

Singapore Challenge

- *7%-10% growth rate over the last 30 years*
- *Days of hyperactive growth are over – can a new generation come up with a 2nd act?*

Lee Kuan Yew's Leadership Style

- Brilliant Charismatic Visionary leadership?
- Dogmatic repressive control?
- Need both for transformational change?

Leadership Style

Tactic	Description	Frequency of Use	Effectiveness
Edict	Sponsor issues directive that must be followed.	23	40
Persuasion	Sponsor attempts to sell a change, often by bringing in experts.	42	60
Participation	Stakeholders define change and its implementation.	16	84
Intervention	Sponsor justifies need for change, monitors implementation process, and communicates success.	19	100

Lee Kuan Yew

- *Took over 1959*
- *Young Oxford-educated political activist of leftward socialist persuasions*
- *Moved to the right when he realized that labor unions and socialists couldn't create jobs or defend the country*

Lee Kwan Yew Created:

- Public housing
- Strategy of export-led growth
- Economic Development Board
- Weakened unions
- Smoothed over racial differences
- Eliminated many business regulations
- Cleaned up the environment
- Eliminated crime and corruption
- Focused Singapore on jobs, GDP/capital and growth

Governmental Employee Incentives

- *Pay is higher than commercial sector. Prime minister makes more than \$1M annually.*
- *10%-20% of salary is tied to economic growth*
- *Lateral job shifts after 2-3 years in a position enables interactions between ministries*
- *Small coherent bureaucracy where everyone knows each other*

Deep acceptance of Government right to control

- *Linked to Chinese culture?*
- *Environmental control*
 - Litter
 - Chewing gum
 - Cost of cars/driving
- *90% of population lives in government housing*

Economic/Commerce Government Controls

- 20% of the capitalization of Singaporean companies
- Golden share of state owned companies
- Controls banks and insurance companies
- Controls savings through CPF (20% from Employees and 16% from Companies)

Government Controls

Singaporeans don't seem to mind as long as benefits (economic growth and living environment) exceed costs (lost of personal freedom)

Industry Development

- *EDB has targeted five areas/clusters*
 - Chemicals
 - Electronics and precision engineering
 - Logistics and transport services
 - Infomatics and media
 - New - Biomedical Sciences
- *Growth of these areas have traditionally come from MNC's FDI*

Infrastructure Successes

- *World Class Port and Airport*
- *Excellent Road System*
- *Sophisticated telephone and telecommunications system*
- *Modern subway system*

Infrastructure Funding

- *Initial funding comes from government channels. Government underwrites capital costs without great concern about payback.*
- *Operating plan must be profitable and administered by non-governmental entities. Not afflicted with heavy debt-retirement obligations. Equity based government subsidy.*
- *Net benefit to the citizens*

Singapore currently has 3 broad problems

- *World economic growth slowing causes excess capacity and difficulty in increasing exports*
- *Faced with sharp low end competition from Malaysia and China*
- *Trying to supplement FDI with local entrepreneurship, but do Singaporeans have entrepreneurial talent?*

Triple Helix Model

- *Government*
- *Industry*
- *University*