

Beyond the 'Ikea moment': Forging Singapore's sovereign resilience in the AI era

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Achieving AI Nation status is a continuous exercise in strategic indispensability. BY KHOO GUAN SENG AND ANNIE KOH

THE 2026 Committee of Supply debates, which concluded in early March, will likely be remembered as the moment Singapore transitioned from "AI interest" to "AI integration".

As the Ministry of Digital Development and Information, and the Ministry of Trade and Industry laid out their vision, one message rang clear: Artificial intelligence is the critical national enabler of our time.

Prime Minister Lawrence Wong's 2026 May Day Rally further cemented the vision, reframing the AI transition not just as a technological shift, but as a fundamental component of our social compact.

With the launch of the National AI Impact Programme and the establishment of the National AI Council, the government has signalled that AI is central to Singapore's sovereign resilience.

Beyond the Ikea moment

However, beneath the billion-dollar investments and the ambitious target of training 100,000 "AI bilingual" workers lies a deeper challenge. To ensure our economy remains sustainable and inclusive, we must move beyond what Minister for Digital Development and Information Josephine Teo aptly termed the "Ikea moment" – where people are discovering that AI tools are not as difficult to use as imagined, just as Ikea shoppers overcome their uncertainty about assembling their own furniture.

Just as assembling a shelf is different from outfitting an entire building, moving from individual trial and error to organisational assembly requires deliberate practice. As Minister Teo emphasised, organisations must now invest the effort to move AI from the "fringe" of experimental pilots to the "core" of business operations.

This transition isn't an overnight breakthrough but a result of consistent capacity-building at all levels. Organisations must shift from sporadic, experimental AI use to systemic integration.

Rather than a standalone IT project, firms must treat AI as a fundamental operational shift. This means moving from pilots to a unified AI ecosystem that boosts business competitiveness and Singapore's sovereign resilience by:

■ **Building a literacy-first culture:** AI adoption starts with people. Offer tiered training for executives (AI governance and return on investment), operational staff (workflow improvements) and technical teams (model management).

■ **Establishing scalable data infrastructure:** Break down data silos so information flows across departments, ensure high data quality via strong governance, and leverage secure, cloud-native tools for data sovereignty.

■ **Shifting from experiment to process:** Integrate AI into daily SOPs (standard operating procedures), focus on optimising functions, implement formal governance frameworks, and use feedback loops to regularly update models and processes.

■ **Strengthening sovereign resilience:** By internalising AI and developing



We must move beyond the "Ikea moment" – where people are discovering that AI tools are not as difficult to use as imagined, just as Ikea shoppers overcome their uncertainty about assembling their own furniture. PHOTO: PEXELS

local expertise, Singapore reduces reliance on foreign systems, enhancing self-sufficiency and security in a digital economy.

Navigating the global storm: AI as a shield

The city-state currently stands at a defining crossroads. On one hand, the government has doubled down on its National AI Strategy 2.0, positioning AI as a "strategic growth engine". On the other, we face a high-stakes tension: AI's appetite for power and water could threaten the Singapore Green Plan 2030 mandate for net-zero emissions by 2050.

At the same time, there is a "severe storm" bearing down on Singapore, as PM Wong highlighted in his May Day address. The continued blockage of the Strait of Hormuz – a critical maritime chokepoint – has effectively cut off energy supplies and triggered the most significant energy shock since the 1970s.

With over 50 per cent of our crude oil originating from the Middle East, the surge in global oil and natural gas prices has direct inflationary consequences for our electricity and logistics sectors.

In this climate of geopolitical fragility, sovereign resilience is no longer just a policy goal, but a survival imperative. By investing S\$800 million in a Research, Innovation and Enterprise Flagship for Semiconductors, Singapore is securing the hardware backbone of AI to ensure we remain a trusted node even as global supply lines fracture.

The governance foundation: safety by design

Crucially, sovereign resilience in the AI era cannot be retrofitted; it must be engi-

neered from the ground up. To optimise the chance of success, an AI risk governance framework must be embedded at the foundational level before training and integration efforts even begin.

True resilience requires more than just high-performance computing; it demands a "safety by design" architecture that addresses algorithmic bias, data lineage and adversarial vulnerabilities at the inception phase. By establishing these guardrails early, Singapore ensures that its AI systems are not only powerful but trustworthy, preventing the costly and socially corrosive fallout of AI hallucinations or security breaches that could derail national adoption.

The workers' compact: protecting workers, not jobs

The most visceral anxiety surrounding AI is the spectre of "jobless growth". PM Wong has made a definitive promise: Singapore may not be able to protect every job, but we will protect every worker.

The "AI bilingual" initiative is the centrepiece of this strategy, equipping 100,000 workers – initially in accountancy and law – to speak both their domain language and the language of AI. This is deliberate, to ensure AI augments rather than replaces humans.

By expanding the TechSkills Accelerator and offering six months of free premium AI tool subscriptions, the government is lowering the "activation energy" for mid-career pivots.

However, a talent divide remains a risk. As we develop local expertise, the influx of high-salaried foreign AI specialists could create social friction if the local workforce feels left behind.

The blindspots: geopolitics, culture, mindset and change fatigue

Despite robust plans, significant geopolitical, cultural and psychological blindspots persist.

Geopolitics is sharpening Singapore's strategy, evolving from a posture of strategic autonomy to one of active strategic resilience. The risk is that being a "neutral hub" may no longer be a viable defence in a world that demands clear technological alignment.

To mitigate geopolitical and sovereign risks, Singapore is deepening its pursuit of strategic interdependence through indispensable niches. By making itself a critical node that the rest of the world cannot afford to bypass, Singapore aims to insulate itself from being "picked on" or "cut off".

In the domestic scene, many Singaporean firms, especially small and medium enterprises (SMEs), still view AI through the lens of cost optimisation. If the corporate mindset is purely to "do more with less", AI will inevitably lead to headcount reduction. Furthermore, the shift to AI-enabled work is creating:

■ **A presence gap:** Remote employees may face proximity bias or feel disconnected from team culture.

■ **Change fatigue:** The psychological strain of keeping pace with evolving AI models could lead to a new digital divide based on mental resilience.

■ **Entry-level erosion:** Automation threatens routine roles, potentially hollowing out the career ladder for fresh graduates.

A "people-first" AI compact

To bridge these gaps, we propose a re-

freshed approach aligned with the prime minister's call for a more gracious and big-hearted society:

■ **From "AI-enabled" to "AI-orchestrated":** Incentivise firms to move beyond siloed AI tools towards autonomous, "zero-touch" infrastructures. For SMEs, this could simplify operations rather than adding complexity.

■ **A tripartite social compact for AI:** A partnership between the government, employers and NTUC must ensure productivity gains benefit workers via improved conditions and higher wages, not just shareholder profits.

■ **Cultivating "human-only" skills:** As AI masters logic, our education system must double down on empathy, ethics and high-stakes negotiation – the human spark that AI cannot replicate.

■ **The "Kaizen" (continuous improvement) mindset:** This Japanese business philosophy could also apply in the way we integrate AI to optimise work. PM Wong highlighted the success of company training committees, such as those at Tan Tock Seng Hospital, which have used AI for nurse rostering. We must scale this culture across all sectors.

A resilient, sovereign home

Singapore's "all-in" approach to AI, tempered by its climate commitments, is a microcosm of the global struggle of the 21st century and is a direct response to the volatile geopolitical energy shocks.

Meanwhile, the tension between the fiscal goals of Budget 2026 and the environmental goals of the Green Plan is being managed through extreme efficiency and regional diplomacy.

In the 2026 landscape, the prevailing wind of geopolitics is no longer a temporary storm to be weathered, but a permanent climate to be navigated. For Singapore, achieving AI Nation status is not about AI sovereignty – which implies a self-reliance that is challenging for a small state – but a continuous exercise in strategic indispensability.

The human and sovereign stakes also necessitate a renewed social compact, equipping workers to thrive in an AI-driven economy while positioning Singapore as the world's "trusted third space" for safety standards and regional digital context. Ultimately, Singapore's approach rests on a simple paradox: to remain independent, it must remain essential to everyone.

If Singapore succeeds, it will prove that a nation can be a global AI hub without sacrificing its planet or its people. The city-state is betting that the same technology causing the strain – AI – will eventually provide the solutions to solve it. We are not just assembling the Ikea furniture; we are designing the home of the future.

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