

# Big Idea No. 10: Downsize the PIE



BY  
INVITATION

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**M**Y BIG Idea No. 10 in this series of essays on Singapore's future is easy to remember but hard to implement: "Downsize the PIE."

This idea came to my mind when I saw a huge sign along the Pan-Island Expressway (PIE) saying "Upsize the PIE".

It was a clever play on words. It is always good to increase the size of the pie, literally speaking. However, in land-scarce Singapore, how could we possibly celebrate the fact that we are expanding road space?

Every square metre we give up for road usage means a square metre less for a more environmentally friendly use. Already, Singapore uses up to 12 per cent of its land for road usage, probably one of the highest in the world.

Can we reduce road space in Singapore? Yes, we can!

With the arrival of new technology and new systems of transportation, we can have an alternative dream for Singapore.

To put it simply, my dream for Singapore is to reduce the number of vehicles from one million to 300,000.

Indeed, a Massachusetts Institute of Technology (MIT) study has concluded the following: "Results suggest that an Automated Mobility-on-Demand (AMoD) solution could meet the personal mobility needs of the entire population of Singapore with a fleet whose size is approximately 1/3 of the total number of passenger vehicles currently in operation."

"Moreover, a financial analysis indicates AMoD systems are a financially viable alternative to more traditional means of accessing personal mobility."

To achieve this dream, we have to make three big changes.

All these big changes are possible. However, they will only be possible if we slip out of our comfort zones and think outside the box. In short, we have to think and dream big like the founding fathers of Singapore. If they had not done this, Singapore would not have succeeded.

Let us go back to this tradition and dream big and dream bold.

## Remove cars as status symbol

THE first big change we can and should make is to the attitude of Singaporeans towards car ownership. In theory, people buy cars for transportation purposes.

In practice, people buy cars al-

so for status reasons. Many Singaporean middle-class families believe that they have not "arrived" until they own a car.

Right now, it is also true that people buy cars because they are the most convenient form of transport in Singapore. This is why I own a car now.

However, if I could rely on a smartphone app that will get me a car immediately whenever I need it, it would make no rational sense to own a car in Singapore.

Is this possible? Of course, this is possible! Indeed, this is what Uber is promising to do if it eventually builds up a sufficiently big fleet of cars.

Since we can replace private car ownership with smartphone apps, we need to get a strong signal from the people of Singapore that they are prepared to abandon the purchase of cars if an alternative system is created.

Indeed, in a separate article I am writing for a volume on Singapore in the next 50 years, I say that we can switch the entire car population of Singapore to the Google-type driverless cars.

And guess what? There will be fewer traffic jams with driverless cars, because computer-driven cars behave more "rationally" than people-driven cars.

Let me also add here that people's lives will become more convenient if they make the switch to driverless cars.

All the time spent on looking for parking will be saved. All the space spent on parking will be saved. Doesn't this sound like heaven?

## Rewarding driving

TO ACHIEVE this heaven, the second big change we need to make is in our public policies on cars.

In theory, our public policies are designed to curb car ownership and reduce road usage.

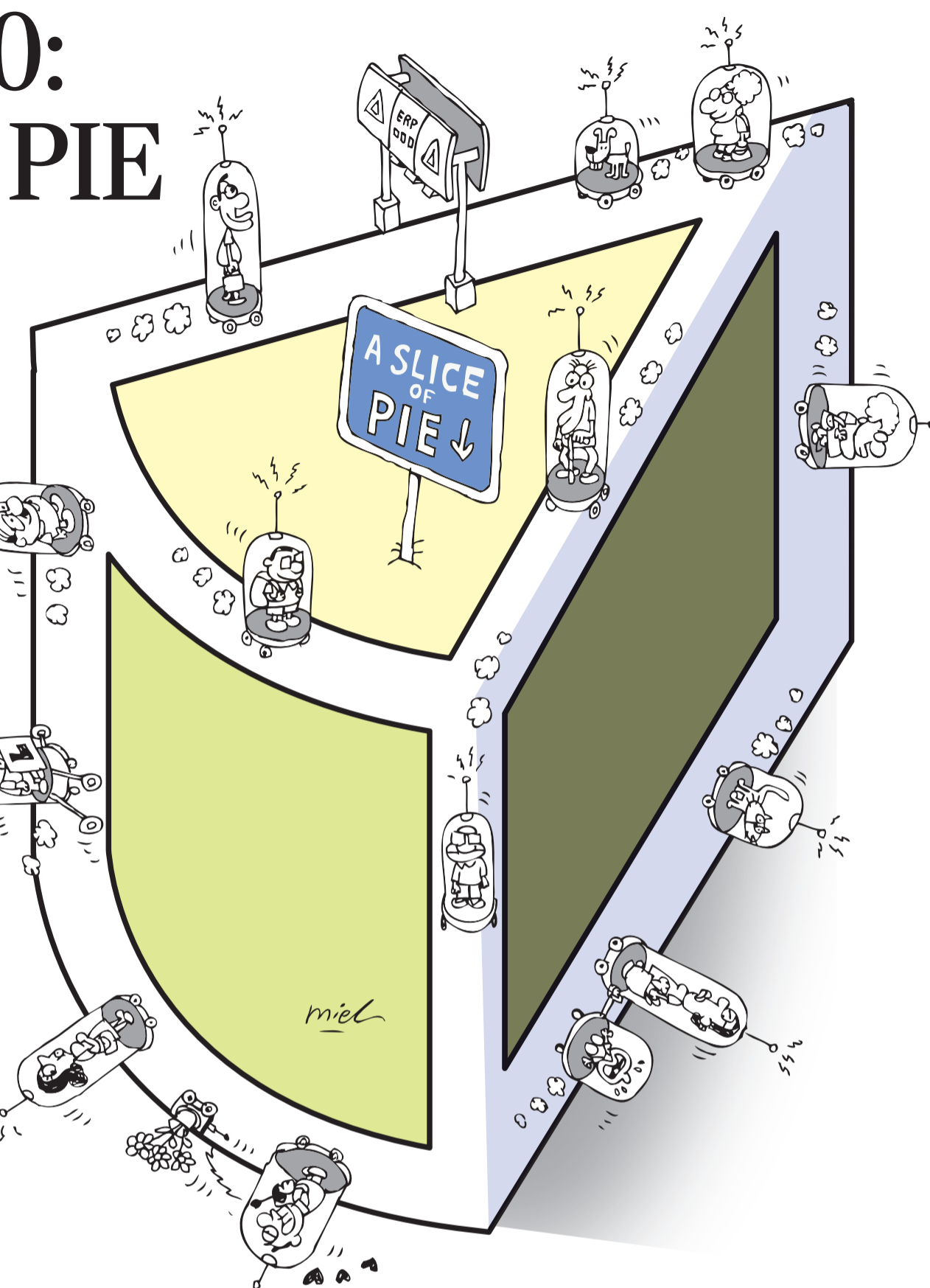
In practice, there has been a perverse result. We have ended up creating an ecosystem of transportation that rewards, rather than penalises, car owners.

It is such a pleasure to drive in Singapore because there are no Bangkok-style traffic jams.

We have also spent billions of dollars on tunnels (like the Marina Coastal Expressway and the Central Expressway) and flyovers to make it even easier to drive here.

In retrospect, was it wise to use so much public money to build a road infrastructure that eats up scarce land and rewards car ownership? Was it wise to "upsized" the PIE?

These are hard questions we need to answer as we try to create an alternative heaven in Singapore. Can our public policies change? Yes, they can.



The Singapore Government has long prided itself on the fact that it has tried to find efficient "market" solutions to public policy problems. Since road space is scarce, we have created "road pricing". This is a good policy.

Since we cannot have too many cars on the roads, we auction certificates of entitlement which are needed to register private vehicles. This is also a good public policy. These public policies should continue.

However, we can change one public policy. All over Singapore, we have roadside spaces set aside for future road expansion.

These pocket-sized pieces of land should be progressively handed back to the National Parks Board to create new pocket-sized parks. This will make Singapore even more beautiful.

## Bring free market to taxi services

CAN we also try market solutions for our taxi system? In the early years of Singapore, it was wise to set up taxi cooperatives (like NTUC Comfort) to create safe

and reliable taxi services.

And if they can compete, we should allow them to carry on. However, as of now, they can only compete if we regulate and artificially control the number of taxi companies and taxis on the road.

Our taxi policies are more akin to Soviet-style central planning rather than a free market solution. We even regulate what the taxi drivers can charge.

As a result, we have one of the most absurd taxi pricing systems in the world.

It is so complicated that the average consumer cannot understand how it works. This is a natural result of Soviet-style central planning.

Let us therefore be bold like our founding fathers and allow free market "creative destruction" to work in the taxi market.

Instead of trying to protect existing companies, we should allow market forces to have free rein.

By free rein, I mean free rein. Let us try out the Uber concept in full: Let us allow each car owner to lease his or her car for trips.

Let us allow a willing buyer and a willing seller to determine

the price of each trip. Competition will drive prices down.

If modern algorithms can allow Uber to create a system of "dynamic pricing", we should allow all taxi companies to create "dynamic pricing".

It would, of course, be unwise to allow one taxi company to dominate the market.

We should encourage all the global market players in the taxi industry – such as Uber, Hailo, Easy Taxi and GrabTaxi – to set up shop in Singapore and allow free competition to reign. What will happen?

At first, there may well be chaos. Prices will plummet.

Over time, the market for "taxis" will find an equilibrium and Singapore consumers will find that if they have a smartphone app, they can get a car any time and anywhere in Singapore under any weather condition (including heavy rainstorms) within five minutes, at a price they can decide to say "yes" or "no" to.

We will create an alternative ecosystem of transport which will no longer make it rational to own a private car in Singapore.

Pure free market economies will create this result. Each day I own a car in Singapore, I am creating a hole in my pocket.

This is because there is a daily drip of dollars from my pocket to pay for depreciation costs, interest costs, road taxes and parking fees. This daily drip will happen even if I do not use my car at all.

However, if we switch from car ownership to smartphone apps, this daily drip will stop. What would a rational person do if he or she is presented with this choice?

In the above paragraph, I am making a selfish and self-interested argument for not owning a car.

## Altruistic reasons

THE third big change we have to make in Singapore is to appeal to the higher-order altruistic and idealistic side of Singaporeans. All human populations are the same.

Singaporeans have the same proportion of idealism as other citizens. If each one of us can find a relatively painless way of saving our small and imperilled planet, we would do so.

We all have in us a desire to save the world.

How can we save the world? One of the biggest trends in our world is urbanisation.

Indeed, massive urbanisation is taking place, much of it in Asia.

In 1990, there were 10 megacities, of which five were in Asia.

By 2010, there were 21 megacities, of which 10 were in Asia.

The United Nations Department of Economic and Social Affairs has predicted that in 2030, there will be 41 megacities, of which 23 will be in Asia.

It is truly shocking that all the new cities in Asia believe that the only way to progress is to allow uninhibited car ownership.

In the past, Bangkok was the only South-east Asian city with massive traffic jams. Now, Jakarta, Kuala Lumpur and Manila have joined Bangkok.

Even Beijing and Shanghai have followed suit.

We need one city in Asia to demonstrate that we can build a great city without encouraging private car ownership.

The only city in Asia that can provide this moral and idealistic leadership in this field is Singapore. We have the will and means to create an alternative transport ecosystem. When that happens, we will become a "city on the hill", to borrow from a well-known American expression.

I would therefore like to conclude with one simple suggestion.

When we celebrate our 50th anniversary next year and when we announce our goals for the next 50 years, let us announce a simple idealistic goal: Singapore will become a society with zero private car ownership by 2065.

We may not achieve it in full, but we will have a lot of fun being bold and experimental in our car transport systems along the way.

We will also demonstrate that, like our founding fathers in 1965, we can dream big.

And in 2065 (or probably earlier), there will be a sign saying "Downsize the PIE".

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