Modifying Culture to Advance Economic Development and Stimulate Growth: The Case of Singapore

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Abstract: Using Singapore as a case in point, this paper attempts to answer the question "Can a culture be modified to foster and stimulateeconomic development?" This study shows that social controls helped adeveloping country in creating political stability and social cohesion that allowed for rapid economic development but not without costs.

1. Introduction

Not many countries with diverse populations have succeeded in adjusting the attitudes of their people in a way that they could make rapid changes to conform to the requirements of modern technology and a competitive environment. Singapore is such a case in point. Japan, South Korea and the other Asian Tigers had more or less homogenous workforces that required little cultural adjustment.

2. Culture and Development: Literature Review

Singapore's success has been well studied as a development model for emerging nations.In the west economic development has focused on the need to 'accumulate' factors of production, that is, capital and labor whereas the Singaporean approach focuses on the 'existence of jobs' and their social and political ramifications. (Sung 2006)Much work has been done about the 'social engineering' in Singapore. Ackermann (1999) analyzed the social engineering of culture and religion in Singapore and how these policies were implemented through the schools. Kuah (1990) and others have studied the impact of imposing Confucian values on the multicultural population of Singapore and have suggested that this is not the right approach for the minorities.A research study *Routemapping culture and development*(Vincent, 2005) found that cultural activities werewidespread in development.

Culture influences development through a range of activities: literature, arts and music – as valued forms of cultural expression in themselves; economically rewarding activities, like tourism; attitudes and behaviors related to work, reward and exchange; traditions of public discussionand participation; social support andassociation; cultural sites of heritage andmemory; and influences on values andmorals. (Rao & Walton, 2004)Culture has been seen as a serious barrier to change and consequently to development. *Communication for Social Change,* an approach developed by the Rockefeller Foundation recognizes cultural identity and 'tradition' as important resources in people's self-directed change, rather than as problems. (Gumurcio-Dragon, 2001)

3. The Case of Singapore: Background

Founded as a British colony in 1819, Singapore progressed rapidly into a city state after independence in 1965. Today the city state has a total population of 5.18 million (including permanent residents, foreign workers). This is made up of Chinese 76.8%, Malays 13.9%, Indians 7.9% with remaining 1.4% considered as "Others". The religious breakdown is declared as 42.5% Buddhist, 8.5% Taoist, 14.9% Muslims, 9.8% Christians, 4% Hindus, and the remaining 15.5% as "others" or with no religion.Singapore consists only of one main island and 63 other tiny islands. Most of these islands are uninhabited.Singapore is among the 20 smallest countries in the world, with a total land area of only 682.7 square kilometers.Apart from Monaco, Singapore is the most densely populated country in the world, with 6,430 people per square

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kilometers.Singapore is one of the busiest ⁺ports in the world. One of the world's major oil refining and distribution centers, Singapore is a major supplier of electronic components and a leader in shipbuilding and repairing. It also became one of the most important financial centers of Asia, with more than 130 banks.Singapore has a superb communications network which links the nation to the rest of the world via satellite, 24-hour telegraph and telephone systems.Nearly 9 out of 10 Singaporeans live in public housing flats. 8 in 10 people in Singapore own cell phones. Telecom companies issue new numbers at the rate of 30,000 to 40,000 per month. The official languages are Malay, Chinese Mandarin, Tamil and English. Malay is the national language and English is the language of administration. "Singlish" is a Singaporean patois mixing English with the odd phrase of Chinese, Malay and Tamil. (Singapore Today, 2008)Singapore's per capita GDP is now (2012) the third highest in the world.

4. Building a Nation: Development

The challenges faced by Singapore upon being granted self-government in 1959 and the subsequent withdrawal of the British colonialists required Singapore to merge with the Federation of Malaysia in 1963. A difficult and painful birth of the nation upon being booted out of Malaysia convinced the founding leaders of the need to seek new and creative solutions to unique problems the country found itself facing in 1965. As a tiny island, Singapore was seen as an unviable nation state. The challenges were political, economic, social and educational. The Singapore government set about dealing with these issues and began forging a uniquely Singaporean nation with a multiracial and multicultural society quite distinct from its more or less homogenous neighbors Malaysia to the north and Indonesia to the south. A Minority Rights commission was set up and a policy implemented to foster ethnic and cultural diversity. (Lepoer, 1989)Deliberate policies were instituted to solve the economic, social, and national problems listed above. The government found it necessary, it claimed, to be a pervasive participant in all aspects of the activities of the nation. They felt that that authoritarian rule was necessary to promote political stability which in turn would lead to rapid economic development. This was ostensibly to ensure the survival of the nation state.

5. Managing Culture: Absolute Control

Since its independence, Singapore has been ruled by one party, the People's Action Party (PAP), which has adopted a highly controlled form of governance for 47 consecutive years. Political dissent is not tolerated and numerous mechanisms are used to prevent the rise of opposition parties and alternative leaders to the ruling party. These include use of legal structures meant to stifle political participation and seeking legal redress and heavy penalties for even small statements made by the opposition in public about the public matters and the civil administration. Defamation suits have been successful in silencing critics.Leadership has been closely held and passed from the first Prime Minister Lee Kuan Yew (1959-1990) to his son Lee Hsien Loong (since 2004) with an interim Goh Chok Tong (1990-2004) as part of detailed succession planning.

The government has been an active participant in the private sector in addition to exercising total control of the public sector. This was achieved by setting up "government-linked" companies (GLCs) some of which are monopolies. The biggest commercial vehicle of the Singapore government is Temasek Holdings which was established in 1974 and now has a diversified portfolio of US$193 billion. The second investment arm of the Singapore government is the Government Investment Corporation (GIC) which invests Singapore's foreign reserves totaling more than US$100 billion. (GIC Report, 2011)

Singapore's media environment is highly regulated. Censorship is common, internet access is regulated and private ownership of satellite dishes is not allowed. State-owned MediaCorp operates all seven free-to-air terrestrial local television channels licensed to broadcast in Singapore, as well as 14 radio channels. Radio and television stations are all government-owned entities. (Yeoh, 2005) Under the Newspapers and Printing Presses Act (NPPA), passed in 1974 and amended in 1986, the government can restrict (and does) without actually banning the circulation of any publication sold in the country, including foreign periodicals, that it deemed guilty of unfair reporting.

Singapore's education system was originally geared to meeting the needs of MNCs labor and skills requirements. The technocratic model requires students be "streamed" into various specialized fields and begins at an early age. Educational pathways are stratified according to ability and aptitude and this has resulted in the creation of a hierarchical and even elitist society. (Ng, 2005) The Education Ministry develops programs and structures educational institutions to deal with national issues. The purpose of this approach is "so that Singapore will be able to make maximum use of its human intellectual capital and compete internationally in an uncertain future." (Shanmugaratnam, 2002)

Public institutions set up and managed by the government ensure control of all public services run by seemingly autonomous statutory boards. These include the Housing and Development Board (HDB), Central Provident Fund (CPF), Public Utilities Board (PUB) Singapore Telecoms (ST), Singapore Bus ServicesTransit (SBS Transit), Port of Singapore Authority (PSA), Industrial Training Board (ITB), Family Planning and Population Board (FPPB), and the Islamic Religious Council of Singapore (MUIS). These worked to further the government's policies of centralized planning and served multiple political and economic goals. (Lepoer, 1989) Organized labor is managed and controlled by the National Trade Union Congress (NTUC) the head of which is a government appointed cabinet member. Labor, Government and Employer relations are managed by the National Wages Council.

Singapore has placed high priority on the need for social order and stability. The need for social cohesion was considered a necessity in a multi-ethnic environment with minorities originating from larger neighbors such as China, India, Malaysia and Indonesia. This required the implementation of "social engineering" programs. Government campaigns for social reform are a commonplace, there is strict censoring in all media, homosexuality remains punishable by jail and the state runs programs such dating services and encouragement of procreation by graduates. Prime Minister Lee has proclaimed "Social mores must not be corrupted and Singapore must remain a safe and wholesome society." (Yeoh, 2005) The government has consistently worked towards stimulating accepted social compliance with the use of financial incentives and disincentives as well as legal action and punishment.

6. Managing Culture: Positive Results of Autocratic Policies

The attempts of the Singapore government to transform the tiny island state from a struggling country were immensely successful. Since independence, Singapore's standard of living has been on the rise. Foreign direct investment and a state-led drive to industrialization based on strategic plans have created a modern economy focused on electronics manufacturing, petrochemicals, tourism and financial services. Singapore is today the 6th wealthiest country in the world in terms of GDP per capita. The small nation has foreign exchange reserves ofUS$171 billion. Singaporeans today enjoy a standard of living far beyond their imaginations. The nation is viewed around the world as a model of how a small economy without any natural resources can be transformed into a world class state when managed prudently and pragmatically with an efficient an honest government at the helm. Singapore's success has been attributed by Ghesquiere (2007) to the following growth enhancing institutions and culture: a highly efficient civil service, law and order provides a framework for stability and development,a high level of public integrity and social inclusion leading to political stability. Minority rights are protected and the state is resolute in sensitivity to ethnic-religious tensions.

7. Managing Culture: Negative Results of Autocratic Policies

Confucian ideology has been the basis of managing the culture of Singapore mainly because the majority of the population is ethnic Chinese (75%). "Confucianism has been seen as a tool for social engineering as well as an asset to promote economic development and modernization." (Kuah, 1990) This has been achieved through the education system and reinforced by restriction of political freedoms, management of ethnic multicultural policies, and economic control. The net result is that Singapore is placed rather low on the Democracy Index by The Economist's Economic Intelligence Unit (EIU). (Economist, 2012)In its Press Freedom Index, Reporters Sans Borders ranked Singapore 135th out of 179 countries surveyed for press freedom. (Press Freedom Index 2011)

The Singapore government itself has recognized that entrepreneurial spirit was lacking in the general population. This became apparent in the empirical survey The Global Entrepreneurship Monitor (GEM),

which is an annual assessment of the national level of entrepreneurial activity. Singapore has not fared well. (Bhasin, 2007) The best and the brightest technocrats have traditionally been identified, nurtured and recruited by the government. Research confirms that the public sector has absorbed too much local talent, and this has in turn has created a shortage in the private sector of innovative and creative individuals capable of assuming this role. (Chew and Chew, 2003) The government has continuously brought in 'foreign talent' and this today accounts for almost 2 million, in other words one in every three persons living in Singapore is a foreigner. (Wikipedia, 2012)The Singapore government officially acknowledged that the dearth of entrepreneurs is due to an over-emphasis on rigid, structured education, and this stifles creativity and risk-taking. Singaporeans fall short on individual initiative and rely too much on the government for help. They functioned well only as a group, not as individuals; they were not capable of being non-conformist or of standing out above the crowd. The fault lay in years of political and social conditioning by a top-down government, which was efficient but paternalistic. Everything was so structured that people did not need to fight for a living, and this blunted their ability to create. (Bhasin, 2007) The Singapore government has taken steps to foster innovation and creativity by reforming the education system to allow for greater autonomy and increased inter-school competition. More international educational institutions are being allowed into the country. Incentives are being provided for innovation in business and industry.

8. Conclusion

This study on Singapore shows that social controls can help newly developing countries in creating political stability and social cohesion that allows for rapid economic development. However the costs of such measures lead to the creation of a compliant society that lacks creativity and innovation, is risk averse in entrepreneurial activity and subject to talent depletion. The question that arises then is "What is the price the country is willing to pay?"

9. References

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