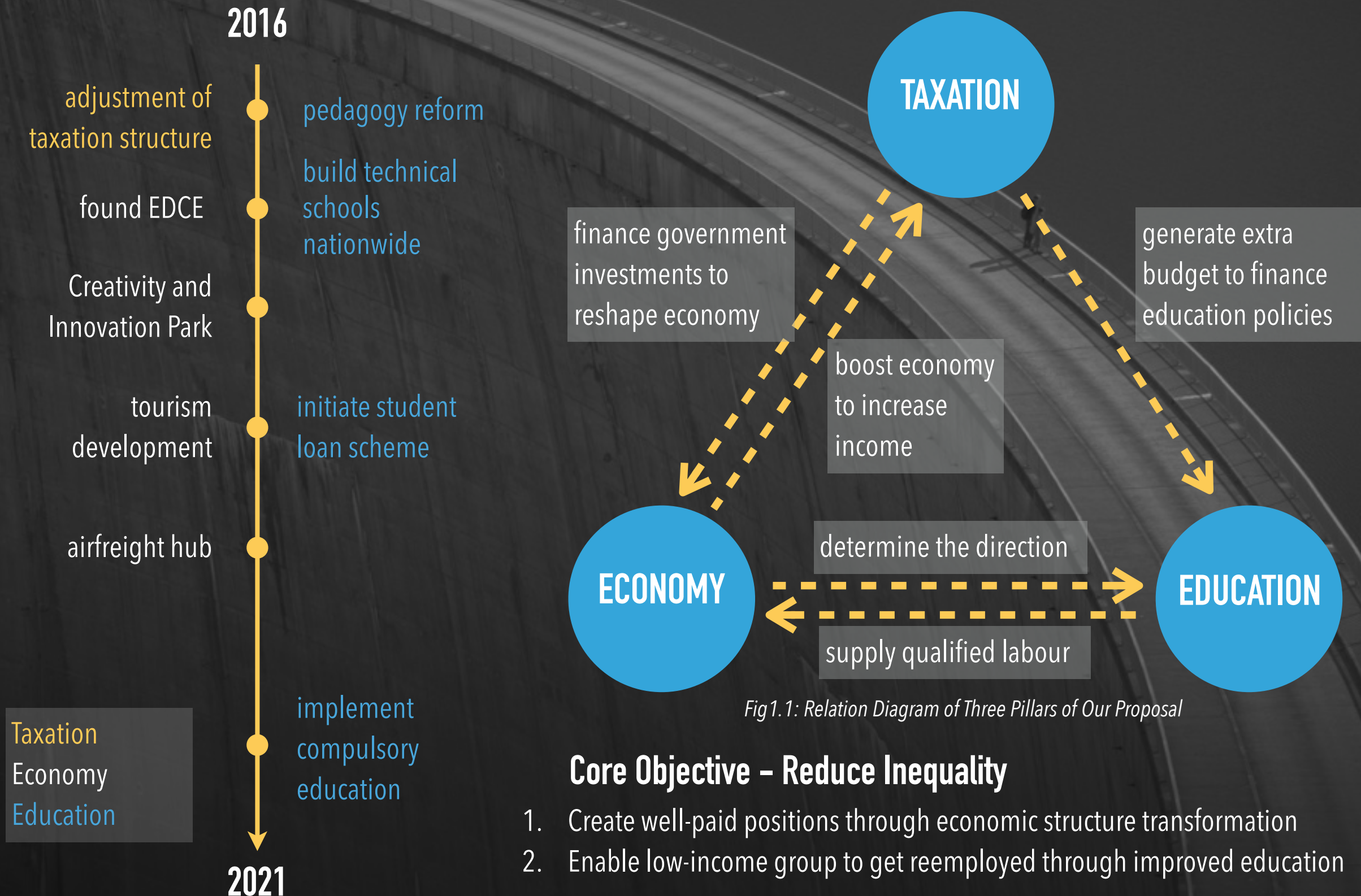


Zhou Jiuqi
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GROUP APOGEE

EQUALITY FOR ESODOR

OVERVIEW OF PROPOSALS



UNDERSTAND GINI COEFFICIENT

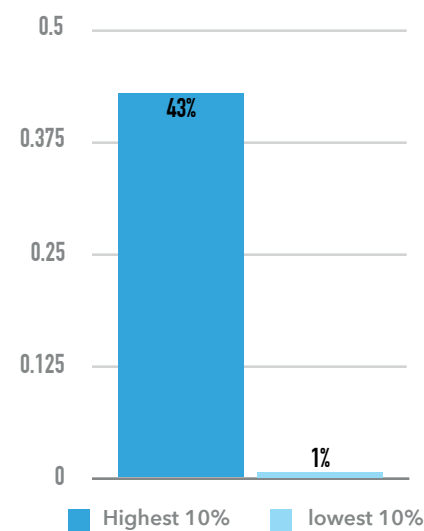


Fig2.1: Top/Bottom 10% Income Share of Esodor

GINI =51.4%

Assumptions:

- Gini Coefficient is calculated based on after-tax Income
- Total national income = GDP - Net Export (all savings become investment)

GINI =35%

Ideal Case Study:

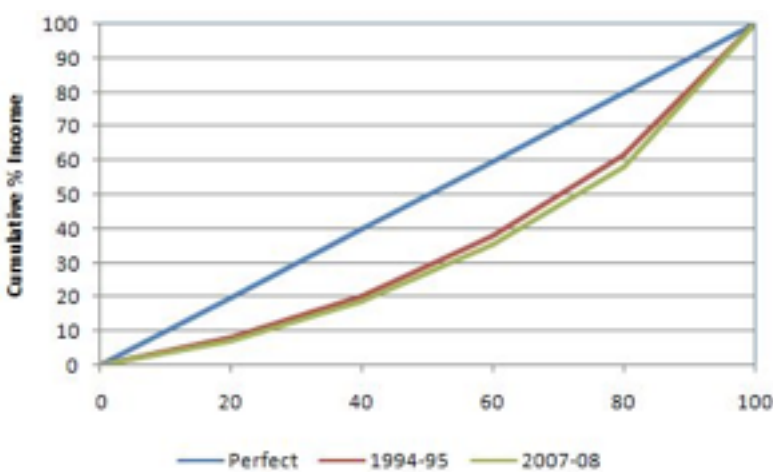


Fig2.2: Income distribution of Australia, which has a steady Gini-Coefficient of 35%

INCOME DISTRIBUTION ESTIMATION

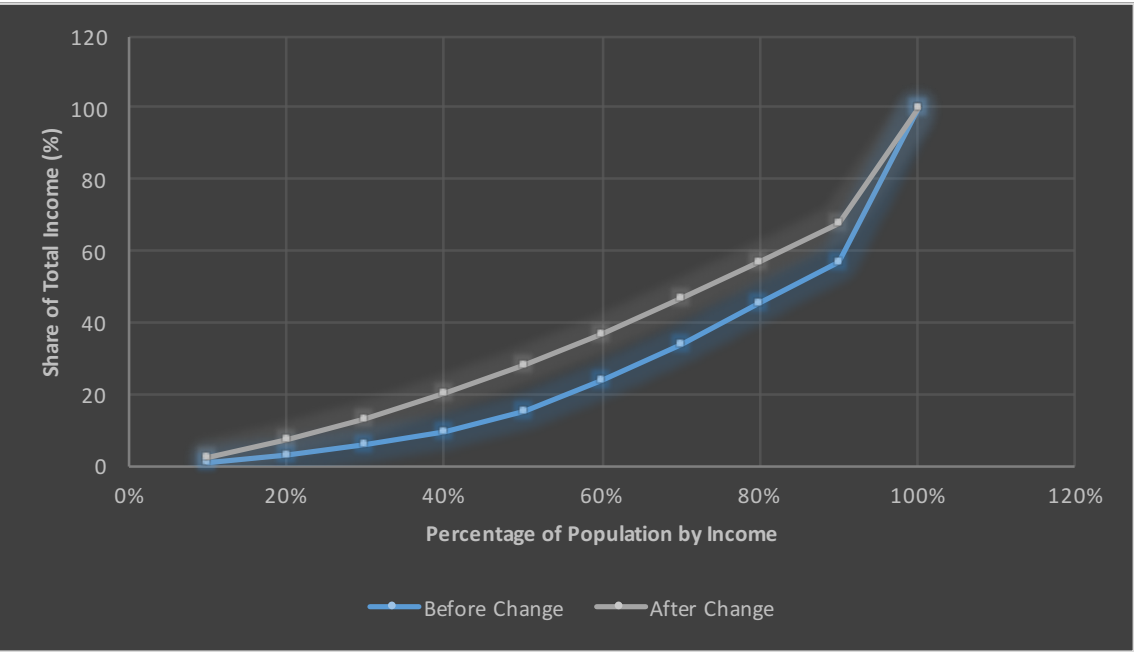


Fig2.3: Estimated Income Distribution of Esodor before and after Change

Percentage of People by Income (%)	Average Individual Income Gini-Coefficient = 51.4% (ESO)	Average Individual Income Gini-Coefficient = 35% (ESO)
10	7229.538462	19287.35113
20	14459.07692	34717.23203
30	18073.84615	46289.64271
40	28918.15385	54004.58316
50	43377.23077	61719.52361
60	57836.30769	65576.99384
70	72295.38462	77149.40452
80	83139.69231	81006.87474
90	86754.46154	84864.34497
100	310870.1538	246878.0945

Table2.1: Estimated Income Distribution of Esodor before and after Change

Income redistribution is the most effective way to reduce Gini-Coefficient. Though painful at the start, it is able to provide crucial budgets for other governmental policies, which will be worthwhile in the long run.

RESTRUCTURED TAX

Objectives:

- Address income inequality
- Reduce budget deficit

Inheritance and Gift Tax

- 30% on estate above 2 million ESO\$
- Tax will be reduced to 10% if more than 30% of the estate is donated to public.

Benefits

- Break the cycle of inter-generational poverty
- Promote the philanthropy and racial integration
- Provide extra governmental revenue

generated revenue = 11.1 Billion ESO\$

Calculated from counterpart in US, translated to Esodor economy.

Luxury Surcharge

Impose 10% luxury tax after sales tax to goods such as automobile, expensive fur, watch etc.



generated revenue = 5.17 Billion ESO\$

Based on World average consumption level of luxury goods that the rich spend 4% on luxuries. Assume in Esodor only the richest 20% contribute.

Individual Income Tax Adjustment

Chargeable Income	Income Tax Rate (%)	Modified Income Tax Rate(%)
First ESO 80000	-	-
Next ESO 40000	10	11 (+1)
First ESO 120000	-	-
Next ESO 40000	14	14 (+1)
First ESO 160000	-	-
Next ESO 40000	16	18 (+2)
First ESO 200000	-	-
Next ESO 120000	18	25 (+7)
First ESO 320000	-	-
Next ESO 320000	20	30 (+10)

Table3.1: Adjusted Tax Rate Structure

generated revenue = 25 Billion ESO\$

Assume only the richest 30% are subject to change.

TOTAL GOVERNMENT REVENUE INCREASE IN 1ST YEAR
41.27 BILLION ESO\$

ECONOMY DEVELOPMENT COMMISSION OF ESODOR (EDCE)

VISION

Plan and lead to build a sustainable, innovative and globally competitive economy and to ensure every Esodorian can share the fruit and have the opportunity to reach their potential.

KEY FUNCTIONS

- 1. Frame national economic plans in accordance to country's needs and goals
- 2. Create a fair, transparent and friendly investment environment through laws, regulations, and government policies, while attracting foreign investments
- 3. Diversify the economy to decrease the share of oil and gas revenue

Plan 1: Creativity and Innovation Park (CIP) for startups and SME

Implement relatively low tax rates and rental costs	Simplify company registration and other procedures	Bring in investments
---	--	----------------------

Advantages:

- Avoid monopoly and increase fairness of market
- Shift the backbone of economy to technology and service sector
- Provide opportunities for graduates and reduce brain-drain

Disadvantages:

- Lack of qualified tertiary graduates
- Rely on outcomes of education reform

May 2016	EDCE Found
Aug 2016	Park Construction Planning, Policy Feasibility Research
June 2017	Start First Park Construction, Start Relevant Policies
June 2018	Park First Stage Complete
June 2019	Park Second Stage Complete
July 2020	Completion and Policy Up and Running

Fig4. 1: Timeline of Implementation of Creativity and Innovation Park

Plan 2: Tourism Development Plan

EDCE 5-YEAR DEVELOPMENT PLAN

Expand international airport with duty-free area covering most brands	Bring in interested investors to develop tourism program	Family-based tourism in rural area through low interest-rate loan	Publicity by National Tourism Administration to raise global recognition
--	---	--	---

Advantages:

- Further diversify the economy to service sector
- Create more jobs, especially those that have low entry requirement

Disadvantages:

- Require huge investments

May 2016	EDCE Found
2017	Airport Expansion Planning, Negotiation with Potential Tourism Investors, Family-Based Tourism Feasibility Research
2018	Construction of Airport Expansion, Negotiation with Duty-Free Vendors, Implementation of Tourism Programs
2020	Completion of Airport Expansion

Fig5.1: Timeline of Implementation Tourism Development Plan

Plan 3: International Airfreight Hub

Esodor has geographic advantage since it's in the centre of "Asia-Africa-Oceania" circle and abut on emerging economies like China, India and South Asia. It's Esodor's opportunity to take the wind of their development especially in economy.

Advantages:

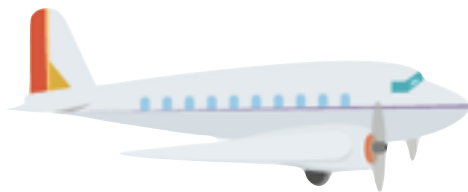
- Play a bigger role in world supply chain
- Increase jobs in infrastructure construction and logistics
- Boost the banking and finance industry
- Improve its international recognition in the world and attract more foreign direct investment

Disadvantages:

- Require time and energy and accumulate the resources



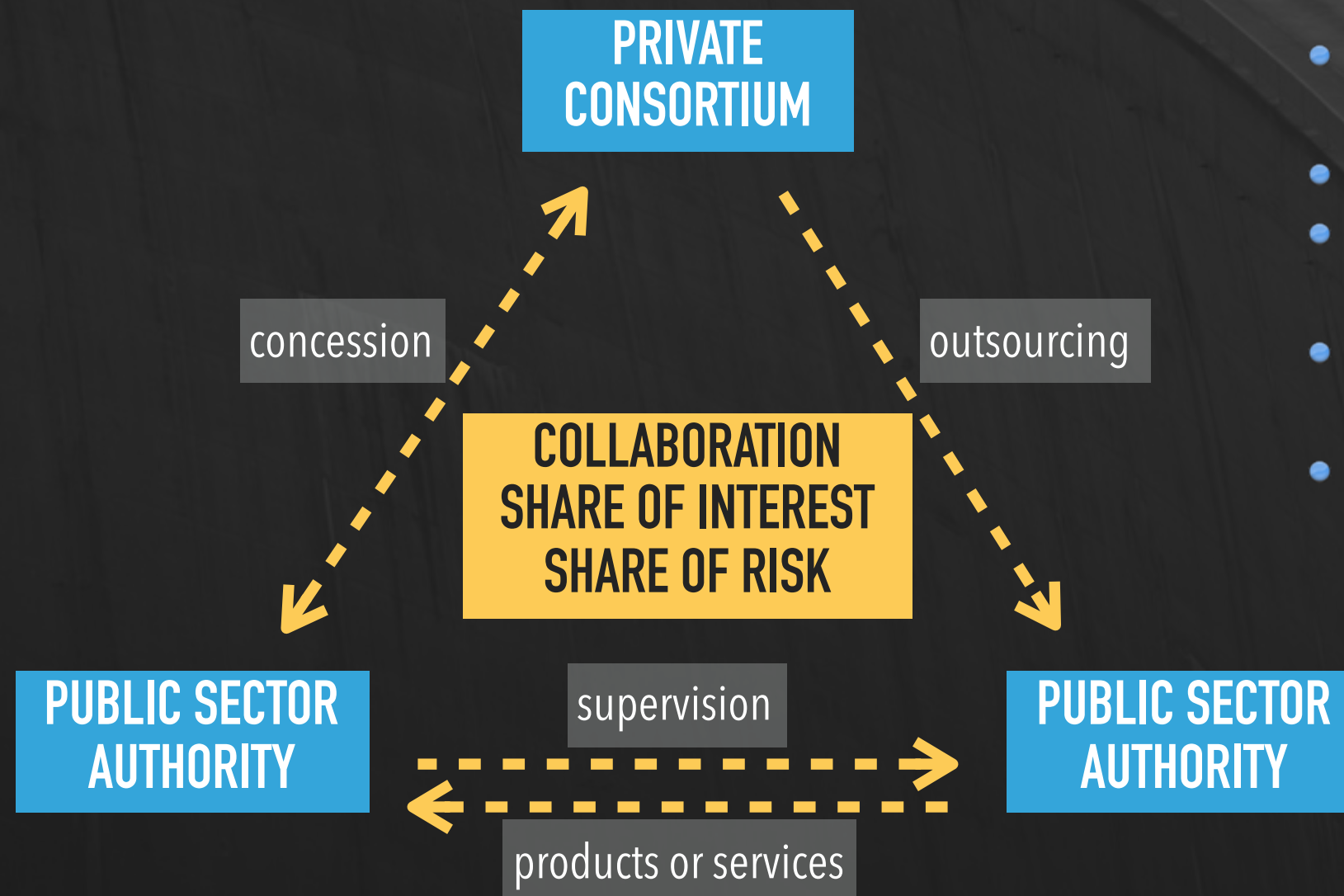
- Improve logistics capability and cultivate more logistic talents



- Set up national airline – Esodor Airline
- Host international aircraft showcase

PUBLIC-PRIVATE PARTNERSHIP (PPP MODEL)

A public–private partnership is a government service or private business venture that is funded and operated through a partnership of government and one or more private sector companies. This is an alternative approach of financing public projects.



Advantages:

- Relieve government's **financial burden**, saving 17% compared with conventional approach
- Release government's energy on other matters
- **Reciprocal** relationship between government and private investors
- Provide high-quality **public services and infrastructures**
- Wide application in different sectors

Disadvantages:

- Conflicts can arise if project is not well managed
- Take longer time for the partnership to effect
- Accountability of private sectors

Fig6.1: Relation Diagram of Public-Private Partnership Model

ESODOR EDUCATION AT A GLANCE

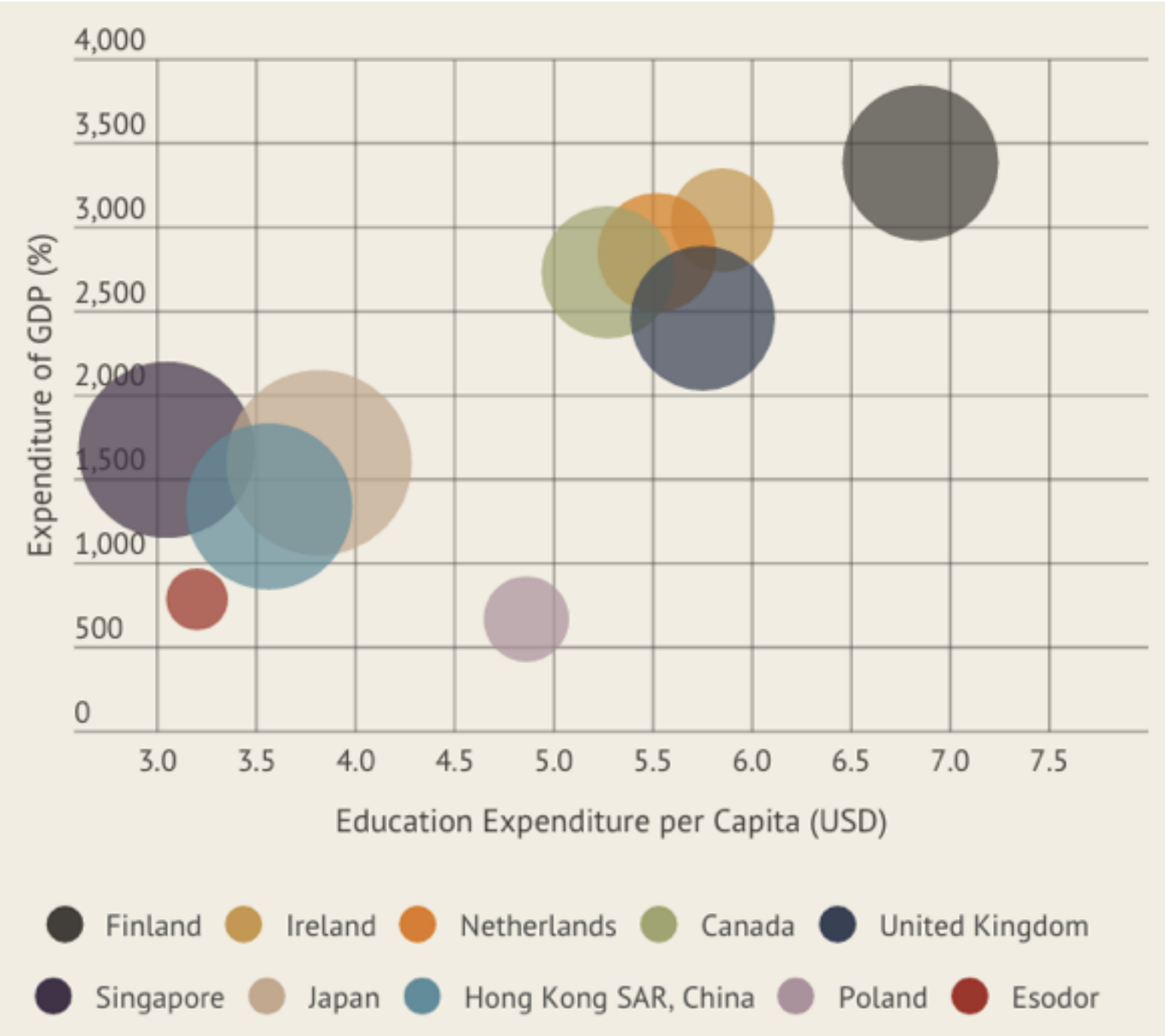


Fig.7.1: Comparison of Education between Esodor and World's Best Education Systems
(Bubble Size Representing the Strength of Education System)

ACCESSIBILITY

- Government should expand investment on education to **4% of GDP**, given its obvious deficiency compared to other countries;
- Use extra funding to enhance accessibility of education to **financially inadequate students**;
- Realise equality of education across different **ethnic groups**.

PEDAGOGY

- High quality of education can still be achieved with **moderate funds**, as illustrated by Singapore and Hong Kong;
- Promote **service-centred, education** as part of the economic plan, with an emphasis on practical skillsets trainings;
- Develop **interdisciplinary programmes** to maximise educational resources.

ETHNICITY

EDUCATION ACCESSIBILITY

FINANCE

Enrolment Ratio Congruous to Ethnic Mix:



- Prepare students from different ethnic groups to work together before entering workplace
- Lead to a more unbiased and transparent work environment

Coupled with New Rationale for Examination



Intellectual Potential

Stress on students' cognition ability and intellects.



Academic Background

Downplay past education background to provide opportunities for students with unactualized potential limited by poor social and economic state.

Cost: negligible cost to adjust mode of assessment
Benefit: achieve education equality and alleviate racial tension, thereby reducing brain-drain by 20%

Tertiary: 0-Interest-Rate Student Loan Scheme



Cost: 3.5% of interest rate (data from an comparable economy)
Benefit: 2% rise in tertiary enrolment rate

Upper Secondary: Technical Education



- Build 2 Technical Schools in each state
- Low entry barrier
- Impart practical professional skills
- Aim for direct employment after graduation

Cost: relatively lower investment than traditional high school
Benefit: 10% rise in upper-secondary enrolment rate

Long Run: 12-Year Compulsory Education

- Fully provide graduates required for tertiary education
- Reach 65% upper secondary and 30% tertiary enrolment

SERVICE-CENTERED PEDAGOGY

Interdisciplinary Approach

Curriculum integration can help students piece together fragmentary information from various fields. It is also an economical way of maximising education outcome as it requires breadth but not depth.

Service-Centred Education

The availability of education resources should conform with society's need, which is service sector talents in this case. In the long run, service-centred education should be a flagship programme that attracts foreign students.



Interdisciplinary
Projects



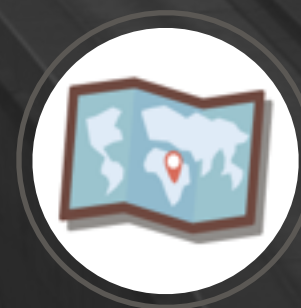
Interdisciplinary
Programme



Technical
Electives



Transportation
& Logistics



Tourism



Information
Technology

Attraction of Foreign Students

- Their tuition fees will subsidise local students
- Their participation will ease the mingling of local students from different ethnic groups
- Supply more qualified labor force to Esodor market

Final Expected Education Outcome

- Reduced brain-drain
- Higher enrolment rate
- Better trained graduates
- Foreign labor

**Fill up all positions
with qualified labor**

IMPACT ASSESSMENT

Cost Analysis

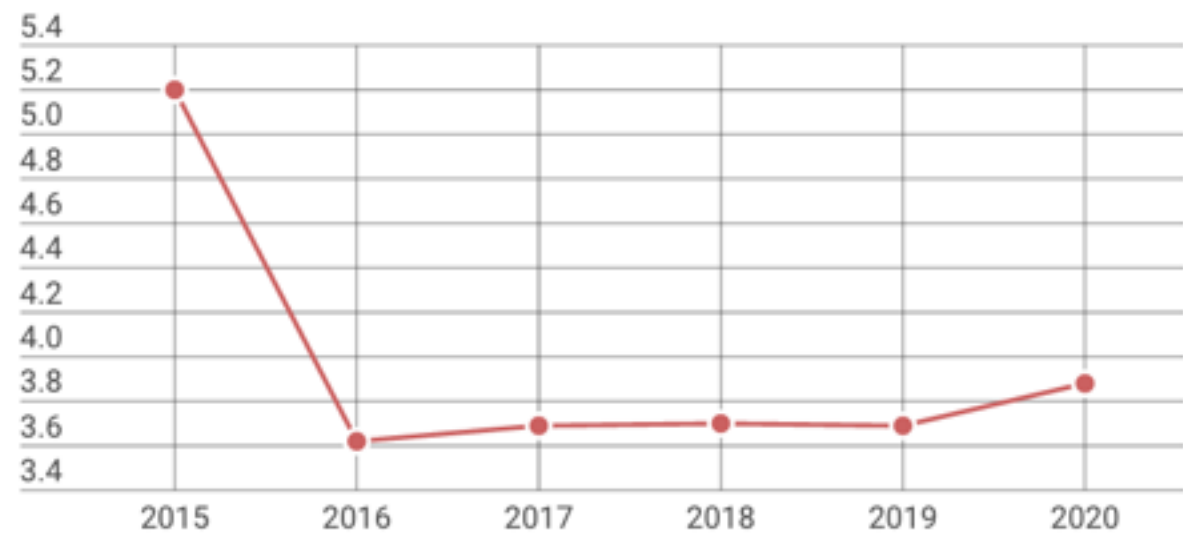


Fig10.1: Projected Government Budget Deficit of GDP /% (Yearly Average: 3.17%)

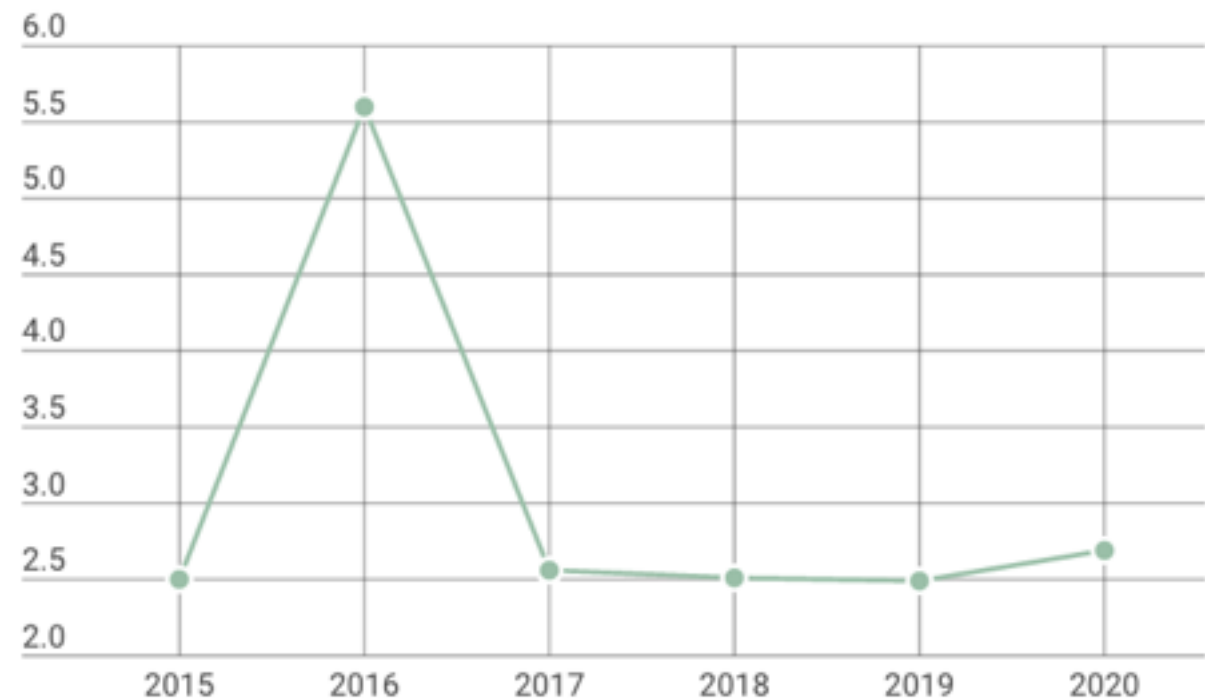
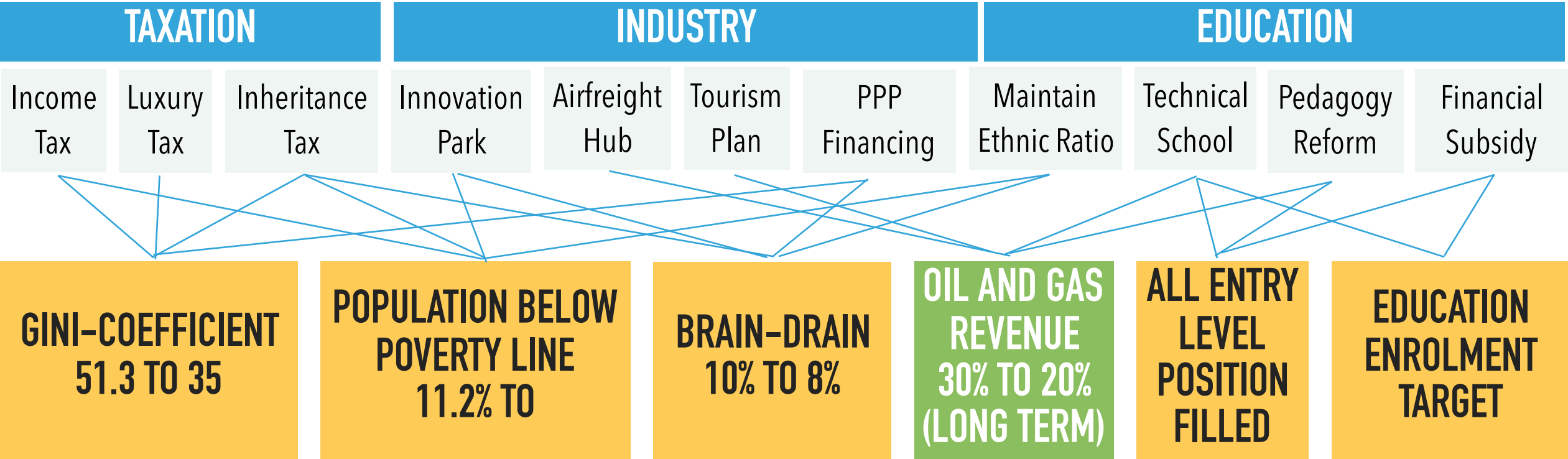


Fig10.2: Projected Real GDP Growth /% (Yearly Average: 3.17%)

Other Key Performance Indicators



APPENDIX 1

COST BREAKDOWN

Year	2016	2017	2018	2019	2020
Taxation (billion ESO)	42.30	43.36	44.44	45.55	46.69
Education Spending (billion ESO)	2.59	2.59	2.95	2.95	10.93
Economy Spending (billion ESO)	0.95	2.63	2.63	2.63	0.05
Projected GDP Growth (%)	5.60%	2.56%	2.51%	2.49%	2.69%
Projected Govn. Deficit (%)	3.62%	3.69%	3.70%	3.69%	3.88%

Note: More detailed calculations and explanations can be found in the attached spreadsheet.

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Special Thanks to World Bank, IMF and Wikipedia Database.

TEAM PROFILE

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THANK YOU FOR READING.

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