This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2024. It covers the period from February 1, 2021 to January 31, 2023. 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).


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### Key Indicators

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<th>Indicator</th>
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<td>HDI rank of 189</td>
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<tr>
<td>Life expectancy (years)</td>
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<td>UN Education Index</td>
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<td>Poverty(^3)</td>
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<td>Urban population (%)</td>
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<td>Gender inequality(^2)</td>
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<td>Aid per capita ($)</td>
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Sources (as of December 2023): The World Bank, World Development Indicators | UNDP, Human Development Report 2021-22. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than $3.65 a day at 2017 international prices.

### Executive Summary

Singapore’s ruling People’s Action Party (PAP) witnessed the emergence of a clear successor when Finance Minister Lawrence Wong was identified as the next leader during a party election in November 2022. The 49-year-old was promoted to the position of deputy prime minister and will act as prime minister in the absence of the current prime minister, Lee Hsien Loong. Prime Minister Lee is the third leader of Singapore since independence and is currently 70 years old. For some time, the succession issue has been regarded as a significant problem, particularly after the 2020 general election failed to produce a new leader when Heng Swee Keat (61), who had been viewed as a potential successor, decided not to pursue the role. The leadership transition is expected to coincide with the next general election, which must be held by 2025 but may occur earlier, as is customary. The PAP, instead of promoting democratic pluralism, maintains that elections are a means to attain a clear mandate for effective governance. However, this objective has become increasingly challenging in the competitive environment.

Singapore has once again tightened freedom of speech as the government has implemented new laws to increase its control over public discourse. Firstly, the PAP-controlled parliament passed the Foreign Interference (Countermeasures) Act (FICA) on October 4, 2021. This act aims to “prevent, detect, and disrupt foreign interference in our domestic politics conducted through (i) hostile information campaigns (HICs) and (ii) the use of local proxies.” Many non-governmental organizations and academics have heavily criticized this law. Reporters Without Borders, for example, described it as a “legal monstrosity with totalitarian leanings,” while Amnesty International stated that the law was intended to suppress dissent. While issues regarding media freedom have raised concerns among organizations like Amnesty International, Cherian George and Linda Lim, among other academics, have expressed their worries about academic freedom.
Finally, in November 2022, the government enacted the Online Safety (Miscellaneous Amendments) Bill. This bill empowers the government to compel social media companies like Facebook or YouTube to remove “harmful” content and to block these services if they fail to comply. The restricted content includes sexual violence, advocacy of suicide, terrorism, risks to public health, and materials that could incite racial and religious tensions. Even before these laws came into effect, the prominent sociopolitical website The Online Citizen ceased operations in September 2021 after the government suspended its license. Eventually, the website relocated to Taiwan and resumed operations there.

While freedom of speech was further curtailed, there was some modest progress in terms of civil rights as the government abandoned legislation that had previously criminalized male homosexual activity. In 2022, Prime Minister Lee Hsien Loong announced the removal of colonial-era Section 377A of the Penal Code in his annual address, a major demand of the LGBTQ+ movement. However, the decision divided the Workers’ Party, as some members voted against the repeal, revealing the presence of conservative members within the party. Simultaneously, the government amended the constitution to define marriage as between a man and a woman, making it more challenging to advocate for marriage equality in the future.

The Singapore government was one of the first countries in Asia to completely remove COVID-19 restrictions and abandon the use of contact tracing to control the disease. This occurred after 95% of the population had received at least two doses of a COVID-19 vaccine. The initial significant move toward “living with the virus” took place in March 2022, with a relaxation of travel restrictions and outdoor mask wearing. In August, the government also eliminated the mandate for indoor mask wearing in most places.

When Singapore lifted COVID-19 restrictions, its economy experienced a significant rebound. Meanwhile, the housing market remained very competitive as prices increased despite rising interest rates. The city-state attracted foreign professionals who grew weary of COVID-19 restrictions in other Asian cities, especially Hong Kong. Consequently, the economy expanded significantly, with a growth rate of 7.6% in 2021 and a projected growth of 3.5% in 2022. While still at 14-year highs, Singapore’s core consumer price index increase slowed to 5.1% in October 2022. For the Monetary Authority of Singapore, this is still considered too high, as it aims to achieve 2% to maintain price stability. Overall, the economy remained healthy. The city-state ranked fifth in terms of competitiveness, first in terms of political and operational stability, and fourth as the largest recipient of foreign direct investment globally.
History and Characteristics of Transformation

Singapore initially gained independence from the British in 1963 but separated from Malaysia in 1965 due to political differences with the Kuala Lumpur government. Singapore is a parliamentary republic with a unicameral legislature. The parliament consists of members elected every five years in a first-past-the-post election, along with up to nine non-constituency members of parliament (NCMP) and up to nine nominated members of parliament (NMP). Since 1991, the president has been the elected head of state. Executive power lies with the prime minister and the cabinet.

When Singapore left the Federation of Malaya, its economic and political situation was fragile. As a result, the government facilitated foreign trade. Led by 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 they deemed necessary for Singapore’s political and economic survival.

In the controversial Operation Cold Store of 1963, the PAP orchestrated the detention of over 100 opposition politicians, labor leaders and activists, with the aim of facilitating Singapore’s integration into the Federation of Malaya. When the left-wing Barisan Sosialis Party (Socialist Front, BSP), which had previously separated from the PAP, boycotted the initial general elections of independent Singapore in 1968, the PAP secured all parliamentary seats. Since then, the PAP has maintained its unwavering parliamentary supremacy.

Under the rule of long-term Prime Minister Lee Kuan Yew, the city’s economy experienced rapid growth that transformed Singapore into one of the most developed countries in the world. Unlike neighboring Indonesia or 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 relatively harmonious whole. However, in recent years, the country has reached its developmental limits. Economic growth has remained relatively low and is expected to remain modest in the near future. The leadership is also facing unprecedented challenges as the economy matures. Furthermore, the internet has exposed governance issues once overlooked by the pro-government press, which had a monopoly on information. Additionally, Singapore faces uncertainty in its leadership transition once the current prime minister, Lee Hsien Loong, the son of Lee Kuan Yew, retires. Currently, no member of the Lee family has expressed a desire to become the next leader. The uncertainty exists because democratic institutions have been manipulated to the extent that a democratic renewal is not possible. The tight restrictions on speech make it difficult to refine the policymaking process. Criticism of state policies is interpreted as criticism of the entire system, and drastic measures are used to quell dissent, such as bankrupting opposition politicians through defamation suits. Singapore has sacrificed democracy for economic prosperity, in which civil liberties, intellectual debate and political parties have suffered as a result. While there have been some limited
relaxations of political restrictions, these have been followed by renewed limitations, making it difficult to perceive any substantial liberalization. Nonetheless, politics has become more competitive over the years. In the 2015 general election, all seats were contested for the first time in recent history. This trend began in the 2006 general election, when opposition parties denied the ruling party a re-election victory on nomination day for the first time since 1988. While some observers argue that the PAP’s continued success at the polls signals widespread support for authoritarian rule, this is not the case, as most Singaporeans still desire checks on governmental power. This was evident in the 2020 general election, where the PAP suffered another setback in the popular vote, and accountability emerged as a major concern.

A rapidly aging population and greater demand on social services can be expected even as the economy matures, and lower growth is expected in 2023. Cost-of-living issues will also challenge the government in the next election, and the presidential election will serve as a bellwether for the PAP’s performance going forward.
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 city. Due to the country’s character as a city-state, government control of the use of force is easier to maintain than it would be in a territorial state. Most territorial disputes have been resolved.

In 2008, the International Court of Justice (ICJ) ruled that Singapore had sovereignty over Pedra Branca, while Malaysia controls the Middle Rocks. 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.

While Malaysia reopened the question of maritime boundaries by changing the Johor Bahru port limits in 2018, the Malaysian government declared that it accepted the ICJ ruling in June 2019. However, in October 2022, then Malaysian Prime Minister Ismail Sabri Yaakob suggested that he would reopen the case at the ICJ after complaints from the Sultan of Johor. The newly elected prime minister, Anwar Ibrahim, subsequently announced the need for meaningful discussions between the two countries.

All Singaporean citizens accept the nation-state as legitimate, and all individuals and groups enjoy the right to acquire full citizenship rights without discrimination. The Singaporean state has promoted a culturally neutral concept of citizenship since 1965, manifested in the slogan “One nation, one people, one Singapore.” In this way, the government has successfully managed cultural conflicts between the different ethnic groups (ethnically Chinese, Malayan, or Indian citizens) in the country. 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 regarding purchasing public housing apartments and the need to acquire the “mother tongue” that is related to a particular ethnicity. Nonetheless, according to data provided by the East Asia Barometer, 95% of the population is proud to be a citizen of Singapore.
The Singaporean state is secular, and religious dogmas have little influence on the legal order or the political institutions. Although the constitution does not explicitly define Singapore as secular, the 1966 constitutional commission report points out that the city-state is a secular state where religious groups have no influence on the decision-making process. Religious leaders and groups are not even permitted to comment on political issues under the Maintenance of Religious Harmony Act of 1990. In 2019, the law was amended for the first time. Under the new rules, the Restraining Order was expanded to cover online content; new rules on foreign interference were introduced; laws covering religious harmony were adjusted; and a new tool was introduced to assist in defusing tensions between different religious groups after an offense has been committed. 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 if the parties were married under the provisions of Muslim law and the dispute relates to the issues of 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. It is professional and implements the policies of the elected government. In addition, the city-state is able to fulfill its proper jurisdictional function and enforce the law throughout the small country. The country’s transport network is diverse and highly developed; the road network is particularly extensive and consists of 11 expressways spanning 163 kilometers. Singapore’s port is one of the largest container seaports in the world, and Singapore Changi Airport, the country’s main airport, handled over 68.3 million passengers in 2019 with 7,200 flights each week before the COVID-19 pandemic. The public rail network has rapidly increased over the years. Prior to the pandemic, the network counted about 8 million trips each day. The rapid expansion of the network has greatly increased the operating costs, which went up 7% annually on average between 2012 and 2021, leading to higher fares. In December 2022, prices increased by 4% to 5% for adults. According to a 2022 study by McKinsey & Company, Singapore has the second-best public transportation system in the world after Hong Kong. The country also has an excellent telecommunications infrastructure. According to the World Bank in 2020, an estimated 92% of the country’s resident households use the internet. Singapore has remained a major target of hacking, and the government has responded with new initiatives to help small businesses with cybersecurity, which were announced by the Cyber Security Agency of Singapore (CSA) in 2021. Finally, 100% of the population has access to electricity, sanitation, and a water source. This was also evident in the management of the COVID-19 pandemic, which revealed little service disruption. There was strict enforcement of quarantine procedures and “safe entry” tokens provided to the entire resident population in line with individuals’ vaccination status to protect public health.
2 | Political Participation

Singapore has established universal suffrage and regularly holds general elections. Opposition parties are able to participate in these elections, and political positions are filled based on the election results. Suffrage is mandatory for all resident Singaporeans who are at least 21 years old. Singapore’s most recent parliamentary election took place in July 2020, during which the ruling party experienced a decrease in support from 69.9% to 61.2%. This outcome nearly mirrored the distribution of seats from the 2011 election. The opposition was able to gain an unprecedented 10 seats, marking the highest number of seats held by the opposition since the country’s independence. The Workers’ Party successfully retained its existing seats and also secured the newly formed Sengkang GRC, making it the second group representation constituency won by the opposition. Elections in Singapore are generally conducted without electoral fraud. In the event of a vacancy, by-elections are typically held, especially in single-member districts, although it has not been definitively established whether a by-election must be held or if 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 messages. The mainstream media is also biased in favor of the ruling party as 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. The campaign period is very short – nowadays it is limited to only nine days, with a “cooling-off day” on the last day when campaigning is not allowed. This also heavily benefits 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. 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, which the government justifies as protection against voter fraud, but which have raised concern among some Singaporeans that their vote may not be secret.

In the 2020 election, the ruling party sought to maintain its support primarily by emphasizing the need for continuity during a crisis. The election was made unusual by COVID-19 in many regards. Walkabouts and door-to-door campaigning were allowed, but no political rallies were permitted – events that typically attract many people interested in politics. Candidates had more airtime on television, though it was still strictly controlled. Election vehicles were allowed, but no speeches could be made to prevent attracting people. On election day, due to the formation of crowds,
the government decided to allow polls to close two hours later than usual, at 10 p.m. However, despite facing structural disadvantages, the opposition Workers’ Party has seen its fortunes rise. It has attracted talented candidates and has also proven its ability to secure victories in GRCs.

The Singaporean rulers elected in these 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. While more new candidates in 2020 were women and came from the private sector, many were still former military officers, especially for important positions. Furthermore, the Government Investment Corporation (GIC), which mainly invests in foreign countries, and Temasek Holdings, which controls most government-linked corporations, are controlled by the government. Neither the military nor religious groups have a direct impact on the PAP’s effective power to govern. The latter 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 assembly, in effect, these rights have been severely curtailed. In 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. They have been even more restrictive regarding assembly, for which permits are needed, and these permits are virtually never granted. With the Public Order Act of 2010, the police can ban a single person from a public space for 24 hours on suspicion that they are 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 a 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 furthermore announced that foreign entities would require permits to sponsor events in the Speakers’ Corner, primarily targeting the LGBTQ+ event, Pink Dot, which is held annually and has drawn increasingly large crowds. In 2017, nonresidents were barred from even attending public assemblies such as Pink Dot. This followed changes to the Public Order Act, which blocked foreigners from promoting any form of political cause in Singapore. Jolovan Wham, who was found guilty of organizing illegal assemblies without police permits in January 2019, was again charged with unlawful assembly in November 2020 for briefly holding a smiley face in front of a police station and taking a picture in a show of support for two climate activists who had been investigated by the police for a similar reason. This demonstrated that the government was willing to crack down on any spontaneous show of support for any cause, even if – as in the case of Wham – it was not even apparent from his self-made
In January 2022, Wham was found guilty for another one-person protest and fined SGD 3,000, and he instead chose to go to prison for 15 days. The government also continued to crack down on other one-person protests, including a Singaporean woman who protested China’s harsh COVID-19 policies in front of the Chinese embassy in November 2022. In June 2022, the government-led press even referred to one protester as a “serial protester.” While during the COVID-19 pandemic, protests had even been banned in the Speakers’ Corner, this ban has since been lifted. In April 2022, the anti-death penalty movement held its most successful protest, with over 400 people showing up.

In Singapore, freedom of expression is severely limited. Public debate is vulnerable to massive distortion and manipulation by strong government intervention. Parliament has the right to restrict freedom of speech as it considers it “necessary or expedient.” Laws such as the Sedition Act, the Defamation Act or the Undesirable Publications Act have existed since colonial times and heavily restrict freedom of speech. Additionally, the government also relies on the “out-of-bounds-marker” to highlight when the line of permissible language has been crossed. Reporters in the mainstream media may lose their ability to have their articles published. Moreover, internet bloggers have been compelled to apologize for posts that are considered defamatory or seditious.

With the use of regulations, 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 will have to remove objectionable content within 24 hours and place a performance bond of SGD 25,000. 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. Despite already having enormous power to restrict speech, the government passed the Protection from Online Falsehoods and Manipulation Act (POFMA) on May 8, 2019, and it was enacted on June 3, 2019. The law gives government ministers great power in determining what is false or correct. A minister may issue a correction order, and affected individuals will have to either post a correction or delete their content. The law was soon used against opposition parties, dissidents, and online media, which led to accusations that the law was instrumentalized for partisan purposes. While an accused can seek out the court for redress, the chances of success appear low. On January 3, 2020, the Singapore Democratic Party (SDP) appealed the correction notices that had been issued in December 2019. This appeal was dismissed by a high court in February.
2020 for lacking the “statistical evidence” to substantiate the SDP’s claim. Serious sanctions are possible when websites receive three correction directions within six months. Supporters of the law have argued that the fact that information does not need to be removed makes this law less intrusive than other forms of censorship.

In July 2022, the Final Court of Appeal, moreover, decided that the government had the right to restrict the right to free speech and that “false speech” was not protected under the constitution. In October 2021, the government enacted yet another law limiting speech, which was the Foreign Interference (Countermeasures) Act (FICA), which aims to prevent “hostile information campaigns” by foreign actors and so-called local proxies. The very broadly worded law was described as a “legal monstrosity with totalitarian leanings” by Reporters Without Borders. Meanwhile, the government continues to use its array of other laws to restrict speech. In September 2021, the Infocomm Media Development Authority (IMDA) declared it would suspend the citizen journalist website The Online Citizen, which had been founded in 2008, for supposedly not being sufficiently transparent about its funding sources. There is a ban on any foreign financial support for local internet content providers. The website then went offline until September 2022, when the owner, Terry Xu, relocated to Taiwan. Finally, in November 2022, the government passed yet another law that allows for the curtailing of freedom of speech.

In 2022, the government passed the Online Safety (Miscellaneous Amendments) Bill, which allows the government to force content providers to take down harmful content, such as those related to sexual violence, advocacy of suicide, terrorism, risks to public health, and materials that could incite racial and religious tensions – granting the Infocomm Media Development Authority the power to make decisions over such content. Social media websites can also be fined up to SGD 1 million for failure to comply and be blocked, while internet providers may face fines of up to SGD 500,000 for failing to block certain services.

3 | Rule of Law

The constitution provides a structure for the separation of powers. However, the ruling PAP has an ongoing monopoly on power and permeates all state institutions. As a result, it is difficult to differentiate between government bodies and the ruling party. 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. Jury trials were abolished in 1969. Due to the PAP’s ongoing monopoly on the executive branch, these selection procedures and high-handedness guarantee that the PAP maintains continued influence over the judicial branch. In 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. Moreover, the PAP dominates the Singaporean parliament, limiting debates. Although the growing number of opposition members has fostered more debates, the opposition Workers’ Party has frequently refrained from challenging the ruling party.

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 was 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 Singapore 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 SGD 150,000 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 regarding a number of cases. For instance, in January 2017, the Court of Appeal rejected the government’s claim that the Ministry of Defence (Mindef) could be considered a person under the Protection from Harassment Act when it demanded the sociopolitical website The Online Citizen 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.” In February 2020, the court also ruled that the burden of proof regarding online falsehoods rests with the government. This has to occur “on the balance of probabilities” rather than “beyond reasonable doubt.” Overall, however, the judiciary rarely challenges the executive. There is a belief that the judiciary should not usurp the power of the legislature.

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 in the world, and the fight against corruption is a key component of the ruling PAP’s policy. In 2021, there were just 249 corruption-related reports, which represented a slight increase compared to the 239 reports in 2020 but significantly fewer than in 2019. Among these reports, cases in the public sector accounted for only 11% of the total cases registered for investigation in 2021. Out of the cases investigated, 83 could be pursued for further examination. The number of cases considered credible increased slightly to 33% compared to the previous year but remained well below that of previous years. The remaining 89% of the cases were in the private sector.

It is unclear why the number of corruption cases and complaints has been declining over the years. Although most corruption cases end with conviction, there were several high-profile acquittals in recent years.
Civil rights are constitutionally guaranteed but are partially violated in the Singaporean state, despite the government’s assertion in the 2016 Universal Periodic Review (UPR) that it is “fully committed” to protecting human rights in Singapore. However, in 2021, the government emphasized “existential threats” to its approach to human rights. It takes the view that human rights should consider a country’s special conditions. 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 implement a national human rights institution that could monitor the situation.

Furthermore, the Singaporean authorities continue to deprive individuals of the right to justice by using laws that allow detention without trial. Most notably, the Internal Security Act (ISA) enables detention orders to be renewed every two years, effectively allowing the state to continuously re-arrest the same people. Cases like the 1987 arrest of 16 mostly Catholic social activists for their alleged involvement in a Marxist conspiracy have been used to justify the continuation of the act, which in the past has been used against opposition activists and thus had a chilling effect on political opposition. The Criminal Law (Temporary Provisions) Act, which permits arrest and detention without a warrant or judicial review, was extended for another five years in 2018 after a heated debate, with all Workers’ Party members voting against it. The law was also amended and now includes a list of offenses that will be covered, including secret society activities, unlicensed money-lending, drug trafficking, kidnapping and organized crime. The Sedition Act criminalizes speeches with seditious tendency without defining sedition. Both of 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 limits the constitutional right of assembly by requiring a permit for “cause-related” activities, even for a single individual. The definition of which type of activity is included is entirely up to the government’s discretion. The Public Order and Safety (Special Powers) Act (POSSPA) of 2018 grants 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.

During the COVID-19 pandemic, the government made the TraceTogether app mandatory for visits to many public places, starting in 2021. While the government initially stated that it would be used for contact tracing, it eventually also used it for criminal investigations. The controversial program was phased out starting in April 2022 as Singapore lifted its COVID-19 restrictions. On a positive note, Singapore made progress by repealing Section 377A of the Penal Code, which had criminalized male homosexual activity. However, at the same time, marriage was enshrined as between a man and a woman, making it more difficult to achieve marriage equality.
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, 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, with the parliament subordinate to them. The Singaporean parliament is dominated by the PAP, which has won the majority of seats in every election since independence. The PAP-dominated legislature’s capability to monitor the government is heavily circumscribed. The only opposition party, the Workers’ Party, has also made limited use of its ability to challenge the government. Despite the introduction of the elected presidency in 1991, which was potentially able to monitor parts of the government, this has not occurred in reality. While the president has some important powers, it is unclear whether the officeholder can make use of them. The first popularly elected president, Ong Teng Cheong, sought to use his discretionary power to check the budget but was rebuffed. In 2011, the government also asserted that the president should not publicly oppose it. The judiciary, which has gained somewhat in independence, is still subject to severe constraints. Any criticism of the judiciary is heavily punished. The mainstream media exercises extensive self-censorship, meaning that negative news is always downplayed if not ignored.

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.” He claimed that the checks would prevent the government from doing what was necessary. The ruling party believes that its own record is evidence for the fact that a dominant party system is superior to a multiparty democracy. He 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, 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. Moreover, the government will use any constitutional or electoral law to prevent significant gains for any political challenger. As the number of candidates seeking the office of elected president has increased over the years, and the candidate favored by the government only won with a tiny majority of 35.2% in 2011, the government saw the need to make changes to the electoral process. In 2016, the government limited the potential candidates for the 2017 election to the Malay minority, thus disqualifying Tan Cheng Bock. Even then, the government did not allow any contest as only one of three candidates was found eligible to run. The result was that Halimah Yacob, a former speaker of parliament, became the first female and Muslim president of Singapore. During the 2020
parliamentary election, the prime minister asked the voters not to “undermine a system that has served you well.” In his opinion, Singapore needed a government that was “capable” more than one that offered choices.

5 | Political and Social Integration

The Singaporean party system is moderately stable and socially rooted. It is a predominant party system, with the ruling People’s Action Party (PAP) as the largest and most successful party. The PAP has won every election since independence and holds a two-thirds majority in parliament. Currently, the third generation of leaders is running the PAP, with party Secretary-General Lee Hsien Loong occupying the prime minister’s office. Due to the coronavirus crisis, a leadership transfer to the next generation has been postponed. The PAP has also suffered a setback at the polls in July 2020, as the party’s share declined to 61.2% from 69.9% in 2015.

Generally, the volatility of voting has been low, although it has increased in recent years, with the election swinging around 8% to 9%. The main opposition Workers’ Party has also steadily improved its seats from six to 10 in the 2020 election. Currently, the PAP controls 82 seats, while the Workers’ Party (WP) has 10 elected seats. The newly formed Progress Singapore Party (PSP) received the remaining two non-constituency members of parliament (NCMP) seats.

The Workers’ Party currently holds all six elected opposition seats. It is the oldest opposition party, founded in 1957. Although the Workers’ Party is now the most prominent opposition party, even the WP only competes for a minority of seats during general elections. In the 2020 general election, three new (opposition) parties emerged: Peoples Voice, Progress Singapore Party, and Red Dot United. Following the 2020 election, on December 24, yet another new party was formed, the Singapore United Party. Attempts to create an opposition coalition have so far failed, largely due to the lack of interest of the Workers’ Party. The newly formed Progress Singapore Party managed to come in second with 40.8% of the 24 seats it contested but failed to win any directly elected seats. Both the Singapore Democratic Party and the National Solidarity Party were able to improve their results from the previous election. The remaining opposition parties received fewer votes than before. The newly created Red Dot United received about 25% of the votes in the wards it contested.

Political parties in Singapore are not openly based on ethnicity and can be classified as catch-all parties. As a result, polarization between the parties regarding ethnicity is notably low. However, due to the Chinese population’s ethnic dominance, party politics are heavily influenced by Chinese interests. Ethnic Chinese individuals with similar socioeconomic backgrounds hold the most powerful positions. In order to partially mitigate this effect, all political parties are required to nominate election
candidates of diverse ethnicities in the GRCs. Nonetheless, this requirement makes it more challenging for opposition parties to compete, as they must contend with constituencies led by senior government officials.

Few interest groups can operate independently of the PAP in the city-state. The range of interest groups varies 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, and trade unions, which have been unified under the National Trades Union Congress (NTUC), a pro-government umbrella organization that is 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, moreover, 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. During the period of review, there were a few small protests that were legally confined to Speakers’ Corner. The government has become uneasy with some forms of growing activism. In October 2016, the government announced 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 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 stricter regulations, banning the participation of non-Singaporeans and limiting event sponsorships. This has slightly reduced the number of participants. However, Singaporeans continue to support it. In 2022, the event returned on June 18 for the first time since the COVID-19 pandemic. According to the organizer, thousands joined, even though a contact tracing code was still required to attend.
Singaporeans have an ambivalent relationship to democratic norms. According to data provided by the East Asia Barometer, 80% of Singaporeans express a desire for democracy, and 85% of Singaporeans believe that democracy is the most suitable form of government for the country. Data provided by the World Value Survey support these findings – in the 2021 survey, 87% believed that democracy was at least somewhat important. A Pew Research Center poll in 2021 found that 82% of Singaporeans were satisfied with how democracy was working in their country, which was the highest among all countries surveyed.

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 feel that the current government resembles a complete democracy, not an authoritarian system, and only 3.8% of Singaporeans believe that their country is not a democracy. 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 over previous surveys. An increasing number of people also see a need for alternative voices in parliament.

There is a relatively low level of trust among the Singaporean population. Social and cultural barriers divide the population, particularly in relation to the increasing number of foreign workers. According to data from the 2012 World Value Survey, only 34.4% of respondents agreed that “most people can be trusted” (which is, however, 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 ranks lowest in terms of membership in any form of societal association. According to data from the Asian Barometer Survey, a substantial 90.1% of Singaporeans are not members of any societal association. Mistrust is particularly prevalent 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 advocate for public concerns has revealed a small but dedicated group of individuals who are willing to come together to fight for the protection of heritage (e.g., Golden Mile Complex, Clementi Park), nature preservation (e.g., Clementi Forest, Dover Forest), or other social concerns.
II. Economic Transformation

6 | Level of Socioeconomic Development

Poverty and inequality exist in Singapore but are less visible than in other countries. Key indicators show a very high level of development. The country’s score in the 2021 UNDP’s HDI is 0.939, which is the second highest in Asia after Hong Kong. Globally, Singapore is in 12th place. The country’s level of development permits freedom of choice for all citizens and is comparable to OECD countries. Despite its high degree of development, the country is 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 2021, it stood at 0.386 after government transfers (0.444 before government transfers), according to government data. The COVID-19 pandemic has led to a sharp drop in household income among low-income Singaporeans. According to a study in 2021, the median household income dropped by 69%. In 2022, 100,000 Singaporeans had a gross income of less than SGD 1,300 a month, which is considered below the ability to fulfill basic necessities. While the government has sought to mitigate the problem, social assistance is heavily means-tested. Still, the government has increased resources in recent years. In 2018, Oxfam ranked Singapore at the bottom of countries for reducing inequality, while the 2022 report showed Singapore among the top risers, increasing 27 spots. However, the report continued to criticize the tax regime and the lack of a minimum wage. Also, spending on education, health, and social protection was low compared to other countries in the region. At the same time, it also resists setting an official poverty line, which makes it difficult to estimate the number of poor in the country. The problem of inequality became evident in the major outbreaks of COVID-19 cases in worker dormitories. Moreover, low-income workers had to suffer greater pay cuts. Those earning SGD 3,000 or less had to suffer a cut in their earnings between 10 to more than 50% and were more likely to be laid off. While there are significant income disparities, gender inequality is relatively low. Singapore scored 0.040 on the 2021 Gender Inequality Index, ranking as the 54th most equal country in the world. The female literacy rate in 2021 was estimated at 96.4%, slightly lower than that of males (98.9%). In sum, Singapore shows a very high level of development, but there is also a worrisome income gap. Recent policies, however, have sought to raise the salaries of workers in many sectors like security and service industries to a much higher level, together with offsets on rent and conservancy charges, as well as regular cash payments.
### Economic Indicators

<table>
<thead>
<tr>
<th>Economic Indicator</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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</thead>
<tbody>
<tr>
<td>GDP (SM)</td>
<td>376,837.5</td>
<td>348,392.2</td>
<td>423,797.0</td>
<td>466,788.5</td>
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<tr>
<td>GDP growth (%)</td>
<td>1.3</td>
<td>-3.9</td>
<td>8.9</td>
<td>3.6</td>
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<tr>
<td>Inflation (CPI) (%)</td>
<td>0.6</td>
<td>-0.2</td>
<td>2.3</td>
<td>6.1</td>
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<td>Unemployment (%)</td>
<td>3.1</td>
<td>4.1</td>
<td>3.5</td>
<td>2.8</td>
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<tr>
<td>Foreign direct investment (% of GDP)</td>
<td>27.9</td>
<td>22.5</td>
<td>32.7</td>
<td>30.2</td>
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<td>Export growth (%)</td>
<td>0.2</td>
<td>0.4</td>
<td>11.7</td>
<td>-1.3</td>
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<tr>
<td>Import growth (%)</td>
<td>0.0</td>
<td>-1.1</td>
<td>12.0</td>
<td>-1.9</td>
</tr>
<tr>
<td>Current account balance (SM)</td>
<td>608,768.8</td>
<td>573,155.5</td>
<td>763,742.2</td>
<td>902,394.4</td>
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<tr>
<td>Public debt (% of GDP)</td>
<td>127.8</td>
<td>149.0</td>
<td>147.7</td>
<td>167.5</td>
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<tr>
<td>External debt (SM)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total debt service (SM)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Net lending/borrowing (% of GDP)</td>
<td>7.4</td>
<td>-7.4</td>
<td>1.7</td>
<td>-</td>
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<tr>
<td>Tax revenue (% of GDP)</td>
<td>13.2</td>
<td>12.8</td>
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<tr>
<td>Government consumption (% of GDP)</td>
<td>10.2</td>
<td>12.2</td>
<td>10.8</td>
<td>10.0</td>
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<tr>
<td>Public education spending (% of GDP)</td>
<td>2.7</td>
<td>2.7</td>
<td>2.8</td>
<td>2.4</td>
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<tr>
<td>Public health spending (% of GDP)</td>
<td>2.3</td>
<td>3.2</td>
<td>-</td>
<td>-</td>
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<tr>
<td>R&amp;D expenditure (% of GDP)</td>
<td>1.9</td>
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<tr>
<td>Military expenditure (% of GDP)</td>
<td>2.8</td>
<td>2.8</td>
<td>2.8</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Sources (as of December 2023): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.
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. Although key sectors, such as the telecommunications or media sector, have been privatized in the past, 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, the world’s second-best airline according to a 2022 survey by Skytrax.

According to the Association of Southeast Asian Nations (ASEAN) Corporate Governance Scorecard in 2019, five of Singapore’s companies were ranked in the top 20 in ASEAN, while overall publicly listed companies had made significant progress in terms of performance and public disclosure. In fact, many 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 to build 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 on the UK Competition Act of 1998. The legislation covers both foreign-owned and domestic companies. The provisions were implemented in phases: Firstly, 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. The remaining provisions relating to mergers and acquisitions were implemented in July 2007. However, important sectors such as telecommunications, media, energy, postal services, and the airport have been exempted from the Competition Act of 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 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. There are over 22 implemented free trade agreements.

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. During the period under review, 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 (TPP) after the United States of America left the agreement (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam). Singapore has also signed the Regional Comprehensive Economic Partnership (RCEP) in 2020, which links the 15 ASEAN countries and five regional partners, including China. It has been called the largest free trade agreement in history.

Aside from these, there are bilateral FTAs with Australia, China, Costa Rica, India, Japan, Jordan, Korea, New Zealand, Panama, Peru, Sri Lanka, Taiwan, Türkiye, and the United States of America. This demonstrates that there is a network of FTAs comprised of 27 implemented agreements.

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 with revisions 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. In 2019, there were 131 commercial banks in Singapore, including four local banks and 127 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 nonbank customers in licensed banking institutions. However, the guarantee is for a maximum sum of SGD 20,000 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 nonperforming loans decreased slightly from 1.4% in 2017 to 1.3% in 2018 and 2019. The government has continued its rigorous enforcement of laws. For instance, the Monetary Authority of Singapore (MAS) imposed a composition
penalty of SGD 1 million on Bank J. Safra Sarasin Ltd. for anti-money laundering and countering the financing of terrorism in April 2021. On April 5, 2022, the government passed the Financial Services and Markets Bill, which allows for higher penalties on financial institutions with security breaches as a consequence of oversight.

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 under a managed float regime. Like many countries around the world, inflation has also increased in Singapore, reaching 2.3% in 2021. The inflation rate is projected to be between 6% and 6.5% for 2022. While this shows a rapid increase, it remains more stable than in many other countries. As of November 2022, the consumer price index stood at 6.7%, with only food prices registering a significant increase. The Singapore dollar has remained resilient, largely attributed to the earlier lifting of COVID-19 restrictions and the tightening policy stance that preceded that of the U.S. Federal Reserve. The U.S. dollar reached SGD 1.35 at the end of 2022. According to data provided by the World Bank, the real effective exchange rate was 103.5 in 2021.

The Singaporean government’s fiscal and debt policies promote macroeconomic stability, supported in part by institutional constraints. Since the government tapped its reserves in 2009 due to the global financial turmoil, the budget has fluctuated with deficits and surpluses in different years. In 2021, the budget had a deficit of SGD 25.9 billion. For 2022, the budget deficit is expected to increase to SGD 22.8 billion or 4.0% of GDP. This significant increase since 2019 is largely due to the measures taken to deal with the COVID-19 pandemic. In 2021, Singapore’s debt-to-GDP ratio was 159.9%, which is very high in international comparison. 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. Moreover, the country’s strong institutions and governance, as well as the large fiscal reserves, ensure that Singapore’s credit rating is not at risk. In May 2022, Moody’s reaffirmed Singapore’s AAA credit rating with a stable outlook because the country had avoided scarring as a consequence of the pandemic and continues to have large reserves. Nonetheless, the government, particularly through government-linked companies (GLCs), has been raising a great amount of cash in the international market through bond issues while trying to capitalize on the low interest rate regime, and this needs to be carefully managed to prevent excesses.
Property rights and regulations on acquisition, benefits, use, and sale are well-defined and widely enforced in Singapore. The Heritage Foundation’s 2022 Index of Economic Freedom again stated that Singapore has Asia’s strongest property rights regimes, which is ranked first despite some decline in recent years. Furthermore, the Singaporean judiciary effectively protects private property, and contracts are secure. Additionally, Singapore has ensured that its property and copyright laws are in line with the underlying principles in global laws on intellectual property rights. However, there are limitations on foreign ownership. Moreover, state acquisition of land is often priced below 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. Furthermore, beyond offering lower 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 now.

In Singapore, private companies are often depicted as the primary drivers of economic production and are afforded appropriate legal protections. Previously, the privatization of state-owned companies adhered to market principles. Additionally, government-linked corporations (GLCs), such as those in the telecommunications or multimedia sector, operate in a manner resembling private companies. Nonetheless, the dominant role of GLCs is considered a hindrance to the growth of private enterprises. Legal disputes involving the government are challenging to pursue due to exorbitant legal costs. Furthermore, the government either directly holds ownership in numerous companies through its investment corporations or indirectly through companies owned by investment corporations. The specifics regarding these structures are not entirely transparent. Just the major listed companies within Temasek possess 20% of the market capitalization. Studies have revealed that, despite facing similar market pressures, government-linked corporations enjoy an advantage over private enterprises. In response to the COVID-19 pandemic’s impact on businesses, particularly small ones, the government has implemented several measures to aid their survival. These measures encompass grants, loans, rental waivers, a booster package, a job support scheme, and a property tax rebate.
Social safety nets are well-developed but do not cover all risks for all strata of the population. Some segments of the population in Singapore face the risk of poverty. Social security schemes primarily focus on individual contributions to social insurances. All schemes that target the poor undergo thorough means-testing. A growing number of individuals have received aid from the government. In the financial year 2021, approximately 45,000 households received $177 million in financial assistance from the government’s social assistance scheme ComCare. This amount decreased from $236 million in the previous year, primarily due to a reduction in short- to medium-term assistance, while long-term assistance increased. The government has officially rejected the concept of welfare, believing it would undermine the city-state’s work ethic and hinder its ability to compete with neighboring economies.

The Central Provident Fund (CPF) serves as the primary social security institution for Singaporeans and permanent residents. As of September 2022, there were 4.2 million CPF members. Contributions to the CPF are allocated into three accounts: the Ordinary Account, which allows savings to be used for home purchases, CPF insurance, investment and education; the Special Account for retirement-related financial products investment; and the Medisave Account for approved medical insurance. Between July and September 2022, SGD 2.1 billion was withdrawn for retirement, SGD 2.1 billion for home ownership, and SGD 1.3 billion for health care. One concern regarding the CPF system is its lack of transparency. Additionally, individuals are worried about increases in the minimum sum required for monthly retirement income withdrawal after reaching 55 years of age. Many individuals have already used CPF funds for housing or health care and, as a result, cannot meet the minimum sum requirement. This issue is partially attributed to a low percentage of public expenditure on health, which accounted for 2.2% of GDP in 2019. While Singapore has a coexisting system of universal health care and private health care, concerns are growing regarding the affordability of health care, as co-payments are determined by service pricing rather than income. In response to the COVID-19 outbreak, the government provides financial aid for employees who have lost their jobs or experienced salary cuts or income loss. Individuals can receive up to SGD 700 for a three-month period when they are unemployed or involuntarily on unpaid leave.
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. The female literacy rate is 95.9%, slightly lower than that of males (98.9%). However, according to a survey conducted in 2022 by the gender equality group AWARE, one in two workers feels discriminated against. This feeling is particularly pronounced among individuals with disabilities. Furthermore, there is a lack of female representation in professional categories at managerial levels, partially due to a lack of flexible working hours. Only 29% of the members in parliament are women, although this figure slightly increased in the 2020 election. The gender pay gap in Singapore has narrowed, as women in 2018 earned 6% less than their male counterparts, according to a study published by the Ministry of Manpower (MOM) in 2020. In a 2022 Blackbox study, 43% of Singaporean women reported that their gender had an impact on their pay and salary levels. In terms of ethnicity, Malay households are more likely to experience socioeconomic disadvantage compared to the Chinese majority. In a 2018 survey conducted by the Institute of Policy Studies-OnePeople.sg, 51.6% of Malays reported experiencing at least occasional discrimination when applying for a job, reflecting a slight increase. Similarly, nearly 60% of Malays and 56% of Indians felt they were treated discriminatorily in their work environment. Malays have faced challenges in the job market since the 1980s. Given that legislation penalizes public debates on race, it is unlikely that this issue will be resolved in the near future. On a positive note, Singapore signed the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) in October 2015, which was subsequently ratified in November 2017. Low-income families and individuals with fewer qualifications find it increasingly difficult to make a living in Singapore. Although the government lacks specific data on social mobility, it appears to be moderately low compared to other countries.

11 | Economic Performance

The economy in Singapore contracted by 4.1% in 2020 but rebounded to a 7.6% growth rate in 2021. In 2022, the economy is expected to grow by around 3.5%, and expectations for 2023 are of lower growth, between 0.5% and 2.5%. GDP per capita (PPP) increased in 2021 to $116,486 from $99,681 the year before. The current account balance in Singapore corresponded to $71.93 billion in 2021. There was inflation of 2.3% in 2021, which increased from -0.2% the year before. The unemployment rate for 2021 was 2.7% (according to government statistics; compare with World Bank statistics, 3.6%), a slight increase over previous years. However, Singapore residents and citizens had a slightly higher rate of unemployment, at 3.5% and 3.7%, respectively, in 2021. Tax revenue was at 12.9% of GDP in 2020. Foreign direct investments were at 21.6% of GDP in 2020, which was a decrease compared to the previous year.
Environmental concerns are taken into account but are subordinated to growth efforts. Environmental regulations and incentives are in place and are 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 at 44th place in 2022, a slight improvement from 2018 when Singapore ranked 49th. The country scored particularly well regarding water resources, water and sanitation, and air pollution. However, biodiversity and habitat, ecosystem services, 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 have meant 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, 91.5% of which came from natural gas.

Starting in 2020, the government introduced a carbon tax for all facilities that produce 25,000 tons or more of greenhouse gas emissions. The initial rate was set at $5 per tCO2e, but the rate has since been revised upward, which will take effect in 2024 with further increases in 2026 and 2027. It is the first carbon tax scheme that allows high-quality international credits to be used to offset emissions, as agreed upon in the Paris Agreement. The Singapore Environment Council released a study in 2013 showing 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, which lags behind many other countries in the region. There has been growing demand for passing a law concerning EIAs, which are in place in many other Southeast Asian countries, but the government has not yet enacted one out of concern that it could reduce its flexibility. The Nature Society (Singapore) has severely criticized the EAI for the Mandai project. In October 2020, the government enacted new biodiversity impact assessment guidelines, which provide greater clarity and standardization. Activists started a petition in October 2020 to preserve Clementi Forest, a rare patch of natural forest, from development by designating it as a nature park. The forest seemed to be saved when, in 2021, the government announced two nature trails in the forest. However, in November 2022, the government also announced that 31 hectares of forest near East Coast Park, or 1.5% of Singapore’s forest cover, will be cleared for housing development and the construction of a road in 2023.
Singapore’s education policy ensures a system of high-quality education and training, with a dynamic and competitive research and technology sector. Investment in education and training is clearly above-average, as is investment in R&D. Public expenditure on education was 2.5% of GDP in 2020, slightly lower than the 2.7% of GDP in 2019. Expenditure on R&D in 2019 was at 1.9% of GDP, which is comparable to the OECD average. 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 world’s best. The National University of Singapore was ranked 19th globally and 3rd in Asia by the Times Higher Education Ranking in 2022. The World Economic Forum’s Growth Global Competitiveness Report 2019 highlighted Singapore’s sound education policy and high level of R&D expenditure by ranking it first out of 140 economies, making it the highest-ranked economy in Asia. Furthermore, Singapore scored higher than the OECD average in reading, mathematics, and science in the PISA 2018 report. However, Singapore’s education system remains heavily focused on examinations and assessments, which reduces incentives for critical thinking and creativity. The emphasis on exams also contributes to high levels of emotional stress among young people. Additionally, there has been increasing criticism of the overemphasis on university rankings.
Governance

I. Level of Difficulty

The Singaporean government faces low structural constraints on its capacity to govern. Infrastructural development or poverty do not constrain the Singaporean administration. The country’s level of difficulty can be compared to that of OECD countries. Moreover, the country is not exposed to natural disasters. Additionally, the educational system’s output of highly 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 the small size of the city-state, which requires Singapore to import many important resources, such as water (from Malaysia). This makes cordial relations with neighboring countries especially important. The small size and island nature, however, were of great benefit during the COVID-19 pandemic because they facilitated contact tracing and border control. Moreover, the lopsided ethnic composition of the citizen population (74.3% Chinese, 13.5% Malay, 9% Indian, 3.2% Others according to the 2020 population census) requires skillful handling to avoid confrontation and foster a unified Singaporean identity. This was seriously challenged during the Little India Riot in December 2013, but the government officially rejected the notion 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. The living conditions of these migrant workers also became a serious issue during the COVID-19 pandemic in 2020, as the virus spread rapidly through the cramped workers’ dormitories. A growing number of Singaporeans believe racism is a problem. In 2022, 56.2% of respondents of an Institute of Policy Studies survey were concerned about racism, an increase from 46.3% in 2016.

Traditions of civil society are relatively weak in Singapore and primarily involve informal community assistance. During the colonial era, civil society comprised ethnic and religious groups such as clan associations, churches, temples, and mosques. These organizations played a significant role during the decolonization process. However, the landscape of voluntary organizations in Singapore has become limited and hindered by government-imposed restrictions. Within the NGO community, two distinct cultures of civil society have emerged. On one hand, there are more liberal organizations that monitor human rights and observe the government’s behavior toward opposition politicians. Additionally, there are special interest groups focused on women’s rights, environmental issues, and heritage preservation. While these groups generally avoid direct involvement in politics, there have been instances where they have become more activist in nature.
During the period under review, activists and disgruntled citizens have shown a willingness to use various forms of protest, such as demonstrations in Hong Lim Park, public walks, petitions, and open letters. However, the government has consistently tightened its restrictions on these activities. It has specifically targeted the participation of foreigners in protests at Speakers’ Corner, the display of Malaysian and Singaporean flags, and the role of foreign funding for activities at the park. A 2017 amendment to the Public Order Act grants the government the authority to deny permits for political events involving foreigners. In November 2017, Singaporean activist Jolovan Wham was charged under this law following an indoor forum that included a Skype interview with Joshua Wong, a democracy activist from Hong Kong. Furthermore, in November 2020, Wham faced charges for a photograph in which he held up a smiley face in front of a police station. These incidents illustrate the government’s zero tolerance policy toward any form of contentious activism.

During this review period, the government has cracked down on protests that occur outside of Speakers’ Corner, arguing that such demonstrations should be confined to that designated space.

Generally, Singapore has few incidents based on social, ethnic, or religious differences, while conflict intensity tends to be low. Since independence, the political elite has managed ethnic and religious cleavages by promoting a multi-racial and multi-religious concept of citizenship. While it has rejected the idea of a melting pot, as Singaporean ID cards maintain ethnic identifiers, this conflict management has 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 does use authoritarian methods to restrict public debate on questions of race or religion, which hides some of the tensions. A majority of Indians and Malays, for instance, have experienced discrimination in the workplace. While the conflict with migrants has remained a concern during the period under review, no major incidents have occurred that resembled the Little India riot of 2013. The COVID-19 pandemic has not led to any serious confrontations. The government has made some efforts to reduce tensions by slightly curbing the number of new immigrants. This has raised concern among the business community, which relies on the flow of cheap labor to fill positions with shortages. Currently, foreigners make up 38% of Singapore’s population, up from about 20% a decade ago. With rising housing prices and greater competition in the job market, Singaporean citizens continue to complain about the influx of foreign workers. During the period of review, concerns were raised over the ability of Indians to find work in Singapore under the Singapore-India Comprehensive Economic Cooperation Agreement (CECA). The government sought to quell public fears, such as the agreement allowing Indians free entry without any criteria, which is incorrect, while also emphasizing that economic growth depends on the continued 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. In addition, it has the capacity to prioritize and organize its policy measures accordingly. Strategic planning divisions exist in several ministries within the Singaporean government. During the period under review, the government continued to focus on social problems and rising income inequality. This included measures to help the poor and also curb the inflow of foreigners. The government has also worked quickly on the COVID-19 pandemic and the plan to provide vaccinations. For instance, it has decided to make vaccinations free for all citizens and permanent residents. 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. The government also tends to make use of short-term measures to reduce social problems, such as one-time handouts for poorer people. For example, in December 2022, the government disbursed two handouts to offset inflation and the impending increase in Goods and Services Tax (GST) – a one-off cost-of-living special payment and a cash payout as part of the so-called Assurance Package. About 2.9 million Singaporeans were eligible for the latter. Some government handouts are specially timed to come prior to general elections.

In general, the Singaporean government is able to implement 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 investigation, the government has implemented tighter regulations on the immigration of foreigners. Moreover, it has implemented higher stamp duties on property purchases by foreigners and companies in order to contain the rising property prices, which are in part driven by property speculation. Singapore has also implemented tight regulations on air pollution and traffic, making it one of the cleanest places in Asia. An example of this is the highly unpopular Electronic Road Pricing gates, which have been installed and which charge people who use the road. In addition to the Certificates of Entitlements, Singapore is thus probably one of the most expensive
countries to own a private car. Prices for the gantries were again increased and otherwise adjusted during the period under review. However, besides effectively micromanaging many aspects, the executive has not carried out structural and qualitative changes in the political system in order to facilitate a transformation toward a more open and participatory regime, as is the case in liberal democracies. This raises the concern that the unpopular implementation of policies leads to long-term resentment toward the government and thus might pose a risk for long-term stability. No major delay in policy implementation has occurred as a consequence of the COVID-19 pandemic.

The Singaporean government responds to mistakes and failures with changes. The city-state’s administration shows a considerable degree of flexibility and learning capability regarding market reforms. In addition, the government regularly seeks advice from financial experts and academics to implement good practices in the financial sector. The government has responded swiftly to the COVID-19 pandemic, drawing on its experience from the SARS crisis in 2003. However, there have been no major changes in policy learning, as the practice of housing workers in dormitories remains firmly in place, albeit with some modifications. Furthermore, the political elite continue to refrain from implementing democratic reforms and display a low degree of political will to learn from past mistakes in order to facilitate democratic changes. Instead, the rulers believe their system is the best in the world and may even serve as an alternative to democracy. As a result, the regime has garnered attention from numerous authoritarian regimes, including China, as a potential role model for improving one-party dominant rule without the need for democratic participation in politics. In summary, the government’s initiatives cannot be considered proof of its learning process or commitment to democratic norms.

Resource Efficiency

The Singaporean government efficiently utilizes all available human, financial, and organizational resources. The government’s administrative personnel demonstrate a high level of professionalism. The Singapore Civil Service stands out as one of the most efficient bureaucracies worldwide, thanks to competitive recruitment systems and generous public sector salaries. As a result, the administrative system functions exceptionally well across all levels of the Singaporean bureaucracy. Though the deployment of senior officers from the Singapore Armed Forces to the administrative service and government-linked corporations (GLCs) after retirement may raise concerns about nepotism, it persists as a common practice. However, the efficiency of the largest government-linked corporation, Temasek Holdings, remains a subject of scrutiny. Ho Ching, the current prime minister’s wife, leads this corporation. Its limited transparency has raised questions, and leaked cables have highlighted issues during attempted leadership transitions. Nonetheless, during the review period, the government efficiently reallocated resources to address the COVID-19 pandemic.
This process maintained a relatively transparent approach. In 2019, there was a budget deficit of 0.3% of GDP, which is anticipated to grow in 2020 to 2.1% of GDP due to pandemic-related measures. Despite the magnitude of the challenge, resources are appropriately directed toward addressing the crisis.

The government effectively coordinates conflicting objectives and acts in a coherent manner. The cabinet, under the hierarchical leadership of Prime Minister Lee Hsien Loong, effectively handles conflicts over economic or social policies and achieves policy coherence. The government ensures that trade-offs between policy goals are well-balanced. During the period under review, there were no visible frictions within the government. The state administration has implemented forms of coordination between different departments. The activities of the ministries are coordinated by the prime minister’s office. For example, in the prime minister’s office, the National Security Coordination Secretariat (NSCS) and the National Population Secretariat (NPS) respectively coordinate national security planning and intelligence issues, as well as the various government agencies involved in population-related issues. Additionally, responsibilities within the government are transparently assigned. Compared to other countries in the region, the government effectively coordinates conflicting objectives and interests.

The Singaporean government is largely successful in containing corruption, and effective integrity mechanisms are in place. 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), incorporated into the prime minister’s office, investigates corruption in the public and private sectors. It derives its jurisdiction from the Prevention of Corruption Act enacted in 1960. However, concerns have been raised due to the fact that the CPIB is under the Prime Minister’s Office. Furthermore, a potential problem for public accountability in Singapore is the lack of a Freedom of Information Act, which would grant Singaporeans access to more government information. The government has so far rejected demands for such a law, arguing that releasing such information may not be in the national interest and would not necessarily improve governance. Additionally, the extremely high salaries of ministers and high-ranking civil servants have faced increasing criticism and are viewed as legalized corruption. Moreover, the strong affiliation between the ruling PAP and the state administration is seen as problematic, particularly in relation to the high salaries paid to higher-ranking administrative positions. Holding a high position within the ruling PAP increases the likelihood of securing a lucrative job in the public service. Allegations of nepotism have often been met with defamation lawsuits, followed by apologies. However, the prime minister’s brother and sister have publicly accused him of attempting to establish a dynasty, which would clearly contradict Singapore’s meritocratic ideology and make the political system more susceptible to nepotism. They have suggested that Li Hongyi, the oldest son of Lee Hsien Loong, may be chosen as the future prime minister.
16 | Consensus-Building

With regard to political democracy, Singaporean political and social actors are unable to reach a consensus. The ruling PAP continues to abstain from implementing democratic reforms aimed at facilitating transformation, instead asserting that the Western practice of liberal democracy is unsuitable for Singapore’s ethnically and religiously diverse society. Rather, the government advocates for an elitist form of democracy that solely gauges the level of support for its policies. In 2022, Prime Minister Lee Hsien Loong stated that the party sought a strong mandate, which it deemed necessary for decisive action. Education Minister Ong Ye Kung potentially made the strongest case against liberal democracy in 2017 when he suggested that one-party rule could lead Singapore to succeed through robust internal competition rather than competing against opposition parties. Following opposition gains in the 2020 general election, the government decided to formally recognize the position of the leader of the opposition. This position was assumed by Workers’ Party (WP) chief Pritam Singh, granting him 40 minutes of speaking time typically reserved for officeholders. While this move may signify a small step toward a more democratic system, the government generally remains resistant to democratic values, and the opposition remains deeply divided on both the form of democracy and the path to achieving it. This division is evident in the failed attempts to establish an opposition coalition, with the Workers’ Party, the primary opposition party, declining to participate. The party consistently avoids openly challenging the ruling party and believes in gradual change from within, highlighting the challenge of achieving consensus even among opposition members regarding the path toward democracy.

In Singapore, all major political and social actors agree on the goal of a market-based economy. However, there is a difference in the degree to which political parties support increased investment in social welfare and redistribution. The ruling party generally favors a market-based approach but also emphasizes the importance of a fair and just society as its primary goal. Therefore, it is not surprising that opposition parties advocate for greater investments in welfare. For example, in December 2022, the Progress Singapore Party called on the government to reevaluate the public housing market, which has made it increasingly difficult for many young Singaporeans to own their own flats. Prominent academics like Donald Low and Cherian George have also supported the idea of expanding the social safety net, reducing inequality, and implementing wealth taxes. However, they have recently left Singapore, suggesting limited opportunities for such policy alternatives. Nevertheless, there is no politically relevant actor capable of derailing the ongoing reform process or the expansion of the market economy. The government dismissed the notion that purchasing rail assets constituted nationalization of the rail system. Nonetheless, the Land Transit Administration (LTA) acquired the assets because the cost of expanding, replacing, and upgrading the system might be too high for private operators.
With the ruling PAP controlling the parliamentary majority in Singapore, anti-democratic actors are in full control of the government, and reformers continue to have no power to bring about democratic reforms. In the face of the potential emergence of greater checks, the government has defended its elitist form of governance. This was apparent in denying a presidential election in 2017 and declaring that the elected president does not actually have the power to speak independently. Moreover, despite recognizing the electoral gains of the Workers’ Party, the government has pursued a legal approach against the party, which constitutes a threat to the rise of opposition parties and the deepening of democracy. While interest groups such as the military or 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, and any other party constitutes only a threat to the survival of the city-state. The ruling party believes Singaporeans only vote for the opposition because they know that the ruling party will be re-elected. The prime minister reiterated his opposition to democracy by asserting that the government should be able to plan for the long term and not be driven by the “ups and downs, the hurly-burly, the predictability, the bitterness, the division, the rancor, the splits, which will take many, many years to heal.”

While Singapore’s political leadership has continued to contain cleavage-based conflicts despite the city-state’s ethnic and religious heterogeneity, the increasing immigration of foreigners is causing growing conflicts. The Singapore government has managed to reduce conflicts that occurred as a consequence of the growing number of foreign workers. In 2013, Singapore experienced its largest political protest, which was attended by a few thousand participants. Official announcements of curbs on foreign labor have somewhat reduced the discontent, but latent unhappiness remains. This also applies to foreign workers who still live in precarious conditions, even though the government has sought to mitigate the most serious problems. In 2013, Singapore also experienced its first riot since 1969 in Little India. Since then, there has not been a similar event, which should not be seen as a resolution to the underlying problems. Discontent over immigrants from India and China continues to fester below the surface as the topic is sensitive and can lead to government censure.
The city-state’s political leadership only recognizes and accommodates the interests of civil society actors if they do not interfere with government policies. Laws related to NGOs and other civil society groups continue to restrict the space for civic activity. Any initiatives that promote critical dialogue among Singaporean citizens must register under the Societies Act and be controlled by the government. The government will only engage civil society groups that do not take an oppositional stance, which is seen as politicizing an issue. In recent years, there has been a growing level of political activism from more independent-minded civil society groups. Organizations like the Nature Society or the women’s rights group AWARE have become more assertive and frequently interact with the government through various means. However, they remain relatively small and have limited resources. Foreign funding is not allowed for organizations with overtly political objectives. 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 Organisations in 2016, have been established, they have focused on specific issues (in these cases, submitting a report to the Universal Periodic Review (UPR)). Additionally, as demonstrated by COSINGO, such coalitions have been short-lived. Furthermore, there are significant divisions within society that impede cooperation. Civicus, an international nonprofit organization that aims to strengthen civil society, has downgraded Singapore’s civil society in its Civicus Monitor 2022 from “obstructed” to “repressed.” This represents the second-worst rating a country can receive. Overall, the influence of civil society actors in the political process remains insufficient.

The arrests of over 100 opposition politicians leaning left in the 1963 Operation Cold Store, as well as the arrest of 16 individuals under the so-called Marxist conspiracy in 1987, have sparked some disagreement regarding the interpretation of history. The government contended that those arrested under the Internal Security Act were Communists seeking to dismantle the country, while others have rejected this historical account. During a book launch in November 2013, historian Dr. Thum Ping Tjin stated, “Were the Barisan and the other detainees of Operation Coldstore part of a communist conspiracy? No. No. No. No.”

The issue of how to handle this historical legacy gained prominence when the government banned the documentary “To Singapore, With Love” in September 2014. The documentary explores the experiences of political exiles and challenges the government’s narrative. The government viewed the film as one-sided and believed that screening it would be against the national interest. A group of 39 Singaporean artists expressed “deep disappointment” at the ban. Surprisingly, another film titled “1987: Untracing the Conspiracy” received an R21 rating, permitting its screening in Singapore, though only for adults. As a result, the film was screened at the FreedomFilmFest in November 2015 and at other venues subsequently.
In 2017, three victims – Chng Suan Tze, Low Yit Leng, and Teo Soh Lung – published the second edition of their book, “1987: Singapore’s Marxist Conspiracy 30 Years On,” which is available in Singaporean bookstores. Despite this, the government has yet to open the archives regarding these incidents. Additionally, attempts to bring attention to the events, such as a blindfolded protest on the subway in 2017, resulted in legal consequences for the organizer, Jolovan Wham. Furthermore, Dr. Thum Ping Tjin’s efforts to question the government’s control over information concerning the 1963 and 1987 incidents led to nearly six hours of questioning in parliament. During this time, Law and Home Affairs Minister K Shanmugam sought to undermine the historian’s credibility and insisted on indisputable evidence that there was no communist conspiracy.

17 | International Cooperation

Singapore is a highly developed country, according to the HDI, and does not require or seek support from international partners for its domestic policies. There are a few exceptions to this, such as Singapore’s dependency on water from Malaysia and sand imports from Myanmar (there are now attempts to import sand from Bangladesh). Sand is used in land reclamation projects and is vital for Singapore’s infrastructure projects. However, it is creating significant environmental problems for exporting countries.

External advice regarding the situation of human rights in the city-state is considered unwanted political interference. In October 2016, Singapore was unhappy about a press release by the United Nations High Commissioner for Human Rights (OHCHR) concerning the observation made by U.N. human rights expert Rosa Kornfeld-Matte, who had raised the issue of poverty among elderly Singaporeans. The government believed the release had been one-sided and had not highlighted Singapore’s achievements.

Similarly, the Singapore government accused Oxfam, which had ranked Singapore in the bottom 10 for reducing inequality in 2018, of being “ideologically driven” due to its emphasis on taxation. Additionally, the Singaporean government blocks every attempt by international organizations to facilitate democracy and civil rights in the country. Any foreign support for opposition parties or independent online media is forbidden. Despite no evidence of foreign interference in local politics, the government enacted a Foreign Interference (Countermeasures) Bill in 2021, disregarding serious concerns raised by numerous international NGOs.
The Singaporean government is considered a reliable and credible partner by the international community. The political leadership remains engaged with the World Bank, the IMF, the ADB, and other international institutions such as the WTO. Additionally, Singapore is one of the five founding members of the Association of Southeast Asian Nations (ASEAN). Professor Simon Shen believes that Singapore’s advanced economic development makes the country a “natural leader of ASEAN.”

Through the Singapore Cooperation Programme (SCP), Singapore provides technical assistance to developing countries worldwide. In May 2022, Singapore agreed to collaborate on a scheme for mutual recognition of COVID-19 vaccination certificates to facilitate travel. This initiative aims to enhance regional public health preparedness and response, while also seeking to strengthen health cooperation.

However, Singapore has not signed or ratified several international core treaties, including 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 approach could be problematic since ratified treaties and conventions only become part of domestic law when 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 should slowly evolve into a very close-knit community. However, the rise of China is proving to be increasingly difficult as it reduces the potential for unity within the alliance. At the same time, the end of the Trump presidency and the rise of the Biden presidency have brought hope for a more measured and stable approach to regional interaction. However, the Biden administration has maintained a tough stance regarding China, including moving closer to strategic certainty about the Taiwan question, which has raised tension between China and the United States. From Singapore’s perspective, the newly emerging cold war between the two superpowers presents new challenges in how to balance its own attempts of cooperation with growing demands to take sides in the conflict.
Strategic Outlook

As Singapore’s ruling party determines who will succeed Prime Minister Lee Hsien Loong, the next task will be a general election that will bring the new leader to power. The upcoming parliamentary election must be held by November 23, 2025, but it will likely occur much sooner. The ruling party anticipates a tough battle against opposition parties, which have gained votes in recent elections. However, it remains unlikely that Singapore’s opposition will pose a serious threat to the ruling party, given the persisting barriers within the deeply divided opposition.

Before the parliamentary election, there must also be a presidential election between June 14 and September 13, 2023. Unlike the parliamentary election, the presidential election is potentially less competitive due to stringent candidacy requirements, such as previous service in a high-ranking government or private sector position. Additionally, candidates cannot be affiliated with a political party and must possess “integrity, good character, and reputation.” The final determination of a candidate’s eligibility is made by the Presidential Elections Committee. In the previous election, which was also restricted to a minority candidate, there was only one nominee, resulting in no election.

A challenge for the ruling party in the near future will be the economic situation as Singapore faces higher prices due to inflation and lower growth rates. The government is aware that addressing the underlying social problems will require more financial resources. To preserve health care and childcare services, as well as respond to the growing number of security risks, the government has announced an increase in the Goods and Services Tax (GST) from 7% to 8% in 2023 and to 9% in 2024. While the tax is regressive since it affects everyone equally, the government has also announced rebates to lessen the impact on individuals with lower incomes. However, the government has violated its own promise not to raise the GST rate, highlighting the lack of public accountability. Additionally, the inherent regressive nature of this form of taxation cannot be fully mitigated, emphasizing the need to focus on reducing income disparity in the country.

Singapore will continue to benefit from its proactive role in international relations and compare favorably with other Asian and Western countries as a reliable trading partner. As China emerges from the COVID-19 pandemic and faces the challenge of moving away from its zero COVID-19 policy, which has slowed the world’s second-largest economy, Singapore will play a leading role in bridging the gap between China and the West, potentially enabling the economic situation to return to pre-COVID levels. However, at the same time, managing and balancing the conflict between China and the United States could become more challenging. Any escalation in tensions, such as a conflict over Taiwan, could have serious implications for Singapore, which heavily relies on a peaceful and cooperative environment. Additionally, while Singapore maintains strong ethno-cultural and economic ties with China, its security policy is most closely aligned with the United States. This alignment was further strengthened by the 1990 Memorandum of Understanding (MOU) that houses COMLOG WESTPAC, along with additional agreements, enabling both countries to provide mutual support during crises and conflicts.