

Name of the Event: XXII International Economics Convention

Theme	Political Systems and Economic development
Topic	Singapore- A pecuniary paradox
Faculty-in-charge	Ms. Sudarshana Saikia Dr. Vinita Pimpale
Participants	Class
Adishree Aras	S.Y.B.Com
Amish Shah	F.Y.B.Com
Varsha Srinivasan	T.Y.B.Com
Amol Bhoir	S.Y.B.Com
Shyam Datye	S.Y.B.Com
Mihir Jain	S.Y.J.C.
Prizes won	
Overall trophy	First prize
Best Presentation	Runners Up
Best Paper	First prize
Best team contributor	Mihir Jain

Executive Summary:

“A wonder created out of a tear drop” is what Singapore is described as today compared to what it was in 1965 when it attained independence from the Malaysian Federation. The emergence of Singapore as an international economic powerhouse is a classic example of effectively using leadership for economic development. From its days as an obscure fishing village, and a small island at the end of a peninsula, Singapore has emerged from the tumultuous financial, social and political changes over the years to transform into the first-world metropolis that it is today. With a total land area of just 444 square miles and a small labor force under 3 million people, Singapore is able to produce a GDP that exceeds \$300 billion dollars annually, higher than three-quarters of the world.

Singapore is, in most respects, a textbook case of an open, small-state, free-market economy. Low tax, rule of law, respect for intellectual property rights, intolerance of corruption and a policy mindset to facilitate business and finance, rather than hinder them – all these things have been key to Singapore’s success, attracting unparalleled levels of inward investment and encouraging the development of some truly world-class industries.

The Singapore story is a fascinating challenge to time tested models of how democracy works. This city-state has undergone major transitions over the four decades of its existence as a sovereign state. It achieved sustainable economic growth because it used two parallel strategies of market liberalization and state developmental capitalism. With regard to state developmental capitalism, the government has had the vision to plan economic strategies for the long term. It has continually transformed its economy: it was

labor intensive in 1960; service-based and with a financial hub in 1980; by 2000 high technological industries dominated; and currently it is looking to be an investment center, with medical and nano-technological hubs. In achieving that, it was brave to abandon its old economic advantages, such as former British entrepots, low value added industries and financial service centers, in order to reach a higher position in the global chain.

The Singapore story also belies the convergence theorists who believe that all desirable characteristics of national development (democracy, free markets, higher standards of living, etc.) reinforce one another. While democracy in Indonesia after Sukarno and in Philippines after Marcos has caused even more economic uncertainty and overall poverty, it has been reign of an autocratic regime in Singapore that delivered economic development. Whereas Singapore's dire political and economic conditions in the early days are reminiscent of those experienced in many third-world countries today, the quick and decisive actions of its leaders throughout its development have rarely been matched elsewhere. The unusual effectiveness of the Singapore government implies the presence of a strong correlation between political and economic realities.

The question that arises is whether Singapore is an outlier or an Asian forerunner? Is it a unique case based on size, history and geography or is it a sort of lab where one witnesses 'en miniature' what Asia can look like when released from traditional bonds?

Singapore has many at times been described as an illiberal democracy, a hegemonic electoral authoritarian regime. The People's Action Party is the only party that has been in power in Singapore since independence. The impulse of the powerful few to shape the minds and lives of the many for good is timeless and universal. But what is remarkable about Singapore is the manner in which such power has been exercised hence making its unprecedented economic-political equilibrium worthy of a case study.