

=quivalence

Chow and Lin

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SC: So the equivalence project that we are doing for Objectifs is we are looking at recycled aluminum cans. So what happens in China and Singapore is recycled cans are collected often by the bottom rung of society. In Singapore we know for certain there are people who make a living from this. And we are trying to equate this to something. As we started doing research and we realized that the collection of trash also equates to global prices. In China this year, recycled prices are at an all time low. In China, recyclable prices are also attached to the growth of the country. So when the country is not manufacturing as much, not building as much stuff, there is less use for raw material, scrap material, so basically the prices drop. So when we interviewed the people who collect rubbish as a living, I think recycled prices have dropped to a third of the price back in 2007. So if you are someone who is poor and is collecting cans, you have to collect 3 times more. So I think we are trying to see how this relates to the poorest of the poor. And how if at all prices in Singapore are determined by local factors or global factors.

PK: This is actually what connectography is all about. It is about supply chains, the entire book is about how supply chain reorganized the world and how supply chains connect us more than nations or treaties connect us. The supply chain is the global embodiment of global trade and investment networks, it shows how there is a synchronicity in energy markets and financial markets and it shows how a person who is mining cobalt in Congo is connected to a person in Geneva who buys a Vertu luxury phone. There is an indirect connection through the supply chain. The country of Switzerland and the country of Congo may not have any connection with each other but the poor miner in the pit in the Katanga province of Congo is connected to the shopper in Geneva airport much more than these countries are connected because of the supply chain so what you see is that people can have more in common with each other across geography than with people in their own countries sometimes. When finances are going great, the billionaires here and there may be doing good but the people otherwise don't feel it, but when oil prices fall, the oil workers in Malaysia and the oil workers in Canada both get fired at the same time but other people in their same country may not notice. So when you take the example of aluminum cans and the market for metals and scrap metals, those people are connected by these totally remote dynamics of economic growth and the price of metal so I think it's actually a really revealing story of this thesis.

SC: I mean what can you say, I mean you live here in Singapore for 4 years right? So what can you say you notice about the bottom part of society in Singapore.

PK: So that means the bottom 20% of the income bracket in Singapore on the one hand, you know, could be provided for more, if Singapore was more of a European style welfare state in the sense of, particularly medical costs right obviously because you don't have universal medical coverage that is totally subsidized by the state. You have the promise of universal coverage irrespective of your income but you don't have the cost paid for 100% by the state, so it's slightly different model in one where it weighs heavily on the people who are poor, on the other hand, people here have housing, universal housing and they don't pay any taxes, most of the population don't have to pay any personal income tax, so they are protected in some ways but not protected in other ways. The idea now that I think will be a good idea is to have either a minimum wage or to have wage insurance or wage lighters, so you can always be tracking what a person needs to live a decent life to ensure that whatever they earn below that level, the government tops it up and they are thinking about doing that. There are all sorts, on an individual level, you know, people who are either, they are not necessary drivers, you know people think that you are an Uber driver you really need to make ends meet, that's not true because an Uber driver what they are doing is almost a luxury because they own a car, it's ridiculous to think that an Uber driver is a needy person and they earn quite a bit. You don't have to have pity on a Uber driver because they own a car, this is one of the most expensive countries in the world to own a car, so I would worry much more when I talk to a taxi driver or a regular taxi drivers who earn a very small share of the actual fee and who are working for Delgro or Comfort and they are working extra shifts and they are working when they are old, they are the ones who really need the money, and when you see people defer their retirement till later, not because they are healthy, and of course Singapore has the second highest life expectancy in the world, so it makes sense if a Singaporean want to work until their 70 75 or more, but the question is are they doing it because they really have to, they don't have disposable income, so there are more people who are cleaners right, security guards, cleaners, taxi drivers, are three of the main jobs, where the lowest income earners of society are employed in those sectors, so if we were to focus on just those 3 sectors and make sure that those people are earning a decent family total income, it would go a long way towards alleviating financial stress amongst the lowest quartile of Singaporeans.

SC: What can you tell us about metal prices? Because I think in our research and we didn't really research very deeply but we suddenly realized that metal prices are connected by a lot of things, and so how would a country like Singapore be affected by the price of Aluminum cans.

PK: So aluminum like all metals, the global price of the raw material has gone way down, partially as a result of falling demand, partially as a result of China's slow down which is part of the falling demand, partially because of oversupply, we have a huge supply of aluminum and other metals around the world

that are being discovered and partially because of greater efficiencies, so there are several things occurring simultaneously driving down the price of metals, that means less income for the people in the mines who are doing the actual mining and you got the value added service of making the can, and those companies are the intermediary that are not only the manufacturing intermediary but financial intermediary because they are also capital owners that can shape prices, so even if their price of the input has come down, they can say well we have painted the can or we have added a safety feature to the can and they will continue to charge a lot for the can. so when metals and the price of aluminum cans goes down, the price of the coca cola in the vending machine doesn't go down, it stays the same, because coca cola has bought the can and owns the soda, so the control the maximum value added part of the supply chain so the price will still go up right? so in a way, the consumer never notices whether or not the price of metals has gone up or down, then downstream you have the people who are collecting the cans to recycle say, well what can I get for this leftover thing, and they are obviously not going to, either if you give it in the same grocery store you can get the same deposit refund because that is regulated by the market, but if you are selling it as scrap metal you are going to end up getting less. So the people at the beginning and the people at the end, the people dealing with the raw material and the people dealing with the waste are basically the ones who get screwed in the end, to put it in economic terms, they get screwed. That's how markets work, sadly for better or worse.

SC: I think that's how we started also you know. I don't know how we chanced upon this, you know, I guess its walking around in Singapore, walking around in Hong Kong and then in China and then you notice a common trend, these are big cities and when you look up its very rich, but then you notice that there is always someone collecting trash, going around with a plastic bag collecting stuff, and you realized that.

PK: But it's an industry, I have been to Lagos, Nigeria and Mumbai, and in both cities, I have looked at scrap collection. So in Mumbai, there is Dharavi, the most famous slum in the world, so I went with CNN and its online on CNN's webpage we did a two part thing in life in Dharavi, there is this very efficient recycling operation in particularly cardboard and plastic and that's how people make their money. Now obviously, it's not necessary a dignified life but bear in mind that India is not a functional state, so either you are creating this informal economy around recycling these materials and earning cash or there is nothing because there is no alternative, everyone is in survival mode right. And it's the same thing in Nigeria, where they said wait a minute there is this whole market of global hardware, laptops and computers that are just being junked, let's take all the pieces apart and sell it, again is the Nigerian state going to provide a livelihood for these people? No. So, there is something in a way that is entrepreneurial about this desperation, you know, its entrepreneurial desperation, that's actually what's going on.