



‘Smart Immigration’



Whatever happened to "Give me your tired, your poor"
– insights from Singapore on Pragmatism, People & Policies for
National Development

Low Siew Thiam (Singapore) & Stephen Jones (UK)
at Turiba University XXI INTERNATIONAL SCIENTIFIC CONFERENCE, 21 April 2020
‘Long-term economy – the story of Latvia’
& Roundtable Discussion ‘Smart Immigration – the key to Economic Growth’

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Coronavirus: Immigration to US to be suspended amid pandemic, Trump says

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Coronavirus pandemic



A photograph showing a group of people, likely immigrants, standing in a line outdoors. They are wearing face masks and winter clothing, including hoodies and jackets. The background is a brick wall. The image is credited to AFP.

Philosophy of this paper

- When Singapore became a magnet for others to learn from its experience
- Singapore institutions refrained from imposing views on how others should develop.
- Prefer to say

“This is how we did it.

You know the conditions in your homeland best.

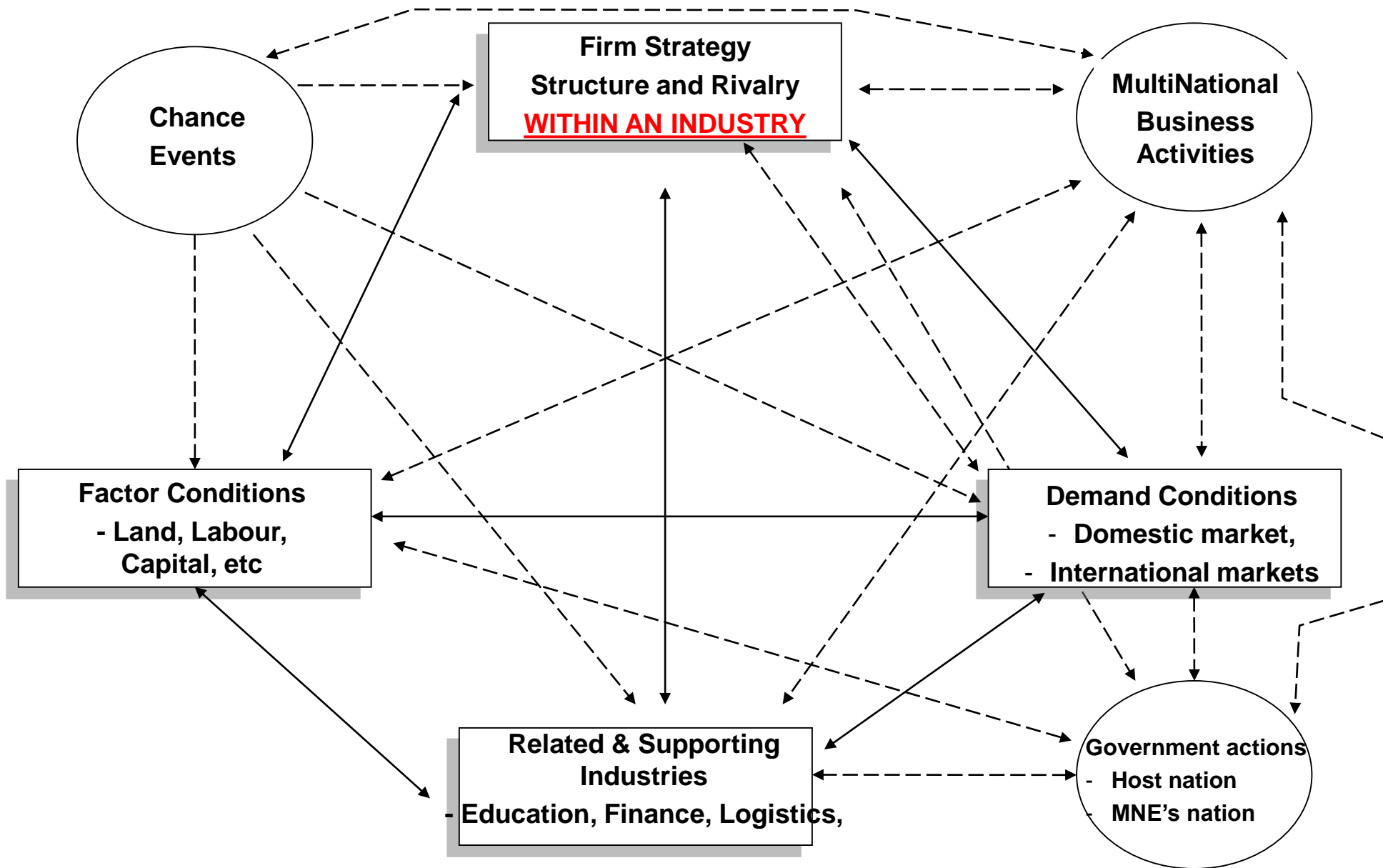
You decide for yourselves what you can implement back home”

Setting the scene – Latvia, Singapore, UK, USA

	Singapore	Latvia	UK	USA
land area (Sq Km)	709	64,589	243,610	9,833,517
Population (million)	6.21	1.881	65.761	332.639
Ethnicity %	Chinese 74.3%	Latvian 62.2%	White 87.2	White 72.4
	Malay 13.4%	Russian 25.2%	Black 3.0	Black 12.6
	Indian 9%	Belarusian 3.2%	Asian Indian 2.3	Asian 4.8
	Other 3.2%	Ukrainian 2.2%	Asian Pakistani 1.9	Amerindian 0.9
Languages %	English 36.9	Latvian 56.3%	English	English only 78.2
	Mandarin 34.9	Russian 33.8%	Regional languages	Spanish 13.4
	Other Chinese 12.2	Other 0.6%		Chinese 1,1
	Malay 10.7	Unspecified 9.4%		Other 7.3
Agriculture % by OCCUPATION	0.7	7.7	1.3	0.7
industry	25.6	24.1	15.2	20.3
Services	73.7	68.1	83.5	79
Employment	3.657	990	33.5	160.4
Unemployment %	2.20%	8.70%	4.4	4.4
Population growth rate %	1.73%	-1.12%	0.49	0.72
Net Migration (per thousand)	11.8/1000	-5.9/1000	2.5/1000	3/1000
GDP (PPP) / person (US\$)	94,100	27,700	44,300	59,800
		(TheWorldFactbook)		

The Keys to Economic Growth?

(Porter's Diamond of National Competitive Advantage)



BUT “Economic growth does not happen in a vacuum”

(World Economic Forum, Global Competitiveness Report 2019)

“National prosperity is created, not inherited. It does not grow out of a country’s natural endowments, its labor pool, its interest rates, or its currency’s value, as classical economics insists. A nation’s competitiveness depends on the capacity of its industry to innovate and upgrade.” Porter, M. (1990). *The Competitive Advantage of Nations*. Harvard University Press.

“Remember,” Lee KY would quote an Americanism, “*there ain’t no free lunch!*”

Singaporeans, Lee KY said, were “*hardworking, thrifty, eager to learn*”. The country “*could not be ordinary if it was to survive. We had to make extraordinary efforts to become a tightly-knit, rugged and adaptable people who could do things better and cheaper than our neighbours*.”

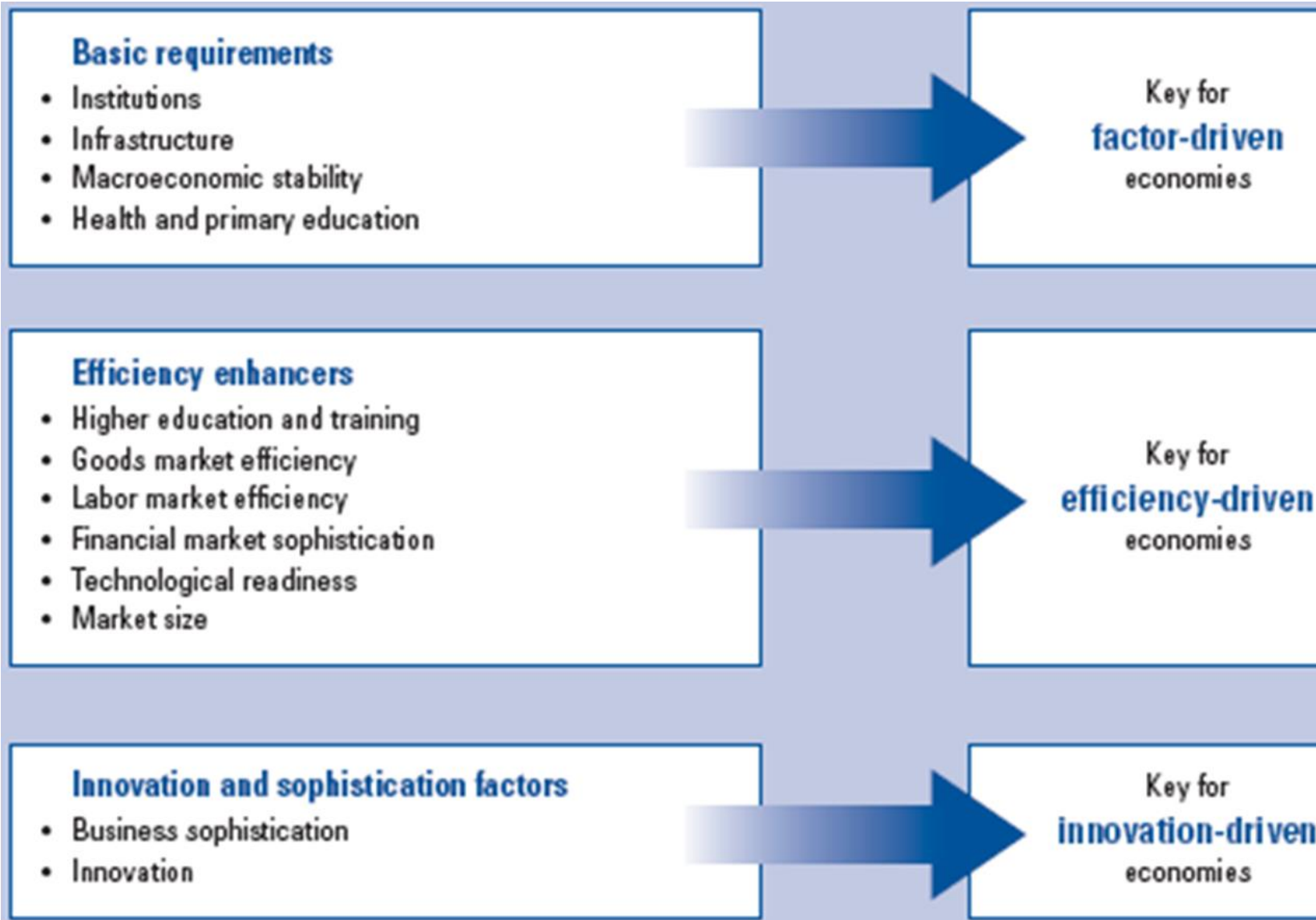
The Curse of Natural Endowments - Paradox of Plenty

	<i>Ghana</i>	<i>South Korea</i>
1970 GDP	US\$ 250	US\$ 260
Advantages	Soils, climate Shipping routes Cocoa production	Cheap, educated labour
Policies adopted	High tariffs on imports Substitute for imports Manufacturing self-sufficiency Discourage exports State control of Cocoa	Low initial import barriers
	1963-1979	Tariffs & subsidies
	Cocoa Prices, Ghana 6x Consumer prices Ghana 23x Cocoa prices, neighbours 36x	Late 1950s 80 % 1965 20 % 1984 0 %
1988 GDP	US\$369	US\$4081
Avg Growth	1.5% per annum	9% per annum

Choices made
for
Economic Development
– by
Governments/Leaders

A natural (pre-ordained) Path of Growth?

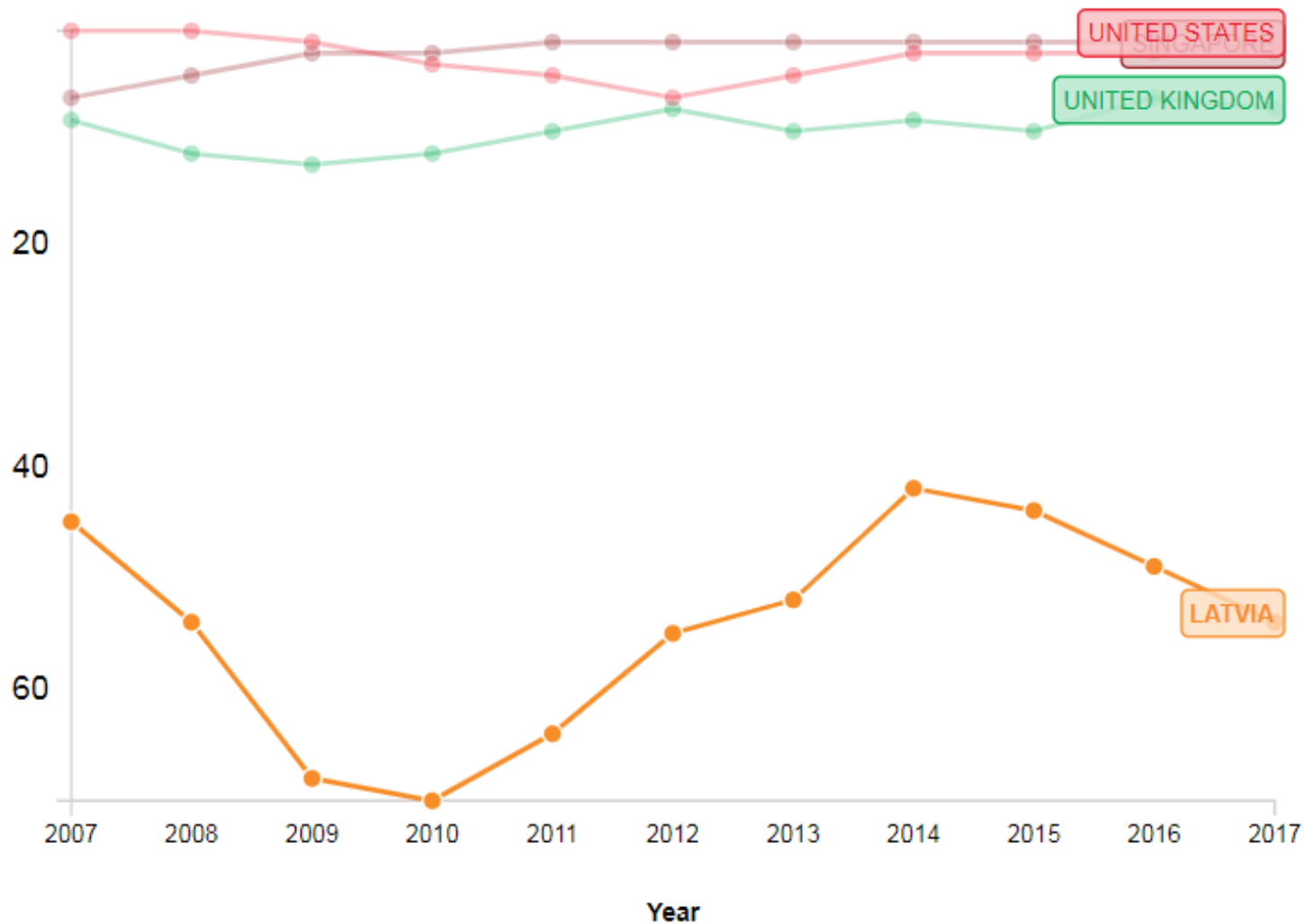
(WEF Global Competitiveness Index 2019)



TWO NATIONS since 1970

WEF Global
Competitiveness
Index 2019

Ghana 111 of 141
South Korea 13 of 141



National Economic Development over time

(https://tcdata360.worldbank.org/indicators/gci?country=LVA&indicator=632&countries=GBR,SGP,USA&viz=line_chart&years=2007,2017&indicators=944)

* For Regional and Income Group breakdowns, visit: [Knowledgebase Article #378834](#). (HIC: High Income Countries, LIC: Low Income Countries, UMC: Upper Middle Countries, LMC: Lower Middle Countries.)
For information on the Suggested Peers algorithm, visit the [Tools page](#).

Data Source: [World Economic Forum Global Competitiveness Index](#)

Transitioning between stages of Economic Development

(Martínez-Fierro et al. 'Entrepreneurship & strategies for econ. Dev.', *Small Bus Econ* 2016)

“For design of public policies & strategies to boost entrepreneurship - how to establish priorities to help country transition from one stage of economic development to next.”

Recommendations to improve government policies, & entrepreneurial education:-

- Higher education
- specific programmes for entrepreneurs
- Social & cultural norms
- entrepreneurial education for citizens
- Previous experience in other markets encourage innovative behaviour in entrepreneurs

A role for Immigration of Entrepreneurs?

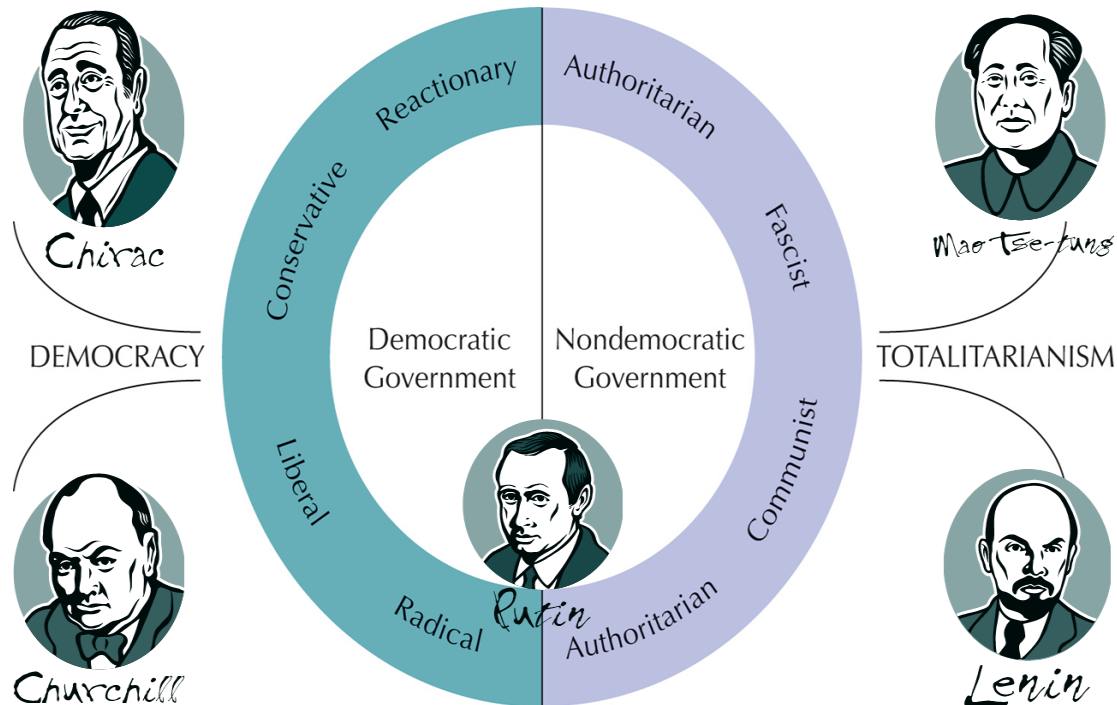
“How Diversity makes us smarter” (Phillips K.W., 2014, Scientific American)

- “Socially diverse groups more innovative than homogeneous groups.
- Groups with diverse individual expertise better at solving complex, nonroutine problems
- bring different information, opinions & perspectives.”

“Entrepreneurship & Immigration: evidence from GEM Luxembourg” (Peroni et al, 2016, *Small Bus Econ*).

- “First generation immigrants, particular highly educated ones, more interested in starting a new business than non-immigrants.”

Forms of Government & Implementing Policy



		OWNERSHIP OF PRODUCTION		
		Private	Mixed	Public
CONTROL OF ECONOMIC ACTIVITY	Market	A	B	C
	Mixed	D	E	F
	Command	G	H	I

Control/Ownership	Control/Ownership	Control/Ownership
A. Market/Private	D. Mixed/Private	G. Command/Private
B. Market/Mixed	E. Mixed/Mixed	H. Command/Mixed
C. Market/Public	F. Mixed/Public	I. Command/Public

Lee KY - two weaknesses in democratic model for building a nation

- appealed to individual self & not building of a nation
- looked for short-term results over long-term.

Economic growth – a coalition of interests

(Government & the Governed/Labour)

Government has three overlapping objectives – economic, social, political

Competitiveness - institutions, policies, factors - productivity of country -> sustainable prosperity.

Factor-driven - compete based on factor endowments - unskilled labour, natural resources.

Efficiency-driven – in production processes, increase in product quality -> Wages rise.

Innovation-driven - higher wages & standard of living - compete with new & unique products.

Lee KY “a fair, not welfare, society” - “*fair shares for all*” - not equality of outcome (socialist idea) but equality of opportunity (capitalist concept).

Perspectives on Labour Migration

Different stakeholders

different perspectives

different times in history.

"Give me your tired, your poor" (1883 Statue of Liberty) - 1880 Census **50 million.**

- **USA**'s Gilded Age - est. 20 million immigrants to USA - prosperous farmers, & poor unskilled peasants for labour pool. Famine at home & opportunities in USA.

- 'Old-stock Americans' worried about negative effects on economy, politics, & culture.

UK colonies - India, Caribbean - gaps in UK labour market for skilled & unskilled jobs.

Colonial Singapore – a trading station, from China, India, Malay Archipelago - unskilled

Each strategy could be considered 'smart' at the time -> **rapid increase in labour pool**

"Times They Are A-Changin'" (Mass Labour -> Smart Immigration)

‘Smart Immigration’? = services to would be immigrants, EU Agenda on Migration, security at airports, “smarter wall - drones, sensors, & AI”

Proposed definition – policies on management of human resources which an individual nation creates to achieve economic, social, & political objectives.

USA - continuing echoes in 2019 - Ken Cuccinelli, acting director of US Citizenship & Immigration Services - "**Give me your tired, your poor who can stand on their own two feet & who will not become a public charge.**"

UK – part of the Brexit decision for some voters.

Immigration & the Coalition of Interests

- only about Economic Development?

Lee KY - People as products of both “nature” and “nurture” – born with certain characteristics which can be improved with education. As immigrants had risked life to come to a place for better living than their own country.

School-building in 1960s and 1970s - objective to train children to take on jobs where Singapore needed manpower for Finance, Engineering (Chemical, Mechanical, Civil, IT)

Lee KY *“My experience..... in Asia has led me to conclude that we need good men to have good government..... bad leaders will bring harm to their people.*

Building & maintaining the coalition – citizen stakeholders

Food, Shelter and Security = Jobs, Housing and Defence

- To feel “better-off”, they needed food, shelter & security.
- To get jobs, go against conventional wisdom that foreign investors were “predatory beasts” exploiting resources of host country & exploit markets of developing countries – Lee KY welcomed foreign investors.

Next priority – Lee KY – “Our householders should become home owners, otherwise we would not have political stability. Owning assets, instead of subsisting on welfare, has given people the power and the responsibility to decide what they want to spend their money on.”

Owning a home gave reason to defend the country - “built an Army from scratch”.

Continued Pragmatism

GOVERNMENT Pragmatism

Rolleiwerks (Germany) opened manufacturing of precision lenses in Singapore. Japanese manufacturers made products better & cheaper. Rollei closed plant. Govt deployed 400 technicians to semi-conductor & microprocessor firms like HP, Intel.

Ship-repairing – natural advantage of geographic location. Japanese ships in transit to collect oil from Middle East. Low-price Korean yards -> switch to building submersible oil rigs.

Pragmatic POPULATION

- Education - parents chose language of school for their children - Chinese, Malay, Indian.
- MNCs investing in Singapore chose to communicate in English, parents themselves chose to admit their children to English schools.

“Since 2013, Singapore Government has, out of political necessity,
rolled back immigration and tightened inflow of foreign labour”

“Decide for yourselves what you can implement back home”

“Few problems confronting me which other governments had not met & solved..... study countries that had done it wellclimb on shoulders of others who had gone before us.”

“What guided me were reason and reality. The acid test - would it work?”

“Careful to probe & test ideas before we implemented them.”

“Crucial to keep united Singapore’s multilingual, multi-cultural & multi-religious society.”

Look for “gaps” in economic landscape, exploit geographic position. Singapore financial centre to “plug the gap” between San Francisco & Zurich.

Future leaders - 3 qualities - Power of Analysis, Imagination, & a Sense of Reality (& Cohesion).

Tentative Conclusions?

- “You know the conditions in your homeland best”

Lee KY - *“I can best explain the need for balance between individual competition & group solidarity by using the metaphor of the oriental Yin and Yang symbol, two fish-like shapes forming a circle. Yin represents the female element; Yang, the male. The more Yang (male) competitiveness in society, the higher the total performance. If winner takes all, competition will be keen but group solidarity weak.”*

Conference - ‘Long-term economy – the story of Latvia’? - a longterm view is required

Roundtable - ‘Smart Immigration – the key to Economic Growth’? – one of the keys – opening a multi-padlocked door.