

## **CV0002 PYP solutions for sem 1 AY2017-18**

### **Section A (Answer)**

1. (a) – (ii)
- (b) – (iv)
- (c) – (ii)
- (d) – (iv)
- (e) – (iv)
- (f) – (iii)
- (g) – (iv)
- (h) – (i)
- (i) – (i)
- (j) – (iii)

### **Section B (Answer)**

2 (a)

- By early 18th century, urban merchants with banking & exchange practices gained control of commodity production.
- Capitalist formed new social class & challenged religious authority & hereditary privileges.
- They emphasized individual freedom to invest & trade as he saw fit.
- Plunder from the colonies helped to finance the European industrial take-off.
- Continuous exploitation of colonial resources sustained European industrial growth & left a legacy of underdeveloped colonies.
- In England, the guilds were weakened by anti-monopoly legislation.
- In 1709, Abraham Darby discovered how to use coal to smelt iron – important raw materials to make machines & structures.
- In 1776, Adam Smith described the division of labor in pin making that greatly increased workers' productivity.
- Once production processes were standardized, each process could then be replaced by a machine.
- Development of these machines completed the transformation to modern industrial production.

#### **[THE MACHINE AGE]**

- Steam power was harnessed for use in machines by early 17th century.
- In 1698, Thomas Savery invented & patented a primitive steam engine. It was James Watt who improved on the efficiency of the engine & introduced adaptation in 1782 to produce rotary motion.
- James Watt's (1736-1819) improved steam engine drove new machinery that took British industry to world leadership.
- Steam engine formed the basis for the rise of the mechanical engineering profession.

#### **[THE RAILWAY AGE]**

- In 1804, Richard Trevithick built the first steam-powered locomotive.
- In 1825, wrought iron rails were introduced and the success of George Stephenson's "Rocket" locomotive in 1829 set the stage for the railway age.

- Railway enabled the ability to move people & goods quickly, reliably & economically – opened up broader markets for goods & services.
- The building of railroads was a major factor in the colonization of much of the rest of the world.

Valuable lessons that can be learned from Britain's downfall from industrial leadership:

- The peaceful & protracted transfer of power from aristocracy to rising capitalist state fostered a self-limiting development in Britain.
- Industrialization in Britain was indigenous – more accommodated to existing social structure.
- Pressures to adopt values & interests of industrialization were resisted by the ruling elite – hence, Britain did not change radically & have barely done so even now.
- Universities emphasized on pursuit of scientific knowledge for its own sake – neglected & undervalued commercial application.
- British preoccupation with individually fitted final product discouraged standardization – precipitated Britain's relative decline.
- Dominance of the steam engine delayed other form of power development in Britain

2(b)

Past and present economic development strategies:

**Phase 1: Import substitution (1959-65)**

- **self-governance to a federal state**
- **Malaysia episode (a bigger hinterland)**
- **entrepot to industrialization**
- **UN Report (1961) & the Winsemius Plan**
- **open-door policy to attract foreign investment**
- **14% unemployment in 1959**
- **pioneer status for labour-intensive industries**
- **setting up of EDB in 1961 to promote industrialization**
- **protectionist policies using tariffs to shield local industries from foreign competition**
- **unemployment remains high- 14% in 1965**

**Phase 2: Export orientation (1966-78)**

**Since independence in 1965:**

- **import substitution failed due to small domestic market (no more hinterland) & no economy of scale**
- **British withdrawal compounded problem of unemployment (loss of 38,000 jobs- 20% of workforce)**
- **adopted export-orientation approach through industrialization**
- **tariffs removed, export grew, balance of payment improved, unemployment reduced**
- **full employment by early 1970s**
- **still a low-wage producer, attractive to MNCs as a low-cost production base**
- **EDB granted investment incentives**
- **oil crises in mid-1970s cushioned (no recession)**
- **low-wage, labour-intensive industries threatened by regional competitors (resource-rich neighbors)**

- restructuring began in late 70s for hi-tech, high-value industry

### Phase 3: Industrial restructuring (1979-84)

- take-off to hi-tech, skill-intensive industries (higher value-added per worker, predecessor of knowledge worker today)
- to computerise, automate & mechanise operation, using capital-intensive equipment and technology-based processes
- EDB-MNC Training Centres established for skilling the workforce
- increased emphasis on R&D
- high-wage producer, levy on unskilled foreign workers
- develop high value-added services
- wage increases >> productivity growth, precipitating *first* Singapore recession in 1985 (1.5% GDP growth)

### Phase 4: Economic diversification (1985-92)

- *First* economic recession in Singapore in 1985
- Economic Committee chaired by BG Lee
- a more broad-based economic profile targeted
- towards more diversified growth
- series of cost-cutting measures (including CPF) implemented
- economy recovered in 1986 (V-shaped growth)
- EDB promoted *total business concept* with support services of R&D, design, product development, technical servicing, marketing, distribution and fund management to complement hi-tech manufacturing
- “*Not to put all eggs in same basket*”
- upgrading of local firms through partnering with MNCs
- growth triangle of Singapore-Batam-Johor in 1989
- unemployment fell to record low of 1.7% in 1990
- by 1990, Singapore became an NIE or “Asian Tiger”(with HK, SK & Taiwan)

### Phase 5: Further restructuring (1993-99)

- Restructuring domestic sectors
- relocating low value-added industries overseas
- promote new economic activities to become an international business hub
- emphasize capital market development and VC (Venture Capital) industry
- Regionalization & globalization
- Government-linked companies (GLCs) taking lead (into China, India & ASEAN)
- Grooming promising local companies (PLCs) to become regional MNCs (those with annual turnover >\$100m)
- Fears of hollowing-out, compounded with Asian financial crisis (1997)

### Phase 6: Knowledge-based Economy (>2000)

- Into the borderless world of knowledge-based economy (KBE)
- globalization (WTO) & hyper-competition
- liberalising telecoms, banking & services industries (healthcare, education, tourism etc)
- Develop manufacturing & services clusters
- enlarge external economy (grow the GNP)

- **further diversify FDI destinations to non - traditional countries like Middle East, Latin America, Eastern Europe, (South) Africa etc.**
- **integrate domestic & external economies for bigger GNP (M&As by GIC, Temasek, Singtel, PSA, DBS, CapitaLand)**
- **continue to attract foreign talents in IT, AI, life-sciences, environment technology, electronics, digital services (media, commerce and finance, data analytics, cybersecurity etc.) and other knowledge industries (creative, venture capital etc.)**
- **maintain economic resilience, spearhead economic redevelopment & reduce vulnerability**

### **Future Economies strategies after 100 years after independence:**

#### Transition towards productivity-led growth Phase(2011 to 2025):

- Demographic slowdown;
- Overcoming of resource constraints through a significant restructuring of the economy;
- Significant step-down in real GDP growth to 3.6% per annum;
- By 2025, the economy had matured, with productivity growth accounting for virtually all of economic growth

#### Regional integration and offshore economy Phase (2026 to 2040):

- Singapore's high-end manufacturing and modern services benefitted significantly from trade and investment links with these Asian giants, US and the North Euro Area;
- Iskandar-Singapore Economic Zone(ISEZ) in 2028;
- ASEAN Free Economic Zone(AFEZ) in 2020.

#### Climate change mitigation and adaptation Phase (2040 to 2065):

- Adapting to climate change thus became as important a consideration as mitigating it;
- The introduction of a carbon tax helped to reduce carbon intensity in economic activities, increase energy efficiency, and modify consumption patterns;
- By 2055, the green industry emerged as the largest contributor to Singapore's Gross National Income, covering a wide range of economic activities.

2(c)

#### Intention of Singapore's elected presidency:

Singapore is a republic with a parliamentary system of Government based on the Westminster Model. The Constitution of the Republic of Singapore provides for a President who is the Head of State. Prior to 1991, the President was appointed by Parliament and had a largely ceremonial role.

Before 1993, the President of Singapore was chosen by Parliament. Following amendments to the constitution enacted in 1991, the Presidency became a popularly-elected office. The

amendments gave the President certain reserve powers over government expenditure of financial reserves and appointments to key public offices.

In January 1991, the Constitution was amended to allow for the election of a President by the citizens of Singapore. The elected President will hold office for a fixed term of six years. There are no term limits to the presidency.

The creation of the elected presidency is a major constitutional and political change in Singapore's history. The elected **President has the responsibility under the Constitution to safeguard the national reserves (US\$248b today) and the integrity of the public service in Singapore.**

Under the revision, the President is empowered to veto government budgets and key appointments to public office. The President must, however, consult the **Council of Presidential Advisers** before he takes a decision on some of these matters.

*Prime Minister Lee Hsien Loong will appoint a Constitutional Commission to study potential changes to the Elected Presidency system, which was introduced in 1991.*

Issues being brought up in 2017 Presidential Election:

- No direct voting from the electorates since there is only one candidate for the presidential election. Hence, it might be not a democratic system of election.
- No other candidates compete with the Halimah Yaacob which might gives a wrong sense to international countries that Singapore is not a direct democratic country.

2 (d)

Events that led Singapore becoming crown colony:

**Straits Settlements:** In **1826**, Singapore became part of the Straits Settlements with **Penang** and **Melaka**.

- The Straits Settlements came under the charge of a Governor based in Singapore.
- The Governor reported to the **Governor-General of India**.
- In the **1850s**, the European merchants were not satisfied with the governor general and requested that Straits Settlements to come under the direct rule of the British government in London.
- In **1867**, the Straits Settlements came under the British Colonial Office in London.
- Hence, **Straits Settlements became a Crown Colony**.
- Elevation of Singapore to a Crown Colony meant that London was willing to spend money and resources and provide proper administrators that it was previously unprepared to do.

Impacts of changing from Strait settlements to Crown Colony:

**Social Services : Education**

- After the founding of Singapore, the different ethnic groups provided their own people with education. Lessons were conducted informally in places of worship and shop houses.
- Malay: Religious Malay teachers set up Quran Schools. (Alsagoff Arabic School).
- Chinese: Lessons were conducted in dialects, and abacus calculations were also taught. (Chui Eng school; Ai Tong, Tao Nan).
- Indian: Tamil was taught in private schools.

- Many parents preferred English education for their children.
- English Schools: Christian missionaries set up English Schools. E.g. St Margaret's School, St Joseph Institution

### **Social Services: Medical Care**

- Tan Tock Seng Hospital (1844)** originally at **Pearl's Hill** but later relocated to Serangoon and finally in Moulmein.
- Thong Chai Medical Institution** (Gan Eng Seng 1844-1899) - South Bridge Road
- Singapore General Hospital** - after changing its location a few times, it was finally located at Outram Road in **1882**.
- **Medical College set up in 1905.**

Tan Tock Seng was a prosperous Singapore businessman of the early 1800s, known particularly for his generosity to the poor. He contributed heavily to the 1844 construction of a new hospital for the indigent, which was then named Tan Tock Seng Hospital. The origins of Singapore General Hospital can be traced back to a wooded shed erected in the cantonment for British troops located near the Singapore River in 1821, shortly after Sir Stamford Raffles landing in Singapore. In September 1904, Tan Jiak Kim led a group of representatives of the Chinese and other non-European communities, and petitioned the Governor of the Straits Settlements, Sir John Anderson, to establish a medical school in Singapore. Tan, who was the first president of the Straits Chinese British Association, managed to raise \$87,077, of which the largest amount of \$12,000 came from himself. On 3 July 1905, the medical school was founded, and was known as the Straits and Federated Malay States Government Medical School.

4(a)

### **Initiatives by Singapore as ASEAN Chair 2018**

- To promote ASEAN awareness among Singaporeans and engage them on the workings behind ASEAN
- To boost economic and people-to-people ties among member states through participation of the business community and the civil society
- To host important meetings such as ASEAN Summit, ASEAN plus Three Summit, and the East Asia Summit (EAS)
- To work towards enhancing the Initiatives for ASEAN Integration (IAI) programme in Cambodia, Laos, Myanmar and Vietnam, to accelerate their economic integration into ASEAN, opening up new opportunities for Singaporeans
- To work towards expediting the ratification and bringing into force the Trans-Pacific Partnership (TPP), while the Regional Comprehensive Economic Partnership (RCEP) will transform ASEAN and its FTA partners into an integrated market
- To facilitate working of ASEAN Economic Community (AEC) and negotiation of TPP and RCEP as key pathways to realize a Free Trade Area in the Asia-Pacific
- To continue working actively to enhance ASEAN integration and centrality in the evolving regional architecture, deepening ASEAN's relations with its external partners.

4(b)

### **1. Deepen and diversify our international connections**

Singapore should boost trade and investment by developing specific bilateral initiatives, working closely with multilateral institutions such as the World Bank, and helping its people and companies gain a better understanding of overseas markets.

The committee also recommended forming a Global Innovation Alliance that will see tertiary institutions and companies here link up with overseas partners to promote innovation.

It cited the example of Block 71 in San Francisco, which supports local startups that want to enter the US technology market and also provides a gateway for US companies to enter the Singapore and South-east Asia markets.

## **2. Acquire and utilize deep skills**

Companies should play a bigger role in developing their workers. Both the private and public sectors should also move towards hiring and promoting workers based on their skills, instead of just academic grades.

The national Jobs Bank and other schemes that help match workers to new jobs should be improved.

More study and training programs should be rolled out so workers can pick up new skills. For instance, the Singapore Institute of Technology already offers a work-study programme that allows its students to develop specialist skills in their chosen field while learning.

## **3. Strengthen enterprise capabilities to innovate and scale up**

To promote innovation, the committee recommends strengthening the intellectual property (IP) ecosystem, supporting entrepreneurs carving out new business opportunities, and raising the profile of local startups.

Simpler regulation and incentive schemes should be rolled out to encourage greater investment in startups as well.

It also called for more targeted help for enterprises with potential to expand. For example, Fong's Engineering - a precision engineering company - has seen its year-on-year revenue jump by 15 to 20 per cent, and is expanding into China.

## **4. Build strong digital capabilities**

The committee recommends building up expertise in cybersecurity and data analytics, which are high-potential growth industries. To do so, it suggested that the government partners key industry players to train data scientists, use National Service to develop skills in cybersecurity, as well as attract and anchor vanguard technology firms in niche cybersecurity segments.

It also urged the authorities to come up with flexible regulations to enable the adoption of technology, and help small and medium-sized enterprises (SMEs) adopt digital technologies. The committee also recommended the creation of a dedicated programme office to collect and facilitate data usage. More data should be shared with the private sector, such as through the revamped Data.gov.sg.

## 5. Develop a vibrant and connected city of opportunity

Singapore should strengthen its status as a global aviation and shipping hub, leverage on the future high-speed rail line to Kuala Lumpur to create more economic activities in the region, and enhance its digital connectivity.

It should also create multiple economic clusters of innovation, such as the Jurong Lake District and Punggol, and form more partnerships with private firms.

The committee recommended that the Government partners the private sector to transform Orchard Road into a shopping and lifestyle destination.

4(c)

### Social Defence (the software)

- **the social glue that binds the people together**
- **national cohesion is foundation for multi-racial, multi-religious society like Singapore**
- **racial and religious fault-lines**
- **communal tolerance and harmony are vital for national harmony**
- **Internal Security Act and Religious Harmony Act to safeguard internal security**
- **the rich and poor divide - increasing income disparity caused by knowledge-based economy and globalization**
- **Go global, stay anchored (local)**
- **aging population, caring for the aged and sick**
- **ethnic self help, MENDAKI, SINDA, CDAC & EAS organise joint activities to increase bonding & mutual appreciation**
- **Westernisation of Singapore society, changing values, weakening of traditional ties, more individualistic & self-centred**
- **to build a caring society, the 5Cs: *compassion, cohesion, community, contribution & commitment***

Methods to put social defence into action:

- **inculcation of care-giving starts from family, school, workplace, community and society, a lifelong personal effort/attribute**
- **nationally, tripartite cooperation of the *public sector, private sector and people sector (3 Ps)* for social cohesion and harmony**
- **management and integration of new immigrants (“foreign talents”)- Population White Paper 2013**

4(d)

### Positive Impacts of Globalization on Singapore Economy

- Singapore is one country that has been able to harness the positive impact of globalization to build a stable and strong economy.
- It has been extremely successful in attracting talent and capital from all over the world and turns it into a growth-oriented metropolitan city-state with world class infrastructure.



- It helps to attract tourists and entrepreneurs from different parts of the globe for leisure and business.
- By opting for an open economy and free trade practices, Singapore has become an important player between two giants – India and China.

### **Positive Impacts of Globalization on Singapore Lifestyles**

- Singapore is considered one of the most multicultural nations in the world. People take pride in observing their customs and traditions.
- The influence of western culture is instrumental in making the people more open towards different lifestyles. More Singaporeans are turning to western brands as well, ranging from media and entertainment to F&B and sports.

### **Negative Impacts of Globalization on Singapore Economy**

- Singapore's intimacy with other economies also means that it will not be immune to any shocks to the global economy.
- On the other hand, the continuous influx of foreign talent in Singapore has affected the scope for employment of the locals.
- Although the Government is now taking measures to change this scenario, a widening income disparity in society has been a worrying factor as economic gains remain unequally divided.

### **Negative Impacts of Globalization on Singapore Lifestyles**

- Although Singapore, as a British colony, has for long been a westernized country, on the micro-level, many families are keen to keep their familial and cultural traditions alive from generation to generation.
- The impact of Westernization in Singapore is widespread – from the use of English as the official language of business to the architecture and consumption habits. Traditional values are constantly being eroded and people are found to be redefining their lifestyles – something that was unthinkable a generation ago.

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