

**EMBARGOED UNTIL AFTER DELIVERY
PLEASE CHECK AGAINST DELIVERY**

**Speech by Dr Ng Eng Hen, Minister for Education and
Second Minister for Defence, at the National University of
Singapore Society (NUSS) Dialogue on Friday, 22 January
2010 at 7.00pm, Kent Ridge Guild Hall**

Prof Tan Chorh Chuan, President NUS

Mr. Johnny Tan, President NUSS

Distinguished guests

Ladies and Gentlemen.

The Noughties – Decade Won or Lost for Singapore?

I. Opening

1. Extreme challenges test our limits, expose our weaknesses or affirm our strengths. As it happened, Singapore faced four extreme challenges within the last decade - three together with the rest of the World and one a local event. Having gone through a tumultuous decade as a nation, we should ask: How did Singapore fare in the last decade? Was it a decade won or lost for Singapore? What lessons can we learn, even as we plan ahead for our future in the next decade? What did we learn about ourselves as a nation-in-the-making or the resilience of our systems?

II. How did the World and Singapore do for the “Noughties”?

2. On the whole, the World did not do well. American Nobel laureate economist Paul Krugman called the Noughties the "Big Zero". Unemployment in the US is around 10%; UK faces the largest budget deficit since 1994; Iceland's banks are insolvent; Many Eastern European economies that embrace free market capitalism with exuberance are in hock and Japan continues its third lost economic decade.

3. For Singapore, the first extreme challenge occurred on Sept 11, 2001 – a memory seared by the crumbling edifices of the Twin Towers – with opening salvos that heralded a worldwide war against the Al Qaeda terrorism. The Government announced our own uncovering of a JI terrorist network with the arrests of 6 members by the Internal Security Department (ISD) in Dec 2001. A year later, bombings in Bali killed 202 people.

4. ISD had disrupted JI's plans to harm Singaporeans. If they had not, Bali's devastation could have easily been ours. Just imagine the disastrous consequences if JI had succeeded in carrying out its plot to bomb foreign embassies, military bases and MRT stations. It would have caused irreparable damage, not only of lives but also more destructively, our tightly woven social fabric.

5. Singapore is peaceful today, but racial harmony could easily have fractured, Government's main worry then was that distrust and suspicion would arise among different ethnic groups. We were and are still planning on the "day after" scenario. As SM Jayakumar noted, "we have to be eternally vigilant but the terrorist only need to succeed once." The planning assumption was focused on the aftermath of an event. In that eventuality, how would we maintain the racial harmony that had taken years to foster?

6. Inter-racial and inter-religious confidence circles (IRCCs) were set up. The Community Engagement Programme was launched by PM Lee to strengthen inter-communal bonds between different communities, putting in place response plans to help deal with potential communal tensions after a terrorist incident.

7. MHA's great achievement was to have the foresight and ability to rope in Muslim religious leaders not only to convince them of the evil intent of the JI network, but to include them in the forefront of the fight against pseudo-religious extremism. It would be their speeches that convince the majority of their followers that this was un-Islamic, their efforts that help rehabilitate would-be terrorists.

8. Our security and social resilience was severely tested. We scored high on both counts. Ethnic discord did not occur – indeed interactions between religious groups strengthened with more engagements. It was against these successes that the Mas Selamat escape so felt more

painfully. It was a slip up and a demoralising one for guardians of our safety. Lessons had to be learnt afresh.

9. The second extreme threat was biological – pandemics. SARS in 2003 was a completely new disease and resulted in 32 fatalities within the short space of two months. Fear filled the air and the economy slumped. We had to change habits and laws to stop infections. We recovered and were much better prepared in 2004 in facing the Avian Flu and last year for the H1N1 outbreak. MOH's communication efforts and preventive measures were by now well rehearsed and coordinated. The public knew what to expect and their individual responsibility to stop the spread of disease. Life went on despite an outbreak; offices and schools could keep functioning.

10. The third challenge would be considered extreme in many countries, but not for Singapore. A new Prime Minister, PM Lee Hsien Loong, the third since our founding, took charge. The transition was smooth and Singapore shifted into high gear seamlessly playing host to the World for a few events. In 2006, the Annual Board of Governors Meeting of IMF was held here - then the largest meeting ever held in Singapore with 23,000 delegates. APEC and AYG followed in 2009.

11. Politically, fundamental changes were made to encourage more political participation under PM's Lee Govt. With these changes, a wider representation would be present in Parliament - at least 18 NCMPs and NMPs. Non-Constituency MPs (NCMPs) will be increased from a minimum of three to nine together with Nine Nominated MPs (NMPs) in Parliament.

12. There would be more contestable constituencies. Single-Member Constituencies (SMCs) would be increased from the present 9 to 12 and the average size of GRCs would be reduced to not more than five.

13. Campaigning rules are going to be liberalised during elections. Amendments made to the Films Act will allow for live recordings of events held in accordance with the law. Candidates can use such films during an election period. Regulations on internet electioneering will also be relaxed.

14. The "cooling-off" day would be introduced. Ultimately, all of us are better served when people vote based on the long term good for Singapore and not on emotions whipped up by empty rhetoric.

15. The last decade also saw the resolution of the long-standing Pedra Branca issue between Singapore and Malaysia in 2008. What was significant was not only the verdict, but more importantly, the constructive approach both sides took to resolve bilateral disputes through the International Courts of Justice.

16. The fourth extreme challenge was the global financial crisis. The economies of all the major countries went on a rapid downward spiral in Sep 2008, as bellwethers like Lehman Brothers, Merrill Lynch and General Motors folded in rapid succession. Free-for-all market capitalism was shown to have faults. We are out of that maelstrom but the fundamental problems have not been fixed. Government continue efforts in search of better regulatory and fiduciary controls to limit systemic risk.

17. For Singapore, the financial crisis tested our two-key system. For the first time, the President was asked and consented to dip into our reserves to deliver the \$20.5B resilience package for the 2009 fiscal year which included a \$4.5B Jobs Credit Scheme. Tripartism was tested and responded resolutely with Skills Programme for Upgrading and Resilience (SPUR), and to cut wages to save jobs. State, employers and workers had worked together to weather difficult times.

III. Singapore – Decade won or lost?

18. Against any objective criteria, Singapore has done well. We have moved ahead in absolute terms and even further relative to other countries. Economically, we grew, on average, 5% in the last ten years; a sterling achievement considering the difficult circumstances. But more importantly, our social fabric was threatened but not torn, and indeed strengthened. Racial and religious harmony has been preserved. We have evolved new tools to improve social compact. Workfare, Additional Housing Grants, Medisave and Medifund liberalisation have been added to better address income, health and housing needs for all Singaporeans even as income gaps widen. Educationally, more schools and Institutions of Higher Learning will give more opportunities to our next generation. We have continued to invest steadily in defence and security capabilities to better protect ourselves. Politically, legislative and electoral changes will provide more space and scope for participation and representation.

19. Despite a difficult decade, the fundamental systems for nation building – political, civil, legal, security and social – work in Singapore.

IV. Lessons Learnt.

20. This affirmation of the strength of the pillars that support our society should not lead to self-congratulation or hubris. That would be the wrong conclusion. Instead, key lessons from the last decade should not be forgotten. We must continually expect the unexpected. None of the current scenarios were envisaged at the beginning of the new Millennium. Black swans thrive.

21. How then do we plan for a future that is inherently unpredictable? Crystal gazing has its limits and maybe even futile. We are a small country, unable to wield strong influence on the course of history. But we can do what is in our power to focus on the fundamentals that got us here.

22. Whoever is in charge of Singapore must deliver clean competent leaders across political, civil, legal and security domains coupled with a united, committed citizenry. This bedrock must be preserved.

23. We must continue to foster a society which respects the rule of law and has inclusive policies that benefit all for the long term.

24. We must keep restructuring into an innovation and knowledge-based economy. We need to fuel this through investments in R&D and grow, attract and retain talent – both local and foreign. We should remember that many of today's locals were yesterday's foreigners. The right question is how both can add to build Singapore.

25. We must invest in our people and create opportunities for all to move up. Education is key. Single session, better resourced primary schools, the polytechnic expansion and the addition of two new degree awarding institutions will help us achieve this.

26. We can make Singapore into a choice and premium city to live, work and play in. It's already happening. F1, the two IRs, a new financial centre in Shenton Way, the Orchard Road revamp with ION Orchard, Orchard Central, Mandarin Gallery and 313@Somerset have added a buzz to this

city. In Mandai, a \$140million new River Safari is being built that would add another dimension to Singapore's tourism landscape by 2011.

27. But more importantly, the living environment for Singaporeans will be improved. We are investing \$40bn to create a world-class public transport system. The first 5 stations of the Circle Line running between Bartley and Marymount have started operations in 2009, and the entire 29 station Circle Line will be fully operational next year. Three new lines - the Downtown, Thomson and Eastern Region lines - are expected to be completed within the next decade, and these would double Singapore's rail system by 2020. Virtual connectivity will also increase. With the completion of the National Broadband Network in 2012, 95% of households will have access to high-speed fibre optics with bandwidths in excess of 100 Mbps.

28. New residential areas will spring up in our heartlands. Punggol will be a model waterfront housing estate, with amenities like sea sports, parks and waterways. Older estates such as Dawson, near Queenstown, is also undergoing extensive redevelopment to make them more appealing to the younger generations. "Active, Beautiful and Clean (ABC) Water Programme" promise to transform our existing network of drains and canals into beautiful, vibrant and clean flowing waterways for people to enjoy.

V. Next Decade for Singapore.

29. How we turn out at the end of this decade is really up to us. We have many things going for us. We did better than most in the last decade and have new and added capabilities. We sit astride India and China, amid a rising Asia. But promise does not always equate good outcomes, as the last decade taught us. We must keep focused on fundamentals and stay the course. Then in 10 years time, we will become a jewel in Asia – a thriving city and a choice destination - providing all our citizens with higher standard of gracious living.