ADDRESS BY THE PRIME MINISTER TO THE UNIVERSITY OF SINGAPORE DEMOCRATIC SOCIALIST CLUB ON "AN EXERCISE IN POLITICAL AND ECONOMIC MODERNISATION" ON 23RD SEPTEMBER, 1968

Mr. Chairman, Ladies and Gentlemen,

For most new countries, the transition from governor's rule to rule by an elected legislature with elected cabinet ministers has taken less than 12 years. Then, in less than half that time, many countries have changed over to presidential rule. Nowhere in Asia or Africa, except Ceylon, has there been a complete circuit, where power is handed over from a constitutionally elected government to a constitutionally elected opposition and then back again. In the process, stresses and strains did considerable damage to the economy and the social fabric of Ceylon. In Sierra Leone, there has been a transfer of power to an opposition which won an election, but only after two military coups.

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In India, Kerala once voted in a Communist government. But Kerala was not sovereign, and power was handed over at a subsidiary level. Sovereignty resided in the Indian Union based in Delhi. Congress, the party that won independence, is still the Government. The exercise of representative government is not easy to sustain, not even, it is still feared by some, in Western European nations like Germany. Even in France, a few months ago, there were again doubt.

For new countries, there are the added problems of making the inherited political system practical and meaningful in the context of local conditions. The electorate must be politically educated, and must understand the economics of its national life. And most important in plural societies, contending political groups must be willing to mute the divisive pulls of race, language and religion.

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In some countries like Singapore, the government must be able to devise safeguards which can prevent a Communist party using the rules of the game to break the game itself. One of the Communist methods is to operate within the rules of freedom of speech, freedom of assembly, freedom of political demonstration and participation, in order to break down the established order and, if possible, to attain authority through the process. But once in power the

Communists never hand over power by the process through which they were allowed to come into power.

The most difficult of all the problems is how to adapt, adjust and amend the system that we have inherited from the British to meet changing circumstances. Even if the forms have to be altered, we must try to maintain and uphold the fundamentals, namely, government by free choice of a people, by secret ballot, at periodic intervals. To do this successfully, there must be sufficient sense of responsibility and self-discipline in the ruling party so that they keep up reasonable standards of administration and public finance, and can hand over a working administration to whoever subsequently commands an electoral majority.

For many, like us, it is a test whether a nation-state can exist within the boundaries of a former colony. Can a cohesive society, with group loyalties and group discipline, be moulded out of the various ethnic, linguistic and cultural groups, brought into one economic and political unity by an overriding European power.

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This brings us to the second, perhaps more crucial, part of the process of modernisation: the modernisation of the economy.

Nearly every transfer of power from European colonial governors to indigenous popular leaders has been accompanied by economic decline. There are certain common factors which have caused this.

The new political leaders fought for and obtained power on the basis of indigenous ethnic nationalism. They then have to maintain the economic unity and social order. But former colonial administrations to better develop natural resources had brought together different racial groups with complementary skills, expertise, managerial and professional talent to supplement and help colonial administrators and entrepreneurs and so better develop the economy. In the course of decades, sometimes centuries, of colonial rule, originally primitive and backward economies were developed through technological, professional, administrative expertise provided by Europeans, dependent at intermediate levels on non-European immigrant skills and labour. The Indians followed the British, west to Africa and east to Burma and Malaya. They provided an intermediate group of entrepreneur skills and junior administrative talent and disciplined labour.

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Meanwhile indigenous nationalist leaders, in order to wrest power, expounded to their followers the proposition that they were economically and socially down because they were being kept down. They promised that when

political power was won, they , the leaders, would displace not only the European administrators, but all the intermediate non-indigenous groups and place their indigenous followers in economically and socially superior positions . Often this has happened, regardless of the economic realities with disastrous results. In Burma, as the Indians departed, the economy was affected. If the Kenyans pursue their Africanisation policy to its logical conclusion, displacing Indian professionals, and shopkeepers, their economy must decline, unless their people have exceptional qualities which can telescope two or three generations of the educational process into five or ten years.

The pressure of their political supporters who helped them win independence, for jobs, for perks and patronage, gets more and more intense. They are pressed for jobs, not just any jobs, but those jobs that will take people up to the top for prestige and status, to meet and greet foreign planners and visitors. These people want not just to fulfil the protocol functions, but also to make decisions on matters about which they have had little training or experience. They also want to fan out into commerce and industry. They insist on appointments not just in the lower reaches but in the professional and managerial grades, but unfortunately without the necessary training and capacity.

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Worse, some new countries go for prestigious projects. In Ghana there were a National Shipping line and a National Air line. Both lost vast sums

of money. There were new harbours, airports, and industrial estates which were not economic because inter alia the labour force was not educated enough to be easily trained.

Meanwhile, the whole pattern of world trade between the developed countries themselves, and between the developed and underdeveloped countries is undergoing constant change. This, more than any other single factor, is the cause for post-independence revolutions and upheavals. Preconceived ideas of what a political nationalist leadership could do, to give the good life to its followers make things worse for the new nations. They try to do what the colonial power has been seen doing, without understanding that different social values, attitudes and motivation, that is, an achievement-oriented cultural pattern must be inculcated into a people to equip them for the process of modernisation.

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Meanwhile, the developed countries between themselves have undergone a fantastic transformation into the post-industrial society, the age of computers, electronics, nuclear and space science. Economies of scale of modern technology gives the advantage to the vast continental land mass with good communications, vast populations of 200 million and above, all brought within one framework. They, and it seems only they, can reach out for the moon and the stars. Last year, Britain abandoned its participation in the ELDO project,

and so gave up its space research in conjunction with west European partners. Even in partnership with equally developed Western countries, space research was too expensive.

This new post-industrial society traps the commodity (raw material) producer. If the price of raw materials is low, the new countries cannot get enough foreign exchange to buy the essentials for development. If it is too high, the advanced countries will turn to synthetics or devise ways of doing away with their dependence on expensive raw materials.

So many popular beliefs are being exploded. One of them is that there is no difference in the capacity and intelligence of all human beings whatever the race. That all the differences in performance between ethnic, cultural, linguistic groups can be removed by giving equal opportunities for education and training. This is true only up to a limited point. First, because we are dealing with people in the mass. Second, because it is a slow and painful process to catch up with the educational and technological levels of another society.

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There are fair numbers of black African students who have gone to universities in Britain and in France and done well. But this is a far cry from demonstrating that countries with low cultural levels have the capacity for group

discipline, sustained application, high skills, intense concentration, all necessary for transforming a tribal rural community into a modern industrial community. The process, if properly and intelligently entered into, might take one, two or more decades.

But unless intelligently attacked, it may take three or more generations, with disastrous consequences in the meantime on administrative efficacy, planning and economic development. To make full use of their natural and human resources for economic growth, these new countries must be able to induce outside skills and expertise, scientists, technologists, managers and administrators, to come and help as catalysts in economic development. This depends upon the capacity of the political leadership in the new countries to create conditions which make it politically possible for them to employ such experts and professional digits, and upon the attractiveness of these new countries to these experts.

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But instead of peaceful conditions and rational development, most new countries revive old feuds, or make new enemies. This leads to rapid and costly expansion of their armed forces, and the build-up of an officer cadre with no tradition of constitutional government and acceptance of political leadership. Hence, the large numbers of generals now installed as Presidents or Revolutionary Councils in Afro-Asia.

What is of special relevance to Singapore? First, unlike most new countries, we have no rural base. Therefore, any economic decline, either because of political or social unrest, will be swift and spectacular. It will not be like the Indonesian way, where, after over 20 years of misgovernment and mismanagement, most of the people can still live off the ground. However, the advantage Singapore has is the exact mirror image of this weakness, namely, that we have no backward rural population, hidebound with superstition, religious practices and inhibited by traditional work methods. Instead, we have a compact, well-educated urban community, a migrant society keen on high performance, spurred by the prospect of high rewards. That, combined with good administration and a sound infrastructure of harbours, airports, roads, banking, finance, makes rapid growth more than probable. And when man for man, skill for skill, enterprise for enterprise, the population is more than equal to any competition from the area, progress is likely to be rapid.

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The final factor, which gives the gloss on this human advantage, is the geographic location. We occupy the southernmost tip of the Asian continent, and this gives a competitive edge to a large range of our services and manufactures.

But this exercise in political and economic modernisation, representative Government, the gelling of the community into a cohesive group with the capacity to think and act corporately and in unison, can only succeed if there is a strong streak of dedication and realism underlying our thinking and planning. Singapore needs to expand her economy rapidly enough to match the ambitions of a young and of better educated population.

From the very top, down to the lower echelons, every person invested with authority, whether in the government or in a government agency, or in functional or professional organisations, or in the universities – they must have that awareness that power is being exercised in the interests of a whole community, not of a few persons or sections of the population. In other words, there must be that capacity to make decisions other than on personal or sectional interests.

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Our young needs to be fired by idealism. But behind all the idealism, Human Rights Week and Appeal Boards for Work Permits, there must be an awareness of the practicability of policies. It must never be forgotten that, whatever the declarations of human rights, whatever the ideals in any given situation, whatever the FAO or UNESCO can tell you about how many calories, what minerals, which vitamins, you ought to have every day, nobody tells you who is responsible for giving you two solid meals a day. Never forget that for each grain of rice you consume, you need foreign exchange, which brings us back to our balance of payments. This brings us back to the strength of the Singapore Dollar, and this in turn brings us to the verve and vitality of our economy, to the need for high performance.

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