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## Strengths and weaknesses of Singapore's political and economic model

### Summary

Singapore is a complex state. Despite its numerous advantages (e.g. in the financial and economic sector), it is not devoid of disadvantages mainly pertaining to the political arena. The unquestionably dominating PAP party is accused of electoral manipulation, but on the other side its long endurance seems to produce positive effects on the state's development. Singapore's government, even though obviously authoritarian, deems itself as exceptional. However, the escalation of corporatisation is noticeable, which causes doubts in regards to this exceptionalism. Also, Singapore's shift from an authoritarian regime to a competitive authoritarianism was observed. Nevertheless, it appears that the citizens understand that the draconian rules and bureaucratization are contributing factors to the country's development.

**Keywords:** Singapore, politics, economic, party

### Introduction

Singapore has been defined by Bryan Caplan as “economically efficient, but politically unpopular” for a reason. If looked at closely enough, one can see some interesting dichotomies in regards to the nation's economic system<sup>1</sup>. On one hand Singapore is deemed not only as a highly developed and structured economy, but also a very competitive one. On the other hand, the People's Action Party (PAP)

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<sup>1</sup> B. Caplan, *Two Paradoxes of Singaporean Political Economy*, [http://econlog.econlib.org/archives/2009/02/two\\_paradoxes\\_o.html](http://econlog.econlib.org/archives/2009/02/two_paradoxes_o.html) [24.04.2016].

manipulates the mechanisms of the electoral system. Further, importantly, the raising number of immigrants is believed to be the cause of income disparities that are becoming more aggravated<sup>2</sup>. The PAP government has had a long impact on the country-state: both in positive and negative ways. This paper will consider them and evaluate them in an appropriate academic context, thus providing an overview of the virtual state of affairs in Singapore in regards to how it is governed and managed.

## **Singapore's economic**

Singapore reigns at the top of numerous rankings around the world (Economic Development Board 2014) in domains such as healthcare, housing, education, public transport and overall wealth. Moreover, it is also one of the most affluent states and its corruption levels have been evaluated as very low<sup>3</sup>. Singapore's economic growth is far from disappointing and its GDP in 2011 surpassed most of the OECD countries with over an astounding 50 000 USD<sup>4</sup>. In 2011, the unemployment rate was equivalent to 1,9 percent, mainly because of the activity of the National Trade Union Congress (NTUC)<sup>5</sup>.

The country-state's financial sector was described as "well developed and healthy" (*Regulatory/market Assessment* 2011), which is due to the growth-orientated government. Singapore's corporations have a good reputation and are known for their credibility. In Singapore, the economy is largely reliant on private ownership, exceedingly modernised industrial sectors and high quality technology that does not cease to be upgraded (Rahim 2015)<sup>6</sup>. Therefore, it is not surprising that the country is strongly technocratic.

One of the crucial pillars supporting Singapore's economic efficiency is the Central Provident Fund (CPF), which can be described as a "fully funded comprehensive social security savings plan" (*New America RSS* 2007). Initially, it was created to assure the citizens would have a secure retirement. Now, the fund's interests include family protection, healthcare and homeownership.

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<sup>2</sup> L.Z. Rahim, *Reclaiming Singapore's "Growth with Equity" Social Compact*, „Japanese Journal of Political Science” 06.2015, vol 16, part 2.

<sup>3</sup> Ibidem.

<sup>4</sup> G. Ipnarski, *Economy and Growth from the Asian States' Perspective*, Toruń 2014.

<sup>5</sup> S. Ortmann, *Singapore: Authoritarian but Newly Competitive*, „Journal of Democracy” 2011, 22.4, p. 153.

<sup>6</sup> L.Z. Rahim, *Reclaiming Singapore's "Growth with Equity" Social Compact*, „Japanese Journal of Political Science” 06.2015, vol 16, part 2.

One of the milestones in Singapore's history was its achievement after the Second World War. Singapore, with its barely 5 million population, was starting as a former British colony from a level lower than Poland and yet, it has become an economic and financial empire, outrunning all European countries in terms of development. Historically, the election in 2011 was undoubtedly another milestone in Singapore's political history. Even though the Workers' Party (WP) received the majority of the popular vote, PAP still continued to be in charge of 93 percent of the seats<sup>7</sup>. Moreover, merely five out of 27 parties in Singapore are active participants in the electoral proceedings – this is an empirical proof of “electoral authoritarianism” and “electoral manipulation”<sup>8</sup>. Even though several opposition parties do exist, they still fear PAP's uninterrupted power<sup>9</sup>. Yet, even though PAP continued to be in charge, the narrative of exceptionalism underwent its first stages of deterioration after the parliamentary election in 2011, which was also publicly admitted by Prime Minister Lee<sup>10</sup>.

Significantly, Singapore is not an embodiment of the typical Far-Eastern liberalism – the liberal ideology is not a religion there and nor is it a goal in itself. The “small country” does not constitute the means to achieve the goal, but the “effective country” does. Even though liberal labor law does indeed exist, there remain certain detrimental paradoxes that permeate the nation in the political and economic domains<sup>11</sup>.

The specific confidence of Singapore's government and the belief that it is exceptional, stem from two prevailing ideologies, namely elitism and meritocracy. Even though, ontologically, elitism does not correlate with exceptionalism (because both have their own rationale), elitism is “utterly dependent upon the claim of exceptionalism for its credibility” in a political spectrum<sup>12</sup>. These two ideologies are a covert force that make an impact on the country's legal system, which eventually leads to giving up or compromising rights, freedom and democracy by Singaporeans<sup>13</sup>. This is particularly well observed

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<sup>7</sup> S. Ortmann, *Singapore: Authoritarian but Newly Competitive*, “Journal of Democracy” 2011, 22.4, p. 153.

<sup>8</sup> N. Tan, *Manipulating Electoral Laws in Singapore*, “Electoral Studies” 2013, 32.4, p. 632–643.

<sup>9</sup> B. Caplan, *Two Paradoxes of Singaporean Political Economy*, [http://econlog.econlib.org/archives/2009/02/two\\_paradoxes\\_o.html](http://econlog.econlib.org/archives/2009/02/two_paradoxes_o.html) [24.04.2016].

<sup>10</sup> M.D. Barr, *Ordinary Singapore: The Decline of Singapore Exceptionalism*, “Journal of Contemporary Asia” 2016, 46.1, p. 1–17.

<sup>11</sup> G. Ipnarski, *Economy and Growth from the Asian States' Perspective*, Toruń 2014.

<sup>12</sup> M.D. Barr, *Ordinary Singapore: The Decline of Singapore Exceptionalism*, “Journal of Contemporary Asia” 2016, 46.1, p. 5.

<sup>13</sup> *Ibidem*.

by Ortmann: “In addition to the draconian legal system, which severely limits civil and political liberties and thwarts genuine political competition, makes it difficult to classify Singapore even as an illiberal democracy”<sup>14</sup>.

## Authoritarianism

Understandably, authoritarianism is inextricably linked to elitism and meritocracy. These breed several issues such as the members of PAP controlling the majority of enterprises and businesses in general. Paradoxically, authoritarianism in Singapore is based on performance, yet the existing system forbids any kind of criticism of performance<sup>15</sup>. However, Singapore’s leaders are strongly convinced their decisions are optimal and serve the citizens in the most beneficial way. Similarly, PAP members would say that democracy needs to be limited in order to accelerate development<sup>16</sup>.

The influx of foreign workers is another major issue for Singaporeans. The migration inflow led to increasing discontent within the public sphere and many scholars see it as an impetus for the widening income disparities<sup>17</sup>. Additionally, the fact that migrant workers undermine civic nationalism through inheriting equal rights without having the same level of experience, upsets a large number of the population. PAP’s importation of foreign labor and extreme dependence on foreign multinational corporations has been criticised by scholars<sup>18</sup>.

## PAP’S impact

Due to the fact that Singapore used to be a British colony, the Westminster parliamentary system was implemented by the government. However, the People’s Action Party have proceeded to made amendments, which resulted in a system that hardly resembles the British majoritarian model<sup>19</sup>. PAP strived

<sup>14</sup> S. Ortmann, *Singapore: Authoritarian but Newly Competitive*, “Journal of Democracy” 2011, 22.4, p. 153.

<sup>15</sup> L.Z. Rahim, *Reclaiming Singapore’s “Growth with Equity” Social Compact*, “Japanese Journal of Political Science” 06.2015, vol 16, part 2.

<sup>16</sup> S. Ortmann, *Singapore: Authoritarian but Newly Competitive*, “Journal of Democracy” 2011, 22.4, p. 153.

<sup>17</sup> L.Z. Rahim, *Reclaiming Singapore’s “Growth with Equity” Social Compact*, “Japanese Journal of Political Science” 06.2015, vol 16, part 2.

<sup>18</sup> Ibidem.

<sup>19</sup> T.H. Tey, *Singapore’s Electoral System: Government by the People?*, “Legal Studies” 12.2008, 28 (4), p. 610–628.

to imitate the developmental state model of Northeast Asia. This allowed for the country's economic rise and made social services such as housing and health regarded as affordable<sup>20</sup>.

It is true and laudable that the People's Action Party managed to provide private housing and improve health care, yet this comes with a high price. Tan accentuates the presence of electoral authoritarianism brought by the hegemony of PAP<sup>21</sup>, whereas Tey explains in what way the party's amendments are harmful: "...the constitutional amendments have systematically and successfully limited political participation on the part of the citizens in general, obstructed political opposition and created a Parliament that has moved away from the Westminster model, which emphasised the right to vote and equality of votes. They constitute a significant departure from what was originally conceived to be democratic politics"<sup>22</sup>.

### **The process of corporatisation**

The process of corporatisation is noticeable – an overwhelming number of social services (e.g. education and hospitals) are being managed by government-linked companies (GLCs), companies that regard profit-making as its superior interest, which in turn leaves public interests largely neglected. This is why the costs of privatised hospitals, public transport, electricity, and other essential services' continue to rise<sup>23</sup>. Along with the rising prices, the government loses the basic arguments and claims for its exceptionalism. Accordingly, as Barr asserted: "The elite's exuberant self-congratulation on the development of its housing, transport and immigration policies in particular is becoming an embarrassing memory because these core areas of government responsibility are in crisis. Furthermore it is clear that all of these respective crises are the result of avoidable policy failures by a government that controls every level of power in each of these portfolios"<sup>24</sup>.

Further, it is important to note that in Singapore, companies merely make an appearance of being private entities, when in fact they use the priorities (attributed

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<sup>20</sup> L.Z. Rahim, *Reclaiming Singapore's "Growth with Equity" Social Compact*, "Japanese Journal of Political Science" 06.2015, vol 16, part 2.

<sup>21</sup> N. Tan, *Manipulating Electoral Laws in Singapore*, "Electoral Studies" 2013, 32.4, p. 632–643.

<sup>22</sup> T.H. Tey, *Singapore's Electoral System: Government by the People?*, "Legal Studies" 12.2008, 28 (4), p. 611.

<sup>23</sup> L.Z. Rahim, *Reclaiming Singapore's "Growth with Equity" Social Compact*, "Japanese Journal of Political Science" 06.2015, vol 16, part 2, p. 161.

<sup>24</sup> M.D. Barr, *Ordinary Singapore: The Decline of Singapore Exceptionalism*, "Journal of Contemporary Asia" 2016, 46.1, p. 3.

to be used by actual private firms) to their advantage. Consequently, the local private capital is state-reliant and inferior to the predominant GLCs<sup>25</sup>. Hence, it can be stated with little hesitation that Singapore is a “thinly-veiled dictatorship” that successfully subdues its political competitors in informal ways. Instead of taking into consideration the popular decision, the government opts for the most efficient one<sup>26</sup>. However, interestingly, The Global Barometer country report found that “86% of Singaporeans believe that their elections are either ‘completely free and fair’, or ‘free and fair, but with minor problems’”<sup>27</sup>. Based on these findings, it has been suggested that the citizens most possibly link the legacy of PAP to stability and security. Caplan also pointed out the “unusual economic literacy” hypothesis, which suggests that Singaporeans are willing to accept or even be supportive of the strict legal rules, because they understand that these rules are a major factor contributing to the country’s economic growth. As one survey demonstrated, 58,8 percent of Singapore’s citizens regard “a high level of economic growth” as the nation’s priority<sup>28</sup>.

According to Ortmann, it is clear that Singapore underwent a significant transmogrification – it had morphed from an authoritarian regime into competitive authoritarianism. Levinsky and Way (2002), even if they did not view Singapore as belonging to such a category at the time, pertinently describe competitive authoritarianism as a regime where: Formal democratic institutions are widely viewed as the principal means of obtaining and exercising political authority. Incumbents violate those rules so often and to such an extent, however, that the regime fails to meet conventional minimum standards for democracy<sup>29</sup>.

Nevertheless, the scholars also put emphasis on the fact that the opposition may occasionally find itself in such a place when taking over will be feasible. Nowadays, this becomes more believable, particularly when one takes into account globalisation and the increasing influence of the Internet, which recently facilitate the ability of opposition parties to “reinvent themselves as alternative options to the PAP” and “rally support and cultivate a growing stream of volunteers and new members”<sup>30</sup>.

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<sup>25</sup> L.Z. Rahim, *Reclaiming Singapore’s “Growth with Equity” Social Compact*, “Japanese Journal of Political Science” 06.2015, vol 16, part 2, p. 161.

<sup>26</sup> B. Caplan, *Two Paradoxes of Singaporean Political Economy*, Bryan Caplan, [http://econlog.econlib.org/archives/2009/02/two\\_paradoxes\\_o.html](http://econlog.econlib.org/archives/2009/02/two_paradoxes_o.html) [24.04.2016].

<sup>27</sup> Ibidem.

<sup>28</sup> Ibidem.

<sup>29</sup> S. Ortmann, *Singapore: Authoritarian but Newly Competitive*, “Journal of Democracy” 2011, 22.4, p. 153.

<sup>30</sup> Ibidem, s. 154.

Barr provides an apt observation that even though the country can be perceived as exceptional, some aspects, especially the ones strikingly resembling a socialist system, denigrate it to a rather ordinary status. In fact, the the accomplishments of People's Action Party are no longer seen as a form of exceptionalism by the electorate, but have been deemed as "ordinary"<sup>31</sup>

## Conclusion

Singapore can be seen as a country-state replete with contradictions – seemingly, the economic and technological ascendance makes the country exceptional. However, in fact, its economic model incorporates dichotomies that are both strengths and weaknesses. Singapore oscillates between being a neo-liberal and developmental state. As this paper demonstrates, the power of the long-dominating PAP party, along with its pursuit to emulate the Northeast Asian developmental state model, has enforced both positive and negative changes.

Despite PAP's indisputable accomplishments in a wide array of the country's sectors, the legitimacy of Singapore's government remains dubious and lacks authenticity. Elitism, meritocracy, electoral manipulation and the dominance of GLCs strongly diminish the liberties and freedom of the citizens, thus overshadowing the country's economic and technological excellence.

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<sup>31</sup> M.D. Barr, *Ordinary Singapore: The Decline of Singapore Exceptionalism*, "Journal of Contemporary Asia" 2016, 46.1, p. 3.

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## **Mocne i słabe strony singapurskiego modelu politycznego i ekonomicznego**

### **Streszczenie**

Singapur jest złożonym państwem, które mimo swych licznych zalet (np. w sektorze finansowym) nie jest wolne od wad dotyczących głównie sceny politycznej. Bezspornie dominująca partia PAP (People's Action Party) oskarżana jest o manipulację elektorálną, ale z drugiej strony jej długa działalność zdaje się mieć pozytywny wpływ na rozwój państwa. Rząd Singapuru, pomimo bycia autorytarnym, postrzega siebie poprzez pryzmat wyjątkowości. Jednak obecnie coraz bardziej widoczne staje się nasilenie korporatyzacji, co narusza tę idealistyczną wizję kraju. Dodatkowo mówi się o przeobrażeniu Singapuru – zmianie autorytarnego reżimu w konkurencyjny autorytaryzm. Zdaje się jednak, że obywatele rozumieją, iż drakońskie zasady i biurokratyzacja są czynnikami sprzyjającymi rozwojowi państwa.

**Słowa kluczowe:** Singapur, polityka, ekonomia, partia