



Singapore's mixed success

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When Singapore seceded from Malaysia to become a sovereign state in 1965, both countries were poor, like nearly all of Asia. Even so, at the time of separation, per capita output and income were almost three times higher in Singapore than in Malaysia. This, to an extent, was as could be expected, because Singapore was and remains a city-state, barely 700 square kilometers in area. By contrast, Malaysia, 450 times larger in area, was a mostly rural settlement. Per capita income is usually higher in urban areas than in rural ones, because densely populated areas have several advantages, including proximity to essential services, which sparsely populated areas lack. The Malaysian hinterland was Singapore's main source of food and water.

From rags to riches

When the independent city-state of Singapore was established in 1965, its per capita income was only about a quarter of that of its mother country, Great Britain. Malaysia had been a British colony from 1946 to 1957, when the country gained independence from the British, and then split in two eight years later, in 1965, when Singapore seceded from Malaysia at the latter's instigation. It was with a heavy heart that he led his country to independence, said the founding father of Singapore, Lee Kuan Yew, when he looked back long afterward in his autobiography, but he considered the separation necessary to keep the peace. In his words: "I was emotionally overstretched, ... I was close to physical exhaustion, ... I was weighed down by a heavy sense of guilt, ... I was ashamed, ... I was also filled with remorse ..." (Lee Kuan Yew, 1998, 16-17). Lee was the Prime Minister of Singapore from 1959 to 1990.

At present, the purchasing power of per capita GDP in Singapore is almost four times that of Malaysia and roughly double that of the UK in terms of international US dollars at constant 2017 prices, as the figure shows. Roughly, the people of Singapore need only three months to earn the average annual salary of Malaysians and half a year to earn the av-

erage annual salary of Britons.

Two keys to success

A few years ago, when an interviewer asked Lee Kuan Yew for the explanation for his country's great economic success, Lee's reply was Tolerance. He meant that, in Singapore, different races have managed to live together in relative peace and harmony. The Chinese make up most of the country's population, currently 76% of the total. The minority consists mainly of Malays (15%) and Indians (7%). In Lee's words: "We are not a homogeneous society. If we were like Japan, then many problems would not exist. But we are a conglomeration of people who were thrown together by the British ... Such a mixture of people – Indians, Chinese, Malays – needs to reach a social contract, if you will, of live and let live. Otherwise, there can be no common progress."

Lee was then asked if there was perhaps an additional explanation.

His answer: "Air conditioning. Air conditioning was a most important invention for us, perhaps one of the signal inventions of history. It changed the nature of civilization by making development possible in the tropics. Without air conditioning you can work only in the cool early-morning hours or at dusk. The first thing I did upon becoming prime minister was to install air conditioners in buildings where the civil service worked. This was key to public efficiency." Air conditioning had then been in use in the United States for about 30 years.

This insight from Singapore is relevant for tropical countries in Africa and elsewhere. Only a half of Africans have access to electricity compared with nine out of ten in the world at large and nearly 100% in India. The harnessing of the Congo River, when completed, is reckoned to suffice to electrify the entire continent, and more. An integrated continent-wide electricity grid ought to be high on the list of priorities of the African Union. In tropical areas of Africa, air conditioning is not a luxury but a necessity. Ask Lee Kuan Yew.

Democracy matters

The stellar economic success of Singapore since 1965 has been accompanied by substellar democracy. Since 1959 – or 1965, depending on how you count – Singapore has been under the uninterrupted rule of the People's Action Party (PAP), founded by Lee Kuan Yew among others. Among modern multiparty parliamentary democracies, only Mexico's Institutional Revolutionary Party has had a longer run of continuous rule, from 1929 to 2000 (71 years), a record that Singapore seems certain to break within a few years.

The V-Dem Institute of Democracy at Gothenburg University in Sweden, an important source of analysis of democracy around the world, classifies Singapore as an electoral autocracy, awarding it a democracy score below the global average. On the Gothenburg list of 179 countries, Singapore currently ranks 95th with a score of 3.4 out of 10, the same score as Mexico and Hungary. Likewise, Freedom House classifies Singapore as partly free, awarding it a score of 47 out of 100, down from 50 in 2005. Amnesty International criticizes Singapore for judicial harassment of independent journalists and government critics. Singapore is one of the few countries where limited democracy does not appear to have hampered economic growth.

Deng Xiaoping, successor to Chairman Mao and supreme ruler of China 1978-1989, was once asked where he got the idea that a market economy would be good for China. His answer was: Singapore. He added that on his visit to Singapore he saw with his own eyes what the Chinese can accomplish if offered a healthy economic environment. Deng's economic reforms, launched in 1978, gradually lifted hundreds of millions out of dire poverty. Had he never been to Hong Kong? There he could have had the same experience as in Singapore, but British rule in Hong Kong might have obscured his vision.

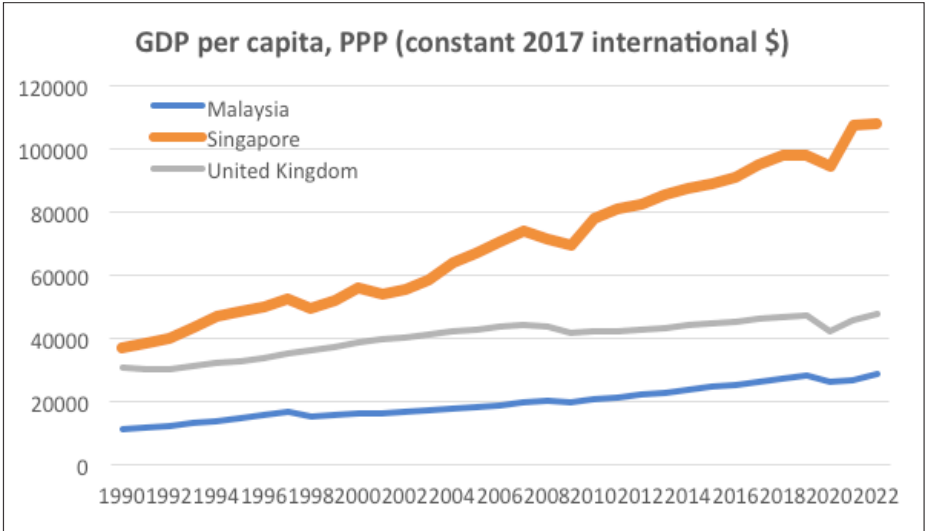
Now, again, Hong Kong is part of China. Under British rule, which ended in 1997 when the British returned Hong Kong to China, the people of Hong Kong saw modest gains on the democracy front,

gains that have been reversed in recent years. Taiwan, a brutal dictatorship until 1995, is now an unfettered democracy. The overwhelming majority of the Taiwanese favor democracy and fear an invasion by the Chinese, who claim they have a right to reign over Taiwan, like the Russians claim they have a right to reign over Ukraine. The Germans do not

think they have a right to reign over Austria. The difference is that Germany is a democracy.

References

Lee Kuan Yew (1998), The Singapore Story, Times Editions, Singapore.



Source: World Bank, World Development Indicators.