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PROMOTING GROWTH

Nordic model holds lessons for S'pore

PRIME Minister Lee Hsien Loong has given us a timely reminder that Singapore should pursue a strategy of growth ('PM: Nordic model won't work for growth in S'pore'; last Saturday). We should learn from the Nordic countries, but selectively.

Because of their unique historical and social circumstances, the Nordic countries can have a welfare system and yet be economically competitive.

I suggest we open up the unique circumstances black-box argument to further learn from these countries.

First, these countries are perceived as homogeneous but that is only partly true. There are social classes and people hold very different political, religious and social beliefs; their histories are chequered with revolutions and upheavals.

The current Nordic countries are results of more recent historical lessons, particularly World War II, when these countries nearly lost their dignity and freedom.

A common Nordic psyche has been socially engineered, with the determination not to allow a repeat of this dark history.

In the name of democracy, differences should actually be celebrated and expressed.

Second, these countries largely rejected communism but acknowledge that social equality is important for society. The welfare state is not to challenge but to complement the capitalist system. When the market fails, the state steps in.

Their economies are very business-friendly. Corporate taxes are low, for instance.

But businesses are not necessarily friendly towards workers; so the state steps in when workers are laid off, fall sick or retire.

Third, these countries reject the unsustainable exploitation of natural resources.

Norway and Denmark have oil, but their petrol and energy prices are much higher than Singapore's. Revenues from natural resources are mainly saved for the future; the oil revenues are not normally used to support the welfare state.

Fourth, many citizens, grudgingly or otherwise, pay the higher taxes because they want an equal society.

Everyone receives quality education and health care regardless of their social status.

When times are bad, they do not have to burden their family members and friends - they can continue to lead simple but dignified lives with the welfare they get.

Maybe Singapore can learn from the Nordic countries in producing happier citizens.

In Singapore, we work hard to save and to prepare for the future.

As we cannot predict the future, individuals live with the nagging fear of whether they have done enough for the future. Such stress is good for the capitalist system but not necessarily for the individual.

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