



# Introduction

## SINGAPORE AND A WORLD OF CHANGE

*Ju an si wei, jie she yi jian*  
[Watch for danger in times of peace. Be thrifty in times of plenty.]

—CHANCELLOR WEI ZHENG (580–643)

Rarely in the course of human affairs has the pace of socioeconomic and political change been so rapid as since the mid-1990s. The cold war has ended, the former Soviet bloc has become a more integrated part of the global economy, and the Internet revolution has transformed societies of both the industrialized and developing worlds. Meanwhile, massive urbanization has created a complex new plethora of cities, large and small. Today over 54 percent of the world's people live in cities—nearly double the ratio half a century ago. And by 2050 that ratio is expected to rise to two-thirds of the earth's entire population.<sup>1</sup>

Sweeping and accelerating global change has intensified the search for new institutional mechanisms and policy tools capable of dealing with such change. The traditional Western welfare state, relying on expensive universal entitlements to shield citizens from poverty, ill health, unemployment, and the vicissitudes of social transformation, has been found wanting. In country after country, beginning in Western Europe and then Japan and the United States, the welfare state has generated huge fiscal deficits, while arguably reducing impulses to save and to economize.<sup>2</sup>

At the international level, classical forms of organization, beginning with traditional empires like those of France, Britain, and the Soviet Union, have proved wanting as well. For their part, nation-states continue to struggle with

the blistering pace of change in controlling multinational firms, as transnational relations among corporations, religious institutions, unions, and other types of nongovernmental organizations (NGOs) grow more active.<sup>3</sup> Even the utility and effectiveness of formal alliances between nations have come into question, especially in the developing world, as the skepticism manifested by emerging giants like India and China makes clear.<sup>4</sup> Even the United Nations has not shown itself to be as effective as hoped.

If traditional nation-states—even the most efficient of them—have difficulty delivering the lightning-quick reactions and extraordinary levels of foresight needed to handle such changes, who can? What alternative modes of governance and what policy paradigms are viable in the new, global world now emerging? And who formulates and implements paradigms most effectively? With what consequences?

### **Why Singapore?**

One of the greatest challenges for today's rapidly changing world—one central to the concerns of this book—is the problem of governance. It lies in finding governmental structures that can cope effectively with the increasingly complex problems now faced by local, national, multinational, and supranational entities everywhere. This problem is especially perplexing for huge, rapidly developing societies like China, India, and Indonesia that aspire to the affluence and freedoms of the advanced Western nations but cannot afford or cannot countenance the costs and contentiousness of their welfare states.<sup>5</sup>

Speculation has begun on what form of governance might suit the 21st century's global circumstances. In both the West and beyond, there is a growing consensus that any future structures cannot or should not be modeled on the conventional welfare state. Some see a key role, at the international level, for "virtual states" of minimal geographic or political-military scale that nevertheless serve as important connectors and that disseminate ideas.<sup>6</sup> Others would favor governing structures that lighten the fiscal burden of government, while stressing individual rights in preference to universal social mandates.<sup>7</sup>

Meeting the challenges of governance naturally involves responses at multiple levels of social interaction, with significant changes in organizational design quite plausible in the future. Problems of global environment, and related matters of transportation and energy efficiency, have classically been

addressed at the national and international levels, but progress in solving such problems has been slow. Cities, as political analyst Benjamin Barber and others have suggested, might be more effective than nations in tackling issues of this nature, since they tend to be more focused on everyday concerns and typically deal with less challenging interest-group configurations.<sup>8</sup> Indeed, the C-40 global group of mayors has already begun to address such pressing, albeit mundane, global environmental challenges with some success, while the Conference of the Parties (COP) series of national dialogues have made frustratingly meager concrete progress.

In a world of conspicuous institutional failure, one entity that still offers some important lessons for the practice of governance is Singapore. It stands strategically at the cusp of two levels of governance—each with distinctive capabilities in the volatile, increasingly global world now emerging. It is a nation-state—one of 193 members of the United Nations. This standing gives it the legitimacy, autonomy, and resources to act authoritatively and flexibly on the global scene. Singapore is also, however, a single, cohesive urban community—a diminutive unit, from a global perspective, of less than 6 million people inhabiting a physical space less than four times the size of Washington, D.C. Although Singapore is tiny from a national perspective, it is obviously much more substantial from a municipal standpoint. It joins the more than 1,000 cities worldwide having a population in excess of 500,000, which together house over one-third of the world's people and whose number is expected to rise to near 1,400 by the year 2030.<sup>9</sup>

Singapore thus has two dimensions: as a *city*, and as a *state*. Both are a source of strength on the international scene and allow Singapore to enjoy the best of both the national and municipal worlds. On one hand, its diminutive city-state character facilitates the pragmatic, flexible, nonideological domestic politics typical of cities that Barber describes. On the other hand, its national standing provides the legitimacy and resources required to play credibly on the international scene in areas of its clear competence.

Singapore's dual character is also a compelling reason for its importance as a global paradigm. In its capacity as a "smart city," Singapore is a veritable laboratory for global solutions—especially those bringing informatics to bear. It has devised methods, capitalizing on the enormous potential of digital technology, to meet the pressing challenges of urban transition, in their multifaceted energy, environmental, sanitary, and transport-related dimensions. At the national level, the efforts of Singapore's "smart state" to provide enabling, economical alternatives to traditional Western entitlement

programs in the health and welfare areas as societies grow older—once again with a technological twist—deserve broader consideration as well.

### Singapore as Number One?

More than 35 years ago, Harvard scholar Ezra Vogel examined the organizational capabilities of an emerging industrial nation in *Japan as Number One*.<sup>10</sup> For the manufacturing world of which he wrote, the organizational features that he stressed were plausible strengths on the global stage, even if Japan in the long run could not easily sustain them. Despite Japan's faults, its distinctive organizational forms did provide lessons, as Vogel suggested, for an America whose own industrial base was steadily crumbling at the time.

We live in a very different and more cosmopolitan world today. Manufacturing is less salient, and services are more central to the livelihood of advanced industrial nations. Societies are more interdependent economically, and increasingly capable of learning from one another through the power of advanced telecommunications, including the Internet. For the more fluid, more global, and less manufacturing-oriented world now emerging, clearly a paradigm transcending the Japanese successes of an earlier age is now needed.

Policy borrowing from state-of-the-art practice around the world is becoming ever more possible and important. And as the world approaches the mid-21st century, performance in the services is central to success. These realities are leading global affairs toward a fresh and paradoxical paradigm, in which the small and vulnerable inform the great: potentially Singapore as Number One. Singapore is simply smart and adaptive—as both a nation and as an urban community—in a volatile global world. The tiny city-state is vulnerable, of course, but that very fragility breeds responsiveness as well.

In recent years, as the world has grown more integrated and global, a proliferation of surveys has ranked the nations of the world on performance indicators: economic achievement, international competitiveness, market orientation, regulatory transparency, avoidance of corruption, and so on. To a remarkable degree, these surveys have placed Singapore at or near the top of the list. And they have done so for sustained periods of time.

The World Bank, for example, has for 10 years in succession (2006 through 2015) considered Singapore the easiest country on earth in which to do business.<sup>11</sup> The World Economic Forum's *Global Competitiveness Report* has for 5 years in succession (2011 through 2015) ranked Singapore as second only to Switzerland in overall competitiveness among 148 nations. In both 2014

and 2015 Singapore was first in networked readiness, which measures information and communications technology (ICT) factors. And it was likewise ranked first in meeting the basic requirements for competitiveness.<sup>12</sup> Singapore also traditionally ranks high in transparency of government policymaking (number 1 in 2015); public trust in politicians (also number 1); absence of corruption (number 3); and quality of intellectual protection (number 4).<sup>13</sup>

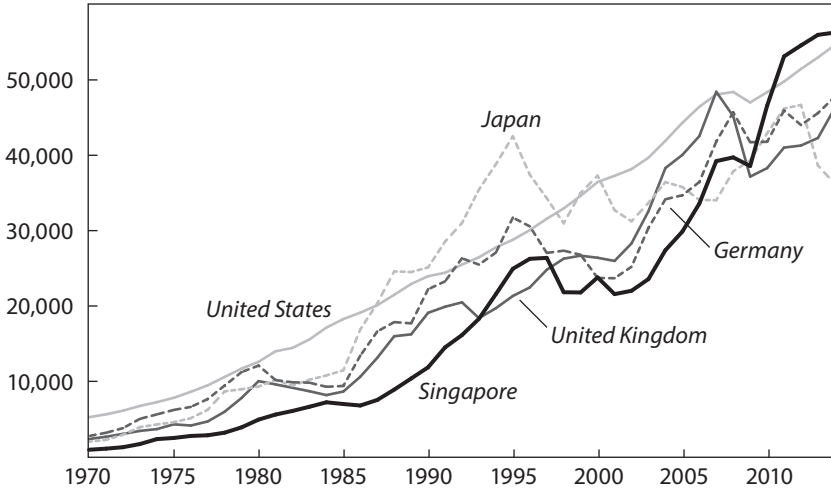
Singapore does not, of course, rank at the top in everything, in part owing to its distinctive, often controversial, yet efficiency-driven approach to public policy. There are important nuances in its global standing, although it tends to rank remarkably high overall. A sector-by-sector review provides a useful introduction to this unusual city-state, beginning with the most striking element of Singapore's global profile: its economy, which consistently receives high marks as a global center.

As just mentioned, Singapore is broadly ranked as the easiest place in the world to do business; the average start-up time for a new company, for example, is less than 2.5 days.<sup>14</sup> It is also said to provide strong protection for intellectual property, through a high-quality judicial system, and ranks as having the most open economy worldwide for international trade and investment.<sup>15</sup> Singapore has a strong long-term anticorruption record, even though there has recently been a disturbing, albeit mild, erosion of international perceptions of Singapore in this area.<sup>16</sup> By the numbers, located as it is in the heart of the world's most populous and rapidly growing region, Singapore seems well suited to become a global hub.

Not surprisingly, Singapore hosts a large concentration of high-tech firms as a consequence of its hospitable business environment and strong intellectual-property protection. IBM, for example, has established its Asia-Pacific Cloud Computing Data Center and Smart Cities Research Program in Singapore, while Dell Computer, Semantec, and Infineon Technologies have placed their Asia-Pacific regional headquarters there. Singapore also attracts a broad range of other multinationals, including Procter and Gamble, which moved its global headquarters for beauty and baby-care products to Singapore in 2012, and General Motors, which moved its international operations headquarters from Shanghai to Singapore in the second quarter of 2014.<sup>17</sup> In 2015 McKinsey, the global consulting firm, launched a Digital Campus in Singapore, to execute digital initiatives at scale, while in April 2016 Visa opened a similar facility for innovation in commerce and payments.<sup>18</sup> In all, over 7,000 multinational firms operate in the tiny city-state, employing more than 110,000 expatriates.<sup>19</sup> Relative to net international

Figure 1-1. *Singapore's Rising Affluence in Comparative Perspective, 1970–2014*

GDP per capita (current US\$)



Source: World Bank, *World Development Indicators (1970–2014)* (<http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>).

investment position as a share of GDP, Singapore ranked as the top country in the world in 2012.<sup>20</sup>

Turning from business evaluations to more abstract performance indicators, Singapore's production of goods and services provides some of the most notable evidence of its economic success. As a tiny city-state of less than 6 million people, its nominal GDP may not equal the world's largest but ranks surprisingly high given its diminutive scale—35th highest nominal GDP of 185 countries figuring in the World Bank's evaluation.<sup>21</sup> Its per capita ranking is of course higher: 9th out of 248 countries.<sup>22</sup> And as indicated in figure 1-1, that per capita standing has risen inexorably in recent years, outstripping that of Britain, Germany, Japan, and even the United States.

The relative pace of Singapore's ascent was particularly striking after the World Trade Center and Pentagon attacks of September 2001, paralleling the rapid rise of nearby China and India in international affairs. In the short run of 2014–16, the city-state was, to be sure, adversely affected by the slowing of Chinese growth, together with a related collapse of global energy prices and a strengthening of the U.S. dollar. Nominal GDP growth fell to 2 percent in 2015, while per capita GDP fell 6 percent to US\$53,004.<sup>23</sup> Yet

the long-term logic of rising economic fortunes in a heavily populated surrounding region will continue to provide Singapore with a powerful tail wind toward the future.

Singapore is clearly also amassing financial assets and reducing liabilities: its foreign exchange and gold reserves rank 11th highest of 84 nations, while its external debt places it 16th highest among 102 countries.<sup>24</sup> And it is investing those assets well: its national investment company, Temasek Holdings, which pays taxes like other firms in Singapore, is at the forefront in the efficiency of its operations out of 52 such institutions ranked internationally in 2016.<sup>25</sup> Singapore's financial firepower and the shrewdness with which its funds are deployed are clearly leveraging the tiny city-state's global influence.

Among the most distinctive and, in the view of business people and conservative politicians, most felicitous aspects of Singapore's economic environment is its relatively low tax rate.<sup>26</sup> Personal income tax rates start at zero and are capped at 20 percent for residents, while nonresidents are taxed at a uniform level of 15 percent.<sup>27</sup> The corporate income tax rate is only 17 percent, and there are incentives such as the Start-Up Tax Exemption scheme that reduce effective tax rates still further. Singapore's goods and services tax (GST) or value added tax (VAT) is also relatively low—just 7 percent. Furthermore, there is no dividend tax, no estate duty, and no capital gains tax.

Singapore is a wealthy nation, but it enjoys high performance in many basic social as well as economic indicators. Its unemployment rate was only 1.7 percent in 2014—less than a 3rd of American levels, and the 4th lowest in the world.<sup>28</sup> The technical quality of its health care system has recently been ranked as the 3rd best in the world.<sup>29</sup> And the World Health Organization (WHO) considers Singapore's health care system the finest in Asia, ahead even of Japan, which ranked 10th globally.<sup>30</sup> The WHO also indicates that Singapore has the 2nd lowest rate of infant mortality in the world, partly because of outstanding hospitals and clinics.<sup>31</sup> The International Institute for Management Development rates Singapore's health infrastructure, including those high-quality hospitals and clinics, as being the 4th best of 55 nations rated.<sup>32</sup>

Singapore also has a consistently high-quality educational system, from preschool through university. At the secondary level, this is demonstrated by the performance of its students on international math and science exams, where it has recently ranked among the top three in the world.<sup>33</sup> At the post-secondary level, Singapore sends many of its best and brightest to the finest universities in the West. Even so, the National University of Singapore

(NUS) was the highest-ranked Asian institution in the *Times Higher Education World University Rankings* for 2015–16—the first time that the continent reached that prominent spot in the rankings’ 12-year history.

This strong global position owes much to Singapore’s professional and technical schools.<sup>34</sup> Both the NUS Business School and that of Nanyang Technological University have recently been ranked among the top 32 business schools worldwide, while in 2015 the Nanyang Executive MBA program was rated 10th best in the world by the *Financial Times*.<sup>35</sup> According to another well-regarded indicator, Nanyang ranked 2nd globally in 2016 among universities less than 50 years old.<sup>36</sup>

Singapore’s geography, transportation, infocommunications, and institutional infrastructure all help to facilitate the movement of people, goods, and ideas, thus enhancing economic-growth potential. Although far removed from major world economic centers in Europe and North America, Singapore is equipped with first-rate telecommunications that link it intimately to the “global village.” In 2014 Singapore had the fifth highest Internet penetration in the Asia-Pacific region.<sup>37</sup> Singapore is also considered Asia’s most “network-ready” country in terms of political and regulatory preparation for efficient connectivity.<sup>38</sup> Both its government and its private sector are capitalizing on the policy and the commercial implications of being so “wired up”: it ranks second of 12 countries surveyed for “accessible electronic government” and first in Southeast Asia as a venue for online shopping.<sup>39</sup>

Singapore also has an outstanding transportation infrastructure, which likewise helps to connect it securely to major world centers. Changi Airport, together with Incheon in Korea, has been consistently ranked as the best airport internationally. It boasts excellent airline connections, efficient facilities and services, and the world’s finest duty-free shopping. Changi also has a spotless safety and efficiency record; with over 450 awards, it is the world’s most consistently applauded airport.<sup>40</sup> Singapore has likewise been named the best seaport in Asia and ranks second among the top seaports on earth in terms of tonnage.<sup>41</sup>

Although Singapore provides open access to carriers from throughout the world, it has also nurtured its own aviation sector. In terms of both service and efficiency, Singapore Air Lines is consistently rated one of aviation’s finest carriers. It has developed an extensive long-haul network of direct flights to Singapore from Europe, the United States, the Middle East, Japan, and Australia, covering more than 60 cities in over 30 countries.<sup>42</sup> Singapore also leverages its strategic location to provide important refueling and repair



facilities to the U.S. military, for which it is an important informal ally. Through both commercial and geopolitical initiatives, Singapore thus turns the “tyranny of distance”—close to 10,000 miles separating it from the core political-economic centers of the world—from a disadvantage into a strength.

Given its first-rate transport and communications infrastructure—not to mention its exotic location astride the equator in the heart of Southeast Asia—Singapore is a natural tourist destination. It has leveraged this as a duty-free port by becoming an attractive place to shop, although the high cost of land and labor is increasingly complicating this equation.

Broadening its attractiveness to tourists still further, Singapore recently went so far as to inaugurate the world’s first nighttime Formula One race and to build two casinos.<sup>43</sup> The first Formula One Grand Prix race was run in 2008; Resorts World Sentosa (RWS) opened in February 2010, followed by the Marina Bay Sands Casino two months later. With its spicier new image, Singapore experienced a sharp rise of nearly 50 percent in its inflow of foreign tourists from the end of 2009 to the end of 2012, although growth deceleration in East Asia blunted tourism somewhat during 2013–16. On the World Economic Forum’s Travel and Tourism Competitiveness Index, Singapore in 2015 ranked 11th of 141 countries as an attractive tourist destination.<sup>44</sup>

For a variety of reasons, Singapore has also emerged as one of the most livable cities on earth—for most of its permanent residents, as well as for tourists. Gallup recently ranked it the most favored immigration destination, attracting such Asian celebrities as Jet Li, Vicki Zhao, and Gong Li.<sup>45</sup> It has also increasingly pulled in new, long-term expatriate dwellers from the Middle East, Europe, and even North America. Among its new residents are one of the cofounders of Facebook, Eduardo Saverin; Jim Rogers, the well-known and well-regarded stock market analyst; and New Zealand-born investor Richard Chandler; as well as property tycoons Raj Kumar and Kishin RK.<sup>46</sup> With their rapid increase in recent years, foreigners now number more than 2 million and make up nearly 40 percent of Singapore inhabitants.<sup>47</sup>

Many of Singapore’s foreigners, of course, are neither celebrities nor entrepreneurs. Around 80 percent are low-skilled workers from surrounding developing nations, striving for a better life than they left behind at home. Concentrated in the construction, domestic services, manufacturing, and marine industries, most such guest workers live in crowded dormitories or servants’ quarters, with little access to friends or family. Many, especially natives of neighboring Indonesia and Malaysia, as well as Bangladesh and India, are Muslim. The number of manual guest workers grew over 70 percent

between 2000 and 2010, surpassing 1 million, although rates of increase have tapered off since 2012.<sup>48</sup> Not surprisingly, the stability and future prospects of the immigrant community, including guest workers, are becoming an issue of first-order political, security, and humanitarian concern.

Why Singapore is so livable—for the bulk of its citizens and wealthy expatriates, at least—is a complex, subjective matter, although enlightened transport, land-use, housing, and environmental policies no doubt contribute, as explained at length in chapter 5. One additional element clearly is personal safety, placing Singapore at the top of this category in Asia and eighth globally in 2016.<sup>49</sup> There have been absolutely no instances of mass shootings, serial killings, terrorist bombing attacks, or major civil unrest, despite substantial turbulence in the surrounding region. A related strength is the absence of corruption.

Air and water quality are also distinctively high, even if that reality is less well recognized. Although Singapore is heavily populated, ranking second among 215 countries and territories in population density,<sup>50</sup> recent surveys indicate its residents are highly satisfied in this regard. Gallup, for one, finds 95 percent of Singaporeans pleased with their water quality (number 5 globally) and 91 percent with their air quality (number 6 globally).<sup>51</sup> And Singapore's air quality has also consistently been rated the best in Asia—in striking contrast to much more polluted Asian economic powerhouses such as Shanghai and Hong Kong.

Thanks to a distinctive combination of economic opportunity, social amenities, labor-influx controls, and effective training programs, Singapore has in addition succeeded in nurturing and motivating an unusually high-quality and highly motivated labor force. According to recent surveys, that workforce is among the top 10 most motivated in Asia, and 17th most motivated worldwide.<sup>52</sup> Singapore also has some of the most skilled labor in Asia. Much of this workforce comes from surrounding countries, under labor regulations that are among the most business oriented, albeit simultaneously restrictive in human terms, of any in Asia.<sup>53</sup>

## Shadows?

Most of its longer-term inhabitants, especially expatriates, consider Singapore a convenient, efficient, and pleasant place to live. Yet residing there does have its challenges. The city is crowded and without a readily accessible hinterland to provide some escape from town. Moreover, owning a car to get around is extremely expensive, and there are only limited sports and recreation facilities nearby. Reflecting perhaps in part the difficulties of family life, the birth rate

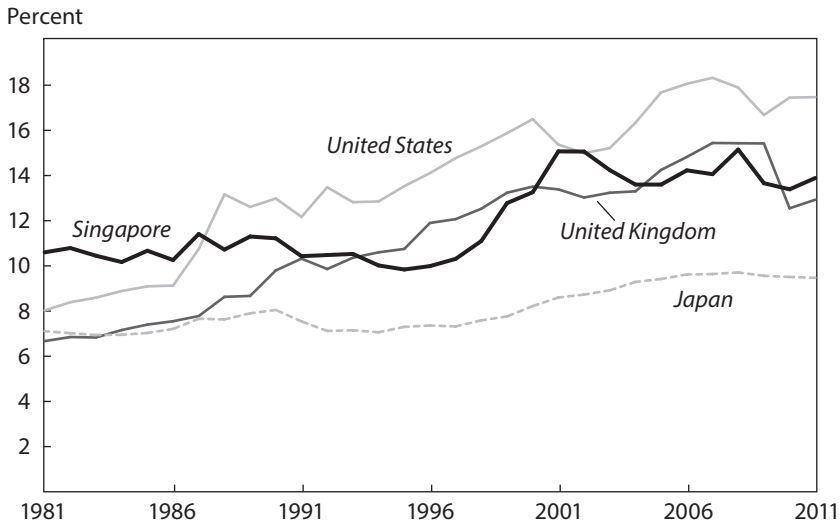
in Singapore is extremely low, with a 2014 fertility-level estimate of 1.25 that ranked 196th among 200 countries and regions around the world.<sup>54</sup>

Singapore has what is broadly regarded as one of the most efficient bureaucracies on earth, and arguably the best and least corrupt in Asia.<sup>55</sup> The World Economic Forum has found a higher trust of politicians there and less burden from government regulation than in any other country worldwide.<sup>56</sup> According to Transparency International, Singapore is also among the least corrupt nations on earth.<sup>57</sup> And the rule of law clearly prevails there to a much greater degree than in any of the surrounding countries.

Singapore does have regular democratic elections and a nominally competitive party system. Yet the city-state's distinctive policy approach, it must be noted, does impose more severe constraints on civil liberties and political rights than are typical in most Western industrial democracies. Singapore comes in at only "partly free" in the Freedom House democracy rankings, for example, a standing that has improved just slightly over the past 15 years.<sup>58</sup> Its 2015 Freedom House ranking for freedom of the press was only 148th in the world—along with Afghanistan, Kyrgyzstan, and Qatar.<sup>59</sup> Amnesty International, Human Rights Watch, and other observers have periodically criticized its treatment of guest workers.<sup>60</sup> Such workers have become a substantial share of the total population in recent years, with the share of foreign workers in the labor force—80 percent of whom are blue-collar—rising from 3.2 to 34.7 percent between 1970 and 2010.<sup>61</sup> Most guest workers come without their families, under tight social restrictions, and typically without the benefit of basic social services.<sup>62</sup> Not surprisingly, there has been occasional unrest among such employees in Singapore, precipitated by grievances over pay and other working conditions. And the influx of guest workers, which has helped push Singapore's population from 4 million in 2000 to over 5.5 million today, has stirred concerns about security and overcrowding among middle-class Singaporeans as well.<sup>63</sup>

Given its pleasant overall environment, Singapore is also quite an expensive place to live, ranking as the most expensive global city out of 133 worldwide in 2015.<sup>64</sup> While food and clothing appear to be quite reasonably priced, owing in part to Singapore's character as a free trade economy, housing is expensive, reflecting both its stimulative government policies and desirability as a destination for both tourists and long-term inhabitants.

As a result of its market-oriented ethos, attractiveness for wealth-oriented entrepreneurs, and high housing costs, Singapore is becoming an increasingly unequal society. The share of the very wealthiest Singaporeans in gross

Figure 1-2. *Share of Top 1 Percent in Gross Domestic Income, 1981–2011*

Source: *Chartbook of Economic Inequality* ([www.chartbookofeconomicinequality.com/](http://www.chartbookofeconomicinequality.com/)).

domestic income has been expanding steadily for at least the past 20 years (figure 1-2). Meanwhile, rising real estate prices and home rentals may be compounding inequality of assets, although data are inadequate on that point. Singapore's middle class, its living standards eroding in relative terms, has understandably begun to feel pressured and frustrated.

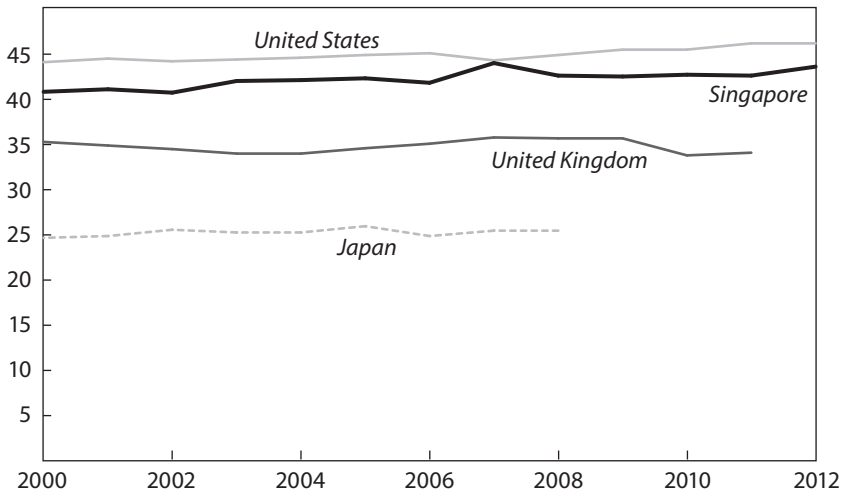
Comparative analysis confirms this long-term pattern, especially when factoring in the Singapore government's market-oriented policies, which may intensify it. Singapore's Gini coefficient of inequality after taxes, for example, appears to have been steadily rising, and rising faster since 2000, than in either Japan or the United Kingdom. Singapore's broad index of inequality does appear to still be lower than that of the United States, however (figure 1-3). Since the Lehman shock of 2008, its level of inequality may also have moderated compared with that of the United States, although evidence remains incomplete on this point and statistics are somewhat contradictory.<sup>65</sup>

### International Leaders' Reactions

From the standpoint of international economic analysts and the global business community, Singapore's overall performance has been overwhelmingly positive. It has also received high marks from a broad range of statesmen,

Figure 1-3. *Singapore's Gini Coefficient in Comparative Perspective, 2000–12*

Higher = more inequality



Source: *Chartbook of Economic Inequality* ([www.chartbookofeconomicinequality.com/](http://www.chartbookofeconomicinequality.com/)).

scholars, policy analysts, and diplomats. American leaders dating back to John F. Kennedy and Lyndon B. Johnson, presidents at the time of Singapore's foundation in the early 1960s, have been similarly impressed.<sup>66</sup> Interestingly, it has also drawn praise from China's leadership for many, many years. From Chairman Mao onward, five generations of Chinese leaders enjoyed good relations with Singapore's remarkable first prime minister, Lee Kuan Yew, in particular. Among foreigners, only Henry Kissinger has commanded comparable personal standing with Beijing.<sup>67</sup>

In early November 1978 Deng Xiaoping visited Singapore on the very eve of his historic Four Modernizations proposals.<sup>68</sup> He quickly bonded with Lee Kuan Yew, whom he met several more times across the years, and was deeply impressed by Singapore's ability to combine economic growth and political stability.<sup>69</sup> Deng viewed the tiny city-state as both a useful model for his own reform program and as an indispensable intermediary for China with the broader global community.<sup>70</sup> Singapore's decision, for example, to actively participate in China's development through such steps as its Suzhou investment joint venture helped immensely in bolstering foreign-investor confidence in Deng's modernization program.

Deng dispatched numerous emissaries and study groups to Singapore to learn about planning, public management, and corruption control.<sup>71</sup> He also

exhorted Shenzhen, Zhuhai, and other reforming special economic zones to learn from Singapore during his famous Southern Journey of early 1992.<sup>72</sup> Several other Chinese leaders have followed in Deng's wake. Most recently, Xi Jinping visited Singapore in 2010, just before assuming top-level leadership in Beijing, and returned on a state visit in November 2015 to commemorate the 25th anniversary of China-Singapore diplomatic relations.<sup>73</sup>

Over the past three decades, enthusiasm for Singapore's policy approaches has spread around the world. Major European business schools such as the Institut Européen d'Administration des Affaires (INSEAD) have established campuses there. Russia has actively encouraged emulation of Singapore, sending students from its best universities there while recently tapping Singapore expertise to build a multibillion-dollar e-government program over the coming decade.<sup>74</sup> The nations of the Persian Gulf rely on Singapore to manage their hotels, just as Rio de Janeiro engages Singapore to manage its airport, and countries ranging from Argentina to Vietnam call on it to handle their container seaports.<sup>75</sup>

Even the developing world is taking close notice. President Paul Kagame of Rwanda, one of Africa's most practical and activist reformers, is deeply impressed with the Singapore economic model and has dispatched his most trusted and able assistants to Singapore to study and report back in detail on how its example could inform Rwandan development. To Kagame, as to many visionary analysts in both the G-7 and the developing world, Singapore clearly is Number One. At Rwanda's annual Thanksgiving Prayer Breakfast in late 2012, for example, President Kagame explicitly held up the city-state approvingly as a model, noting that "we are not seeking to become Singapore, but we can be like Singapore. We must have a vision of where we want to go, and work harder to achieve [it]."<sup>76</sup> In a troubled world that values both growth and human freedom, how relevant is Singapore's experience? And what are the practices that provoke this spirit of emulation? These are issues taken up in the following pages.

## Conclusion

In today's volatile globalizing world, the paradigms of the past are rapidly losing their normative and predictive value. No longer are nation-states the intrinsically dominant and autonomous actors that they have long been assumed to be. No longer are the technological frontiers and political-economic parameters clear enough for states to confidently and strategically

plan in “developmental” fashion. With increasing urbanizing, the problems of energy, transportation, and environment are growing more serious, especially among the developing nations.

Yet neither national governments nor the global community are addressing these challenges effectively. As budget crises deepen around the world, the “entitlement” model is proving impractical in the social-welfare realm, and even morally suspect to some. Similarly, as markets open and volatile international transactions proliferate, the “developmental state” concept is growing decidedly passé in the world of economic development.

Singapore presents a puzzling challenge to fashionable classic paradigms of political-economic affairs—particularly the entitlement model of social welfare and the developmental-state approach to economic development. It is clearly succeeding by many measures—by its high levels of per capita GDP, rapid economic growth, political stability, public health, and environmental quality among them. Yet it is not following the policy prescriptions that have been standard for both industrial and developing nations. And there are undeniable questions, both at home and abroad, regarding its technocratic, technology-intensive, and rigorously neoliberal approach to public policy.

Why has Singapore so successfully swum against the tide, both of its challenging circumstances and of contrary opinion? How long can it continue to do so, and how? What do its successes, such as they are, suggest in a broader global context for how the world should deal with its pressing economic and social problems, both today and tomorrow? These are some of the key questions addressed in the pages to follow.