Singapore: The Evolution of an Entrepôt

Clare Lockhart

January 2014
# Table of Contents

Introduction .................................................................................................................. 1

Sound Policy .................................................................................................................. 1

  Governance and Public Sector Management ............................................................ 2

  Market Engagement ............................................................................................... 5

Human Capital (Health, Education, and Other Social Services) ................................... 15

Infrastructure Services ............................................................................................. 24

Security, Law, and Order ......................................................................................... 29

Rule of Law ................................................................................................................ 30

Resource Management (Agriculture, Energy, Mining, Water, Licenses, and Tenders) ...................................................................................................................... 32

Disaster Readiness and Response ........................................................................... 34

Public Finance: National Accountability Systems .................................................. 36

Citizen Engagement and Participation ..................................................................... 37

Sequencing ................................................................................................................ 40

  1960-65: International and Internal Recognition .................................................. 41

  1966-70: Employment and the Economy ............................................................... 43

  1971-75: Security .................................................................................................. 44

  1976-80: Housing ................................................................................................ 45

  1981-85: Markets .................................................................................................. 46

  1986-90: Education and Health .......................................................................... 47

  1991-95: Infrastructure ....................................................................................... 48

  1996-2000: International Trade .......................................................................... 49

  2001-2005: Social Spending ............................................................................... 50

Conclusions ................................................................................................................ 52

Effective Leadership and Visioning ......................................................................... 54

Intelligent Policymaking .......................................................................................... 54

Effective Management of the Governance Team .................................................... 56
Introduction

Singapore presents an unusually successful transformation story. Colonized in 1819 by the British, Singapore briefly joined the Malaysian Federation before gaining full independence in 1965. As a city-state with low socio-economic indicators, minimal hinterland, effectively no natural resources — even water was then imported from Malaysia — Singapore’s very survival was uncertain.¹ Over time, however, Singapore not only survived, but thrived.

While the appropriateness of its measures and the nature of its success will continue to be debated, it is clear that Singapore’s transformation will remain relevant. Academics, policy analysts, and development practitioners have looked to Singapore for possible answers to the challenges of economic development. Several countries now look to Singapore to provide examples and guidance; the challenge will be to identify appropriate lessons for specific challenges.

Holistic analysis of its transformation’s successes through the lenses of Singaporean political leadership, policy crafting, and implementation can reveal lessons for policy makers seeking to emulate Singapore’s success. Our analysis is based on ISE’s theoretical framework of the ten functions of the sovereign state building on previous analysis and field work. That work includes ISE staff interviews over the past several years with Singaporean officials.

Sound Policy

It is widely acknowledged that the backbone of Singaporean success lies within the government’s effective policy planning, implementation, evaluation, and adaptation. To understand the specifics of Singapore’s development, we examine the ten functional areas that ISE considers critical to any transformation in detail: governance and public sector management; market engagement; human capital (health, education and other social services); infrastructure services; security, law, and order; rule of law; resource management (agriculture, transportation, etc.).

energy, mining, water, licenses and tenders); disaster readiness and response; public finance: national accountability systems; and citizen engagement and participation. We review the government’s challenges and achievements in each functional area to distill insights for adaptive application to outside contexts.

**Governance and Public Sector Management**

On the eve of independence, Singapore’s leaders began an experiment in self-governance with only the country’s limited experience under the British colonial system and the Malaysian Federation as preparation. The People’s Action Party (PAP) was Singapore’s ruling party within the Malaysian Federation, and the party won a vast majority of parliamentary seats in the first independent government. The PAP’s top leadership was composed of a cadre of highly educated and technically capable professionals, with Singapore’s long-serving first Prime Minister, Lee Kuan Yew, at the helm. His team shared a strong work ethic, a common vision, and a mutual trust built through the shared experiences of World War II and the Japanese occupation, the end of colonialism, and the integration and secession from the Malaysian Federation. As a predominantly urban city-state with little hinterland, Singapore has a relatively simple system of government, which may have contributed to that administration’s ability to maintain consistency of vision and implementation.

That competent original team actively cultivated future leaders from the earliest days of self-governance. We consider this process in greater detail in the leadership section. The government institutionalized several processes: efficient administrative procedures and processes for long-term planning; coordination between public, private, and civil actors; solicitation of input from stakeholders; implementation; monitoring and feedback flows; evaluation and revision of policy; creative adaptation of positive policy examples around the world; learning; and innovation. Due to the small size of its territory, international partnerships have been vital to Singapore’s survival. The Prime Minister, assisted by other government ministers, has networked extensively with international political and business leaders since the earliest days of government.

---

The administration avoided classic bureaucratic pitfalls by establishing clear purpose and principles, so that institutional processes might be guided by them, rather than becoming ends unto themselves. Singaporean principles include integrity, meritocracy, pragmatic orientation towards results, efficiency tempered by social equality goals, and socially inclusive stability. In 2004, then Prime Minister Lee Hsieng Loong articulated four principles of governance: leadership with vision and moral courage and integrity; constant re-examination of old ideas and openness to new ones; self-reliance and individual responsibility, tempered with the provision of some social safety nets; and an inclusive society where citizens feel a sense of ownership and belonging. In addition, Singapore has designated five National Values: nation before community and society above self, family as the basic unit of society, community support and respect for the individual, consensus above conflict, and racial and religious harmony. Established purposes of government are development of human capital as the country’s main resource, encouragement of self-reliance and financial prudence, maintenance of stability to attract foreign direct investment (FDI) and international talent, fostering sustainable economic growth, achieving and maintaining global relevance, prioritization of long-term sustainability over short-term gain, and supporting proactive government intervention to improve the public welfare. Government action demonstrates and reinforces these purposes and principles; they are plainly shared through its extensive communications to the public. This emphasis on shared principles and goals, together with strong team-building within government, may have facilitated the administration’s dramatic reduction in corruption, as we discuss in the Rule of Law section.

These practices forged strong public administration institutions, which are both innovative and administratively efficient. They exhibit the ability to plan for future needs and changes, to critically reevaluate existing policy for continuous improvement, and adapt successful programs

---

5 Lim, Siong Guan, and Joanne H. Lim. The Leader, the Teacher, and You: Leadership through the Third Generation. Imperial College Press, 2014. p.89.
6 Lim, Siong Guan, and Joanne H. Lim. The Leader, the Teacher, and You: Leadership through the Third Generation. Imperial College Press, 2014. p. 119 - 121.
around the world for implementation in Singapore. Senior managers advanced organizational cultures that recognized achievement, encouraged judicious risk-taking, emphasized learning from successes and failures, and promoted performance accountability. These policies encouraged public sector initiative and innovation. The Singaporean public sector ranks well internationally and competes successfully against members of the private sector for the Singapore Quality Awards, which recognize outstanding achievement in organizational management. Transparency International ranks Singapore’s government as the perceived fifth “cleanest” in the world; Singaporeans enjoy high educational attainment and living standards in a country free of external debt, where government expenditure generally ranges between fourteen to eighteen percent of GDP.

A strong testimony to Singapore’s success in governance and public administration is its management of the nation’s many transitions, including economic transitions, as described in the Market Engagement section of this report, as well as transitions associated with social, political, international, and technological changes. For example, in 1989, Singapore launched TradeNet, the first nationwide electronic data interchange system in the world. Rather than simply digitizing existing processes, the Singaporean Trade Development Board used TradeNet to transform its organizational structure and business processes, network, and scope, resulting in productivity and competitiveness gains in both the public and private sectors.

In 1995, the Singaporean government introduced the “Public Service for the 21st Century” initiative, in order to mold the public service into a body capable of undertaking “change as a permanent state,” by optimizing each employee’s potential, improving bureaucratic processes, building from coordinated action to a coordinated vision, empowerment of the ministries through

---

10 Lim, Siong Guan, and Joanne H. Lim. The Leader, the Teacher, and You: Leadership through the Third Generation. Imperial College Press, 2014. p.7, 37, 43.
decentralization of decision-making powers, and emphasis on superior leadership to counteract the public sector’s lack of market competition. This program aimed to change organizational culture and processes by targeting employee well-being, continuous learning, high-quality customer service, and organizational reviews for the purpose of integrating new technologies, reducing inefficiencies, and enhancing innovation.  

The administration’s continuing investment in long-term planning and visioning is epitomized by the Centre for Strategic Futures, established in 2009 as part of the Strategic Policy Office within the Prime Minister’s Office. The Centre for Strategic Futures develops tools and methodologies to promote strategic thinking and risk management throughout government, and develops collaborative networks between government agencies, international partners, and academic organizations. The Centre for Strategic Futures hosted the 2013 Conference on Foresight and Public Policy, which identified four key issues in Singaporean strategic planning: the future of growth, the middle class, cities, and relations between citizens, corporations, and government.

Market Engagement

As a British colony, Singapore processed rubber, pepper, copra, and rattan from Indonesia and Malaysia. After Singapore’s separation from the Federation of Malaysia, both Malaysia and Indonesia restricted exports to Singapore and adopted relations that varied from uncooperative to openly hostile. The nation had minimal natural resources and lost its major trading partners, and so was left without viable economic sectors. It was also to quickly lose British military presence, which constituted roughly one fifth of GDP at the time of independence. Unemployment was at fourteen percent and rising in 1965, the year of Singapore’s independence. Prior trade dependence had bequeathed Singapore low levels of education, investment, and economic output. Singapore’s major economic asset consisted of its location alongside a high-volume shipping lane enabling it to act as a port between major international

---

15 Lim, Siong Guan, and Joanne H. Lim. The Leader, the Teacher, and You: Leadership through the Third Generation. Imperial College Press, 2014. p.91 - 105.
markets. Singapore also benefited from broad understanding that in order to survive, its population needed to work hard and learn quickly.\(^2\)

Accelerating globalization reinforced Singapore’s economic viability through the 60s, 70s, 80s, and 90s. This process started with the General Agreement on Tariffs and Trade (GATT), which decreased tariff and non-tariff barriers to global trade in a series a negotiation rounds beginning in 1947. It was augmented by increasing offshore production and outsourcing to foreign suppliers, lowering surface transportation costs, the diffusion of general-purpose-technologies (such as digital and information communication technologies), expansion of regional trading blocs, growth of foreign direct investment, loosening of capital controls, and the financial and institutional innovations enabling financial globalization. The evolution of the global economy offered clear growth opportunities for those able to compete successfully within it.\(^2\)

Economic policy upon independence emphasized sustainably increasing employment as the fundamental and most urgent priority. The Singaporean Government understood the provision of employment opportunities to be necessary to securing political and social stability.\(^2\) The administration pursued employment growth primarily by means of attracting foreign investment, initially in labor-intensive industries. The government also promoted the development of the tourism industry as a labor-intensive services industry requiring low capital investment. The government created the Singapore Tourism Board in 1964, and the sector did grow and provide employment.\(^2\) Additionally, the administration gradually created a series of public industries, including utilities, such as the Port of Singapore Authority, Singapore Telecom, steel mills, a shipping line, Singapore Airlines, a petroleum company, a small ammunitions factory, a mint, a development bank, an insurance corporation, and a bus service.\(^2\)


\(^{23}\) ISE staff interview with Ngiam Tong Dow, former chairman of the Economic Development Board, 2009.


Lacking hinterland, Singapore relied on industry for sustainable growth and employment. Lee Kuan Yew’s government embarked on a series of measures to industrialize the country. Using temporary tariffs and incentives, they strategically encouraged local assembly of products such as cars, refrigerators, air conditioners, radios, televisions, and tape recorders, as well as domestic production of vegetable oils, cosmetics, mosquito coils, hair cream, joss paper, and moth balls. They also worked to provide financing for Singaporean entrepreneurs. The government drew on savings from publicly owned banks and public pension funds, which required individual contributions, to fund some of its investments.

By 1968, the administration shifted primary emphasis to attracting foreign investment to build export-oriented industry, which was to underpin Singaporean economic growth for several decades. Although early industrialization progressed unevenly, in 1968 Texas Instruments built a factory in Singapore, followed by National Semiconductor, Hewlett-Packard, and General Electric. Singaporean officials fought each step of the way, working creatively ensure positive investor experience.

Singapore based its plan for economic growth on the attraction of foreign investment in order to create jobs and assimilate technology. The benefits of harnessing Multinational Corporations (MNCs) as a tool for sustainable economic growth are balanced by concomitant costs and risks. Nonetheless, MNCs have the potential to increase technology levels through spillovers, demonstration effects, worker training, increasing demand for high-skilled workers, and providing technical assistance to upstream and downstream firms. In the 1960s, Singapore

30 Lee Kuan Yew tells of Mr. Hewlett’s visit to Singapore to visit a potential factory site, when officials extended an elevator cable from a neighboring building in order to provide a lift at the work site, whose own elevator lacked the necessary transformer at the time (From Third World to First, 62).
was able to attract low-tech, labor-intensive, small-scale investment from Hong Kong and Taiwan, which helped to build factories for toys, textiles, and garments. Although the earliest policies accepted any and all investment opportunities, Lee’s administration quickly targeted a few industries with high growth potential, including ship repair, metal engineering, and manufacturing of chemicals and electrical equipment and appliances. Attracting foreign investment was a cornerstone policy goal, demonstrated by Lee Kuan Yew’s response to the British promise of foreign aid following the withdrawal of their defense forces: Prime Minister Lee advocated for continued British presence in order to maintain confidence and promote investment, rather than its substitution with aid. He considered that foreign aid would create dependency without bringing sustainable economic growth.

In order to draw foreign investment, the government implemented a highly successful combination of policies. These included the following steps: building transport infrastructure; creating industrial estates; offering equity participation in national industries; granting fiscal incentives (such as ten-year tax-free status for investors) in order to promote exports or stabilize labor relations; implementing sound macroeconomic policies; engaging leading international businessmen; cultivating an investment compatible image through grooming public spaces (see Infrastructure section); raising professional standards in the services industry; generating positive publicity by sending officials to attend foundation-laying ceremonies and official openings of factories. These combined efforts contributed towards generating a favorable investment climate with low transaction costs, low barriers to entry, and low risk of government or labor disruption to business operations.

In order to minimize transaction costs for firms wishing to invest in Singapore, in 1961 the government established the Economic Development Board (EDB), which served as a one-stop-

---

32 ISE staff interview with Ngiam Tong Dow, former chairman of the Economic Development Board, 2009.
35 Including the Jurong Industrial Estate

https://openknowledge.worldbank.org/bitstream/handle/10986/2243/668140PUB0EPI0067848B09780821388464.pdf?sequence=1
shop for investors.\textsuperscript{38} This strategy is now common among countries aiming to promote foreign direct investment. The EDB liaised between investors and government and private agencies and worked at the forefront of the government’s strategy to perfect the business environment in Singapore. The EBD successfully “looked ahead, consulted widely, and planned strategically with an eye to the likely maturing and migration of existing industries and the need to replace them with industries further up the value chain.”\textsuperscript{39} In 1970, 75 percent of exports consisted of resource-based or processed goods, such as rubber, petrochemical, and food products. By 2000, these sectors had declined to less than 25 percent of exports, and high-tech goods, such as electronics and chemical products formed the majority of exports.\textsuperscript{40}

During the British draw-down of forces, completed by 1971, the government formed the Bases Economic Conversion Department to find and attract the best civilian uses for the real estate formerly occupied by British bases.

The government moved quickly to curb union power, which had been engaged in a series of crippling strikes for higher wages and improved working conditions. New employment legislation ended labor strikes, and labor unions that were insufficiently cooperative were disbanded by the government.\textsuperscript{41} The national union leaders doubled as government ministers, thereby ensuring smooth relations between the two.\textsuperscript{42} These measures decreased the number of strikes, increased stability of business operations, and allowed for more generally attractive conditions for investment. Whether these measures were too draconian and whether the policies struck an appropriate balance between capital and labor is beyond the scope of this paper.

Because its neighbors were reducing ties at the time of its independence, Singapore needed to develop economic ties with global powers. The government aimed to create a “first world oasis in a third world region” in order to outperform Singapore’s neighbors and develop into a “base camp” for business in Asia. The nation aspired to become a global investment hub exporting across the region. This required establishing high standards in security, health, education, telecommunications, transportation, and services through policies involving schools, trade unions, community centers, and social organizations.

Singaporean preparation to become a financial center began as early as 1968, when economic advisors recommended that Singapore might fill a void in international financial markets. The void arose between business hours closing in San Francisco and operations opening the next day in Switzerland. Singapore was ideally placed to fill this void because its Asian based time zone represented a convenient mid-point. At the time, Singapore lacked the strength of financial and supporting institutions, business and communications infrastructure, technical capabilities, or reputation to launch such a venture, but it soon launched the Asian Dollar Market, which began as a simple interbank currency exchange, and which gradually expanded to offer financial derivatives, loan syndication, bond issuance, and fund management. The Asian Dollar Market currently holds assets valued over one trillion US dollars.

Singapore has built on the successes in managing the Asian Dollar Market by expanding into other services such as the Stock Exchange of Singapore, the Singapore International Monetary Exchange, debt capital markets, equity capital markets, foreign exchange, asset management, private banking, insurance, and, most recently, a Chinese Renminbi clearing bank. Having consolidated its reputation through successful handling the financial crises of 1987 and 1997-1998, Singapore liberalized its banking sector to expose banks to international competition and

---

made additional adjustments to encourage growth in the finance sector.\textsuperscript{49} The Monetary Authority of Singapore, which oversees the financial system, remains highly selective in approving new listings on Singapore’s stock exchanges. Its overall aim is to prioritize the integrity and stability of financial services. The International Monetary Fund has rated Singapore’s regulation and management of its financial sector as among the best globally.\textsuperscript{50}

Once labor productivity, efficiency, and reliability had established Singapore’s reputation as an international business services hub, public officials shifted strategic goals towards developing Singapore’s capacity for innovation and the foundation of a “learning economy.”\textsuperscript{51} The government invested – and continues to invest - heavily in education as a cornerstone of economic policy. The country’s subsequent economic growth and current knowledge-based economy position derive to a significant extent upon successful and targeted cultivation of an educated, competitive workforce. The development of Singapore’s education sector receives detailed focus in the Human Capital section.

Although success was not immediate, economic conditions improved throughout the first decade following independence. “By 1971, we’d turned a corner in unemployment,” and “by the late 70s we’d left our problems of unemployment and lack of investment behind us.”\textsuperscript{52} Unemployment, which stood as high as fourteen percent in 1965, had decreased to 1.8 percent by 1997; average real wages increased almost five percent annually between 1973 and 1997. Lee Kuan Yew described his overarching policy goals as giving every citizen a stake in their country and their future and striking a balance between productivity and fairness. Thus, while economic policies favored open competitiveness, the government redistributed some wealth through subsidies to the public housing and public health programs, as well as investing in high-quality education and meritocratic access to economic opportunity.\textsuperscript{53} While some critics decry

Singapore’s relatively high income inequality,\textsuperscript{54} Singapore’s management of the tension between productivity and fairness is considered by many to constitute a successful response to this policy conundrum.

Successful economic policy was based on attracting foreign investment, investing in human capital, assimilating existing technologies and adapting new ones, and planning these activities in close collaboration with the business and labor communities.\textsuperscript{55} Lee Kuan Yew himself has attributed Singapore’s success as a nation to its ability to inspire confidence in foreign investors. The administration carefully managed the investment experience, and when tested, proved its reliability. Following the 1973 oil crisis, Singapore made no attempt to protect domestic consumers from price shocks by blocking exports. The administration also cooperated directly with foreign employers and governments to train laborers, thereby improving the match between labor supply and demand.\textsuperscript{56}

Also essential to economic growth is the economical management of expensive public programs, such as health care and retirement funds. Singapore is an innovator in these areas, managing individual savings accounts for home ownership, health care, and retirement. For these, individual contributions were universally withheld from wages at rates set by the government, which at one point reached a high of fifty percent of wages.\textsuperscript{57} This savings system, called the Central Provident Fund (CPF), is described further in the Human Capital section.

One of the Singaporean government’s major achievements is its successful management of transitions between multiple economic phases. The administration coordinated policy between public and private sectors, and between manufacturing and service industries, promoting skills and knowledge transfers, facilitating collaborations, and raising productivity of each sector.\textsuperscript{58}

\textsuperscript{54} Krishnadas, Devadas. Raising the Sea of Mobility. IPS Commons. n.d. \url{http://www.ipscommons.sg/index.php/categories/featured/143-raising-the-sea-of-mobility-}
After Singapore’s recovery from the Arab-Israeli war and Arab oil embargo of 1973, the government phased out tariffs and other protections of domestic industry, allowing uncompetitive plants to close. The government proactively secured investments with American, Japanese, and European firms, more selectively approving ventures that provided higher wages, more advanced technologies, and employee training. British investors, many of whom had left with the military in 1971, returned in the mid-seventies to invest in high value-added sectors, such as pharmaceuticals, rather than the raw materials processing they had left behind. By the mid-1980s, Singapore enjoyed higher standards of living, which were accompanied by increasing domestic labor costs, stiffer competition from other Southeast Asian countries, and ebbing economic growth. The government diversified to new products and services and adjusted its policy emphasis from productivity to innovation.

Throughout these transitions, the government consistently invested in long-term economic planning, education of laborers to meet employment needs, and cultivation of next-generation Singaporean government and business leaders. In the face of ever-increasing competition from its regional neighbors, Singapore is working to diversify its productive base and grow its high-value services sector in areas such as tourism. The Singaporean economy is primarily a service-oriented economy, with services accounting for roughly seventy percent of GDP and manufacturing comprising the remaining thirty percent. One major example of recent foreign investment in the services sector is the Marina Bay Sands Casino, opened in 2010, which was the second most expensive facility of its kind in the world, at approximately 5.5 billion USD. The Singaporean government sponsors a variety of initiatives aiming to boost Singapore’s competitiveness in biotechnologies and water and environment technologies.

---

Singapore succeeded not by necessarily achieving policy perfection, but by experimenting, learning, adapting, and improving. Today, Singapore enjoys such positive outcomes in health, education, and income as have earned it a global ranking of 18 on the United Nations Development Program’s Human Development Index. Singapore ranks within the top ten nations for GDP per capita when taking purchasing power parity into account. Income inequality, however, exceeds that of any OECD nation and particular rising concerns are the financial burdens of an ageing population and the compensation of foreign (non-resident) workers in Singapore, who constitute roughly one third of Singapore’s labor force. Singapore’s current economic challenges include raising labor productivity, which has been lagging in recent years due to rising wages, expanding its diversity of exports, which continues to fall behind that of other developed countries, and intensifying the connections between

---

educational institutions and employers, in order to maximize graduates’ marketability and productivity.\textsuperscript{72}

**Human Capital (Health, Education, and Other Social Services)**

The Singaporean government was adamant that Singapore should not become a ‘welfare state’ and worked to avoid popular dependency on government. At the same time, the administration used social service programs in order to achieve open and equal opportunity for Singaporeans to succeed. These efforts were of great importance to a multiethnic young nation that had suffered race riots in 1964.\textsuperscript{73} Lee Kuan Yew described the “basic principles that helped us progress: social cohesion through sharing the benefits of progress, equal opportunities for all, and meritocracy, with the best man or woman for the job.”\textsuperscript{74}

As previously discussed, the administration placed primary importance on human capital development as the long-term route towards Singapore’s competitiveness in the international economy. Although its population had not attained high levels of education or training at the time of independence, they were committed to the government vision of building a competitive workforce. The administration also recognized the importance of the education system as a nation-building tool and sought to achieve national integration through multilingualism, celebration of Singaporean multiculturalism, and universal access to high-quality education as a social equalizer.\textsuperscript{75}

Lee Kuan Yew’s government worked to develop human capital from the earliest days of the administration. One of the first initiatives of the PAP was to emulate, and compete with, communist-created community education centers. The young government formed People’s


Associations, which offered community classes in Chinese and English literacy; skills like sewing, cooking, and repairing cars and electrical appliances, and recreational activities.\textsuperscript{76}

In the 1960s and 1970s, the government focused on raising access to and quality of primary and secondary education, including technical programs. Because the latter were seen as of lower stature than a secondary education, the government embarked on a public education campaign to promote respect for technical schools. The country’s first Five-Year Plan prioritized offering free primary education and emphasizing mathematics, science, technical subjects, and English in curricula. Early high achievers were sent abroad for tertiary education. By the 1980s, the Singaporean government began focusing on building world-class tertiary education, research and development, and more technologically advanced technical skills. Throughout the years, Singapore designed training and educational programs oriented towards meeting the needs of employers, and they collaborated closely with employers in order to determine these needs. This high investment in human capital and orientation towards technology enabled Singapore’s great success in enhancing productivity, and later, innovation.\textsuperscript{77}

Singapore’s evolving policy in education provides an excellent example of the country’s ability to critically assess its policies’ effectiveness in the face of changing needs and correct its course. High attrition rates through the seventies lead to the commissioning of a thorough examination of the education sector in 1978, led by cabinet member Dr. Goh Keng Swee. Upon recommendation by the Goh Report, the administration implemented a series of reforms to the education system in order to refine its capacity to assist each student in reaching his or her potential: separation of groups according to ability level; changes in curriculum; organizational restructuring at the Ministry of Education into a more streamlined hierarchy in order to promote accountability and speed of implementation; simultaneous decentralization of school management, giving schools greater autonomy; institutionalization of communication processes, with a change in organizational culture to encourage open dialogue on educational policy; reformed school evaluation procedures; improved teaching conditions and training; and other


https://openknowledge.worldbank.org/bitstream/handle/10986/2243/668140PUB0EPI0067848B09780821388464.pdf?sequence=1
reforms. These changes succeeded in improving student performance and post-graduate employment outcomes, as well as lowering attrition rates.\textsuperscript{78}

The Singaporean government institutionalized technical education as early as 1968, with the creation of the Technical Education Department within the Ministry of Education. This premier technical education agency was to become the Vocational and Technical Training Board in 1979, and the Institute of Technical Education in 1992.\textsuperscript{79}

The government showed particular savvy in its design of employee training centers, in cooperation with foreign governments and companies. These centers developed 4 – 6-month training programs whose flexible curricula ensured that Singaporean laborers would be well-equipped to meet the changing needs of the labor market.\textsuperscript{80} In many cases, investors trained twice the number of new recruits needed by their own enterprises and selected the top performers to fill their vacancies. These programs quickly expanded the pool of trained laborers, thereby providing additional incentive to new investors belonging to the same industrial cluster. Eventually, these programs were consolidated to form Nanyang Polytechnic, which operated under the Institute of Technical Education, in order to streamline the process for anticipating employers’ evolving demands. Nanyang Polytechnic currently offers course content in five areas: engineering, business, ICT, applied sciences, and health sciences.\textsuperscript{81}

The “Thinking Schools, Learning Nation” initiative was launched in 1997, strengthening emphasis on the importance of nurturing each child’s achievement of his or her potential, and allowing increased autonomy on the part of teachers and schools.\textsuperscript{82} Public investment in tertiary education increased substantially. Heavy emphasis on the sciences and engineering continues,

\begin{itemize}
\item \textsuperscript{82} Lim, Siong Guan, and Joanne H. Lim. The Leader, the Teacher, and You: Leadership through the Third Generation. Imperial College Press, 2014. p. 69.
\end{itemize}
with nearly half of tertiary-level students specializing in these areas as of 2007. Approximately one third of students specialize in social sciences, business, and law, with the remainder in the fields of humanities and the arts, health, education, and services. Starting in 1981, Singapore’s research output has roughly doubled every five years. The frequency of citations of papers published between 1999 and 2009 at Nanyang Technological University and National University of Singapore place those universities as the eighth and ninth ranked engineering institutions in the world. By the university scorecard global ranking system, National University of Singapore ranks 24th and Nanyang Technological University ranks 41st. Starting from a baseline of zero in 1970, Singaporean patents have grown to 400 granted in 2008, compared with an OECD average of 2,014. Although many of these are granted to a few top international MNCs, a substantial number of patents are granted to the public research organizations Agency for Science, Technology, and Research (A*STAR) and National University of Singapore. These investments in tertiary education and research and development form the basis of broader reforms enacted to modernize infrastructure, reform the public library system, attract international talent, enhance innovation, and build a learning economy.

As might be expected in an internationalized environment such as Singapore’s, foreigners (non-citizen, non-residents) have maintained a significant presence since independence-time. Foreign citizens fill many blue-collar positions, and in 2006, they supplied almost one third of the labor force. Although this is a point of concern to some analysts, Singapore’s extremely low

unemployment rate, at 1.8 percent, suggests that in some sectors employment shortfalls may effectively be unavoidable.

The government’s management of large social programs, like health care, housing, and retirement safety nets, has been widely praised for effectively managing costs without sacrificing quality of programs. The funding mechanism for these programs is based on the Central Provident Fund (CPF), which consists of individual accounts filled by withholdings from account-holders’ paychecks at rates determined and adjusted by the government. Redistributing wealth by “asset enhancement” rather than subsidies for consumption encourages individuals’ long-term investments over spending, minimizing economic distortions.

The Central Provident Fund (CPF), which began under the British as a compulsory savings fund in 1955, is at the heart of Singapore’s attempt at a successful and affordable provision of social services. The CPF tends to individualize savings and investment responsibilities, while mandating, incentivizing, and educating in order to encourage individuals’ sound financial management. The CPF in its present state consists of several funds, each linked to employment. The Ordinary Account (OA), Medisave Account (MA), and Special Account (SA) accrue employer and employee contributions during an individual’s working life; at age 55, the OA, SA, and any balance in excess of a specified Medisave Minimum Sum for the MA are combined to form the Retirement Account (RA). A person may choose to spend from their OA (within preset limits) in order to buy housing, attend full-time tertiary education, make voluntary investments, or transfer funds to the SA. The SA generally accrues higher interest, but funds may not be withdrawn, as the entirety of the SA will be retained and converted into the Retirement Account. Medisave Accounts are used to pay health insurance premiums, inpatient expenses, and some outpatient expenses.

Upon reaching age 55, a person may choose to withdraw funds in excess of the designated CPF Minimum Sum, although the government encourages moderate spending throughout, so as

---

to maximize monthly retirement payouts. The government is currently phasing in a program called CPF LIFE, which provides a guaranteed monthly payouts starting at an individual's Draw Down Age and continuing for the rest of their lives. The government recalibrates interest accrual for the OA, MA, and SA quarterly and for the RA yearly, based on major local banks' interest rates and a variety of additional factors, including economic conditions and forecasts and average life expectancy.\(^92\)

The Central Provident Fund Board mandates specific employer and employee contributions towards each fund, which shift as individuals age and their needs change. The Ordinary Account, which is used to pay for housing and any tertiary education, receives its largest share of inputs during the earliest working years, gradually tapering off, and falling almost to zero for those working after age sixty. The Special Account, which contributes directly into the Retirement Account, peaks in the later working years and also fall sharply starting at age 55. Medisave contributions peak and stay strong from age fifty and thereafter. The OA shows the greatest degree of variation overall.\(^93\)

Mandated contribution levels also depend on salary and on the worker’s status as a pensioned government employee, private sector or non-pensioned government employee, citizen, permanent resident, or resident on the path to permanent residency. The chart below is an example of the current mandated contribution levels for non-pensionable citizens earning at least 750 Singaporean dollars per month.

<table>
<thead>
<tr>
<th>Employee Age</th>
<th>Contribution Rate</th>
<th>Credited to</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Contribution by Employer (% of wage)</td>
<td>Contribution by Employee (% of wage)</td>
</tr>
<tr>
<td>35 &amp; below</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>35 - 45</td>
<td>16</td>
<td>20</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Age Group</th>
<th>Rate 1</th>
<th>Rate 2</th>
<th>Rate 3</th>
<th>Rate 4</th>
<th>Rate 5</th>
<th>Rate 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 – 50</td>
<td>16</td>
<td>20</td>
<td>36</td>
<td>19</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>50 – 55</td>
<td>14</td>
<td>18.5</td>
<td>32.5</td>
<td>13.5</td>
<td>9.5</td>
<td>9.5</td>
</tr>
<tr>
<td>55 – 60</td>
<td>10.5</td>
<td>13</td>
<td>23.5</td>
<td>12</td>
<td>2</td>
<td>9.5</td>
</tr>
<tr>
<td>60 – 65</td>
<td>7</td>
<td>7.5</td>
<td>14.5</td>
<td>3.5</td>
<td>1.5</td>
<td>9.5</td>
</tr>
<tr>
<td>Above 65</td>
<td>6.5</td>
<td>5</td>
<td>11.5</td>
<td>1</td>
<td>1</td>
<td>9.5</td>
</tr>
</tbody>
</table>

Central Provident Fund Board, [http://mycpf.cpf.gov.sg/Members/Gen-Info/Con-Rates/ContriRA](http://mycpf.cpf.gov.sg/Members/Gen-Info/Con-Rates/ContriRA)

Health care: The administration studied and declined to emulate either the British and American health care systems, as both operate at comparatively high cost. In order to discourage wasteful overconsumption of health care and to incentivize compliance with medical instructions, individuals are charged co-payments for the health services they receive. The government subsidizes services and offers a selection of inpatient services that are differentiated by cost and comfort.94

Singapore manages the world’s only universal medical savings accounts system. Medical care is subsidized directly by the government but requires significant patient co-payments. Individuals contribute co-pays for in-patient and some outpatient services through their government-managed Medical Savings Accounts, or Medisave Accounts (MA), as described earlier. This system, created in 1984, allows for individual choice within the framework of government controls affecting savings inputs and payouts. Any remaining costs are paid out-of-pocket; these include most outpatient services and any inpatient costs exceeding government limitations on Medisave withdrawals. Public hospitals are graded by the government based on comforts such as number of beds per room, and private hospitals do not receive government subsidies and are more expensive than public. Medisave withdrawal limitations prevent patients from spending down their Medisave funds in order to stay in a top-level hospital. Medisave funds cannot be spent on procedures such as maternity costs beyond the third child or on long-term hospital care.95 Medisave funds can be spent on eligible care for one’s spouse, children, parents, and grandparents.96

As a complement to Medisave, the government offers voluntary catastrophic health insurance (Medishield) and a fund providing health services to the poor (Medifund). The administration also offers aid to private charities that provide long-term care for impoverished patients who might otherwise be denied it. Medishield does not cover preexisting health conditions or a variety of conditions, including HIV/AIDS-related conditions, drug addiction or alcoholism, self-inflicted injuries, or injuries resulting from participation in civil commotion, riots, or strikes. Those who cannot afford to pay for treatment for these and other conditions are eligible for Medifund but are not guaranteed treatment. The chronically ill, low-income workers, and the unemployed, such as housewives whose spouses or children are unable to provide for them, remain vulnerable under these plans. Medisave is currently undergoing reforms in order to allow withdrawals for more chronic, outpatient, and preventative services. Individuals may also purchase private health insurance to supplement Medisave and MediShield.

On the supply side, government controls limit public hospital charges for services, number of beds of each class, number of medical graduates and specialists licensed by Singaporean universities, number of overseas medical degrees recognized by the state, and the number of specialists and high-tech procedures offered at each hospital. The government complements its health care policy with initiatives such as the banning of cigarette advertising and of smoking in public places.


These policies have proved effective at minimizing healthcare costs while preserving quality, access, and promptness of basic care. They also represent a formidable achievement of coordination between the Ministry of Health and other government agencies that are connected in some way with public health, such as agencies related to education, sanitation, food security and fresh food availability, exercise and recreation, housing, transportation infrastructure, product quality and safety regulations, land grants, zoning, and social supports. This coordination has strengthened health services, and has improved those critical aspects of public health which do not result directly from conventional health care provision. These policies help Singapore to achieve among the highest health outcomes globally. The WHO ranked its health system sixth globally in 2000, a position achieved while spending approximately four percent of GDP, or roughly one quarter of US spending on health at the time. Government expenditure itself amounts to thirty percent of this spending.\textsuperscript{101} Patient Satisfaction Surveys, administered in 2010, found that over 75 percent of respondents were satisfied with public health services.\textsuperscript{102} At the same time, 72 percent of Singaporeans say they “cannot afford to get sick these days due to high medical costs.”\textsuperscript{103} Despite the many successes of the healthcare system, lack of affordability, especially for the elderly, was among voters’ loudest complaints in 2011 elections. Many of the recent expansions in coverage are in direct response to those complaints.\textsuperscript{104}

Retirement pensions: Singaporeans accumulate retirement savings within their CPFs. Starting in the late 1970s, individuals could choose to invest their CPFs in properties, shared trustee shares, unit trusts, mutual funds, or gold. When their CPFs outperformed a fixed interest rate, Singaporeans could withdraw the surplus from the funds for their own use. The government put safeguards in place to prevent high levels of loss.\textsuperscript{105} Because one of the greatest challenges for CPF policy has been to sufficiently prepare Singaporeans for their retirement and health care costs, in 2002 the government initiated the Workfare Income Supplement Scheme (WIS), which

\begin{footnotes}
\end{footnotes}
supplements the wages of older low-income workers, in order to provide assistance while incentivizing continued employment.\textsuperscript{106}

The CPF has proved to be a financially stable system of providing social benefits. This is a notable achievement because many developed countries are strained by increasing health care costs and pension obligations. As mentioned previously, Singapore’s labor force has proved able to compete with global labor markets, and its human development indicators show that health, education, and economic outcomes are among the highest internationally. Current policy concerns center around demographic changes: adjusting the housing market to meet the needs of an ageing population, while protecting housing value, which serves as many Singaporeans’ primary asset at retirement;\textsuperscript{107} providing sufficient health care for the elderly,\textsuperscript{108} and re-evaluating the best role for government in the redistribution of wealth and the provision of social safety nets.\textsuperscript{109}

\section*{Infrastructure Services}

The government understood that high-quality urban and transport infrastructure, such as the airport, port, roads, housing, water, electricity, communications infrastructure, and industrial parks, were essential to supporting a competitive market environment. The government’s “lavish spending” on these forms of infrastructure made the country more attractive to foreign investors.\textsuperscript{110} Smart infrastructure planning and regulation has also maintained the livability of Singapore’s highly dense urban environment. Sustainable urban planning has been and remains central to policy. The administration awards funding and coordinates competitions between private organizations and individuals in order to promote excellence in urban design.\textsuperscript{111}

The new Singaporean government’s initial response to its people’s overcrowded and unsanitary living conditions was swift, comprehensive, and highly centralized. In 1960, Singapore’s semi-autonomous government (under the British) created the Housing and Development Board (HDB), which replaced its colonial predecessor, the Singapore Improvement Trust. The HDB built 54,000 subsidized, high-rise apartments by 1965. By 1970, in its own words, the government “had the housing problem licked.”112 The government invested the HDB with sufficient funding and authority to acquire land, construction materials, and remunerating workers for designing, building and maintaining the new flats.113

The government’s ambitious program enabled Singaporeans to own their homes. This program elevated the living conditions of the poor and increased citizens’ sense of ownership over their country’s future by providing them with permanent assets to protect and defend. This in turn supported social solidarity and political stability.114 The plan also provided the administration with the opportunity to refashion neighborhoods with thoughtful urban planning policies that relieved congestion and otherwise enhanced the sustainability of the urban environment.115 The government compensated relocated citizens at set rates and awarded a “disturbance allowance” equivalent to one month’s salary.116

In 1989, the government established limits on the percentage minority composition of neighborhoods in order to maintain racial mixing. Although initial resettlement locations were determined by lottery, families tended to segregate themselves as they moved into subsequent apartments. The administration considered that losses in the efficiency of the housing market were compensated by social gains – or minimizing of tensions - brought by increased association between ethnic groups.117

---


The government adopted a customarily holistic approach, integrating planning for transport, recreational services, landscaping, and other community-building features into housing developments. Apartment designs emphasized optimizing space, managing costs, and easing quick construction on a large scale. Public housing became the affordable, hygienic option, and was mandatory for some: residents of many areas were compulsorily relocated to their new homes. As of 2012, over 80 percent of Singaporean citizens lived in public housing, and over 90 percent of residents owned their own home. The HDB 2008 Sample Household Survey found 96 percent respondents were satisfied with their housing and 95 percent satisfied with their neighborhoods. Housing developments now include commercial, transportation, sports, recreational and leisure, educational, medical, financial, and community facilities.\textsuperscript{118}

Since 1968, citizens are allowed to apply a portion of their CPF savings to the purchase of HDB flats. The HDB also offers concessionary rate loans for some buyers. Residents wishing to buy or sell an apartment must apply according to criteria related to their citizenship, age, marital status, family composition, income, number of HDB flats owned previously, duration of stay at a previous HDB flat, and other characteristics. For example, a recently divorced couple may only own one flat that is subsidized by HDB or paid for out of either individual’s CPF for three years following the date of divorce. The HDB evaluates applications based on these criteria, as well as considerations related to neighborhood composition.\textsuperscript{119} The Public Rental Scheme offers flats to low-income citizens at special rates, within a series of constraints. This assistance is considered last-resort and is not available to individuals whose children are deemed able to provide accommodation for their low-income parents.\textsuperscript{120} The housing program today is challenged to


\textsuperscript{120}Housing and Development Board. Eligibility Conditions for Renting a Flat. \url{http://www.hdb.gov.sg/fi10/fi10323p.nsf/w/RentDirectHDBEligibility?OpenDocument}
continue offering sufficient and affordable housing in the face of limited space and rising costs.\textsuperscript{121}

One of the programs that Lee Kuan Yew considered as the most cost effective of his administration’s endeavors was a long-term program initiated shortly after independence to create a greener and cleaner cityscape. The administration created an anti-pollution unit, embarked on an anti-litter campaign, planted trees extensively, and created a department within the Ministry of Natural Resources whose sole responsibility was to care for trees planted. Environmental lessons were incorporated into the school curriculum, with the intention that children would learn to care for their surroundings and would transfer concern for the living environment to their parents. The administration brought in soil experts, who advised fertilizing and adding lime to the soil, which then supported more verdant urban landscapes and sports fields. The government also consulted with international botanists, who recommended alien plant varieties that might transfer well to the Singaporean environment. They banned the common practice of grazing cattle on urban greens, sending the cattle of their offending owners to the slaughterhouse. They enforced noise restrictions, banned firecrackers (an enormously popular tradition that was considered unsafe and disruptive in the new urban environment), and bought sand from Indonesia to lay a beach. The administration even banned chewing gum, in order to avoid its disposal in unsightly locations, such as along sidewalks or under park benches.\textsuperscript{122} It implemented a series of “etiquette campaigns” that taught Confucian values, self-discipline, and courteous behavior. Little appeared to be beyond the administration’s notice: it publicized violations in order to shame the perpetrators; for example, by featuring those caught for littering on the evening news.\textsuperscript{123} These policies may have met their intended goals, but have drawn considerable criticism from the global media.

These greening policies, together with policies improving other aspects of living standards, careful urban planning policies, and campaigns to improve both the professional standards of the services industry and citizens’ politeness towards one another, achieved intangible but significant improvements in several important areas, promoting foreign investment, tourism,

\textsuperscript{123} ISE interview with Ng Pock Too, former Political Secretary of Lee Kuan Yew, 2009.
environmental sustainability, and citizen morale. They contributed to the attraction and retention of world-class talent and enabled the dense and creative networking characteristic of a ‘learning economy,’ spurring entrepreneurship, innovation, and organizational efficiency. Urban livability and cultural and recreational amenities are among the many qualities considered to contribute to the realization of the benefits of agglomeration. The government continues to refine its greening policies; in 2005, the Community in Bloom program gave citizens access to community gardens. By 2009, over 300 groups were cultivating their own gardens. This policy was a successful repurposing of a 1980s initiative to involve communities in the maintenance of fruit trees, and its popularity spurred the launching of the Plant-a-Tree program and of community gardening classes.

The Singaporean government affected a rapid transformation of rural living to modern and dense high-rise apartments. Although this transition was necessary in order to accommodate the increasing population, and it served to raise living standards through provision of sewage, water, electric, and trash removal services, it was enforced at great personal cost to those with difficulty adjusting to a new way of life, who were “gently but firmly” relocated to apartments. The government shut down pig and fish farms and “unsightly” small shipyards. It forcibly relocated many other farmers and independent venders. In his memoirs, Lee Kuan Yew acknowledges that “some older farmers couldn’t adjust and felt that the government had destroyed their way of life.” Although the administration created the Preservation of Monuments Board in 1971, it also “recklessly demolished” much of the existing city center. These policies give rise to debate over the long-term impacts of governments that are relatively free of obligation to their financial supporters and who are therefore more able to bear the short-term political costs of unpopular policies. In Lee Kuan Yew’s words, “We did not take straw polls to tell us what popular

---

sentiment wanted us to do. Our task was to swing people around to support what had to be 
done so that Singapore could survive as a non-communist, noncommunal, viable society.”

Security, Law, and Order
The Singaporean government faced a number of challenges in providing for the new country’s 
defense. These included: Britain’s impending withdrawal; Indonesian terrorist attacks on 
Singaporean territory while part of the Malaysian Federation\(^{130}\); the challenge to maintain law 
and order domestically in a country with moderate crime but tense race relations, sometimes 
triggered by race riots across the border in Malaysia. After securing international recognition as 
an independent political entity, consolidating external and internal security was the highest 
government priority. Establishing law and order and defense capabilities was considered a 
necessary precondition for successful economic initiatives and for attracting foreign 
investment.\(^{131}\)

The government enlisted Israeli\(^{132}\) assistance to conduct military training and resolved tension 
between security needs and lack of funding by training large numbers of reservists while 
maintaining a small standing army. The government secretly organized the racial composition of 
the standing army so as to balance and increase buy-in from each of Singapore’s major 
etnicities. The government soon implemented universal recruitment and training of 
Singaporean men for mobilization within national service battalions. This policy expressly served 
to enhance nation-building by providing young men and their parents a personal stake in their 
Singapore’s peace and prosperity, and by creating the shared experience of an environment 
where members of different ethnic and social groups were treated equally.\(^{133}\)

In order to maintain security on the streets, the Singaporean government relied on deterrents in 
the form of stiff punishments. Lee Kuan Yew noted the effectiveness of deterrents to crime 
during the years of the Japanese occupation, and his administration effectively set and enforced

\(^{130}\) Frost, Mark, and Yu-Mei Balasingamchow. Singapore: A Biography. Editions Didier Millet Pte Ltd, 2009. See also 
\(^{132}\) The government referred to the Israelis as Mexicans in order to avoid raising the ire of the Muslim population. 
strong deterrents to crime from the earliest years of independence. These punishments are sharply criticized by some for their severity. Singapore does have one of the world's lowest crime rates, dropping to a 29-year low of 581 reported cases per 100,000 people in 2012. The country has maintained peaceful international relations, although the international security context has shifted permanently since the rise of global terrorism and Singapore’s December 2001 detention of thirteen individuals for terrorist activities. Following this incident, Singapore implemented a new accreditation process for Islamic teachers and launched a series of racial and religious tolerance and integration initiatives.

Rule of Law
From their first day in office, Lee Kuan Yew and other administration officials enforced a zero-tolerance campaign against individual corruption. In addition to enforcement, the government implemented two major anti-corruption policies: crafting electoral law and policy that maintained low-cost elections, in order to ensure that newly elected politicians would not be beholden to large donors, and offering competitive pay for public servants, in order to attract high-quality candidates and reduce the incentive to augment salaries with tips or bribes. These major initiatives were reinforced by the example of clean leadership within the PAP and the administrative reduction of opportunities for corruption, such as the reduction of licenses and certification requirements. Lee Kuan Yew repeatedly insisted that it was these provisions, rather than the frequently touted role of a free press, that helped to limit corruption. Singapore’s case highlights the role that targeted measures may have to play in limiting individual corruption, but one that arguably does not act as a check to the power of the government over political opposition, private enterprise, and civil society as a whole.

Although the PAP achieved unique success in eliminating the abuse of public power for private gain, the government implemented policies that strictly limited political competition, such as the prevention of some opposition groups’ right to rally and to distribute information, the

imprisonment and deportation of some political opposition leaders without trial, the dismissal of public servants believed to support the opposition, and the implementation of institutionalized vote-buying schemes, such as prioritizing public housing upgrades according to a constituency’s percentage of the vote in favor of the ruling party. The government also enacted policies that took full advantage of its heavy dominance over domestic interest groups, such as the passage of a law allowing government acquisition of land for public use at its value on a previous, fixed date. Lee Kuan Yew explains that he “saw no reason why private landowners should profit from an increase in land value brought about by economic development and infrastructure paid for with public funds.”

The PAP has achieved a very clean government in relative terms, with the perceived fifth least-corrupt government in the world in 2013. Government limitations on freedom of speech have been criticized, however, and the government’s recent move to more strictly regulate websites publishing articles about Singaporean affairs shows its persistence in this area. All domestic newspaper companies are required to offer “management shares,” which carry disproportional voting power in editorial matters, to individuals and corporations that have been pre-approved by the government. Singapore, as a result of such policies, is sometimes presented as an example of high growth attainment without good democratic governance.

The Singaporean judiciary, which was often considered the weakest branch of government, faced problems of efficiency and access as recently as the early 1990s. At that time, increased burdens on the judicial system brought on by Singapore’s growing prominence as a global

business and financial hub made judicial reform more urgent. The government appointed a new chief justice who had prior management experience in both the public and private sectors. The judiciary underwent a series of administrative reforms to make more efficient use of judges’ time. It created and implemented a plan to address problems in the judiciary by improving communication and coordination, streamlining strategies and priorities, modernizing equipment and practices, enforcing greater discipline in courtroom procedures, simplifying work methods, relaxing courtroom decorum, and aligning incentives to promote greater productivity. The judiciary also publicized its progress towards goals, improving relations with the public and instilling greater pride among professionals within the judiciary. These efforts have helped raise the Singaporean judiciary to favorable comparison with the world’s more effective and efficient judiciaries.145

The PAP’s primacy enabled many policies to go through that might have otherwise met with opposition from political parties, union leaders, members of the press, or other special interest groups, had these groups been able to thrive. Examples include policies such as the high obligatory wage deductions for the Central Provident Fund (CPF), or the large-scale relocation of rural families to high-rise apartments, which had positive long-term effects. These may have been much more costly politically to enact for a weaker – or more democratically accountable - government. Singapore inevitably therefore stimulates debate over the trade-offs between political expediency and long-term societal benefit, and the potential trade-offs between economic and social well-being and political empowerment.

Resource Management (Agriculture, Energy, Mining, Water, Licenses, and Tenders)
Singapore has few natural resources. Water supply for the population is extremely limited, as Singapore has no aquifers and limited land for collecting rainfall. Singapore’s early water policies were made urgent by its strategically undesirable dependency on Malaysia for water imports. Although Singapore’s right to water resources was included in the countries’ separation agreement, given the initial hostility between the two nations’ relations, such a vulnerable

https://openknowledge.worldbank.org/bitstream/handle/10986/6629/387790SG0Judic101OFFICIAL0USE0ONLY1.pdf?sequence=1
position was considered untenable. Even with those Malaysian water imports, Singapore had been forced to ration water during a 1961-62 drought. The city was also prone to flooding in times of heavy rainfall. In 1971, the administration created a Water Planning Unit that reported directly to the Prime Minister’s Office. This Unit produced the Water Master Plan of 1972, which proposed exploring increased catchment, desalination, and water recycling in order to increase water supply. This plan adopted strategies for the very long-term, even if they were not immediately feasible.146

At independence, Singapore’s water catchment capacity consisted of eleven percent of the country’s surface area; three reservoirs stored the run-off rain water from these areas. Several major river systems were heavily polluted. Rural communities and some overcrowded urban communities did not receive piped water. From that inauspicious starting point, Singapore’s achievement has been supplying a significant portion of water consumption needs domestically. Furthermore, its policies are designed to promote long-term environmental sustainability, which administrators quickly grasped as a crucial to sustainable economic development. Although financial limitations prevented the government from completing major water projects in the earliest years after independence, the administration did approve strict regulations against water, air, and land pollution—regulations that, according to current conventional wisdom, might be considered unattractive to foreign investment and industrialization. Significantly, these did not prevent Singapore from attracting investment.147

The PUB (formally the Public Utilities Board, founded in 1963) was designated Singapore’s national water agency in 2001, and moved from the Ministry of Trade and Industry to its new home in the Ministry of Environment, which was in turn redesigned the Ministry of Environment and Water Resources (MEWR) in 2004.148 The PUB sources Singapore’s water supply in four ways: local catchment, imported water, NEWater, and desalinated water. The water catchment system now collects rain run-off water from an already impressive two-thirds of Singapore’s land surface, and long-term improvements are underway that will expand the collection area to ninety

percent. This places Singapore at the forefront of urban storm water catchment programs globally. Singapore imports water from Malaysia under an agreement lasting until 2061. Singapore also runs four NEWater plants, which employ high-tech processes to purify recycled water, thereby meeting roughly thirty percent of water demand. The administration plans to expand this process to satisfy a targeted 55 percent of estimated water demand by 2060. Singapore’s two seawater desalination reverse-osmosis plants have recently expanded capacity to meet 25 percent of water demand; desalination will be expanded further in order to continue to meet 25 percent of demand as the population grows in the long term. The country operates seventeen reservoirs to store water, many of which are rivers damned near the mouth. Construction is underway of an underground used water “superhighway” sewer that will transport water more efficiently to processing plants.¹⁴⁹

In recent years, PUB has worked to decrease its costs of operation and to develop its community education and involvement initiatives.¹⁵⁰ In addition to managing the water supply, PUB manages public water recreation areas, as well as public education and community involvement campaigns related to water conservation. PUB regulations mandate the use of water-efficient technologies and levy fines for water wastage, as well as a water tax in order to depress demand. PUB also funds R&D in the water sector, with the goal of turning Singapore into a global hydrohub of water technology innovation.¹⁵¹

Disaster Readiness and Response

Singapore is sheltered by location from many natural disasters, including earthquakes, typhoons, and tsunamis.¹⁵² The extensive water catchment system minimizes flooding damage associated with heavy rains, although flash floods do occasionally occur.¹⁵³ Singapore’s disaster response policy primarily concerns disaster risks associated with industrial handling of

---

dangerous substances and with dense urban environments, such as infectious disease outbreaks.\textsuperscript{154}

In March 2003, the Severe Acute Respiratory Syndrome (SARS) outbreak reached Singapore via infected international travelers. At that time, Singapore’s public health system was poorly equipped to contain the transmission of the disease, whose contagious mechanism was not fully understood. The Ministry of Health created a SARS task force and mandated obligatory home quarantine for those infected with the virus. Within five weeks, the task force was replaced by a new institution composed of three bodies: the Inter-Ministerial Committee, which was the major strategizing, decision-making, and coordinating body, the Core Executive Group, which ensured sufficient resources were directed as they were needed, and Inter-Ministry SARS Operations Committee, which implemented new health control measures and liaised with public and private health providers. All SARS patients were transported to and treated by a single designated health facility. This response was unique among countries affected by SARS, and was made possible by close coordination between government agencies, public and private health providers, the SARS-designated hospital, and the public – although clearly Singapore’s compact territory and population density enabled an approach not all other nations could have adopted. The government staged an extensive public education campaign and diverted non-SARS patients at the SARS-designated hospital to alternative treatment facilities. The containment response was successful, aided by the fact that SARS became contagious only after the onset of symptoms. A total of 238 cases were reported in Singapore.\textsuperscript{155}

Following the SARS outbreak, the government modified and made permanent its public health crisis response institutional architecture. The new institution, called the Home-front Crisis Management System (HCMS), consisted of the Home-front Crisis Ministerial Committee, which took the place of the Inter-Ministerial Committee, and the Home-front Crisis Executive Group, which adopted the functions of the Core Executive Group and the Inter-Ministry SARS Operations Committee. This simplified structure enabled a faster public health response to the 2009 H1N1 influenza epidemic. This epidemic was notably different from SARS in that

\textsuperscript{154} Asian Disaster Risk Center. Information on Disaster Risk Reduction of the Member Countries: Singapore. \url{http://www.adrc.asia/nationinformation.php?NationCode=702&Lang=en&NationNum=07}
asymptomatic patients were contagious. Thus, an approach based on isolating affected patients was insufficient; minimizing the risk of infection among all Singaporean residents was required. The government launched surveillance of newly diagnosed cases and adopted the controversial measure of mandating the quarantine of over twelve thousand individuals who had come into close contact with infected individuals. Newly passed legislation offered some economic assistance to individuals and businesses affected by quarantine. The Ministry of Health also implemented containment measures, such as the strict limitation of transfers between hospitals, healthcare worker movement within hospitals, and visitors to hospital patients. A vigorous public education campaign prescribed extensive personal hygiene and sanitary practices. These policies contained the epidemic at the low fatality rate of 1.3 percent, albeit at considerable expense to those quarantined. 156

Public Finance: National Accountability Systems
Singapore’s public finance system consists of the budget sector, government investment agencies, Central Provident Fund, and additional special funds operating outside the budget. CPF savings generate surpluses, which the administration invests in government securities, resulting in Singapore’s unusual freedom from international debt while servicing relatively high levels of domestic debt. The Ministry of Finance operates Singapore’s two principal government investment agencies, but it does not release investment and returns data, justifying this policy by pointing to the risk of speculation in these markets and sensitivity of information regarding CPF interest payments. Constitutional limitations protect CPF funds from investment in high-risk speculative markets; additional limitations prevent each government from spending previous governments’ surpluses. 157

Singapore’s unusually high savings rate results in a unique advantage for the country’s budget process, which strives to maintain fiscal discipline despite abundant domestic borrowing opportunities. For some time, this was accomplished by designating taxes and fees as revenue, but not investment income. This maintained budgetary discipline, but resulted in underreporting of government surpluses. Starting in 2000, the government began incorporating up to half of

investment income into the budget, but it still does not release information on the percentages of overall income utilized year by year. One cannot therefore describe Singapore's fiscal situation with great precision. The budget process operates according to a top-down approach, where ministries are granted blocks of funding and given authority to develop their own budgets. Singaporean ministries often underspend their ministerial-level allocations. However, each ministry operates under centrally imposed human resource limitations.\textsuperscript{158}

In order to maintain discipline in monetary policy, and to avoid the depreciation of Singaporean dollars against international currencies, Singapore does not grant its equivalent of a central bank, the Monetary Authority of Singapore, fiscal authority to create money. Instead, the Monetary Authority of Singapore only issues local currency whose value is backed by holdings in foreign exchange.\textsuperscript{159}

**Citizen Engagement and Participation**

The Singaporean government actively solicits and encourages citizen participation within the framework of its institutionalized consultation and cooperative processes. Outside of this framework, civil society is weak, although this may be changing in the face of increasing demand. Government activation of civil society networks began during the years Singapore formed part of the Federation of Malaysia, when the federal government created goodwill committees to build social cohesion following race riots. The newly independent Singaporean government identified the more active members of these committees and tapped them to form community center management committees, which organized educational, vocational, recreational, sports, and other community-building events, and citizens’ consultative committees (CCCs), which brought proposals for local community development projects to their representative Members of Parliament (MPs). With approval, CCCs received funding to implement these projects themselves. CCCs also raised independent funding for social services for needy local residents.\textsuperscript{160} CCCs served as a forum to inform the public of government policies, and they became one of the central settings for the government’s many public


education and outreach campaigns. The administration built over one hundred community centers and equipped them with ping pong tables, badminton and basketball courts, radios, and televisions, and community members flocked to the centers to socialize and take evening classes. The leaders of community centers, if not politically active previously, were taught PAP ideology, and functioned as the community’s “marriage counsellor, letter-writer, arbitrator of neighborhood quarrels, legal adviser, translator of official missives, odd-job man, teacher, job-placement officer, projectionist, sports coach, youth leader and all-around problem-solver.”

Thus, early civil society in Singapore was supported by and linked directly to the government. This arrangement has worked in part because of Singapore’s small size; national MPs remain extremely active in their localities.

In the late 1970s, Residential Committees were formed and gained importance, as low and mid-level civil servants were expected to participate and take leadership roles in local community building and problem solving. Although civil servants are officially neutral, the vast majority express unreserved admiration for the government. This high degree of intervention and organization is characteristic of the PAP and has buoyed its success. In Lee Kuan Yew’s words, “opposition leaders on walkabouts go through well-tended PAP ground.” The phenomenon is characterized by the blurring of boundaries between the spheres of government, ruling party, and civil society – one that recurs in any analysis of Singapore.

Through CCCs, community centers, and residential committees, the government has sought to manage citizens’ contributions in ways that show the government’s openness to citizens’ voices, that allow the administration to incorporate feedback when desired, and that provide an outlet for citizen efforts to better their lives and communities. The government emphasizes the virtue of apolitical “civic society,” which refers to the fulfillment of one’s civic duty, rather than the more conventional “civil society,” where individuals and organizations may adopt political stances that

---

are in some cases in opposition to government policy. The 1967 Societies Act regulates the ability of organizations to perform such basic functions as legal registration, gathering and meeting, fund raising, using emblems or symbols, appointing officers, distributing information or performing advocacy. Under the Societies Act, the Registrar may not register an organization that “is likely to be used for unlawful purposes or for purposes prejudicial to public peace, welfare or good order in Singapore,” or any organization whose registration is deemed “contrary to the national interest.” Organizations whose work relates to politically sensitive subjects which have been taken to include ethnicity, religion, language, gender, sexual orientation, or civil, human, or environmental rights are often denied legal registration and members of these organizations face fines and prison if they continue to associate illegally. Uncooperative labor and student groups were disbanded, and the government implemented a process of political screening for students prior to admission to universities. These policies, together with limitations on press freedoms, have contributed to widespread disillusionment in citizen consultative processes and increasing demand for meaningful dialogue and public participation. The PAP won 60.1 percent of the popular vote in 2011 elections, representing a sharp decline in public approval and reflecting public “dissatisfaction with rising inequality, in-migration, and the mode of government.”

---

166 Societies Act, 4.2(b) 
http://statutes.agc.gov.sg/aol/search/display/view.w3p;page=0;query=DocId%3A%22d6e38654-0cee-4c7e-bfde-18b1bad5bf8%22%20Status%3Ainforce%20Depth%3A0;rec=0
167 Societies Act, 4.2(d) 
http://statutes.agc.gov.sg/aol/search/display/view.w3p;page=0;query=DocId%3A%22d6e38654-0cee-4c7e-bfde-18b1bad5bf8%22%20Status%3Ainforce%20Depth%3A0;rec=0
continues to change, with popular pressure mounting for greater political pluralism through electoral reform and greater openness to civil society participation. Singapore’s recent national dialogue, “Our Singapore Conversation” is one example of a measure taken to address these issues.

Sequencing

Singapore’s technically competent administration allowed Lee Kuan Yew to focus single-mindedly on achieving national agendas. He was able to pursue these over the very long term, which meant that he was able to see the individual priorities he was promoting right through to completion.

This strategy is difficult to replicate: it requires a combination of the vision of a securely established long-term leader who benefits from an efficient administration and a trusting population. Throughout his tenure, Lee touted Singapore’s productivity as a major strength, for example instituting a national productivity month in 1980. He pushed efficiency and economic strength both as ends in and of themselves but also as means to achieve social and international progress. Consequently, many of Lee’s publications and orations focused on short-term goals that factored into longer-term strategies. Lee outlined priorities of “health . . . after national security, job creation, housing, and education, in that order” While these broad agendas, such as housing, may appear nebulous, involving multiple functions of statehood, individual goals often centered around a discrete, concrete factor.

This section uses archives of Lee Kuan Yew’s speeches, interviews, and writings as well as budgets and policy proposals to compile a database of individual and long-term priorities and strategies actively pushed by the Singaporean government during development. As Lee often

speaks in terms of “five or ten years”\textsuperscript{178} or even entire decades,\textsuperscript{179} long-term goals are discussed here in approximately five-year intervals. Subsequently, various functions of statehood used to accomplish these goals are enumerated. The ten functions of statehood explored are:

- Rule of Law
- Public Administration
- Public Finance
- Markets
- Infrastructure
- Assets
- Disaster Preparedness
- Human Capital
- Citizenship
- Security

**1960-65: International and Internal Recognition**

Initially, Singapore’s focus was on cultivating a sense of national identity that could be conveyed to the world as a means to securing independence. In proving that it could function as a state, Singapore’s focus was on fundamental governance principles such as rule of law, citizenship, and public administration.\textsuperscript{180}

Rule of Law was a priority for Lee Kuan Yew from before Singapore’s independence. At a seminar on “The Concept of Democracy,” Lee emphasized that Malaysia’s success hinged on “the consent, the judgment of Malay leadership. Leadership on the part of communities alone [was] not good enough.” He promoted a strong central government actively cultivating a single national identity, and advocated for the displacement of Malay officials who sought to “maintain their dominance” rather than a state. To Lee, the government's job in a democratic society is to


“mobilize opinion,” and “a nation gets what it deserves” – it is for the state to show its citizens what they deserve, and in turn to guide them toward it.\textsuperscript{181}

Citizenship, and the responsibilities inherent to citizenship, became a primary concern. Speaking to Malaysia’s Joint Chamber of Commerce in 1962, Lee Kuan Yew explored various methods used by governments to spur industry. Rather than promoting an economic agenda, he emphasized the importance of “maintaining the harmony that now exists” within Malaysia and “allowing our various communities to make their best contribution to the future of our nation.”\textsuperscript{182}

Business was initially not a function of a market or financial sector; rather it was a combined effort by citizens to accept the work they were given and contribute to the state.

Public Administration and the establishment of a functional government was naturally a priority as Singapore gained its independence. This period saw the writing of the National Proclamation,\textsuperscript{183} the Constitution of Singapore taking effect,\textsuperscript{184} and the institution of Lee Kuan Yew as the head of an independent state rather than a piece of a larger entity. As well as domestic establishment processes, this time also saw Lee Kuan Yew attempting to influence the administration of western states. In discussing the communist threat from China, Lee appealed to the British and their allies for support, emphasizing Malaysia’s role as a buffer separating China from India and arguing that any communist threat was not internal to Singapore but instead sprung from hostile neighbors.\textsuperscript{185} In promoting a global agenda involving the protection and support of Singapore, Lee used international policy to drive acceptance of his state as a valuable independent entity worthy of wider recognition.

\textsuperscript{181} Lee Kuan Yew. Speech at the Political Study Centre. Speech, The Political Study Centre, 16 August 1964. Singapore Archives. \url{http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19640816.pdf}

\textsuperscript{182} Lee Kuan Yew. Speech to Joint Chambers of Commerce. Speech, Cathay Restaurant, 13 June 1962. Singapore Archives. \url{http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19620613.pdf}

\textsuperscript{183} Proclamation of Singapore. 9 August 1965. Singapore Archives. \url{http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19650809a.pdf}


\textsuperscript{185} Lee Kuan Yew. Speech by the Prime Minister of Singapore. Speech, the Royal Society of International Affairs, London, May 1962. Singapore Archives. \url{http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19620500.pdf}
1966-70: Employment and the Economy

After independence, Singapore sought to become a fully developed country. It built its industry aggressively by strengthening human capital systems, building a public financial sector, and seeking to consolidate its citizens in looking toward a national goal of progress.\textsuperscript{186}

Human Capital, with the implied acknowledgement that Singapore’s primary asset was its workforce, was the priority as Singapore sought to strengthen its industrial sector. The first national Junior College was opened, and several more followed. These schools, which were meant to provide a transition between secondary institutions and universities, facilitated the expansion of scholarship programs and were geared toward intense language training. As they opened, the state also poured funding into Polytechnic schools and student housing. The focus was on creating citizens equipped for a “productive and worthwhile career.”\textsuperscript{187}

Public Finance was important because it primarily the government drove industrial development. Lee Kuan Yew pushed for the emergence of “higher technology” markets, which could be supported due to investments in human capital. The effort to establish competitive, high-quality systems was deliberate and explicit: to the first Junior College, Lee said “…you have staked your claim to be the National Junior College. When the other junior colleges open, they will contest your pre-eminence.”\textsuperscript{188} Later, he questioned not the ability of Singapore’s children to develop skills, but rather their “drive to keep well out in front fighting against complacency…” The government pushed the emergence of the state’s industries and challenged citizens to “strive” toward becoming “a fully developed nation.”\textsuperscript{189}

In Lee’s conception, a correlative of citizenship was the establishment of an employed population. Lee repeatedly emphasized during this period that “people get the government they deserve.” He reminded Singaporeans that “people who believe that there is an easy way to prosperity and happiness, with little work and no effort, will find themselves in serious trouble.” His earlier assertions that citizenship was a commitment by the people to work for the good of

their nation remained consistent, but also came to incorporate the notion of progress. Supporting the economy would mean better homes and better lives for citizens and their children, and hard work would lead to the creation of more skilled industries that could pay higher wages. Incorporating this concept of progress, moving beyond simple support mechanisms towards an interdependent set of obligations, promoted citizenship as both a partnership and an investment.

1971-75: Security

During the early 1970s, Singapore sought to establish itself as a nation that could not be easily conquered. Lee Kuan Yew’s conception of military strength was defined by ability to protect borders and society rather than the ability to intervene elsewhere. A firm, competent security force was developed; the ability to detain Malayan nationalists and exert rigid control over Singaporean citizens mandated a sense of national identity and compliance.

Human Capital, through the training of independent and capable forces, was integral to promoting security. Lee Kuan Yew stated that “by the middle '70s” he hoped to have “enough men trained to dissuade anyone from believing that capturing Singapore was a walkover.” In 1975, he confirmed that he liked to think that the effort had not failed in what it set out to achieve.  

Infrastructure was in development through this period: a wave of improvements swept through the country, and reconstruction in a more comfortable, modern style became common. In 1970, speaking about National Servicemen, for example, Lee spoke at length about Singapore’s progress and ways in which “old buildings are giving way to new ones, old roads are broadened and new flyovers built.” The development of infrastructure was not specifically addressed as a factor itself; rather it allowed Lee to remind citizens, “We have something worth defending.” Through the speech, the priority of infrastructure development was explained in the larger context of security.

---


Public Finance was also crucial to security. Lee established that he sought to avoid “lots of bright able men feeling frustrated” in ways that could lead to insurgencies. He acknowledged that, while some dissidents were politically motivated, many were driven to rebellion by financial need, and he explained that productivity and personal growth for citizens would create stability.\(^{193}\) He also promoted an “expanding economy which can pay for our enhanced security.”\(^{194}\)

### 1976-80: Housing

Housing became a national priority as the government sought to continue standard of living improvements even in the face of economic slowdown. Though the government aimed to limit disruption in the city, the new programs involved knocking down buildings and sometimes relocating citizens. State strategy was geared to preserving community identity while advocating better conditions. In this way, citizens were reminded that despite short-term inconveniences they would benefit in the longer term.\(^{195}\) Infrastructure repairs spread across the city, and public housing improved dramatically.

Public administration took center stage when Lee Kuan Yew called an election well before the end of his party’s mandate. Citing ongoing programs, notably housing, Lee warned that economic recovery in the west was slow and that Singapore should hold an election “before running into rough weather.” This longsighted strategy in securing power allowed the ruling PAP to plan a governance strategy that would keep one singular agenda advancing through any potential financial crises.\(^{196}\)

Markets and their explicit expansion became a focus in response to an international financial breakdown. Singapore looked to its unions and internal business leadership for support and cooperation in advancing “corrective measures, however unpleasant.” Lee reminded citizens of economic hardships in the 1960s and the emotion of collective responsibility among citizens to

---

\(^{193}\) Lee Kuan Yew. Interview. 15 April, 1975. Singapore Archives. 

\(^{194}\) Lee Kuan Yew. New Year Message. Speech, 1972, Singapore Archives. 


bolster national industry. He called for “systematic application and high standards of competence” to drive productivity.\textsuperscript{197}

1981-85: Markets

As the Cold War reached a peak of intensity and global trade fell, Singapore suffered economically. Speaking at the opening of 1983, Lee Kuan Yew hoped, “If we continue to work hard and increase productivity, we can still make some growth in 1983, provided that there is no major upset in the world.”\textsuperscript{198} In these unstable conditions, Singapore sought to regain the path of rapid progress it had seen in the 1970s through promotion of security and preparation for disasters, human capital development, and leverage of assets.

Security and disaster preparedness were prioritized through this period in part because to Lee Kuan Yew financial vulnerability signaled defense vulnerability. He made it clear that the Cold War could impact not only security, but also financial stability. Beginning a New Year’s Address, Lee warned that “1982 [was] fraught with danger.”\textsuperscript{199} This relationship between peace and economic stability led to a push toward fair trade and open markets as Singapore strengthened its ties to western countries.\textsuperscript{200}

Human Capital development was focused on securing outside businesses. Lee cited Japanese cultural biases toward steady work and productivity and the “American chipmakers like IBM, Texas instruments, and Intel” that had moved their manufacturing facilities to Japan as a result. His focus in human capital was Singaporeans “[developing] the interpersonal skills and cultural attributes of the Japanese managers.”\textsuperscript{201} This shift marked a move away from training and toward the implementation of cultural norms.

Asset management became a priority as Singapore sought to consolidate the progress it was making. Given its small area and urban landscape, the state turned to assets in people and

trade rather than to natural resources. By opening markets and establishing stronger trade ties to western countries like the United States, Singapore gained a better foothold in the shipping trade. The technically skilled population and industrialized infrastructure helped recruit businesses to Singapore and increase exports. Lee saw assets not as gains to be harvested, but rather as advertisements for investments in the state.

1986-90: Education and Health

Emphasis during this period was placed on social well-being as a means toward promoting both national goodwill and progress. Speeches during this time see mentions of happiness and prosperity as readily achievable goals, and as the economy slowly recovered the national priority became citizens.

Human Capital shifted again, moving toward individual development toward the active building of a culture of excellence. Lee maintained that both individuals, such as a Japanese cook, or industries, such as Japanese salesmen and managers, can be excellent. He also emphasized the idea that excellence and average abilities must be in harmony, that “there must be both competition and competition between people in the same society” for prosperity to be achieved. Output training and manufacturing were emphasized in order to raise national standards and recruit business. A National Health Fair was instituted in 1989. Singapore educated its people to create a culture that valued excellence, rather than seeing it as “taboo, bourgeois, and abstract.”

Markets and their development remained a priority even as the economy began to recover. In opening Productivity Month in 1986, Lee Kuan Yew spoke on the importance of individual well-being to progress, and the necessity of promoting the advancement of individuals in order to continue seeking economic prosperity. He also emphasized the converse; namely that progress

---

could help improve citizens by providing them with better support. Lee advocated for worker-management-government cooperation in order to achieve growth and prosperity.\footnote{Lee Kuan Yew. Opening of Productivity Month. Speech, Singapore Conference Hall, 31 October 1986. Singapore Archives. \url{http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19861031a.pdf}}

Public Finance also was seen as driving prosperity. The government took responsibility for creating economic recovery: it “diagnosed…economic problems” and “decided on cost-cutting and wage restraint to attract new investments, and to create a favorable climate for a total business center.” While the private sector was given a strong role, the burden of strategy fell to Lee’s administration, and they were clear about articulating goals and benchmarks for growth.\footnote{Lee Kuan Yew. New Year Message. Speech, 1987. Singapore Archives. \url{http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19870101.pdf}} This strategy was presented as the fastest way to achieve statewide prosperity.

1991-95: Infrastructure

The development of the city saw much attention in the early 1990s, as standards of living increased and the economy stabilized. Projects were implemented to create more pleasant, livable spaces within the city, and larger plans were proposed to create regional infrastructure to promote economic growth.

Infrastructure was widely refurbished, and city beautification projects were undertaken. A new national orchid garden was launched, and a growing political emphasis was placed on innovations in cultivating green space and the “entrepreneurial spirit” that could lead to parks attracting “Singaporeans and tourists alike.” The botanic gardens were expanded, and Singapore was touted as having world-class facilities for horticulture.\footnote{Lee Kuan Yew. Launch of the National Orchid Garden. Speech, Singapore Botanic Gardens, 20 October 1995. Singapore Archives. \url{http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19951020.pdf}} Additionally, housing facilities and institutions were expanded. Community center management groups grew,\footnote{Lee Kuan Yew. 75th Anniversary Dinner of Chin Kang Huay Kuan. Speech, World Trade Centre, 15 December 1993. Singapore Archives. \url{http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19951020.pdf}} and it became necessary to create dorms at secondary schools.\footnote{Lee Kuan Yew. Foundation Stone Laying Ceremony. Speech, Raffles Institution Boarding Complex, 25 March 1994. Singapore Archives. \url{http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19951020.pdf}}
Human Capital saw direct growth through education funding during this period. As Singapore’s economy developed “a second wing, with more businesses in the region,” schools grew and became boarding schools.\(^{212}\) Lee predicted growth for East Asia and called for an increase in reliance on academics to prevent stagnation. He said, “The key to our success in the next lap is a better educated and trained people.” English became a priority, as did sending students to polytechnic universities.\(^{213}\) Economic growth, Lee advocated, hinged on a sophisticated population.

Public Administration also drew attention. As Singapore dealt with an American recession, it shifted focus toward strengthening bonds with ASEAN neighbors to help “through tourism and trade”\(^{214}\) which again drove infrastructure improvements. It also focused on China’s growth, speculating on how the state could become a primary player not just through Asia, but also globally. Cooperative investment and energy plans linking Southeast Asia to China were proposed so as to minimize labor costs, use existent technologies, and maximize resource supplies.\(^{215}\) Public Administration turned not to the domain of the government but rather to its interactions with other governments in a more cooperative way than had been previously seen.

1996-2000: International Trade

As globalization intensified, Singapore began looking to the future and anticipating how it could sustain growth even as a fully developed country. A combination of private sector, educational, and public tactics were proposed and implemented.

Markets were growing, but as Singapore markets matured, some feared Singapore would stagnate. A renewed push to strengthen international markets comprised both trade increases and support of Singapore’s industries. The ship repair industry, for instance, was promoted as a


consistently strong piece of the economy as well as a facilitator of international trade.\textsuperscript{216} Technology was also pushed to develop so that Singapore could stay abreast of other nations and better promote its image abroad. While Lee took pride in the plethora of international journalists in Singapore, he condemned the sensationalism that arose from the presence of foreign press; the banning of chewing gum, for instance, attracted wholly disproportionate attention within the USA. He proposed technology as a solution to image maintenance, and consequently better diplomatic and easier financial ties to western nations.\textsuperscript{217}

Human Capital remained a focus, and schools were encouraged to be “centres of excellence – a source of pride to all those who have passed through their gates.” Merit and achievement were praised over race or religion, and polytechnic schools were promoted.\textsuperscript{218} Japan’s highly educated workforce was touted as a principal tenet of their ability to sustain growth through development, and Singapore was encouraged to pursue a similar path. Education was billed as key to an economic and social flexibility that could help Singapore remain at the fore of a rapidly changing world.\textsuperscript{219}

Public Finance was also critical, as Singapore sought to cement a position as a powerful international entity. Japan again served as an example: its “exposure to international forces, through exports, and access to Western scientific knowledge and technology…” was an economic boon.\textsuperscript{220} Singapore was seen as needing to cut costs and create leaner systems in order to facilitate employment and drive investment. Lee Kuan Yew urged the government to reform systems on a holistic basis, and exercise strength in determining policy.\textsuperscript{221}

\section*{2001-2005: Social Spending}

As Singapore settled into its role as an economic leader and the global economy improved, the singular focus on a national agenda began to diminish. The state’s focus shifted to quality of life

\begin{footnotes}
\item[216] Lee Kuan Yew. Sembawang Shipyard’s 30\textsuperscript{th} Anniversary. Speech, Shangri-La Hotel, 1 December 1998. Singapore Archives. \url{http://archivesonline.nas.sg/speeches/view-html?filename=1998120104.htm}
\item[219] Lee Kuan Yew. NTU/NUS Students. Speech, National University of Singapore, 14 March 1996. Singapore Archives. \url{http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19960314.pdf}
\item[220] Lee Kuan Yew. NTU/NUS Students. Speech, National University of Singapore, 14 March 1996. Singapore Archives. \url{http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19960314.pdf}
\item[221] Lee Kuan Yew. 75\textsuperscript{th} Birthday Celebration and Launch of Memoirs. Speech, Suntec City Ballroom, 16 September 1998. Singapore Archives. \url{http://archivesonline.nas.sg/speeches/view-html?filename=1998091702.htm}
\end{footnotes}
for its citizens, and priorities that had previously been means of furthering national progress instead became ends in themselves.

Public Administration changed during the early 2000s, and the state emphasized lean government and effective operations as a priority. In 2005, the Ministry of Finance noted that tax burdens should be low to facilitate the development of a private sector. This attitude, in alignment with global norms, was nonetheless accompanied by significant increases in social development spending. Spending within education and health sectors increased significantly during the period, because those sectors continued to be seen as key to successful industry.

Public Finance also changed as a sector: a decrease in government oversight and the promotion of a free market were discussed politically. Reflecting this attitude, funding for national development fluctuated, increasing by 70% in 2003 only to drop by 25.7% in 2004. Overall, funding toward industrial sectors, particularly information technology and communications, increased as the government sought to create an “overall environment conducive to business” and actively “foster growth.”

Disaster Preparedness and Security were linked during this period, mainly because of the increasing attention on terrorist threats. In 2002, the Budget Speech mentioned the September 11 attacks to justify why security spending had increased significantly. The emphasis was justified as a piece of promoting social stability: the Ministry of Finance grouped it with education, health, transport, and housing as a critical area. Thereafter, defense spending moved with economic conditions. In 2004, it was clarified that “Government has…for many

---


years been prepared to spend up to 6% of GDP on [defense].” As national revenues increased, so did defense budgets in proportion.228

Conclusions

In examining state functions according to the instances that a specific function was the focus of a key state policy, the following breakdown occurs:

<table>
<thead>
<tr>
<th>State Function</th>
<th>Number of Instances</th>
<th>Maximum Consecutive Policy Appearances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule of Law</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Public Administration</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Public Finance</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Markets</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Assets</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Disaster Preparedness</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Human Capital</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Citizenship</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Security</td>
<td>3</td>
<td>-</td>
</tr>
</tbody>
</table>

Functions that remained critical throughout the development process included:

- Public Administration
- Public Finance
- Markets
- Infrastructure
- Human Capital
- Security

While many of the policy focuses on state functions span decades, their emphasis has varied over time. Human Capital began as the creation of a competent workforce, shifted toward

creating an efficient and personable investment opportunity for western countries, and finally
grew into the promotion of a highly educated population as a cornerstone of a knowledge
economy.

Public Finance and Administration evolved with global economic and diplomatic trends. After the
Cold War, for instance, there was a shift toward the development of an Asian sector rather than
full reliance on western countries.

Security is a perennial concern, a baseline requirement for securing all social and economic
goals. Similarly, although infrastructure's relative importance may fluctuate, its maintenance and
advance constitutes an ongoing priority. This is especially true for a country such as Singapore
seeking to maintain and advance its global position and reflect modern trends.

Functions that were initially critical in the development process included:

- Rule of Law
- Citizenship

These factors were important to establishing a national identity and securing international
recognition. Without them, security early in the process of independence would have been
impossible to maintain. A sense of national unity, as created by the establishment of a strong
government and identifiable constituency, lays the foundations for the promotion of a national
economy, a unified infrastructure development plan, and a population seeking to educate itself.

Functions that were critical later in the development process included:

- Disaster Preparedness
- Managing Assets

It should be noted that Singapore’s assets early in the process were primarily competent,
educated people, and consequently asset management and human capital development
overlapped significantly. Later, though, as Singapore began to strengthen its export business
and encourage trade, asset management played a bigger role: the physical assets and
characteristics of the city were also harnessed.

Sequencing in Singapore is a particularly interesting process because it was completed
deliberately, in distinct stages, by a central government that delineated goals explicitly. The
preceding narrative has focused on policy and implementation and focused less on the narrative of political motivation – in practice the two tend to be closely connected and Singapore is no exception. To the extent that one can detach the sequence of policy action from its political backdrop, Singapore illustrates how the long-term focus of a single ruler enabled a coherent, step-by-step vision to take shape.

Effective Leadership and Visioning

Lee Kuan Yew considered that good leadership was the single most important factor in Singapore’s successful development. He viewed leadership as a combination of courage, determination, commitment, character, and an ability to persuade and inspire people to follow oneself. According to this view, in the areas of policymaking, management, and maintenance of the social contract, the Singaporean political leadership team was instrumental to Singapore’s transformation.

Intelligent Policymaking

An emphasis on planning, working towards long-term goals, and finding sustainable solutions characterizes Singaporean policymaking. In addition to more conventional formulation of long-term ministerial or sectoral plans, civil servants borrow from business best practices and engage in scenario-based planning. The effectiveness of this focus on long-term vision over short-term political expediency requires clear articulation of the goals and principles to guide policymaking. As discussed in the governance section of this report, the Singaporean leadership achieved great success in this regard, with internal consensus, frequent public messaging, and consistent policy crafting according to explicitly Singaporean goals and values. A focus on the long term was enabled by the combination of the resolve of top leadership, the strength of PAP dominance in the polls, and by the ability of policymakers to perceive and interpret changing trends and to conceptualize how trends and potential policy responses might interact into the

---

future. Creative and analytical skills are both required in order to holistically design and implement forward-looking policies.\textsuperscript{232}

The administration also displayed a related ability: adapting outstanding initiatives to the Singaporean context. In the early stages of development of many new initiatives, the administration sent teams abroad to study successful comparable examples, in order to learn and benefit from other governments’ experiences and achievements.\textsuperscript{233} Lee Kuan Yew estimated that as many as seventy percent of policies and programs implemented in Singapore were adapted from policies originally instigated elsewhere.\textsuperscript{234} As with the planning efforts discussed above, the successful modification of these policies depended upon the administration’s qualities of perceptiveness, creativity, and analytical strength.

Over time, the Singaporean government has strived for a dynamic ability to evaluate, learn, and adjust policies in light of feedback and results. This important capacity incorporates a number of challenges, such as processing feedback, interpreting the underlying causes of outcomes, envisioning improvements, and implementing adjustments.\textsuperscript{235}

The administration's emphasis on policy implementation is expressed through its practical, action-oriented policymaking and decision-making style. The country’s institutional architecture also reflects this: Singapore has over eighty statutory boards empowered to implement programs flexibly and efficiently. As previously noted, monitoring, evaluation, learning, and improvement are incorporated into institutional processes – maintaining focus on the execution of ongoing policies and programs. This emphasis on policy implementation has been essential to Singapore’s success.\textsuperscript{236}


When seeking to craft effective policies, the leadership team consistently prioritized pragmatism over ideology. Many policies factor in an understanding of and responsiveness to human behavior in decision making – elements that inform the academic study of behavioral economics, which emerged during this period. Policies frequently align incentives between actors and convert individual Singaporeans into stakeholders in their neighbors’ and their own country’s future. This emphasis on learning and managing human behavior, which seems to have anticipated trends and thinking, enhanced policymakers’ prospects of success.  

**Effective Management of the Governance Team**

Rather than selecting ministers based on political charisma or in order to repay political debts, Lee Kuan Yew chose those individuals he felt best qualified to perform each function. In the process he assembled a highly competent team of technocrats with strong administrative, professional, and academic backgrounds. As mentioned previously, the top leadership teams shared a close confidence, knew each other’s strengths and weaknesses, and were able to advise each other candidly. The team shared a common vision for Singapore, and an unusual longevity – the core team was in place for over twenty years following independence. The Prime Minister and his cabinet prioritized consensus building, but aimed to minimize the deliberations that can impede such processes. Through candid but respectful discussion, team members sought to compromise, in order to reach decisions efficiently on major objectives and how to achieve them.

Lee Kuan Yew allowed team members to exercise authority whilst maintaining consistency of vision throughout the team. Singapore’s small size was an enabling factor, because a simpler bureaucratic structure minimized internal divisions between regions, or between center and periphery. Ministers are allowed autonomy in the management of their ministries, and are held accountable to their governing boards and their overseeing ministers. Ministries compete for recognition for high achievement of the ministry’s goals, quality and responsiveness of service,

---


High-level civil servants were encouraged to participate in duties executed at all levels of the service, in order to set a positive example, gain respect, and learn about the workings of their agency first-hand. The administration advanced a vision of leadership based upon empowerment, trust, and enabling others to reach their full potential.

The PAP places great importance in the sustained cultivation of future leadership. Since its earliest days in government, its leadership has selected potential new party candidates from the highest achievers among professionals in law, commence, manufacturing, and trade unions. Lee Kuan Yew took special interest in improving processes to select new PAP candidates for parliament, government agencies, or cabinet positions. Recognizing the limited predictive power that prior academic and professional achievement offered in the search for the most effective public servants, Lee Kuan Yew studied NASA testing of potential astronauts and consulted with a psychologist from London University. He drew on this research to train a team of behavioral psychologists specifically for the selection process. Lee Kuan Yew also consulted various MNC strategies for placement into top positions, adopting Shell’s selection testing in 1983. These tests captured a candidate’s “currently estimated potential” based on measurements of their powers of analysis, imagination, and sense of reality, which together formed their “helicopter quality,” a quality which enables an individual to effectively analyze both the big picture and critical details of complex problems. When searching for new cabinet members in the 1980s, Lee Kuan Yew looked for candidates with the “helicopter quality;” political savvy; high motivation; ease of persuasion, debate, and establishing rapport with grassroots groups; and a willingness to sacrifice time, privacy, and the more competitive private salary that many had earned. Civil servants’ values were also considered, in order to maintain a public service with a consistent and compatible value system, in addition to high-performance as bureaucrats.

---

241 Lim, Siong Guan, and Joanne H. Lim. The Leader, the Teacher, and You: Leadership through the Third Generation. Imperial College Press, 2014. p.5 – 11, 43.
243 See also Lim, Siong Guan, and Joanne H. Lim. The Leader, the Teacher, and You: Leadership through the Third Generation. Imperial College Press, 2014. p. 49 – 51.
244 Lim, Siong Guan, and Joanne H. Lim. The Leader, the Teacher, and You: Leadership through the Third Generation. Imperial College Press, 2014. p. 117.
The administration carefully managed political transitions, especially former Prime Minister Lee Kuan Yew’s exit after 25 years in 1990. Lee Kuan Yew made sure that his exit took place at a time when the country was doing well and a suitable replacement had been identified; well before any suggestion of losing his edge or ability to manage a smooth succession of power that might have affected investment. The administration actively supported and recruited talent as early as the 1960s, which provided a steady supply of capable young professionals to fill political and public sector posts.244

Maintain a Credible Commitment to Improving the Lives of Singaporeans

The social contract, which includes the government’s obligation to defend citizens’ rights, is a foundation of government. The Singaporean government demonstrates their commitment to improve citizens’ well-being in a variety of ways. As discussed in the Rule of Law section of this report, the administration eliminated corruption quickly after taking office—a huge administrative success that proved policymakers’ strength of purpose. The government earned and maintained public support by achieving tangible, highly visible accomplishments early on to build trust, such as making employment gains. The PAP administration was able to make significant economic and employment gains between 1968, when the British announced their intention to withdraw all forces, and 1971, when the withdrawal was completed. By 1972, Singapore had demonstrably survived the British withdrawal with both its economy and security intact. This achievement provided vital reassurance for both citizens and foreign investors, and built momentum for continuing gains.

The government proactively built a Singaporean identity and worked to minimize ethnic divisions. It offered services with a community-building emphasis, such as community centers offering literacy and practical skills classes, as well as recreational activities. The administration also provided public funding for locally designed and implemented projects.245 The government worked to maintain harmonious ethnic relations throughout the years, closely monitoring different indicators of ethnic cooperation and equality, or lack thereof. The administration judged some issues to be too divisive to allow public knowledge, and kept programs such as special

educational coordination with Malay community leaders under wraps. Other programs were quite public, such as the 1980s election law modification requiring newly-drawn, larger constituencies to vote for small groups of MPs, rather than for individuals. These groups were obligated to include Malay and Indian candidates, in addition to the majority Chinese, thus ensuring ethnic minority representation in parliament. Although 1950s and 60s voters often chose PAP candidates of any ethnicity, by the 1980s, voters were beginning to cast their ballots along ethnic lines, resulting in greater ethnic Chinese majorities in parliament. The law succeeded in broadening ethnic representation in parliament.246 The law also had the effect of complicating opposition party candidatures, as opposition candidates were only able to run when the party was strong enough to competitively field enough candidates to form a group.

Lee Kuan Yew headed the early administration’s extensive efforts to build a relationship and sense of common identity with the public through frequent, direct communication, often broadcasted by radio or television, which helped foster a shared narrative of the “Singaporean story,” built upon common history, challenges, triumphs, values, and hopes for the future. These communications served to unite the country and to build support for Lee’s government.247 The government’s emphasis on communication with the public as a fundamental aspect of policymaking, and its efforts to improve its craft of public communication, contributed greatly to its success.248

Several exogenous factors may have contributed to Singapore’s success. Singapore’s small size made it more feasible for national government to visibly participate in everyday people’s concerns. Size has minimized any chance of a clash between center and periphery that can afflict governments. Additionally, perceived external threats to Singapore’s survival helped to foster a shared sense of concerns and identity. Former Prime Minister Lee Kuan Yew believed that the pre-existing Singaporean cultural tradition of respect for authority based on a person’s office was also important to Singapore’s success.249

248 Lim, Siong Guan, and Joanne H. Lim. The Leader, the Teacher, and You: Leadership through the Third Generation. Imperial College Press, 2014. p. 105.
The Singaporean government has also earned and maintained the support of members of the international community. Following independence, the nation sought international recognition first among competing priorities. Singapore’s success in building self-defense capabilities, eliminating corruption, and maintaining social and political stability, achieving incredible economic growth, and creating an attractive environment for international investment has won admiration across the wider international community.

Lessons Learned

What useful insights can we gain from the Singaporean experience for the benefit of other countries? Answering this should involve distinguishing between lessons of relative applicability and the extent that its experience depends on its own idiosyncrasies. These include: its small size, the fact that its ruling party came into power without debts to allies or other stakeholders (generally unusual at present), and sense of the nation’s survival being at stake, which may have facilitated the government’s imbuing the citizenry and public service alike with common values, such as self-reliance, personal responsibility, and a strong work ethic.250

Singapore offers numerous positive examples in the area of public management and administration.251 These include emphases on implementation; on adaptation of international examples of success; and on communication and coordination in planning, implementation, and reform phases. Singapore’s example highlights the importance of institutionalizing processes such as long-term planning, consultation, learning, evaluation, and reform; of articulating and communicating goals and values, and of using these to shape policymaking; and of leadership, human capital, and strong processes in ministries and other public sector institutions. The Singaporean public service aims to embody the four areas constituting organizational excellence: leadership excellence; people excellence, supporting individuals to reach their potential; policy excellence; and execution excellence.252

251 Many of these are adapted from NEO, Boon Siong, and Geraldine Chen. Dynamic Governance: Embedding Culture, Capabilities, and Change in Singapore. World Scientific, 2007. p. 461 - 477.
252 Lim, Siong Guan, and Joanne H. Lim. The Leader, the Teacher, and You: Leadership through the Third Generation. Imperial College Press, 2014. p. 185.
The government implemented an extremely effective set of anti-corruption policies. These consisted of universal enforcement from day one, low-cost elections, substantial pay for public servants, administrative reduction of opportunities for corruption, and exemplary leadership. This, combined with the unified commitment of a coterie of early leaders, facilitated the movement’s early success against corruption.

In terms of economic policy, Singapore invested heavily in access to and quality of education at every level, including technical schools, and coordinated closely with members of the international business community in order to produce graduates with marketable skills. Investments in quality and in technical education are generally considered essential to high economic performance.\textsuperscript{253} The administration had a wider policy of coordinating with the business community, labor unions, the financial community, and the education sector. This coordination was vital to the success of the administration’s policies in support of economic growth, and may prove fruitful for other governments hoping to achieve similar growth.\textsuperscript{254} The country created public companies and initially protected domestic manufacturing, but quickly allowed both to be exposed to market competition. Singapore managed a concatenation of successful economic transitions, from a simple trading post, to import substitution, export-oriented manufacturing, international financial services, and an innovation-led learning economy. Successively, the administration identified a competitive niche and worked towards it, without losing sight of subsequent opportunities. In this sense each policy was a component of a higher “meta-policy”, one of permanently seeking to adapt and progress along a very long term-trajectory.

Singapore’s successes highlight several factors in the field of education, such as: societal respect for the education’s benefits; emphasis on quality and on high teacher and administrator qualifications; high pay and prestige for teachers; and sufficient teacher autonomy in curriculum,


pedagogical techniques, and evaluation.255 The central and increasing importance of absorbing
new technologies to drive economic growth underscores how the education sector may inform
economic policy into the future.256 Another element that could be successfully emulated
elsewhere is the government provision of community education classes and recreational
opportunities helped to enrich and integrate the population.

Many countries have since started managing foreign investment through a single government
entity, such as was done through the Singapore Economic Development Board (EDB). These
agencies in other countries often help coordinate interaction with investors but fall short of the
success of the Economic Development Board. This tends to be because they lack the political
influence and technical and administrative capabilities of the EBD.257

The Central Provident Fund (CPF) and related social service financing has carried multiple
important benefits, including managing health and retirement costs while maintaining quality of
living, enforcing high individual savings rates, and allowing for significant personal choice. The
program’s success rests on citizens’ trust in the government to invest and manage their savings
well, which requires both institutional strength and confidence in government.

The Housing Development Board (HDB) offers instructive lessons to cities around the world that
struggle with provision of housing, living costs, and other challenges related to urbanization.
Through the mass public housing program, Singapore was able to provide affordable and high-
quality housing, engage in sustainable urban planning, create jobs in construction, and increase
home ownership, instilling a greater sense of nationhood through creating an ownership stake in

255 Yusuf, Shahid, and Kaoru Nabeshima. Some Small Countries Do It Better: Rapid Growth and Its Causes in
256 Yusuf, Shahid, and Kaoru Nabeshima. Some Small Countries Do It Better: Rapid Growth and Its Causes in
257 Yusuf, Shahid, and Kaoru Nabeshima. Some Small Countries Do It Better: Rapid Growth and Its Causes in
Singapore. This inter-connected set of benefits merits closer study from interested policy makers.

Singapore obtains its water supply in several ways. The country’s innovation lies in its creative water catchment covering the vast majority of the island’s surface area, and its public education campaign, winning support for the consumption of recycled water. As potable water becomes scarcer, countries around the world are likely to make careful study of Singapore’s water-management approaches. In addition, Singapore’s emphasis on long-term planning for environmental sustainability as integral to economic and social well-being and strict regulations against water, air, and land pollution offers other positive examples for closer study.

Mature consideration of Singapore’s achievements must balance them against consideration of the enabling means, to determine the extent of the trade-off between the two – and whether such a trade-off was, or can ever be, expedient? A single example serves to epitomizes this tension at a very mundane level: when faced with the emergence of the global counter-culture in the late 1960s, the government, starting in 1971, even went so far as to discourage men from growing long hair by attending to long-haired men last at government agencies. This high degree of government intervention was one of the more controversial aspects of the Lee Kuan Yew administration.

Amidst all the startling indicators of Singapore’s success and transformation the important question that Singapore presents is not just: “how was all this achieved?”

---

Bibliography


http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19820101.pdf

http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19870101.pdf

http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19960314.pdf


http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19761213b.pdf

http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19820101.pdf


http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19700816.pdf

http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/lky19861031a.pdf


Lee Kuan Yew. Speech by the Prime Minister. Speech, Hong Lim Community Centre, 29 May 1970. Singapore Archives.


Lee Kuan Yew. Speech at the Political Study Centre. Speech, The Political Study Centre, 16 August 1964. Singapore Archives.


http://jpubhealth.oxfordjournals.org/content/20/1/16.full.pdf

Lim, Siong Guan, and Joanne H. Lim. The Leader, the Teacher, and You: Leadership through the Third Generation. Imperial College Press, 2014.


https://openknowledge.worldbank.org/bitstream/handle/10986/6629/387790SG0Judic101OFFICIALUSEONLY1.pdf?sequence=1


http://www.mom.gov.sg/newsroom/Pages/PressReleasesDetail.aspx?listid=531


http://stats.mom.gov.sg/Pages/Labour-Force-Summary-Table.aspx

Monetary Authority of Singapore. Asian Dollar Market.  

Monetary Authority of Singapore. Overview.  

http://archivesonline.nas.sg/


Ngerng, Roy. Singapore Has the Highest Income Inequality Compared to the OECD Countries. The Heart Truths, 2013.  
http://thehearttruths.com/2013/02/21/singapore-has-the-highest-income-inequality-compared-to-the-oecd-countries/


http://drm.a2o.nas.sg/DJVUSServer/PdfStampServlet?app=stars&filepath=pdfdoc/gct19920202.pdf

Proclamation of Singapore. 9 August 1965. Singapore Archives.  
http://www.pub.gov.sg/water/Pages/singaporewaterstory.aspx

QS Top Universities. QS World University Rankings 2013. 
http://www.topuniversities.com/university-rankings/world-university-rankings/2013#sorting=rank+region=+country=124+faculty=+stars=false+search=


http://statutes.agc.gov.sg/aol/search/display/view.w3p;page=0;query=DocId%3A%22d6e38654-0cee-4c7e-bfde-18b1bad85bf8%22%20Status%3Ainforce%20Depth%3A0;rec=0


http://cpi.transparency.org/cpi2013/results/


World Bank. World Development Indicators: Distribution of Income or Consumption. 2013. 
http://wdi.worldbank.org/table/2.9
http://drm.a2o.nas.sg/DJVUServer/PdfStampServlet?app=stars&filepath=pdfdoc/yct19891027s.pdf