

Rethinking the Developmental State Framework in a Globalized World: Insights from the Singapore Education Policy

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Abstract

The Developmental State framework was a dominant framework for both theory and policymaking in theorizing late-developing countries like Singapore. However, it did not go uncriticized. Free market scholars argued that it does not explain the so-called "Asian Miracles." Contemporary critique argues that globalization has eroded state capacity, hence rendering the model unviable. In this article, the author draws from the experience of Singapore, specifically the education policy as a subject of study, to understand whether the developmental state framework remains to be a viable policy and theoretical tool. The author revisited the development of Singapore from a colony to a modern-day globalized city-state. Through analyzing secondary literature, policy pronouncements, and policy developments, the findings suggest that state-led education policy still has a significant role in the economic development of Singapore. The economic landscape of Singapore has shifted towards a knowledge-based economy with the introduction of globalization. It is argued that the education policy regime of Singapore has evolved along with the changing economic landscape through internationalization. However, despite a liberalizing economy through globalization, state capacity of Singapore remains salient in relation to shaping education policy to maintain a hold on the economic development of the country. This goes against what globalists and new governance theorists argue. Instead, new modalities of governance were developed by Singapore to continue its developmental strategy. Insights from this study demonstrate the continuing relevance of the developmental state framework, specifically state capacity, as a conceptual tool in understanding the role of government in an economy.

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Introduction

The developmental state framework gained salience in explaining the economic growth of East Asian States (Singh & Ovadia, 2018). The essential characteristic of the developmental state framework is the distinct function of the state in the economy, which has attracted interest among scholars in the fields of international political economy, and public policy. Chalmers Johnson (1982) first made mention of this term in his seminal work, *The MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925–1975*. The Developmental framework has gained considerable value in the analysis of other East Asian states (e.g., Amsden, 1992; Chen & Keng, 2017; Dent, 2018). From its initial development in 1990s, scholarship was primarily focused on explaining how East Asian states strategically organized their economy and society towards developmental goals (see Amsden, 1992; Huff, 1995a; 1995b).

However, in the aftermath of Asian Financial Crisis, doubts have been raised regarding the effectiveness of the developmental state framework (Stubbs, 2009). Sceptics contend that the Asian Financial Crisis is the market ‘punishing’ states for not following the prescribed orthodox free-market capitalism. An alternative view was presented by other scholars, who argued that the developmental state model was the framework responsible for the economic development experienced by the East Asian Tigers; however, the framework has a limit to its viability. Diverging explanations have sprung up to explain the argument.

However, despite the criticisms against the developmental state theory, the relevance of the developmental state framework is still defended as a viable model for states, despite the different conditions present in the status quo.

Relative to the dilemma above, this paper investigated Singapore, a developmental state (Huff, 1995a). Specifically, this paper looked into Singapore’s state capacity in relation to its educational capacity. Similar to literature on developmental state theory, scholars have questioned whether Singapore, a state that has been classified as a developmental state, is still a developmental state or whether it has gone down the road of liberalization (Wade, 2018). To provide nuance to this debate, this paper will analyze how globalization has affected the state of Singapore in the context of its education policies.

To answer the abovementioned research question, this paper briefly discusses the theory of the developmental state. Second, it investigates what makes Singapore a developmental state. An emphasis on the role of education policies in the development strategy of Singapore is given importance. Lastly, this paper draws insights from the contemporary education policy of Singapore and how globalization has affected the direction of education as a tool of state capacity in Singapore.

Literature Review

East Asia, in the post-World War II world, was characterized by poverty, pre-industrial economies, and stagnant economic development. According to Dent (2018), in the 1950s, East Asia only accounted for 4 percent of the world's gross domestic product (GDP). However, according to the same author, by the turn of the twenty-first century, East Asia was progressively increasing its share and had risen by roughly 30 percent.

Scholars have since scrambled and gone on a spree of research explaining the unprecedented rate of economic development that East Asian countries have achieved. One prominent explanation is the developmental state theory. The developmental state theory gained academic and theoretical popularity with the seminal work of Chalmers Johnson (1982) on the so-called 'Japanese Miracle' in his 1982 book entitled *MITI and the Japanese Miracle*. There, he explained that the Japanese were able to achieve economic development through heavy state intervention, something that is counterintuitive to the logic of the neoliberal and neoclassical approaches to economics.

Johnson explained that the features of a developmental state were a state bureaucracy led by elites and staffed with the best managerial talent, a bureaucracy characterized with relative autonomy from external 'special interest', state strategies aimed at utilizing the market, and lastly, a 'pilot organization' like the MITI (Ministry of International Trade and Industry) of Japan to manage and strategize the economic thrust of the country (1982).

Scholars have since then used the same framework, albeit modified, to explain the economic development of other East Asian states. These efforts also lead to the development of new explanations and nuances within the developmental state framework.

Empirical Cases of the Developmental State Theory

Amsden's (1992) argument that economic development in the late-developer state of South Korea was achieved through a combination of state interventionism in the market and selectively using market forces to guide state intervention. This was done by directing capital to select industries, known today as the chaebols, and deliberately 'getting the prices wrong'. To guarantee that state investment is not put to waste, market-conforming strategies were employed to manage these industries, such as subjecting them to strict quality assurance using market forces. Furthermore, it was elaborated by Amsden (1992) that late development is a key factor in the developmental state framework.

In an analysis of the economic development of Taiwan, Wade (2004) advanced an argument similar to Amsden (1992), where the state manipulated the credit system in such a way that it allowed select industries in Taiwan to have a competitive advantage in the area of exports. By employing a strategic blend of state-led labor market regulation, taxation and fiscal incentives, and state-owned enterprises, Singapore, a nascent, impoverished nation, managed to attain a notable pace of progress and development (Huff, 1995b).

To synthesize the case studies presented, Nem Singh and Ovadia (2018) identified the three primary features illustrated by scholars: the first is 'transformation' that is led by a bureaucracy that professionalized and based on meritocracy; the second is a mutually beneficial state-business alliance where industrialization is the primary goal of the state; and the third is a precondition that is ideational and contextual in nature where industrial policy and economic development agenda are driven by the need of the state to preserve its sovereignty (i.e., South Korea and North Korea) and economic development allows politicians to maintain legitimacy. Nem Singh and Ovadia (2018, 1035) referred to this as 'systemic vulnerability'. This is a concept used to explain how these East Asian states were able to forward and impose their agenda on their society. The need to survive external pressures and security threats allowed elites to justify their actions in directing the economy.

The Centrality of the State

The case studies mentioned above point to the crucial role of the state as the institution taking charge through the favoring of certain industries and subjecting these industries to the market forces of

capitalism. According to Weiss (2000), the lack of a state agency with well-defined priorities and relative independence is insufficient for an arrangement to be a developmental state framework, as it allows 'special interest' to influence state action. Furthermore, market and state relations are also important, as they are the key features of the developmental state framework that separate it from a 'command economy'. Concepts of state power such as 'state capacity' (Chen & Keng, 2017; Singh & Ovadia, 2018) and 'transformative capacity' (Stubbs, 2009) are theorized as key features of the developmental state.

Diverging Explanations of the Relevance and Direction of the Developmental State Framework

This type of institutional arrangement, however, did not go uncriticized by free-market supporters. Before, during, and arguably even after the salience of the developmental state framework as an analytical tool and governance model, free-market scholars have criticized the developmental state framework. Specifically, these scholars have been critical of the interventionist nature of the state in the market.

At the height of the unprecedented rate of economic development in East Asian States, scholars of neoclassical economics argued that neoliberalism in the context of international trade and liberalization had a positive impact on the development of these East Asian States (e.g., Balassa, 1981; Hayashi, 2010). According to Hayashi (2010), the Asian Financial Crisis was used by scholars and policymakers who supported neoliberalism as an example of demonstrating the harms of a development strategy that veered away from the orthodoxy of free market capitalism.

However, as Weiss (2000) has noted, empirical data suggests otherwise. The developmental state framework was in the middle of a bigger ideological debate. Neoliberal scholars were also driven by the ideological framework of neoliberalism, arguing that a 'diversity' of capitalism is counterintuitive to the one-size-fits-all nature of neoliberalism.

On the other side of the academic debate, Stubbs (2009) argued that the path-dependent nature of the developmental state framework is embedded in the institutional memory states, and in consequence, despite mounting pressures from democratization and globalization, the developmental state framework still remains relevant. Hayashi (2010) echoes the same argument and noted that

developing countries need to be able to strategize in the volatile international market through a developmental state framework.

Contrary to the point above, scholars have argued that the developmental state framework in both theory and practice is no longer viable. Scholars of the catchup thesis point out that the developmental state is a 'latecomer' strategy (Weiss, 2000). It is argued that the technological and industrial gap in the extent of modernization between late-developing states and already-developed states is closed by the late-developing state through the developmental state framework (Weiss, 2000). Once development is achieved, the state no longer has a model to follow. Here is where market forces fully guide the state.

Moreover, the end of the Cold War, and broader processes of globalization and democratization were inimical to the thesis of the developmental state (Pang, 2000). The aforementioned factors and processes led to the reduction of 'state capacity'. The end of the Cold War meant that elites would not have external security as a rallying point for their constituency and solidify legitimacy and authority. It also meant a reduction in the financial capacity of the state, as the end of the Cold War also made the US less willing to support illiberal states just to combat communism. Instead, the US saw a shift towards pushing for their version democratization, which meant the reduction of the insulation of bureaucracies, thus making them susceptible to special interests. Globalization also signaled an era where foreign investment would become more accessible for firms that directly competed against state subsidies. The balance of power, essentially, shifted from the state to international forces (Stubbs, 2009).

The developmental state in Singapore is caught in this debate. Pereira (2008), using class analysis, argued that the developmental state framework is alive and well in the Singaporean government despite the ushering of a post-industrial economy. The resilience of Singapore's developmental state is attributed to several causes, including the integration of the working class, the relatively limited influence of the native capitalist class, and the cooperation between the state and transnational capital and enterprises associated with the government (Pereira, 2008).

Low (2001), on the other hand, forwards an analysis of how the Singaporean State has been eroded by neoliberalism, yet key features of a strong state capacity are still present in Singapore. He

even went to the extent of labelling this phenomenon a ‘neoliberal-developmental state’. A term he used to describe the political economy of Singapore.

This paper builds on the argument that developmental state remains to be a relevant framework in understanding state capacity and public policy in Singapore. This stands in direct opposition to the rejection of free-market scholarship of the viability of the developmental state framework in understanding and describing the state-business relations and economic policy in Singapore. Empirical data suggests the state did have a crucial role as an economic manager of select private industries. Moreover, even though the World Bank in its 1993 report was critical of the economic development in East Asia, according to Stubbs (2009), parts of the report implicitly accepted the notion of the developmental state framework as a driving force of the economic development in East Asia. This supports the claim that free-market scholars may be ideologically inclined against the developmental state, as it directly challenges the dominant ideology of neoliberalism.

This paper contributes to the current literature where scholars try to explain whether Singapore, as a developmental state, has eroded. However, unlike previous iterations, this paper did not look into the market intervention of the state in the context of credit, where national banks subsidize the development of key sectors in the economy (i.e., Stubbs, 2009); rather, this paper looked into the role of the state in developing an efficient, skilled, and capable human resource that will be agents of the development of the state. The paper argues that much like technology, Singapore’s education policy is beyond the catch-up stage and is on a leading stage. However, contrary to the consensus of catch-up theorists, where state intervention will dwindle instead, state capacity is still present in the transformation and development of its economy and state. It is argued that new modes of governance are being pursued by the Singaporean government, which is characterized by internationalization, upgrading, and national strategy.

Singapore as a Developmental State

World War II and its aftermath had significant social, political, and economic consequences to Singapore. One of these consequences is the independence of Singapore where British invincibility was shattered as the people sought political freedom and economic opportunities.

The increase in population from 960,000 in 1948 to about 1.6 million in 1954 contributed to the rise in unemployment and a shortage of public housing. British colonial policy on education, language, and citizenship hindered racial integration in Singapore (Gopinathan, 2007) which stifled the formation of a common identity in post-independence Singapore.

Nevertheless, Singapore not only managed to overcome these obstacles but also achieve an economic success that is well known across the globe. According to Giordano and Kato (1993), it is arguably the most successful economy among its contemporary late-developer economic powerhouses, namely South Korea, Taiwan, and Hong Kong. The rate of economic development of Singapore was staggering; in the early 1990's, growth in Gross National Product (GNP) per capita was well within the 10 percent range; from the 1960s to the 1990s, the per capita income of Singapore increased more than four times; and in 1993, according to the GATT, Singapore was a world leader in the export of services (Huff, 1995b).

The impressive economic development and social transformation of Singapore begs the question: *“So how did a traditional fishing country that was used by colonists as a port become one of the most advanced non-western countries today?”* Scholars have attributed this economic growth to Singapore's adaptation of a developmental state model (Gopinathan, 2007; Low, 2001). Particularly, it was under the leadership of Prime Minister Lee Kuan Yew that Singapore was able to transformed its society through state-led efforts. The independence of Singapore from Britain in 1959 and its separation from Malaysia in 1965 have led Singaporean state to implement industrialization policies in the country. The country adapted export-oriented industrialization, which allowed direct state intervention in the economy. State-owned enterprises (SOE) were established, as was the Economic Development Board (EDB) in 1961, as its pilot agency to facilitate centralization in promoting economic development (Gopinathan, 2007).

The Economic Oriented Industrialization (EOI) policy, implemented from 1965 to 1984, consisted of two phases for its export promotion strategy. The first phase focused on labor-intensive manufacturing with the goal of establishing a robust manufacturing sector to address Singapore's unemployment issue (Ng, 2012). And second, is the diversifying and restructuring of the economy, which led to the shift in its education policies to being efficiency-driven (Goh & Gopinathan, 2008).

The 'engine' driving economic growth in Singapore was not a particular sector of the economy. It shifted in phases, starting with manufacturing, electronic products, finance, and a knowledge-based economy. According to Huff (1995b), manufacturing and industry were the primary drivers of economic development in Singapore. The manufacturing of electronic and electrical products for export was the strategy of Singapore in the late 1960s and late 1970s. However, from the 1980s to the 1990s, the driver of economic growth slowly shifted to the financial and business sectors. Today, the economy of Singapore is more outward-looking because of the introduction of forces such as globalization, the impact of the Asian Financial Crisis, and changing the valuation of the economy brought about by globalization, i.e., the knowledge-based economy (Chia & Cho, 2018; Chia, 2005; Dahlman, 2002)

In a small island city-state like Singapore, human capital is its primary resource. Singapore has a history of intervening in human capital in order to advance economic development. According to Huff (1995b), state regulation of employment involves the reduction of the bargaining power of workers and wage manipulation. Through the creation of the National Wages, the Singaporean government was able to keep the wages of workers well below the wages of its neighboring countries and the US, despite having a rate of productivity that is similar, if not better, than that of neighboring countries or the US (Manning & Fong, 1990). This is coupled with the efforts of Singapore to make sure that work stoppages do not occur to not harm productivity (Huff, 1995b).

The strategy of Singapore is a demonstration of how state capacity was used in the 'governing of markets'; despite market forces dictating that wages should go up; it was dictated by state regulation. The power of workers was reduced through the regulation of their power to bargain.

The succeeding section provides a more nuanced perspective on how state capacity was practiced in the development of highly skilled and capable human capital that will become the movers of development in Singapore. The succeeding section will discuss the education policy of Singapore in two distinct eras. The first era will be the post-independence of Singapore, which looked into the complex realities post-World War II that Singapore needed to navigate. The second era that will be discussed is the post-Asian Financial Crisis scenario, where, in parallel forces of regional development and globalization were becoming the new norm in the global context.

Singaporean Education Policy after World War II

According to Goh and Gopinathan (2008), the education system in Singapore has undergone policy reforms initiated by the government. These reforms have aimed to develop a skilled population and have transformed Singapore from a trading hub to a technologically advanced country with a strong industrial economy. After World War II, under the leadership of Prime Minister Lee Kuan Yew (1965–1990), Singapore became a developmental state where it had significant influence over its role in directing the economy of Singapore (Huff, 1995a). Specifically, through coordinated industrial policy via the developmental state, regional context, and conservative and targeted financing, Singapore was able to build social and firm-level capabilities. (Chia, 2005). It was through state capacity that social and economic goals were met. In the proceeding discussion, significant labor and education policies are going to be discussed. While they are distinct in their domain, these two policies are intertwined in so far as the Singaporean developmental state actively shaped their education policy to shift and meet developmental goals (Prime, 2012).

Labor-Intensive Export-Oriented Manufacturing was a strategy for Singapore to address its lack of incentive for investment. It sought to adopt an export-production strategy based on aggressive export industrial growth financed by foreign capital. The government (1) adopted a free trade regime, (2) provided incentives to attract foreign capital, (3) exercised extensive controls over labor and forced savings, and (4) engaged in direct production (Gopinathan, 2007)

It was imperative for Singapore to improve the labor and investment climate quickly. Education in its post-independence era, however, was decentralized based on the ethnic lines of Chinese, Malay, and Tamil schools. Human resources were therefore the only significant resource available to Singapore. Thus, there is a need to integrate the educational system and facilitate the output of the school system to create a competitive labor force.

The government's first strategy was to centralize the primary and secondary educational systems through the Five-Year Plan. The main features of the plan include (1) equal treatment for the four streams of education, which are English, Malaya, Chinese, and Tamil. (2) Mathematics, science, and technical subjects were given emphasis; (3) the creation of a common syllabus for all school subjects in the four languages (4) a common national examination system for the primary schools; (5) providing universal free primary education (Goh & Gopinathan, 2008; Ng, 2012).

Singapore's second strategy was to establish the Technical Education Department within the Ministry of Education, which is responsible for coordinating and managing technical and vocational schools as well as industrial training centers. In addition, EDB training centers were also set up, which provide direct training to workers and allow them to be employed in new factories and be productive with minimal on-the-job training. EDB has also cooperated with large industrial companies to set up company-based training centers to set up their own training process for the types of workers required. State revenue was mainly used to finance education in Singapore, where expenditures on education continued to increase from 1959 to 1967 because of the government's initiative to integrate education into human resource development for economic growth.

However, other countries, like Singapore, have also moved towards industrialization. Competition rose as these countries established their own comparative advantages in terms of land and low-cost labor and became strong contenders for MNC investments. Their government, therefore, needed to keep up with the competition by strategizing and moving away from labor-intensive production towards capital-intensive production (Ng, 2012). Singapore's education policies shifted from being survival-driven to an efficiency-driven phase, which aimed at creating a second-league, capital-intensive, and skill-intensive country.

Reforms in the education system were made, aimed not only at producing a labor force but also a skilled labor force. Training and development of manpower were emphasized through the recommendations for a New Education System (NES) (Goh & Gopinathan, 2008). The quality input for the educational process, through the Ministry of Education and Systems Branch in the Planning and Review Division, was done by improving the information and developing feedback mechanisms. The Curriculum Development Institute of Singapore was also established to improve the provision of quality curriculum materials. Priority projects were aimed at improving the science and mathematics curricula in both primary and secondary schools. The Industrial Training Board was also established to centralize, coordinate, and intensify industrial training (Ng, 2012).

Streaming or tracking was also introduced, which involves specialization by placing students with others with comparable skills or needs and separating students by academic abilities into groups for all subjects. It created multiple pathways for students by establishing three types of high schools: academic

high schools, which prepared students for college; polytechnic high schools, which focused on advanced occupational training that could also lead to college; and technical institutes, which focused on occupational and technical education for underperforming students. Singapore's GDP during the implementation of the survival-driven and efficiency-driven phases resulted in a great increase in GDP per capita, while the GDP growth rate during 1950–1973 (around the time when these phases took place) was its highest at 7.93 percent.

Furthermore, education did not only function as a means to impart specific skills to Singaporeans, but it also had an ideological element. Singapore's education policy also promoted an ideology anchored on the principles of multiculturalism, multilingualism, and meritocracy (Green, 1997). This was manifested in the insistence of Singapore to counterbalance the recognition of the value of English in the education system by introducing a curricular requirement for students to learn a second language such as Mandarin, Tamil, or Malay (Gopinathan, 1974). Education, therefore, had a dual function of enhancing the capacity of individuals and ensuring that these capacities are guided by a civic duty of serving others through an ideological element of nationalism.

After the Asian Financial Crisis

The effects of the 1997 Asian Financial Crisis had brought Singapore to shift its education policies from efficiency-driven to ability-driven education in its efforts towards a knowledge-based economy. Dahlman (2002) outlined Singapore's shifting FDI attraction strategy. Initially, the country lured FDI by leveraging low wages and a disciplined workforce. However, the success of this approach in boosting FDI inflows also resulted in higher wages, thereby eroding its initial competitive advantage. In response, Singapore shifted its focus and made substantial investments in physical infrastructure, education, training, and business facilitation. Initiatives like Trade Net and the EDB played a pivotal role in this transformation, allowing Singapore to attract higher-value foreign investments, including corporate headquarters and R&D centers. Currently Singapore's overarching objective is to establish itself as the premier East Asian hub for knowledge services, encompassing finance, business services, education, health, and research and development (Sidhu, 2021).

A key foundation of the Singapore's post-Asian financial crisis education policy was vision "Thinking Schools, Learning Nation" (TSLN) (Gopinathan, 2007; Tan, 2006). The TSLN involved several

processes of revamping the Singaporean education system from primary school to college level. Specifically, the TSLN initiative was driven by a curriculum revision process from primary to college level with the objective of shifting education towards developing competencies aligned to a knowledge-based economy (Tan, 2006). This policy was later followed by the World Class University Program (WCUP) (Sanders, 2018). It was a policy endeavor to facilitate the transformation of Singapore as an innovation society through attracting foreign universities. This, however, was not merely a product of adjusting to the Asian Financial Crisis; as early as 1991, the government created the Agency for Science, Technology, and Research (A*Star), which provided funding for research and aimed to attract top scientists and scientific companies. This means that there was an element of anticipatory planning from the part of the Singaporean government—a important element of a developmental state.

Furthermore, initiatives were also provided, such as the Edusave Scheme in the early 1990s, which provided grants from the government to children to fund their expenses for education visits to other countries, enrichment programs outside the formal school curriculum, and so on (Gopinathan, 2007). The Ministry of Labor also cooperated with the Ministry of Manpower to facilitate the integration of lifelong learning policies, not into consumption but rather a strategic investment of the country to develop and manage its labor forces (Tan, 2017).

The Global School House (GSH) was also established as an offshoot of the WCUP, where Singapore aimed to be an innovation society through the strategy of bringing in more prestigious foreign universities and increasing the number of both international students and talented professionals and researchers.

Prime Minister Lee Hsien Loong of Singapore noted that one of the universities in Singapore.

“must equip students with skills that are relevant in the future and which enable them to hold good jobs and be productive members of our society”

Furthermore, the objectives of universities in Singapore are to develop a ‘talent pool’ that will be seen by investors as an opportunity to consequently invest capital in Singapore. This would create jobs and further push Singapore as a world leader in higher education. Moreover, in 2014, Prime Minister

Lee articulated the 'Smart Nation Vision', which essentially followed the same formula of internationalization.

The above-mentioned trend of internationalization is an on-going effort by Singapore to make sure it remains competitive in a global economy characterized by the growing salience of the knowledge-based economy (KBE) (Low, 2001; Gopinathan, 2007). KBE is described by scholars as the new norm of the global economy, where innovation, creativity, and entrepreneurialism are encouraged among students (Sanders, 2018).

Dimmock and Goh (2011) illustrated that the KBE is an economy characterized by greater cognitive complexity, information processing has become more salient, and interactive working across disciplines is encouraged. To be able to navigate in this changing economic landscape, an individual must be capable of being independent or collaborative, be not just literate and numerate but IT-enabled and be equipped with the skills to process knowledge to the extent of synthesizing, analyzing, and solving problems through innovative and creative means (Gopinathan, 2007). KBE requires a world where social organization is defined by fewer hierarchies but instead by 'shared decision-making', 'autonomy', 'more intensive interaction', and 'more risk-taking' (Dimmock & Goh, 2011).

Discussion and Conclusion

The general trend in the findings above suggests a contradiction. On the one hand, education policy seems to be geared towards a more neoliberal orientation, as manifested in the internationalization of education and the promotion of KBE, which requires more autonomy and less state control. And on the other hand, education is still being intervened in by the state, such that it still functions as a manager of the development of where education policies are headed. Moreover, the promotion of nationalism as practiced in post-independent Singapore has been replaced with a more globalized perspective. However, the author argues that the contradiction is only in face value.

The strategy of Singapore, regardless of context, is to still develop a strong labor force via education policies that are guided by market forces. However, there are a couple of key differences. To demonstrate this, the succeeding section will review the elements of the developmental state framework. A developmental state requires the presence of the following key features: industrialization,

state capacity side by side with transformational capacity, an insulated bureaucracy empowered by state capacity, which makes it capable of pursuing development strategies, and market-conforming strategies—the variable that separates it from a command economy (Amsden, 1992; Huff, 1995a; Johnson, 1982; Singh & Ovadia, 2018).

Industrialization is no longer present, and it has been replaced with a new economic landscape of a knowledge-based economy where workers are expected to not work in production but become knowledge workers. Something Hayashi (2010) has pointed out in a comparative study of education between Singapore and Japan. This is a clear manifestation of the catch-up thesis, where Singapore, as a late developer, has been able to ‘catch-up’ with economic and technological development and has since been upgrading. The education policies provide a perspective of this, where after Singapore developed a skilled labor force for industrialization, it moved from catching up to leading by upgrading to an education system that will complement a knowledge-based economy.

Transformational capacity and state capacity work hand in hand; as such, they will be lumped together. Both features are present in modern-day Singapore, especially in the context of education. Transformational capacity and state capacity, however, are no longer as direct as before.

Instead, Singapore is employing alternative strategies in exercising and leveraging state power towards state goals, such as privatizing and internationalizing higher education institutions, to enhance its integration into the globalized world. Yet at the same time, there is still an attempt to control the direction of this integration, as evidenced by the long-term economic plans and policies to guide the curriculum, funding, and programs of these schools. Moreover, this paper also contends that the mere allowing of neoliberal ideas such as less hierarchical organization schemes, a greater emphasis on autonomy and agency, and KBE does not equate to the reduction of state capacity and state power. On the contrary, the introduction of these neoliberal ideas is the transformational capacity element, where the state may not directly facilitate the transformation of its economy but rather uses forces such as globalization to facilitate this; moreover, should Singapore want to, it can remove these spaces where neoliberal ideas are flourishing. Neoliberal ideas are used more as a tool by the state than as a force that is inimical to state power. This contradicts Kenichi Ohmae's famous assertion (1995) that globalization will diminish the value of the nation-state.

The existence of an insulated bureaucracy, however, is a mixed bag. Because of the internationalization of education, it can be argued that this has facilitated the introduction of new actors who can articulate 'special interests' in decision-making. However, these 'new actors' are not able to directly affect policymaking. As demonstrated in the policy reforms of Singapore, though it has encouraged values such as 'cosmopolitanism, self-sufficiency, creativity, and entrepreneurialism as marks of good citizenship' (Koh, 2011), these values were imposed instead of being negotiated. Market-conforming strategies are present in the education policies of Singapore, as indicated by the utilization of KBE as a guiding framework for policymakers in crafting the education system of Singapore.

In terms of state business relations, Singapore seems to be more focused on creating incentives for firms and investors to come in and invest in Singapore. Since these are not owned by Singapore nor can they be directly managed by Singapore via state policy, which was the formula of the developmental state, it instead uses its human resources by enabling and capacitating its citizens and attracting foreign talent to incentivize multinational corporations to invest in Singapore. This is coupled with the well-known business-friendly policies of Singapore.

Though it seems different, the strategy of Singapore, this paper argues, is path dependent. Historically, the People's Action Party (PAP), Singapore's dominant party, is guided by pragmatism, which means that strong ideological lines do not matter so long as an objective is met (Beng-Huat, 1985). This is observable in contemporary politics in Singapore where the PAP connects their pragmatism with the economic development and success of Singapore (Tan, 2012) The formula for directing its citizens towards a development strategy is present despite the presence of globalization and neoliberalism. Low (2001) even went to the extent of arguing that the mode of governance in Singapore is a hybrid of neoliberalism and developmental state, where neoliberal ideas are intentionally used by the state to manage its citizens through instilling an ideology of self-regulation.

What this paper demonstrates is a similar thesis of Low (2001), that the developmental state framework lens is still a useful analytical tool in analyzing the political economy of states. Singapore, as both a subject and agent of globalization, has significantly liberalized its economy yet remains interventionist in its strategy. At first, it seems that the paper supports the thesis of some authors in the development state literature; however, the author is cautious in agreeing that this strategy of Singapore

is a developmental state strategy. Despite being interventionist, the strategy of Singapore has changed, as manifested in the changing modalities of governance indicated in the education system of Singapore.

The paper does not want to fall prey to the tendency of authors towards 'institutional monocropping' (Singh & Ovadia, 2018). This is dangerous, as demonstrated by Jones and Smith, where the over-romanticizing and fetishizing of state intervention in the market by a respectable community like the Southeast Asian Study or ASEAN community has led to a less objective study of the political economy of Southeast Asia. This phenomenon contributed to the development of the Asian Financial Crisis because members of the academic community were not able to foresee the harms of an interventionist state.

With the harms of generalizing the positive relationship between state intervention and economic development, it is therefore important to distinguish what makes the strategies of leveraging state capacity in Singapore's governance style similar and different to compared to the original conceptualization of the developmental state. Singapore's governance model is a demonstrative case of how globalization does not automatically entail the decentering or hollowing of the state (Rhodes, 1994). Instead, the state of Singapore has retooled and adopted different governance arrangements to 'steer' instead of 'rowing' the direction of education policy and, subsequently, the country's development policy (Peters & Pierre, 2006)

In conclusion, insights from this study demonstrate how globalization is a force that directly affects state capacity. And instead of the reduction of state power because of globalization, it is arguable that globalization has opened opportunities alternative forms of governance and modalities in Singapore. According to Weiss (2000), maintaining the development of the developmental state in a globalized world may require new policy instruments in order to continue its transformative project. Jayasuriya (2008) where the concept of a 'new regulatory state' was advanced, where it was argued that new modes of governance and policy capacities are opened by globalization. The findings also suggest how the concept of 'meta-governance' (see Sørensen & Torfing, 2007) could be used to describe the governance of Singapore, where neoliberalism was used as a tool for governance through internationalization. However, the findings of the paper do not fully support the claim of Jayasuriya that depoliticization and removal from the politics of bargaining (Jayasuriya, 2006) are necessary because, as demonstrated in the example of higher education institutions, these institutions are still subject to the

politics of bargaining and are still highly politicized. Future research interests can perhaps investigate how the regulatory state framework can be used as an analytical tool for understanding state business and state education relations in Singapore.

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