

THINK-TANK

# The yin and yang of development



By KISHORE MAHBUBANI

I HAD a harrowing experience in Washington DC recently. On an extremely cold day – Jan 16, when the temperature was 20 deg F (-6.7 deg C) – I went to the DC railway station to catch the 4.05pm train for Newark airport. It was scheduled to arrive at 6.45pm, giving me enough time to catch the non-stop SQ flight home at 11pm. I felt relaxed when I arrived at the train station at 3.30pm.

The first hint of trouble came when the monitor announced that the train was “delayed”. I made several efforts to find out how long the delay would be. No one in Amtrak could give me an answer. At 4.30pm, I felt a burst of hope. The business class passengers were told that they could move to the unheated platform. Despite the cold, I was happy to do so. But the train didn’t leave. While we were waiting, the chief engineer sauntered by slowly and told us nothing.

At 4.40pm, one Amtrak official told us that the 5.05pm train was departing on time. I rushed to the ticket counter to change my ticket to 5.05pm. The lady at the counter brushed me aside and said “Nah! All trains are 45 minutes late”. But she was wrong. When I got back to the platform, the 5.05 train passengers were boarding the train. The 4.05 passengers were not allowed to join them.

After I explained my predicament, one conductor allowed me to board the 5.05 train. I was truly relieved when the train

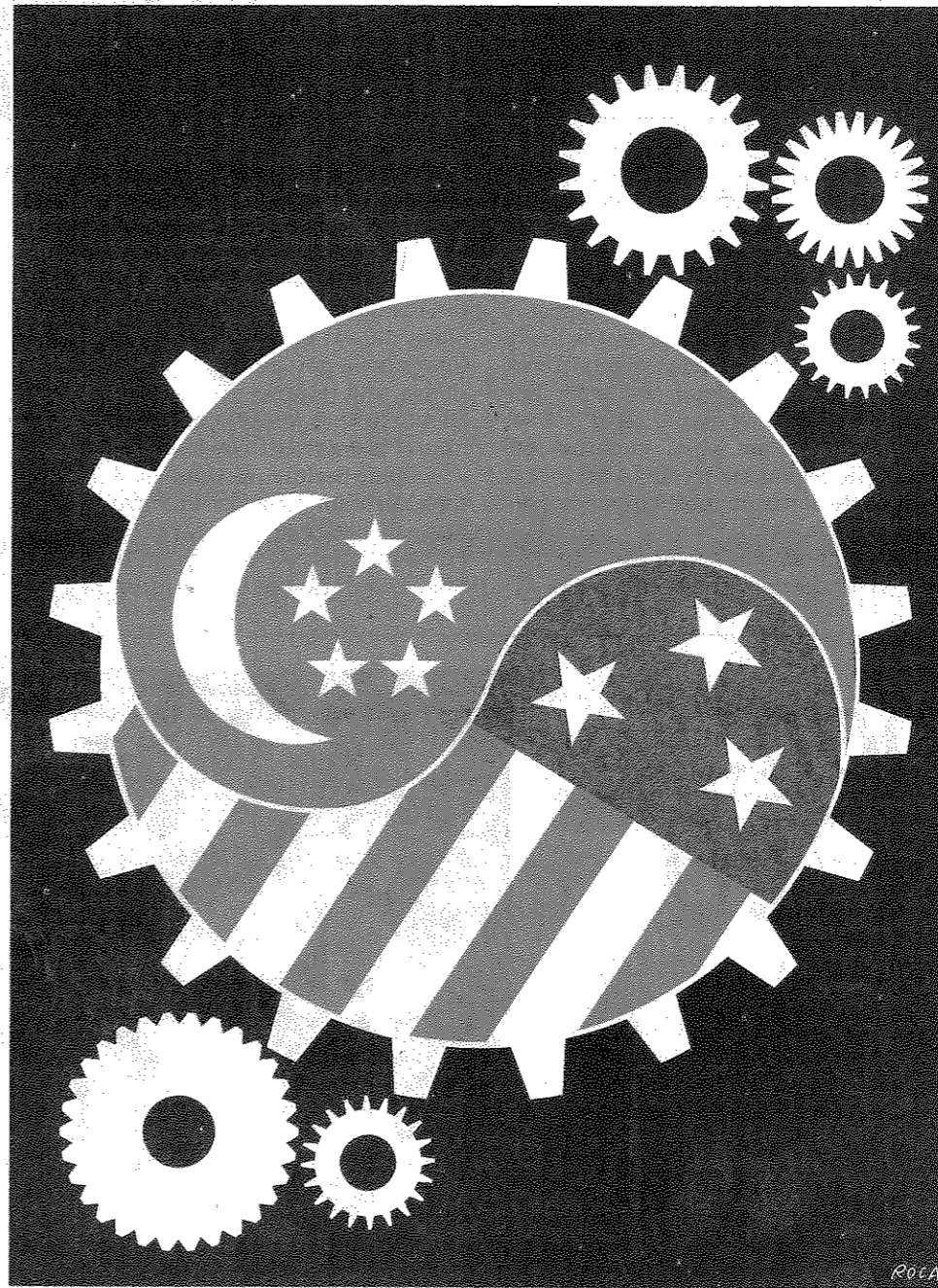
pulled out. However, when another conductor came and saw my 4.05 ticket, she asked me to get off the train at the next station. My pleas that I would miss my flight to Singapore fell on deaf ears. Fortunately, at the next train station, I explained my plight to three African-American conductors who kindly let me back on the train. Hence I made the flight home.

(Ironically I was rushing home to host the Indian Minister of Railways, Mr Lalu Prasad Yadav, for tea at my home on Sunday. His success with the Indian Railways has become a Harvard Business School case study.)

What is the moral of this story? In Singapore, we have come to expect a certain level of service from public service officials. They are encouraged to be courteous, informative and responsive. By contrast, the level of public service in the United States has deteriorated progressively over the years. In Singapore, many of the best brains go into the civil service. In the US, few do.

The strengths and weaknesses of American and Singaporean societies are complementary. Singapore is strong in the public sector, not so strong in the private sector. America is strong in the private sector, not so strong in the public sector. We will eventually learn many lessons from the current financial crisis – and we still cannot learn all of them because the crisis is still unfolding – but one lesson stands out clearly already.

In the process of national development, we have to balance the strengths of the “invisible hand” of the market with the “visible hand” of good governance. Both are needed. This shows the wisdom of ancient oriental philosophy which held that in life, we need a balance between yin and yang. This is as true of personal life as it is of national life.



One reason why America has come to grief in the current crisis is that it went overboard during the Reagan-Thatcher revolution. President Ronald Reagan said in 1981: “Government is not the solution to our problem; government is the problem.” The net result of that position is that there has been a progressive dismantling and deterioration of the public service side of the US political structure over the past two decades.

There is a delicious political irony in the story of the dismantling of the American state. Both Ronald Reagan and Margaret Thatcher were right wing and dedicated anti-communists. Yet, in the process of dismantling the state, they fulfilled “the withering away of the state”, as predicted by Karl Marx and Friedrich Engels.

It will not be easy for the US to rebuild its public services. It takes years, if not decades, to build a good public service. Such a service requires a state that can manage its finances well. To pay for good public service, a government needs to collect taxes. But US conservatives – who have in many ways dictated the national agenda over the past couple of decades – have managed to convince the American public that taxes are “bad”. As a result, no politician in America dares to speak now of increasing taxes. For example, one sensible solution to many of America’s energy problems – including greenhouse gas emissions, dependence on Middle East oil, fuel inefficient American cars – would be to impose a dollar a gallon

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(3.8 litres) tax on fuel consumption. But no politician, not even President Barack Obama, would dare advocate such a tax.

Yet, despite these weaknesses, there is no doubt that America will recover from the current economic crisis. The strengths of American society will compensate for its weakness in governance. Few Americans expect the state to solve their problems. They believe in individual responsibility or in small associations of individuals. When Mr Obama recently called for a new era of responsibility, he will be tapping a rich vein of the American national heritage.

In Singapore, by contrast, there is a very strong belief that the government will do a good job of carrying Singapore through great crises. Indeed, in the past, it has done so. By any standards, Singapore has enjoyed exceptionally good governance. The challenge for Singapore is therefore the opposite of the challenge American society is facing. Singapore needs to foster greater individual responsibility to manage challenges.

This is one opportunity provided by the current economic crisis. It is possibly going to be the worst economic slump that Singapore has suffered in decades. The government is doing its part to help ameliorate the crisis. The time has therefore come for the many fortunate Singaporeans to help other Singaporeans who need help. Over time, this will also enhance Singapore’s social cohesion and resilience. And, in a fairly dramatic way, it will enhance the soul of Singapore.

Why this will happen will have to be the subject of another column. In the meantime, I hope that all Singaporeans will step up their efforts to help their fellow citizens.

The writer is Dean of the Lee Kuan Yew School of Public Policy at the National University of Singapore. Think-Tank is a weekly column rotated among eight leading figures in Singapore’s tertiary and research institutions.