

Singapore: State capitalism produces outstanding Political and Economic Value

Singapore ranks second in elite Value Creation among the 151 countries covered by the EQx2023. Although Singapore no longer tops the EQx ranking, as it did in the previous three years, it continues to produce outstanding Political and Economic Value for its citizens, suggesting that its state capitalist model has successfully shaped Value Creation by its very high-quality elites. Singapore emerged from the COVID-19 pandemic relatively unscathed, with a relatively robust economy. 2022 was a year of record earnings for its largest banks.

In the EQx2023, Singapore's elites have a high degree of Political and Economic Power (Power Sub-Index, rank # 23), although this is markedly lower than in the previous year (EQx2022, rank # 14). Nevertheless, this still suggests that elites in Singapore have considerable control and coordination capacity and, thus, the potential for Value Extraction. Singapore's elites score moderately highly for Political Power (i, rank # 22), performing exceptionally well for *Political corruption* (COR, i.1, rank # 2), *Control of corruption* (i.1, rank # 1), *Government's responsiveness to change* (RTC, i.1, rank # 1), *Regulatory quality* (REQ, i.2, rank # 1), and *Regulatory enforcement* (REN, i.2, rank # 1). These Indicators suggest that Singapore's government is committed to and successful at encouraging a transparent, fair, and open free market economy, a trend that has been consistent since modern independence in 1965.

Singapore's overall EQx2023 ranking appears to have been most impacted by its Economic Power score (ii, rank # 25, down from rank # 9 in 2022), ranking lower on *Coalition Dominance* (ii.4, rank # 7), *Firm Dominance* (ii.5, rank # 145), and *Creative Destruction* (ii.6, rank # 18) than in previous years. Recovering from the COVID-19 pandemic, which has had particularly significant impacts on Singapore's open economy, elites have nevertheless still contributed to a vibrant economy by continuing to score highly in the *Economic Complexity Index* (ECI, ii.4, rank # 5), low number of *Criminal actors* (CRA, ii.4, rank # 5), *Venture capital finance* (VCK, ii.6, rank # 5), and *Venture capital availability* (VCA, ii.6, rank # 4).

Singapore continues to dominate through its excellent performance in the Value Sub-Index (rank # 1), ranking first in elite creation of both Political and Economic Value. In terms of Political Value, Singapore's elites excel in areas such as *PISA mean scores* (PIS, iii.7, rank

1), *Online Service Index* (OSI, iii.7, rank #5), *Network Readiness Index* (NRI, iii.7, rank # 2), and *Global Cybersecurity Index* (GCI, iii.8, rank # 1). Singapore's elites have also created social conditions that have encouraged low Death rates from substance abuse (SUB, iii.8, rank # 1), low numbers of *Battle-related deaths* (BRD, iii.8, rank # 1), fewer *Criminal markets* (CRM, iii.9, rank # 5), low Natural resource rents (NRR, iii.9, rank # 1), and a high *Municipal Waste Recycling Rate* (MWR, iii.9, rank # 3).

Once again, the contribution of Singapore's elites to Political Value is mirrored by its top-ranking for Economic Value (iv, rank # 1). This excellent score is reflected across a wide range of diverse Indicators, including the *Health Efficiency Index* (HEI, iv.10, rank # 1), affordability of food in the *Global Food Security Index* (FSA, iv.10, rank # 2), and *Labor productivity growth* (LPG, iv.12, rank # 6). State capitalism in Singapore has also maintained excellent economic outcomes for *Nr. of patent applications* (PAT, iv.10, rank # 6), *Inward FDI* (FDS, iv.10, rank # 1), *Economic globalization* (EGL, iv.10, rank # 1), *Trade freedom* (TRF, iv.10, rank # 1), *Unicorns per 1 million people* (UNC, iv.11, rank # 3), and *Billionaires self-made nr. per 1 million people* (BSG, iv.11, rank # 1). These Indicators suggest that elite Value Creation in Singapore is very much shaped by being a small nation-state with few natural resources and its government's commitment to maintaining an open and competitive economy.

State capitalism in Singapore has facilitated these outstanding outcomes by encouraging economic openness in combination with high levels of political and social control, as indicated by its lower rankings for *Press freedom* (PFD, i.1, rank # 117) and the *Academic Freedom Index* (AFI, i.3, rank # 120), along with high levels of inequality, as indicated by the two indicators for *Gini coefficient on net national wealth distribution* (GWL, i.1, rank # 95; GWC, i.1, rank # 148). Nevertheless, the EQx2023 reveals that state capitalism in Singapore continues to shape excellent elite contributions to Value Creation. Much of this relies on the mediating role played by the government in creating growth through economic openness and transparency while providing generous social and communitarian returns.

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Singapore

EQx2023 Country Scorecard

Population **5.5 million**
 GDP (nominal) **397 billion USD**
 GDP per capita **72,794 USD**



Level 1 – Index

EQx Rank / 151
2

EQx Score
67.1

NextGen VCB Rank
Rank 29

Very High Quality Elites

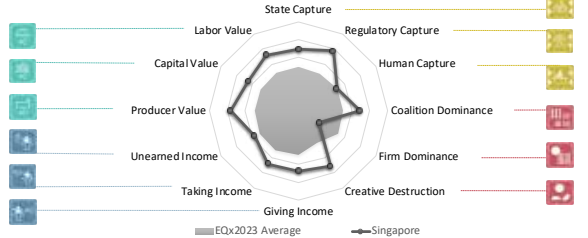
Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices			
Power	Value	Rank / 151	Score
23	63.1	1	69.0

EQx Index Areas							
Political Power (i)		Economic Power (ii)		Political Value (iii)		Economic Value (iv)	
Rank / 151	Score	Rank / 151	Score	Rank / 151	Score	Rank / 151	Score
22	67.9	25	60.7	1	65.0	1	71.0

Level 3 – Pillars

	Rank / 151	Score
Political Power (i)		
State Capture	20	69.4
Regulatory Capture	18	78.1
Human Capture	76	49.9
Coalition Dominance	7	69.0
Economic Power (ii)		
Firm Dominance	145	26.7
Creative Destruction	18	71.6
Political Value (iii)		
Giving Income	1	67.6
Taking Income	3	68.5
Economic Value (iv)		
Unearned Income	36	56.7
Producer Value	1	76.0
Capital Value	6	65.4
Labor Value	3	72.3



Level 4 – EQx Indicators

	Rank / 151	Score
State Capture (i.1)		
COR Political corruption	2	91.3
COC Control of corruption	1	100.0
OPG Open government	32	65.3
RTC Government's responsiveness to change	1	100.0
EPR E-Participation Index	3	98.2
PFJ Press freedom	117	29.9
NJK Nr. of journalists killed per 1 million people (2yrs avg.)		
PDE Political decentralization	33	68.3
ADE Administrative decentralization	26	77.5
PGL Political globalization	95	42.1
WPI Women's Power Index	83	41.1
MOB Social mobility (upward) (dev. fm optimum)		
INE Top 10% share of pre-tax national income	15	85.7
GWL Gini coefficient on net national wealth dist. - level	95	54.7
GWG Gini coefficient on net national wealth dist. - 3-year growth	148	24.3
GIL Gini coefficient on income dist. - level		
GIC Gini coefficient on income dist. - 1-year growth rate		
Regulatory Capture (i.2)		
ECR Ease of challenging regulations	12	84.4
CGP Constraints on government power	29	69.2
REQ Regulatory quality	1	100.0
REN Regulatory enforcement	1	100.0
PRI Property rights	12	90.5
CRO Crony capitalism	56	29.0
INO Informal output as a % of GDP	6	91.0
Human Capture (i.3)		
GSI Global Slavery Index	64	59.3
FDP Forcibly displaced population as % of population	25	56.5
HRI Human Rights Index	54	57.0
AFI Academic Freedom Index	120	11.5
GRI Religion - Government Restriction Index	134	13.3
LIN LGBT+ inclusiveness	82	41.0
WSB Women self made billionaires	6	69.9
WBL Women, business and the law	65	57.4
WMA Proportion of women in senior and middle mgmt positions (
Coalition Dominance (i.4)		
IEE Top 3 industries exports as % of exports	81	50.4
IEO Top 1 industry exports as % of exports	88	50.5
IVA Top 3 industries as % of VA	88	27.2
HHI Domestic market diversification	42	65.4
ECI Economic Complexity Index	5	98.4
PUE Public employees as a % of total employment	2	80.3
MIL Military expenses as % of GDP (dev. fm optimum)	98	49.6
UNI Unionization rate (dev. fm optimum)	80	48.8
BSN Barriers in service & network sectors		
CRA Criminal actors	5	95.2
Firm Dominance (i.5)		
SME SMEs per 1,000 people		
FAM Family business revenues as percentage of GDP	28	35.1
BIW Billionaires' wealth as % of GDP	147	1.0
FKG Top 10 firms market cap as % of GDP	65	41.7
FRG Top 3 firms revenues as % of GDP	64	12.0
FRR Top 30 firms revenues as % of GDP	47	21.5
Creative Destruction (i.6)		
ENT Entrepreneurship	23	75.2
GSE Governmental support to entrepreneurship	39	52.7
VCK Venture capital finance	5	86.6
VCA Venture capital availability	4	99.8
RND R&D as a % of GDP	18	77.8
EXR Firm exit ratio		
BCD Billionaire's creative destruction	48	48.2
IWE Index of Women Entrepreneurs	16	68.3
Giving Income (i.7)		
LEW Life expectancy women	8	84.6
LEM Life expectancy men	6	89.2
VAX COVID-19 vaccination rate	70	43.7
COM COVID-19 mortality rate, age-adjusted	70	60.9
COF COVID-19 fatality rate, age-adjusted	4	61.2
COV COVID-19 excess deaths, age-adjusted	30	61.8
CLS COVID-19 lost schooldays	34	74.9
SCI UHC Service coverage index		
PTR Pupil:Teacher ratio	37	68.2

	Rank / 151	Score
Capital Value (i.10)		
EDU School life expectancy	21	74.5
PIS PISA mean scores	2	97.6
UNV Top universities	22	48.8
GEE Government education expenditure	124	25.9
OSI Online Service Index	5	88.6
NRI Network Readiness Index	2	97.6
INT Internet access	19	71.6
FSQ Global Food Security Index - availability, quality & safety	20	75.1
GPS Expenditure on general public services as % of GDP (dev. fm	52	42.0
GEX General government expenditure as % of GDP (dev. fm optir		
SNT Subsidies and transfers as % of expenses	20	77.5
REG Regional redistribution as % of government budget	39	69.9
Substance Use (i.11)		
SUB Death rates from substance use per 100,000 people	1	100.0
BRD Battle-related deaths per 100,000 people	1	54.2
HOM Homicide rate	10	57.6
SUI Suicide rate per 100,000 people	107	43.8
DTR Tax revenue as % of GDP (dev. fm optimum)	31	70.6
DCT Corporate tax rate (dev. fm optimum)	111	39.4
DPS Delta public vs private sector salaries		
FDE Fiscal decentralization		
GCI Global Cybersecurity Index	1	100.0
GEM Gender education gap (dev. fm optimum)		
Criminal Markets (i.12)		
CRM Criminal markets	5	93.1
DBT Government debt as % of GDP	141	0.0
NRR Natural resources rents as % of GDP	1	100.0
GPA Green patents	17	88.7
EPI Environmental Performance Index	34	67.1
DER Deforestation Rate	12	57.0
FUS Fertilizer usage kg per hectar	135	0.0
TLP Terrestrial land protected	129	23.0
CDO CO2 emissions (metric tons per capita)	133	29.6
AIR Air quality index	32	64.7
HAZ Hazardous Waste per capita	70	52.4
WPC Waste collected per capita	95	33.5
MWR Municipal Waste Recycling Rate	3	94.5
FIS Fishing consumption as % of population		
MET Red meat consumption kilograms per capita		
Patent Applications (i.13)		
PAT Nr. of patent applications per 100,000 people	6	67.4
FBH Financial burden of healthcare	80	55.6
HEI Health Efficiency Index	1	100.0
DMS Density of medical staff	50	53.9
FSA Global Food Security Index - affordability	2	80.9
BFS Inward FDI as a % of GDP, Stock	1	100.0
Barriers to FDI (i.14)		
BTF Barriers to FDI	35	60.4
OFB Open for business	15	76.1
EGL Economic globalization	1	100.0
TRF Trade freedom	1	100.0
IPM Share of imports targeted by protectionist measures (flow)	57	46.2
IPS Share of imports targeted by protectionist measures (stock)	25	72.9
DGI Share of discriminatory government interventions as % of totc	62	64.8
DGS Share of discriminatory government interventions as % of totc	130	25.8
Capital Value (i.11)		
DOI Inflation (dev. fm optimum)	36	57.8
DEF GDP deflator index growth rate (dev. fm optimum)	48	56.9
DNI Neutral interest rate (dev. fm optimum)		
FMI Financial Markets Index	21	85.2
GFC Gross capital formation	65	50.4
DMA M&A as % of investment - 3 yrs rolling avg. (dev. fm optimum)	65	35.6
GOL Gold demand as % of GDP	9	49.6
UNC Unicorns per 1 million people	3	96.4
BSG Billionaires self-made nr. per 1 million people	1	100.0
BSM Billionaires self-made as % of total billionaires	42	43.0
Labor Value (i.12)		
LPG Labor productivity growth	6	64.7
WLP Delta real wage vs labor productivity increases		
LFP Labor force participation rate	22	75.5
LFM Labor force participation ratio - male vs female	77	56.8
UEM Unemployment rate	28	68.8
YUN Youth unemployment rate	37	69.0
BRN Human flight and brain drain	11	93.5

The Elite Quality Report 2023 (EQx2023) provides Country Scores and Global Rankings for 151 countries
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