

Economists point at emergence of dual economy in Singapore

Today on Channel News Asia, Pearl Forss writes about an emerging dual economy in Singapore.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/251935/1/.html>

It makes for some very interesting reading. Having spent 2004 – 2006 in Singapore, I have seen first hand the effects referred to in the article. The article basically reports that:

- There is a dual economy.
- A domestically focused economy that is languishing.
- A globally reaching economy that is flourishing.
- The global facing economy is exposed to cyclical factors in the global economy.

I agree with most of what the article says. However, I perceive that there is a deeper dynamic that is going on. Singapore's outreach to the global economy is not a general one but a very specific one. Certain industries are being favored and actively courted to some very specific aims.

- Wealth management – private banking, hedge funds, family offices,
- Education – attracting talent from the region and schools from across the globe
- Gaming – what was that about hedge funds? I meant punters of course
- Anything catering to the rich – Hospitality, F&B,

Why this lot? Don't ask me. Why don't you come up with some plausible reasons yourselves?

One of the consequences of a dual economy in which one

diminishes in relevance while the other grows is on the labour market. I don't know how quick one can re-train oneself to seek employment in a sector of growing relevance but it seems to me that a lot of people will find themselves obsolete if they cannot do so quickly. This has already been happening for a number of years. I think many Singaporeans can see that their relevance is being threatened. I'm not sure they know what to do about it.

I think that policy from on high has profound implications for Singapore and in particular for what it means to be Singaporean. It appears that Singapore now belongs to whoever can take the economy forward. There will be no sentimentalities, no asymmetric treatment for incumbents. Quite how things will work out, I don't know, but if I was resident in Singapore, I would certainly hope I was adding value.