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When Singapore became independent in 1965, its economic and social conditions were poor and per capita GDP was US$519, only 13.5 per cent of the United States' and 77 per cent of Hong Kong's. By last year, Singapore's per capita GDP had galloped to US$52,960 (S$71,000), 92 per cent of the US' and 1.21 times that of Hong Kong. PHOTO: LIANHE ZAOBAO

What made Singapore tick: Soft options and hard rules

To go from Third World to the top of the world, Singapore went for 'soft' options – like changing mindsets – and hard rules, such as the Land Acquisition Act and congestion pricing.

Cecilia Tortajada and Asit K. Biswas

A modern-day traveller arriving in Singapore's Changi Airport will immediately realise that he is entering a special airport. It is one of the busiest in the world, serving some 380 cities in about 90 countries through more than 100 airlines. It handles more than 58.7 million passengers a year – that is more than six times the city's entire population. Very seldom does one have to spend more than 25 to 30 minutes from the time the plane lands, to clear immigration and customs, collect baggage and be on a taxi to one's destination.

For many travellers, introduction to Changi Airport is a proxy for the rest of their Singapore experience.

When Singapore became independent in 1965, its economic and social conditions were poor. Trade with Indonesia, a key trading partner, had declined due to Indonesia's strong opposition to the formation of Malaysia.

The economy further suffered because of the withdrawal of British troops during 1968-71. British military expenditure contributed to nearly 20 per cent of Singapore's gross domestic product (GDP) and 10 per cent of employment.

During the 1960s, Singapore's population growth was one of the highest in the world. Unemployment was widespread. The majority of the population was living in overcrowded housing without access to clean water, sanitation or proper waste disposal. At Independence in 1965, very few people thought Singapore would do well in the future, with a land area of 581 sq km, no natural resources and no perceptible comparative advantages.

Not surprisingly, in 1965, Singapore's per capita GDP was US$519, only 13.5 per cent of the US' and 77 per cent of Hong Kong's. By last year, Singapore's per capita GDP had galloped to US$52,960 (S$71,000), 92 per cent of the US' and 1.21 times that of Hong Kong.

TRANSFORMATION: WHY AND HOW THIS HAPPENED

The question then is, how did Singapore achieve this remarkable progress in such a short period?

Numerous experts have tried to explain this development. Our view is that this has been possible because of the highest leadership, starting with Prime Minister Lee Kuan Yew and his team. The fact that he was prime minister during 1965 to 1990 gave him time to transform his vision into reality.

Mr Lee had no dogmatic beliefs and was the ultimate anti-ideologue. Fiercely ambitious for Singapore's development, he guided its unprecedented economic and social growth for its people.

We were fortunate enough to meet Mr Lee. We had extensive personal discussions as to how Singapore became a global role model. In his own words: "We are pragmatists. We do not stick to any ideology. Does a policy work? Let us try it, and, if it does work, fine, let us continue with it. If it does not work, toss it out, try another one that may work."

Regrettably, we are not aware of similar political leaders elsewhere in the world. Leaders have become image-conscious and populist opportunists rather than honest pragmatists searching for the best alternatives for their countries. Mr Lee showed that forthright pragmatism is the antithesis of die-hard ideologies and political opportunism.

While visitors to Singapore may see its gleaming towers, excellent infrastructure and legal and governance systems, and a very safe and secure First World city without corruption, it was not so at Independence and several years after.

'SOFT' OPTIONS

An overwhelming majority of analysts now consider that Singapore became a modern, highly developed and liveable city because of its technological prowess. This was an important factor. However, an even more important factor was the series of "soft" options that Mr Lee enshrined in the collective psyche.

When we asked Mr Lee what was his greatest challenge to achieve Singapore's transformation within a couple of decades, he did not mention technological issues. He told us that the greatest challenge was to change the mindsets of Singaporeans who were very individualistic. They felt that it was their "God-given right" to do whatever they wanted and whenever they wanted.

At Independence, it was a common practice to spit anywhere and to answer the call of nature whenever or wherever one happened to be. Mr Lee made rules that were strictly enforced. People misbehaving were caught and fined heavily. When people realised that the Government was very serious, the mindset started to change. This gave rise to the standard joke: "Singapore is a fine country: you get fined for everything!"

Mr Lee did not have second thoughts on the appropriateness of measures taken to encourage people's behaviour. "I am often accused of interfering in the private lives of citizens... I say without the slightest remorse that we would not be here today, we would not have made economic progress, if we had not intervened on very personal matters – who your neighbour is, how you live, the noise you make, how you spit, or what language you use."

When in 2000, the BBC criticised Singapore's ban on chewing gum because it may take a toll on creativity, Mr Lee retorted: "If you can't think because you can't chew, try a banana!"

Singapore became a successful city-state by concurrently focusing on "soft" policy issues as well as other "hard" issues. Most analysts have ignored soft issues, including curbing corruption.

MERITOCRATIC GOVERNANCE

Another important reason for Singapore's success has been its meritocratic approach to governance. Its MPs are carefully headhunted like with major multinational corporations. Equally, its ministers receive salaries comparable to those of similar positions in the private sector. Mr Lee told us that to run a country efficiently and successfully, the best brains are needed. To attract and retain the best, they must be compensated fairly for their work.

His view was: "Amazingly, throughout most of the contemporary Western world, leaders in government require no special training or qualification. Many get elected because they sound and look good on television. The results have been unhappy for their voters."

We have advised several prime ministers and ministers in 19 countries. There is no question that Singapore's ministers are in a class of their own. They are invariably bright, intellectually and analytically superb, courteous, extremely efficient and approachable. All our extensive interactions with several Singaporean ministers have been very positive.

This highly competent and efficient political and administrative framework has enabled Singapore to be what it is today.

LAND USE PLANNING

Singapore's success has depended on its long-term land-use planning. Land is a very scarce resource. Accordingly, it must be used efficiently. A year after Independence, in 1966, the Land Acquisition Act was passed. This gave the Government the power to compulsorily acquire land for public development. It also regulated the compensation that could be given to landowners.

The Act was amended in 1973 to further expedite land acquisition, curb land speculation and limit costs. The new Act fixed compensation for the acquired land to its market value as of Nov 30, 1973, or at the time of gazette notification, whichever was lower.

In 1971, Singapore announced a seminal land use concept plan that outlined how the country may be laid out in the future. This 1971 Concept Plan has been updated regularly. Even now, after well over four decades, its essential features are discernible.

To ensure proper land use planning, between 1959 and 1984, the Government acquired 177 sq km of land which then comprised about one-third of its area. The Government became the biggest land owner by far by 1985, when it owned 76.2 per cent of Singapore.

The compulsory land acquisition and efficient use of land have meant that the costs of building houses, commercial and industrial premises and transportation infrastructure have remained reasonable. It has ensured that Singapore could institute proper long-term urban planning through its Urban Redevelopment Authority.

Good long-term land use planning and its strict implementation have meant Singapore has successfully avoided haphazard and ad-hoc development as seen in nearly all Asian cities. A building that is not within the plan simply cannot be built.

The 1971 Concept Plan ensured that all government agencies had a reference document which guided its various ministries to conduct and coordinate their activities. It laid the foundation for Singapore's urban development, including a central water catchment area, around which high-density satellite towns could be developed.

By the end of the 1980s, Singapore had undergone major transformations, including demographic changes, types of industrial development, changing perceptions and attitudes of the people and rising environmental awareness.

This resulted in the new long-term Concept Plan of 1991. This differed from the 1971 plan in several important ways. It had a decentralisation focus which established new regional commercial centres that were interconnected with transportation hubs. More land reclamation was planned so that seven small islands could be connected to create one large Jurong island, where industrial development could be concentrated. True to Singapore style, it was completed in 2009, well ahead of schedule. This 32 sq km artificial island is now the home of Singapore's petro-chemical and other industries.

URBAN CONNECTIVITY

Good urban connectivity was another important consideration. With increasing personal incomes, the demand for cars was expected to rise. It was thus essential that roads remain congestion free. This was achieved by developing a functional public transportation system with appropriate last-mile connectivity.

By 1990, it was apparent that the number of cars had to be restricted to ensure roads were congestion free. In 1990, a quota system for cars was introduced, requiring people to bid for limited numbers of certificates of entitlement to own a car. It was a bold, forward-looking scheme which very few, if any, political leaders anywhere dared to champion then, or even later.

Mr Lee explained his philosophy: "If we did not introduce the certificate of entitlement at the time when the public could not afford cars as much, you could not do it now without a big row because you can't get the people to give up their cars. But we did it when cars were few. Today, it is accepted as a fact. If you want roads to be free, you have got to pay for the right to use the road."

To manage road congestion, Electronic Road Pricing was introduced in 1998. It was again an innovative and bold policy that many outsiders considered to be somewhat draconian. Later, many cities started to follow in Singapore's footsteps by introducing road pricing in one form or another.

Singapore has steadily reduced the growth rate of cars in recent years. In February 2015, the rate of increase of new cars was reduced by half, from 0.5 per cent to 0.25 per cent. From next February and the rest of next year, growth rates of cars and motorcycles will be zero. This is because 12 per cent of land area is already taken up by roads.

To improve mobility and connectivity, the metro network has been expanded by 30 per cent during the past six years. More expansions of the metro system are planned, as well as improvements to the entire public transportation system.

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FOOD AND AGRICULTURE

In 1965, family farms were considered essential for food security. Some 20,000 farms, using 25 per cent of land area, produced 60 per cent of vegetables needed. Land, water and environmental constraints ensured that farming changed from traditional to high-tech and intensive.

In 1980, the Government decided that farming would no longer be subsidised. It should become fully commercial. In 1984, the policy was not to pursue food self-sufficiency because of land, water and environment-related constraints. Instead, Singapore would import from world markets and focus on producing food and services where it had competitive advantages.

Farmers who retired were compensated. Those who continued had to keep pollution within strict standards. This policy reduced the amount of land that was used for agriculture significantly. Pig farming, which produces massive animal wastes that could not be disposed of in an environmentally-safe way, disappeared by 1990.

By 2000, local production supplied only 1.5 per cent of poultry, 10 per cent of fish, 30 per cent of eggs and 6 per cent of vegetables. The rest were supplied through imports. The city-state further ensured that food supply would not be disrupted in the future due to unforeseen circumstances by diversifying the import sources. Singapore currently imports food from 160 countries.

WATER SECURITY

On the day of Singapore's Independence, Mr Lee told us Malaysia's Prime Minister, Tunku Abdul Rahman, had informed British High Commissioner Anthony Head that if "Singapore foreign policy was prejudicial to Malaysia's interests", Malaysia could "turn off the water in Johor". Mr Head promptly passed this on to Mr Lee.

When informed of this threat, Mr Lee asked three leading water experts to estimate annual rainfall, how much of this water could be stored and whether this would be enough to achieve self-sufficiency. This was the beginning of Singapore's quest to achieve self-sufficiency in water.

At Independence, Singapore had only three reservoirs. These stored less than 20 per cent of water requirements. It had two water treaties with Malaysia, one expiring in 2011 and the other in 2061, which would provide additional water needed.

Ever since the Tunku's threat, Singapore had been on a long quest for water security by steadily increasing and diversifying its water resources, reducing water demands for all uses, treating and reusing its wastewater and desalinating seawater. In the process, Singapore became a major research and development centre for urban water and wastewater management.

By 2010, Singapore had made enough progress in improving water management. It notified Malaysia that the 2011 water agreement would not be renewed.

Currently, Singapore has 17 reservoirs. It is making intensive efforts to ensure that by 2061, when the second water agreement with Malaysia expires, it will already be self-sufficient in water. It should be possible to achieve its goal.

THE FUTURE

Looking back over the past five decades, Singapore's performance has been absolutely remarkable. However, the future will not be an extension of the past. Like all cities, Singapore will have to navigate uncharted waters of an increasingly turbulent and uncertain world. Its success will depend on the policies that will be formulated in the coming decades and how relevant and successful they become.

As Mr Lee told us: "As you solve a set of problems, new ones appear. It is part of life." Again, quoting him: "At the end of the day, is Singapore's society better or worse off?" This will be the test Singapore will have to pass in the future.

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