yew, S Rajaratnam and Goh Keng Swee. These visionary leaders from the very beginning realised that economic reforms would only be successful if social reforms and cultural transformations take place.

Right after the independence, the leadership team realised that they need to attract foreign investment for economic development. To attract investors, Singapore had to create an environment that was safe and corruption-free. They have very low tariffs and very few non-tariff barriers. At the same time they focused on improving infrastructure, particularly in relation to connectivity. Historically the Singapore port is in a very strategic location. Today it is the largest and the busiest transshipment port in the world. Because of all these efforts, multinational companies naturally found Singapore to be a business hub.

Singapore started experiencing a surge in

foreign investments: by 1972, within seven years of independence, 25 percent of manufacturing entities were either foreign owned or joint-venture companies. US and Japanese investors were the major ones. During that period, the country's gross domestic product saw double-digit growth. Behind all these success stories, one institution's name is worth mentioning here - the Economic Development Board of Singapore. It played the pivotal role by bringing in FDI, and has been a driving force behind Singapore's transformation into a financial hub.

Singapore undertook many social reforms programme right after its independence. One of the key areas they emphasise hugely was education. They have an extremely generous scholarship system which allows the meritorious students to get admitted into the world's best educational institutes. To attract talents into the teaching profession the starting salaries for the teachers are above the national median.

Moreover, their education system is based on the meritocratic principle meaning the focus is primarily on identifying and develop-

ing the very best talents and, equally important, directing them towards public service. Students who get government scholarships are obliged to serve the public sector for a minimum of two years for every one year of study.

One of the critical factors that played important role in the country's development was inclusive policy on ethnic groups. Chinese, Malaya and Indians are the major ethnic groups living in Singapore. They have quite a good number of immigrants from all across the world as well. Although it is a small country, they have four official languages -- English, Mandarin, Malaya and Tamil. The reason for following this policy is to make sure everyone feels included.

We all know Bangladesh is passing through an economic transition. Like Singapore, we shall have to approach development holistically which means economic and social reforms should go hand in hand. Following Singapore, the areas where we need to put some real efforts are:

Enhancing Institutional Capacity: Bangladesh Investment Development

Authority should do exactly what Singapore Economic Development Board did to attract foreign investment. They need to go the extra miles to reach out to potential investors.

State-of-the-art infrastructure: We have to build facilities similar to what Singapore used to transform its port into the world's best. The Chittagong port's capacity is limited and is not truly geared up to support future growth. Geographically we are in a strategic location. By building a world class port we can also support countries like Nepal, Bhutan, Myanmar, parts of China and even the Seven Sisters of eastern India.

We also have to build world-class road communication and international airports with good connectivity.

Uninterrupted power supply: Although Bangladesh of late has made good progress in power generation, we still have a long way to go to ensure uninterrupted power supply.

Identifying and prioritising the growth sectors: We are exactly in the same juncture now as when Singapore initially focused on export oriented industrialisation. Readymade garments have been the backbone of our exports since the 1980s. Here we have a solid foundation and we must try to take it to the next level - from basic items to value added fashionable products.

We often say that large populations could be transformed into assets. According to a UNFPA report, around 47.6 million or 30 percent of the total population in Bangladesh are young (10-24 years). This means that Bangladesh needs to invest in the human capital of its young people if it wants to reap the benefits of a large demographic dividend. Important aspects to look into are:

Ensuring world class education: We have to invest heavily in quality education as did Singapore. The meritocratic principal being followed by Singapore has proved its effectiveness. We must pay attention to our talents, sending them to the world's best institutes while ensuring that the talents come back and serve the nation.

Good governance: Last but not least, good governance to ensure a corruption-free environment is the key to taking a nation to prosperity. Singapore has been a role model in establishing a corruption-free society. A country like us must ensure good governance.

Millions embraced sacrifice to earn the beloved red-green flag. The younger generation, inspired by the spirit of the martyrs, will definitely take us to the dream. If Singapore can, we too can change our country.

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Malaysia condemned for migrant worker crackdown



AFP/FILE

Malaysian immigration officials detain foreign workers during a raid at a construction site in Port Dickson.

AFP, Kuala Lumpur

MALAYSIA has rounded up over 3,000 undocumented migrant workers this month in a major crackdown, prompting alarm Wednesday from lawmakers across the region who said the campaign was "victimising the vulnerable".

The relatively developed country is a magnet for migrant workers from across Asia, but several million are believed to be undocumented.

Authorities started rounding up illegal workers after an official programme to register undocumented foreigners ended on June 30, and more than 3,100 had been detained as of July 11, according to the immigration department.

Bangladeshis represent the largest group among those

detained, with substantial numbers also from Indonesia and Myanmar. In the latest raid late Tuesday, scores of foreign workers at a construction site in the coastal town of Port Dickson were rounded up.

The crackdown has caused alarm among activists and in neighbouring countries, and a group representing current and former lawmakers from across Southeast Asia added their voice to the concern.

"A desire to decrease the number of undocumented workers in the country can never be an excuse to further victimise the vulnerable," said Cambodian lawmaker Mu Soehua, a board member of the ASEAN Parliamentarians for Human Rights.

"While Malaysia has a legitimate need to address the fact that so

many migrants find themselves without proper paperwork, it must ensure that basic human rights are respected for all people at all times."

Aegile Fernandez, director of prominent Malaysian migrant rights group Tenaganita, said the real culprits were unscrupulous agents who extorted money from foreign workers in exchange for bringing them to the country, leaving them saddled with huge debts. "Malaysia would not have developed so much if not for migrant workers. We should thank them and not handcuff them," she told AFP.

More than 60 employers who allegedly hired illegal foreign workers have also been arrested. Migrant workers typically do jobs spurned by locals, such as on construction sites and palm oil plantations.

Germany toughens rules on foreign buyouts in strategic sectors

AFP, Berlin

Germany's cabinet agreed Wednesday to tighten scrutiny on takeovers of companies in strategic industries by buyers outside the EU, the Economy Ministry said, reacting to Europe-wide disquiet over Chinese takeovers.

New regulations will allow Berlin more time to probe takeover bids, especially in sectors affecting critical infrastructure, and extend the range of deals eligible for examination by the authorities.

"We remain one of the most open economies in the world, but we also have an eye on fair competition. We owe that to our companies," Economy Minister Brigitte Zypries said in a statement.

"In future, reporting requirements and more time to examine deals will provide more protection and reciprocity for companies in critical infrastructure."

The new ruling extends takeover probes to include companies providing services or software to strategic sectors including electricity grids, nuclear power plants, water supplies, telecoms networks, hospitals and airports.

More defence companies manufacturing or developing "key technologies" are also covered than under previous rules.

It doubles the time civil servants have to probe proposed deals by non-European Union or European Free Trade Association (EFTA) buyers from two to four months.

And it makes clear that "indirect" takeovers -- where a non-EU firm creates a company within European borders as a vehicle for a buyout -- will also be subject to examination.

No quick fix for challenges facing oil majors: BP chief



AFP

British Petroleum Chief Executive Bob Dudley addresses the 22nd World Petroleum Congress in Istanbul yesterday.

AFP, Istanbul

GLOBAL oil companies are facing the twin challenges of an abundance in supply coupled with pressure to reduce carbon emissions and there is no "quick fix" solution, the chief executive of BP said on Wednesday.

BP chief executive Bob Dudley said only a combination of strategies would help oil majors deal with the challenges, as they come to terms with a period of prolonged low oil prices.

Dudley argued that while global oil demand was still expected to rise by one third in the next decades, "what is new is the increase in supply", especially due to the exploitation of US shale reserves.

"We now have abundant supply. It's a fact of life," he told the World Petroleum Congress (WPC) in Istanbul.

The supply has pushed down crude prices to their current level of around \$45 a barrel and Dudley noted that at the time of the last WPC gathering of energy bosses in Moscow in 2014, the oil price had been \$108. "We have half a century's worth of oil and gas in our proved reserves alone. And there is much more out there," he

said, pointing to untapped shale reserves in Argentina, Algeria and China.

Meanwhile, after the Paris Agreement on combating climate change set targets for reducing emissions, oil majors need to "make our business fit for a low carbon world", he said.

"These are two huge challenges. There are no quick fixes, no overnight solutions," said Dudley.

"History shows our industry has taken on these kind of challenges many times before and succeeded," he said.

He warned against a "replay" of past solutions. "These new questions need new answers," he said.

Dudley said solutions would come from oil companies showing excellence, reliability and safety in their operations. BP learnt "a lot of lessons" since the 2010 Deepwater Horizon oil spill disaster, Dudley said. Companies must also make sure resources were sustainable through using natural gas and renewables in the energy mix.

Growth in renewables is surging, he said, while adding that "common sense tells us reducing emissions cannot depend on renewables alone".