

Singapore and the Other "Tigers"

by

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All tigers are not created equal. While Hong Kong, Taiwan and Singapore have the surface similarity of being essentially Chinese cultures, South Korea is very different. The distance between Seoul and Singapore, geographically and socially, is greater than the distance between New York and Rio de Janeiro.

South Korea's prosperity has come at a steep price—low wages, dictatorship, monopolies controlled by huge conglomerates. Thirty families (the *chaebol*) control most of the country's wealth, and 75 percent of the private land is owned by 6 percent of the population—the greatest gap between rich and poor of any industrializing nation. The country lives with the bitter legacy of 40 years of Japanese occupation and a brutal civil war. Productivity and exports have recently been sagging; 50,000 educated workers a year are unable to find jobs. The country has an external debt of \$10 billion and a large negative balance of payments, enormous burdens for an export-driven economy.

Taiwan is an export powerhouse, with twice the per-capita income of Korea. With about \$75 billion in foreign-exchange reserves, it is also an increasingly important source of foreign investment in Asian countries. It is attempting to improve the cachet of the "Made in Taiwan" label by moving into higher technology and quality products. With the recent ending of 60 years of "emergency rule," the political climate has been substantially liberalized. Taiwan now has active opposition parties and a freer press. However, Taiwan is also beset with serious problems. Air pollution in Taipei rivals the worst cities in the world. Traffic jams are endemic, and the roads are terrible. Housing has become unaffordable for most, and crime rates have been rising precipitously.

The most interesting contrast among the tigers is, of course, between Singapore and Hong Kong. Both share predominantly Chinese populations, a British heritage and prominent identities as

entrepôts and free trade centers. Beyond these surface similarities, however, these are two very different places. Hong Kong is overwhelmingly a Cantonese city, with a thin layer of English in corporate commerce and administration. Most restaurant workers and taxi drivers, for instance, understand no English. In Singapore, on the other hand, English is truly the language of business and is woven thoroughly into the social fabric as well. Parents here have to worry about making sure their children become adequately proficient in Mandarin; most students already excel in English.

Hong Kong wears its dynamism and free-wheeling capitalist aggressiveness on its sleeve. The city is a place of barely restrained chaos. In Singapore, a calm and orderly surface belies an equally frenetic pace of economic activity. Singapore is virtually crime and pollution free—no small virtues in a region which is starting to see its natural resources deteriorate alarmingly. On the other hand, Hong Kong has a severe pollution problem. The harbor is so contaminated that even bacteria do not survive in it, and tap water is not suitable for drinking. Hong Kong is home to the notorious triad crime syndicates, and has started to see an increasing number of armed robberies. There is substantial poverty in Hong Kong; there is also no social security system at all for the elderly, while Singaporeans have negligible poverty and the Central Provident Fund to provide for retirement security. The absence of a safety net, coupled with the migration of many young residents, makes for a very uncertain economic future for many older Hong Kong citizens.

The airports in the two cities offer another illustration of their contrasts. Hong Kong's Kai Tak Airport is tiny, overburdened and rated as one of the most risky in the world. Arriving visitors are greeted with long lines and machine gun-toting police. Changi Airport, on the other hand, is a spectacular creation—large, spacious, aesthetically appealing, hummily efficient. Dubbed "Airtropolis" by its local advertising agency, it offers play areas for children, fountains, reasonably priced day hotels, fine restaurants, a science exhibit, free city tours for transit passengers, extensive shopping (with prices no higher than those in downtown shops), sauna and gymnasium, free feature films, valet parking and so on. The government boasts that it can process incoming passengers in 15 seconds or less, returning Singaporeans in less than that. A brand new Terminal 2, connected with the first terminal by skytrain, equips the airport to handle enormous growth in future traffic—the airport can now handle 24 million passengers a year, in a nation of 2.7 million.

The Singapore government started building Terminal 2 in 1984, is already planning Terminal 3 and has set aside reclaimed land for Terminal 4—which is not likely to be needed until well into the 21st century! In a region which is expected to generate more than 40 percent of the world's air traffic by the year 2000, the competitive value of this planning is evident.

Hong Kong's biggest liability, of course, is its uncertain future. The population has little faith in the current government (witness the several runs on banks and near-riots in the aftermath of the BCCI collapse) or in its future Chinese rulers. The city continues to boom, in a speculative spiral which is likely to collapse as rapidly as it has climbed; real estate values have risen almost 80 percent in one year. There is a palpable sense of urgency, of living on borrowed time; everybody, it seems, can hear the clock ticking, and as 1997 approaches, the ticking gets louder, and more incessant.

There is one thing, of course, that Singapore cannot offer that Hong Kong has in abundance—its unfettered and unregimented lifestyle. While it is almost certain that the Chinese will attempt to curtail some elements of Hong Kong's lifestyle, Singaporeans still find themselves breathing easier in Hong Kong (and in the West) than at home. The direction of change, however, favors Singapore. It will almost certainly become more liberalized over time, while Hong Kong is almost equally certainly going to be reined in.