

# Contents

---

<i>List of figures</i>	viii
<i>List of tables</i>	ix
<i>Preface</i>	xii
1 Introduction, themes and structure of the book	1
1.1 Introduction	1
1.2 Themes	4
1.3 Structure of the book	20
2 Foundations for growth	24
2.1 Geographic and demographic aspects	24
2.2 Political aspects	29
2.3 Politics and development: past, present and future	38
2.4 Major institutions	41
2.5 The foundations for sustained growth	49
3 The growth experience	51
3.1 Output growth	51
3.2 Input growth and their contributions to growth	55
3.3 The TFP debate	58
3.4 Capital–output ratios as estimates of efficiency	66
3.5 TFP and future growth	68
3.6 Consequences of the TFP debate	70
4 Structural change	72
4.1 Composition of expenditures	72
4.2 The generation and use of national saving	79
4.3 Explaining the increase in the saving rate	81
4.4 The future of saving rates	86
4.5 The CPF system and saving	87
4.6 The CPF and the adequacy of private saving	91
4.7 The future of the CPF	94
4.8 Structural change in production	95
4.9 The manufacturing sector	96
4.10 The future of manufacturing	101
4.11 The services sector	103
4.12 Factor incomes and structural change	103
4.13 Change in occupational structure	105

5	Monetary, financial and fiscal aspects	108
5.1	Singapore's monetary system	108
5.2	The future of the Singapore currency	110
5.3	The future of money in Singapore	111
5.4	Financial sector	113
5.5	The future of banking	117
5.6	Fiscal features	120
5.7	Government financial accumulation	131
5.8	Fiscal future	131
5.9	Implications	133
6	Development indicators and welfare	134
6.1	Indigenous GNP per capita	135
6.2	Human development	136
6.3	Stress	140
6.4	Crime	141
6.5	Education	143
6.6	Health	144
6.7	Environment and leisure	146
6.8	Income inequality	147
6.9	Is Singapore a developed country?	153
7	Trade, trade policy and growth	159
7.1	Dependence on trade	160
7.2	Dependence on foreign resources	169
7.3	Vulnerability to external shocks	175
7.4	International competitiveness	179
7.5	Singapore's trade policy	185
7.6	Growing a second wing	188
7.7	Restructuring the external sector	190
7.8	Open regionalism	195
8	International finance and growth	203
8.1	The balance of payments	204
8.2	Exchange rates and exchange rate policy	211
8.3	The Singapore dollar and international competitiveness	217
8.4	Are Singapore's reserves too high?	223
8.5	Singapore as an international financial centre	230
8.6	The internationalization of the Singapore dollar	234
8.7	Monetary integration in Asia?	238
9	Back to the future: continuity or real paradigm shift?	244
9.1	The recent recessions	244
9.2	The present is the past again	248
9.3	The 2001 recession is different but the policy reactions were the same	249

9.4	A paradigm shift?	251
9.5	The political future	257
9.6	Regulation not control	258
9.7	Supervision not regulation	259
9.8	Personal saving problem	260
9.9	Services not manufacturing	261
9.10	Foreign talent and foreign firms are welcome	263
9.11	'Education, education, education'	264
9.12	From rationalization to globalization	266
9.13	A developed country at last?	268
Appendix A Statistics and sources		272
Appendix B Singapore election systems: results and implications		276
Appendix C Suggestions for further reading		281
<i>Bibliography</i>		287
<i>Index</i>		320