

Cities make the wealth of nations

By RAZEEN SALLY
FOR THE STRAITS TIMES

ADAM Smith called it the wealth of nations. Two centuries later, we talk about “national competitiveness”. The World Economic Forum’s annual Global Competitiveness Report, for example, identifies the policies and institutions that boost national productivity, which determines competitiveness and economic growth.

Perhaps we should also focus on cities. More than ever, cities – especially existing and aspiring “global cities” – are the lifeblood of the global economy. The competitiveness of cities – what makes them more productive and successful – increasingly determines the wealth of nations, regions and the whole world.

But the competitiveness of a city does not stand in isolation. Cities are still linked to their immediate hinterlands and embedded in their nations. In other words, the competitiveness of a city and the nation of which it is a

part are intertwined and mutually reinforcing.

The map of the global economy most of us have in mind is one of nation states connected to each other via trade and the movement of capital, people and technology. That is still highly relevant. But throughout history, the most intensive cross-border economic transactions have been between cities – mostly cities located on coastlines.

It is therefore useful to think of a different map of the global economy: one of cities connected across land borders, seas and oceans through the exchange of goods and services, foreign investment, workers and border-hopping technologies.

Unprecedented levels of urbanisation make this city-based map especially relevant. Three years ago, for the first time in history, over half the world’s population lived in cities. Urban areas also account for over 80 per cent of global gross domestic product (GDP). According to McKinsey Global Institute, as of 2007, 1.5 billion people (22 per cent of the world’s pop-



Singapore (above) and Hong Kong have set the standard for Asian cities to follow, says the writer. They are the logistics and services hubs for Asian trade, and global supply chains plug them into other cities around the world. ST FILE PHOTO

ulation) lived in the world’s 600 most populous cities and accounted for a GDP of US\$30 trillion (S\$37.6 trillion) – well over half the global GDP. The top 100 cities, with a GDP of US\$21 trillion, accounted for 38 per cent of global GDP.

In 2025, McKinsey reckons that the top 600 cities will have 25 per cent of the world’s population and nearly 60 per cent of global GDP.

What does this mean for the “competitiveness of cities” and the “wealth of nations”?

Most productive policy innovation is happening in cities and sub-national regions. It is not happening at the level of national governments or in international forums like the United Nations, the European Union and the G-20. Policymaking is more flexible and practical the closer it is to the citizen. Cities often emulate each other and adopt best international

practice better than nations do.

This is even true of cities and state governments in the United States at a time when politics in Washington, DC, remains gridlocked. In the EU, national governments and EU institutions are stuck in sclerotic political cartels with failed policies. Can Europe’s cities break out of this straitjacket and unleash long-delayed reforms?

Perhaps. But this century’s story of cities and the wealth of nations will more likely be scripted in the emerging world – outside the West. Asian cities, stretching from India to China and North-east Asia via South-east Asia, will be the main players. McKinsey’s list of the top 600 cities contains 220 from developing countries. But it estimates that, by 2025, 136 new cities will join this list – all from developing countries. Of the new entrants,

100 will come from China alone.

What are the ingredients that make cities more productive? Some vital municipal policies are parochial: urban planning and zoning, housing, water, sanitation, policing and so on. But the most successful nations, like the most successful cities, also have stable public finances; low, simple and competitive taxation; and transparent business regulations. They are also characterised by strong and impartial rule of law, openness to trade and foreign investment, and a welcoming environment for foreign talent. Other factors include good “hard connectivity” – roads, transit systems, ports and airports; and good “soft connectivity” – education, skills and technology diffusion.

Like nations, cities with limited – but effective – government and competitive markets do better than cities with big, inefficient

government and distorted markets. This reinforces the message that there is a good deal of overlap between city competitiveness and national competitiveness.

My role models are Hong Kong and Singapore. Both regularly top the rankings of the Global Competitiveness Report, the World Bank’s Doing Business Index and the Simon Fraser Institute’s Economic Freedom of the World Index.

Government is relatively small, clean and efficient, and markets are relatively competitive and highly globalised. Nowadays, Hong Kong and Singapore are the logistics and services hubs for Asian trade. Modern global supply chains plug them into other cities in Asia and beyond.

These two cities may be exceptions, but they have set the standard for other Asian cities to follow.

To me, free markets and free trade produce a virtuous trinity: ■ They promote growth and prosperity – the economic imperative. ■ They expand individual freedom – the moral imperative. ■ Cities, more than anything else, sustain peaceful international relations – the geopolitical imperative.

I think of cities in this context. They might indeed be the best available political-economic units to promote prosperity, freedom and peace – better perhaps than nation states, and certainly better than most mechanisms of global governance.

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Kopassus members (from left) Kodik, Sugeng Sumaryanto and Uocok Tigor Simbolon were sentenced to six, eight and 11 years in prison respectively, following the killing of four detainees in a March 9 raid on a Yogyakarta prison by Kopassus troops. PHOTO: CIARA SEMBADRA FOR THE STRAITS TIMES

Discipline of Kopassus in question



By JOHN MCBETH
SENIOR WRITER

THE relatively heavy punishment given to three of the 12 special forces (Kopassus) troops accused of executing four murder suspects, in an audacious March 9 raid on a Yogyakarta prison, may have gone some way towards erasing the much-criticised culture of impunity the Indonesian military has enjoyed for decades.

But as open as it was, the court martial still raises troubling questions about discipline in the Indonesian Armed Forces (TNI), whether Kopassus officers were complicit in the crime, and why the defendants received such overwhelming public support.

The three main perpetrators – two second-sergeants and a corporal – were given jail terms ranging from six to 11 years for killing the four detainees, who had been arrested over the stabbing death of an off-duty Kopassus soldier in a Yogyakarta night club three days earlier.

Nine other soldiers received jail terms of up to 21 months. But unlike those involved in the actual shooting inside one of the prison’s crowded cells, all were controversially allowed to stay in ser-

vice after serving their sentences.

The punishment handed down on Sept 5 by the Yogyakarta military court was lighter than the minimum term of 20 years’ imprisonment demanded by prosecutors, leading to renewed demands from human rights groups that soldiers accused of crimes be tried in civil courts.

But even civil courts have been notoriously inconsistent on sentencing dictates. Look no further than the amnesty-shortened 15-year sentence given to Tommy Suharto, the former president’s youngest son, for ordering the 2002 slaying of a Supreme Court justice.

Both the Central Java army commander and the Yogyakarta police chief were sacked over the prison raid, with media reports since then referring to alleged wiretapped conversations among senior officers discussing retaliation for the soldier’s murder.

The executed men were all local gangsters with rap sheets that included murder, rape and drug-dealing. Their records and the horrific nature of the murder, in which the victim was smashed over the head with a bottle, kicked repeatedly and stabbed 17 times, perhaps explains the court’s leniency.

The four assailants were quickly rounded up. A fifth man, who was not charged, but was identified in closed-circuit TV footage, was fatally shot outside his house five months later while the trial was ongoing.

No action seems to have been

taken against the superiors of the vengeful soldiers for failing to stop them leaving the training ground of Kopassus Group 2, one of two Red Beret regiments specialising in counter-insurgency and unconventional warfare.

The promising career of Group 2 commander Maruli Simanjuntak, a Boston University master’s graduate in finance, was saved by the fact that he had been on the job only a few hours.

The son-in-law of former trade minister and special forces veteran Luhut Panjaitan, he took full responsibility at a meeting called by army chief-of-staff Pramono Edhie Wibowo, a career Kopassus officer himself, to inquire into the incident.

After Gen Wibowo heard how long he had been there, he told him not to worry.

He also reportedly exonerated Lieutenant-Colonel Simanjuntak’s predecessor, Colonel Suhadi, now the Kopassus inspector, who offered to share in the blame as well.

The 5,500-strong Kopassus is the TNI’s most rigidly disciplined outfit. It is almost unthinkable that the soldiers could have taken two vehicles and driven to Cebongan Prison without the knowledge of any of the other 30 or so officers.

The trial also did little to dispel much deeper issues, many of them stemming from the long-simmering turf war between the army and the police which have intensified since the police were separated from the

military chain of command in 1999.

Only weeks before the prison raid, truckloads of out-of-control troops burned down a police station in South Sumatra in an act of revenge for the shooting death of a soldier in a street altercation with a traffic policeman.

New TNI commander Moeldoko indicated in one recent interview that inter-service rivalry was why soldiers will continue to be tried by military courts, saying they were “psychologically unprepared to be investigated by the police”.

The army still has bitter memories of being blamed by the police for the ambush-killing of three schoolteachers in Papua in 2002, before a Federal Bureau of Investigation probe proved it was the work of Papuan separatists.

General Moeldoko also acknowledged it was time to change a process of dehumanisation in the ranks, with underpaid soldiers being mistreated by their superiors during training and forced to live in sub-standard conditions.

Equally disturbing is the way the trial exposed widespread public dissatisfaction in Yogyakarta over slack law enforcement and the alleged involvement of police in criminal activities, including drug dealing and prostitution.

Given its history, running protection rackets isn’t new for the military either. But in any popularity contest with the police, the military still wins hands down.

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Are human beings hard-wired for war?

By DAVID P. BARASH

WAR is in the air. Sad to say, there’s nothing new about this. Nor is there anything new about the claim that war has always been with us, and always will be.

What is new, it seems, is the degree to which this claim is wrapped in the apparent acquiescence of science, especially the findings of evolutionary biology with respect to a war-prone “human nature”.

This year, an article in *The National Interest* titled *What Our Primate Relatives Say About War* answered the question “Why war?” with “Because we are human”. In recent years, a piece in *New Scientist* asserted that warfare has “played an integral part in our evolution” and an article in the journal *Science* claimed that “death in warfare is so common in hunter-gatherer societies that it was an important evolutionary pressure on early Homo sapiens”.

The emerging popular consensus about our biological predisposition to warfare is troubling. It is not just scientifically weak; it is also morally unfortunate, as it fosters an unjustifiably limited vision of human potential.

Although there is considerable reason to think that at least some of our hominin ancestors engaged in warlike activities, there is also comparable evidence that others did not. While it is plausible that Homo sapiens owed much of its rapid brain evolution to natural selection’s favouring individuals that were smart enough to defeat their human rivals in violent competition, it is also plausible that we became highly intelligent because selection favoured those of our ancestors who were especially adroit at communicating and cooperating.

Conflict avoidance, reconciliation and cooperative problem solving could also have been altogether “biological” and positively selected for.

Chimpanzees, we now know, engage in something distressingly akin to human warfare, but bonobos, whose evolutionary lineage makes them no more distant from us than chimps, are justly renowned for making love instead. For many anthropologists, “man the hunter” remains a potent trope, yet at the same time, other anthropologists embrace “woman the gatherer”, not to mention the cooperator, peacemaker and child rearer.

When, in the 1960s and 1970s, the anthropologist Napoleon Chagnon began reporting his findings concerning the Yanomamo people of the Amazon, whom he claimed lived in a state of persistent warfare, his data was eagerly embraced by many – including my-

self – because they represented such a beguilingly close fit to our predictions about the likely positive correlation between early human violence and evolutionary fitness.

In retrospect, even though I have no reason to doubt Yanomamo ferocity, at least under certain circumstances, I seriously question the penchant of observers (scientific and lay alike) to generalise from small samples of our unquestionably diverse species, especially about something as complex as war.

I have little doubt that the perspective of many evolutionary biologists and some biological anthropologists has been distorted by the seductive drama of “primitive human war”. Conflict avoidance and reconciliation – although no less “natural” or important – are considerably less attention-grabbing.

Yet peacemaking is, if anything, more pronounced and widely distributed, especially among groups of nomadic foragers who are probably closest in ecological circumstance to our hominin ancestors. The Hadza people of Tanzania have interpersonal conflicts, get angry and sometimes fight, but they assuredly don’t make war and apparently never have. The Moriori people, original inhabitants of the Chatham Islands off the coast of New Zealand, employed several methods (including social ridicule) that prevented individual disputes from escalating into group-versus-group killings. The Batek of peninsular Malaysia consider overt violence and even aggressive coercion to be utterly unacceptable, viewing themselves and their larger social unit as inherently and necessarily peaceful.

The problem with envisioning Homo sapiens as inherently and irrevocably warlike isn’t simply that it is wrong, but also that it threatens to constrain our sense of whether peacemaking is possible and, accordingly, worth trying.

I am counselling neither greater nor lesser involvement in specific wars. But I urge that any such decisions not be based on a fatalistic, empirically invalid assumption about humanity’s warlike nature.

There is a story, believed to be of Cherokee origin, in which a girl is troubled by a recurring dream in which two wolves fight viciously. Seeking an explanation, she goes to her grandfather who explains that there are two forces within each of us, struggling for supremacy, one embodying peace and the other, war. At this, the girl is even more distressed, and asks her grandfather who wins. His answer: “The one you feed.”

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