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SUCCESS FACTORS OF SINGAPORE'S ECONOMY

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Abstract

The following paper has been prepared to answer several questions concerning Singapore's index of openness, its main trading partners, goods traded and how it is connected to its history and productiveness. Singapore as a one of Four Asian Tigers and is a country that occupies top places in many indicators which makes it an interesting country to analyze.

In effect, various indicators will be analyzed such as imports, exports as well as major trade agreements and partners. Note that some values are measured for different years as not all data from official sources could be found for 2019 or 2020.

Introduction

The history of open economy reaches the 18th century when Adam Smith and David Ricardo were preoccupied with the consequences of international trading. Back in the days, they targeted commodity exchange and exchange rates however, nowadays it is more important to study how economic openness impacts domestic systems.

Economic openness across the world has been improving over the last decade. Since 2013, most of the countries have improved their openness and the median improved moving up 17 places since 2007. Together with economic growth also comes competitiveness and it is easier to keep social and economic wellbeing up where everyone is encouraged to succeed.

The present study discusses Singapore's history, degree of openness, its main imports and exports as well as other factors which contributed to the country's success. The aim of the thesis was to answer the question how the lion city managed to become developed in such a short period of time. The method used in the thesis is a descriptive research. Main sources used include published books, articles, speeches, and government publications.

Chapter 1. Historical background of Singapore

1.1 Gaining independence

Singapore is one of the youngest nations to become so successful, taking into consideration its independence. On top of that this city-state measures only 724.2 square kilometers¹ and the population in 2019 was approximately 5.7 million. Keeping in mind the fact that each year over 3 times (18,8M) as many people visit this country, we have to admit that tourism certainly plays a big role in the economy and is a key to its growth. The city-state is considered one of the most open economies in the world being highly dependent on international trade.

The history of Singapore started in late 1818 when General Sir Stamford Raffles set up a trading station at the end of the Malay peninsula. By 1819 it was considered Raffles's and British East India Company's strategic trading post. It soon became a very important place which was the third British acquisition after Penang and Malacca. Later these two formed Straits Settlements in 1826 together with Singapore. Thanks to that, Singapore became an administrative center of British property in Malaya but after four years the Settlements was downgraded, and the administration place was changed several times. Finally on 1 April 1867, the Straits Settlements was made a crown colony after being transferred to the Colonial Office in London. The governor, the head of the administration, was based in Singapore and had to report to the secretary of state in the Colonial Office. "On 1 April 1946, the Malayan Union was inaugurated, replacing the Straits Settlements. Under the new arrangement, Singapore was made a separate crown colony, while Penang and Malacca became part of the Malayan Union together with the other nine Malay states"².

During World War II Japanese forces acquired Singapore which back then the British Prime Minister Winston Churchill said was "the worst disaster and largest capitulation in

¹ Singapore Land Authority, Total Land Area of Singapore, September 18, 2020
<https://data.gov.sg/dataset/total-land-area-of-singapore>;

² Jaime Koh, Straits Settlements,
https://eresources.nlb.gov.sg/infopedia/articles/SIP_2014-07-30_084623.html;

British history".³ After the war had finished, the country faced a lot of problems resulting in high unemployment rate, slow economic growth, bad infrastructure and housing, strikes and social unrest. In 1959 the British Empire started governing the country but 4 years later Singapore announced its independence from Great Britain. Back then the country didn't have much land and resources, so it joined Malaya, Sabah and Sarawak when forming the Federation of Malaysia. However, Singapore's state leaders were not content with the economic policy and law therefore Malay and Chinese Singaporean civilians went out on the streets and started riots that caused deaths of dozens of people, many injuries and damages. Finally, the authorities lost their patience and decided that Singapore is not suitable for the Federation, voting 126-0 for expelling it from the union.

On 9 August 1965 Singapore was officially independent and some say that it was rather unwanted independence. It seemed like an unexpected punishment. It turned out that Singaporeans' political and legal vision of a country brought them together and that created a whole new country unknowingly. Even the first Prime Minister of the city-state, Mr Lee Kuan Yew, teared up during a press conference because he said that "for me, it's a moment of anguish, because all my adult life I believed in the merger and unity of the two territories. [...] it's a people connected by geography, economics and ties of kinship"⁴. At this point it was obvious for Mr Lee that the separation was necessary. All negotiations were done in secrecy though. Now, what's interesting is that history shows that gaining sovereignty unwillingly is very rare as countries usually have to fight for it with cold blood.

On the other hand, with independence came a bit of risk. Separation from Malaysia meant loss because now Singapore had to work on its own account and start everything all over again. Despite that, leaders were motivated to work on the country's economy. Now it was about making the country either significant and meaningful to the whole world despite its small size or staying the way it was - in a quite bad condition but not desperately poor.

³ A Brief History of Singapore
<https://www.guidemesingapore.com/business-guides/immigration/get-to-know-singapore/a-brief-history-of-singapore>;

⁴ Transcript of a press conference, August 9, 1965
<https://www.nas.gov.sg/archivesonline/data/pdfdoc/lky19650809b.pdf>;



Figure 1. Geographical location of Singapore

source: <https://www.worldatlas.com/maps/singapore>

1.2 Economic growth after gaining independence

Economic growth is definitely an inexhaustible topic. Many East Asian economies started growing significantly in the 1960s but Singapore improved living standards faster and more efficiently than any other country. Right after gaining independence, Singapore's GDP was similar to the one in Ghana. The malnutrition was at a high level but people didn't live in poverty. By 1990 the city-state condition was comparable to other not-so-undeveloped countries. Nowadays Singapore is ranked as one of the most advanced countries, almost completely free from corruption and with very low tax rates.

It's worth taking a closer look at what steps Singapore's leaders took at that time. People's Action Party (PAP) is a political party in Singapore which has been ruling the country ever since 1959. It is a conservative, center-right party with initial pro-independence ideas. It has successfully occupied a majority of the seats in the Parliament of Singapore ever since gaining sovereignty. Together with the Prime Minister they took several steps to improve the social and economic situation in the country. The main issues were overpopulation, housing deficit, unemployment, and racial strains.

All these problems were solved quite quickly. A very popular compulsory saving scheme called Central Provident Fund (CPF) was introduced and significantly helped the economy. It includes mainly healthcare, retirement and housing. As the Singapore's government website says "The CPF is a mandatory social security savings scheme funded by contributions from employers and employees."⁵ The CPF is split into three accounts: ordinary account, special account and MediSave account. The first one is dedicated for retirement and housing, a special account is for retirement only and MediSave is for healthcare needs (Table 1). After a person turns 55, their OA and SA merges into a retirement account and the money is used as a retirement income, forming a Retirement Account (RA).

Table 1. Central Provident Fund accounts division

Used to pay for:	Ordinary account (OA)	Special Account (SA)	MediSave Account
Housing	+	-	-
Education	+	-	-
Some investments	+	+	-
Health care and medical bills	-	-	+
Premiums for some types of insurance	-	-	+

Source:

<https://www.areyouready.gov.sg/YourInfoHub/Pages/Views-All-You-Need-To-Know-About-Central-Provident-Fund-Interest-Rates-Contributions-And-More-Seedly.aspx>

⁵ Ministry of Manpower, Singapore

<https://www.mom.gov.sg/employment-practices/central-provident-fund/what-is-cpf>

Now the question is how it works. Under this scheme, every Singaporean citizen who earns more than 500 SGD monthly has to contribute a part of the salary to the CPF accounts. Additionally, the citizen's employer has to provide some percent too. The rate depends on the age of the citizen. For instance, under 56 years old, the employee contributes 20% and the employer 17%⁶. In total 37% of a monthly salary goes to the CPF accounts. In order to understand the scheme better, let's use an imaginary 30 year old Singaporean named John who earns 4,000 SGD per month.

$$4,000 * 80\% = 3,200$$

$$4,000 * 20\% = 800$$

$$4,000 * 17\% = 680$$

This means that John's take-home pay is equal to 3,200 SGD, the 800 SGD is what he has to contribute to the account and 680 SGD is provided by the employer.

Depending on the age, the CPF allocations rates will be different (Table 2).

Table 2. CPF allocation

Age of employee	CPF allocation for OA	CPF allocation for SA	CPF allocation for Medisave
Up to 35 years old	23%	6%	8%
35 to 45 years old	21%	7%	9%
45 to 50 years old	19%	8%	10%
50 to 55 years old	15%	11.5%	10.5%

Source:

<https://www cpf gov sg Employers EmployerGuides employer-guides paying-cpf-contributions/cpf-contribution-and-allocation-rates/otherstab#Others>

In John's case it will be 23% for Ordinary Account, 6% for Special Account and 8% for MediSave.

It is important to mention that there is a limit to how much money your CPF accounts can receive. It is equal to 37,740 SGD and it's called Annual Limit.

⁶ Central Provident Fund Board, Singapore

<https://www cpf gov sg Employers EmployerGuides employer-guides paying-cpf-contributions/cpf-contribution-and-allocation-rates/>

Each of the three CPF accounts can earn up to 3.5% (ordinary account) or 5% of interest per annum. After a certain age it is possible to withdraw most of the money saved throughout the years. As it was stated before, there are three types of account, however, after John turns 55, his Ordinary and Special Accounts merge into one that is called Retirement Account. The money on this account is used as an income. It means that the government doesn't pay retirees in Singapore a monthly pension.

Next problem is overpopulation and housing issues. These two are highly connected as housing issues are inter alia caused by overpopulation. As of 2020, the population density is equal to 7,810 per km², which makes Singapore the 3rd most densely populated country in the world right after Monaco and Macau⁷. Singapore struggled with overpopulation for a long time but now it seems like the situation is quite stable.

In 1972 Singapore launched a campaign “Stop at two” which was supposed to encourage Singaporeans to have less children (Figure 2). It encouraged the society to limit the number of children in the family and it was surprisingly successful. However, now the situation has changed.

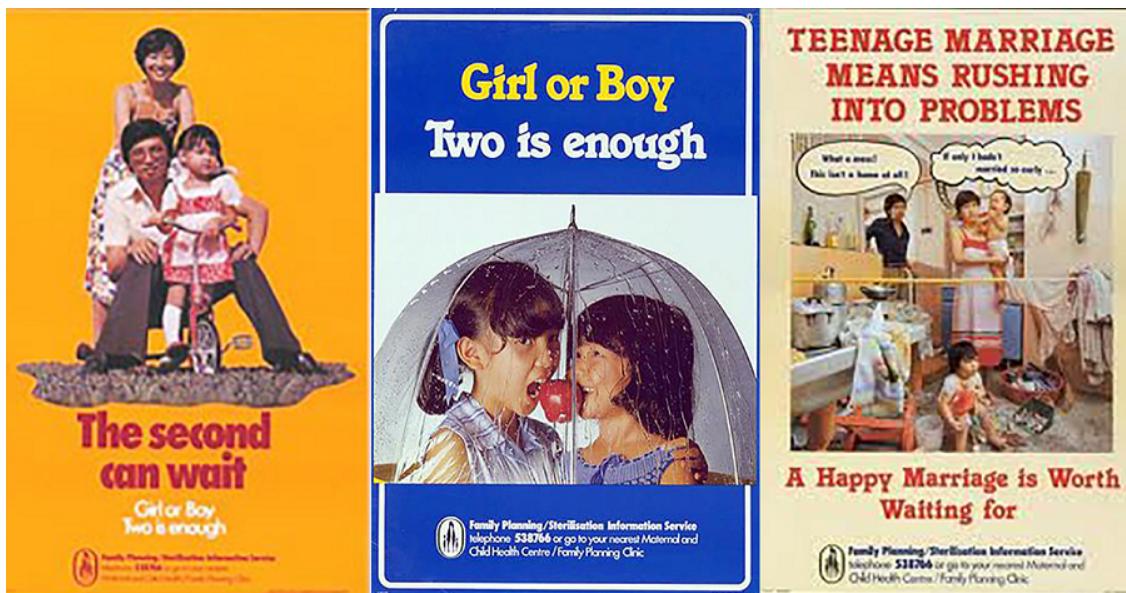


Figure 2. “Stop at two” campaign

Source: <https://www.nas.gov.sg/archivesonline/posters/search-result>

One solution to the problem is building very tall Housing & Development Board (HDB) flats. There are barely any landed properties as it is only affordable for the highest

⁷ Department of Statistics Singapore, Population and Population Structure
<https://www.singstat.gov.sg/find-data/search-by-theme/population/population-and-population-structure/latest-data>;

social class and the cost can equal even 100 million SGD. The reason for that is simple - it takes up a lot of space which could be used for many more dwelling units like HDB flats but also such a house is beautifully built and designed. Despite that, many people say that it is overpriced as it is the second most expensive city right after Hong Kong when it comes to housing. It is also important to mention that Singapore has an aging workforce and low birth rate. If the country's population decreases the living conditions will improve but the GDP will fall. The government doesn't seem concerned with the overpopulation though. The leaders are more focused on the economic aspect, having an aim of increasing the population to almost 7 million by 2030.

One disadvantage of living in an overpopulated country can be, as already mentioned, high prices of housing. This makes it impossible for young Singaporeans to move out from their parents. Before being able to afford independence from their parents, they have to work for many years, save money or become eligible for a mortgage. For that reason, they end up getting married and having children late. It seems like a vicious circle, considering the fact that the government would want to increase the birth rate. This applies especially since the majority of Singaporeans choose the traditional lifestyle of first getting married, then moving in together and at the end conceiving.

Chapter 2. Singapore as a centre of international trade

2.1. Export and Import

Singapore is 15th largest export economy in the world and 4th most complex economy⁸. It is 9th in the ranking of world trade in commercial services⁹. The country-city is usually high in the rank even considering its size. Singapore can be also easily considered an Asian trading hub. Its port is one of the world's biggest and the busiest. Besides that there is also air transport which has a big impact on GDP as air freight movements in Changi Airport in 2019 was estimated to be 2.010 tonnes¹⁰.

Singapore mainly exports integrated circuits, computers, semiconductor devices, gas turbines, broadcasting equipment, refined petroleum, gold, diamonds, refined copper, raw tin. The graph below shows the percentage out of total export (Figure 2). For instance, electrical and electronic equipment adds up to 30.9% of total export which is equal to US\$ 120.7 billion. The second place is machinery at 15.2% with a value of US\$ 59.3 billion and the third one are mineral fuels which is equal to 12.3%, US\$ 47.9 billion. Main Singapore's destinations for exports are: China, Hong Kong, Malaysia, Indonesia and USA.

⁸ <https://oec.world/en/profile/country/sqp/>;

⁹ World Trade Statistical Review 2020

https://www.wto.org/english/res_e/statis_e/wts2020_e/wts2020chapter06_e.pdf;

¹⁰ Changi Airport Group

<https://www.changiairport.com/corporate/our-expertise/air-hub/traffic-statistics.html>;

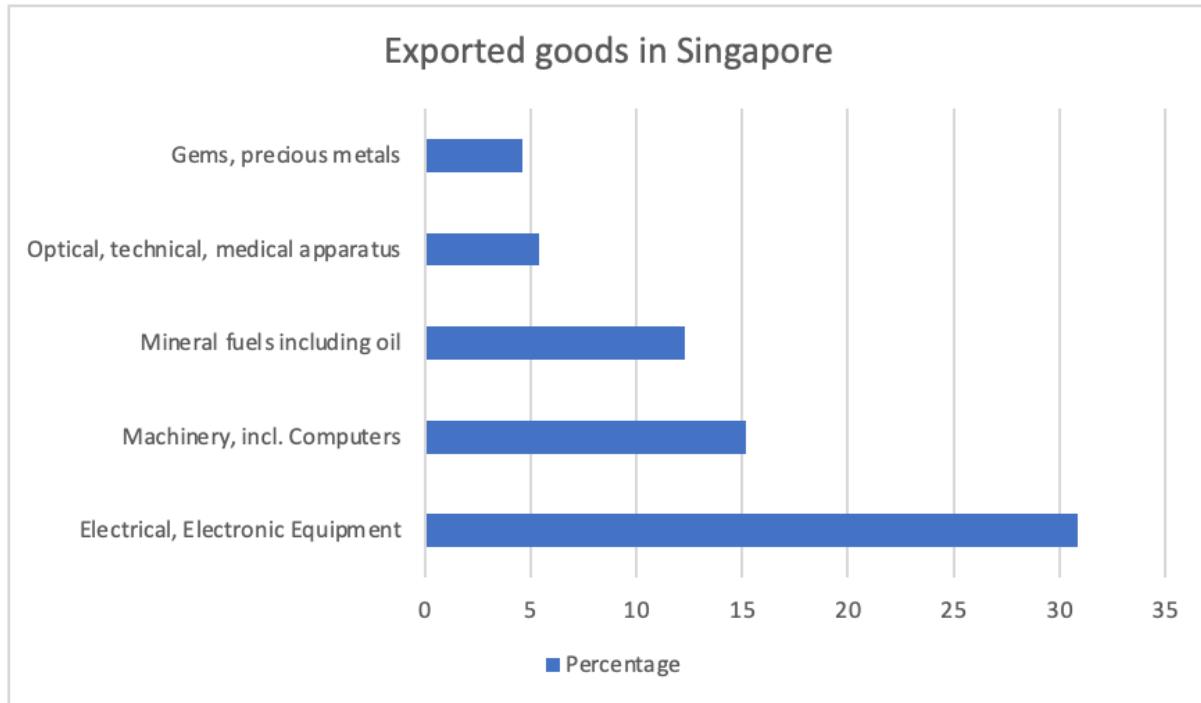


Figure 3. Exported goods in Singapore (2018)
Source: <http://www.worldstopexports.com/singapores-top-exports/>

What's interesting is that Singapore exports go mainly to Asia (73%). Meanwhile only 11% go to the Americas and the same proportion goes to Europe. In 2019 the country exported goods of total worth of US\$390.3 billion¹¹. Asian countries to which Singapore mainly exports are China (14%), Hong Kong (12%) and Malaysia (10.5%)

¹¹ D. Workman, Singapore's Top Import Partners
<http://www.worldstopexports.com/singapores-top-import-partners/>:

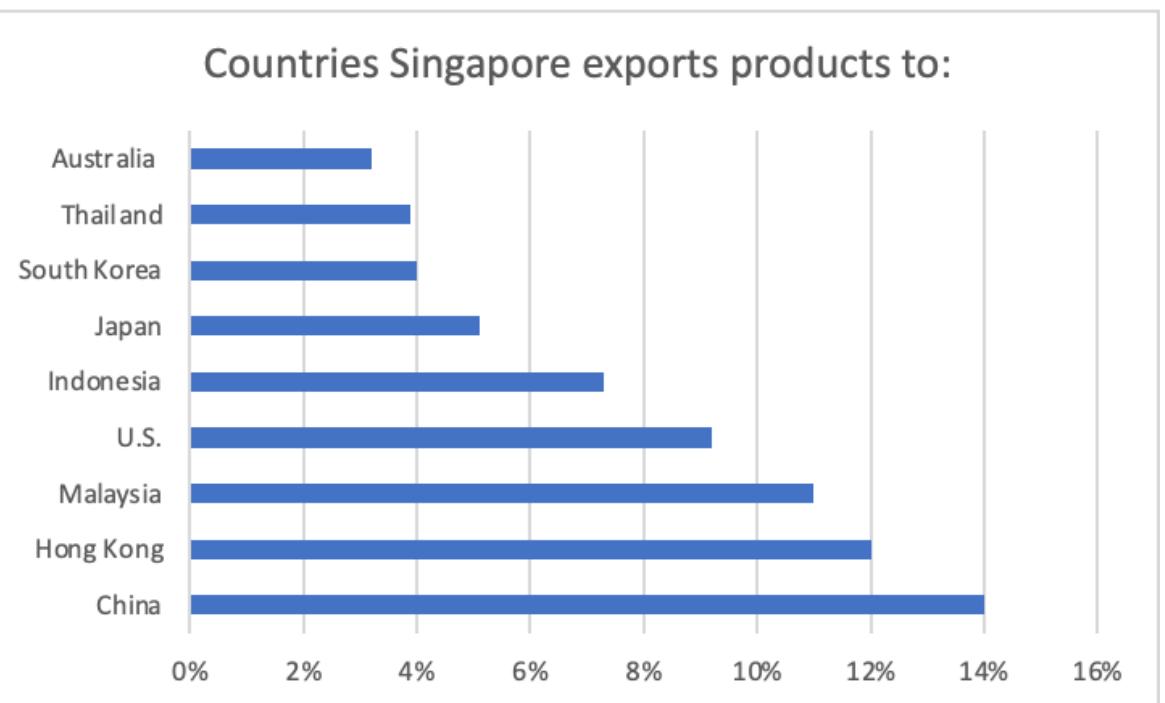


Figure 4. Countries Singapore exports products to (2018)
Source: <https://tradingeconomics.com/singapore/exports-by-country>

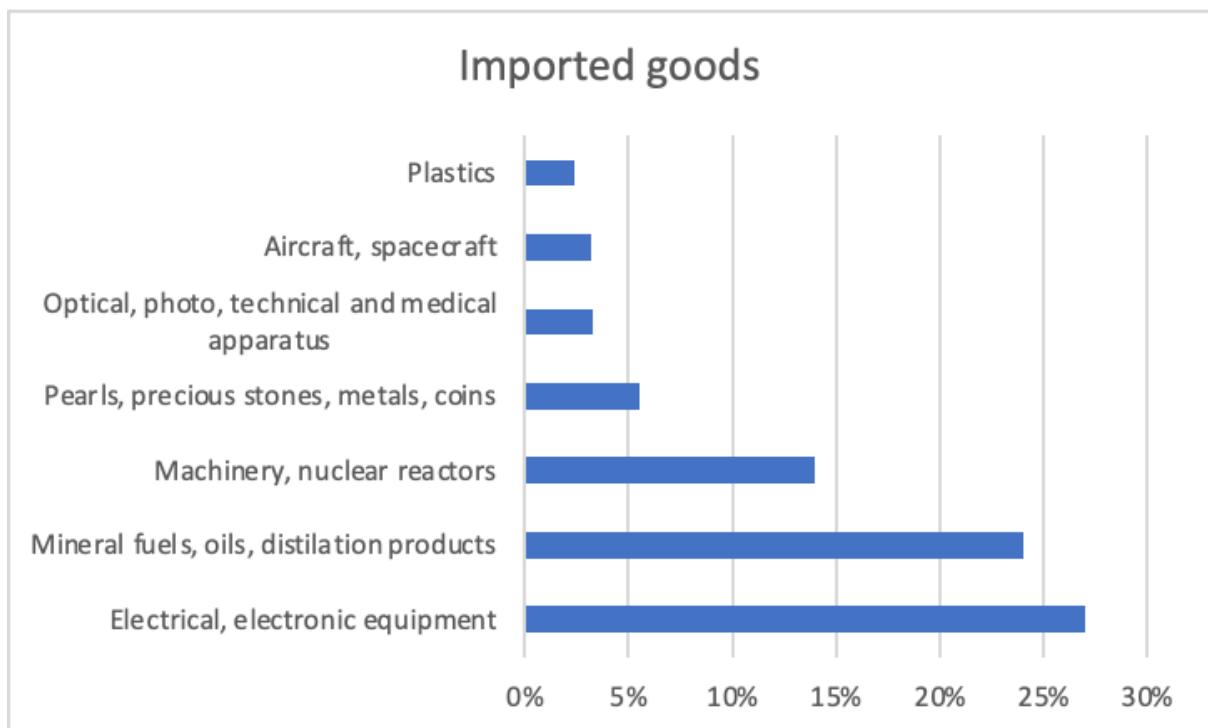


Figure 5. Imported goods in Singapore (2018)
Source: <https://tradingeconomics.com/singapore/imports-by-category>

Singapore imports 63% of its goods from Asia, 19% from Europe and 15% from America. When it comes to imported goods, they are similar to the exported goods, i.e. integrated circuits, computers, semiconductor devices, gas turbines, broadcasting equipment, refined and crude petroleum, gold, diamonds and refined copper.

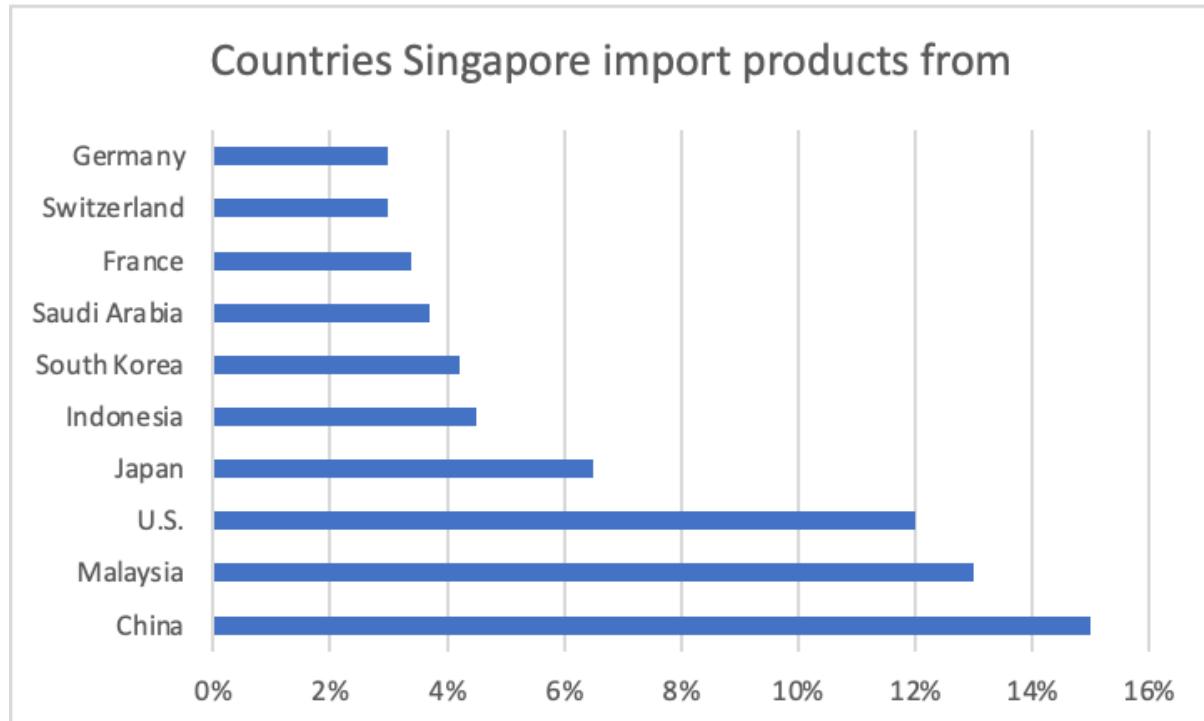


Figure 6. Countries Singapore import products from (2018)
Source: <https://tradingeconomics.com/singapore/imports-by-country>

2.2. Major trading partners and agreements

As globalization has been increasing over the years, countries have made it easier to trade goods. Taking into consideration its great geographical location, the country trades mainly with Asia, America and Australia. Top 5 trading partners are: China, Hong Kong, Malaysia, USA and Indonesia. From 2018 to 2019, Singapore increased its exports from the USA, Vietnam, Philippines and China while decreased from Indonesia, Japan and Australia. Due to being a part of ASEAN, the country also cooperates with its partners i.e. mainly Indonesia, Malaysia, Philippines and Thailand.

Main Singaporean export companies are the following¹²:

- Wilmar International (food processing)
- Keppel Corp (industrial conglomerates)
- Flextronics International (electronics)
- Avago Technologies (semiconductors)
- ST Engineering (aerospace)
- Olam International (food processing)
- Golden Agri-Resources (food processing)
- China Aviation Oil (jet fuel trading)

On 8 August 1967, Singapore together with 4 other countries signed a declaration to form the Association of Southeast Asian Nations (ASEAN). From then on, it played an important role in Singapore's economy. ASEAN agreements' main role is to eliminate barriers to trade between two or more countries, promote peace and improve economic growth. More specific benefits for Singapore thanks to AFTA (ASEAN Free Trade Area) would be exporting to other partners with tariffs of zero or 5%.

AIFTA (ASEAN India Free Trade Area) was signed in 2011 and India offered Normal Track 1, Normal Track 2, Sensitive Track & Special Products. The first two tracks completely eliminate tariffs whereas Sensitive Track reduces tariffs to 5% maximum.

AKFTA (ASEAN Korea Free Trade Area) entered into force in 2007 and it works more or less the same as AIFTA as Korea suggested implementing tracks which would eliminate tariffs.

AJCEP (ASEAN Japanese Comprehensive Economic Partnership) took 11 rounds of negotiations after which in 2008, Japan agreed to eliminate tariffs of 173 products out of 200 traded with Singapore.

AANZFTA (ASEAN Australia - New Zealand Free Trade Area) is probably one of the most important agreements that eliminates tariffs of 90% of goods that are traded between ASEAN countries, Australia and New Zealand. It entered into force in January 2010 and other than the aforementioned advantage for Singapore, it also provided investors with protection and more.

¹² D. Workman, Singapore's Top Import Partners
<http://www.worldstopexports.com/singapores-top-import-partners/>;

Other examples of agreements that Singapore has would be CSFTA with China, CECA with India, JSEPA with Japan and EUSFTA with European Union that was signed just last year (November 2019).

Singapore in total has 24 trade agreements which is not the biggest amount in comparison to for instance Poland which has 42 agreements¹³. That shows that a country's openness does not define its barriers to trade as Singapore has been in the top 5 open to trade countries within the last few years and Poland is far away in the statistics.

2.3. Index of openness

It is important to mention that Singapore is ranked as a country with the highest openness even considering the fact how many restrictions it has. One may think that openness is connected to tolerance and lack of fear of the unknown. However, Singapore is the opposite of it considering the fact that chewing gum in public or having a sip of water in a bus is considered illegal. In the context of economy, openness can be described as a degree to which a country allows the exchange of international transactions of goods (imports and exports). Some people also use the term economic globalization interchangeably. These two are highly connected because both globalization and openness lead to dependence on other countries when it comes to supply. For instance, Singapore as a small country can't grow many fruits and vegetables. Citizens wouldn't have access to many products if it wasn't for Singapore's openness and that leads to globalization as people from developed countries have access to more or less the same food. Of course, considering Singapore's location, the access to Asian commodities will be easier than European ones but some specific goods are traded from all over the world.

There are many ways to assess openness, one of them is to simply measure imports and exports in an analyzed country. A more complex index is the index of openness, which is a ratio of trade to GDP. In other words, the Index of Openness is equal to the sum of exports and imports divided by gross domestic product. ((Exports +Imports)/GDP*100%). Therefore, these indicators for 2019 in Singapore looked like this¹⁴ (in billion SGD):

¹³ K. Buchholz, "Which countries have the most Trade Agreements?"
<https://www.statista.com/chart/18991/countries-with-most-trade-agreements/>;

¹⁴ Department of Statistics Singapore
<https://www.tablebuilder.singstat.gov.sg/publicfacing/viewMultiTable.action>;

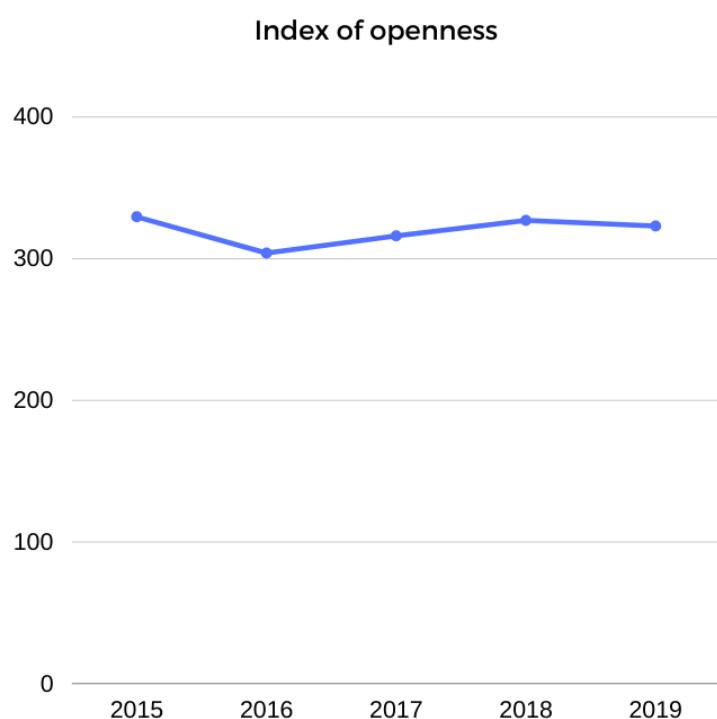
Export: 898

Import: 753

GDP: 510.7

Thus, the Index of Openness for that year was $(898+753)/510,7 \approx 323$. With this score, in 2019 Singapore was 3th¹⁵ in the rank just behind Luxembourg and Hong Kong. Hong Kong has a reputation as one of the best financial centres to do business at. Despite having fallen in a recession, the administrative region's GDP has been growing for the past five years. The total value of exports and imports of goods and services equals 376 percent of the GDP. On the other hand there is Luxembourg with the value of 387. This small country is first in the ranking thanks to facilitated foreign investment while the bureaucracy is limited to the minimum.

Unfortunately, no exact data for 2020 could be found. Figure 7 represents the Index of Openness over the past 5 years.



¹⁵ The World Bank https://www.theglobaleconomy.com/rankings/trade_openness/;

Figure 7. Singapore's Index of openness

Source: https://www.theglobaleconomy.com/rankings/trade_openness/

Figure 8 shows the growth or decrease of exports, imports and GDP in the past five years.

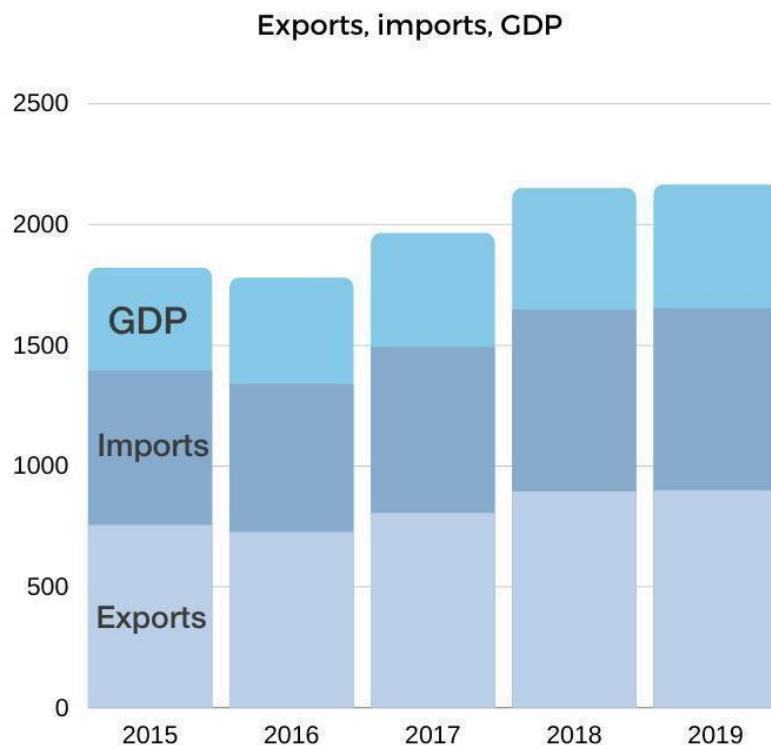


Figure 8. Singapore's Exports, imports, GDP, Source:

<https://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=16740>

As we can see, each year shows more or less the same distribution of each factor considered into the index of openness. In 2016 we can notice a slight downfall but next years show growth.

This empirical measure shows to which extent transactions from abroad take place in the country's economy. To compare, Spain's index was 66,78 in the same year and it took 110th place in the ranking according to theglobaleconomy website.

Thus, we can see that Singapore is a very open country and relies on international trade on a big scale. While keeping the GDP high, its supply is pretty much based on export even though import is also very important.

However, as mentioned before, there are more ways to measure a country's openness. Another one is a study from 2010 that takes into accounts these factors: export-to-GDP ratio, share in world merchandise exports, coefficient of variation of GDP, Indicator Value Normalised (IVN), Index of Openness, difference between IOEXP and IVN value and difference between IOEXP and IVN rank. According to that, Singapore took 2nd place out of 40 top world economies (Table 3).

Table 3, First 10 countries according to IVN and IOEXP

Country	EXP/GDP% Vi	Share in World EXP	Value		Rank	
			IVN	IOEXP	IVN	IOEXP
Malaysia	106.92	0.014	1.000	1.000	1	1
Singapore ^(a)	91.70	0.011	0.858	0.861	2	2
Belgium	85.75	0.035	0.802	0.814	3	3
Czech Republic	63.75	0.008	0.596	0.601	4	4
Netherlands	58.96	0.041	0.551	0.579	6	5
Thailand	60.25	0.011	0.563	0.571	5	6
Ireland	56.46	0.012	0.528	0.536	7	7
Saudi Arabia	50.31	0.014	0.471	0.481	8	8
Germany	33.12	0.103	0.310	0.391	12	9
Austria	39.84	0.013	0.373	0.383	9	10

Source: Gaetano Ferrieri, Measuring Openness, 2010, Journal of Modern Applied Statistical Methods: Vol. 9 : Iss. 1, Article 17.

It is also important to mention that many modern indices look at the big picture of a country and consider many factors. A Global Index of Economic Openness examines four following ones: market access & infrastructure, investment environment, enterprise conditions and governance. In the first two Singapore got the 1st place, enterprise conditions 5th meanwhile governance 26th and overall scored 2nd place out of 157 countries. Here is the explanation of some measures taken into account and what they mean¹⁶:

¹⁶ A report published by the Legatum Institute in partnership with Templeton World Charity Foundation, May 2019;

To allow smooth trade like communications, transport and energy, a country needs well-developed infrastructure and good market access. More competitive and efficient market is created if border clearance is quick and if there's only a few barriers. At the end it's the consumers who gain - prices are more competitive.

Investment environment measures how investments are protected. Existence of property rights, investor protections and contract enforcement are the things that count as well as the extent to which domestic and international capital are available for investment. The more advanced the legal system is, the more economic drive can grow.

Starting a business is also a very important aspect. In some countries it takes a month to register a company and in others it's a matter of a few minutes. Enterprise conditions how easy it is as well as the ease of competing and expanding. Markets with low barriers are important for new businesses.

Governance on the other hand measures the extent to which governments operate without corruption. Growth of an economic and competent government is positively impacted by the rule of law, strong institutions and regulatory quality.

An interesting fact is that Singapore is also 2nd in the ranking of index of economic freedom. This index measures how easy it is for the nation to take economic actions. It is highly related to free trade, free markets and free enterprise. Therefore, what is the difference between openness and economic freedom? Economic freedom in comparison to openness is a fundamental human right. Openness is just an extent to which a country wants to get and give goods and services. Economic freedom is more about an individual aspect of economic life. It allows us to control our own labor and property in a way that we can choose how we work, consume, and invest our resources. Index of economic freedom measures 4 different areas in order to assess a country's score: rule of law, government size, regulatory efficiency and open market (Figure 9).

2019 INDEX OF ECONOMIC FREEDOM WORLD RANKINGS																
World Rank	Regional Rank	Country	Overall Score	Economic Freedom Components												
				Change from 2018	Property Rights	Judicial Effectiveness	Government Integrity	Tax Burden	Government Spending	Fiscal Health	Business Freedom	Labor Freedom	Monetary Freedom	Trade Freedom	Investment Freedom	Financial Freedom
1	1	Hong Kong	90.2	0.0	93.3	75.3	83.8	93.1	90.3	100.0	96.4	89.2	86.4	95.0	90.0	90.0
2	2	Singapore	89.4	0.6	97.4	92.4	95.1	90.4	90.7	80.0	90.8	91.0	85.3	94.8	85.0	80.0
3	3	New Zealand	84.4	0.2	95.0	83.5	96.7	71.0	50.4	98.6	91.0	86.7	87.5	92.4	80.0	80.0
4	1	Switzerland	81.9	0.2	85.3	82.0	88.0	70.5	64.8	96.3	75.4	72.5	85.2	87.4	85.0	90.0
5	4	Australia	80.9	0.0	79.1	86.5	79.9	62.8	60.1	86.2	88.3	84.1	86.6	87.6	80.0	90.0
6	2	Ireland	80.5	0.1	85.8	68.4	78.0	76.3	77.4	89.0	83.1	75.3	87.0	86.0	90.0	70.0
7	3	United Kingdom	78.9	0.9	92.3	85.9	83.8	64.7	48.2	68.6	92.9	73.5	81.2	86.0	90.0	80.0
8	1	Canada	77.7	0.0	87.0	69.4	84.6	76.8	51.3	83.1	81.9	73.7	77.2	86.8	80.0	80.0
9	1	United Arab Emirates	77.6	0.0	81.8	87.1	78.8	99.2	68.8	88.9	79.9	81.1	80.9	84.4	40.0	60.0
10	5	Taiwan	77.3	0.7	85.4	70.1	69.2	75.0	90.6	91.6	93.2	60.9	84.4	87.0	60.0	60.0

Figure 9. Index of economic freedom ranking (2019)

Source:

<https://www.heritage.org/index/images/book/2019/Chapter3/tables/EF-2019-table-global-rankings-with-components-1.png>

Productivity is very high in Singapore – the lion city. This on the other hand is highly connected to the index of openness. An example can be the Global Competitiveness Index (GCI). Singapore is the most productive country considering its 1st position in 2019. It's crucial to mention that The GCI 4.0 measures the growth according to each country's situation individually therefore, one strong indicator cannot catch up on other weaknesses thus the country is doing well in all domains.

So how does productivity impact GDP? Since Singapore is a very expensive and productive country, the citizens tend to spend more (consumption in GDP). Doing business is also relatively easy in this country¹⁷ thus many investments will contribute to bigger investments in the formula of GDP. If exports and imports are divided by GDP then the lower the GDP the better if we want a greater index of openness. The conclusion is that Singapore with high GDP still manages to be high in the rank of openness.

¹⁷The world Bank, Doing Business
<https://www.doingbusiness.org/en/data/exploreeconomies/singapore;>

Chapter 3. Other success factors

3.1 Leadership and strict law

Without exceptional leadership and strict law Singapore wouldn't get to a place where it's now. The country-state has been evolving fast for the past few decades. As of now, Lee Hsien Loong is a prime minister of Singapore and he has been at this position ever since August 2004. The President position has been occupied by Halimah Yacob since September 2017 and she is the first female president in the country's history. Both those people are highly connected to the People's Action Party (PAP) - the ruling party since 1959. It's a conservative, centre-right party which was founded in 1959 by i.a. Lee Kuan Yew. As the official says, the mission is to "build a fair and just society where the benefits of progress are spread widely to all."¹⁸

Figure 10 represents the PAP's logo. Each of its components represents an important value for the party. The red means action, white goes for purity and integrity and the blue circle signifies the unity of all races.



Figure 10. PAP's logo

Source: https://www.pap.org.sg/ourparty/?doing_wp_cron=1617465034.4279589653015136718750

¹⁸ People's Action Party

[https://www.pap.org.sg/our-party/?doing_wp_cron=1617465034.4279589653015136718750](https://www.pap.org.sg/our-party/?doing_wp_cron=1617465034.4279589653015136718750;);

Their manifesto for 2021 is to overcome COVID-19 and stay healthy during the pandemic, create more job positions, grow the economy together, build a strong society, live sustainably, etc.

This party has been ruling the country for many years now, but the statistics show that younger generations want to change it. Not necessarily the youngest voters at the age of 21-24 but a big group of middle-aged voters voted for the opposition which implies that people want a change and want to change the ruling party..

It's important to mention that voting in elections is obligatory for all Singaporean citizens above 21 years. In case a citizen doesn't cast their vote, they will not be able to vote in any other subsequent election and will be disqualified from being a candidate at the Presidential or Parliamentary election. Some exceptions are: studying or working abroad, being in the hospital and vacation overseas. Permanent Residents and people below 21 years old are not allowed to vote therefore out of approximately 5.69 million inhabitants (as of June 2020¹⁹) only 2.6 million citizens were obliged to vote.

Singapore is also known for its strict but effective law. It is advisable for tourists to research what they can and cannot do before they travel there in order to avoid problems with law and misunderstandings. Some laws may be considered weird and unnecessary, but these small things are what makes life pleasant and peaceful there. For instance, it's forbidden to buy or sell chewing gum in Singapore and the fine is equal to \$1,000. Tourists are allowed to bring it with them when travelling as long as it's a reasonable amount. The purpose of this prohibition is to control littering. The government wants to keep the city-state clean so throwing cigarettes, candy wrappers or any other litter on the ground is fined \$300. Figure 11 shows the prohibition signs for smoking, eating, drinking and using flammable liquids or gas and fines for breaching these laws.

¹⁹ Department of Statistics Singapore <https://www.singstat.gov.sg/modules/infographics/population>:



Figure 11. Prohibition signs in public transportation

Source: private photo obtained by the author

Other infringements of law would include feeding the pigeons which is fined \$500, connecting to someone's wifi, singing in public or spitting. The punishment for singing any ballad or song in public can be 3 months in prison, a fine or both. Moreover, it is not legal to

be seen naked even in one's own house. A neighbour can report to the police if he/she sees a naked person in the window in the house.

What's interesting is that Singapore still uses caning as a method of punishment. One example of a situation when a person can be sentenced to caning is vandalism. There was a specific case when an 18 years old American citizen vandalized cars by spray-painting them. He eventually pleaded guilty and was sentenced to 2 months incarceration and 12 strokes of caning in total. It caused a big controversy in the USA and at the end the former president Bill Clinton asked for a clemency for the teenager which made Singaporean court reduce the penalty to only 2 months in jail.

Singapore is one of a few countries in the world where death penalty still exists. Most executed were convicted of drug trafficking, murders, or firearms offences. Drug consumption and selling such substances is highly forbidden. The authorities don't distinguish taking them before coming to Singapore or after crossing the border. The punishment can be very strict and some would even say that it is a big exaggeration but Singapore is relentless in this case. For instance, in 2003 a case of a 36 year old female hairdresser sentenced to death penalty for possessing 30 grams of heroin or a 37 year old Ismail Abdul Rahman who killed his former colleague.

The death penalty is done by hanging in Changi prison. 400 people have been sentenced to death penalty since 1991²⁰ until 2003, which makes Singapore a country with the highest rate of this kind of penalty. Most cases are kept in secrecy however a few have been released to the press on special occasions.

Evidence showing that Singaporean authority is serious about the law and rules could be the following stories. A. Ramakrishnan, a 23 year old Malaysian invited his friend over to his home for drinks during Covid-19 Circuit breaker period and later gave him a ride home when he was caught by the police. He broke 3 laws: gathering and leaving the house during the circuit and also driving while drunk. The penalties were clear and strict. \$4,000 fine, revoking of the work pass, deportation back to Malaysia and re-entering ban to Singapore for the rest of his life. The other case concerns 3 Indians who lived together and invited 7 other people to their house for a social gathering. They were fined between \$2,000 to \$4,500 for meeting in 10 people when it was highly prohibited during that time in pandemic and as in the previous

²⁰Amnesty International <https://www.amnesty.org/download/Documents/96000/asa360012004en.pdf>;

case their work passes were cancelled and all 10 of them were deported back to India without a possibility to re-enter Singapore ever again. What's more, all the names are open to the public.

"The authorities will not hesitate to take strong action against anyone who does not comply with safe distancing measures or shows blatant disregard for our laws, and this may include the termination of visas or work passes, where applicable," said the authorities.²¹

Nevertheless, the city-state being so small makes it easier to catch every single person breaching the law. Some of these things may seem bizarre but at the end of the day discipline is what makes Singapore one of the safest countries in the world. It is easy to keep the country safe and clean thanks to many police officers who serve the country during their 2 years long national service (although in some cases it may be shortened to 1 year and 10 months). The figure 12 shows an army troop marching towards their final destination during their basic military training course.

National Service (NS) is obligatory for all male Singaporean citizens and the second generation of permanent residents. At the age of 16 and a half they have to register to NS when they receive a notice from the Armed Forces Council. Next, they will be enlisted at the age of 18 if possible. In most cases though, enlist at the age of 21 because at the age of 18 they are still pursuing their studies. A failure in enlisting can result in a fine of \$10,000 and/or 3 years of imprisonment.

There are three possible paths: Singapore Armed Forces (SAF), Singapore Police Force (SPF) or the Singapore Civil Defence Force (SCDF). It simply means an army, police and civil defense consequently. Life as an NSman is definitely not easy. During the first part of serving the country, which is the physical training, the day consists of *inter alia* waking up early, drinking a lot of water at once to hydrate and exercising a lot under the hot sun. After completing the 2 obligatory years in NS, they are obliged to serve as a reservist every year for up to 40 days until the age of 40 or 50 if the person is an officer. There are 14 days of annual leave for those serving the country and the salaries start from \$630 for trainees of the physical

²¹ Eber A. (2020, July 14) 12 foreigners deported, barred from reentering S'pore for flouting Covid-19 circuit breaker measures: Police ICA

<https://www.todayonline.com/singapore/12-foreigners-deported-barred-re-entering-spore-flouting-covid-19-circuit-breaker-measures>;

training and finish at \$1930. Besides that they can use public polyclinics, in-house medical centers and all dental treatments for free.



Figure 12. Marching troops

Source:

<https://www.asiaone.com/lifestyle/national-service-singapore-nsf-ranks-pay-and-other-benefits>

3.2 Government grants

Singapore offers many government grants to its citizens and permanent residents (PR) whether it comes to supporting families, single mothers, businesses or individuals. These grants usually encourage Singaporeans to take up some actions like to start their business, to take up Singapore citizenship for their children or to have more children.

For instance, Working Mother's Child Relief allows women to obtain 15% of their income for the first child, 20% for the second and 25% for all the subsequent children with a maximum cap of 100% of the earned income. This implies to all working mothers who are

married, widowed or divorced. Having 3 children we could get our tax reduced by 60% which seems like a very motivating reason to stay in the workforce.

On the other hand, there is the Parenthood Tax Rebate (PTR) which encourages parents to have more children. In order to be qualified you need to be a Singaporean tax payer and be a married, divorced or widowed parent. Table 4 shows the amount of rebate that parents can get depending on the number of children.

Table 4. Parenthood Tax Rebate for each child, source

No. of children	PTR from 1 January 2008
1	\$5,000
2	\$10,000
3	\$20,000
4	\$20,000
5 or more	\$20,000 per child

Source:

<https://www.iras.gov.sg/irashome/Individuals/Locals/Working-Out-Your-Taxes/Deductions-for-Individuals/Parenthood-Tax-Rebate--PTR-/>

Another grant, but this time only a one-time-thing is the Baby Support Grant. It simply means that parents get \$3,000 once the child is born. It doesn't have a limit though, so in case a couple has twins, they obtain \$6,000 or more if they have more kids. This also applies to adopted children.

Next, there are many grants that help startups grow. Productivity Solutions Grant was implemented in 2018 and its aim is to stimulate digital productivity solutions. It funds up to 70% of costs under these sectors: logistics, retail, food, wholesale, construction, landscaping and precision engineering. Double Tax Deduction for Internationalisation is supposed to encourage international expansion. It covers tax deduction up to \$150,000 and includes activities like: business trips, fair trade, overseas campaigns, etc.²²

²² Inland Revenue Authority of Singapore

<https://www.iras.gov.sg/irashome/Schemes/Businesses/Double-Tax-Deduction-for-Internationalisation-Scheme/>;

Pandemic in 2020 was probably the biggest cause of rising unemployment. Many Singaporeans were forced to cut expenditures, some of them lost jobs or their businesses started falling apart. And that in turn led to lower GDP and then recession. Fortunately, the government was willing to help and offered grants to those who suffered from the situation. Smaller as much as bigger steps were taken. For instance, all companies with corporate income tax due in April, May or June were granted a 3 months deferment. Property tax rebate offered a 100% rebate for commercial properties - hotels, tourist attractions, restaurants and shops, 30% rebate for other non-residential properties. There was no increase in government fees and charges from 1 April 2020 until 31 March 2021, that includes business license fees, company registration fees and business permits. There was also a new programme for fresh graduates who just recently got their diplomas or degrees. The SGUnited Traineeships Programme allowed companies to hire graduates for up to 9 months while the government helped finance 80% of their allowance. The COVID-19 Recovery Grant helped those with loss of job, no-pay leave and those who lost at least 50% of their income for 3 months. Such residents and permanent residents were eligible for 700 and 500 SGD correspondingly for 3 consecutive months. Figure 13 shows all the possible support for business and self-employed. In total, as many as 30 grants were found for those who needed support because of COVID-19.



ENHANCED SUPPORT FOR BUSINESSES & SELF-EMPLOYED

Rebates, Deferrals & Waivers

- Corporate Income Tax rebate for YA2020
- Push back income tax payments for 3 months
 - Companies** pay income tax for financial year 2019 profits from Jul 2020 instead of Apr 2020
 - SEPs** pay income tax for income earned in 2019 from Aug 2020 instead of May 2020
- Property Tax rebate for non-residential properties for 2020
- UPDATED:** Rental relief for **SME tenants**, and Government tenants in 2020
- UPDATED:** Waive **100%** of Foreign Worker Levy (FWL) due in Apr, May and **Jun 2020**; **50% in Jul 2020**[#]
- UPDATED:** FWL rebate of \$750 for each Work Permit or S Pass holder in Apr, May and **Jun 2020**; **\$375 in Jul 2020**
- NEW:** Defer planned increase in CPF contribution rates for senior workers from 1 Jan 2021 to 1 Jan 2022

New Schemes

- UPDATED:** Jobs Support Scheme (JSS) extended till **Aug 2020**, with **enhancements for specific sectors**
- UPDATED:** Enhanced Hiring Incentive
- Temporary Bridging Loan Programme
- SEP^{*}** Income Relief Scheme (SIRS)
- SEP Training Support Scheme
- Support for e-payments
- Digital Resilience Bonus

[#] FWL Levy and rebate for Jun and Jul 2020 are only for businesses that cannot re-open

Enhancements to Existing Schemes

- | | |
|--|--|
| <ul style="list-style-type: none">Absentee payrollEnterprise Development GrantProductivity Solutions GrantSMEs Go DigitalLoan Insurance Scheme | <ul style="list-style-type: none">Enterprise Financing Scheme — SME Working Capital LoanEnterprise Financing Scheme — Trade LoanSEP Training Support SchemeWage Credit Scheme (WCS) |
|--|--|

Apr

- 1st JSS payout
- FWL waiver and rebate

May

- 1st SIRS payout
- JSS special payout for May wages
- FWL waiver and rebate

Jun

- Enhanced WCS payout
- FWL waiver and rebate

Jul

- 2nd JSS payout
- 2nd SIRS payout
- FWL waiver and rebate
- Rental relief for SMEs

Sep

- Special Employment Credit payout

Oct

- 3rd JSS payout (with payout for Aug 2020 wages)
- 3rd SIRS payout

Accurate as of 26 May 2020

Figure 13. Support for businesses and self-employed

Source: <https://www.singsaver.com.sg/blog/guide-to-sme-grants>

Besides family and business-related grants, there are also student grants for each nationality. Mendaki Tuition Scheme (MTS) is dedicated to Malay students and helps them pay for their tertiary education under condition that the family income per capita does not exceed \$2,000

(all the income divided by all family members). The grant can cover up to 100% of the tuition and as little as 50%.

Chinese students can apply for a fee subsidy if they want to take part in programmes organized by CDAC and Vibrance @ Yishun. The student or one parent has to have a Singaporean citizenship or permanent residency and the gross monthly household income cannot exceed \$4,800. Under these conditions the fee may be waived completely or partially covered depending on the income and level of studies. Holiday programmes can be covered up to 90%.

Singapore Indian Development Association (SINDA) offers subsidies to Indians. If the per capita income (PCI) is equal to or smaller than \$1,000 then a full fee waiver applies. If the PCI is higher than that then the student will only have to pay a commitment fee which is only \$10.

Housing is a big topic in the city-state. There is a high demand for flats in this small country, so naturally housing is expensive and people usually have to take mortgages because they don't have hundreds of thousands dollars. Foreigners are not allowed to buy a house in Singapore. Even people who are single can buy a house only once they turn 35. If a married couple wants to obtain a flat, at least one of them has to be a Singapore Citizen or 2 spouses need to be permanent residents.

Now, depending on the person buying the HDB flat, different grants may apply. Here are examples of grants taking into consideration only first-time applicants and non-citizen spouse schemes. In the first case, the applicants can obtain up to \$160,000 grants in total. That would consist of Family Grant (up to \$50,000) for applicants whose incomes don't exceed \$14,000 monthly, Enhanced CPF Housing Grant (up to \$80,000) which is dedicated for lower and middle-income candidates whose income ceiling is \$9,000 and Proximity Housing Grant which requires the applicants to live together with their parents or within 4km of their residence.

When it comes to the second case, there is a so-called Singles Grant which can be equal to \$20,000 or \$25,000 depending on the size of the flat. Second option is the aforementioned Enhanced Housing Grant but the maximum amount which can be obtained is between \$2,500 and \$40,000 and it's dependent on how much is half of the household monthly income.

Applicants are eligible if they have been working for the past 12 months at the time of applying and of course one of them is a non-citizen.

If the married couple is in no rush however, they can apply for a Built-To-Order flat, meaning it is not built yet. This way they can choose the location where the flat will be built within a few years and it is usually a lot cheaper than buying a resale house. The downside would be the fact that the flat is unfurnished unlike the former one.

It's also important to add that there is a limit to how many flats one person can have. What's more, there are limitations when it comes to the percentage of people from different ethnicities which can occupy a block. It's specifically called HDB's Ethnic Integration Policy and it started in 1989 to ensure a balance of ethnic groups in all neighbourhoods. This policy helps maintain social and racial harmony in such a diverse country.

3.3 Tourism and art

Tourism is a big part of Singapore's economy. Every year millions of tourists come for sightseeing. An enormous difference was noticed in the number of travellers at Changi airport during Covid-19 pandemic, which can be seen on Figure 14 which shows passenger movements within the last five years. Thanks to the tropical climate they can come at any point of the year. The city is located in the northern hemisphere but is only 140km away from the equator which means that there's no winter, autumn or spring. Each month the weather is more or less the same except for the rainy season which is December and January. The temperature is always between 24-32 degrees Celsius. What's interesting is that the lowest temperature ever noted in Singapore was 19.4° on 14th January 1989²³.

²³ Sillar S. (2021, 4th January) Does Singapore have a winter
<https://expatliving.sg/does-singapore-have-a-winter-and-how-cold-does-it-get/>;



Figure 14. Passenger Movements

Source: <https://www.changiairport.com/corporate/our-expertise/air-hub/traffic-statistics.html>

Figure 15 shows the infinity pool in Marina Bay Sands Hotel, the most popular hotel in Singapore and the most expensive at the same time.



Figure 15. Infinity pool in Marina Bay Sands Hotel

Source: <https://www.yatzer.com/150-Meter-Outdoor-Infinity-Pool-Marina-Bay-Sands>

As we can see on Figure 16, it consists of 3 towers, each 57 stories high and the pool at the very top. One night usually costs around \$500 but there is also an option to book a whole suite which is over 500 square meter and includes 3 rooms, 3 bathrooms and 3 balconies. That can cost up to \$17,000²⁴ per night. There is also a piano in one of the bedrooms. However not all of these suites are available for “regular people”. The hotel has 60 restaurants at its disposal.



²⁴ Backpackerle (2016, 6th May) Top 5 most expensive rooms and suites at Marina Bay Sands <https://backpackerlee.wordpress.com/2016/05/06/top-5-most-expensive-rooms-and-suites-at-marina-bay-sands/>;

Figure 16. Marina Bay Sands Hotel

Source: private photo obtained by the author



Figure 17. Garden by the Bay

Source: private photo obtained by the author

On Figure 17 we can see the famous Garden by the Bay. It is a futuristic park which has millions of visitors every year. Some parts of it are free of charge, the rest require payment. Tourists from all over the world come to visit this place and to take magnificent photos. The last most common tourist attraction must be the Merlion shown on Figure 18.



Figure 18. Merlion

Source: <https://www.travelawaits.com/2482031/merlion-singapores-most-enduring-symbol/>

Lion is a symbol of Singapore chosen by the government because it represents courage, excellence and strength. The most important factor however is the name of the country. Singa Pura literally translates to Lion City in Malay.

3.4 Education, employment, and anti-corruption laws

There are many other success factors which contributed to Singapore's success. One more thing that other countries should learn from this city-state is drawing conclusions about mistakes committed by others.

Singapore also ensures that its citizens have access to one of the best education systems in the world. Each day starts with an anthem and flag raising. The language of instruction is English however children learn their mother tongue language (MTL) too and depending on their ethnicity it is either Chinese, Malay or Tamil. That is due to diversity in the city-state. Secondary school finishes with Cambridge examinations. Children have a lot of options to choose from what they want to study after secondary school. Singapore's aim is to find and educate the best and brightest citizens for the position they are the most adequate for.

Even though parents only pay a few dollars monthly for their Singaporean kids' education, permanent residents are expected to pay \$205, \$380 and \$460 (primary school, secondary school and pre-university correspondingly) and international students from non-ASEAN countries have to pay \$775, \$1450 and \$1800 monthly correspondingly. International schools are even more expensive, and the annual fee can be even \$29,200.

Another big topic is employment. The lion city is a typical Asian country where very hard work is expected. Usually, employees are expected to work 9 to 12 hours daily and oftentimes they have to work overtime. As much as Singapore is one of the most prominent business hubs, some professions may be more demanding and require more sacrifices. There is no minimum wage. For the past 10 years the unemployment rate has been fluctuating around 4%²⁵. The list shows top 10 highest paid jobs in Singapore in 2020 and monthly gross salary²⁶:

1. Specialist Medical Practitioner - \$18,589
2. General Practitioner - \$17,119
3. In-house legal counsel - \$14,300
4. Trade and ship broker - \$13,143
5. Foreign Exchange/Broker - \$13,00
6. University Lecturer - \$12,961
7. Chief Operating Officer/General Manager - \$12,258
8. Chief Information Officer/ Chief Technology Officer - \$11,179
9. Securities and finance dealer/Broker - \$10,608
10. Marine superintendent engineer - \$10,464

²⁵ <https://www.statista.com/statistics/378643/unemployment-rate-in-singapore/>;

²⁶ Top 15 highest paid jobs in Singapore <https://digitalsenior.sg/top-15-best-paid-jobs-in-singapore/>;

Other examples are efficient and effective public bureaucracy and corruption free public service. The number of public servants is equal to around 146,000²⁷ and each department has specific key performance indicators (KPI) which are comprehensive and measurable. Besides that, even the highest worker in the hierarchy cannot make every single decision. Everyone knows their position and their responsibilities. This helps avoid blindly following one's subjective point of view.

Unlike its neighbours, Singapore is one of the least corrupt countries which is controlled by strict anti-corruption laws. One law even allows to detain a suspect without trial. The fight against corruption started in 1975 when a serving Minister in the Government of the ruling party was convicted of corruption. The public got angry and started supporting anti-corruption actions straight away. The problem has been solved and it's under control until these days. The figure 19 shows 4A's of a corruption control framework.

- Effective Anti Corruption Acts (or laws)
- Effective Anti Corruption Agency
- Effective Adjudication (or punishment) and
- Efficient Government Administration.

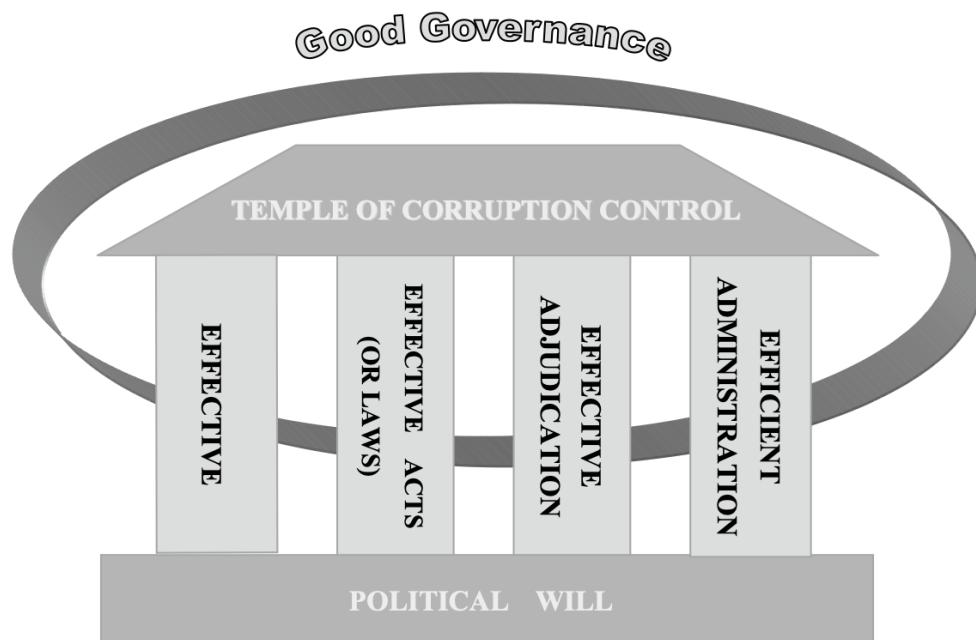


Figure 19. 4A's of corruption,

Source: https://www.unafei.or.jp/publications/pdf/RS_No83/No83_17VE_Koh1.pdf

²⁷ Singapore Government Agency
<https://www.careers.gov.sg/build-your-career/career-toolkit/public-agencies>;

Effective Anti Corruption Acts ensure that the country fights against any corruption actions. It simply supports law enforcement and punishing people who commit this type of wrongdoings.

The Effective Anti Corruption Agency makes sure that the law is actually applied. If there is a tough law but no enforcement, then no one will treat it seriously. In Singapore the only agency allowed to investigate such issues is the Corrupt Practises Investigation Bureau (CPIB).

Effective Adjudication is only possible if there are the two aforementioned. Firstly the corruption is detected, then it is prosecuted and at the end the court has to make sure that the offender has learnt his lesson.

Last but not least there is Efficient Government Administration. Several rules apply to the administration workers, for instance. “a public officer cannot borrow money from any person who has official dealings with him or her, a public officer’s unsecured debts and liabilities cannot at anytime be more than three times his or her monthly salary, a public officer cannot use any official information to further his or her private interest”²⁸

²⁸ Koh Teck Hin, Corruption Control in Singapore
https://www.unafei.or.jp/publications/pdf/RS_No83/No83_17VE_Koh1.pdf;

Conclusion

To sum up, Singapore has been taking high spots in most rankings over the years. It is certainly an outstanding economy. The citizens managed to quickly make their country successful through hard work. A big sacrifice coming from male citizens and permanent residents who serve the country also positively affects the economy. Despite the few natural resources, the strategic location in one of the most populous and fastest growing areas in the world and key trade route between giants was a facilitator. Import of many international goods enabled Singapore to provide citizens with all necessary goods. Even though some decades ago the country faced many problems like for example unemployment, now it is the most expensive place in the world and the 4th richest country. Most problems in the past have been solved but every culture and country have their own disadvantages. Here it would be for instance high costs of living, lack of work-life balance in a lot of cases and for some - high temperatures all year long.

Tourism was an integral part of Singapore's economy before the pandemic. Some would not even call it a country but only a city-state. A big structural change enabled Singapore to become one of the largest financial centers in the world. Its openness was a matter of many years, hard work and discipline which is not that easy, looking at other countries with a much easier history. The lion city is a perfect example of how life can be peaceful and organized, when many cultures and traditions meet. Efficient law and its enforcement, enables everyone to feel safe.

This thesis is a general overview of Singapore's economy, policies, law and many more. It shows what contributed to its successful functioning. Other countries could get inspired and apply the same policies in order to improve their social and economic results.

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**Attachment 2. Statements to the diploma thesis (in accordance with Appendix 1 to the
Ordinance no. 35 / R / 20 of the Rector of the University of Gdańsk)**

STATEMENTS

I declare that the submitted diploma thesis has been written by me and does not infringe copyrights, legal and material interests of other people.

I agree on sharing my diploma thesis with all interested parties for research and development purposes.

Signing a declaration about sharing a diploma thesis does not mean giving consent to copy the thesis, in whole or in part.

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