

Case study: How has Singapore changed?

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Until the 1960s, Singapore was a low-income country with an average income of just \$320 per capita. Today it is one of the world's fastest growing economies, with an average income of over \$60,000 per capita. How did such a dramatic change happen, and could it be a model for other low-income countries to follow?

For over 100 years, Singapore was under British control as a colony in the British Empire. It was a small territory whose economy relied on being a port on a busy trade route (photo **B**). The country gained independence from the UK in 1965, but it had a very high unemployment rate and most of the population was poor.

After independence, the new government decided to develop manufacturing industries. There was little industry in Singapore at the time and people lacked experience or skills, so the country had to attract investment from multi-national companies. The government wrote strict new laws to make the country safe and corruption-free and with low taxes, to help attract companies.

The new laws, together with having its own port, meant that Singapore was an ideal location for the manufacturing industry. The country also invested money in education, so that its workforce became better qualified. In the 1970s, Singapore manufactured and exported textiles, clothes and basic electrical goods. By the 1990s, it was specialising in such areas as pharmaceuticals, advanced electronics and aerospace engineering.



B: Singapore in 1920



C: Singapore today

Today, Singapore has the world's second busiest port (photo **C**). There are now over 3000 national companies working there and the country trades with countries all around the world. People in Singapore have an average life expectancy of 83.7 years - higher than the USA or the UK. It is one of the best places in the world to live and work - although there are strict rules that people must follow to protect the environment.