BTI 2020 Country Report

Singapore

Status Index
7.07  # 24
on 1-10 scale  out of 137

Political Transformation
5.32  # 74

Economic Transformation
8.82  # 6

Governance Index
5.95  # 29
on 1-10 scale  out of 137
This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2020. It covers the period from February 1, 2017 to January 31, 2019. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at [https://www.bti-project.org](https://www.bti-project.org).


This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

**Contact**

Bertelsmann Stiftung
Carl-Bertelsmann-Strasse 256
33111 Gütersloh
Germany

**Sabine Donner**
Phone  +49 5241 81 81501
sabine.donner@bertelsmann-stiftung.de

**Hauke Hartmann**
Phone  +49 5241 81 81389
hauke.hartmann@bertelsmann-stiftung.de

**Robert Schwarz**
Phone  +49 5241 81 81402
robert.schwarz@bertelsmann-stiftung.de

**Sabine Steinkamp**
Phone  +49 5241 81 81507
sabine.steinkamp@bertelsmann-stiftung.de
Key Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population M</td>
<td>5.6</td>
</tr>
<tr>
<td>HDI</td>
<td>0.935</td>
</tr>
<tr>
<td>GDP p.c., PPP $</td>
<td>101353</td>
</tr>
<tr>
<td>Pop. growth¹ % p.a.</td>
<td>0.5</td>
</tr>
<tr>
<td>HDI rank of 189</td>
<td>9</td>
</tr>
<tr>
<td>Gini Index</td>
<td>-</td>
</tr>
<tr>
<td>Life expectancy years</td>
<td>82.9</td>
</tr>
<tr>
<td>UN Education Index</td>
<td>0.837</td>
</tr>
<tr>
<td>Poverty³ %</td>
<td>-</td>
</tr>
<tr>
<td>Urban population %</td>
<td>100.0</td>
</tr>
<tr>
<td>Gender inequality²</td>
<td>0.065</td>
</tr>
<tr>
<td>Aid per capita $</td>
<td>-</td>
</tr>
</tbody>
</table>

Sources (as of December 2019): The World Bank, World Development Indicators 2019 | UNDP, Human Development Report 2019. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than $3.20 a day at 2011 international prices.

Executive Summary

In 2018, the ruling People’s Action Party (PAP) managed to designate a future prime minister, Heng Swee Keat. He is likely to take the place of current Prime Minister Lee Hsien Loong after the next parliamentary elections, which have to take place at the latest by January 15, 2021. Heng is viewed as a safe choice, who has a long and balanced career in the ruling party. He will face many challenges as the first leader in the post-Lee era, such as increasing political demands, geopolitical changes and economic problems.

Overall, Singapore moved further away from becoming a democracy. The presidential election in 2017 saw an uncontested election of Halimah Yacob as the only candidate qualified for the election, which spawned a protest of about 2,000 people in Hong Lim Park and a notmypresident hashtag. This happened after the government had manipulated the electoral rules for the upcoming presidential election, effectively barring Tan Cheng Bock, who had been a popular choice, from contesting the election. Under the new rules, only Malay Muslim candidates could compete in the election. As prospective candidates also had to fulfill the already-existing stringent criteria, only one of three potential candidates was granted the right to run for office.

In 2018, the trial against the city’s most successful opposition party, the Worker’s Party, commenced. The party was accused of breaching their fiduciary duties in the appointment of FM Solutions and Services (FMSS) to act as the managing agent of its town council. In its defense, the party asserted that it had acted in good faith when it appointed the company, which had to be done within a short timeframe to maintain services for its constituency. The case was widely regarded as part of the PAP’s attempt to discredit the party. Defense costs threatened the survival of the Workers’ Party, which faced bankruptcy. Three days of fundraising produced SGD1 million ($729,000) for legal fees.

The PAP-led government has also tightened the reigns on dissent again. The Administration of Justice (Protection) Act of 2016, which took effect in 2017, criminalizes any criticism of the
judiciary. Currently, a law against “deliberate falsehoods” is in the works, which many fear will further restrict freedom of speech.

Many social activists faced increasing repression via lawsuits for protesting or posting opinions or simply sharing online news. The editor of the prominent sociopolitical website, The Online Citizen, was charged with criminal defamation for an article that alleged corruption at the highest level of government. In late 2018 and early 2019, numerous activists were found guilty of organizing illegal assemblies or protests, or sued for defamation for sharing an article on Facebook.

In 2017, an unprecedented public spat within the Lee family emerged. The issue of contention is the house of the late prime minister, Lee Kuan Yew, which he had wanted destroyed. The current prime minister’s brother and sister asserted that Lee Hsien Loong was trying to preserve the house through the use of the state administration. In the process, they made even more serious allegations, including that the prime minister was seeking to establish a dynasty by preparing his son, Li Hongyi, as a future prime minister. While Lee Hsien Loong refused to sue his siblings, as he has other activists, legal action has been initiated against his brother’s son, Li Shengwu, who in a private Facebook post suggested that there are problems with Singapore’s judiciary.

In international relations, Singapore’s relationship with China improved again. The two governments have promised to work more closely on projects such as China’s Belt and Road Initiative. At the same time, relations with Malaysia deteriorated following the parliamentary elections in May 2018 that not only unseated the ruling party, but also brought former Prime Minister Mahathir Mohamad back to power. The new Malaysian government has suspended projects such as the high-speed rail link between Singapore and Kuala Lumpur. In October 2018, Malaysia extended the Johor Bahru port’s boundaries so that they overlap with Singapore’s maritime claims. Subsequently, Malaysian ships entered the area, which led to accusations that Malaysia had intruded upon Singaporean territory. In December 2018, Malaysia protested Singapore’s use of an instrument landing system, which would place restrictions on the construction of buildings on the Malaysian side of the border.

Singapore’s economy remained weak in the period under review. GDP growth in 2017 peaked at 3.6% before declining again in 2018 to somewhere between 3% and 3.5%. The economy faced downward pressures, due to global factors, such as the trade war between the United States and China, as well as capital outflows from emerging countries. The country remained dependent on pump priming and immigration for growth. The serious problem of inequality in Singapore has remained a top issue, despite some efforts by the government to tackle it. In October 2018, Oxfam ranked Singapore 149 out of 157 countries with regard to reducing inequality. This was based on rate increases for personal income tax payments, while the maximum tax rate remained relatively low. Spending on education, health and social protection was low compared to other countries in the region. The government continues to resist introducing a minimum wage or to set an official poverty line. However, it introduced the Merdeka Generation Package in August 2018 to provide assistance to those born in the 1950s.
History and Characteristics of Transformation

Singapore gained independence from British colonial rule as an integral part of the Federation of Malaysia in 1963, but separated from Malaysia in 1965 after political differences with the Malaysian government. Singapore is a parliamentary republic with a unicameral legislature. The parliament is composed of members elected every five years in a first-past-the-post election of up to nine non-constituency members of parliament (NCMP) and up to nine nominated members of parliament (NMP). Currently, Singapore is divided into 29 electoral constituencies, 13 of which are single member constituencies (SMC) and 16 group representation constituencies (GRC). Since 1991, the president of the Republic of Singapore has been the elected head of state. Executive power lies with the prime minister and the cabinet. When Singapore left the Federation of Malaysia, its economic and political situation was fragile. As a result, the government facilitated foreign trade. Under the leadership of a team of mainly English-educated lawyers, the PAP came to power in 1959 through a combination of political finesse, visible dedication to the well-being of Singapore and its inhabitants, experience in legal matters and a drastic application of undemocratic measures to suppress dissent against policies that it deemed necessary for Singapore’s political and economic survival. In the infamous Operation Cold Store of 1963, the PAP organized the arrest of more than 100 opposition politicians, labor leaders and activists in order to force Singapore’s integration into the Federation of Malaya. When the left-wing Barisan Sosialis Party (Socialist Front, BSP), which had previously split off from the PAP, boycotted the first general elections of independent Singapore in 1968, the PAP won every seat in parliament. Since then, the PAP has never relinquished its overwhelming parliamentary dominance. Until his death in 2015, the city-state was synonymous with the Cambridge-educated statesman, Lee Kuan Yew, who was considered the country’s founding father. Under his rule, Singapore’s economy experienced rapid economic growth, which transformed the city-state into one of the most modern developed countries in the world. In contrast to neighboring Indonesia and Malaysia, there were never any large demonstrations against the government. In the early years of independence, Singapore’s leadership successfully integrated a diverse population of Chinese, Malays and Indians into a more or less harmonious whole. In recent years, however, development has reached its limits. Economic growth has remained relatively low in recent years and is likely to remain modest in the near future. The leadership also faces unprecedented challenges related to the maturing of the economy. The internet, moreover, has revealed problems of governance that were once ignored by the monopolized pro-government press. Institutions have been manipulated to such an extent that a democratic renewal is not possible. Moreover, the tight limits on freedom of speech make it difficult to calibrate the policy-making process. One problem is that criticism of state policies is interpreted as criticism of the system. Drastic measures that would not stand up in the courts of more democratic countries are used to discourage dissent (e.g., bankrupting opposition politicians through defamation suits). Singapore has traded democracy for wealth and embraced a way of life in which civil liberties, intellectual debate and political parties have become the casualties of economic development. The relaxing of some restrictions on political liberties was subsequently followed by renewed restrictions, which make it difficult to speak of any
substantive liberalization process. Nevertheless, politics has become more competitive over the years. In the 2015 general election, for the first time in recent history all seats were contested. This trend started with the 2006 general election, when, for the first time since 1988, opposition parties denied the ruling party a re-election victory on nomination day. Although some observers have argued that the 2015 general election demonstrated overwhelming support for authoritarian rule, this is not the case, as most Singaporeans still want checks on government power.
The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The Singaporean state faces no challenges to its monopoly on the use of force throughout the country. In 2008, the International Court of Justice ruled that Singapore had sovereignty over Pedra Branca while Malaysia owned the Middle Rocks. In the following year, Singapore signed an agreement with Indonesia over the maritime border between Sultan Shoal and Pulau Nipa. In 2014, a similar agreement with Indonesia was signed regarding the border between Changi and Batam. In 2018, Malaysia has reopened the question of maritime boundaries by changing the Johor Bahru port limits. Singapore in return lodged a “strong protest,” as it regarded the change as an encroachment on its sovereignty. On December 13, 2018, Singapore filed a declaration under Article 298 of the 1982 United Nations Convention on the Law of the Sea (UNCLOS). Singapore then extended its own port limits and agreed to negotiate with Malaysia on the impact of its newly operational Integrated Landed System at Seletar Airport to which Malaysia objected, stating that it restricted the height of its buildings at Pasir Gudang in Johor.

Similar to some smaller Arab states such as Qatar and the UAE, a large share of the population of Singapore are non-citizens (around 35%). All Singaporean citizens accept the nation-state as legitimate and all individuals and groups enjoy the right to acquire full citizenship rights without discrimination. According to data provided by the East Asia Barometer, 95% of the city-state’s population are proud to be citizens of Singapore. Singapore’s ethnic composition is very heterogeneous and dominated by Chinese, who make up 74.3% of the country’s population. The second and third largest ethnic groups, Malays and Indians, represent 13.4% and 9.1%, respectively, of the city-state’s inhabitants.

The state has promoted a culturally neutral concept of citizenship since 1965, which is manifested in the slogan “One nation, one people, one Singapore.” In this way, the government successfully managed cultural conflicts between the different ethnic groups in the country and fostered a high level of acceptance for the concept of the
nation-state. The concept of race, however, has been institutionalized by including it on identification cards. Since 2010, children from mixed backgrounds can choose their race. Race matters with regard to purchasing public housing flats and acquiring the “mother tongue” connected to a particular ethnicity. In the last few years, there has been audible public disquiet regarding the government’s massive importation of low skilled and professional workers from abroad that has swelled the population to 5.31 million. There has been a significantly greater demand on housing, transport and medical services, leading to escalating property prices and an inflation rate above 3%.

Although the constitution does not explicitly define Singapore as secular, the 1966 constitutional commission report does point out that the city-state is a secular state, where religious groups have no influence on decision-making processes. Religious dogmas have little influence on the legal order or political institutions. Religious leaders and groups are not even permitted to comment on political issues under the Maintenance of Religious Harmony Act of 1990. In 2018, Prime Minister Lee asserted that the law may need to be updated, due to external influences that seek to shape the life of Singaporean Muslims. The secular character of the Singaporean state is not affected by the existence of a state Shariah court. The court has jurisdiction if all the parties involved are Muslims or where the parties were married under the provisions of Muslim law and the dispute relates to divorce and marriage. The court was established in 1955.

Singapore has a highly differentiated administrative structure and provides all basic public services. The highly trained and skilled administration is one of the most efficient in the world. The city-state is able to fulfill its proper jurisdictional function and to enforce the law throughout the small country. The country’s transport network is diverse and highly developed. Singapore’s port is one of the largest container seaports in the world and Singapore Changi Airport, the country’s main airport, handled over 62.2 million passengers in 2017 with 7,200 flights each week. The public rail network has grown rapidly over the years. In 2017, the goal to double its length of track by 2030 was announced. The network transports about three million passengers each day. The country has recently experienced fewer train breakdowns than previously – those had formerly caused great anger among Singaporeans. Nevertheless, there were a number of high-profile cases, such as a tunnel flooding in Bishan and a train collision in Joo Koon in 2017, which left 25 people injured. The country also has an excellent telecommunications infrastructure. In 2018, an estimated 84% of the country’s resident households or 4.84 million people had internet and broadband access. This was an increase of 2% over 2017. In 2018, 10,000 users of fiber broadband internet experienced an outage that, for some customers, lasted for more than 24 hours. In July 2018, it was announced that hackers had compromised the data of 1.5 million patients of SingHealth, Singapore’s largest health care provider. The entire population has access to sanitation and a water source.
2 | Political Participation

Singapore has established universal suffrage and regularly holds general elections. Opposition parties are able to run in the elections and political posts are filled according to the election outcome. Suffrage is compulsory for all resident Singaporeans who are at least 21 years old. Singapore held its last parliamentary election in 2015. The ruling party was able to increase its vote share from 60.1% to 69.9%, which was seen as a mandate for the PAP. The opposition, however, was able to keep most of its seats except for one that was gained during the Punggol East by-election in 2013.

In general, elections in the city-state are free of electoral fraud. In case of a vacancy, there are usually by-elections, at least in single member districts, but it has not been clearly established whether a by-election has to be held or whether it is at the discretion of the prime minister.

Despite this, elections cannot be considered free and fair. The list of biases in favor of the ruling party is long. First of all, repressive laws restrict the opposition and control the media. The PAP has used various laws against opposition members, which has made politicians very careful about their statements. The mainstream media is also biased in favor of the ruling party. Reports tend to favor the ruling party and criticize the opposition. There is extensive use of gerrymandering to draw electoral boundaries favorable to the ruling party. There is a very short campaign time (only nine days with a “cooling-off day” on the last when campaigning is not allowed), which strongly favors the incumbent. Elected representatives are also responsible for estate management, which allows the ruling party to resort to pork-barrel politics because it can argue that its constituencies will benefit more from it being in power.

The GRC system, in which a voter casts a ballot for a team of candidates, favors the ruling PAP because it fields prominent ministers in these constituencies against relatively unknown opposition candidates. Furthermore, the election department is under the jurisdiction of the prime minister’s office, raising questions about its independence. Ballots have serial numbers on them, which the government justifies as protection against voter fraud, but which have raised concern among some Singaporeans that their votes may not be secret.

Since 1993, Singaporeans have been able to directly elect a president who holds office for a term of six years. However, in 2017, there was no contest, as only one candidate was considered eligible, following a change in the electoral rules. Asserting that there was a need to have greater minority representation, a new special presidential election was created that allowed minority candidates to run. If one of the three main racial groups in Singapore (Chinese, Malay or Indian) has not been president for five terms, the next election will be reserved for this group. In this case, it was decided that the candidate should be Malay. This requirement came in addition to other stringent qualifications, such as having held executive functions in
government or in a company with at least $500 million in shareholders’ equity, an increase from the previous requirement of $100 million. Not only did these changes block the popular Tan Cheng Bock, who had been the most likely winner, from running, but they also created conditions in which only one candidate was qualified. Two potential contenders, Salleh Marican and Farid Khan, were not qualified. Khan, who is chairman of Bourbon Offshore Asia, was rejected because the company’s shareholder equity was below the minimum requirement. This highlighted the overly stringent criteria that inhibits fair presidential elections.

Singaporean rulers elected in unfair elections have the effective power to govern. The PAP dominates almost every aspect of the city-state’s political, military and economic life, effectively preventing the advent of any possible veto actors. The military has strong ties to the PAP (e.g., Prime Minister Lee Hsien Loong served as a brigadier general in the armed forces). The PAP has promoted a growing number of politicians with military backgrounds, such as Ng Chee Meng, the PAP’s highest-ranking military recruit, in the 2015 general election. Furthermore, the Government Investment Corporation (GIC), which primarily invests in foreign countries, and Temasek Holdings, which controls most government-linked corporations, are controlled by the government. The latter is under the direction of Ho Ching, the wife of the current prime minister. Religious groups have no direct impact on the PAP’s effective power to govern as they have to register under the Societies Act and are thereby under the government’s tight control.

While the constitution grants Singaporeans the right to association and to assembly, in effect these rights have been severely curtailed. With regard to association, the government has passed strict legislation that distinguishes between non-governmental organizations and political organizations. The latter may not receive any funding from foreign sources. It has been even more restrictive with regard to assembly, for which permits are needed that are virtually never granted. With the Public Order Act of 2010, the police can ban an individual from a public space for 24 hours on suspicion that he or she is pursuing a political cause. Even indoor forums, which are allowed if they are considered private, have been obstructed. The only place for peaceful assembly since 2000 has been the Speakers’ Corner, an area of Hong Lim Park, which is not near any government offices or the shopping district. Since 2008, registration to speak there can be done online and is usually granted if the applicant is either a Singapore citizen or permanent resident. However, there are still many limitations, some of which are publicly displayed on a board. For instance, foreigners may not participate in these events. In 2016, the government announced that foreign entities would require permits to sponsor events in Speakers’ Corner, which was primarily targeted at the LGBTI event, Pink Dot, which is held annually and has drawn increasingly large crowds. In 2017, non-residents were barred from attending public assemblies such as Pink Dot. This followed changes to the Public Order Act that banned foreigners from promoting any political cause in Singapore. In January 2019, Jolovan Wham was found guilty of organizing illegal assemblies without a police permit. These included an indoor forum on civil disobedience with
prominent Hong Kong pro-democracy activist Joshua Wong in November 2016, a silent protest on a public train in June 2017 and a candlelight vigil for a victim of the death penalty in July 2017.

In Singapore, freedom of expression is severely limited. Public debate is vulnerable to massive distortion and manipulation by strong government intervention. Laws, such as the Sedition Act, the Defamation Act or the Undesirable Publications Act, heavily restrict freedom of speech. In addition, the government has so-called “Out-of-Bounds-Markers” to highlight when the line of permissible discourse has been crossed. Writers in the mainstream media can lose their ability to get their articles published, such as columnist Catherine Lim in 1994 and satirical blogger Lee Kin Mun (MrBrown) in 2006. Moreover, internet bloggers have been forced to apologize for posts that are considered either defamatory or seditious. Freedom of the press has continued to steadily decline in recent years. Furthermore, the government has successfully undermined the once-blooming alternative media on the internet. Starting in 2013, the government through the Media Development Authority required online news websites with “significant reach” to follow the same regulatory framework as traditional news media. Under the licensing framework, online media have to remove objectionable content within 24 hours and place a performance bond of SGD25,000. While some websites have accepted the tough new regulations, they have come under increasingly tight financial restrictions limiting their ability to report independently. For example, The Online Citizen, which was once a very prominent blog, has been reduced to one full-time employee. In order to weaken alternative news, the government has used the need to restrict foreign involvement in local media as a pretense. In November 2018, the government blocked the website, States Times Review, because of an article that linked Prime Minister Lee Hsien Loong to the 1Malaysia Development Berhad (1MDB) corruption scandal in Malaysia. The website subsequently closed down. After two Malaysian websites republished the article, the government also blocked these sites. The government also continued to make use of various laws to crack down on freedom of speech. Lawyer Eugene Thuraisingam was found guilty of contempt of court for a poem critical of the death penalty, which he posted after a death penalty verdict. He was required to pay SGD6,000. Activist Jolovan Wham and John Tan of the Singapore Democratic Party were found guilty of “scandalizing the judiciary.” Wham had stated in a Facebook post that Malaysia’s judiciary was more independent than Singapore’s, while Tan stated that the actions by the attorney general against Wham proved that he had been correct about the degree of independence. Prominent blogger Leong Sze Hian was sued in December 2018 for defamation for sharing a link. In the same month, the editor of the Online Citizen and the author of an opinion piece that alleged corruption at the highest level of government were sued for criminal defamation. The government has won nearly every lawsuit against opposition critics it has ever pursued. The use of lawsuits aims to intimidate writers and reinforce a culture of self-censorship.
3 | Rule of Law

The constitution provides a structure for the separation of powers. However, the People’s Action Party (PAP) has been in power since 1959. As a result, it is difficult to differentiate between government bodies and the ruling party. Moreover, the party is organized as a lean hierarchy of cadres with strong control by the leadership over the rank-and-file. The PAP government directly and indirectly controls the presidency and the unicameral parliament. The chief justice is appointed by the president, who selects from a range of candidates chosen by the prime minister. The president makes additional appointments to judicial positions on the advice of the prime minister’s office. Subordinate judges can be dismissed or transferred according to the executive’s will. The Singaporean legal scholar Thio Li-ann has pointed out that the legislative and executive are “practically fused via the cabinet.”

There are still very few cases in which judiciary has disagreed with the executive. While a growing number of opposition members has fostered more debates, the opposition Workers’ Party has frequently shied away from challenging the ruling party. For instance, the party did not take a strong stance against the proposed law on Deliberate Online Falsehoods. In order to contain the potential threat to the ruling party, Prime Minister Lee Hsien Loong in January 2016 suggested increasing the number of non-constituency members of parliament with full voting rights to give the opposition 12 seats rather than the current nine. At the same time, the main opposition Workers’ Party faced legal threats and is currently embroiled in a high-profile lawsuit for the alleged misuse of funds for its town councils. If negative judgments result from this case, they will have a detrimental impact on the party’s leadership going forward.

The judiciary is institutionally differentiated and has the ability to interpret and review existing laws, legislation and policies. Channels of appeal and court administration are in place. It has been ranked as the second-best system in Asia by the Political and Economic Risk Consultancy (PERC) in 2008. Despite this, judicial decisions and doctrines are not free from the influence of political decision makers. The ruling PAP’s dominance over all aspects of political life in the city-state has negative effects on the independence of the judiciary in Singapore. Following the government’s first victory in a defamation lawsuit against a blogger, which follows a string of other, similar lawsuits against opposition figures and foreign newspapers, the court in December 2015 awarded the prime minister SGD150,000 in damages. The judge argued that the blog post had severely undermined the credibility of the prime minister. At the same time, the courts have shown greater independence with regard to a number of cases. For instance, in January 2017, the Court of Appeal rejected the government’s claim that the Ministry of Defense (Mindef) could be considered a person under the Protection from Harassment Act when it demanded the
sociopolitical website The Online Citizen to remove statements made by an inventor in a patent dispute. The court declared that “Mindef was anything but a helpless victim. It is a government agency possessed of significant resources and access to media channels.”

On August 15, 2016, the Singapore government passed a controversial bill that made it easier to charge individuals with contempt of court, thus reducing the ability to criticize legal proceedings. In 2017, Jolovan Wham became the first person to be prosecuted under the new law.

Overall, however, the judiciary rarely challenges the executive because it believes this would be futile. There is also a belief that the judiciary should not usurp the power of the legislative.

In Singapore, officeholders who break the law and engage in corruption generally attract adverse publicity and are prosecuted rigorously under established laws. The country pays its government officials the highest salaries of any officials in the world and the fight against corruption is a key component of the ruling PAP’s policy. The number of new corruption cases in 2017 was at an all-time low of 103, compared to 118 cases in 2016. This comprised a small part of the 778 complaints received by the Corrupt Practices Investigation Bureau (CPIB). It is unclear why the number of corruption cases and complaints has declined over the years. Although most corruption cases end with conviction, there were a number of high-profile acquittals in recent years. For instance, in March 2018, a businessman who had been accused of match fixing was found not guilty of the crime because of insufficient evidence.

Civil rights are constitutionally guaranteed but are partially violated in the state, despite the fact that the government asserted in the 2016 Universal Periodic Review (UPR) that it is “fully committed” to the protection of human rights in Singapore. The mechanisms and institutions to prosecute, punish and redress violations of civil rights are partly in place, but often prove to be ineffective. Singapore has yet to sign most international human rights treaties and to implement a national human rights institution that could monitor the situation. Moreover, the Singaporean authorities continue to deprive individuals of rights to justice by using laws that allow detention without trial. Most prominently, the Internal Security Act (ISA) enables detention orders to be renewed every two years, which effectively allows the state to continuously re-arrest the same people. Recently, the number of arrests has increased. For instance, on May 11, 2017, Mohamed Faishal Mohd Razali – a parking warden – was arrested for wanting “to undertake armed violence overseas” in various conflict zones, including Syria. In June 2017, the first female Singaporean, a 22-year old childcare assistant, was arrested on accusations of radicalization. In November, two more Singaporeans were arrested on terrorism charges. Cases such as these have been used to justify the continuation of the act, which in the past has been used against opposition activists and had a chilling effect on political opposition. The Criminal Law (Temporary Provisions) Act, which permits arrest and detention without warrant
or judicial review, was extended for another five years in 2018 after a heated debate and all the Workers’ Party members voting against it. The law was also amended and now includes a list of offenses that includes secret society activities, unlicensed money-lending, drug-trafficking, kidnapping and organized crime. The Sedition Act criminalizes speeches with seditious tendency without defining sedition. Both these acts provide the government with legal cover to take action against its critics, thereby violating civil rights in Singapore on a massive scale. The Public Order Act of 2009 further limited the constitutional right of assembly by requiring a permit for “cause-related” activities, even by a single individual. The definition of what constitutes “cause-related” is entirely up to the government’s discretion. The Public Order and Safety (Special Powers) Act (POSSPA) of 2018 gives the police special powers in certain situations, including ordering people to stop taking pictures and videos. This potentially severely limits the ability of journalists to report on incidents. The government continued to justify the use of the death penalty, even in drug-related cases. Following a review of the mandatory death penalty, judges now have more flexibility with regard to murder, but the mandatory death penalty still applies in drug-trafficking and drug-manufacturing cases. There is widespread popular support for the harsh penalty. Despite the lack of evidence, the government believes the punishment serves as a deterrent, which supposedly explains the low drug problem in the city-state. Following a moratorium, the number of executions has again increased from two cases in 2014 to eight cases in 2017, all for drugs. According to unconfirmed estimates, there were between eight and nine executions in 2018. Singapore also criminalizes male homosexual activity under Section 377A of the Penal Code, although this is not actively enforced. A constitutional challenge led to the court refusing to repeal the controversial legislation. The law is of special human rights concern because homosexual behavior between males can result in imprisonment of up to two years, even if conducted in the privacy of individuals’ homes. The Court of Appeal ruled in October 2014 that the section was constitutional, despite the challenge that it violated equal treatment under the law. The government has sided with conservative opinions regarding homosexuality (and also the death penalty) because it claims the majority of the population is conservative. It has sought to contain the LGBTI-movement by asserting that “foreign entities” shall not provide funds for the annual Pink Dot event and barring non-residents from attending.
4 | Stability of Democratic Institutions

Although Singapore’s system of checks and balances is weak, its key institutions are stable. The ruling PAP controls all institutions in the city-state, thereby effectively containing political opponents. The executive is strong and its dominant position negatively affects a horizontal separation of powers in the country. The prime minister and the cabinet make all key political decisions and the parliament is subordinated to them. The Singaporean parliament is dominated by the PAP, which has won the majority of seats in every election since independence. While the visibility of parliamentary debates has increased since the 2011 general election, the overall intensity is still comparatively low. The 2015 general election showed that opposition to PAP policies may not be rewarded with votes, as the ruling party was able to increase its share of the vote. The ability of the PAP-dominated legislature to monitor the government is heavily circumscribed. The only opposition party, the Workers’ Party, has made only limited use of its ability to challenge the government. Despite the introduction of a president elected by popular vote in 1991, with the potential to monitor parts of the government, no monitoring has occurred. While the president has some important powers, it is not clear whether the office holder can make use of them. The first popularly elected president, Ong Teng Cheong, sought to make use of his discretionary power to review the national budget and was rebuffed. In 2011, the government asserted that the president should not publicly oppose the government, while in 2017 the government denied electoral competition. The judiciary, which has gained some independence, is still subject to severe constraints. Any criticism of the judiciary is heavily punished. The mainstream media is also under government control and exercises heavy self-censorship, which means that negative news are always muted if not ignored. It is difficult to make an objective assessment of the government’s performance as the ruling PAP dominates all institutions and continues to block democratization. A number of institutions are even designed to curtail the emergence of effective democracy.

The PAP government is not committed to democratic institutions. At a party conference in December 2014, Prime Minister Lee Hsien Loong openly voiced his opposition to the idea of checks and balances, which in his opinion would cause “gridlock.” The ruling party believes that its own record is evidence that a dominant party system is superior to a multiparty democracy. Prime Minister Lee made this most clear when he said, “Eventually there will be no more PAP to check, there will be no more able team of ministers working and solving problems for Singapore, no progress for Singapore, no future for Singapore, and that will be the last check because that will be check mate for Singapore!” In order to maintain control, leaders have not shied away from making use of their power over the administrative state and the media to destroy the credibility of the opposition. The government will use any constitutional and electoral law to prevent significant gains for any political challenger. Since the number of candidates seeking the office of president has
increased over the years and, in 2011, the candidate favored by the government only won with a tiny majority of 35.2%, the government saw the need to change the electoral process. In 2016, the government limited potential candidates in the 2017 election to members of the Malay minority, thus disqualifying Tan Cheng Bock. Even then, the government did not allow a contest, as only one of three candidates was deemed eligible to run.

5 | Political and Social Integration

Singapore’s party system is moderately stable and socially rooted. The People’s Action Party (PAP) has won every election since independence and holds a two-thirds majority in parliament. The ruling party has commanded the support of the majority of the population most of the time since independence. Currently, there are 83 seats controlled by the PAP while the Workers’ Party has six elected seats, plus three non-constituency member of parliament (NCMP) seats.

The third generation of leaders is running the PAP, with party Secretary-General Lee Hsien Loong occupying the prime minister’s office. The party was strengthened following the 2015 general election in which the party increased its share of the vote to 69.9% from 60.1% in 2011. The successor to the current prime minister, Lee Hsien Loong, has been identified as Heng Swee Keat. The important test will be the upcoming general election, which has to be held by January 2021, but could be held much sooner as previous elections have been.

In recent years, the Workers’ Party established itself as the most credible opposition party. It is the oldest opposition party, founded in 1957. While the Workers’ Party is now the most prominent opposition party, the opposition camp is fragmented into many smaller parties. Even the WP only competes in a minority of seats during general elections and received nearly 40% of the vote for the 28 seats it contested. For this reason, it received all the NCMP seats, which go to the losing opposition with the highest number of votes. The next largest parties are the Singapore Democratic Party, the National Solidarity Party (NSP), the Singapore Democratic Alliance (SDA) and the Singapore People’s Party (SPP). All these smaller parties experienced an erosion in electoral support in 2015. Frustrated by these results, Kenneth Jeyaretnam of the Reform Party said on live television, “I guess Singaporeans get the government they deserve, so I don’t want to hear any more complaints.” This was a sentiment shared by many in the opposition. Since then, several websites of smaller opposition parties have gone offline.

Contrary to the Malaysian party system, political parties in Singapore are not openly grounded in ethnicity and can be considered catch-all parties. As a result, polarization between the parties with regard to ethnicity is notably low. Nonetheless, due to the ethnic dominance of the Chinese population, party politics are strongly determined by Chinese interests. The most powerful positions are controlled by ethnic Chinese
with similar socioeconomic backgrounds. To somewhat counteract this effect, all political parties are forced to nominate election candidates of a different ethnicity in the GRCs. This, however, makes it more difficult for opposition parties to win elections because they have to compete with constituencies headed by senior government officials. In addition, the recent decision to limit the nomination criteria of the elected presidency has a similar effect of granting minority representation at the expense of allowing a potential challenger to gain support.

Following the electoral upset in neighboring Malaysia in May 2018, Singaporean opposition parties sought to create a similar coalition that could increase the chances for success in the next parliamentary elections, which might take place as soon as 2019. In August 2018, seven of Singapore’s opposition parties discussed forming an alliance. However, the biggest opposition party, the Workers’ Party, did not join, which demonstrates that there is great disunity in Singapore’s opposition. The popular presidential candidate, Tan Cheng Bock, also met with opposition parties and considered playing a role in such a coalition. In January 2019, he created a new opposition party with 11 other politicians, which he called Progress Singapore Party. Some people have also urged Lee Hsien Yang, the prime minister’s brother, to join the opposition coalition, which would likely improve its chances significantly.

Few interest groups can operate independently of the PAP in the city-state. The spectrum of interest groups ranges from social organizations like environmental groups and community organizations that provide assistance to the poor to professional associations such as the Law Society of Singapore. The National Council of Social Service, a statutory body established by parliament, is an umbrella organization that includes about 400 welfare organizations including the Young Men’s Christian Association (YMCA). Historically, employers’ associations have no political weight. Trade unions, which have been unified under the National Trades Union Congress (NTUC), a pro-government umbrella organization also closely tied to the ruling party, have adopted a cooperative relationship with the government. As a consequence, organized strikes have disappeared. Independent civic groups can only act within the narrow limits set by the Singaporean authorities under strict regulations such as the Societies Act and can only comment on “political” issues if they register as political societies. This places strict limitations on these organizations. Moreover, under the Sedition Act, there are strict restrictions on discussing issues of race and religion. Cooperation between different civic groups is difficult and often short-lived. In the period of review, noninstitutionalized activism continued to proliferate such as signature campaigns, coalition formation, and small protests confined to Speakers’ Corner. The government has become uneasy with some forms of the growing activism. The government announced in October 2016 the need for foreign entities interested in sponsoring events in Speakers’ Corner to apply for a permit. This was ostensibly done in the context of the increasingly popular Pink Dot event, which is held every year in spring and which has drawn very large crowds. From 1,000 people in 2009 to a record 28,000 people in 2015, the event has,
according to organizers, become too large for the park. The government has subsequently enforced strict regulations banning the participation of non-Singaporeans and limiting event sponsorships. This has slightly reduced the number of participants. Marking 10 years of the annual protest in 2018, the organizers were able to mobilize 20,000 people.

Singaporeans have an ambivalent relationship to democratic norms. According to the East Asia Barometer, 80% of Singaporeans express a desire for democracy and 85% believe that democracy is the most suitable form of government for the country. According to the 2012 World Value Survey, 90.5% of Singaporeans believe that a democratic system is very or fairly good. However, only slightly more than half of Singaporeans believe that elections or the right to criticize those in power are essential characteristics of a democracy. Furthermore, the majority of Singaporeans feels that the current government resembles a complete democracy and not an authoritarian system and 84.6% of Singaporeans are very or fairly satisfied with the way democracy works in their country. In addition, 15.5% of Singaporeans view the city-state as a full democracy and 75.5% feel that Singapore is a democracy, but with minor problems. Only 3.8% of Singaporeans believe that their country is not a democracy.

Following the 2015 general election, some argued that the population had become supportive of authoritarianism. However, a post-election survey by the Lee Kuan Yew School of Public Policy revealed that 89% of the population consider checks and balances either important or very important, which represents an increase from earlier surveys. An increasing number of people also stated there was a need for alternative voices in parliament. This view was shared by 86% of the people in the survey. A National University of Singapore survey in 2018 showed that people said that they have fewer democratic rights than previously. For instance, 35.5% of the population were dissatisfied with their right to criticize the government.

Social and cultural barriers divide the population, especially with regard to the growing number of foreign workers. According to data provided by the World Value Survey of 2012, only 37.3% of respondents agreed that “most people can be trusted” (which however is a significant improvement over the previous survey, when only 16.7% shared this view). Higher levels of trust can be observed in relationships between relatives or neighbors. Among the Southeast Asian countries, Singapore is at the bottom with regard to the rate of membership in any forms of societal associations. A substantial 90.1% of Singaporeans are not members of any societal association, according to data provided by the Asian Barometer Survey. Mistrust exists especially between the state and newly emerging independent civil society organizations. While social capital remains notably low in Singaporean society, the growing willingness of some civil society groups to promote issues of public concern has revealed a small but dedicated group of individuals willing to come together to fight for the protection of heritage (Bukit Brown cemetery), nature preservation (Bukit Brown cemetery, MacRitchie Forest) or other social concerns.
II. Economic Transformation

6 | Level of Socioeconomic Development

Key indicators show a very high level of development. The country’s score in the 2018 UNDP’s human development index (HDI) is 0.932, which is the highest in Asia. Globally, Singapore is in ninth place. The country’s level of development permits freedom of choice for all citizens and is comparable to OECD countries. However, society is also marked by a high degree of inequality. The Gini coefficient indicates that there is a wide gap between the rich and the poor in Singapore. In 2017, it stood at 0.401 after government transfers (0.459 before government transfers) according to government data. The 2009 U.N. Development Report showed that Singapore had the second highest income gap among 38 countries with very high human development, trailing only Hong Kong. The income gap was partly caused by the high costs for housing, food and transport. According to CPF data, 26% of the population earn SGD1,500 or less each month. While the government has sought to mitigate the problem, social assistance is heavily means-tested. Also, spending on education, health and social protection was low, compared to other countries in the region. Moreover, the government continues to resist introducing a minimum wage. It also resists setting an official poverty line, which makes it difficult to estimate the number of poor in the country. While there are significant income disparities, gender inequality is relatively low. Singapore scored 0.067 on the 2017 Gender Inequality Index, thus ranking as the ninth most equal country in the world. The female literacy rate in 2017 was estimated at 95.7%, slightly less than the male (98.8%). In sum, Singapore shows a very high level of development, but there is also a worrisome income gap.

<table>
<thead>
<tr>
<th>Economic indicators</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>$M</td>
<td>308004.1</td>
<td>318068.5</td>
<td>338406.5</td>
</tr>
<tr>
<td>GDP growth</td>
<td>%</td>
<td>2.9</td>
<td>3.0</td>
<td>3.7</td>
</tr>
<tr>
<td>Inflation (CPI)</td>
<td>%</td>
<td>-0.5</td>
<td>-0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Unemployment</td>
<td>%</td>
<td>3.8</td>
<td>4.1</td>
<td>3.9</td>
</tr>
</tbody>
</table>
### Economic indicators

<table>
<thead>
<tr>
<th>Economic indicators</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign direct investment % of GDP</td>
<td>22.7</td>
<td>23.1</td>
<td>28.0</td>
<td>22.5</td>
</tr>
<tr>
<td>Export growth %</td>
<td>5.0</td>
<td>0.0</td>
<td>5.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Import growth %</td>
<td>3.4</td>
<td>0.1</td>
<td>7.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Current account balance $ M</td>
<td>53023.0</td>
<td>55659.9</td>
<td>55405.0</td>
<td>65072.1</td>
</tr>
<tr>
<td>Public debt % of GDP</td>
<td>102.3</td>
<td>106.9</td>
<td>109.5</td>
<td>113.6</td>
</tr>
<tr>
<td>External debt $ M</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total debt service $ M</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net lending/borrowing % of GDP</td>
<td>4.2</td>
<td>5.1</td>
<td>7.7</td>
<td>-</td>
</tr>
<tr>
<td>Tax revenue % of GDP</td>
<td>13.1</td>
<td>13.4</td>
<td>14.2</td>
<td>-</td>
</tr>
<tr>
<td>Government consumption % of GDP</td>
<td>10.2</td>
<td>10.3</td>
<td>10.4</td>
<td>10.5</td>
</tr>
<tr>
<td>Public education spending % of GDP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public health spending % of GDP</td>
<td>2.2</td>
<td>2.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>R&amp;D expenditure % of GDP</td>
<td>2.3</td>
<td>2.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Military expenditure % of GDP</td>
<td>3.1</td>
<td>3.2</td>
<td>3.2</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Sources (as of December 2019): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

### 7 | Organization of the Market and Competition

Market competition is consistently defined and implemented both macroeconomically and microeconomically in Singapore. There are state-guaranteed rules for market competition with equal opportunities for all market participants. The informal sector is very small. According to the 2019 World Bank “Doing Business” report, Singapore ranked second in the world after New Zealand. According to the report, its top three rankings were protecting minority investors, enforcing contracts and starting a business. Establishing a business in Singapore is very easy, as it takes only two procedures, 1.5 days and a low cost of 0.4% of GNI per capita, placing the country at third out of 190 in the sub-index “Starting a Business.”

Although key sectors such as telecommunications or media have been privatized, government-linked companies (GLC) managed by the PAP-controlled Temasek Holdings, the country’s second largest investment company, play an important role in several key sectors. GLCs produce nearly two-thirds of the country’s GDP and include prominent companies such as Singapore Airlines and Singapore...
Telecommunications Limited (Singtel), which in the Association of Southeast Asian Nations (ASEAN) Corporate Governance Scorecard ranked first in terms of the market capitalization of Singapore-listed corporations in 2015. In fact, most of the top-ranked companies are at least partially owned by the Singapore government. Although GLCs operate largely independently, they compete directly with private sector companies. Competing SMEs in the private sector had difficulties getting bank loans for building up their businesses and did not play an important role in the city-state’s economy during the period under review. Singapore’s dependency on GLCs has potential risks, as shown during the global financial crisis. Financial experts have – to no avail – sometimes demanded a more well-balanced and competitive economy with an increasing number of private sector companies, in order to make Singapore’s economy more resilient.

The Singaporean authorities enforce comprehensive competition laws to prevent monopolistic structures and conduct. The efficient functioning of Singapore’s markets is guaranteed under the Competition Act of 2004, which is largely modeled after the UK Competition Act of 1998. The legislation covers both foreign-owned and domestic companies. The provisions were implemented in phases: the Competition Commission of Singapore (CCS) was set up in January 2005 with provisions on anti-competitive agreements, decisions and practices, abuse of dominance, enforcement, appeal processes and other miscellaneous areas coming into force one year later. Remaining provisions relating to mergers and acquisitions were implemented in July 2007. Since April 2018, the Competition Commission of Singapore has been given the administrative competencies for consumer protection. Consequently, its name was changed to the Competition and Consumer Commission of Singapore (CCCS). In its efforts to protect competition and consumers, the CCCS pursues a proactive approach, strengthening competition law enforcement in the last years. Its work mainly concerns cross-border cases and infringement decisions on bid-rigging and price fixing. Telecommunications, media, energy, postal services and the airport have been exempted from the Competition Act 2004. The telecommunications sector is overseen by the Info-communications Development Authority (IDA), which issued a code of practice for competition. However, it is noteworthy that these exempt sectors include some businesses that are monopolies managed directly by the government or controlled by Temasek Holdings.
Singapore’s economy is one of the most open in the world in terms of foreign trade. The country strongly supports the multilateral trading system. Singapore grants at least most-favored-nation treatment to all its trading partners, and the most-favored-nation tariff stands at zero. The only exceptions are six lines for alcoholic beverages, which are subject to specific rates. Furthermore, the city-state has bilateral trade and investment agreements with countries in various regions of the world. As a founding member of ASEAN and the Asia-Pacific Economic Cooperation (APEC) forum, Singapore actively participates in reducing trade and non-trade barriers between member countries. Singapore ratified the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on July 19, 2018 and signed the European Union-Singapore Free Trade Agreement (EUSFTA) in October 2018. The former constitutes the remaining 11 countries of the Trans-Pacific Partnership after the United States removed itself from the agreement (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam). Aside from these, there are bilateral free trade agreements (FTAs) with Australia, China, Costa Rica, India, Japan, Jordan, Korea, New Zealand, Panama, Peru, Sri Lanka, Taiwan, Turkey and the United States. The network of FTAs is comprised of 18 bilateral and regional FTAs and a total of 24 trading partners.

In Singapore, the banking system is solid and oriented toward international standards with functional banking supervision and minimum capital equity requirements. In 2011, Singapore’s Monetary Authority of Singapore (MAS) announced capital rules whose revisions were set at higher levels than Basel III. Singapore’s capital markets are well developed, and its banks are increasingly using complex derivatives for risk management and hedging. Financial services account for about 12% of Singapore’s GDP. There were 127 commercial banks in Singapore in 2018. Of these, four are local banks and 123 are foreign banks. Commercial banks are licensed under and governed by the Banking Act. Despite the effects of the global financial crisis, the country’s financial institutions remained stable and have ample liquidity. Furthermore, the government guaranteed all SGD and foreign-currency deposits of individuals and non-bank customers in licensed banking institutions. However, the guarantee is for a maximum sum of SGD20,000 and was introduced only after Hong Kong offered a similar guarantee. Currently, there are three dominant banking groups in Singapore. The largest is the government-controlled Development Bank of Singapore (DBS). The share of non-performing loans decreased slightly from 1.2% in 2016 to 1.4% in 2017. In the context of the massive 1MDB scandal in Malaysia, Singapore closed and fined a number of banks for breaching money-laundering regulations. DBS Bank was fined SGD1 million and the Swiss UBS SGD1.3 million. The Singapore branches of two private Swiss banks, BSI Bank (May 2016) and Falcon Private Bank (October 2016), were forced to close down. In May 2017, Singapore’s central bank also fined two Swiss banks, Credit Suisse and United Overseas Bank, for violations with regard to money-laundering in the context of the 1MDB scandal. Standard Chartered was fined for a similar reason in 2018.
8 | Monetary and fiscal stability

Inflation and foreign exchange policies are brought into concert with other goals of economic policy and have an adequate framework in Singapore. The Monetary Authority of Singapore (MAS) operates a managed float regime. Singapore had 0.5% deflation in 2016 and 0.6% inflation in 2017, which overall shows relative stability. In 2018, the consumer price index also remained relatively steady. In November, it was 0.3%. Household items and education increased while housing and utilities decreased more than other costs. The Singapore dollar reached its highest level in two and a half years at the beginning of 2018. In 2018, it then weakened somewhat, declining 3.5% from the beginning of the year. The U.S. dollar reached SGD1.37333 in mid-December. Since economic growth slowed more than expected in the second part of the year, the Singapore dollar is expected to weaken further. According to data provided by the World Bank, the real effective exchange rate was 108.7 in 2017.

The Singaporean government’s fiscal and debt policies promote macroeconomic stability, supported in part by institutional constraints. Since the government was forced to tap its reserves in 2009 due to the global financial turmoil, the budget has fluctuated with deficits and surpluses from year to year. In 2017, the budget had a surplus of SGD9.61 billion or 2.1% of the GDP. For 2018, however, there is an estimated budget deficit of SGD0.6 billion. In 2017, Singapore’s debt-to-GDP ratio was at 110.6%, which is very high internationally. The reason for the high debt-ratio is that the government borrows money from the Central Provident Fund (CPF) pool and channels it into investments. The government surplus guarantees that Singapore’s credit rating is not at risk. Nonetheless, the government, through the GLCs in particular, has been raising large amounts of cash in the international market through bond issues while trying to capitalize on the low interest rate regime. This has to be carefully managed to prevent excesses.

9 | Private Property

Property rights and regulations on acquisition, benefits, use and sale are well defined and widely enforced in Singapore. The Heritage Foundation’s 2018 Index of Economic Freedom again stated that Singapore has one of Asia’s strongest intellectual property rights regimes and ranks Singapore second in Asia, trailing only Hong Kong. Furthermore, the Singaporean judiciary effectively protects private property, and contracts are secure. In addition, Singapore has ensured that its property and copyright laws are in line with underlying principles in global laws on intellectual property rights. Minor problems with regard to the enforcement of property rights remain, for example, state acquisition of land, which is often priced under that of the prevailing market price. Furthermore, politicians who lose a defamation suit against the ruling PAP often have to file for bankruptcy when they cannot pay the
exceptionally high damages awarded. Outspoken opposition politicians run the risk of losing their assets. Besides offering low compensation for compulsorily acquired properties, the government, which controls the largest land bank acquired very cheaply in the 1970s, makes enormous profits through tendering such properties for sale today.

Singapore’s development model of a globally embedded developmental state rests on three pillars: multinational corporations, public enterprises and small- and medium-sized private businesses. Private companies are often portrayed as the primary engines of economic production and are given appropriate legal safeguards, but public and quasi-public enterprises play a key role in indicative economic planning and state-led development. In the past, the privatization of state companies proceeded with market principles. The government-linked corporations are run like private companies. In addition, the 2019 World Bank “Doing Business” report ranked Singapore second behind New Zealand. The low level of bureaucratic procedures in particular fosters private entrepreneurship. However, the dominant role of GLCs (e.g., in the telecommunications or multimedia sector) is often viewed as an obstacle to the development of private enterprises. It is very difficult to sue the government in case of legal disputes, as legal costs are very high. Moreover, the government has ownership in many companies either directly through its investment corporations or indirectly through the companies owned by investment corporations. The data on these structures is not fully clear. The major listed companies of Temasek alone possess 20% of market capitalization. Studies have found that government-linked corporations, despite being subject to the same market pressures, have an advantage over private enterprise.

10 | Welfare Regime

Social safety nets are well developed, but do not cover all risks for all strata of the population. Social security schemes are very much centered on individual contributions to social insurance. All the schemes targeting the poor are thoroughly means-tested. A growing number of people have received aid from the government. In 2017, approximately 79,470 people received SGD131 million in financial help from the government’s social assistance scheme ComCare, which was a 5% decrease from the previous year. The decrease was primarily in short-to-medium-term assistance, while long-term assistance increased. The government has officially rejected the notion of welfare, which it thinks would undermine the city-state’s work ethic and reduce its ability to compete with neighboring economies. The Central Provident Fund (CPF) is the primary social security institution for Singaporeans and permanent residents. Contributions to the CPF go into three accounts: The Ordinary Account, where savings can be used to buy a home, pay for CPF insurance, investment and education; the Special Account for investment in retirement-related financial products, and the Medisave Account for approved medical insurance. One
concern about the CPF system is the lack of transparency in the system. People have been worried about increases to the minimum sum which members are allowed to withdraw as a monthly income for retirement after 55 years of age. Many people have drawn on CPF funds for housing or health care and so cannot meet that minimum. This is in part due to a low percentage of public expenditure on health (4.3% of the GDP in 2015). While a system of universal health care coexists with the private health care sector, there are growing concerns about the affordability of health care, as co-payments in Singapore depend on the pricing of services rather than people’s income. A previous, generous package heavily subsidized the health care costs of the “pioneer generation” that is now retired, and the newly announced Merdeka Generation package is meant to do the same for the baby boomer generation now approaching retirement age. Subsidizing health care is an important social issue that can affect the PAP’s political support.

Similar to some Arab states, such as Qatar and the UAE, non-citizens comprise a large percentage (approximately 35%) of the city-state’s population. Most non-citizens are either well-educated expatriates from Western countries and Northeast Asia (Mainland China, Taiwan, Japan, South Korea) or other Southeast Asian countries or (the majority) oversees foreign workers (OFWs) from Southeast and South Asia. While the former often are permanent residents and enjoy equal opportunity (except for access to political office, limited to citizens, as in most countries), the latter are often on short-term contracts (one to two years), not allowed to bring their families and subject to discrimination, unfair or unsafe working conditions and immediate deportation, if they violate the terms of their work contracts.

With respect to citizens, equality of opportunity is largely achieved in Singapore. Women and members of ethnic and religious groups have near-equal access to education, public office and employment, though, there is a lack of female representation in professional categories at managerial levels and only 24% of the members of parliament are women.

According to the Ministry of Social and Family Development in 2015, the wage gap between male and female managers stands at 13.2%, which is lower than in 2011 when it was 14.4%. A 2011 poll also revealed that a mere 49% of companies are willing to hire working mothers.

In terms of ethnicity, Malay households are more likely to be less well-off in socioeconomic terms than those of the Chinese majority. A 2013 study by the Institute of Policy Studies showed that 67% of Malays and 60% of Indians claimed they had experienced some form of discrimination in their job applications. Malays have underperformed in the job market since the 1980s. As legislation penalizes public debates on race, it is unlikely that this issue will be resolved any time soon. On a positive note, the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) was signed in October 2015 and ratified in
November 2017. Low-income families and those with low professional qualifications find it increasingly difficult to make ends meet in Singapore. Social mobility in Singapore appears moderately low compared to other countries, although the government does not have data on measuring this metric.

11 | Economic Performance

The city-state continues to be affected by the sluggish global economy. In 2017, growth was 3.6%, while the economy is expected to grow between 3% and 3.5% in 2018 and between 1.5% and 3.5% in 2019. GDP per capita (PPP) increased in 2017 to $93,905 from $89,103 the year before. The current account balance in Singapore corresponded to $60.99 billion in 2017. There was inflation of 0.6% in 2017, which was a change from a 0.5% deflation rate in 2016. In April 2018, the unemployment rate for Singapore residents and citizens was 3%. In the same month, Singapore had the lowest rate of retrenchments in seven years. Tax revenue was at 13.7% of the GDP in 2017. Foreign direct investments were at 19.6% that same year, a slight decrease from previous years. In 2016, it climaxed at 24%. Macroeconomic indicators and policies are generally good, although a slowdown is expected in 2019. A negative development to watch is the debt-to-GDP ratio that is above 110%. This came about as a result of high levels of external borrowing during the low interest rate regimes that existed in the past few years. Both the government and the GLCs have engaged in such borrowing through bond issues.

12 | Sustainability

Environmental concerns are taken into consideration, but subordinated to growth efforts. Environmental regulations and incentives are in place and largely enforced. Industrial pollution, limited natural freshwater resources and waste disposal are viewed as the nation’s primary environmental problems. The Environmental Performance Index (EPI) ranked Singapore 49th in 2018 (2016: 14th). The country scored particularly well with regard to water resources, water and sanitation and air pollution. However, biodiversity, habitat and agriculture received low marks. According to a study published by academics from the National University of Singapore (NUS) and the University of Adelaide in May 2010, Singapore has lost 90% of its forest, 67% of its birds and about 40% of its mammals in the last 30 years. The decline in natural areas and the reliance on air conditioning means that Singapore is heating up twice as fast as the rest of the world. Furthermore, the city-state is the 28th-highest consumer of fossil fuels among 219 countries according to data provided by the U.S. Energy Information Administration. In 2015, 97.4% of energy usage came from fossil fuels. Beginning in 2020, there will be a carbon tax for all facilities that produce 25,000 tons or more of greenhouse gas emissions. The Singapore Environment Council released a study in 2013 which showed that the city-state uses
three billion plastic bags every year while the government has no plans to ban single use plastic or place levies on it. Environmental Impact Assessments (EIAs) are not required by law and are conducted in secret and only when the government believes they are necessary, lagging behind many other countries in the region. There have been growing demands for passing a law concerning EIAs, which are in place in many other Southeast Asian countries. The government has not yet enacted one out of concern that doing so could reduce its flexibility. The most recent prominent case concerns the Cross Island Line, which will run under the Central Catchment Nature Reserve and which has raised concerns among environmental groups about its impact. A consultation process was initiated in 2003. However, shortening travel time has been the primary concern in promoting the line’s alignment under the nature reserve. The number of required bore holes has been reduced and limited to existing clearings, thus reducing the impact on the area. In October 2018, the government announced a new nature park in Mandai Mangrove and Mudflat, which is set to open in 2022. Although it will be a relatively small park with 72.8 hectares, it has been welcomed by environmental organizations that have lobbied for it for many years. At the same time, environmental activists did not welcome the redevelopment of 126 hectares of valuable natural jungle, also in the Mandai district, which started in 2017 and is expected to be completed in 2022, for a bird park, a rainforest park and a 400-bedroom hotel. They fear that the project will harm biodiversity and reduce habitats for wild animals.

Singaporean education policy ensures a system of high-quality education and training, and the research and technology sector is dynamic and competitive. Investment in education and training is clearly above average as is investment in R&D. Public expenditure on education was 2.9% of the GDP in 2013, a slight decrease compared to 3.1% of the GDP in 2012. Expenditure on R&D was 2.2% of the GDP in 2014, which is about average in OECD countries. Singapore has six public universities, six autonomous institutes, five polytechnics, two arts institutions, 13 foreign institutions and the Institute of Technical Education (ITE). Singapore’s universities rank among the best in the world. The Times Higher Education Ranking ranked the National University of Singapore 23rd in the world and 2nd in Asia in 2018. The sound education policy and the high level of expenditure on R&D are highlighted by the World Economic Forum’s Growth Global Competitiveness Report 2018, which ranked Singapore second out of 140 economies. The city-state was the highest ranked economy from Asia. Moreover, Singapore scored at the top of OECD Program for International Student Assessment in the field of creative problem-solving skills in 2015. This suggests an improvement from the previous emphasis on knowledge accumulation over creative and problem-solving abilities. However, education remains highly examination-driven and assessment-oriented, reducing the incentives for critical thinking and creativity. The emphasis on exams also leads to high levels of emotional stress among young people. Overemphasis of university rankings has also come under increasing criticism.
Governance

I. Level of Difficulty

The Singaporean government faces only low structural constraints on its capacity to govern. Neither infrastructural development nor poverty constrain the Singaporean administration. The country’s level of constraints can be compared to OECD countries. Moreover, the country is not exposed to natural disasters or pandemics. The educational system’s output of high-skilled workforce is sufficient and the level of corruption is notably low, with the fight against corruption being a key component of the ruling PAP’s policy. However, the greatest structural constraint is its small size, which, for instance, requires Singapore to import many important resources, such as water (from Malaysia). This makes cordial relations with neighboring countries especially important. Moreover, the high number of ethnic Chinese requires skillful handling so as to avoid confrontation and to foster a unified Singaporean identity. This was seriously challenged during the Little India Riot in December of 2013, but the government officially rejected that racism played a role in the conflict. As most of the rioters were from India, it drew attention to the problem of the massive immigration of cheap labor to Singapore in recent years. According to an Institute of Policy Studies (National University of Singapore) survey in 2016, 50% of Singaporeans still consider racism to be a problem in the country while 65% believe that migrants, especially from China, tend to be racist.

Traditions of civil society are fairly weak in Singapore and are mostly limited to informal community assistance. During the colonial period, civil society was characterized by ethnic and religious groups such as clan associations, church, temple and mosque congregations. These organizations played an important role during decolonization. Nowadays, the landscape of voluntary organizations is slim and plagued by limitations imposed by the Singaporean government. In general, two different cultures of civil society have emerged within the NGO landscape. On the one hand, a group of more liberal organizations monitors human rights or observes the government’s behavior with regard to opposition politicians. On the other, there are a number of special interest groups, which deal with women’s rights, the environment and heritage preservation. While these groups have carefully avoided politics, there are a number of instances when they have become outspoken. In the period under review, activists and discontented citizens have continued to show willingness to use protests (in Hong Lim Park), public walks, petitions, open letters, etc. The government continues to tighten restrictions on activism. It has targeted the
participation of foreigners in protests at Speakers’ Corner, the use of Malaysian and Singaporean flags and the role of foreign funding in activism in the park. An amendment to the Public Order Act made in 2017 allows the government to deny a permit if any foreigners are involved in a political event.

Generally, Singapore has few incidents based on social, ethnic or religious differences and conflict intensity tends to be low. Since independence, the political elite have managed ethnic and religious cleavages by promoting a multi-racial and multi-religious concept of citizenship. While it rejected the idea of a melting pot, as Singaporean ID cards for instance maintain ethnic identifiers, this conflict management helped stabilize a heterogeneous society and inhibited violent outbreaks for more than three decades. Consequently, there is no organized mobilization along ethnic or religious cleavages. The Singaporean government uses authoritarian methods to restrict public debate on questions of race or religion, which hide some of the tensions. A majority of Indians and Malays, for instance, have experienced discrimination on the job. While conflict with migrants has remained of concern during the period under review, no major incidents have occurred that resemble the Little India riot of 2013. The government has made some efforts to reduce the tensions by slightly curbing the number of new immigrants. This raised concern among the business community that relies on the flow of cheap labor to fill positions for which there are shortages. Currently, foreigners make up 38% of Singapore’s population, up from about 20% a decade ago. With rising housing costs and greater competition on the job market, Singaporean citizens continue to complain about the influx of foreign workers.

II. Governance Performance

14 | Steering Capability

The Singaporean government sets strategic priorities and generally maintains them over extended periods of time. It has the capacity to prioritize and organize its policy measures accordingly. Strategic planning divisions exist in several ministries in the Singaporean government. In the period under review, the government continued to focus on social problems and rising income inequality. This included measures to help the poor and to curb the inflow of foreigners. In Singapore, the maintenance of strategic priorities is not constrained by actors outside the government such as powerful economic interests or foreign governments. However, the ruling PAP’s strategic long-term aims do not include the further democratization of the public sphere or the extension of democratic norms. The demands of opposition parties and human rights groups for further democratization were ignored by the Singaporean government. Instead, the government is currently intent on curtailing oppositional
voices, which is reflected in growing restrictions on the right to protest and freedom of speech, in particular the impending law on fake news that will allow the government to define what is and is not fake. The government also tends to make use of short-term measures to reduce social problems such as one-time handouts for poor people. Some government handouts are specially timed to come prior to general elections. In political cases, the government uses evidence selectively to make its case. For instance, to argue against appointing a non-Chinese prime minister, prominent leaders in the ruling party argued that older and more conservative voters were opposed to the option.

In general, the Singaporean government is able to implement most of its policies effectively. Singapore enjoys effective policy implementation thanks in part to the absence of a true parliamentary opposition and the PAP’s dominance of almost every aspect of the city-state’s political, military and economic life. There are many examples. Following the global financial crisis, the government was able to quickly implement a stimulus package to boost Singapore’s economy. In the period under review, the government implemented tighter regulations on the immigration of foreigners. Moreover, it implemented higher stamp duties on property purchases by foreigners and companies in order to contain rising property prices, in part driven by property speculation. Singapore has also implemented tight regulations on air pollution and traffic, making Singapore one of the cleanest places in Asia. The highly unpopular Electronic Road Pricing gates, which charge drivers to use the road, are an example of this. In addition, car owners must purchase a Certificate of Entitlement, making Singapore one of the most expensive countries in the world to own a private car. Gantry fees were again increased in the period under review. However, many measures such as the Merdeka Generation Package introduced in 2018 and other measures to underwrite health care and housing are only temporary and do not deal with the fundamental problems in Singapore’s current development path. The executive has reduced political space for opposition and refused to engage in positive structural and qualitative changes in the political system, which could facilitate transformation toward a more open and participatory regime, as in a liberal democracy. The lack of a long-term plan increases the possibility of growing resentment toward the government. At the same time, it highlights the government’s declining ability to plan strategically.

The Singaporean government responds to mistakes and failures with changes. The city-state’s administration shows a considerable degree of flexibility and learning capability with reference to market reforms. In addition, the government regularly seeks advice from financial experts and academics in order to implement good practices in the financial sector. The political elite, however, continue to refrain from implementing democratic reforms. Moreover, the elite show a low degree of political will to learn from past mistakes in order to facilitate democratic changes. This was visible in response to the Little India riot of 2013, when the government refused to establish a committee to investigate the causes behind the incident. Most policy
learning occurs behind closed doors and is not subject to public discussion. Potentially embarrassing issues, such as the leak of health care data in 2018, are not subject to public investigation and usually disappear from public interest. In most cases, if lessons are learned, the public will not be informed. In fact, the rulers believe their system is the best in the world and may even be an alternative to democracy. As such, the regime has attracted attention from many authoritarian regimes, including China, as a potential role model to improve one-party dominant rule without the need to allow democratic participation in politics. In sum, the government’s projects cannot be considered as evidence of its learning process or commitment to democratic norms.

15 | Resource Efficiency

The Singaporean government makes efficient use of all available human, financial and organizational resources. The government’s administrative personnel are highly professional. The existence of competitive recruitment systems and the high level of public sector salaries make the Singapore civil service one of the most efficient bureaucracies in the world. Still, the largest government-linked corporation, Temasek Holdings, under the direction of Ho Ching, the current prime minister’s wife, continues to operate with questionable efficiency. Of particular concern is the limited transparency of the company. Leaked cables suggest problems during the attempted leadership transfer at the company. During the period of review, government-linked Keppel Corporation became involved in a corruption scandal in Brazil, where it had paid bribes worth $55 million to win 13 contracts with two Brazilian oil companies between 2001 and 2014, according to court documents released by the U.S. State Department. It had to pay fines worth $422.2 million (SGD554 million) to authorities in the United States of America, Brazil and Singapore. In general, the Singaporean government makes efficient use of budget resources. There was a budget surplus in 2017/18 and an expected small budget deficit in 2018/19.

The government coordinates conflicting objectives effectively and acts in a coherent manner. The cabinet under the hierarchical leadership of Prime Minister Lee Hsien Loong handled conflicts over economic and social policies effectively and achieved policy coherence. The government promises that trade-offs between policy goals are well-balanced. During the period under review, there were no visible frictions within the government. Means of coordination between different departments of the state administration are in place. The prime minister’s office coordinates the activities of the ministries. For example, the National Security Coordination Secretariat (NSCS) and the National Population Secretariat (NPS), which are both located in the prime minister’s office, respectively coordinate national security planning and intelligence issues, and the various government agencies involved in population-related issues. In addition, responsibilities within the government are ascribed in a transparent manner. Compared to other countries in the region, the government’s capability to coordinate conflicting objectives and interests is highly effective.
The Singaporean government is largely successful in containing corruption, and integrity mechanisms are in place and effective. Corruption in the civil service is by far the lowest in the region. Numerous safeguards and rigorous audit controls are in place in the city-state. The Corrupt Practices Investigation Bureau (CPIB) is incorporated into the prime minister’s office and investigates corruption in the public and private sector. It derives its jurisdiction from the Prevention of Corruption Act that was enacted in 1960. However, the fact that the CPIB is subordinate to the prime minister’s office has caused concern. A potential problem for public accountability in Singapore is the lack of a Freedom of Information Act, which would allow Singaporeans to obtain access to government information. So far, the government has rejected demands to enact such a law. It has argued that releasing such information may not be in the national interest and would not necessarily improve governance. The extremely high salaries of ministers and high-ranking civil servants have been increasingly criticized and viewed as legalized corruption. In addition, the strong affiliation between the ruling PAP and the state administration is viewed as problematic, especially with regard to the high salaries paid in the higher ranks of the administration. A high position in the ruling PAP increases the possibility of obtaining a lucrative job in the public service. Allegations of nepotism have often been met with defamation lawsuits followed by apologies. According to Michael D. Barr, “it is no secret that a dynasty has emerged as the ruling force in Singapore.” The prime minister’s brother and sister have also publicly accused him of trying to establish a dynasty. They suggested that Li Hongyi, the oldest son of Lee Hsien Loong, might be chosen to become prime minister in the future. During the period of review, it was revealed that state-linked Keppel Corporation was involved in major corruption in Brazil, which lasted from 2001 until 2014. This posed a serious threat to Singapore’s image as a place without corruption. It was also suggested that Singapore is more lenient toward engaging in corruption abroad than it is at home.

16 | Consensus-Building

With regard to political democracy, Singaporean political and social actors cannot reach consensus. The ruling PAP continues to refrain from implementing democratic reforms aimed at facilitating transformation. Instead, it maintains that liberal democracy as practiced in the West is unsuitable for Singapore’s ethnically and religiously heterogeneous society. Instead, the government believes in an elitist form of democracy, which only measures the degree of support for its policies. The education minister, Ong Ye Kung, said in 2017 that one-party rule may be Singapore’s path to succeed, based on robust internal competition. While the government has resisted democratic values, the opposition is deeply divided both with regard to the form of democracy they are demanding and the means to achieve it. This was reflected in the response to the electoral defeat of the ruling coalition in Malaysia, which generated some optimism among opposition politicians that something similar could happen in Singapore. The event was used as an opportunity to form a coalition among different opposition parties, which even attracted support

Consensus on goals

Anti-corruption policy
from Tan Cheng Bock, the once-popular presidential candidate. However, the main opposition party, the Workers’ Party, did not participate in the meeting and showed no interest in joining the coalition. The Workers’ Party has consistently avoided openly challenging the ruling party, believing in gradual change from within.

In Singapore, all major political and social actors agree on the goal of a market-based economy. However, some environmental groups are critical of the fact that green-friendly economic plans are overlooked in favor of profitable projects that could be detrimental to the environment. Political parties such as the Singapore Democratic Party propose more social support systems. Nevertheless, there is no politically relevant actor who can derail either the reform process or the expansion of the market economy. The government rejected the idea that buying rail assets amounted to nationalization of the rail system. The assets were bought by the Land Transit Administration (LTA) because the expansion, replacement and upgrades of the system might be too expensive for private operators.

With the ruling PAP controlling the parliamentarian majority in Singapore, antidemocratic actors are in full control of the government and reformers continue to have no power to bring about democratic reforms. During the period of under review, the government limited the freedom of Singaporeans to vote by deeming only one candidate qualified for the 2017 presidential election. Before that, it disqualified the popular Tan Cheng Bock from running in the election by declaring that only candidates from the Malay ethnic minority could participate. In addition, its lawsuit against the main opposition Workers’ Party could destroy the party and constitutes a threat to the rise of opposition parties and the deepening of democracy. While interest groups such as the military or the local entrepreneurs have often played an important role as anti-democratic veto powers in neighboring countries (and still do), in Singapore these groups have been successfully co-opted by the political leadership and have a strong stake in the existing political system. In general, the ruling party sees itself as the only capable political party, with any other party constituting a threat to the survival of the city-state.

While the Singaporean political leadership continued to contain cleavage-based conflicts in spite of the city-state’s ethnic and religious heterogeneity, the growing immigration is leading to increasing conflicts. During the period of review, the Singapore government managed to reduce the conflicts that had occurred as a consequence of the growing number of foreign workers. Singapore experienced its largest political protest in 2013, which was attended by a few thousand participants. The official announcements of curbs on foreign labor have reduced discontent somewhat. However, latent unhappiness prevails. This also applies to foreign workers who still live in precarious conditions, even if the government has sought to mitigate the most serious problems. In 2013, Singapore had also experienced its first riot since 1969 in Little India. Since then, there has not been a similar event, which, however, should not be understood as evidence that the underlying problems have been resolved.
The city-state’s political leadership only recognizes and accommodates the interest of civil society actors if they do not interfere with government policies. Laws pertaining to NGOs and other civil society groups continue to limit the space for civic activity. Any initiative that fosters a critical dialog among Singaporean citizens must register under the Societies Act and be overseen by the government. The government only involves civil society groups that do not take an oppositional stance, which is characterized as politicizing an issue. In recent years, there has been growing political activism from more independent-minded civil society groups. Organizations such as the Nature Society or the women’s rights group AWARE have become more assertive and frequently engage the government through various means. However, they remain very small and have limited resources. Foreign funding is not allowed for organizations which have overtly political goals. While coalitions and alliances between civil society groups such as the Coalition of Singapore NGOs (COSINGO) in 2011 and the Alliance of Like-Minded Civil Society Organizations in 2016 have been established, they focus on a single issue (in these cases making a report to the Universal Periodic Review (UPR). Moreover, as COSINGO shows, such coalitions have remained short-lived. There also are deep divisions within society that pose an obstacle for cooperation. In 2017, only 13 of 60 NGOs submitted a report on gender inequalities to the U.N. because of disagreements on issues such as homosexuality, sex education and polygamy. Overall, the influence of civil society actors in the political process remains insufficient.

The arrest of over 100 left-leaning opposition politicians in the 1963 Operation Cold Store as well as the arrest of 16 people under the so-called Marxist conspiracy in 1987 resulted in disagreement over how history should be interpreted. The government claimed that those who were arrested under the Internal Security Act were Communists who wanted to destroy the country, while others have rejected this version of history. The historian Dr. Thum Ping Tjin stated in a book launch in November 2013, “Were the Barisan and the other detainees of Operation Coldstore part of a communist conspiracy? No. No. No. No.” The issue of how to deal with this historical legacy gained prominence in September 2014, when the government banned the documentary “To Singapore, With Love,” which documents the experience of political exiles. The government believes the film, which challenges the government’s narrative, is one-sided and a screening would be against the national interest. The ban was met with “deep disappointment” by a group of 39 Singaporean artists. Another film, “1987: Untracing the Conspiracy” surprisingly received a R21 rating, which allowed it to be screened in Singapore but only to adults. This allowed it to be screened at the FreedomFilmFest in November 2015 and subsequently in other venues. In 2017, three of the victims, Chng Suan Tze, Low Yit Leng and Teo Soh Lung, published a book called “1987: Singapore’s Marxist Conspiracy 30 Years On,” which is available in Singapore’s bookstores. At the same time, the government has nevertheless refused to open the archives regarding these incidents. Moreover, attempts to call attention to the event, such as a blindfolded protest on the subway in
2017, resulted in legal consequences for the organizer, Jolovan Wham. Dr. Thum Ping Tjin’s attempt to question the government’s control over information using the 1963 and 1987 events resulted in almost six hours of questioning in parliament, during which Law and Home Affairs Minister Shanmugam sought to undermine the historian’s credibility and to force him to provide indisputable evidence that there was no Communist conspiracy.

17 | International Cooperation

While Singapore collaborates internationally to further its domestic economic agenda, as a very highly developed country according to the HDI, it is not dependent on (financial) support from international partners. In fact, in many areas, such as public administration reform, internet governance and anti-corruption policy, Singapore is considered a policy entrepreneur and example from which other countries try to learn.

External advice with regard to the situation of human rights in the city-state is considered unwanted political interference. For example, Singapore’s government accused Oxfam, which had ranked Singapore among the bottom 10 countries in the world for reducing inequality in 2018, as “ideologically driven” because of its emphasis on taxation. In addition to this, the Singaporean government blocks every attempt by international organizations to facilitate democracy and civil rights in the country. It also rejected U.N. criticism of jailing a teen blogger, Amos Yee, on charges of wounding religious feelings. Any foreign support for opposition parties or independent online media is forbidden.

The Singaporean government is considered a credible and reliable partner by the international community. The political leadership remains engaged with the World Bank, the IMF, the Asian Development Bank (ADB) and other international institutions such as the WTO. In addition, Singapore is one of the five founding members of Association of Southeast Asian Nations (ASEAN). Professor Simon Shen believes that Singapore’s advanced economic development makes the country a “natural leader of the ASEAN.” Through the Singapore Cooperation Program (SCP), Singapore provides technical assistance to developing countries around the world. However, Singapore has not signed or ratified international core treaties such as the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, or even the OECD Anti-Bribery Convention. The government argues that it will only sign treaties when it can fully and effectively implement them. This is problematic, as ratified treaties and conventions only become part of domestic law once they are specifically incorporated.
The Singaporean government actively and successfully builds and expands cooperative neighborly and international relationships and promotes regional and international cooperation. As such, it is not surprising that Singapore is one of five founding members of ASEAN, which some hope could evolve into a close-knit community. However, the rise of China is proving to be increasingly challenging, as it reduces the potential for unity within the alliance. At the same time, the unpredictability of the U.S. government also presents new problems for the region. In June 2018, Singapore hosted a meeting between U.S. President Donald Trump and Kim Jong-un, which was aimed at improving relations on the Korean peninsula. In 2018, Singapore also acted as the chair of ASEAN, a position which is rotated on an annual basis. For Singapore’s government, this provided a chance to promote many initiatives to enhance regional cooperation. For instance, the government announced that it would upgrade three Initiative for ASEAN Integration (IAI) centers in Vietnam, Cambodia and Laos with Singapore Cooperation Centers to strengthen technical cooperation and local capacity-building. In November 2018, the 33rd ASEAN summit was held in Singapore. Prime Minister Lee Hsien Loong used this opportunity to call for greater regional integration. However, at the meeting, member states failed to agree to sign a Chinese-backed trade deal, the Regional Comprehensive Economic Partnership (RCEP), which was postponed until 2019.
Strategic Outlook

Singapore is entering a less predictable future. Current Prime Minister Lee Hsien Loong is set to retire and will most likely be replaced by Heng Swee Keat after the next parliamentary election. Currently, Heng seems to be a safe choice, who could ensure the dominance of the ruling party far into the future. Speculation has been rife about whether Singapore’s government will call for early elections in 2019. As the campaign period is only nine days long, an election can occur at a very short notice. Some observers believe that the budget revealed on February 18, 2019 will provide the best indication as to whether elections will take place that year. The government may want to draw on nationalist sentiments as a consequence of growing disagreements with Malaysia. In addition, there are plans for a celebration of the 200th anniversary of the landing of Stamford Raffles, who declared Singapore part of the British Empire. Some have suggested that this is inappropriate as it celebrates colonialism. With regard to the current process of growing authoritarianism, it seems likely that repression of opposition voices and media will increase. Some of the activists currently under investigation are likely to be severely punished. The lawsuit against the Workers’ Party may result in stiff penalties, although public support may save the party from collapse. Moreover, the conflict within the Lee family appears to be open-ended, with no resolution in sight. Some Singaporeans have tried to convince Lee Hsien Yang, the brother of the current prime minister, to join the opposition to help support a coalition between different opposition parties, which might also include Tan Cheng Bock, the former popular presidential candidate. While this would be an unprecedented challenge to the ruling party, it would not constitute a serious threat to its dominance. At the same time, the government wants to create a Founders’ Memorial, which will serve as a reminder of Lee Kuan Yew, who is regarded by many as the founding father. As the late Lee was opposed to such a memorial, which is also why he wanted his house destroyed, this is likely to create more disagreement within the Lee family and among Singaporeans. Even if such a conflict does not have any meaningful impact on Singapore’s political regime, it is still going to influence domestic and international perceptions of the country. For the foreseeable future, the economy will continue to pose a challenge to the government. Much depends on the outcome of the trade conflict between the United States and China. Also crucial is how the U.S. economy deals with the growing possibility of a recession, as well as how China deals with its festering economic problems. As in domestic politics, Singapore’s position in international relations has become increasingly unpredictable. Since the conflict between China and the United States has become more than economic, the city-state may be forced to take sides. While its relationship with China is important in many ways, Singapore leans toward the United States for security. There is also concern that Chinese dominance in the region could have a negative impact on Singapore. At the same time, the growing assertiveness of Malaysia causes the leadership additional headaches. Singapore has vowed to defend its sovereignty and not allow any incursions. However, currently, it is unclear how the tension with Malaysia can be amicably resolved in Singapore’s interest.