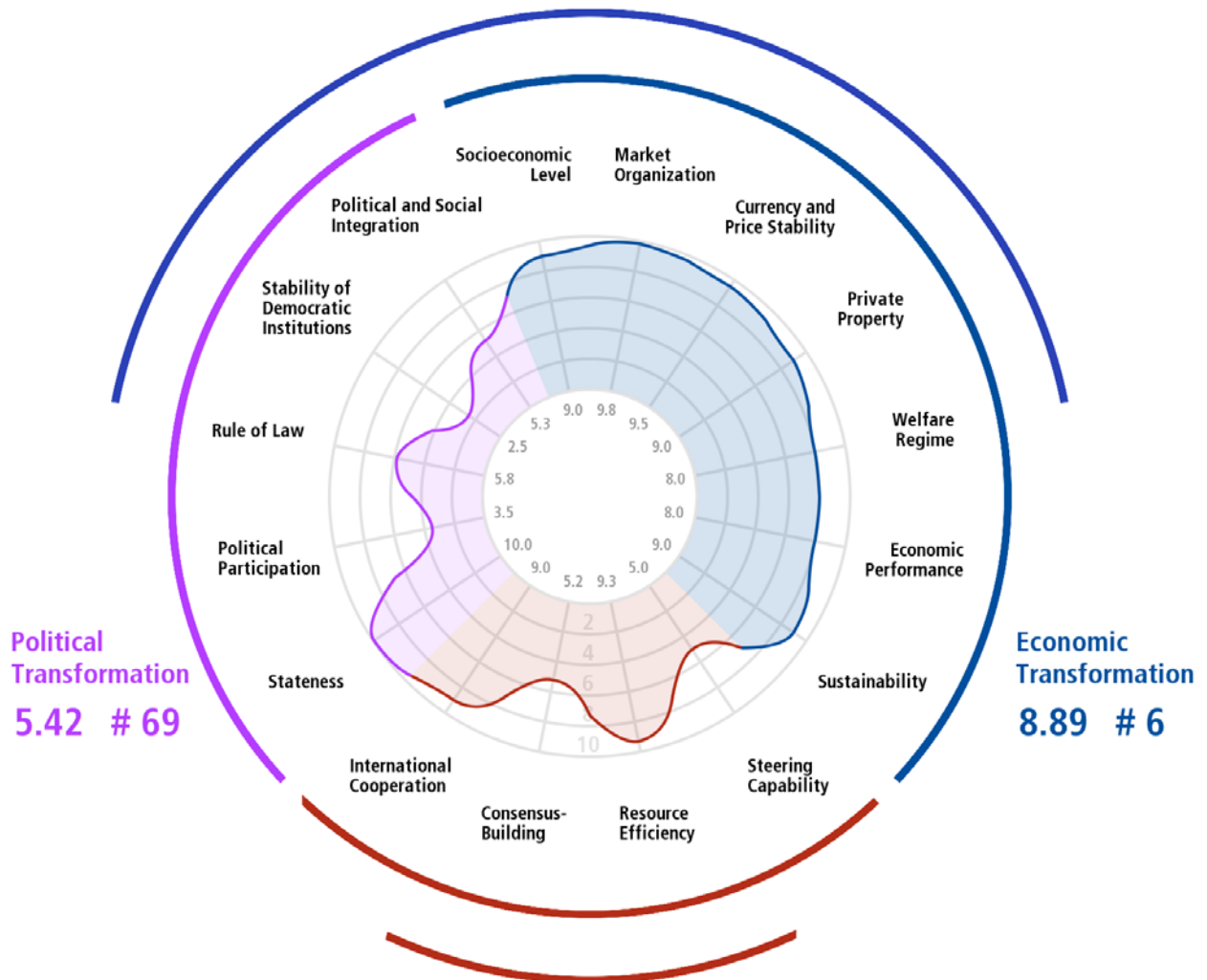


Singapore

Status Index

7.15 # 24

on 1-10 scale out of 129



Political Transformation
5.42 # 69

Economic Transformation
8.89 # 6

Governance Index

5.95 # 30

on 1-10 scale out of 129

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2018. It covers the period from February 1, 2015 to January 31, 2017. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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Key Indicators

Population	M	5.6	HDI	0.925	GDP p.c., PPP \$	87856
Pop. growth ¹	% p.a.	1.3	HDI rank of 188	5	Gini Index	-
Life expectancy	years	82.6	UN Education Index	0.835	Poverty ³	% -
Urban population	%	100.0	Gender inequality ²	0.068	Aid per capita	\$ -

Sources (as of October 2017): The World Bank, World Development Indicators 2017 | UNDP, Human Development Report 2016. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

The ruling People's Action Party (PAP) secured a landslide victory in parliamentary elections on September 11, 2015, increasing its share of the popular vote from 60.1% to 69.9% and recovering one seat. The PAP profited from the fact that 2015 was Singapore's 50th national anniversary, which enabled the long-time ruling party to remind voters of its past achievements, and the election took place a few months after the death of Lee Kuan Yew, the first leader of PAP and someone who is widely regarded as Singapore's founding father. There was also a perception at the time of the election that the PAP had become more receptive to popular demands.

The PAP has shown greater authoritarian tendencies since its 2015 election victory. In late May 2016, police interrogated two activists for posting comments on social media during the last day of the election period, when political campaigning is prohibited. This was the first time individuals had been targeted under legislation. The government passed a new contempt of court law in August 2016 which greatly limits the ability of individuals to comment on court cases; the government is explicitly excluded from the restriction. The new law criminalizes speech, with offenders facing fines of up to SGD 100,000 and imprisonment of up to three years.

The government has also manipulated the electoral rules for the upcoming presidential election, effectively barring Tan Cheng Bock, who was a popular candidate. The new rules require that a Malay candidate be elected in 2017, and prospective candidates must also fulfill stringent criteria that all but excludes outside challengers.

A number of incidents in the period under review reveal a lack of government transparency. A Hepatitis C outbreak at Singapore General Hospital in 2015 caused eight deaths but the public was only informed months later, after the general election. Hong Kong-based FactWire news agency reported in mid-2016 on the secret recall of at least 26 Chinese-made MRT trains for hairline cracks. The government denied trying to cover up the incident and asserted that the defects were only minor.

In international relations, Singapore's relationship with China, which improved in 2015 with the November visit of Chinese president Xi Jinping to Singapore, deteriorated in 2016. Two senior Singaporean diplomats voiced their opposition to China's divisive politics in the Association of Southeast Asian Nations (ASEAN) as China sought to further its control over the South China Sea. Later in the year, officials in Hong Kong seized a shipment of armored vehicles on their way from Taiwan to Singapore. This happened ostensibly due to Chinese opposition to Singapore's use of Taiwan - which China views as a renegade province - for military training.

Singapore's economy remained weak over the period under review. GDP growth declined from 2.1% in 2015 to 0.6% in the second quarter of 2016, verging on recession, while the unemployment rate increased. Slow growth was attributed to slowdowns in manufacturing and wholesale trade. On the positive side, the government continued efforts to reduce the sizeable income gap, maintained restrictions on foreign labor, and significantly increased provision of short- and medium-term support measures for low-income residents. These policies led to the government facing a budget deficit.

History and Characteristics of Transformation

Singapore gained independence from British colonial rule in 1963 as an integral part of the Federation of Malaya, but separated from the Federation in 1965 after political differences with the Malaysian government. Singapore is a parliamentary republic with a unicameral legislature. The parliament is composed of members elected every five years in a first-past-the-post system. If fewer than nine non-government-party candidates are elected to parliament, up to nine non-constituency members of parliament (NCMP) are appointed, drawn from the losing opposition candidates with the most votes. Up to nine additional candidates are appointed as nominated members of parliament (NMP). Singapore is divided into 29 electoral constituencies, 13 of which are single member constituencies (SMC) and 16 of which are group representation constituencies (GRC). Since 1991, the president of the Republic of Singapore has been the elected head of state. Executive power lies with the prime minister and the cabinet. When Singapore left the Federation of Malaysia, its economic and political situation was fragile. As a result, the government focused its efforts on facilitating foreign trade. Under the leadership of a predominantly English-educated team, the PAP came to power in 1959 through a combination of political finesse, experience in legal matters, and visible dedication to the development of Singapore. They also applied undemocratic measures to suppress dissent against policies that they deemed necessary for Singapore's political and economic survival. In the infamous Operation Cold Store of 1963, the PAP organized the arrest of more than 100 opposition politicians, labor leaders and activists. When the left-wing Barisan Sosialis Party (Socialist Front, BSP), which had split off from the PAP in 1961, boycotted the first general elections of independent Singapore in 1968, the PAP won every seat in parliament. Since then, the PAP has never relinquished its overwhelming parliamentary dominance. The Cambridge-educated Lee Kuan Yew, who died in 2015, is considered by many to be the country's founding father. Under his rule, Singapore's economy experienced rapid

economic growth, transforming the city-state into one of the most modern, developed countries in the world. In contrast to neighboring Indonesia and Malaysia, there have been no large-scale demonstrations against the government since the 1960s. In the early years of independence, Singapore's leadership successfully integrated a diverse population of Chinese, Malays and Indians into a relatively harmonious society. Economic growth has remained relatively low in recent years however, and is likely to remain modest in the near future. The leadership also faces unprecedented challenges related to the maturing of the economy. The Internet has publicized problems of governance that were previously ignored by the monopolized pro-government press. In addition, the country faces an uncertain leadership transition once the current prime minister, Lee Hsien Loong, who is the son of Lee Kuan Yew, retires. Democratic institutions have been manipulated to such an extent that democratic renewal seems impossible. Moreover, tight limits on speech make it difficult to calibrate the policy-making process in response to public sentiment. One problem is that criticism of state policies is interpreted as criticism of the system. Drastic measures that would not stand up in the courts of more democratic countries are used to discourage dissent (e.g., bankrupting opposition politicians through defamation suits). The relaxing of some restrictions on political liberties was short-lived, making it difficult to speak of any substantive liberalization process. Nevertheless, politics has become more competitive recently. In the 2015 general election, for the first time in recent history, all seats were contested. While opposition parties had been shut out entirely since 1968 until a 1981 by-election, their position in parliament remained minimal until 2011, when a GRC fell to the opposition Workers' Party (WP) for the first time. (The WP retained the GRC and one other seat in 2015, but lost another seat it had won in an intervening by-election.) The consistent substantial opposition vote, as well as popular discourse, suggests most Singaporeans still want checks on government power, even if they also value the PAP's competence and record.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The Singaporean state is strong and faces no challenges to its monopoly on the use of force throughout the country. Due to the country's character as a city-state, government control of the use of force is easier to maintain than it would be in a territorial state. Most territorial disputes with neighboring countries have been resolved. In 2008, the International Court of Justice ruled that Singapore had sovereignty over Pedra Branca, while ruling that Malaysia owned the Middle Rocks. In the following year, Singapore signed an agreement with Indonesia over the maritime border between Sultan Shoal and Pulau Nipa. In 2014, a similar agreement with Indonesia was signed regarding the border between Changi and Batam. Only a small part of Singapore's maritime border with Malaysia, between Pedra Branca and Bintan, remains unresolved.

All Singaporean citizens accept the nation-state as legitimate and all individuals and groups enjoy the right to acquire full citizenship rights without discrimination. Singapore's ethnic composition is very heterogeneous and is dominated by ethnic Chinese, who make up 74.3% of the country's population. The second and third largest ethnic groups, Malays and Indians, represent 13.4% and 9.1% of the city-state's inhabitants respectively. The Singaporean state has promoted a culturally neutral concept of citizenship since 1965, which is manifested in the slogan "One nation, one people, one Singapore." In this way, the government has successfully managed cultural conflicts between the different ethnic groups in the country and fostered a high level of acceptance for the concept of the nation-state. The concept of race, however, has been institutionalized by including it on identification cards. Since 2010, children from mixed backgrounds are able to choose their race. Race is taken into consideration during the process of acquiring public housing flats, and to meet the definition of a particular ethnicity requires an individual to be fluent in its "mother tongue." According to data provided by the East Asia Barometer, 95% of the city-state's population is proud to be a citizen of Singapore. During the past decade, however, there has been clear public disquiet regarding the government's massive

Question
Score

Monopoly on the
use of force

10



1

State identity

10



1

importation of low-skilled as well as professional workers from abroad, a practice that has swelled the population to 5.31 million today. Demand has increased significantly for housing, transport and medical services, leading to spiraling property prices and an inflation rate that has not fallen below 3%. Despite economic challenges, support for the ruling party rebounded in the 2015 general election, in which it received 69.9% of votes and recovered one seat lost in the Punggol East by-election. The election not only occurred shortly after the country's 50-year anniversary, which was filled with many activities designed with nationalistic appeal, but also followed the death of Singapore's first prime minister, Lee Kuan Yew. The loss of the revered statesman attracted large crowds during a week-long mourning period when more than 1.2 million people paid their last respects.

The Singaporean state is secular, and religious dogma has little influence on the legal order or the political institutions. Under the Maintenance of Religious Harmony Act of 1990, religious leaders and groups are not permitted to comment on political issues. The secular character of the Singaporean state is not affected by the existence of a state Shariah court, established in 1955. The latter has jurisdiction if all the parties involved are Muslims, or where the parties were married under the provisions of Muslim law and the dispute relates to the issues of divorce and marriage. The government has sided with conservative opinions regarding homosexuality and the death penalty, claiming these represent the view of the majority of the population. During the period under review, the government has sought to contain the LGBT-movement by asserting in 2016 that "foreign entities" should not provide funds to the annual Pink Dot event, thereby supporting domestic Muslim and Christian-organized counter-mobilization activities. Particularly on issues of gender and sexuality, critics of government policy have noted the increasing prominence of evangelical Christians in government, which includes the use of language taken from American evangelical documents in parliamentary debates.

Singapore has a highly differentiated administrative structure and provides all basic public services. The highly trained and skilled administration is one of the most efficient in the world. It is professional and effective in implementing the policies of the elected government. The state fulfills its proper jurisdictional function and enforces the law throughout the country. Singapore's transport network is diverse and highly developed.

Singapore's port is one of the largest container seaports in the world and Singapore Changi Airport, the country's main airport, handled over 55 million passengers in 2014, with 6,800 flights each week. Between 2011 and December 2015, 40 new stations were added to Singapore's rail network. However, during this period the transport system continued to suffer breakdowns, affecting thousands of commuters.

The country has an excellent telecommunications infrastructure. In 2016, an estimated 82.5% of the country's resident households had internet and broadband access. A major breakdown of the Singtel broadband network on December 3 to 4,

No interference of religious dogmas

10



1

Basic administration

10



1

2016, caused an outage of nearly 24 hours. 100% of the population has access to sanitation and to a water source.

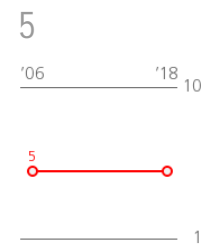
2 | Political Participation

Singapore has established universal suffrage and regularly holds general elections. Opposition parties are able to run in the elections and political posts are filled according to the election outcome. Suffrage is compulsory for all resident Singaporeans who are at least 21 years old. During the period of review, Singapore held a parliamentary election in 2015 in which the ruling party increased its vote share from 60.1% to 69.9%, which was seen as a strong mandate for the ruling party. The opposition, however, kept most of its seats except one (which was gained during the Punggol East by-election in 2013). Singaporeans have since 1993 directly elected a president who holds office for a term of six years. In general, elections in the city-state are free of electoral fraud. In the case of a seat becoming vacant, there are usually by-elections, at least in single member districts, but it has not been clearly established whether a by-election has to be held or whether it is at the discretion of the prime minister.

Despite this, elections cannot be considered free and fair. The list of biases in favor of the ruling party is long. Repressive laws restrict the opposition and control the media. The PAP has used various laws against opposition members, which has made politicians very careful about what they say. The mainstream media favors the ruling party and tends to criticize the opposition. There is extensive use of gerrymandering to draw electoral boundaries that favor the ruling party. There is also a very short campaign time (currently just nine days with a “cooling-off day” on the ninth when campaigning is not allowed) which benefits the incumbent. Elected representatives are responsible for Housing Development Board estate management, under the Town Council system introduced in 1989. This enables the ruling party to employ pork-barrel politics to bolster its support, arguing that its constituencies will benefit more from infrastructure development and other upgrades. The GRC system, in which a voter casts a ballot for a team of candidates, favors the ruling PAP because it fields prominent ministers to anchor the state in these constituencies against less well-known opposition candidates; the high deposit raises the bar for opposition teams to contest these seats as well. Furthermore, the election department is under the jurisdiction of the prime minister’s office, raising questions about its independence. Ballots have serial numbers, which the government justifies as protection against voter fraud, but which have raised concern among some Singaporeans that their vote may not be secret. No evidence of such violations of secrecy has ever emerged.

In the 2015 election, the PAP profited from two events: the country’s 50-year anniversary, which saw massive propaganda efforts emphasizing the past successes of the PAP, and the death of the revered first prime minister and first leader of the

Free and fair elections



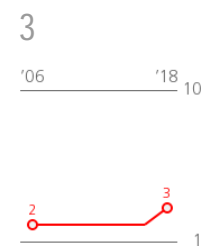
PAP, Lee Kuan Yew, aged 91. Both of these events are likely to have benefitted PAP in the election. The ruling party argued that the election was about Singapore's next 50 years and establishing a fourth-generation of leadership. Despite this messaging, it remained unclear who would succeed the current prime minister.

In addition, the government changed the rules for the next presidential election, scheduled for 2017. If one of the three main racial groups in Singapore (Chinese, Malay, or Indian and others) has not been president for five terms, the next election would be reserved for this group. This rule effectively requires the next election to be restricted to Malay candidates. This requirement is in addition to other stringent qualifications such as having held executive functions in government or in a company with at least \$500 million in shareholders' equity (which marks an increase from a \$100 million threshold in the past). These changes effectively block the popular Tan Cheng Bock, who almost won in the 2011 presidential election, from competing in the upcoming election, as well as nearly all potential female candidates.

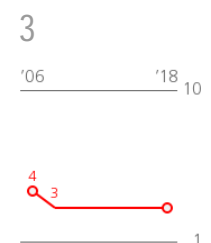
Singapore's rulers, albeit elected in unfair elections, have the effective power to govern. The PAP dominates almost every aspect of the city-state's political, military and economic life, effectively preventing the advent of any possible veto actors. The military has strong ties to the PAP (e.g., current Prime Minister Lee Hsien Loong served as a brigadier general in the armed forces). The PAP has promoted a growing number of politicians with military backgrounds, such as Ng Chee Meng, the PAP's highest-ranking military recruit in the 2015 general election. Furthermore, both the Government Investment Corporation (GIC), which invests primarily in foreign countries, and Temasek Holdings, which controls most government-linked corporations, are controlled by the government. The latter is under the direction of Ho Ching, the wife of the current prime minister. Religious groups have no direct impact on the PAP's effective power to govern as they have to register under the Societies Act and are thereby under the government's tight control.

While the constitution grants Singaporeans the right to association and to assembly, in effect these rights have been severely curtailed. In regard to association, the government has passed strict legislation that distinguishes between non-governmental organizations and political organizations. The latter may not receive any funding from foreign sources, and the legislation has been restrictive regarding assembly – required permits are rarely granted. Under the Public Order Act of 2010, the police can ban an individual from a public space for 24 hours on the suspicion that he or she is pursuing a political cause. Even indoor forums, which are allowed if they are considered private, have been obstructed. The only place for peaceful assembly since 2000 has been the Speakers' Corner, an area of Hong Lim Park, which is not near any government offices or the shopping district. Since 2008, registration to speak there can be done online and permission is usually granted if the applicant is either a Singapore citizen or permanent resident. However, there are still many limitations, some of which are publicly displayed on a board. For example, foreigners

Effective power to govern

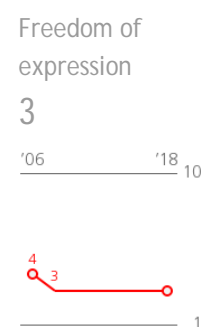


Association / assembly rights



may not participate in these events. In 2016, the government announced that foreign entities would require permits to sponsor events in Speakers' Corner, which was primarily targeted at the LGBT event Pink Dot which is held annually and has drawn increasingly large crowds. During the period of mourning after the death of Lee Kuan Yew, permission to use the site was temporarily suspended. Activists are frequently investigated by the police for activities during public assemblies. In November 2016, the police investigated the use of Singaporean and Malaysian flags at the Yellow Sit-In in support of the Bersih 5 rally in Malaysia. The police also investigated organizers of a conference in Singapore during which Hong Kong activist Joshua Wong spoke via Skype, citing that Wong did not have a work visa.

In Singapore, freedom of expression is severely limited. Public debate is vulnerable to distortion and manipulation by strong government intervention. Laws, such as the Sedition Act, the Defamation Act or the Undesirable Publications Act, heavily restrict freedom of speech. The government also has vague so-called "Out-of-Bounds Markers" to highlight when the line of permissible discourse has been crossed, and writers in the mainstream media who fall foul of this may be unable to publish articles in the future. Moreover, internet bloggers have been forced to apologize for posts that are considered either defamatory or seditious. With the use of regulations, the government has successfully undermined the once booming alternative media on the internet. In 2013, the government, through the Media Development Authority, began to require online news websites with "significant reach" to follow the same regulatory framework as traditional news media. Under the licensing framework, online media must remove objectionable content within 24 hours and place a performance bond of SGD 25,000. While some websites have accepted the tough new regulations, they have come under increasingly tight financial restriction, which limits their ability to report independently. For example, The Online Citizen, which was once a very prominent blog, has been reduced to one full-time employee. The government has cited the need to restrict foreign involvement in local media as a pretense to weaken alternative news. In April 2015, the government forced the website The Real Singapore offline and accused the editors of sedition, which is punishable by up to 21 years in prison. Roy Ngerng, who was found guilty of defamation in 2014, was ordered by the High Court to pay SGD 150,000 to the prime minister in December 2015. The International Commission of Jurists, an international non-governmental human rights organization, labelled the decision a "huge setback for freedom of expression in the country." Lawsuits are used to intimidate writers and reinforce the culture of self-censorship. Moreover, the Assistant Returning Officer from the Elections Department (ELD) filed police reports against the socio-political blog The Independent (Singapore), as well as against Roy Ngerng and Teo Soh Lung for posting political messages on their Facebook page during Cooling-Off Day. The assertion was that this equated to political advertising, which is not allowed on that day under Singapore law. The two individuals were interrogated and had their electronic devices confiscated. In another incident, Singaporean authorities twice

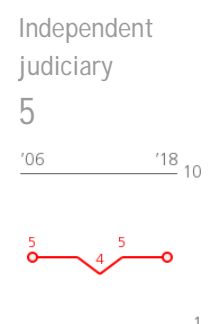
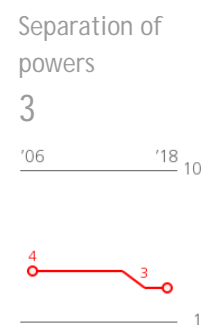


prosecuted a teenager, Amos Yee, for posting seditious comments in a YouTube video. In late 2016, Yee fled to the US to seek asylum. Human rights organizations have severely criticized the Singapore government for criminalizing free speech and prosecuting a youth as an adult.

3 | Rule of Law

The constitution provides a structure for the separation of powers. However, the ruling PAP has an ongoing monopoly on power that permeates all state institutions. As a result, it is difficult to differentiate between government bodies and the ruling party. The chief justice is appointed by the president, who selects from a range of candidates chosen by the prime minister. The president makes additional appointments to judicial positions on the advice of the prime minister's office. Subordinate judges can be dismissed or transferred according to the executive's will. Due to the PAP's ongoing monopoly on the executive branch, these selection procedures guarantee the PAP continued influence over the judicial branch. The Singaporean legal scholar Thio Li-ann has pointed out that the legislative and executive are "practically fused via the cabinet." The strong influence of the PAP over judicial power was demonstrated in an April 2010 High Court decision which overruled a lower court's decision to acquit five activists who were charged with conducting a procession without a permit. The lower court's verdict was viewed as a landmark decision and there are still very few cases in which the judiciary has expressed disagreement with the executive. On August 15, 2016, the Singapore government passed a controversial bill making it easier to charge individuals with contempt of court, thus reducing the ability to criticize legal proceedings. The PAP dominates the Singaporean parliament, resulting in limited debate. However, with growing number of opposition members, as well as the inclusion of non-elected members of parliament (non-constituency MPs from opposition parties and non-partisan nominated MPs), debate has increased. In order to contain the potential threat to the ruling party, in January 2016 Prime Minister Lee Hsien Loong suggested increasing the number of non-constituency members of parliament with full voting rights to give the opposition 12 seats rather than the current nine.

The judiciary is institutionally differentiated and has the ability to interpret and review existing laws, legislation and policies. Channels of appeal and court administration are in place. It has been ranked as the second-best system in Asia by the Political and Economic Risk Consultancy (PERC) in 2008. Despite this, judicial decisions and doctrines are not free from the influence of political decision makers. The ruling PAP's dominance over all aspects of political life in the city-state has negative effects on the independence of the judiciary in Singapore. Following the government's victory in a defamation lawsuit against a blogger - which followed a string of similar lawsuits against opposition figures and foreign newspapers - the court in December 2015 awarded the prime minister SGD 150,000 in damages,



arguing that the blog post had severely undermined the credibility of the prime minister. At the same time, the courts have also shown greater independence in regard to a number of cases. In the period under review, the former director of the technology department at the Singapore Civil Defence Force (SCDF), Jeganathan Ramasamy, was cleared of misappropriating two iPads in October 2016. Moreover, on January 16, 2017, the Court of Appeal rejected the government's claim that the Ministry of Defence (Mindef) could be considered a person under the Protection from Harassment Act, when it demanded that the socio-political website The Online Citizen remove statements made by an inventor in a patent dispute. The court declared that "Mindef was anything but a helpless victim. It is a government agency possessed of significant resources and access to media channels." Overall, however, the judiciary rarely challenges the executive because it believes this would be futile. There is also a belief that the judiciary should not usurp the power of the legislative.

In Singapore, officeholders who break the law and engage in corruption always attract adverse publicity and are prosecuted rigorously under established laws. Government officials receive higher salaries than their international counterparts and the fight against corruption is a key component of the ruling PAP's policy. The number of new corruption cases brought in 2015 marked an all-time low of 132, four fewer than the number of cases in 2014. This happened in spite of an increase in complaints: the Corrupt Practices Investigation Bureau (CPIB) received 877 complaints in 2015, almost 20% more than in 2014. This was the first time that the government revealed the statistics and Prime Minister Lee Hsien Loong promised to continue releasing the statistics in the future. Although most corruption cases end with conviction, there were a number of high-profile acquittals in recent years. The most recent was the acquittal of the former director of the technology department at the Singapore Civil Defence Force (SCDF), Jeganathan Ramasamy. In issues of town council management, critics point to seemingly harsher scrutiny of the one opposition-held town council for irregularities similar to those investigated in PAP-held councils. However, both have been investigated.

Civil rights are constitutionally guaranteed but are partially violated in the Singaporean state despite the government asserting in the 2015 Universal Periodic Review (UPR) that it is "fully committed" to the protection of human rights in Singapore. The mechanisms and institutions to prosecute, punish and redress violations of civil rights are partly in place, but often prove to be ineffective. Singapore has yet to sign most international human rights treaties or to implement a national human rights institution which could monitor the situation. The Singaporean authorities continue to deprive individuals of rights to justice by using laws that allow detention without trial. Most prominently, the Internal Security Act (ISA) enables detention orders to be renewed every two years, which effectively allows the state to continuously re-arrest the same people. The number of arrests have increased in recent years. In July 2016, Zulfikar Mohamad Shariff, a PhD student at La Trobe University in Melbourne, Australia, was arrested for allegedly spreading radical

Prosecution of office abuse



1

Civil rights



1

Islamist ideology and contributing to the radicalization of other Singaporeans. The government released a number of Facebook posts supposed to demonstrate his radical ideology. In October 2016, a 33-year-old technician named Asrul Alias was arrested for allegedly supporting the Islamic State (IS) group. A further four Singaporeans had been arrested in 2015 for becoming involved in violent armed conflict in Yemen. These cases have been used to justify the continuation of the act, which in the past has been used against opposition activists and thus having a chilling effect on political opposition. The most infamous case to date is the 1987 arrest of 16 mostly Catholic social activists for their alleged involvement in a Marxist conspiracy. A number of those arrested later accused the government of torturing them while under detention. The Criminal Law (Temporary Provisions) Act, which permits arrest and detention without warrant or judicial review was extended in November 2013 until October 20, 2019. The Sedition Act criminalizes speeches with seditious tendency without defining sedition. Both these acts provide the government with legal cover to take action against its critics, thereby violating civil rights in Singapore on a massive scale. The Public Order Act of 2009 further limited the constitutional right of assembly. The government continued to justify the use of the death penalty even in drug related cases. Following a review of the mandatory death penalty, judges now have more flexibility in regard to murder, but the mandatory death penalty still applies in drug trafficking and drug manufacturing cases. There is widespread popular support for these harsh penalties. Despite the lack of evidence, the government believes the punishment serves as a deterrent, and supposedly explains the low drug problem in the city-state. Following a moratorium, the number of executions has again increased from two cases in 2014 to seven cases in 2016 (at the time of writing). Singapore also criminalizes male homosexual activity under Section 377A of the Penal Code. A constitutional challenge led to the High Court refusing to repeal the controversial legislation. The law is of special human rights concern because homosexual behavior between males can result in imprisonment of up to two years even if conducted in the privacy of the individuals' homes. The Court of Appeal ruled in October 2014 that this section of the law was constitutional despite the challenge that it violated the principle of equal treatment under the law. The government in a report to the UN in December 2015 argued that the law is maintained because a significant number of Singaporeans are strongly opposed to homosexuality "for various reasons, including religious convictions and moral values." Political leaders have asserted that they will not actively enforce the law, but that it remains on the books as a deterrent.

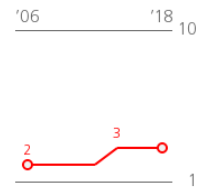
4 | Stability of Democratic Institutions

Although Singapore's system of checks-and-balances is weak, its key institutions are stable. The ruling PAP controls all institutions in the city-state, thereby effectively containing political opponents. The executive is strong and its dominant position negatively affects a horizontal separation of powers in the country. The prime minister and the cabinet make all key political decisions and the parliament is

Performance of
democratic
institutions

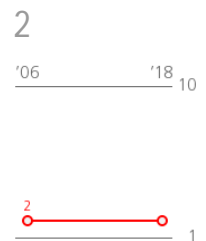
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subordinated to them. The Singaporean parliament is dominated by the PAP, which has won the majority of seats in every election since independence. While the visibility of parliamentary debates has increased since the 2011 general election, the overall intensity is still comparatively low. The 2015 general election indicated that opposition to PAP policies may not be rewarded with votes, as the ruling party increased its vote share. The capability of the legislature to monitor the government is heavily circumscribed because it is dominated by the PAP. Local governments (town councils) are appointed rather than elected, although they are headed by elected MPs. The judiciary, which has gained a degree of independence, is still subject to severe constraints. The mainstream media is under government control and exercises heavy self-censorship, meaning that negative news items are usually more or less ignored. In sum, it is difficult to get an objective assessment of the performance of democratic institutions in Singapore as the ruling PAP's dominance of these institutions continues to block liberalization.



The PAP government is not committed to democratic institutions. At a party conference in December 2014, Prime Minister Lee Hsien Loong openly voiced his opposition to the idea of checks and balances which in his opinion would cause “gridlock.” He claimed that the checks would prevent the government from doing what is necessary. The ruling party believes that its own track record demonstrates that a dominant party system is superior to a multiparty democracy. Lee made this most clear when he said: “Eventually there will be no more PAP to check, there will be no more able team of ministers working and solving problems for Singapore, no progress for Singapore, no future for Singapore, and that will be the last check because that will be check mate for Singapore!” In order to maintain control, leaders have not shied away from making use of their control over the administrative state and the media to destroy the credibility of the opposition. The government will use any constitutional and electoral law to prevent significant gains for any political challenger. This is the most likely explanation for the changes to the electoral law concerning the elected presidency, which now requires candidates to be from one of three main ethnic groups if there has not been a president from that group in five previous terms. This rule requires a Malay candidate in the 2017 presidential election and excludes the popular Tan Cheng Bock from contesting. Only ethnic Chinese candidates are currently considered as successors for the current prime minister, the most powerful position in government. The most popular potential candidate, Tharman Shanmugaratnam, an ethnic Indian, has publicly declared that he is not interested in the position. The PAP has been worried that a non-Chinese candidate could lose it votes because according to surveys, the majority ethnic Chinese population strongly prefers a Chinese candidate. The government curtails the freedoms of other associations, interest groups and civic organizations, though it does collaborate with certain voluntary welfare organizations, and NGOs, religious groups and other bodies rarely engage openly on issues of public concern in Singapore society. The military is also under full control of the government. No non-PAP groups

Commitment to democratic institutions



hold veto power and the government has sought to maintain electoral dominance by increasing its responsiveness to popular dissatisfaction (for instance, backtracking on initial statements regarding the desired pace and extent of population growth).

5 | Political and Social Integration

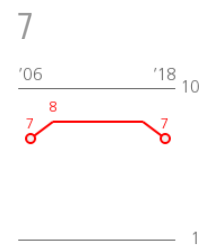
Singapore has a hegemonic party system, controlled by the PAP, which has won every election since independence and holds a two-thirds majority in parliament.

Currently, the third generation of leaders is running the PAP, with party Secretary-General Lee Hsien Loong occupying the prime minister's office. The party strengthened its position following the 2015 general election in which it increased its share of the vote to 69.9% from 60.1% in 2011. However, questions about the leadership succession, due before the next general election (to be scheduled within five years), have not been resolved.

Generally, the volatility of voting is low and disproportionality limits the effect an increase in opposition votes can have on the number of seats won. However, in the 2011 general election and the Punggol by-election of 2013, the ruling party lost seven seats to the opposition Workers' Party (five of them in one GRC, or multi-member constituency). The Punggol seat was recovered in the 2015 general election. Currently, the PAP control 83 seats while the WP has six elected seats, plus three non-constituency member of parliament (NCMP) seats. Linkages between PAP politicians and voters are essentially programmatic rather than clientelistic, but the PAP does use the promise of club goods in particular to woo support.

In recent years, the Workers' Party has established itself as the most credible opposition party and currently holds all six elected opposition seats. It is the oldest currently active opposition party, having been founded in 1957. It was also the first to break the electoral monopoly of the ruling party in the 1981 Anson by-election. While the Workers' Party is now the most prominent opposition party, the opposition camp is fragmented into many smaller parties. Even the WP only competes in a minority of seats during general elections. The WP received nearly 40% of the vote in the 28 seats it contested. For this reason, it was allocated all of the NCMP seats, which go to the losing candidates with the most votes. The next largest opposition party is the Singapore Democratic Party, which received 31% of the vote in the 11 seats it contested. The National Solidarity Party (NSP) contested 12 seats and received 25% of the overall vote in those. Among the other five parties that contested seats in the 2015 general election, the Singapore Democratic Alliance (SDA) received 27% of the overall vote in the six seats it contested. While votes for all opposition parties declined, the Singapore People's Party (SPP) experienced the largest decline, with over 14% fewer votes, resulting in it losing its NCMP seat. Frustrated by the result, Kenneth Jeyaretnam of the Reform Party said on live television: "I guess Singaporeans get the government they deserve, so I don't want to hear any more

Party system

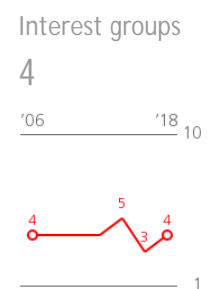


complaints.” This was a sentiment shared by many in the opposition. Since the general election, websites of some smaller opposition parties have gone offline.

Following the 2015 general election, there was a by-election in which Dr. Chee Soon Juan from the SDP competed against the PAP’s Murali Pillai in Bukit Batok on March 12, 2016. Although Dr. Chee increased the SDP’s vote from the general election, the increase was not sufficient to capture the seat. The campaign period was primarily marked by attacks on the character of the party leader, who has been effectively undermined by the government-controlled media for many decades. He had only recently been able to compete in the election, as he had previously been declared bankrupt due to politically motivated defamation lawsuits.

Contrary to the Malaysian party system, political parties in Singapore are not openly grounded in ethnicity and can be considered catch-all parties. (The only current exception is the small Pekemas, Singapore Malay National Organization.) As a result, polarization between the parties with regard to ethnicity is low. Nonetheless, due to the ethnic dominance of the Chinese population, party politics are strongly determined by Chinese interests. The most powerful positions are controlled by ethnic Chinese with similar socioeconomic backgrounds. In an attempt to counteract this effect, all political parties are forced to nominate minority election candidates in the GRCs. However, this additional rule makes it more difficult for opposition parties to assemble the slates necessary to compete with constituencies headed by senior government officials. In addition, the recent decision to limit the nomination criteria of the elected presidency has a similar effect of granting minority representation at the expense of allowing a potential challenger to gain support.

Few interest groups can operate independently of the PAP in the city-state. The spectrum of interest groups ranges from social organizations like environmental groups and community organizations that provide assistance to the poor, to professional associations such as the Law Society of Singapore. The National Council of Social Service, a statutory body established by parliament, is an umbrella organization that includes about 400 welfare organizations including the Young Men’s Christian Association (YMCA). Historically, employers’ associations have no political weight. Trade unions, which have been unified under the National Trades Union Congress (NTUC), a pro-government umbrella organization closely tied to the ruling party, have adopted a cooperative relationship with the government. As a consequence, organized strikes have disappeared. Independent civic groups can only act within the narrow limits set by the Singaporean authorities under strict regulations, such as the Societies Act, and can only comment on “political” issues if they register as political societies. This places strict limitations on these organizations. Moreover, the Sedition Act imposes severe restrictions on discussing issues of race and religion. Cooperation between different civic groups is difficult and often short-lived. In the period of review, noninstitutionalized activism continued to proliferate such as signature campaigns, coalition formation and small protests



confined to Speakers' Corner. The government has become uneasy with some forms of the growing activism. During the period of review, the government announced in October 2016 the need for foreign entities interested in sponsoring events in Speakers' Corner to apply for a permit. This was ostensibly done in the context of the increasingly popular Pink Dot event, which is held every year in spring and which has drawn very large crowds. From 1,000 people in 2009 to a record 28,000 people in 2015, the event has, according to organizers, become too large for the park.

Singaporeans have an ambivalent relationship to democratic norms. According to data provided by the East Asia Barometer, 80% of Singaporeans express a desire for democracy and 85% believe that democracy is the most suitable form of government for the country. Data provided by the 2012 World Value Survey support these findings (90.5% believe that a democratic system is very or fairly good). However, only slightly more than half of Singaporeans believe that elections or the right to criticize those in power are essential characteristics of a democracy. Furthermore, the majority of Singaporeans feels that the current government resembles a complete democracy and not an authoritarian system and 84.6% of Singaporeans are very or fairly satisfied with the way democracy works in their country. In addition, 15.5% of Singaporeans view the city-state as a full democracy, while 75.5% feel that Singapore is a democracy, but with minor problems. Only 3.8% of Singaporeans believe that their country is not a democracy. Following the comprehensive electoral success of the PAP in the 2015 general election, some argued that the population had become supportive of authoritarianism. However, a post-election survey by the Lee Kuan Yew School of Public Policy revealed that 89% of the population consider checks-and-balances as either important or very important, an increase on previous surveys. A greater number of people also saw a need for alternative voices in parliament: 86% of the people in the survey shared this view.

There is a fairly low level of trust among the Singaporean population. Social and cultural barriers divide the population, especially with regard to the growing number of foreign workers. According to data provided by the World Value Survey of 2012 only 37.3% of the respondents agreed that "most people can be trusted"; which is however a significant improvement over the previous survey when only 16.7% shared this view. Higher levels of trust are observed in relationships between relatives or neighbors. Among the Southeast Asian countries, Singapore ranks lowest with regard to the rate of membership of any form of societal associations. An overwhelming 90.1% of Singaporeans are not members of any societal association according to data provided by the Asian Barometer Survey. Mistrust exists especially between the state and independent civil society organizations, which have developed particularly since the 1980s. While social capital remains notably low in Singaporean society, the growing willingness of some civil society groups to promote issues of public concern has revealed a small but dedicated group of individuals willing to come together to fight for the protection of heritage (Bukit Brown cemetery), nature preservation (Bukit Brown cemetery, MacRitchie Forest) and other social concerns. Substantial

Approval of
democracy

n/a

'06 '18 10

n/a 1

Social capital

5

'06 '18 10

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numbers of Singaporeans join critical and/or issue-based online communities, and an increasing number have attended not only opposition campaign rallies in recent years, but also events such as the sexuality-rights-oriented annual Pink Dot gathering.

II. Economic Transformation

6 | Level of Socioeconomic Development

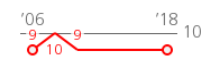
Poverty and inequality exist in Singapore but are less visible than in other countries (and reliable statistics are hard to find). The country's score in the 2015 UNDP's HDI is 0.912, the highest in Asia. Globally, Singapore is in 11th place. The country's level of development permits freedom of choice for all citizens and is comparable to OECD countries. However, the Gini coefficient indicates that there is a wide gap between the rich and the poor in Singapore. In 2007, the Gini coefficient was 0.49 (world average 0.418). By 2015 this had declined to 0.41 after government transfers (0.463 before government transfers) according to government data. According to the 2009 U.N. Development Report, Singapore had the second highest income gap between the rich and the poor among the 38 countries with very high human development, trailing only Hong Kong. The income gap was partly caused by the high costs for housing, food and transport. According to Central Provident Fund (CPF) data, 26% of the population earn SGD 1,500 or less each month. The government has, however, sought to mitigate the problem. For instance, in 2015 it provided vouchers to low-income people. It also offers social assistance, but this is heavily means-tested. There is an absence of fundamental exclusion because of poverty, unequal access to education or deep gender discrimination. Singapore scored 0.088 on the 2014 Gender Inequality Index, ranking as the 15th most equal country in the world. In sum, Singapore shows a very high level of development but there is a worrisome income gap.

Question

Score

Socioeconomic
barriers

9



1

Economic indicators		2013	2014	2015	2016
GDP	\$ M	302510.7	308142.8	296840.7	296965.7
GDP growth	%	5.0	3.6	1.9	2.0
Inflation (CPI)	%	2.4	1.0	-0.5	-0.5
Unemployment	%	2.8	2.8	1.7	1.8

Economic indicators		2013	2014	2015	2016
Foreign direct investment	% of GDP	21.4	24.0	23.8	20.7
Export growth	%	5.8	4.0	2.6	1.6
Import growth	%	5.9	3.0	2.9	0.3
Current account balance	\$ M	51168.3	60818.9	53756.9	56501.1
Public debt	% of GDP	102.2	97.9	103.2	111.5
External debt	\$ M	-	-	-	-
Total debt service	\$ M	-	-	-	-
Net lending/borrowing	% of GDP	8.2	7.3	4.4	-
Tax revenue	% of GDP	13.5	13.9	13.6	-
Government consumption	% of GDP	10.0	10.0	10.6	11.3
Public education spending	% of GDP	2.9	-	-	-
Public health spending	% of GDP	1.7	2.1	-	-
R&D expenditure	% of GDP	2.0	2.2	-	-
Military expenditure	% of GDP	3.1	3.1	3.2	3.4

Sources (as of October 2017): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Market competition is consistently defined and implemented both macroeconomically and microeconomically in Singapore. There are state-guaranteed rules for market competition with equal opportunities for all market participants. The informal sector is very small. The 2016 World Bank “Doing Business” report ranked Singapore the third best country in the world in which to run a business. Singapore was ranked second best in the 2017 report. However, this is still below 2015’s ranking of first place. According to the report, Singapore’s top three rankings were protecting minority investors, enforcing contracts and starting a business. Although key sectors such as the telecommunication or media sector have been privatized in the past, government-linked companies (GLC) managed by the PAP-controlled Temasek Holdings (the country’s second largest investment company) play an important role in several key sectors. GLCs produce nearly two-thirds of the country’s GDP and include prominent companies such as Singapore Airlines, the best airline in Asia according to a 2016 survey by Skytra, and Singapore Telecommunications Limited (Singtel) which in the ASEAN Corporate Governance Scorecard ranked first in terms of the market capitalization of Singapore-listed corporations in 2015. In fact, most of

Market-based
competition

10



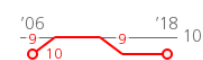
the top-ranked companies are at least partially owned by the Singapore government. Although GLCs operate largely independently, they compete directly with private-sector companies. Competing SMEs in the private sector had difficulties getting bank loans for building up their businesses and did not play an important role in the city-state's economy during the period under review. Singapore's dependency on GLCs has potential risks as shown during the global financial crisis. Financial experts have – to no avail - sometimes demanded a more well balanced and competitive economy with an increasing number of private-sector companies in order to make Singapore's economy more resilient.

The Singaporean authorities enforce comprehensive competition laws to prevent monopolistic structures and conduct. The efficient functioning of Singapore's markets is guaranteed under the Competition Act of 2004, which is largely modeled on the UK Competition Act of 1998. The legislation covers both foreign-owned and domestic companies. The provisions were implemented in phases: the Competition Commission of Singapore (CCS) was set up in January 2005 with provisions on anti-competitive agreements, decisions and practices, abuse of dominance, enforcement, appeal processes and other miscellaneous areas coming into force one year later. Remaining provisions relating to mergers and acquisitions were implemented in July 2007. However, important sectors such as telecommunications, media, energy, postal services and the airport have been exempted from the Competition Act 2004. The telecommunication sector is overseen by the Info-communications Development Authority (IDA), which issued a code of practice for competition. However, it is noteworthy that these exempt sectors include some businesses that are monopolies managed directly by the government or controlled by Temasek Holdings.

Singapore's economy is one of the most open in the world in terms of foreign trade. The country strongly supports the multilateral trading system. Singapore grants at least most-favored-nation treatment to all its trading partners, and the most-favored-nation tariff stands at zero. The only exceptions are six lines for alcoholic beverages, which are subject to specific rates. Furthermore, the city-state has bilateral trade and investment agreements with countries in various regions of the world. As a founding member of ASEAN and the Asia-Pacific Economic Cooperation (APEC) forum, Singapore actively participates in reducing trade and non-trade barriers between member countries. In the period under review, Singapore signed the Turkey-Singapore Free Trade Agreement (TRSFTA) in 2015. Singapore has also agreed to the European Union-Singapore Free Trade Agreement (EUSFTA), which although talks were concluded in October 2014, is not yet in force, pending final ratification. Aside from these agreements, there are bilateral free trade agreements (FTAs) with Australia, China, India, Japan, Jordan, Korea, New Zealand, Panama, Peru, Taiwan and the United States of America. Currently, there are negotiations for bilateral FTAs with Canada, Mexico, Pakistan and the Ukraine. The full network of FTAs comprise 18 bilateral and regional FTAs and a total of 24 trading partners. Until the recent U.S. presidential election, Singapore had been one of the principle supporters of the Trans-

Anti-monopoly policy

9



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Liberalization of foreign trade

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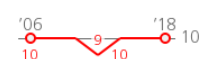
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Pacific Partnership (TPP), a trade agreement between twelve Pacific Rim countries that would have covered 40% of the world's economy. The election as president of a strong opponent of TPP in the U.S. has undermined the agreement – Donald Trump withdrew the U.S. from the TPP in his first week in office – and could strengthen attempts to create an Asia-Pacific Free Trade Area with China instead.

In Singapore, the banking system is solid and oriented toward international standards with functional banking supervision and minimum capital equity requirements. In 2011, Singapore's Monetary Authority of Singapore (MAS) announced capital rules whose revisions were set at higher levels than Basel III. Singapore's capital markets are well developed, and its banks are increasingly using complex derivatives for risk management and hedging. Financial services account for about 12% of Singapore's GDP. There were 126 commercial banks in Singapore in 2016. Of these, five are local banks and 121 are foreign banks. Commercial banks are licensed under and governed by the Banking Act. Despite the effects of the global financial crisis, the country's financial institutions remain stable and have ample liquidity. Furthermore, the government guarantees all SGD and foreign-currency deposits of individuals and non-bank customers in licensed banking institutions. However, the guarantee is for a maximum sum of SGD 20,000 and was introduced only after Hong Kong offered a similar guarantee. Currently, there are three dominant banking groups in Singapore. The largest is the government-controlled Development Bank of Singapore (DBS). The bank capital to assets ratio was 9% in 2015 while the share of nonperforming loans increased slightly from 0.8% in 2014 to 0.9% in 2015. In the context of the massive 1MDB scandal in Malaysia, Singapore closed and fined a number of banks for breaching money laundering regulations. DBS Bank was fined SGD1 million and the Swiss bank UBS SGD1.3 million. The Singapore branches of two private Swiss banks, BSI Bank (May 2016) and Falcon Private Bank (October 2016) were forced to close during the period of review.

Banking system

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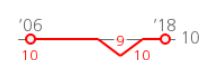
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8 | Currency and Price Stability

Inflation and foreign exchange policies are pursued in concert with other goals of economic policy and are supported by an adequate framework in Singapore. The Monetary Authority of Singapore (MAS), which functions as the central bank, operates a managed float regime. MAS is independent within the government but not from it, and there have been attempts to insulate it from political pressures. This is supposedly addressed by the appointment of a cabinet minister as the non-executive chairman. The rate of inflation rate in Singapore has remained relatively stable over the past three years: 1% in 2014, -0.5% in 2015 and -0.5% in 2016. In 2015 and 2016, the consumer price index remained relatively steady. Costs of household items and education increased while housing and utilities, as well as transport, decreased. The SGD remained relatively strong during the period under review. In December 2016, it fell to a one year low against the U.S. dollar. The U.S. dollar reached SGD 1.4436

Anti-inflation / forex policy

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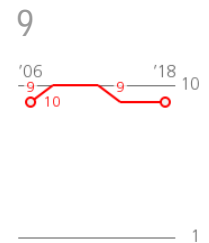
in mid-December. While economic growth remains slow, the Singapore dollar will likely remain weak. According to data provided by the World Bank, the real effective exchange rate was at 110.6 in 2015.

The Singaporean government's fiscal and debt policies promote macroeconomic stability, supported in part by institutional constraints. After being forced to tap its reserves in 2009 due to the global financial turmoil, the government returned to years of surplus. This ended in 2014 when the budget had a deficit of 0.03% of GDP, set to increase in 2015 to an estimated overall budget deficit of 1.7% of GDP. Some analysts believed the government would return to a surplus in the following year. In 2015, Singapore's debt-to-GDP ratio was at 104.7%, which is very high by international standards (and only slightly lower than Singapore's peak of 106.2% in 2012). By Q3 2016, government debt had continued to increase, reaching SGD 446,329 million (a 5.9% increase over the close of 2015); meanwhile GDP was posting a slight decline of about 1% year-on-year. The reason for the high debt-ratio is that the government borrows money from the Central Provident Fund (CPF) pool and channels it into investments. The government surplus guarantees that Singapore's credit rating is not at risk. Nonetheless, the government, through GLCs in particular, has been raising a large amount of cash in the international market through bond issues while trying to capitalize on the low interest rate regime and this must be carefully managed to prevent excesses.

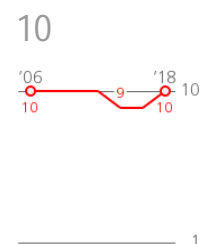
9 | Private Property

Rights and regulations regarding the acquisition, benefits, use and sale of property are well defined and widely enforced in Singapore. The Heritage Foundation's 2016 Index of Economic Freedom reiterates its finding from previous years that Singapore has one of Asia's strongest intellectual property rights regimes and ranks it second in Asia, trailing only Hong Kong. Furthermore, the Singaporean judiciary effectively protects private property, and contracts are secure. In addition, Singapore has ensured that its property and copyright laws are in line with underlying principles in global laws on intellectual property rights. However, problems with regard to the enforcement of property rights remain. In addition, state acquisition of land is often priced under that of the prevailing market price. Furthermore, politicians who lose a defamation suit against the ruling PAP often have to file for bankruptcy when they cannot pay the exceptionally high damages awarded. Outspoken opposition politicians run the risk of losing their assets. Besides offering lower compensation for compulsorily acquired properties, the government, which controls the largest land bank (acquired very cheaply in the 1970s), makes enormous profits through tendering such properties for sale today.

Macrostability

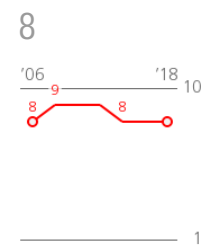


Property rights



In Singapore, private companies are often portrayed as the primary engines of economic production and are given appropriate legal safeguards. In the past, the privatization of state companies proceeded with market principles. Moreover, the government-linked corporations are run like private companies. In addition, the 2016 World Bank “Doing Business” report ranked Singapore in second place, behind Hong Kong. The low level of bureaucratic procedures in particular foster private entrepreneurship. However, the dominant role of GLCs (e.g., in the telecommunications or multimedia sector) is often viewed as an obstacle to the development of private enterprises. It is very difficult to sue the government as legal costs are very high. Moreover, the government has ownership in many companies either directly through its investment corporations or indirectly through the companies owned by investment corporations. The data on these structures is not fully clear. The major listed companies of Temasek alone make up 20% of Singapore’s market capitalization. Studies have found that government-linked corporations, despite being subject to the same market pressures, have an advantage over genuinely private enterprise.

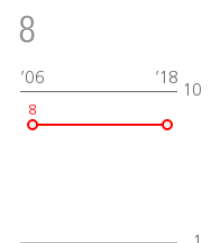
Private enterprise



10 | Welfare Regime

Social safety nets are well developed, but do not cover all risks for all strata of the population. Some parts of the population are at risk of poverty in Singapore. Social security schemes are very much centered on individual contributions. All schemes targeting the poor are thoroughly means-tested. A growing number of people have received aid from the government. In the financial year 2014-15, approximately 91,000 people (2.7% of the population) received SGD116 million in financial help from the government’s social assistance scheme ComCare (under the Ministry of Social and Family Development), a 10% increase over the previous year. The government attributes this sharp increase to a greater effort in targeting those in need of assistance. In particular, efforts were made to reach those citizens requiring short-to medium-term assistance (although the actual number of households receiving such assistance declined slightly from 2014 and 2015). The government has officially rejected the notion of welfare, which it thinks would undermine the city-state’s work ethic and reduce its ability to compete with neighboring economies. The Central Provident Fund (CPF) is the primary social security institution for Singaporeans and permanent residents. Contributions to the CPF go into three accounts: The Ordinary Account, where savings can be used to buy a home, pay for CPF insurance, investment and education; the Special Account for investment in retirement-related financial products, and the Medisave Account for approved medical insurance. One concern about the CPF system is the lack of transparency in the system. People have been worried about increases to the minimum sum which members are allowed to withdraw as a monthly income for retirement after 55 years of age. Many people have drawn on CPF funds for housing or health care and so cannot expect to meet this minimum sum. This is in part due to a low percentage of public expenditure on health

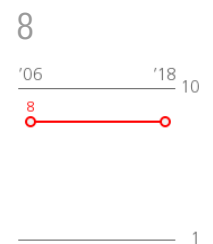
Social safety nets



(2.1% of GDP in 2014). While a system of universal health care system coexists with the private health care sector, there are growing concerns about affordability of health care as co-payments in Singapore depend on the pricing of services rather than an individual's income. In recent years, the state has enhanced medical and related benefits, focusing especially on the "pioneer generation" (senior citizens). Citizens may also receive small-scale emergency assistance (food and vouchers) from weekly MPs-meet-the-people sessions, as well as referrals to appropriate social service offices.

De jure equality of opportunity is largely achieved in Singapore, although de facto discrimination persists around both gender and ethnicity. Women and members of ethnic and religious groups have near-equal access to education, public office and employment. The female literacy rate is 95%, less than the male rate of 98.1%. There is a lack of female representation in professional categories at managerial levels. Only 24% of the members of parliament are women. A 2011 poll revealed that a mere 49% of companies are willing to hire working mothers. According to the Ministry of Social and Family Development in 2015, the wage gap between male and female managers stands at 13.2%, lower than the 14.4% in 2011. The largest gap existed in the sales and services sector where it was 18.8%, lower than in 2011 (19.2%) but higher than in 2013 (17.9%). In terms of ethnicity, Malay households are more likely to be less well-off in socioeconomic terms than the Chinese majority. A 2013 study by the Institute of Policy Studies found that 67% of Malays and 60% of Indians claimed they had experienced some form of discrimination in their job applications. Low-income families and those less qualified find it increasingly difficult to make a living in Singapore. Social mobility in Singapore appears moderately low compared to other countries, although the government does not collect data on this. Discrimination on grounds of sexual orientation is not proscribed (including for employment), although the government declared in 2003 that LGBT civil servants could now continue to serve, so long as they "came out" to their supervisors, to avoid the possibility of blackmail. While opposition party supporters or candidates have lost employment as a result of their political activity, opposition MPs and activists have been able to continue unhindered in university, medical and other work in recent years, suggesting that such penalties are diminishing.

Equal opportunity



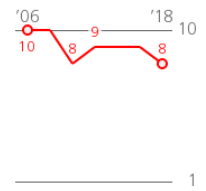
11 | Economic Performance

While Singapore's economic recovery following the global financial crisis was impressive, the city-state continues to be affected by the sluggish global economy. After Singapore slipped into one of its worst recessions since independence in 2008 and the beginning of 2009, GDP growth rates recovered from mid-2009 and showed strong momentum in 2010 with 14.8%. This however proved to be short-lived as growth slowed down significantly afterwards. While in 2013 it was only 3.9%, it had slowed to 2.1% by 2015, then declined further, to an estimated 1.8% in 2016 (albeit

Output strength

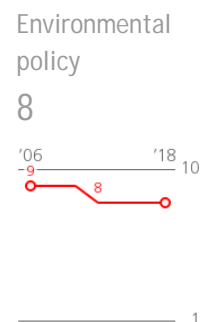
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above the government's 1-1.5% forecast). The forecast for 2017 is similar (the official forecast is 1-3%), though some analysts predict rates of less than 1%. GDP per capita (PPP) increased slightly in 2015 to \$85,209 from \$83,689 the year before. The current account balance in Singapore reached \$57.92 billion in 2015. There was deflation of 0.5% in 2015 and 2016 which was a change from a 1% inflation rate in 2014. The resident (citizen and permanent resident) unemployment rate for 2015 was 2.8%, per the Ministry of Manpower, within +/- .1% of levels since 2011. This number was predicted to increase slightly in 2016 – the Ministry's preliminary figure is 3.0% – as there were more workers laid off and, for the first time since June 2012, more job seekers than job opportunities. Tax revenue was at 13.9% of GDP in 2012. In 2015/16, the Inland Revenue Authority of Singapore collected SGD 44.8 billion in tax revenue, versus a 2015 GDP of SGD 402.46 billion, or 11.1%. Since 2010, there has been little change in terms of FDI (22.3% of GDP in 2015 and 22.4% of GDP in 2014). In 2015, there was an 11.8% year-on-year increase in foreign direct investments.



12 | Sustainability

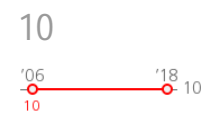
Environmental concerns are taken into account but are subordinated to growth efforts. Environmental regulations and incentives are in place, and are largely enforced. Industrial pollution, limited natural freshwater resources and waste disposal are the nation's primary environmental problems. The Environmental Performance Index (EPI) ranked Singapore 14th in the world in 2016, which makes the country a good performer. The study lauded Singapore's performance in wastewater treatment, access to drinking water and improvements in sanitation. Its ratings were also improved due to the city-state's growing role in global environmental governance. However, according to a study published by academics from the National University of Singapore (NUS) and the University of Adelaide in May 2010, Singapore has lost 90% of its forest, 67% of its birds, and about 40% of its mammals in the last 30 years. Furthermore, the city-state is the 28th-highest consumer of fossil fuels among 219 countries, according to data provided by the U.S. Energy Information Administration. In 2015, 97.4% of energy usage came from fossil fuels. The Singapore Environment Council released a study in 2013 which showed that the city-state uses three billion plastic bags every year while the government has not yet introduced any levy for plastic bags, unlike other countries in Asia. Environmental Impact Assessments (EIAs) are conducted in secret and only when the government believes they are necessary, a practice that lags behind many other countries in the region. In the period under review, the haze problem from Indonesia has continued and seriously affects the air quality for periods of the year. The Housing and Development Board announced on September 9, 2016, the construction of the new Tengah estate, which is also called "Forest Town," and is touted to become the largest smart and sustainable town in Singapore, with a car-free town center. However, the housing estate will replace a military training area which is home to one of the last remaining natural



areas in the country. Environmental activists have continued their efforts to ensure the development of the Cross Island MRT line has zero negative impact on the MacRitchie nature reserve, doubting promises that the construction will have little impact. Following calls for transparency the government decided in February 2016 to release for the first time the Environmental Impact Assessment for the project on the Internet. At the popular level, efforts to promote recycling have gained little ground, even with widespread availability of recycling bins and chutes; rates of household recycling has stagnated for the past decade, reaching only 19% in 2015. Singapore has set a target rate of household recycling of 30% by 2030 (low by world standards). Cycling is gaining popularity as a mode of transport, facilitated by heavy investment by the Ministry of Transport in cycle lanes and road infrastructure - bike parking facilities at public transport stations, HDB estates, and commercial and recreational sites - and related initiatives.

Singaporean education policy ensures a system of high-quality education and training, and the research and technology sector is dynamic and competitive. Investment in education and training is clearly above average as is investment in R&D. Public expenditure on education was 2.9% of GDP in 2013, a slight decrease from 3.1% of GDP in 2012. Expenditure on R&D amounted to 2.2% of GDP in 2014, which is about the average for OECD countries. Singapore has six public universities, six autonomous institutes, five polytechnics, two arts institutions, 13 foreign institutions and the Institute of Technical Education (ITE). Singapore's universities rank among the best in the world. The Times Higher Education Ranking ranked the National University of Singapore 24th in the world and 1st in Asia in 2016. The sound education policy and the high level of expenditure on R&D are highlighted by the World Economic Forum's Growth Global Competitiveness Report 2015 – 2016, which ranked Singapore second out of 140 economies. The city-state was the highest ranked economy from Asia and came first in the category of higher education and training. Moreover, Singapore scored at the top of the OECD's Program for International Student Assessment in the field of creative problem-solving skills. This suggests an improvement from the previous emphasis on knowledge-accumulation at the expense of creative and problem-solving skills. However, education remains highly examination-driven and assessment-oriented, reducing the incentives for critical thinking and creativity. The emphasis on exams also leads to high levels of emotional stress among young people.

Education policy /
R&D



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Governance

I. Level of Difficulty

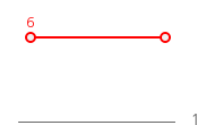
The Singaporean government faces only low structural constraints on its capacity to govern. As in OECD countries, neither infrastructural development nor poverty constrain the Singaporean administration. The country is not usually exposed to natural disasters (although the recurrent “haze” has been an issue) or pandemics. The educational system’s output of a high-skilled workforce is sufficient and the level of corruption is notably low, with the fight against corruption being a key component of the ruling PAP’s policy. However, the greatest structural constraint is the small size of Singapore, which for instance requires it to import many important resources such as water (from Malaysia). This makes cordial relations with neighboring countries especially important. Moreover, the lopsided ethnic composition of the population (as of 2015: 74.3% Chinese, 13.3% Malay, 9.1% Indian, 3.2% Others) requires skillful handling so as to avoid confrontation and to foster a unified Singaporean identity. This was seriously challenged during the Little India Riot in December of 2013 but the government officially rejected the claim that racism played a role in the conflict. As most of the rioters were from India, it drew attention to the problem of the massive immigration of cheap labor to Singapore in recent years. According to an Institute of Policy Studies (IPS) survey in 2016, 50% of Singaporeans still consider racism to be a problem in the country while 65% believe that migrants, especially from China, tend to be racist.

Traditions of civil society are fairly weak in Singapore, and are mostly limited to informal community assistance. During the colonial period, civil society was characterized by ethnic and religious groups such as clan associations, church, temple and mosque congregations. These organizations played an important role during decolonization. Nowadays, the landscape of voluntary organizations is slim and curtailed by limitations imposed by the Singaporean government. Two different cultures of civil society have emerged within the NGO landscape. One is a group of more liberal organizations that monitor human rights or observe the government’s behavior with regard to opposition politicians. The second comprises a number of special interest groups that deal with women’s rights, the environment and heritage preservation. While these groups have carefully avoided politics, there are a number of instances in which they have become more activist. In the period under review, activists and discontented citizens have continued to show willingness to use protests

Structural constraints



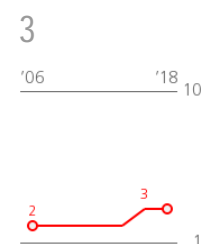
Civil society traditions



(in Hong Lim park), public walks, petitions, open letters, and other tactics. However, the government has tightened restrictions on activism. It has targeted the participation of foreigners in protests at Speakers' Corner, the use of Malaysian and Singaporean flags, the role of foreign funding of activities at the park, and has occasionally questioned or pressed charges against activists (including online activists/bloggers). It also denied an attempt in February 2015 to register a protest to make Thaipusam a public holiday on the grounds that it could incite discontent between races and religions.

Generally, Singapore experiences few incidents based on social, ethnic or religious differences and conflict intensity tends to be low. Since independence, the political elite have managed ethnic and religious cleavages by promoting a multi-racial and multi-religious concept of citizenship. While Singapore has rejected the idea of a melting pot - Singaporean ID cards, for instance, maintain ethnic identifiers - this conflict management has helped stabilize a heterogeneous society and inhibited violent outbreaks for more than four decades. Consequently, there is no organized mobilization along ethnic or religious cleavages. The Singaporean government uses authoritarian methods to restrict public debate on questions of race or religion, which hide some of the tensions. A majority of Indians and Malays, for instance, have experienced discrimination in the job place. While conflict with migrants has remained of concern during the period under review, no major incidents have occurred that resembled the Little India riot of 2013. The government has made some efforts to reduce tensions by slightly curbing the number of new immigrants. This measure raised concern among the business community, which relies on the flow of cheap labor to fill positions in which there are shortages. Currently, foreigners make up 38% of Singapore's population, up from about 20% a decade ago. With rising housing costs and greater competition in the job market, Singaporean citizens continue to complain about the influx of foreign workers.

Conflict intensity



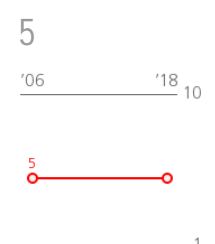
II. Governance Performance

14 | Steering Capability

The Singaporean government sets strategic priorities and generally maintains them over extended periods of time. It has the capacity to prioritize and organize its policy measures accordingly. Strategic planning divisions exist in several ministries within the Singaporean government. In the period under review, the government continued to focus on social problems and rising income inequality. This included measures to help the poor and curb the inflow of foreigners. In Singapore, the maintenance of strategic priorities is not constrained by actors outside the government such as

Question
Score

Prioritization

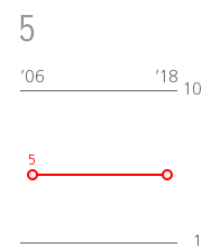


powerful economic interests or foreign governments. However, the ruling PAP's strategic long-term aims do not include the further democratization of the public sphere or the extension of democratic norms. The demands of opposition parties and human rights groups for further democratization are ignored by the Singaporean government. The government also tends to make use of short-term measures to reduce social problems such as one-time handouts for poor people. Some government handouts are specially timed to fall prior to general elections.

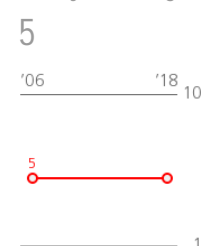
In general, the Singaporean government is able to implement its policies effectively. Singapore enjoys effective policy implementation thanks in part to the absence of a true parliamentary opposition and the PAP's dominance of almost every aspect of the city-state's political, military and economic life. For example, following the global financial crisis, the government was able to quickly implement a stimulus package to boost Singapore's economy. In the period under investigation, the government implemented tighter regulations on the immigration of foreigners, and introduced higher stamp duties on property purchases by foreigners and companies in order to curtail rising property prices, which are in part driven by property speculation. Singapore has also implemented tight regulations on air pollution and traffic, making it one of the cleanest places in Asia. An example of this is the installation of the highly unpopular Electronic Road Pricing gates which charge drivers to use the road. These tolls, combined with the prerequisite of a Certificate of Entitlement for car-owners means Singapore is probably among the most expensive countries in the world to own a private car. However, despite effectively micromanaging many aspects, the executive has not carried out structural and qualitative changes in the political system in order to facilitate transformation toward a more open and participatory regime, as is the case in liberal democracies. This raises the concern that the unpopular implementation of policies leads to long-term resentment toward the government and thus might undermine stability in the future.

The Singaporean government responds to mistakes and failures by making changes. The city-state's administration shows a considerable degree of flexibility and learning capability in the area of market reforms. In addition, the government regularly seeks advice from financial experts and academics in order to implement good practices in the financial sector. The government canvasses and engages public opinion through several mechanisms, including via the Ministry of Communications and Information's feedback platform, REACH (Reaching Everyone for Active Citizenry at Home; previously the Feedback Unit, established in 1985). The political elite, however, continue to refrain from implementing democratic reforms. Furthermore, the extent or nature of incorporation of public feedback into policy agendas or output is not transparent. Political leaders show little political will to learn from past mistakes in order to facilitate democratic changes. Instead, the PAP believes its system to be the best in the world, and may even view it as a viable alternative to democracy. As such, the regime has attracted attention from many authoritarian regimes, including China, as a potential role model to improve one-party dominant

Implementation



Policy learning



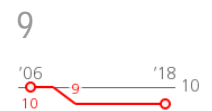
rule and avoiding democratic participation in politics. In sum, the government's projects cannot be considered as evidence of its learning process or commitment to democratic norms.

15 | Resource Efficiency

The Singaporean government makes efficient use of all available human, financial and organizational resources. The government's administrative personnel are highly professional. The existence of competitive recruitment systems and the high level of public sector salaries make the Singapore civil service one of the most efficient bureaucracies in the world. Consequently, the functioning of the administrative system is exemplary at every level of the Singaporean bureaucracy. Senior officers from the Singapore armed forces are regularly deployed in the administrative service as well as GLCs after their retirement, although this raises questions about civilian control (and at times, nepotism). In general, the Singaporean government makes efficient use of budget resources. The Auditor-General's Office (AGO), an independent organ of the state, annually audits government departments and presents its findings to the president and parliament, as well as the public through the annual reports of the auditor-general. In the period of review there was a growing budget deficit. In 2016, the AGO identified a number of lapses and inadequate financial controls in 11 government ministries which the government blamed on individual officers rather systemic weaknesses. The largest government-linked corporation, Temasek Holdings, under the direction of Ho Ching, the current prime minister's wife, continues to operate with questionable efficiency. Of particular concern is the limited transparency of the company. During the period of review, leaked cables suggested problems during the attempted leadership transfer at the company. Moreover, the reportedly indebted shipping company Neptune Orient Lines Ltd., which was once viewed as a strategic asset, was sold to French shipping company CMA CGM SA for approximately \$2.4 billion in cash.

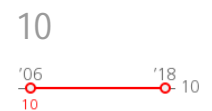
The government coordinates conflicting objectives effectively and acts in a coherent manner. The cabinet under the hierarchical leadership of Prime Minister Lee Hsien Loong handled conflicts over economic and social policies effectively and achieved policy coherence. The government promises that trade-offs between policy goals are well balanced. During the period under review, there were no visible frictions within the government. There are effective means of coordination between different departments of the state administration. The prime minister's office coordinates the activities of the ministries. For example, the National Security Coordination Secretariat (NSCS) and the National Population Secretariat (NPS), which are both located in the prime minister's office, respectively coordinate national security planning and intelligence issues, and the various government agencies involved in population-related issues. In addition, responsibilities within the government are ascribed in a transparent manner. Compared to other countries in the region, the

Efficient use of assets



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Policy coordination



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government's capability to coordinate conflicting objectives and interests is highly effective.

The Singaporean government is largely successful in containing corruption, and integrity mechanisms are in place and effective. Corruption in the civil service is by far the lowest in the region. Numerous safeguards and rigorous audit controls are in place in the city-state. The Corrupt Practices Investigation Bureau (CPIB) is incorporated into the prime minister's office and investigates corruption in the public and private sector. It derives its jurisdiction from the Prevention of Corruption Act that was enacted in 1960. However, the fact that the CPIB is subordinate to the prime minister's office has caused concern. While there were recently a number of high-profile corruption cases, the numbers declined in 2015 despite an increase in complaints. A former Singapore Technologies (ST) Marine financial controller pleaded guilty to corruption charges in February 2016. In July 2016, Singaporean officials seized \$177 million in relation to the 1MDB corruption scandal in Malaysia. On December 30, 2016, it was revealed that the CPIB was investigating the general manager and secretary of Ang Mo Kio Town Council, which is the constituency of the prime minister. The manager had already been asked to go on leave in September but no details relating to the reasons for the investigation were revealed. A potential problem for public accountability in Singapore is the lack of a Freedom of Information Act, which would allow Singaporeans to gain access to more information from the government. So far, the government has rejected demands to enact such a law. It has argued that releasing such information may not be in the national interest and would not necessarily improve governance. The extremely high salaries of ministers and high-ranking civil servants are increasingly criticized and viewed as legalized corruption. In addition, the strong affiliation between the ruling PAP and the state administration is viewed as problematic, especially with regard to the high salaries paid to the higher ranks of the administration. A high position within the ruling PAP increases the possibility of obtaining a lucrative job in the public service. Allegations of nepotism have often been met with defamation lawsuits, which often leads to public apologies being issued. According to Michael D. Barr "it is no secret that a dynasty has emerged as the ruling force in Singapore" around the Lee family.

Anti-corruption
policy



1

16 | Consensus-Building

With regard to political democracy, Singaporean political and social actors fail to reach consensus. The ruling PAP continues to refrain from implementing democratic reforms aimed at facilitating transformation. Instead, it maintains that liberal democracy as practiced in the West is unsuitable for Singapore's ethnically and religiously heterogeneous society. The government believes in an elitist form of democracy which only measures the degree of support for its policies. According to the PAP, while opposition parties are allowed to exist, they should not be elected because they threaten the stability of the system. Naturally, opposition parties have a

Consensus on goals



1

different perspective. However, opinion amongst the opposition is divided between those who support a liberal democracy such as the Singapore Democratic Party and the Reform Party, and those willing to accept a more hybrid arrangement (e.g., one in which opposition MPs help keep the government in line), like the National Solidarity Party or the Workers' Party.

In Singapore, all major political and social actors agree on the goal of a market-based economy. However, some environmental groups criticize the fact that green-friendly economic plans are overlooked in favor of projects which could be detrimental to the environment if they are successful. Some political parties such as the Singapore Democratic Party propose more social support systems. Nevertheless, despite increasing public discussion of rising inequality and costs of living, there is no politically relevant actor who can derail either the reform process or the expansion of the market economy. The government approved the purchase of rail assets by the Land Transit Administration (LTA) while rejecting the idea that this amounted to nationalization of the rail system. It argued that the assets were bought because the expansion, replacement and upgrades of the system might be too expensive for private operators.

With the ruling PAP controlling the parliamentary majority in Singapore, anti-democratic actors remain in full control of the government and reformers are powerless to bring about democratic reforms. During the period under review, the government has further limited the potential candidates for the presidential election, dashing the chances of the popular Tan Cheng Bock's (or other non-Malay candidates') contesting the election. Calls to increase the number of nominated non-constituency members of parliament (NCMP) are designed to reduce the need for elected opposition. While interest groups such as the military or local entrepreneurs have often played important roles as anti-democratic veto powers in neighboring countries (and still do), in Singapore these groups have been successfully co-opted by the political leadership and have a strong stake in the existing political system. Moreover, despite movement of leaders from military roles to elected office (after resigning from their military branch), the Singapore armed forces have remained professionalized and apolitical. In general, the ruling party sees itself as the only capable political party and presumes that any other party constitutes only a threat to the survival of the city-state.

While the Singaporean political leadership continues to contain cleavage-based conflicts in spite of the city-state's ethnic and religious heterogeneity, increasing immigration is leading to more frequent expressions of xenophobia and conflicts. During the period of review, the Singapore government managed to reduce the conflicts occurring as a consequence of the growing number of foreign workers. Singapore experienced its largest political protest in many years in 2013; the protest, centered around a government white paper on population that aimed for a substantial increase in the workforce via immigration, was attended by a few thousand

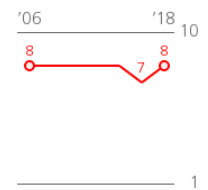
Anti-democratic
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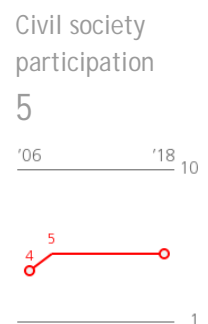
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Cleavage /
conflict
management
8

participants. The official announcements of curbs on foreign labor have reduced discontent somewhat. However, latent unhappiness prevails. Foreign workers who still live in precarious conditions are among those unhappy, even if the government has sought to mitigate the most serious problems. In 2013, Singapore also experienced its first riot since 1969, in Little India. The lack of similar incidents should not be seen to signify that a resolution has been found to the underlying problems.



The city-state’s political leadership only recognizes and accommodates the interest of civil society actors if they do not interfere with government policies. Laws pertaining to NGOs and other civil society groups continue to limit the space for civic activity. Any initiatives that foster a critical dialog among Singaporean citizens must register under the Societies Act and be overseen by the government. The government generally only engages with civil society groups that do not take an oppositional stance, which is characterized as politicizing an issue. In recent years, there has been growing political activism from more independent-minded civil society groups. Organizations such as the Nature Society or the women’s rights group AWARE have become more assertive and frequently engage the government through various means. However, they remain very small and have limited resources. Foreign funding is not allowed to organizations which have overtly political goals. While coalitions between civil society groups such as the Coalition of Singapore NGOs (COSINGO) in 2011 and the Alliance of Like-Minded Civil Society Organizations in 2016 have been established, they tend to focus on a single issue (in these cases making a report to the Universal Periodic Review, UPR). Moreover, as COSINGO shows, such coalitions have remained short-lived. Overall, the influence of organized civil society actors in the political process remains insufficient. On the other hand, the Singapore government does invite feedback from both the general public and from targeted segments and experts, whether through the Ministry of Communications and Information’s REACH, or through other ministerial or parliamentary consultative processes. Since 1990, the government has also invited a set number of activists (including from NGOs such as AWARE), community leaders, and others to serve as nominated members of parliament (NMPs). While NMPs lack full voting rights, they may participate in parliamentary debates; some have been among the most vocal parliamentarians.



The arrest of over 100 left-leaning opposition politicians in the 1963 Operation Cold Store, as well as the arrest of 16 people under the so-called Marxist conspiracy in 1987, have seen competing interpretations. The government claimed that those who were arrested under the Internal Security Act were Communists who wanted to destroy the country, while others rejected this version of history. The historian Dr. Thum Ping Tjin stated in a book launch in November 2013: “Were the Barisan and the other detainees of Operation Coldstore part of a communist conspiracy? No. No. No. No.” The issue of how to deal with this historical legacy gained prominence when in September 2014 the government banned the documentary, “To Singapore, With



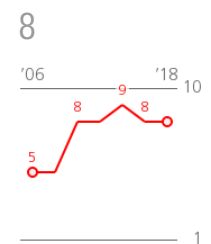
Love,” which documents the experience of political exiles. The government believes the film, which challenges the government’s narrative, is one-sided and claims that a screening would be against the national interest. The ban was met with “deep disappointment” by a group of 39 Singaporean artists. Another film, “1987: Untracing the Conspiracy,” surprisingly received the rating of R21, which meant it could be screened in Singapore to adults only. It was screened at the Freedom Film Fest in November 2015 and other venues subsequently. During the last decade, publishers, including those based in Singapore, have released an increasing number of titles, available for sale in Singapore, exhuming alternative histories, including of early left-wing initiatives and personalities. However, the government has thus far refused to open their archives in regard to these incidents.

17 | International Cooperation

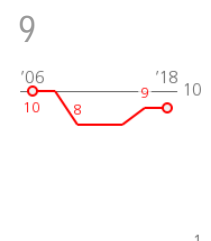
While Singapore collaborates internationally to further its domestic economic agenda, as a very highly developed country according to the HDI, it is not dependent on (financial) support from international partners. There are a few exceptions to this, such as Singapore’s dependency on water from Malaysia and sand imports from Myanmar (there are now attempts to import sand from Bangladesh). Sand is used in land reclamation projects and is vital for Singapore’s infrastructure projects. Singapore’s demand is, however, creating significant environmental problems for exporting countries. External advice with regard to the situation of human rights in the city-state is considered unwanted political interference. In October 2016, Singapore criticized a press release by the United Nations High Commissioner for Human Rights (OHCHR) which relayed observations by U.N. human rights expert Rosa Kornfeld-Matte on poverty among elderly Singaporeans. The government believed the press release had been one-sided and had failed to highlight Singapore’s achievements. In addition to this, the Singaporean government blocks every attempt by international organizations to facilitate democracy and civil rights in the country. It has also rejected U.N. criticism of jailing a teen blogger, Amos Yee, on charges of wounding religious feelings. Foreign support of any kind for opposition parties or independent online media is forbidden.

The Singaporean government is considered a credible and reliable partner by the international community. The political leadership remains engaged with the World Bank, the IMF, the Asian Development Bank (ADB) and other international institutions such as the WTO. Singapore is one of the five founding members of Association of Southeast Asian Nations (ASEAN). Professor Simon Shen believes that Singapore’s advanced economic development makes the country a “natural leader of the ASEAN.” Through the Singapore Cooperation Program (SCP), it provides technical assistance to developing countries around the world. However, Singapore has not signed or ratified international core treaties such as the International Covenant on Civil and Political Rights, the International Covenant on

Effective use of support

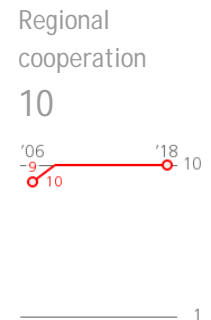


Credibility



Economic, Social and Cultural Rights, the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, or even the OECD Anti-Bribery Convention. The government argues that it will only sign treaties when it can fully and effectively implement them. This could be problematic, because in Singapore ratified treaties and conventions only become part of domestic law when they are specifically incorporated.

The Singaporean government actively and successfully builds and expands cooperative neighborly and international relationships and promotes regional and international cooperation. As such, it is not surprising that Singapore is one of five founding members of ASEAN, which is slowly evolving into a close-knit community. However, the rise of China is proving to be increasingly challenging for ASEAN as it reduces the potential for unity within the alliance. During the period under review, there have been a number of problems which arose from Singapore's attempt to be a regional leader and maintain regional cooperation. In April 2016, two senior Singaporean diplomats accused China of exploiting differences between members of ASEAN, which amounted to interference in internal affairs (a violation of ASEAN norms). China is seeking to shore up support for its territorial claims in the South China Sea, which are contested by Vietnam, the Philippines, Malaysia and Brunei. Some Chinese have also criticized Singapore's willingness to host US littoral combat ships. In November 2016, the Customs and Excise Department of Hong Kong seized nine of Singapore's Terrex infantry carrier vehicles, shipped from Taiwan. The Chinese government was upset about Singapore's military relationship with Taiwan – Taiwan has served the Singaporean military as a training ground for over 40 years – as well as Singapore's stance on the South China Sea. On January 25, however, it was announced that the equipment would be returned to Singapore and the Hong Kong government denied Chinese government involvement. This came just weeks before the meeting of the Joint Council for Bilateral Cooperation (JCBC) between Singapore and China, scheduled for February 2017.



Strategic Outlook

2017 will likely provide further insights about leadership transition in the PAP, including who will take over as prime minister, as there is not yet a chosen successor. Following the death of Lee Kuan Yew in 2015 and with no member of the Lee family willing to become the next leader, there is some uncertainty over who would be capable enough to provide leadership in the future. The massive landslide victory of the ruling People's Action Party in the 2015 general election as well, as its victory in a subsequent by-election, demonstrates that it remains extremely difficult for opposition parties to challenge the ruling party. The greatest challenge is likely to come from within the party, but to date there are few signs of disunity. 2017 will also see an election of the largely ceremonial role of president. As the candidates this time can only be Malay, and also meet very strict eligibility criteria, it is unlikely that a genuine contest will take place. All candidates - although it may be that only one candidate contests the election - are likely to be close to the ruling party. As a consequence, it is unlikely that the next president will act as a check on government power. However, the manipulation of the electoral process is likely to foster greater discontent within the population. The authoritarian nature of Singapore will continue to pose great obstacles for independent activism. As the government has been willing to use the law to avert any real challenge to its power, it is likely that further restrictions could be implemented to further minimize the possibility of political change. The economy will continue to be a challenge in the next year while growth remains sluggish. The economy is forecasted to only grow between one and two percent. In particular, the trading, finance and insurance sectors are likely to remain problem factors for the economy, while manufacturing and communications are in stronger positions. The election of U.S. president Donald Trump, who assumed office in January 2017, poses serious uncertainty for the city-state, as Trump ran on an anti-trade platform and immediately withdrew the United States from the TPP, of which Singapore is an avid member. Moreover, before Trump had assumed office, he had indicated his desire to change the U.S.-China relationship. Should his administration go through with such a shift, it could make it increasingly difficult for Singapore to position itself between the US and China. Coupled with the growing assertiveness of China in recent years, Singapore faces an increasingly urgent dilemma over how to remain a neutral middleman and perform its leadership function within ASEAN.