

enlightened self-interest which helped them to resolve social and economic inequalities within their countries.

This global division of mankind into rich and poor nations carries within it potentialities for a class war on an international scale. The first rumbles of a doctrine proclaiming class war on an international scale are already being plainly heard. Such a doctrine would make sense to three quarters of humanity, were they to see their future as one of increasing misery and intolerable burdens. If the sixties have been a decade of disappointment, the seventies should be the decade of decision.

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### 3.5(c) Singapore: Global City (1972)

This is the text of an address to the Singapore Press Club on February 6, 1972 when S. Rajaratnam first used the term "global city" to describe the role and aspiration of Singapore and to explain the reasons for its economic success.

Source: Wee Teong Boon (ed.) *The Future of Singapore — The Global City* (Singapore: Democratic Socialist Club, n.d.) pp 15-32.

Univ. Education Press, 1971, for

What I propose to do is to elucidate an inexplicable mystery about Singapore — a mystery which some people find worrying and others somewhat irritating. And the mystery is this: Why has not an independent Singapore as yet collapsed? Worse still, why, instead of things getting progressively worse, are things getting better? Is all the progress and economic buoyancy in Singapore an illusion created by a cunning arrangement of mirrors? Or can the whole thing be attributed to good luck and happy accidents, such as the war in Vietnam and the political and economic difficulties of neighbouring countries?

Some people appear to think so. That is why from time to time some commentators, including otherwise perceptive journalists, become anxious every time Singapore runs into an air-pocket. The higher Singapore flies, the greater, the fear is, will be the fall. Immediately after separation the prognosis for Singapore was a gradual relapse into economic decay and mounting political turbulence.

When this did not happen the fears gradually subsided.

Then came the announcement that the British were going to

dismantle their bases and with it the substantial contributions they made to our economy. The general feeling was that this time Singapore would really get into trouble.

Again, the worst did not happen.

More recently some of our neighbours, quite understandably, took measures to dispense with some facilities of Singapore's entrepot trade. Predictably, the professional mourners appeared proclaiming doomsday. True, our entrepot earnings dropped by 4.5 per cent (or \$30 million) in 1970. In fact it has been dropping since 1960 when it constituted 19 per cent of our Gross Domestic Product (GDP) to 11 per cent in 1970. The indications are that our entrepot trade will continue to form a smaller and smaller percentage of our Gross National Product (GNP).

But despite the decline in our entrepot trade and the run-down of the British base, our GDP increased by 15 per cent in 1970. Investments have flowed in, and unemployment, traditionally Singapore's sword of Damocles, instead of increasing has decreased to the point that some sectors of our economy have to be manned by imported labour.

However, the jittery pessimist has not stopped biting his finger nails. As he sees it, facts and logic indicate that an independent Singapore cannot be viable. And let me say that the case against a viable independent Singapore is, at first sight, a formidable one.

As a matter of fact my colleagues and I believed in it once — believed in it so strongly as to successfully bring about a merger between Singapore and Malaysia. I do not wish to spell out the case, as most of you are familiar with it. Briefly, it was that a small city state, without a natural hinterland, without a large domestic market and no raw materials to speak of, had a near-zero chance of survival, politically, economically and militarily.

What then is wrong with the case against the survival of an independent Singapore? Where was the basic flaw?

One easy explanation offered is that we have thrived on happy accidents. For example, it is said that Singapore's prosperity is the consequence of the failure of our neighbours to realise their full economic potentialities. When they do, they will dispense with the services that Singapore has traditionally performed. Then it will be curtains for Singapore.

My contention, which I shall elaborate later, is that the opposite is true. The more prosperous our neighbours become, the more dynamic their economies are, the greater will be the chances for Singapore's survival, the better its economic prospects. Our economic relationship with them will of course be different. We cannot, as before, live by importing and re-exporting their raw materials. As I remarked earlier, the entrepot trade will constitute a declining percentage of our economy as our neighbours take over much of the trade themselves.

Nor can we, as we now do, live by selling them cheap textiles, shoes, slippers, chocolates and things like that.

The days for this kind of trading are numbered. We can no longer be the Change Alley of Southeast Asia though in passing let me say our Change Alley role is not something to be looked down upon. It not only helped to build the prosperity of Singapore but it also contributed towards the economic development of Southeast Asia.

But times are changing and there will be less and less demand for the traditional type of entrepot services that Singapore has rendered for well over a century. Its role as the entrepot city of Southeast Asia, the market place of the region, will decrease in importance.

This is because Singapore is transforming itself into a new kind of city — a Global City. It is a new form of human organisation and settlement that has, as the historian Arnold Toynbee says, no precedent in mankind's past history. People have become aware of this new type of city only very recently. They have found a name for this distinctive type of city. They call it Ecumenopolis — the world embracing city.

It is this global character which distinguishes Ecumenopolis or the World City from the cities of the past. Earlier, cities were isolated centres of local civilisations and regional empires. They were, in comparison with global cities, somewhat parochial, with an extremely limited range of influence. They were capital cities of prestige, holy cities, city states, or even capitals of convenience.

But the Global City, now in its infancy, is the child of modern technology. It is the city that electronic communications, supersonic 'planes, giant tankers and modern economic and industrial organisation have made inevitable. Whether the Global City will be a happier place than the megalopolis out of whose crumbling ruins it is

emerging will depend on how wisely and boldly we shape its direction and growth.

By and large men have made a mess of their cities. They have yet to learn how to cope with cities. In the West and more so in Asia most cities are unpleasant places to live in. Many of them are dirty, crime ridden, anarchic and often violence prone. In many Western cities the trend is for the well-to-do minority to flee to the outskirts of cities, while the rural poor swarm into the heart of the already congested cities.

One writer has described this process as the conversion of many a once-proud metropolis into a necropolis — a dumping ground for unwanted motor cars and unwanted human beings.

Whether cities are good or bad the trend towards urbanisation is irreversible. Individual cities may decay and eventually pass out of history. But since remote times, however much we may denounce them, the cities have been the creators and sustainers of civilisation, culture, technology and wealth. The slogan about the countryside surrounding the cities is no more than the defiant cry of agrarian romantics as they watch the countryside being swallowed up relentlessly by the cities. This process has been accelerated cataclysmically in Asia since World War II.

Population in Asian cities has doubled and even tripled during the past decade. Nearly two-thirds of the world's increase in urban population during the past decade took place in the Third World. Nearly half the world's population today lives in cities. The coming decades will see the further urbanisation of the world's population. For most of Asia this uncontrolled growth of cities is posing serious social, economic and political problems.

But nothing short of a total collapse of world civilisation can halt the takeover of the world by the cities.

### Global Cities Interlinked

It is against this background that the Global City should be viewed. The Global Cities, unlike earlier cities, are linked intimately with one another. Because they are more alike they reach out to one another through the tentacles of technology. Linked together they form a chain of cities which today shape and direct, in varying degrees of importance, a world-wide system of economics. It is my contention that

Singapore is becoming a component of that system — not a major component but a growingly important one. It is in this sense that I have chosen to describe Singapore as a Global City.

That is why all the gloomy predictions about the future of an independent Singapore have been proved wrong. The pessimistic scenario was written on the assumption that an independent Singapore would be a self-contained city state; that it would, at the most, be a regional city and therefore its fate and fortunes would depend wholly on the economic climate in the region. The economic climate of the region is no doubt important to us and what happens in the region would have consequences for us economically, politically and militarily.

But we are more than a regional city. We draw sustenance not only from the region but also from the international economic system to which as a Global City we belong and which will be the final arbiter of whether we prosper or decline.

If we view Singapore's future not as a regional city but as a Global City then the smallness of Singapore, the absence of a hinterland, or raw materials and a large domestic market are not fatal or insurmountable handicaps. It would explain why, since independence, we have been successful economically and, consequently, have ensured political and social stability.

Let me, as an example, deal with the question of hinterland. We have, it is true, no hinterland of our own. Were we a self-contained regional city and nothing more we would today be in serious trouble.

But once you see Singapore as a Global City the problem of hinterland becomes unimportant because for a Global City, the world is its hinterland. This is no hopeful theory. Our shipping statistics show clearly that the world is our hinterland. In 1959 some 9,500 ships brought 14 million tons of cargo to Singapore. Some ten years later, in 1970, the number of ships had doubled and the cargo trebled. The ships came from all parts of the world, carrying goods to and from all parts of the world.

Our port is not merely a regional port but a global port. Our port makes the world its hinterland. We can get all the raw materials we lack cheaply and quickly because the sea remains the most economic way of transporting bulk cargo. You do not have to spend vast sums of money building roads and railroads to open up the sea. The sea is all highway. All you need is a ship to get to Singapore. The sea gives us ready access to other Global Cities.

Singapore is linked in other ways to other Global Cities. We are in constant and instantaneous contact, through cable and satellite communications, with some 140 countries.

We are also linked by air. Some twenty-four international airlines operate scheduled services to most parts of the world. In 1970 there were slightly over 17,000 landings at our airport — almost treble the number in 1960.

Some 521,000 visitors passed through Singapore, some for pleasure and others on business, in 1970.

We can best visualise the extent to which Singapore has become a Global City by tracing on a map the daily movements of aircraft and ships, the contacts made by telephone, cable, external trade and money transactions. Such a map would show how closely and increasingly we are being linked to other Global Cities. Each technological breakthrough in communications media annihilates distance and brings us closer to other Global Cities. We, like other Global Cities, are getting nearer. A Singaporean can get to Hong Kong quicker than he can to Kuala Lipis. His major trading partners are the other Global Cities rather than cities near home. We can, via the satellite, see and hear on our television events in London, Tokyo or Djakarta a split second after they happen.

Singapore's claim to being a Global City does not rest on its communications network alone.

We are also being connected to other Global Cities through the international financial network. We have become an important gold market centre. The Asian dollar market has become an important aspect of our banking system. When the market was first established most of its funds were reinvested in Euro dollars or US dollars in Europe and the United States. But now a growing number of companies in Southeast Asia have taken to borrowing from the Asian dollar market. The funds which in 1970 stood at \$1,200 million are now being increasingly used to finance business and projects in the region. The establishment in Singapore of a still growing number of foreign banks and merchant banks whose operations are worldwide is yet another indication of the fact that we are becoming a Global City.

The strongest evidence of Singapore's absorption into the emerging system of Global Cities is its link-up, more and more, with

international and multinational corporations. We have been aware for a long time that consumption is no longer wholly a national matter. Economic nationalism has not prevented people from buying and consuming goods from all parts of the world.

But now production itself is becoming an international operation. The conventional idea that goods move internationally but that factors of production do not, is being eroded by new realities. Internationalisation of production through the worldwide expansion of international and multinational corporations is moving forward at an amazing speed. As far back as 1968, it was noted that the growth rate of internationalised production exceeded the growth rate of the vast majority of nations and far exceeded the growth rate of their exports. In the same year the total output of all foreign affiliates of American corporations was four times the total American exports for that year. Foreign production of US firms has been growing twice as fast as the domestic economy.

In fact the American international and multinational corporations abroad have been described as the third largest economy in the world after the United States and the Soviet Union.

Internationalised production is only in its infancy. At the moment the Americans are in the vanguard of this movement, though in certain sectors of internationalised production the Europeans are equally prominent. But whatever the final shape of internationalised production, it will be the major channel of international trade, commerce and production in the decades ahead.

By linking up with international and multinational corporations, Singapore not only becomes a component of world economy, but is offered a shortcut to catch up or at least keep pace with the most advanced industrial and technological societies. By plugging-in in this way we can achieve in twenty to thirty years what otherwise would have taken us a century or more to achieve.

This is because the international and multinational corporations introduce us to high technology, complex managerial and marketing skills in addition to bringing in investments. They start complex industries for which we have neither the capital resources nor the expertise to initiate ourselves. Whether the host countries can absorb and utilise the opportunities offered will depend on whether the people concerned respond rationally or irrationally to these mammoth and occasionally unfeeling institutions.

There are admittedly grave political and economic dangers implicit in the entry of powerful foreign concerns into weak and underdeveloped countries. I believe that many of the men who control these big concerns from remote Global Cities are not idealists. They may not even understand that the institutions they have created may be powerful instruments for shaping the world economy our vastly shrunken world demands.

But Singapore must be prepared to run these risks simply because the alternative to not moving into the global economic system is, for small Singapore, certain ruin. We can, if we have the will and the intelligence, create the necessary anti-bodies within our social system to give us immunity against the many dangers that close association with giant foreign corporations could pose.

But they also provide, as I said, shortcuts to enable us to catch up with the advanced societies. It will ensure that when the 21st century dawns those Singaporeans living then would be men of the 21st century — this means well over half the Singaporeans now living.

As a matter of fact we are already plugged into the 21st century through these foreign corporations. In manufacturing, which is the leading growth sector of our economy, the more substantial investments have come from international and multinational corporations. Most of the \$1,700 million now invested in industries have come from international firms. Their presence will partly explain how Singapore has been able to expand industrially despite its small domestic market. The reason is that these international and multinational concerns simultaneously bring with them not only industries but also established markets. For these firms, the world is their hinterland; the world is their market and through them we are automatically linked to the global hinterland and world markets that would on our own have not been available to us.

I hope I have elucidated somewhat the mystery why an independent Singapore, far from collapsing as many expected, continues to make progress. The gist of this possibly lengthy discourse is that an independent Singapore survives and will survive because it has established a relationship of interdependence in the rapidly expanding global economic system. Singapore's economic future will, as the years go by, become more and more rooted in this global system. It will grow and prosper with it.

In this address, I have dealt largely with the economic aspects of

Singapore as a Global City. But the political, social and cultural implications of being a Global City are no less important. I have not dealt with them simply because my talk would have been five times as long. The political, social and cultural problems, I believe, would be far more difficult to tackle. These may be the Achilles' heel of the emerging Global Cities.

Laying the economic infrastructure of a Global City may turn out to be the easiest of the many tasks involved in creating such a city. But the political, social and cultural adjustments such a city would require to enable men to live happy and useful lives in them may demand a measure of courage, imagination and intelligence which may or may not be beyond the capacity of its citizens.

For those people who cannot develop the necessary capacities, the Global City may turn out to be another monster — another necropolis.

So it is up to us to equip our people intellectually and spiritually to make the Global City into the Heavenly City that prophets and seers have dreamt about since time immemorial.

### 3.5(d) Political Developments towards the Year 2000 (1979)

This speech, delivered at a seminar organised by the Singapore Association for the Advancement of Science on December 20, 1979, deals with the theme of survival of civilisations. S. Rajaratnam highlights the importance of "*asabiyya*", that special human quality which Ibn Khaldoun identified in the 14th century as necessary for the survival of contemporary nations.

Source: Singapore Government Press Statement, Ministry of Culture 20 December 1979.

I think I should begin by declaring what vested interest, if any, I have in the Singapore of the year 2000. Regrettably, I have none. The probabilities are that I may not be around to ring in the new century but if, through a genetic windfall, I should be given a reprieve, you can take it from me that even then, for all practical purposes, I will be nearer eternity than the year 2000.

I mention that bleak prospect, not because it would have any great consequence for 21st century history, but merely to impress on you the unquestioned objectivity with which I shall approach the subject