Bridging Prosperity and Need

By Alexandra Roulet, INSEAD

A country's overall economic figures don't always speak to the difficulty of life for many people. Even Singapore needs a food bank.

In cross-country comparisons, the narrative often revolves around growth percentages that paint a picture of poverty or prosperity. “Which economy did best in 2023?”, asks The Economist, in a sample headline. However, the overarching figures sometimes belie the struggles and aspirations of a strata of individuals striving to improve their lives. I recently had the privilege of moderating a candid dialogue on this matter during an international panel at the latest Singapore Economic Forum organised by Le Cercle des Economistes at INSEAD.

The conversation started with reflections on migration, a phenomenon driven by the pursuit of better opportunities. In the Indo-Pacific region, people are driven to cross borders in search of greater earning opportunities and better livelihoods. The host countries, often ones dealing with an ageing population, benefit from an influx of younger workers, even as it creates a brain drain in the countries of origin.

Manjula Pradeep, founder of the Wayve Foundation, a non-profit organisation seeking to empower Indians from the lower castes, marginalised youth,
women and trans-women in India, mentioned that “it’s hard to find a country without Indians”. In recent years, India’s economy has soared, but the fact remains that it has “so much poverty”. As she pointed out, the economic figures don’t speak to the difficulty of life of many people, especially in the countryside.

The poorest of the poorest still suffer when they go to other countries, Pradeep said, but their lives are “still probably easier”. She openly questioned why India doesn’t invest more in higher education. As things stand, many Indians go overseas to get the best education. They often end up staying there.

The resulting brain drain has ramifications beyond sheer economics. What about the wives of men who go to work overseas and can’t follow, Pradeep asked. Social roles, such as caretaker of the elderly, often force them to stay behind, a situation that reinforces socio-economic inequalities. In itself, patriarchy is another issue that explains why Indian women might want to move – and stay – overseas, she said.

**The Singapore paradox**

An important question is whether the economic progress of individuals follows that of their country. Singapore, hailed as a beacon of economic success, offers a compelling case study in juxtaposition.

From humble beginnings to becoming one of the world’s wealthiest nations, Singapore's trajectory defies conventional wisdom. Alain Villemeur, University Chair of “Transitions Démographiques, Transitions Économiques” underscored the nation's resilience amid crises, attributing its success to dynamic employment policies and inclusive growth strategies.

An ageing population is often blamed as the reason for slow economic growth, but Singapore proves this needn’t be, said Villemeur. Governments must put in place incentives so that the ageing workforce stays active as long as possible. In Singapore, a quarter of jobs are held by individuals aged 55 or above.

However, the conversation delved deeper into Singapore’s reality, revealing cracks in the facade of prosperity. Ng Nichol, a second-generation Singaporean, CEO of X-INC and co-founder of The Food Bank Singapore, first acknowledged that she felt grateful for the many advantages of living in
Singapore, including government policy and the relative gender equality.

However, Ng also pointed out that despite Singapore's economic prowess, pockets of vulnerability persist. Singapore doesn’t have a minimum wage, which results in financial insecurity for some. According to the first Hunger Report published in 2020, 3.4 per cent of Singaporeans find it hard to feed themselves. The government does extend social benefits to those in need, but social workers can find that means-testing requirements to qualify for social support are stringent, she added.

While there is plenty to improve in Singapore, the young nation can still be an example for others in the region, said Ng.

**Rethinking growth and inclusion**

The conversation shifted towards the imperative of preparing for the next generations. Pradeep urged investments in higher education and empowerment initiatives to uplift disadvantaged populations. She highlighted the pivotal role of the Indian diaspora in effecting positive change and fostering a culture of social responsibility.

Villemeur noted that we can never know the future. Many factors must align for economic opportunities to continue emerging. These factors include employment dynamism, a focus on inclusion (itself a complex subject) and the proper distribution of the fruits of rapid innovation between profits and wage growth.

Ng echoed the sentiment, emphasising the importance of lifelong learning and intergenerational mentorship as nations navigate increasingly uncertain terrain. This mentorship should extend beyond older individuals mentoring the younger generations. Reverse mentoring, where older employees are mentored by their younger counterparts, should also be embraced.

At its core, the dialogue underscored the need to bridge the gulf between economic prosperity and societal needs. As nations grapple with demographic shifts and the complexities of globalisation, the pursuit of equitable growth remains paramount. The experiences shared reminded the audience of the human cost of progress and the collective responsibility to forge a more inclusive future.

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