



Moving beyond the paper chase

A PREOCCUPATION with a formal qualification for its own sake has evoked fresh concern of late. Some attribute this to fear of a political backlash, should higher-paying jobs – not to mention jobs per se – elude a larger pool of graduates in the market, as the Government ramps up university enrolment for up to 40 per cent of each school cohort by 2020. Overcapacity is a sobering prospect considering the experience elsewhere – almost half of American college graduates are underemployed and China’s so-called “ant tribes” number in the millions. Degrees are no passports to jobs in places like Taiwan or South Korea.

The destructive politics portended by such trends is an outcome no society

can afford to ignore, but far more pressing is the larger economic consequences of a growing mismatch between taught skills and the workplace proficiencies demanded by employers. Yet human resource decision-makers still place a gilt-edged degree above real-world skills, the young see that paper as a ticket to the good life, and parents continue to cling to a worldview of scholars lording over skilled workers. It is such a perception gap as much as a skills gap that must be addressed.

The systemic weight of entrenched attitudes is not to be underrated. Academic snobbery, for example, is said to account for the need to improve the status of applied research in relation to theoret-

ical research, and for the longing of institutes of technology to become universities. A de facto hierarchy that places academic degrees above skills-oriented diplomas can lead to misguided notions of the choices appropriate to nations and individuals.

A global hub needs know-how in transport, software, health care, social work and the arts. And a job seeker needs broad skills to acquire and evaluate information, a sense of self and society, as well as deep skills that can be applied in and adapted to the marketplace.

As crucial as the right mix is the presence of mentors who can enthuse the young, as well as internships to directly apply skills taught. Workers who had

both were “twice as likely to be engaged with their work and thriving in their overall well-being”, according to a Gallup researcher behind a revealing study of the links between education and long-term workplace success. Only one in five American graduates had such a mentor, and just one in 10 bosses strongly agreed graduates had the right skills. Yet almost all educators felt they were on song in preparing the young for the workplace. Fixing the “understanding gap” goes beyond schools. Society must value all work done well and with passion – what the Japanese refer to as *shokunin*. Embracing the spirit of such change means first letting go of the talismanic hold of paper.

EYE ON THE ECONOMY

A study of cities’ competitiveness highlights four areas of reform: building institutions, business regulation, and building hard and soft connectivities.

How Asian cities stay ahead

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FOR THE STRAITS TIMES

CITIES are the lifeblood of the global economy and determine the wealth of nations. Throughout history, cities have been magnets for talented people who disseminate knowledge, spark entrepreneurship and innovate.

Today, most productive policy innovation is happening in cities and sub-national regions, not at the level of national governments, let alone in international forums like the United Nations, World Bank, International Monetary Fund, World Trade Organisation and G-20.

Policymaking is more flexible and practical the closer it is to residents. At local levels, policy experimentation, and learning and adaptation, become infectious. Cities emulate one another and often adopt best international practices better than nations do.

This is why the World Economic Forum has just published a study on the competitiveness of cities.

“Competitiveness” hinges on the productivity of the city – its ability to use available inputs efficiently to drive sustainable economic growth and prosperity.

We compiled 33 case studies of cities around the world, with different endowments and at different stages of development. Nine are in Asia. Some are proven success stories, others are potential success stories, and yet others have got stuck or failed.

Urbanisation is the megatrend that is most relevant to city competitiveness. Never before has the world urbanised at such speed and scale as it is doing today.

As of 2010, for the first time in history, over half the world’s population lives in cities. This population accounts for over 80 per cent of global gross domestic product (GDP). According to the UN, globally, an additional 2.5 billion people will move to cities by 2050.

For the foreseeable future, rapid urbanisation will be an almost exclusively non-Western affair: 94 per cent of those who will move to cities in the next few decades will come from the developing world. The McKinsey Global Institute (MGI) estimates that, by 2025, the developing world’s top 443 cities will account for close to half of global GDP growth and 18 per cent of global GDP. These cities will contain the bulk of about one billion new middle-class consumers.

The four agendas of reform

SO WHAT are the key lessons for city competitiveness in Asia? Here is a checklist of four items. Think of it as a “what-to-reform, how-to-reform” agenda.

■ Institutions

First, think institutions, which are the decision-making framework of the city. Leadership and vision



– a clear, far-sighted view of where cities should head and a single-minded practical will to ensure they get there – show the power of city leaders as CEOs.

Two Asian examples stand out: Mr Lee Kuan Yew and his first-generation leadership team in Singapore; and Mr S.R. Rao, the chief executive of Surat Municipal Corporation, who turned the Gujarati city of Surat around to become one of India’s most successful.

Singapore highlights the importance of gradually building up in-

stitutional strength through successive phases of development. But Cebu in the Philippines points to fragile institutions that can endanger existing gains as well as future competitiveness.

Cities should also look out for windows of opportunity – often during a political or economic crisis or turning point – to push through a critical mass of decisive reforms. This is what happened when Singapore was kicked out of Malaysia in 1965, when Penang elected a new opposition-led state government in 2008, and when

Surat was stricken by the plague in 1995.

■ Business regulation

Second, think of the regulatory framework for the city’s business climate. Getting the basics right – stable and prudent fiscal policies, including low and simple taxation, a flexible labour market, openness to trade and foreign investment, and simple and transparent business regulation – is the primary lesson for good public policy at both national and municipal levels.

One of the big takeaways from

the Singapore story is to keep policy simple for producers, consumers and citizens. Cities should also develop their own foreign economic policies on trade, foreign investment, tourism and attracting foreign talent, and go global as far as they can. Singapore, Penang, Hyderabad and Ahmedabad in India, and Ningbo in China are great examples.

■ Hard connectivity

Third, think “hard connectivity” – the city’s core physical infrastructure. Cities need a mix of planning and organic growth,

which are complements, not substitutes. Chandigarh in India and many Chinese cities today are examples of overplanning.

Next, urban density, including “building tall” in city centres, is preferable to urban sprawl. Hong Kong, Singapore and Shanghai are great examples of urban density. Other Chinese cities, though, could also do with more density and less sprawl. Mumbai is a glaring counter-example of very bad urban planning.

■ Soft connectivity

Fourth, think “soft connectivity” – the city’s social capital. Education is the ultimate soft connectivity – as Singapore has shown by becoming Asia’s education hub. Next, cities need to facilitate digital infrastructure to support human-computing interfaces that empower individuals. Also, making cities more liveable – improving the quality of urban life – must be a higher priority for upper-middle-income and high-income cities. Singapore, as a “global city”, appreciates that it has to expand and diversify its educational, cultural and recreational facilities to attract top global talent.

Renowned urbanist Jane Jacobs said successful cities are those that are flexible and adapt quickly to changing conditions. That is borne out by the success stories mentioned here. The alternative is to get stuck in mono-industrial, mono-cultural decline.

A second concluding observation is that the right mix of priorities requires tailoring to specific conditions and stages of city development. Priorities for high-income cities will differ from those with much lower income levels, high growth potential, a fast-expanding population and big gaps in infrastructure. And middle-income cities in between will have a different set of priorities.

Last, reforms at the municipal level are usually more feasible than at the national level, even when they seem impossible in national capitals. Urbanisation trends enlarge these possibilities. Cities should grasp this opportunity, experiment with new rules and put reforms on a fast track.

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ST Opinion Online

Read the full report of the study on 33 cities at www.straitstimes.com/news/opinion