

Singapore Resists the Temptation

“Democracy: The God That Failed”: Case Study

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## Introduction

In surveying the history of mankind, one will inevitably find a prevalence of political institutions, all of which necessarily entail the ruling of certain men by others/another. These institutions, regardless of whether the few lord over the many or the many lord over the few, necessitate a conflict of interests between the oppressed and the oppressor. Because of the coercive nature of such political institutions, within their institutional arrangement, the preferences of one group are realized at the expense of another. However, while this scheme of politic is prevalent, one will also find another institution in mankind's history in which dealings are not conducted at the expense of individual parties but are coordinated to the benefit of all. There is one caveat to this statement, though. To illuminate it, one must understand that the institution which gives rise to coordinated dealings between parties for the benefit of all is private property. It could be said, then, that these institutions are enforced at the expense of a certain class of individuals, namely thieves and bandits. Within a regime of private property, the only individuals who "lose" are those who seek to take from other men. Under a regime of political institutions, however, those who seek to take from other men are often given the authority to do so. These radically different institutions subsequently produce radically different results. One, being the institution of private property, incentivizes men to satisfy the preferences of their peers with a reasonable understanding that their preferences will be satisfied in return through voluntary exchange. The other, being the institution of politic, on the margin, disincentivizes men to provide for one another because either the ruling class seizes their means to do so, or they are part of the ruling class which extracts resources from their fellow men. Though attempts to eradicate one of these institutions completely in favor of the other have been made, most nations have within them traces of both institutions. Singapore is one of these nations.

Though Singapore is like many other nations in its containing both institutions, Singapore's political and economic landscape is very unique and, when seen through the lens of certain political philosophies, seemingly contradictory. However, the interplay between the institutions of politic and private property in Singapore can be understood by using Hans-Hermann Hoppe's insights found in the

book *Democracy: The God That Failed*. In fact, Singapore serves as a great example of Hoppe's analysis at work in the present age. Also, more than merely being an empirical validation of Hoppe's analysis, analyzing the case of Singapore can also add to our understanding of the analysis in *Democracy: The God That Failed*. Even if one takes Hoppe's analysis to be sound, it remains to be seen whether the benefits allegedly realized by monarchies over democracies can be realized only in the pure disjunction between monarchy and democracy, or can be realized by a democratic state to the degree to which it is monarchical. These profound insights are best explained in the context of the terms "political freedom" and "economic freedom," which illustrate Hoppe's insights as they apply to Singapore. A brief discussion of these terms will be given before their prominence in Singapore is cataloged, and then analyzed using insights from Hoppe's work.

#### Preliminary Discussion of Political Freedom and Economic Freedom

By defining the institutions of politic and private property, noting that one comes about through the appropriation of the other, it is clear to see that these institutions are antithetical. However, since most nations possess varying degrees of both institutions, our inquiry into their interplay is an important one. Two terms which arise in the discussion of the interplay between these institutions, and which will subsequently arise in our discussion, are Economic Freedom and Political Freedom. Economic Freedom is more easily understood because it is more directly related to the relative prominence of the institutions of politic and private property. Economic freedom is the freedom of individuals to engage in economic activity. Since economic activity entails the voluntary exchange of private property in varying forms, and since the institution of politic is one which comes about through the appropriation of private property, therefore compromising the overarching institution of private property, as the institution of politic grows, economic freedom, which holds private property as its foundation, decreases. Thus, there is a negative relationship between economic freedom and the size of the institution of politic.

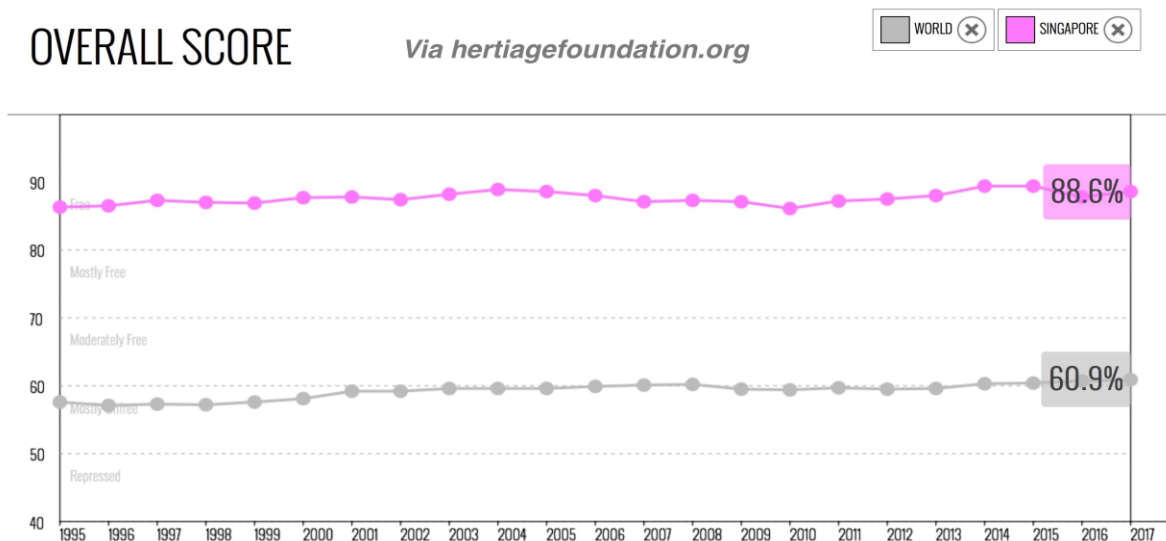
Rather than having its degree be directly characteristic of the relationship between the two institutions' prominence, political freedom's degree is found solely within the institution of politic.

Political Freedom is the degree to which the citizens within a state's boundaries have the ability to both influence the institution of politics and ascend its ranks. Because of the vague nature of this definition, it must be noted that this freedom does not merely include the right to vote in elections, but, because the definition merely says "influence," many other rights which would influence these votes, and the political parties to be voted for, must also be included. The relationship between political freedom and the prominence of the institutions of private property and politics is much more indirect than that of economic freedom. An analysis of Singapore's political freedom and economic freedom will help to illuminate that Hoppe's implicit theory of the relationship between these two concepts in *Democracy: The God That Failed* is the most likely explanation. As such, its relation to the institutions of politics and private property will be revealed later in the analysis. Our task is now to catalog the economic and political freedom of Singapore so that their degrees may be referenced in light of Hoppe's insights.

### Singapore's Economic Freedom

In surveying Singapore's degree of economic freedom, one will find that this country fares better than most, in fact, almost all. In cataloging this, The Heritage Foundation's Index of Economic Freedom will be our main source. The Heritage Foundation gives Singapore a score of 88.6 out of 100, which is only second to Hong Kong's score of 89.8. There are 4 major categories through which The Heritage Foundation analyzes economic freedom. The categories are *Rule of Law*, *Government Size*, *Regulatory Efficiency*, and *Open Markets*. Before analyzing these categories in depth, it is important to note that Singapore's degree of economic freedom has been relatively high since its inception. In fact, Singapore's Independence in 1965 did very little to change their political institutions (Abshire 2011, 141). Much of the reason for this is that Singapore was dominated by one party, the People's Action Party, both before and after their independence. Abshire notes that the PAP has exercised power over the nation since 1959, which was 6 years before the nation's independence (2011, 5). The following graph shows how Singapore has scored on the Heritage Foundation's Index of Economic Freedom in recent history. Also included is the average score for the world's economic freedom. Whereas Singapore never dips below 85% on the

index, the world only occasionally exceeds 60%. It is clear to see that Singapore is more economically free than the average country, but the cause of this, and its relation to political freedom, is much more difficult to uncover, and will be the ultimate inquiry of this paper. Before analyzing this relationship, we must first uncover why the heritage foundation holds Singapore as the 2<sup>nd</sup> most economically free country in the world.



The first of the categories analyzed by The Heritage Foundation is *Rule of Law*. Within this larger category, there are three smaller categories: *Property Rights*, *Judicial Effectiveness*, and *Government Integrity*. In these categories, The Heritage Foundation gives Singapore a 97.1, 91.5, and 87.9 respectively. While Property Rights is a sub-category of *Rule of Law*, it is important to note that this foundational institution undergirds all the categories affecting economic freedom. These other seemingly distinct categories are concerned with various facets of the institution of property rights, namely property rights' designation, enforcement, degree of uncertainty, and other such characteristics. Nonetheless, all three of these categories are important for the economic operations of the Singaporeans. The Rule of Law within Singapore is an interesting case. It is one where the independence of the judiciary from political interests is questionable. Worthington notes, "The judiciary in Singapore is not necessarily constitutionally independent of the legislature or the executive... All appointments to judicial positions are made by the president on the advice of the prime minister... (Worthington 2001, 493)" However, despite

this lack of impartiality, the courts operate well and seem to also protect property rights well.

Worthington notes that the International Institute for Management Development ranked Singapore's legal system as *the best* in the world, and that the World Economic Forum rated Singapore's legal system fourth. However, interestingly, he notes that "...in its ranking of nations on the impartiality of arbitration, the WEF report rated Singapore as twenty-second... (Worthington 2001, 493)" Also, of Singapore's legal system, The Heritage Foundation says,

Property rights are enforced. In 2015, the World Bank ranked Singapore first in enforcement of contracts... Commercial courts function well, but the government's overwhelmingly successful track record in court cases raises questions about judicial independence. Singapore is one of the world's least corrupt countries, although the power of deeply entrenched political elites continues to raise concerns. (Singapore)

The effectiveness of Singapore's system of law with its favor to political agents and lack of judicial independence seems contradictory when analyzed through a classical liberal lens, which would favor judicial independence and condemn biased rulings toward politicians. However, when understood in light of Hoppe's insights, the judicial system operates as expected. To summarize Singapore's *Rule of Law*, The Heritage Foundation ranks Singapore *1<sup>st</sup>* in the world in their sub-category Property Rights, *3<sup>rd</sup>* in the world in Judicial Effectiveness, and *4<sup>th</sup>* in the world in Government integrity.

The next category analyzed by The Heritage Foundation is *Government Size*. This category is comprised of the sub-categories *Tax Burden*, *Government Spending*, and *Fiscal Health*. In these areas, out of 100, The Heritage Foundation has given Singapore 90.5, 90.1, and 80.7, respectively. For reference, the U.S. scored 65.3, 55.9, and 53.3, respectively. While Singapore hasn't scored as impeccably in this area as some of its more impressive scores, the size of its government is still much smaller than average. Out of 180 countries, in these sub-categories, Singapore scored 28<sup>th</sup>, 16<sup>th</sup>, and 81<sup>st</sup>. Summarizing this data, The Heritage Foundation says,

The top individual income tax rate has been raised to 22 percent. The top corporate tax rate is 17 percent. The overall tax burden equals 13.4 percent of total domestic income. Government spending has amounted to 18.2 percent of total output (GDP) over the past three years, and budget surpluses have averaged 3.3 percent of GDP. Public debt is equivalent to almost a full year's GDP. (Singapore)

Out of the 4 categories of economic freedom, this is the one in which Singapore performs the worst, while still maintaining a score above average.

The next two categories cataloged by The Heritage Foundation are *Regulatory Efficiency* and *Open Markets*. These categories are both concerned with whether the government restricts the property rights of the individuals with respect to trading with others, one category analyzing overall trade and the other analyzing trade with foreigners and within financial markets. The three sub-categories that comprise *Regulatory Efficiency* are *Business Freedom*, *Labor Freedom*, and *Monetary Freedom*. Out of the world, Singapore is ranked 1<sup>st</sup>, 3<sup>rd</sup>, and 33<sup>rd</sup>, respectively in these sub-categories. The three sub-categories that comprise *Open Markets* are *Trade Freedom*, *Investment Freedom*, and *Financial Freedom*. More impressively, Singapore is ranked 1<sup>st</sup>, 9<sup>th</sup>, and 4<sup>th</sup> in these categories respectively. Most notably, Singapore's average applied tariff rate is 0.0 percent. While Singapore does a phenomenal job of restricting the institution of politic in favor of the institution of private property in these cases, elaborating their specific content is not as important to our analysis as *Government Size* and *Rule of Law*.

### Singapore's Political Freedom

Though Singapore does well to protect the property rights of their citizens regarding economic activity, there are several alleged human rights violations and many civil liberties which are wholly disregarded in Singapore. While there are many infringements on the rights of the Singaporeans in the form of prohibitions and rules, most important to our analysis is their political freedom, included in which are policies like those that foster their unfree press. In the World Press Freedom Index, Singapore is

ranked 151<sup>st</sup> out of 180 nations (2017 World Press Freedom Index). The Index says, “Prime Minister Lee Hsien Loong’s government responds vigorously to criticism from journalists and does not hesitate to sue its detractors and apply pressure to make them unemployable, or even force them to leave the country (2017 World Press Freedom Index).” We will now catalog the political freedom of Singapore, and in so doing find that the Singaporeans have very little.

In 2015, Freedom House created a Freedom in the World Index that does well to catalog many factors affecting the political freedom of the world’s nations. The following catalog of Singapore’s political freedom will be taken from Freedom House’s analysis. In a ranking from 1 to 7, with 1 being the best and 7 being the worst, Singapore received a 4. Also, in its aggregate score, Singapore received a 51/100. Most notably, Freedom House alleges that Singapore *doesn’t* meet the criteria for being an electoral democracy. This index is further divided into the two categories *Political Rights* and *Civil Liberties*. In the *Electoral Process* sub-category of *Political Rights*, Singapore scored a 4/12. The president of Singapore is elected by popular vote for six-year terms, with the candidates being vetted by a committee. The president, though fulfilling a predominantly ceremonial role, elects the prime minister and cabinet. In addition, Singapore has a 99-seat Parliament, 75 of which are elected in Group Representation Constituencies (Freedom House). In each GRC, the top-polling party wins all of its seats. Though there is some minority opposition to the dominating People’s Action Party, the opposition has been ineffective and marginalized by the success of the PAP’s efforts to control Singapore. In discussing the PAP, Freedom House says,

Elections are free from irregularities and vote rigging, but the PAP dominates the political process and uses legal harassment to deter opposition leaders from seeking office, as well as delineation to redraw (or eliminate) electoral districts to minimize support for the opposition...The 2011 parliamentary elections featured vigorous, coordinated efforts by opposition parties, which put forward candidates for 82 of the 87 directly elected seats, the



highest number since independence...The PAP took 81 seats, although it had secured only 60 percent of the overall vote. (Freedom House)

In the next sub-category labeled *Political Pluralism and Participation*, Singapore received an 8/16. Freedom House notes that opposition parties have become more prevalent recently, but that they still face many obstacles. Among these obstacles are "...a ban on political films and television programs, the threat of defamation suits, strict regulations on political associations, and the PAP's influence on the media and the courts." To show how dominant the PAP has been, Freedom House says,

The PAP has governed without interruption since the British colony of Singapore obtained home rule in 1959, entered the Malaysian Federation in 1963, and gained full independence in 1965. Moreover, the country has had only three prime ministers: Lee Kuan Yew from 1959 to 1990, Goh Chok Tong from 1990 to 2004, and Lee's son Lee Hsien Loong from 2004 to present day. The elder Lee remained active as "senior minister" during Goh's rule and as "minister mentor" from 2004 to 2011; he was also active as a parliamentarian in 2014. (Freedom House)

Continuing in the sub-category of *Functioning of Government*, in which Singapore scored a 7/12, the political elite of the country are discussed in contrast to the government's impressive lack of corruption. They say,

However, there is increasing concern over the deeply entrenched position of the country's political elites...Ministers in the government can serve in several capacities simultaneously. Legislators are allowed to and often do serve on the boards of private companies, including as chairpersons, which creates conflicts of interest. (Freedom House)

In the second main category, *Civil Liberties*, Singapore received a 32/60. This larger category is divided into 4 smaller ones, namely *Freedom of Expression and Belief*, *Associational and Organizational Rights*, *Rule of Law*, and *Personal Autonomy and Individual Rights*. In these categories, Singapore scored 9/16, 4/12, 7/16, and 12/16, respectively. Singapore is known for its draconian restrictions on freedoms of

speech, which have been used to silence criticism of the authorities. Much of the companies who control the domestic press are linked with the government, resulting in news coverage that generally supports state policies. Among the most blatant restrictions is the Sedition Act. It outlaws seditious speech, the distribution of seditious materials, and acts with “seditious tendency.” The internet is also monitored and censored by the authorities. Regarding association and organizational rights, public assemblies must be approved by police. Indoor gatherings do not require permits as long as they do not involve race, religion, or a foreign speaker. Most organizations of more than 10 people are required to register with the government, and political speeches are also regulated. In the section *Rule of Law*, the government’s overwhelming success in court cases is discussed, particularly how this shows a lack of judicial impartiality. The category in which Singapore fares the best is *Personal Autonomy and Individual Rights* with a score of 12/16. To this, Freedom House says, “Citizens enjoy freedom of movement, though opposition politicians have been denied the right to travel in the past... Women enjoy the same legal rights as men on most issues, and many are well-educated professionals (Freedom House).” Despite this one glimmer of freedom, Singapore is overwhelmingly politically unfree. Abshire notes that Lee Kwan Yew, Singapore’s prime minister of three decades, said,

I am often accused of interfering in the private lives of citizens. Ye[t], if I did not...we wouldn’t be here today. And if I say without the slightest remorse, that we wouldn’t be here, we would not have made economic progress, if we had not intervened on very personal matters-who your neighbor is, how you live, the noise you make, how you spit, or what language you use. We decide what’s right. Never mind what the people think. (Abshire 2011, 146)

### The Relevance of *Democracy: The God That Failed to Singapore*

In discussing the political and economic freedom of Singapore, it is important to note that the Singaporean project has been largely deemed a success. Singapore has gone from being a third world country to having the second highest standard of living in Asia (Abshire 2011, 7). Also, the country’s GNI per capita has risen from \$490 in 1962 to \$51,880 in 2016 (Singapore). How is one to reconcile

Singapore's radically free economy and radical economic growth with their radically unfree political landscape? To do this, one must understand the institutional structure of Singapore and the incentives it creates for the politicians. In *Democracy: The God That Failed*, Hans-Hermann Hoppe contrasts democracy with monarchy and the respective incentive structures they create. He ultimately concludes that monarchy is preferable to democracy for reasons that will be discussed below. In light of his work, it is reasonable to conclude that Singapore benefited economically from their lack of political freedom. However, since Singapore is not a monarchy, but simply has a very low degree of political freedom, for this analysis, the first thing to establish is how Hoppe's analysis pertains to the relation between economic and political freedom. Then, we can further show the relevance of Hoppe's analysis to Singapore by cataloging certain parallels between Singapore and monarchical governments. Of course, Singapore is a democratic republic, but its history and political arrangement suggest at least oligarchic tendencies, which, in some ways resemble monarchy and are opposed to the country's alleged democratic structure.

Though Hoppe never explicitly uses the term "political freedom" in his book, his analysis has many implications for it, two of which will now be discussed. First, it is clear to see that the political arrangements of monarchy and democracy lie at opposite ends of the spectrum of political freedom. There is very little that a citizen of a monarchic nation can do directly to influence the allocation of resources by their state, and even less that citizen can do to ascend the ranks of their nation's political institution. However, in contrast, democracies necessarily have a very large degree of political freedom. If the citizen of a democratic nation is unhappy with the state's allocation of resources, they are encouraged to directly influence the state's allocation through either voting or becoming a member of the state themselves, therefore allowing them the possibility of being the beneficiary of the state in multiple ways. Since Hoppe's analysis finds monarchies to produce more wealth than democracies through their increased likelihood of preserving economic freedom, his analysis would lead one to believe that the degree of political freedom of a nation has a negative relation to the degree of economic freedom in a nation. Second, Hoppe talks about important aspects of political freedom, being free entry into political

institutions and class consciousness, in his work. In discussing class consciousness in a monarchical regime, Hoppe says, “A clear-cut distinction between the few rulers and the many ruled exists, and there is little or no risk or chance of a person’s moving from one class to the other (Hoppe 2001, 21).” Hoppe elaborates that, as a result of this class consciousness and lack of entry into the political realm, solidarity among the ruled is strengthened and the extractive powers of the government are limited. Here, Hoppe outlines a direct negative relationship between free entry into government and economic freedom, and a subsequently positive relationship between free entry into government and the size of the institution of politic. Since free entry into government is an aspect of political freedom, we can conclude with that there is likely a direct negative relationship between overall political freedom and overall economic freedom.

In claiming that Singapore is somewhat monarchic, it is first crucial to discuss the People’s Action Party and its dominance throughout Singapore’s history. More importantly is the political elite it has the potential to establish over this period of time, whom may have the incentives of monarchs. To show just how dominant the PAP has been, Abshire says, “The PAP controlled 100 percent of the seats in the Parliament from 1966, when members of the opposition Barisan Sosialis party resigned, until 1981, when one seat was lost to a Worker’s Party member in a special election (Abshire 2011, 5).” While the PAP has been in control of Singapore since before their independence, here, Abshire shows that they were wholly uncontested for as long as 15 straight years. Later, she says, “The PAP’s control of Parliament, and thus of the executive branch, is exceedingly strong and gives the party almost unlimited political power in Singapore (2011, 6).” It is also important to note that, as noted above, the executive branch has much control over the judiciary as well. This political dominance, and lack of checks and balances, sounds very little like a democratic republic, and more like an absolute political power. Furthermore, the history of the Prime Ministers in Singapore is very telling. As mentioned by the Freedom House, since even before its independence, and the passing of 50 years of independence, Singapore has had only 3 Prime Ministers: “Lee Kuan Yew from 1959 to 1990, Goh Chok Tong from 1990 to 2004, and Lee’s son Lee Hsien Loong from 2004 to present day (Freedom House).” In addition to the limited number of prime

ministers, their views on democracy are important to note. Abshire discusses the Singapore politicians' distaste for Democracy, saying,

They viewed it as a tool of communists and those advocating ethnic division. The leaders' own comments make their position plain: Lee Kwan Yew said, "...checks and balances interfere with governing in a developing country where executive action must be swift," and that one could not "...allow subversives to get away by insisting that I [have] got to prove everything against them in a court of law. (Abshire 2011, 141-142)

Their quasi-dynastic rule and anti-democratic rhetoric is very monarchical, but the PAP also did well to silence its opposition and remain in power. Because the PAP was operating within the framework of a democratic-republic, they were unable to tamper with political freedom in the form of voting rights and rigged elections. So, their restriction of political freedom comes at the expense of many other rights which were infringed upon through prohibitions and other restrictions, such as their unfree press. In addition, Freedom House notes, "It uses legal harassment to deter opposition leaders from seeking office, as well as the redrawing of district boundaries to minimize support for the opposition... (Freedom House)" The PAP also uses their control of the judiciary to their favor. Before noting the "power of deeply entrenched political elites," The Heritage Foundation says, "...the government's overwhelmingly successful track record in court cases raises questions about judicial independence (Heritage Foundation)."

Though the PAP's dominance is telling, politicians also require incentives to care for the nation like an estate to operate as monarchs do. Another very foundational way in which Singapore's government operates like a monarchy is through their property ownership. Hoppe notes in his analysis that the monarch's kingdom is recognized as being his estate. In light of this, Hoppe discusses how the monarch would act in consideration of the value of his "private property." Shockingly, the Singaporean government owns 90% of the property in Singapore (Wilson 2011, 32). This state of property ownership would seemingly create many monarchical incentives for the Singaporean politicians.

Let us recount what we have established thus far. We have established that Singapore has a high degree of economic freedom and very low degree of political freedom. We have also established the ways in which Hoppe's analysis may be relevant to Singapore through our discussion of his insights in light of political freedom and the ways in which Singapore operates like a monarchy. Our last task is to apply Hoppe's analysis to the facts we have discussed to make sense of the relation between economic freedom and political freedom in Singapore, as mediated by the institutions of political and private property.

### Hoppe's Analysis Applied

Now, our task is to apply Hoppe's reasoning to the facts presented above to give examples of the causal relationship between Singapore's lack of political freedom and abundance of economic freedom. In applying Hoppe's contrasting democracy with monarchy, we will first discuss his analysis of class consciousness and legitimacy, the incentives of political actors, and relate these two things to redistribution and government provisions/restrictions. Then, we will show how Hoppe's discussion of the court system in monarchy is realized almost completely in Singapore. Lastly, we will discuss how Singapore is still burdened by some aspects of democracy regarding government spending, but also fares better than most because of its ruling elite who possess more monarchical incentives. After this analysis, conclusions will be drawn about the force which drove the lack of political freedom, the People's Action Party.

When comparing the incentive structures of monarchy and democracy, Hoppe outlines the concept of "class consciousness." This concept of class consciousness illuminates much regarding why government regulations on private property and economic activity are more likely under democracy than under monarchy. Hoppe also discusses the concept of legitimacy, which is the idea that all governments must at least have a certain degree of legitimacy in the eyes of their citizens, regardless of their structure. Hoppe says,

...private-government ownership (monarchism) stimulates the development of a clear ‘class consciousness’ on the part of the governed public and promotes opposition and resistance to any expansion of the government’s power to tax. A clear-cut distinction between the few rulers and the many ruled exists, and there is little or no risk or chance of a person’s moving from one class to the other. Confronted with an almost insurmountable barrier to “upward” mobility, solidarity among the ruled – their mutual identification as actual or potential victims of government violations of property rights – is strengthened, and the ruling class’s risk of losing its legitimacy as a result of increased taxation is accordingly heightened. (Hoppe 2001, 21)

However, Hoppe notes that this class conscious is blurred under the political arrangement of democracy. He notes that the distinction between the rulers and the ruled becomes “fuzzy” because the ruled now perceive themselves as capable of ruling. Furthermore, they see the rulers as answering to the people and that they can now be the benefactors of taxation, regulation, and government provisions. Hoppe says, “Accordingly, public resistance against government power is systematically weakened (Hoppe 2001, 25-26).” Because the population is more likely to back taxation, regulation, and redistributions of wealth under democracy, these infringements on economic freedom are much more prevalent within democracy. This conception outlined by Hoppe would lead us to believe that the dominance of one political party in Singapore, and the clear class consciousness which would result from this, contributes to the country’s economic freedom. The way through which the class consciousness is enforced is the PAP’s suppression of all opposition and their entrenched political elite, who use the judicial system to their favor. It could hardly be said that anyone could ascend the ranks of the political sphere in Singapore, and therefore they’re more likely to see taxation and regulation as benefiting the ruling class, as opposed to potentially benefiting their interests. Their skepticism of such interventions ensures that the ruling class engages in these activities much less than other, more orthodox, democracies. Later in the book, Hoppe says, “One-man-one-vote combined with ‘free entry’ into government democracy implies that every person and his

personal property comes within reach of and is up for grabs by everyone else (2001, 96).” Singapore has done well to limit entry into their political arrangement, which has led to greater economic freedom.

Impressively, when discussing the arrangement of law in a monarchist society, Hoppe describes a system that is much like Singapore’s and discusses why monarchical law is preferable to democratic law. Regarding his description of a monarchical system, he says,

Further, it is in a personal ruler’s interest to use his monopoly of law (courts) and order (police) for the enforcement of the pre-established private property law. With the sole exception of himself (for the nongovernment public and all of its internal dealings, that is), he will want to enforce the principle that all property and income should be acquired productively and/or contractually... The less private crime there is, the more private wealth there will be and the higher will be the value of the ruler’s monopoly of taxation and expropriation. (2001, 19)

It is important to again note that the Singaporean system of law is controlled by the executive, which mimics the system of law within a monarchy. Also, because the Singaporean government directly owns most of the nation’s land, one wouldn’t be surprised to see the political elite seek to maintain the value of their “property.” Hoppe’s claim that the monarch would seek to enforce private property claims well is indicative of the Singaporean system, which is ranked 1<sup>st</sup> in the world by The Heritage Foundation in property rights enforcement. Also, however, Hoppe notes that the only case in which the monarch would violate this rule is in favor of the monarch’s interests. This caveat does very well to anticipate the Singapore system’s overwhelming success rate of politicians in court, while still being successful in arbitrating civil affairs. One could conclude that, while the system may not be *impartial*, it is *predictable* regarding the enforcement of property rights. To the difficulty of maintaining the rule of law in democracy, Hoppe says, “...the mere act of legislating...increases the degree of uncertainty. Rather than being immutable and hence predictable, law becomes increasingly flexible and unpredictable (2001, 30-31).”



Lastly, Hoppe notes that, in a monarchy, the king has an incentive to increase the value of his estate in the future. However, he reasons that politicians will not act the same way in a democracy. He elaborates, “Instead of maintaining or even enhancing the value of the government estate, as a king would do, a president (the government’s temporary caretaker or trustee) will use up as much of the government resources as quickly as possible... (2001, 24).” While the political elite are entrenched in Singapore, many politicians are not and have limited terms. Therefore, we would expect them to behave less like monarchs in this manner and more like democratic politicians. According to the data compiled by the Heritage Foundation, we see a picture much like this. Singapore’s worst ranked main category is *Government Size*, and their glaring weakness within this main category is *Fiscal Health*, in which they are ranked 81<sup>st</sup> in the world. While Singapore still performs above average in this area, this point illustrates the robust nature of Hoppe’s analysis.

### Conclusion

Hoppe’s work *Democracy: The God That Failed* provides for us much more than just a contrast between the systems of monarchy and democracy. Through his analysis, we learn that easy entry into government and unrestrained political freedom lead to the decline of economic freedom, which subsequently limits economic growth. From this, we can reasonably conclude that Singapore wouldn’t be nearly as economically free and prosperous if its independence had come about through a revolution which branded the country with a high level of political freedom. Over time, this political freedom would’ve blurred their class consciousness, created uncertainty in their legislation, and lead to worsened fiscal irresponsibility. Instead, Singapore was not recognized as a sovereign nation as the result of a political revolution, but peacefully transitioned into its independence under the rule of the People’s Action Party. The PAP seized control, and fought hard to maintain their grip on the nation’s government in the midst of the country’s rapid economic growth. Through their efforts, Lee Kuan Yew became king over the nation, and political freedom was kept from emptying the country’s pockets. Though they were operating within the institutional framework of a democratic republic, and thus couldn’t restrict the voting

rights of the citizens, the PAP was able to greatly limit political freedom and ensure their control through limiting freedom of the press, intimidating rivals through their control of the court system, and regulating political associations and public gatherings. In doing so, they provided a perfect empirical validation of Hoppe's analysis, showed that a democratic republic can reap the benefits of monarchs to the degree to which it becomes monarchical, and allowed for a further elaboration of Hoppe's analysis in light of the term political freedom. Because of the preceding analysis, one conclude that, with the definition of political freedom being the degree to which individuals' preferences are manifested in their political institutions, since political institutions are necessarily extractive and are, as Rothbard says, essentially bandit gangs writ large, political freedom is merely the freedom to extract resources and to steal from others, which is a freedom that is incompatible with the institution of private property, the free market, and civilized society as a whole.

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