

Name \_\_\_\_\_

Date \_\_\_\_\_

Period:

Free market policies in Singapore [Don't Copy The Title! Your Words!]	How is this policy helping the economy?


After activity question: Which free market policy do you think helped Singapore the most?

**Closing Questions:**

### Document 1: Personal Income Taxes

Singapore has some of the lowest income taxes in the world. While the average American gives up over 33% of their salary to taxes, the average Singaporean citizen gives up less than 15%.

While this is great for individuals, this is also beneficial for the economy as a whole. With more money in their pockets, people in Singapore are more likely to spend money. That money goes to businesses, which are now making more profits. When businesses make more profits, they grow and hire more workers/ increase the wages of their workers. Those workers now are making more money, and the cycle continues.



### Document 2: Corporate Taxes

Singapore has some of the lowest corporate [large businesses] taxes in the world. In America, large corporations give up 39% of their profits to taxes while in Singapore they only give up 17%.

This has made it easier for large companies to grow in Singapore.

But more importantly, this has made Singapore a very attractive location for foreign investors. Hundreds of foreign companies have set up offices in Singapore, because of the tempting low taxes. These companies employ thousands of Singaporean citizens and generate massive revenue for the country.



### Document 3: Business Permits

Every business requires permits from the government to open. Most of these permits are to promote safety standards such as fire prevention, or pollution reduction. While the intentions are noble often these permits cost valuable time, money and resources to acquire which starting businessmen often do not have.

Singapore has some of the most relaxed permit requirements in the world. It takes less than three days on average to acquire business permits in Singapore, while in some countries it takes over 200. Because of this, more businesses can open and more people can be employed in well paying jobs, improving the economy.



#### **Document 4: Regulations and restrictions**

In every country businesses have restrictions/ regulations to promote safety and fair business practices. For example, In America by law day care centers must have first aid kits in case of medical emergency. As another example, by law restaurants cannot have more than a certain number of people inside [depending on the size] in case of a need for an evacuation. Some businesses have thousands of regulations they must follow, or else be closed down by the government.

Singapore has eliminated most business regulations to make it easier for businesses to thrive [succeed]. On average, a business in Singapore will have half the number of regulations when compared to an American business.



#### **Document 5: Regulatory agencies**

America has thousands of government agencies who are responsible for regulating businesses. From the Food and Drug Administration (FDA) to the Environmental Protection Agency (EPA). These agencies are big, difficult to navigate and expensive.

Not only do these cost America billions of dollars in taxpayer money to operate, but they often provide extra hurdles for businesses, making it difficult for them to succeed. For example, A drug company can't sell a new type of medicine without the approval of the FDA, which often takes years.

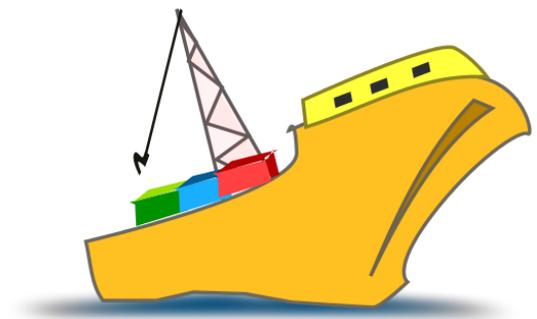


Singapore has solved both of these problems by eliminating or scaling back most of their regulatory agencies. Not only does this save billions in taxpayer dollars, but it makes it easier for businesses to operate and succeed.

#### **Document 6: Tariffs**

A tariff is a tax imposed by the government on anything made in a foreign country. The purpose of tariffs is to protect businesses in your home country. Under tariffs foreign goods are more expensive, so people are less likely to buy foreign goods and more likely to buy domestic goods.

Singapore has some of the lowest tariffs in the world. This has promoted foreign trade in Singapore significantly since foreign companies do not need to pay high taxes to bring their products in. This has also forced Singapore businesses to work harder to make quality and cheap products to compete with foreign companies.



### Document 7: Small Social Safety Net

Most wealthy nations in the world have economic social safety nets for the citizens in times of economic need. In America: Welfare, Social Security, SNAP, EBT, Food Stamps, & Unemployment Checks are all examples of the social safety net.

Unlike most wealth nations, Singapore has all but completely eliminated their social safety net. Despite obvious criticism, this has led to two major benefits for the Singapore economy. First, it has saved Billions of dollars of taxpayer money that can be invested into the economy. Second, many economists argue it leads to a more productive workforce. Since people in Singapore know there will be no help from the government if they do not work hard and keep a stable job, they are more likely to work productively. Singapore does in fact have one of the most productive workforces in the world. The reputation of Singapore's productive workers has also increased investment from foreign countries and businesses



### Document 8: Small Government & Low Corruption

Singapore's budget for its government is incredibly low compared to other nations. About 12% of the nation's GDP [Gross Domestic Product: The combined wealth of a nation] is spent on the government. By comparison, America spends more than 20% of its GDP on the government budget. Not only does this cost billions of dollars, but it also slows economic growth.



Generally, the larger a government, the higher the potential for economic corruption. With more government officials in power, there are more people that can take advantage of, make trouble for and slow down business growth. In Singapore, businesses have more power than the very small and weak government, which prioritizes economic growth over anything else

### Document 9: Private Property

In America, over 30% of all land is Public Property, meaning it is owned by the government and shared by all citizens. One of the big problems stemming from this is the Tragedy of the Commons. Since everyone shares the property/ land few people take care of it and many people abuse it. This is true of public land, buildings, and resources.

In Singapore, rates of private property ownership is significantly higher. Instead of the government owning significant land & resources for the people to share, the government allows land & resources to be privately owned by people & businesses and lets them manage it as they see fit. Since these people and businesses have an incentive to take care of their private property and use it effectively, resources are much less likely to be mismanaged, abused or misused, which is very common with government owned public property.

