

### *Analyze globalization's impact on Singapore's development.*

“A developed country is one that allows all its citizens to enjoy a free and healthy life in a safe environment.” These are the wise words of Kofi Annan, former Secretary-General of the United Nations. Thus, there are a set of tangible criteria to help determine the development of a country, of which economic criteria tend to dominate, with indicators such as the Gross Domestic Product (GDP) as well as other social and security needs of the people, with the recent Human Development Index (HDI) which measures overall well-being of the people. So, with the recent phenomenon of globalization becoming ever more widespread in our society today, there is no doubt that it has impacts, both positive and negative, on the development of Singapore as a country these past few years. Globalization, broadly speaking, refers to the integration of economies and societies through cross country flows of information, ideas, technologies, goods, services, capital, finance and people resulting in greater interdependence. Thus, the essence of globalisation is connectivity. To some, globalisation serves as a blessing for the development of Singapore as it represents a brave new world with no boundaries; for others, globalisation spells doom and destruction for Singapore's progress.

Firstly, globalization has enabled Singapore to have high economic growth and a stable economy for more than fifty years. From our humble beginning as a small fishing village, economic globalization has played a key role into transforming Singapore into the busy metropolitan city it is today. One move by the Singapore government during the early beginnings of the country was to allow free trade in Singapore, especially when the port was located in such a strategic location of the Straits of Malacca. In Singapore, there are no import tariffs imposed upon trade and this has enabled collective benefit both for us and for other countries. The liberalization of trade has opened Singapore up full-fledged, to globalization, and this has allowed Singapore to reap the benefits as well. When no tariffs are imposed on goods from other countries, it means lower prices for consumers. According to the Law of Demand, when the price of goods fall, there is increased demand for those goods. When demands increase from abroad, industries will respond to the demands by reducing costs and increasing efficiency. Even though reducing production costs will lead to a reduction in the supply of the product as the industries earn less from that product and make less of it, however, overall, there is increased productivity and greater trade brought about. Since trade is a form of globalization through global exchanges, thus an increase in trade will lead to increased globalization, which will bring about greater economic growth for the country. Evidently, globalization has brought about many benefits to Singapore's development as such. Our economy has grown 125 times from \$2 billion 50 years ago to \$250 billion today, and credits go to free trade for bringing about an expansion in such exchanges, which boosted our economy. Also, our trade-oriented growth strategy has yielded relatively high GDP growth, and our current GDP of 0.944 is indicative of our well-developed economics sector.

Moreover, the signing of free trade agreements is a form of opening up to positive globalization. The rapid pace of globalization is confirmed by statistics for international trade and investment. In parallel with this move towards globalization, Free Trade Agreements (FTAs) has enabled greater economic development for many countries, Singapore notwithstanding. It has enabled trade creation among countries bound by the agreement and thus has resulted in the expansion of markets of countries. For example, the signing of the ASEAN Free Trade Agreement has created a larger regional market and integrated economies of ASEAN countries. Also, with increased globalization, there is also increased flow of investment. This is advantageous to Singapore's development as it means that more Multi-National Corporations (MNCs) would want to expand and set up companies in Singapore. This will boost the economy of Singapore as when more companies are willing to invest in Singapore, especially due to our strengths like competitive workforce and strategic location, it will result in greater influx of capital. It will also result in a creation of jobs for the people, boosting employment rate and generating revenue for both the country and the individual. Take for instance, the chip used in the latest PlayStation3 and Xbox. A French semiconductor company, Soitec, is investing \$700 million to set up in Singapore its first offshore facility to make the wafer for this chip. The wafers involve alternating layers of silicon and insulator, unlike conventional wafers which use silicon throughout. Soitec is coming here because its technology has to be well-protected, and we are the only country in Asia that they trust well enough to set up their first

manufacturing campus outside of France. Thus, positive development is a sure thing with globalization. Furthermore, since in the modern day context, money is a key indicator of happiness, thus, Singapore's development can be mirrored by the happiness of the people with their monetary needs fulfilled.

However, the development of Singapore's society cannot be predicated on pure economics alone. Even though globalization has enabled Singapore to fare well in economic development however, termed the perils of success, globalization has brought about undesirable problems for Singapore. As globalization intensifies, it showers prosperity on the richer half of society at the expense of the poorer half. As such, the phenomenon of "The rich getting richer and the poor getting poorer" starts to emerge. Thus, this widens the income per capita gap between the poor and the rich, creating a great disparity. This disparity is evident by our high Gini coefficient of around 42.5, one of the highest in the world in terms of income inequality, much higher than other countries in Asia including China, Malaysia and the Philippines. Does this reflect the lack of all-rounded development due to globalization in Singapore?

On the other hand, the Gini coefficient is not a reliant indicator because it does not capture efforts to reduce the impacts through community support like the Many Helping Hands approach and through families. Moreover, since the world is opening up to globalization, it is unwise to choose not to globalize at the expense of stopping our income equality gap from widening. After all, globalization has prepared our country for long term sustainability. With increased pace in globalization, it has allowed much flow of foreign talent to Singapore. This foreign talent helps us ensure that we're continually up to pace with the rest of the world, and increased flow of information ensures that vital information is constantly updated. This translates into Singapore having a top-notch education system, preparing our young to be world-ready, entrepreneurial and internationally mobile, a move that cannot be possible without globalization. Medical facilities in Singapore are also first class as globalization helps us receive latest updates on cures for many diseases and also to share information with the rest of the world. This liquidity and interdependence is key to maintaining high class facilities in Singapore, and with these facilities, together with our excellent standard of safety and political stability, more foreign talent will be attracted to Singapore, thus repeating the cycle again. Moreover, the good medical facilities have enabled Singaporeans to live longer and healthier lives. With an affluent lifestyle, people are able to afford medical treatment for diseases as well. In 1955, the life expectancy in Singapore was a mere 55, but our life expectancy has since then risen to 80, a whole 25 more years. And with continuing advances in health care and medical science all over the world, aided by globalization, we can expect to live to 90 in the near future. Thus, globalization has positively impacted Singapore's development in terms of our social well-being.

Furthermore, globalization has improved the quality of life in Singapore and this is an undeniable fact. With people more willing to embrace change for the better and greater upward mobility, the standard of living in Singapore has improved by leaps and bounds in the last fifty years. In 1959, thousands of Singaporeans lived in slums and squalor. Today, more than 90% of Singaporeans own their own homes, with electricity and modern sanitation. Globalization within the country has also brought about much happiness for the people. With the introduction of the Mass Rapid Transit (MRT) as a form of transportation, it's no wonder that people can get from one end to the other end of the island in an hour. This has enabled comfort, convenience and congestion-free travel and punctuality of services for many Singaporeans. The idea of MRT came about as the USA, China and Japan had begun to use their own similar train systems long before Singapore and thus Singapore adopted the idea to enhance connectivity and to keep in pace with globalization around the country. Thus, globalization has indeed impacted Singapore positively in more ways than one. Another source of evidence for this would be the Human Development Index (HDI) of Singapore, which has rose 0.68 annually from 0.785 in 1980 to 0.944 in 2007. This reading beings general human development in the country: living a long, healthy life, being educated and having a decent standard of living and Singapore ranked 23 among 128 other countries, showing our rather all-rounded development.

All in all, I feel that globalization has had a positive impact on Singapore's development as the development of Singapore has generally been holistic and multi-faceted. In the last fifty years, we have developed so much, especially due to globalization, getting rid of squalor and poverty, emerging with first-world standards of living. These are achievements that we should be justifiably proud of. However, even though many challenges more daunting than before have also emerged, there is no other direction to move than onwards. It is impossible and inevitable to be swept away with the currents of globalization, and it is very essential too because globalization, as seen above, can indeed bring about many advantages. On the other hand, problems that emerge like income disparity are also inevitable and approaches should be taken to reduce the impacts of these problems. Therefore, Singapore will have to balance all its competing interests and continue globalizing for long-term sustainability.

(1704 words)