

# Funding Reconstruction in Syria Lessons Learned from Singapore's Development Program (EDB)

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## 1. Introduction

Repairing war-damaged infrastructure in order to reactive the local economy is a challenge for all post-conflict countries. War has effect the great Syrian Arab Republic economically, structural effects and more at all levels. After the war it's obvious that Syria is going to go into the reconstruction phase, in hope of rapid recovery and growth.

### Pre conflict in Syria

In the year's pre conflict the economy began to open up with banks opening branches in Syria, foreign investment coming, Syria also manufactured most of its medicine needs as well as clothing, and other common household items etc. Conflict started 2011

Since 2011, the economy has been affected by the escalation in most of Syria. At first, the deterioration took the form of a slight rise in the prices of gold and the US dollar which led to a limited rise in the cost of everything in Syria. However, in 2012, the Syrian economy has been seriously damaged.

As a source of financing the reconstruction phase foreign direct investment is becoming more important for developing countries; which are often based on the assumption that greater inflows of (FDI) will bring certain benefits to their economy. FDI has great social, cultural, economic and political effects for the host countries.

This research is trying to conclude some lessons from Singapore reconstruction model studying the economic environment of Singapore and Syria to determine what kinds of funding suits Syria reconstruction coming phase.

## 2. Literature Review

### 1) Meeting the Challenge of Reconstruction and Development in Fragile States: Lessons from Aceh, Haiti, and South Sudan (Leitmann, 2014).

Reconstruction and development in poor, fragile countries present a double challenge: tackling the issues of poverty and underdevelopment as well as the constraints posed by instability, poor governance, and weak capacity. This context generates a range of problems that include: insecurity, insufficient planning, inadequate implementation capacity, poor financial management, misprocurement, corruption, a volatile fiscal environment, ineffective donor coordination, and negative environmental and social impacts. The paper draws lessons from positive and negative experiences in meeting these challenges in three conflict-and/or disaster-affected cases: Aceh Province, Indonesia

(postdisaster reconstruction and postconflict development following the tsunami and earthquakes of 2004), Haiti (postdisaster recovery following the earthquake of 2010), and South Sudan (postconflict development following independence in 2011). These lessons are then organized in an assessment framework of risks and mitigation measures to assist academics and practitioners to understand and address the challenges of reconstruction and development in fragile states.

### 2) Review of Afghanistan Reconstruction Trust Fund, ARTF, Internal and External Studies and Evaluations in Afghanistan (Jensen and Pain, 2015).

This desk review draws from the findings of a range of internal evaluation and review documents of the Afghanistan Reconstruction Trust Fund (ARTF) and a wider body of relevant literature. It seeks to contribute to a broader assessment of Swedish development cooperation with Afghanistan and to provide a specific input into the Appraisal and Decision on further Contribution of Support to the ARTF 2015- 2017. The contribution to the ARTF has been a major portion of Sida's portfolio within Afghanistan. The review is structured by nine questions. These relate to the overall results from the Sida support to the ARTF, ARTF's contribution to poverty reduction, strengthening of national ownership, gender equality and peace building. In addition the review examines the extent to which conflict sensitivity has been applied in the implementation of interventions, what ARTF might have contributed to peace-building and the potential for building synergies between the ARTF and Sida's bilateral actions analysed in a separate review. While the range of reports and evaluations of the ARTF have been generally sufficient to respond to some of the evaluation questions it has been necessary to draw on a wide body of literature and specific project evaluations reports in order to assess ARTF's contribution to broader results such as poverty reduction and peace building. The major conclusions of the Review are as follows: First the ARTF has achieved a number of significant and concrete results, and the results monitoring framework has helped bring together information in a comprehensive manner. However the results need to be more clearly linked to their respective sources. The results achieved from the Incentive Programme have been more mixed, particularly with regard to revenue performance. Second the introduction of the Financing Strategy has contributed to building interest and influence of the Government of Islamic Republic of Afghanistan (GIROA) in the ARTF and strengthening its ownership of it. However, the influence of donors on investment choices and the limited ability of GIROA to generate domestic revenue restricts this ownership. Third the ARTF by definition is not sustainable, as it depends on

external aid flows and it has a finite life. Fiscal sustainability for the GIRoA will only be achieved once the balance between domestic revenue and external aid changes; this will in turn increase ownership and authority. There has been progress in building technical and institutional capacity which is likely to endure. However, there remain questions over the sustainability of maintenance of the assets that the ARTF has invested in.

### **3) Iraq reconstruction and investment (Alaraji, 2018):**

Iraq has suffered from decades of conflict and economic volatility. More recently, the ISIS war and the protracted reduction in oil prices since mid-2014 have represented twin shocks that have severely impacted Iraq's heavily oil-dependent and non-diversified economy. The Government of Iraq is taking steps to control expenditures and lay the ground for structural reforms. Given the current economic and financial situation, the public investment budget is insufficient to meet the vast recovery needs. Meanwhile, external financing for development and humanitarian aid can only partially finance the recovery and reconstruction costs. Large scale investments in the form of private sector led projects can play an important role in financing the reconstruction efforts. Such investments are unlikely to materialize at the needed scale unless the overall framework and investment climate undergoes significant improvements. The Government of Iraq is committed to create the enabling environment to attract private investments to meet its national development goals, and foster economic growth. In this regard, the Government of Iraq is striving to design and implement a reform agenda to promote domestic and foreign investments and optimize their benefits. In pursuit of a better investment climate, the Government of Iraq will promote the adoption of key international principles in investment policy. As such, every effort will be made to pursue good regulatory practices for domestic and foreign investors, as well as among foreign investments coming from different countries. The Government will also ensure effective property protection and promote effective investment retention. Pursuing the highest governance standards and maintaining environmental and social standards will also be detrimental to nurturing a favorable investment climate for attracting increased private financing in the future as well as ensuring a more efficient use of public resources. The Government of Iraq recognizes that private sector led investments will depend on its ability to demonstrate credible progress on much-needed reforms as well as strong commitment to accountability and transparency. This report outlines the first wave of reforms to be implemented by the government, with subsequent phases to be developed and executed during the reconstruction phase. It also presents an important element to realize the government's financing strategy. Finally, the document presents a high-level overview of the Investment Opportunities available in Iraq at the national and subnational levels across 12 sectors. A vibrant and prosperous investment climate that generates jobs to Iraq's rapidly growing population is a necessary condition for sustainable progress toward reducing poverty and bringing inclusive economic growth.

### **Statement of Opinion:**

The previous studies considered and studied the challenges and opportunities also the needs of the country to go through the reconstruction phase, but didn't consider the strategies and stages to prepare the environment for the reconstruction program. While this study tried to find the similarities and differences between the economic structure in Syria and Singapore, study the impact of the funding sources on Singapore's economic and social growth within the EDB period, also study the impact of the funding sources on Syria's economic and social growth, and finally take lessons from Singapore's EDB for Syria's reconstruction phase.

### **Research Problem;**

The problem of the research is summarized by studying the following questions:

Q1- What are the economic similarities and differences between Syria and Singapore?

Q2- What is the impact of the funding sources on Singapore's economic and social growth within the EDB period?

2.1- what's the impact of the some funding sources (internal and external) on the GDP rate? 2.2- what's the impact of the external and internal funding sources on the unemployment rate?

Q3- What is the impact of the funding sources on Syria's economic and social growth for the period 2000-2010?

3.1-what's the impact of the some funding sources (internal and external) on the GDP rate? 3.2- what's the impact of the external and internal funding sources on the unemployment rate?

Q4- What are the lessons learned from Singapore's EDB for Syria's reconstruction phase?

### **Research Objectives:**

The main aim of this research is to identify some lessons learned from Singapore's development phase which may help in Syria's reconstruction phase. This will be achieved by the following objectives:

1) Defining the economic similarities and differences between Syria and Singapore.

2) Identify the impact of the funding sources on Singapore's economic and social growth within the EDB period:

2.1 Identify the impact of some funding sources (internal and external) on the GDP rate.

2.2 Identify the impact of the external and internal funding recourses on the unemployment rate.

3) Identify the impact of the funding sources on Syria's economic and social growth for the period 2000-2010.

3.1 Identify the impact of the some funding sources (internal and external) on the GDP rate.

### 3.2 Identify the impact of the external and internal funding recourses on the unemployment rate

Foreign direct investment is one of the funding sources whether it contributes to economic growth directly and reconstruction in terms of both growth in GDP and reduced the unemployment rate in the economy. Will it be short term or long term and whether the awaited goals will be achieved after the concessions made by the government, such as changes in the level of taxes and enact legislation investment and agreement with investment companies, domestic and foreign.

Also when determining the sources of funding reconstruction through Singapore's development experience, Syria's situation and its economic reality will be taking into account.

#### The Importance of the Research:

The theoretical importance: This research adds new evidence to the literature review about the superior funding resources that may suit the reconstruction phase, by presenting the lessons learned from Singapore's EDB on Syria's reconstruction phase.

The practical importance: benefiting from the experience of another country that went through reconstruction phase. How the country funded itself to go through this phase, and how we are going to benefit from this experience to reach the superior funding recourses that pours into Syria's interest.

#### Research Hypotheses:

H1. FDI has a significant effect on GDP growth in Singapore.

H2. There is a significant effect of tax revenue on GDP growth in Singapore..

H3. There is a significant effect of government central debt on GDP growth in Singapore. H4. There is a significant effect of FDI on the unemployment rate in Singapore.

H5. There is a significant effect of tax revenue on the unemployment rate in Singapore. H6. FDI has a significant effect on GDP growth in Syria.

H0. There is no statistical significance between FDI and GDP in Syria. H7. There is a significant effect of tax revenue on GDP growth in Syria.

H0. There is no statistical significance between tax revenue and GDP in Syria. H8. There is a significant effect of FDI on the unemployment rate in Syria.

H0. There is no statistical significance between FDI and the unemployment rate in Syria. H9. There is a significant effect of tax revenue on the unemployment rate in Syria.

H0. There is no statistical significance between tax revenue and the unemployment rate in Syria.

### 3. Research Methodology

The methodological and analytical approaches used in the research are drawn from the empirical literature focusing on funding sources of the development program (EDB) used in Singapore, then reviewing Syria's past and current economic situation.

The descriptive methods are used to provide better understanding of relationship of the economic indicators in Singapore, to meet this goal the research used the inductive approach through reliance on indicators and extrapolate the results throughout analyzing the data and information, research papers and global statistics issued by the international organizations and Indicators economic specializes FDI, GDP, Unemployment Rate, Tax Revenue, Government Central Debt, official exchange rate in Singapore during period 1972-2016 and for Syria the same indicators has been used expect for central government debt, the indicators studied period (2000-2010), as well. For this purpose the statistic SPSS Version 21 is used for the data analysis and extraction results.

#### Reconstruction Process

##### Introduction:

Understanding that social and economic reconstruction in the immediate post conflict phase often known as the transition phase is not only a key to preventing a recurrence of conflict, but is also a critical step toward long-term development. Repairing war-damaged in order to reactive the local economy and infrastructure is a challenge, all post-conflict countries faces challenges while going through the reconstruction phase such as Suitable funding sources, Poverty reduction, Education, Employment and skills development, Health financing, Agriculture development, Expansion of tourism, Industrial development and Environment- and natural source-based challenges (Kelegama 2011, 1).

War has effect the great Syrian Arab Republic economically, structural effects and more at all levels. After the war it's obvious that Syria is going to go into the reconstruction phase facing some challenges, but in hopes of rapid recovery and growth. This research investigates which of the funding sources may be the best in the Syria's reconstruction phase taking into consideration Singapore's development plan experience.

#### First section: The Concept of Reconstruction

Reconstruction is the act or process of rebuilding something, or is a recreation of past events, or the period after the Civil War. Also post-conflict reconstruction aims at the consolidation of peace and security and the attainment of sustainable socio-economic development in a war- shattered country.

The theme of reconstruction has been studied since the 19th century. While imperialists associated reconstruction with greater involvement of the metropolitan centers in the affairs of their colonies, liberals remarked the beneficiary role of

commerce for the improvement of states and people within them (Williams 2005, 542). David Ricardo examined in 1815 the subject of post-war economic recovery and dealt with issues such as the reorientation of capital flows towards peace activities (Coulomb 2004, 92-94). And John Stuart Mill elaborated in 1848 on the potential of individuals for recovery (though from natural disasters) (Coyné 2005, 325).

The most impressive post-war reconstruction effort was carried out following the end of the Second World War. It concerns the work of the United Nations Relief and Rehabilitation Administration towards Europe and China (1943-1946), the loans of the International Bank of Reconstruction and Development to Europe, the Marshall Plan for Western Europe (1948-1951) and the economic assistance to Japan. Of all these programs, the Marshall Plan stands out as the most successful initiative. It implied a transfer of \$13.3 billion of aid from the United States to Western Europe for the accomplishment of the following objectives: increase of production, expansion of foreign trade, enhancement of internal financial stability, and development of European economic cooperation.

### First Theme: Reconstruction Forms:

It is important to understand first the concept of centralization and decentralization in reconstruction before mention the reconstruction forms.

### Central and decentralized reconstruction mechanism:

It is right to take advantage of the reconstruction opportunity in other areas to make local planning and implementation processes decentralized [at the local or regional levels]. This requires immediate rehabilitation and strengthening of local machinery. Only infrastructure should be centrally planned at the national level. The strengthening of local economic institutions as part of the process of laying the foundations for sustainable development should not be ignored.

### Forms of Reconstruction:

- Rehabilitation of infrastructure
- Economic reconstruction
- Rehabilitation of social infrastructure (ESCWA, 2003)

### Second Theme: Reasons for reconstruction:

#### 1. Development Program (RDP):

(RDP) is the major policy initiative of the Government of National Unity (GNU). The RDP is an integrated, coherent socio-economic framework which attempts to integrate development, reconstruction, redistribution and reconciliation into a unified programme (ANC, 1994).

#### 2. Disasters and Crisis

Aims to support the return and reintegration of refugees, displaced persons and the homeless. To rebuild basic infrastructure, including public facilities. To provide temporary shelter and basic services. To create incentives for the affected community to take their own initiatives and

to be self-reliant. To establish and maintain framework conditions and social networks enabling the affected community to develop.

### 3. Post-conflict

It is important to define and classify conflict, as this is key for devising any credible and effective multinational response. Conflict is commonly of three basic varieties: intra- state, inter-state, and trans-state:

a) Intra-State Conflicts: These include civil conflicts, like Iraq War (2003)

Inter-State Conflicts: These may include conflicts over the status of disputed territories and the treatment of ethnic kindred in which intra-state conflicts can pull neighboring powers into the fray, like Franco-Spanish War of 1823.

b) Trans-State Conflicts: These could include international terrorism, economic sabotage. Example, New Zealand from 1845 to 1872, between the New Zealand government and the Māori.

The post-conflict reconstruction literature is overwhelmingly focused on the security and political dimensions of peace-building operations. Most research is confined to the disciplines of history, political science, and public policy (Coyné 2007, 1). As one analyst put it, the majority of studies dealing with reconstruction address economic issues 'only tangentially, or as an afterthought, and with little economic rigor, specificity, or comprehensiveness' (del Castillo 2008, 20). No-one, of course, denies the need of war- affected countries for external assistance and financing. Although conflicts differ in duration and intensity, their impact in most of the cases is devastating in terms of human, social and physical capital.

### Third Theme: Reconstruction Funding Sources

Is the act of providing financial resources, usually in the form of money, or other values such as effort or time, to finance a need, program, or a project.

There are two types of funding sources external and internal.

On the external side there is a development strategies and policies, including towards the use of external financing as the following:

- **A wide range of investors, domestic and foreign, are potential sources of external finance for development,** including commercial banks, state-owned banks, pension funds, insurance companies, MNEs, sovereign wealth funds, foundations, endowments, family offices and venture capital funds. The options are greater than ever before, but the challenge is to mobilize them, channel them to the SDG sectors and ensure their positive contributions to sustainable development and inclusive growth.
- **The sources of external finance, and their appropriate level and mix towards development aims, depend on country circumstances.** Among others, partnerships

between public and private investors, local or foreign, have increasingly been recognized as an effective and appropriate mechanism for managing the complexity of the development challenges facing developing countries and for meeting the Sustainable Development Goals (SDGs). Examples include using ODA as base capital, a wider and better use of public-private partnerships (PPPs), advance market commitments, and the use of public development funds to leverage investment by the private sector.

- **Novel financing solutions to support sustainable development have the potential to contribute significantly to the realization of the SDGs.** Such solutions include new financial instruments, investment funds, but bringing them into full play is a major challenge to be addressed by all developing countries, including (LDCs), LLDCs and SIDS.
- **FDI will remain a critical source of finance for developing countries.** FDI continue to have important implications for a host country's balance of payments, savings, investment, the export- import gap, and overall macroeconomic management. It is seen also as a principal channel for the transfer of technology to developing countries and, through technology spillovers and enhancement of production and export capacities, as a boost to employment and economic growth.

An enumeration of the external and internal financing sources. Some of the external funding sources:

- I. Credit
- II. Contributions
- III. Grants
- IV. Subsidies

And also we will mention few of the internal funding sources like:

1. Savings
2. Reserve
3. Treasury Bonds
4. Taxes

## Economic Profiles

### Introduction

This chapter reviewed in the first section the economic reality of Singapore and the phases of its EDB from the 60s (the starting of EDB) to the 90s, the second section reviewed Syria's economic reality and also the phases of reforms made.

### First Section: The economic reality of Singapore First Theme: Singapore's economic profile:

Singapore became independent in 1965 officially the Republic of Singapore, is a sovereign city- state and island country in Southeast Asia. It lies one degree (137 kilometres or 85 miles) north of the equator, at the southern tip of the Malay Peninsula, with Indonesia's Riau Islands to the south and Peninsular Malaysia to the north. Singapore's territory consists of one main island along with 62 other islets. Since

independence, extensive land reclamation has increased its total size by 23% (130 square kilometres or 50 square miles). The city-state economy was heavily dependent on foreign multi-national capital investment and international trade. The role of the government in Singapore also fostered the correct conditions for economic growth. This was epitomized by an open economy approach, the creation of a conducive environment for private enterprise through the pursuit of stable macroeconomic policies, and sustained investment in public infrastructure and human resources. In 1967 an export promotion strategy was adopted with the Economic Expansion Incentive Act. There was an emphasis on attracting value-added and skill-intensive activities. There was an investment in skill development and training. An increased labour force in the 1970s was made up from an influx of people from neighboring economies. Re-export trade was always crucial. The state was active in promoting the economic development of Singapore and kept faith with a free-trade tradition. Singapore is very much an international trade dependent economy. The US and Japan are Singapore's most significant trading partners. Key commodity exports include petroleum products, oil bunkers, televisions, radios, electronic components, ships, boats, oilrigs and clothing.

Singapore today is one of the most open, and thus competitive, markets in the world. Here is a more detailed look into Singapore's economic profile.

Singapore has a highly developed and successful free-market economy. It enjoys a remarkably open and corruption-free environment, stable prices, and a per capita GDP higher than that of most developed countries. Unemployment is very low. The economy depends heavily on exports, particularly of consumer electronics, information technology products, medical and optical devices, pharmaceuticals, and on its vibrant transportation, business, and financial services sectors. The economy contracted 0.6% in 2009 as a result of the global financial crisis, but has continued to grow since 2010. Growth in 2014-16 was slower than during the previous decade, at under 3% annually, largely a result of soft demand for exports amid a sluggish global economy and weak growth in Singapore's manufacturing sector. The government is attempting to restructure Singapore's economy by weaning its dependence on foreign labor, addressing weak productivity growth, and increasing Singaporean wages. Singapore has attracted major investments in advanced manufacturing, pharmaceuticals, and medical technology production and will continue efforts to strengthen its position as Southeast Asia's leading financial and technology hub. Singapore is a member of the Regional Comprehensive Economic Partnership negotiations with the nine other ASEAN members plus Australia, China, India, Japan, South Korea, and New Zealand. In 2015, Singapore formed, with the other ASEAN members, the ASEAN Economic Community.

## Second Theme: The phases of Singapore's Economic Development Board EDB

### 1. The 1960s Focusing on attracting foreign direct investment (FDI):

The role of the Singaporean governmental institutions was crucial at this time. Early in its self-governance years, the Singapore government asked the United Nations to send economic advisors who had been working in countries which had similar conditions to Singapore in 1960, especially in terms of size and economic stage. Dr. Albert Winsemius, a Dutch industrialist who had previously advised Portugal and Greece, led the United Nations team. One of the first initiatives was to establish an institution that would take overall care in establishing easy foreign investment on the island. The institution was to provide a one-stop general and procedural information to the foreign investors about investing in Singapore. This was to ease the transfer of investment into the country by allowing foreign investors to bypass a lot of government bureaucracies. The Economic Development Board (EDB) was established in 1961 with the main purpose of attracting foreign capital to enter the Singapore market. This was at a time when many firms in the developed western economies were coming under the threats from the expansion of many Japanese firms. EDB officers went around the US and other countries in Western Europe, promoting Singapore as the right place to build low-cost manufacturing bases for the big corporations. Singapore was politically stable with a great workforce who spoke English fairly. In addition, to attract the MNCs, the EDB went on to provide a manufacturing base in Singapore with the development of the Jurong Industrial Town and its ready-to-move-in factories. In 1967, the Economic Expansion Incentives Act was passed, granting the EDB the right to give 'pioneer' status to foreign corporations, with tax benefits up to a period of five years. As a result, most foreign investors found that their production costs were lowered by about 20%. Soon, many foreign corporations came into Singapore.

During the mid-1960s, the government lacked sufficient capital to invest in the economy and infrastructure, therefore, it was considered prudent to invite foreign capital to fill this gap. A clear plan was enacted to provide generous incentive to foreign companies and also Juong Town Corporation (JTC) was created in 1968 along with Economic Expansion Act to create low production costs sites for foreign investors (Jomo, 1997). From the late 1960s onwards Singapore took a significant initiative to export manufactured goods, which were relatively labour intensive. The question arises why MNEs have opted to invest in Singapore's economy. It seems that the institutional features of the host country are important determinant of FDI, including political stability, the existence of property rights, the tax system, availability of adequate infrastructure etc. (UNCTAD, 1996; Low, 1984; Vernon, 1977). In recent years changes have been made in Singapore's investment policy from regulation to promotion needs to make changes in country's institutions and organizational cultures. It means new polices involved building up new supportive government officials to understand and cater for the requirements of the foreign investors. Moreover, the PAP

has ruled the country since 1965 and has played a crucial role in the formation of policies to assign the dominant role for foreign investors. Singapore has been shown to be actively pro-FDI by allowing wholly foreign-owned companies to operate in export oriented manufacturing sectors with minimal restriction (Jomo, 2003; Keenan, 1997).

The economic result at the end of this period: During the 1960s, Singapore's GDP grew at a relatively high average of 6% per year. In the same period, the manufacturing share of the GDP grew from about 10% in 1960 to about 15% in the late 1960s. More importantly, the entry of foreign corporations into the island has enabled Singapore to adopt the technology brought in by the investor.

### 2. The 1970s forced savings plan and tax incentives:

The public sector saving dominated the saving process, which rose from less than 25 % of national saving in 1975 to 60 % in 1985. Public sector savings included the government budget surplus and surpluses realized by statutory boards. The private sector's contribution was high mainly due to the government policy of forced saving through social security schemes i.e. the Central Provident Fund (CPF). It was estimated that from 1967 to 1989 the country's overall saving rate rose by 3.8 % (Huff, 1995:744). Central provident Funds consisted of past contributions made by individuals during their employment period and such contribution was divided equally between employees and employers. The savings of the provident funds provided government cheap money available to invest in infrastructure and housing. The savings invested in infrastructure, which made possible the expansion of a mass rapid transit system, roads, airports, seaports and telecommunications in the country. In fact, it subsidized and made it attractive for the MNEs to invest in Singapore. Also the EDB continued to review its tax incentives scheme in order to keep Singapore attractive in the eyes of foreign investors. The 'pioneer' status was amended in 1970, extending the tax relief to a fixed five-year period, before it was amended again in 1975 to a fixed ten-year period. Then in the late 70s, the tax incentives scheme was extended to support Singapore-owned small manufacturing firms, as well as providing benefits for firms who provided services to the existing firms. The tax incentives and benefits significantly cut production costs by more than 33%. Apart from working through the provision of tax incentives and other benefits, the Singapore government worked to establish other supporting institutions. The government took over investments in areas lacking of local private expertise. Nationalized companies emerged in the financial and transportation sectors, with the births of the Development Bank of Singapore (DBS), the Singapore Airlines (SIA) and the Sembawang Shipyard. These institutions played supporting roles in establishing financial services as well as continuing the progress of physical and non-physical infrastructure development in Singapore. To help finance the public investment in Singapore, the government continued the Central Provident Fund (CPF) social security scheme, which was already in place since 1955. Although there were several changes to the scheme such as the more diverse use

of the CPF funds for housing purchases and medical benefits, the CPF scheme remains compulsory for all working individuals. What it did to the economy was to help build a workforce that was based on hard work, thrift and self-help. The Singapore government also oversees the labor conditions in the country, aiming to provide a positive labor environment that would attract foreign investors. In the early 1970s, the Singapore government through the Employment Act formed standards of employment to prevent and solve problems between employee and employers. Also, in 1972, the Singapore government formed the National Trade Union Congress (NTUC) as the single national labor union to oversee employment and wage problems.

The economic result at the end of this period: All these different initiatives by the government worked well up to the end of the 70s. By the end of the 1970s, the unemployment rate was as low as 3.5% while the manufacturing sector continued to grow to about 25% of GDP. Singapore was beginning to gain international recognition with its annual GDP growth rate of 10%.

### 3. The 1980s Training workforce and providing tax incentives:

In order to realize its aim of having a highly-skilled workforce, the Singapore government formed the National Computer Board (NCB) in 1981 to establish good knowledge and training of workers in the IT-related industries. This was at the same time necessary to provide a sufficiently IT-savvy workforce required to attract global IT firms to produce and sell their software through Singapore. The NCB continued from 1981 onward to oversee the development of implementation of IT as part of the growing infrastructure in Singapore. Among some of the initiatives in the late 1980s, the NCB developed a plan to implement a culture of IT use and application all throughout Singapore's firms as well as to increase the local IT development such as to enable businesses in Singapore to be linked up with others in the West. During the same period, the Singapore government spent a huge amount of money on building and developing the new infrastructure. Government spending on infrastructures went up as high as 3 times the amount of direct foreign investment in the 1980s. The role of the EDB has not diminished in the 1980s onwards. An extension of the pioneer status scheme was reviewed in 1983 to ensure that continued tax incentives were to be provided to the pioneer companies. The 1980s saw the EDB beginning to grant the pioneer status not only to manufacturing firms, but also to the financial service providers.

In addition to that, the EDB was also instrumental in providing schemes for benefits and other tax incentives for MNCs who wished to set up their headquarters in Singapore.

The economic results at the end of this period: As a result from these various economic strategies, Singapore saw a continuously high growth rate in GDP at an average of 7.3% during the 1980s. At the same time, the proportion of skilled employees had risen from 11% in 1979 to 22% in 1985, while the amount of IT domestic and export sales had increased by more than 10 times by 1990.

### 4. The 1990s Developing technology and The Triangle:

The 1990s saw continued high spending by the Singapore government in efforts to develop the high technology of the country. Through the NCB, Singapore had committed about S\$ 2 billion from 1991 to 1995 and S\$ 4 billion from 1996 to 2000, for the purposes of the development of high technology plans. The clustering of high technology institutions was done mainly by the formation of high-technology parks, which among them constitute the National University of Singapore (NUS), the Nanyang Technological University (NTU), the Institute of Systems Science and other tertiary institutions. The government also deepened the level of technological research of the country through NUS global cooperation programs with highly established tertiary institutions in the US, Australia and in Europe. Another important strategy adopted by Singapore in the 1990s was the realization of a need to expand its economic activities in the region. Singapore was no more the low-wage economy that it had promoted in its early years. However, the surrounding regions of Malaysia and Indonesia were still mostly made up of low-skilled and low wage workers. The Singapore-Johor-Riau (SIJORI) growth triangle was initiated in the early 1990s to relocate Singapore's investments in manufacturing to the nearby areas of Johor in Malaysia and the Bintan and Batam islands of the Riau province in Indonesia. Singapore acted as the main financial center of the triangle, while the Johor and Riau areas provided the labor force for the manufacturing processes. A plan for the creation of an economic cooperation among Indonesia, Singapore and Malaysia was first expressed in 1989. However, the SIJORI initiative started only in the early 1990s, led by the Economic Development Board (EDB) of Singapore. Its original members were Singapore, Johor (Malaysia) and the Riau province of Indonesia. Singapore would benefit from the regional cooperation because both Johor and Riau would provide Singapore with the much needed space, resources (food, natural gas and water) and workforce.

Malaysia and Indonesia would benefit from the initiative because of the infrastructure development, economic growth, and lessons from Singapore's financial expertise as spillover effects in both places. Under the agreement, Singapore would provide the network and financial services for foreign investors to set up their manufacturing bases in both Johor and Riau. The state of Johor and the province of Riau would provide tax and financial incentives for foreign firms to relocate their manufacturing bases from Singapore. 9 Early political agreements had made it easy for all parties involved to cooperate in building manufacturing and industrial zones in the Johor and Riau regions, especially in the islands of Batam and Bintan. The Singapore-Riau cooperation was more structurally formal than the Singapore-Johor plan, with the creation of an official bilateral arrangement between Indonesia and Singapore for the joint initiatives in Batam and Bintan. With no apparent cooperation between Johor and Riau, it was clear then that the triangle had evolved because of extensive work from the Singapore government in trying to develop Johor and Riau as its external economic wing to establish Singapore's position as the financial hub in the region. From 1996

onward, the SIJORI triangle expanded with the addition of more states and provinces from Indonesia and Malaysia. The triangle then was known as the Indonesian Malaysia-Singapore Growth Triangle (IMS-GT) with the addition of West Sumatra in Indonesia, and South Pahang, Negri Sembilan and also Malacca in Malaysia. Among all the different pairs of collaborations, the cooperation between Singapore and the Riau province (including Batam and Bintan islands) of Indonesia still has the strongest economic link. By 2003, the number of manufacturing bases of MNCs in both of the Riau islands has reached 70, including that of companies like Phillips, Siemens and Thomson, which still maintain their regional financial operations in Singapore. Batam Island alone has grown to having investment totaling more than US\$ 2 billion from a start of US\$ 573 million in 1990. The Bulk of the investment comes from companies based in Singapore.

The economic results at the end of this period: By the end of the 1990s, the share of financial services had risen to about 30% of its GDP, significantly higher from the 20% level in 1980s. The number of research scientists has also grown to more than 10, 000 by the late 1990s. Singapore's economy grew at an average of 8% in the 1990s until it contracted by about 1% in 1998 due to the Asian economic crisis.

## Second Section: The Economic Reality of Syria

### First theme: Syria's Economic Profile and its Economic Reform

Since Syria became independent in 1946, the economy has undergone widespread structural change. Although the presence of the Allied Forces during World War II stimulated commerce by providing markets for agriculture, textiles, and other locally manufactured goods, Syria lacked both the infrastructure and resources to promote economic prosperity. Agriculture controlled the country's economy and determined the pace of industrial expansion as large landowners channeled profits from agricultural exports into agro industrial and related urban enterprises. Syria's predominantly rural population, working under land tenure and sharecropping arrangements, derived few benefits from the agriculturally induced economic growth of the 1950s. However, Syria's union with Egypt (1958-61) and the rise of the Baath Party as the major political force in the country in the 1960s, transformed Syria's economic orientation and development strategy.

By the mid-1960s, government-sponsored land reform and nationalization of major industries and foreign investments had confirmed the new socialist direction of Syria's economic policy. As the state assumed greater control over economic decision making by adopting centralized planning and strictly regulating commercial transactions, Syria experienced a substantial loss of skilled workers, administrators, and their capital. Despite the political upheavals, which undermined the confidence of landowners, merchants, and industrialists, the state successfully implemented large-scale development projects to expand industry, agriculture, and infrastructure.

During the 1970, Syria achieved high rates of economic growth. The dramatic rise of world oil prices from 1973 to 1974 led to increased production from domestic refineries. Moreover, higher prices for agricultural and oil exports, as well as the state's limited economic liberalization policy, encouraged growth. Also, Syria's economic boom was furthered by increased remittances from Syrians working in the oil-rich Arab states and higher levels of Arab and other foreign aid. By the end of the decade, the Syrian economy had shifted from its traditional agrarian base to an economy dominated by the service, industrial, and commercial sectors. Massive expenditures for development of irrigation, electricity, water, road building projects, and the expansion of health services and education to rural areas contributed to prosperity. However, the economy remained dependent on foreign aid and grants to finance the growing deficits both in the budget and in trade. Syria, as a front-line state in the Arab-Israeli conflict, was also vulnerable to the vagaries of Middle East politics, relying on Arab aid transfers and Soviet assistance to support mounting defense expenditures.

By the mid-1980s, the country's economic climate had shifted from prosperity to austerity. Syria's economic boom collapsed as a result of the rapid fall of world oil prices, lower export revenues, drought affecting agricultural production, and falling worker remittances. Also, Arab aid levels decreased because of economic retrenchment in the oil-producing states and Syrian support for Iran in the Iran-Iraq War. To restore the economy, the government sharply reduced spending, cut back imports, encouraged more private sector and foreign investment, and launched an anticorruption campaign against smugglers and black market money changers. However, massive defense outlays continued to divert resources from productive investments.

By the late 1980s, spot shortages of basic commodities occurred frequently and industry operated far below capacity because of routine power outages. Foreign exchange reserves plummeted, the trade deficit widened, and real gross domestic product (GDP) growth fell as economic difficulties compounded. Although the government instituted limited reforms to respond to the burgeoning crisis, Syria's pressing economic problems required a radically restructured economic policy to improve future economic performance. (Source: countrystudies.us) Second Theme: Reforms of Economic Activity During Period (2000-2010):

In year 2000 the Syrian government has embarked on a course of economic reform to restructure its economy from a socialist planned into a social market economy while at the same time alleviating poverty and promoting human development. The 10th Five Year Plan (thereafter denoted 10th FYP) sets out the fundamental priorities on which its economic reform program is based. These stress the need to place the economy on sound fundamentals, revising and reforming macroeconomic policies, linking economic growth to employment and poverty alleviation, introducing a new economic culture and revising social services. Given that these reforms can only be implemented in the long term, the 10th FYP is embedded in a longer term strategy to enhance the efficiency and equity of resource allocation. To achieve its goals, the Syrian government has been

introducing stabilising measures and structural reforms, which touch on all aspects of the economy, including the adjustment of fiscal policy, changes to monetary and exchange rate policies, trade and financial liberalization, and the opening of the previously state dominated productive sectors to the private sector. So far, most emphasis has been placed on stabilisation policies through adjustments to fiscal policy focusing on reducing the budget deficit.

The strategy initiated in the early 2000s to transition toward a social market economy. The exchange rate has been effectively unified and restrictions on access to foreign exchange for current transactions appear to have been mostly eliminated. Private Banks are now leading financial sector growth, and the Damascus stock exchange recently re-opened after being closed for 40 years. Taxes have been streamlined and the trade regime significantly liberalized. There was a limited cabinet reshuffle in January, but no change in economic policy is expected.

Syrian economic reforms were initially incremental and gradual, with privatization not even on the horizon. The government, however, has begun to address structural deficiencies in the economy such as the lack of a modern financial sector through changes to the legal and regulatory environment. In 2001, Syria legalized private banking; private financial institutions may emerge in 2002, as may a nascent stock market. Beyond the financial sector, the Syrian Government has enacted major changes to rental laws.

Syria's macroeconomic indicators relatively sound. During 2000-2010, the country's growth rate averaged 4.3 percent per year, about a percentage point below the average growth experienced by the MENA region. Inflation was kept in check at less than 5 percent and only once during those years did it hit double-digits. In 2008, the sharp rise in commodity and oil prices led to a spike in the inflation rate to 15.2 percent, but the following year the government had brought the rate down to 2.8 percent. Overall, inflation in Syria was considerably below the rates witnessed in the MENA countries group. To a large extent this good inflation performance was the outcome of a sensible fiscal policy that maintained a relatively low fiscal deficit of under 3 percent of GDP until 2009. While the fiscal deficit jumped to nearly 5 percent of GDP in 2010, over the entire period the Syrian fiscal deficit was about one half of the average fiscal deficits of MENA oil-importing countries.

On the external front too, Syria's performance, though not stellar, was nonetheless positive. The current account deficit, which averaged about \$400 million a year (1.6 percent of GDP) during 2000-2007, started to rise steadily thereafter to reach \$1.7 billion (2.9 percent of GDP) by 2010. However, capital inflows comprising mainly foreign direct investment (FDI) from other Arab countries and Europe, led to overall balance of payment surpluses and increases in the international reserves holdings of the Central Bank of Syria (CBS) that reached \$18.2 billion at the end of 2010. The largely positive external picture was reflected in the relative stability of the exchange rate. The Syrian Pound (SYP) appreciated steadily against the US dollar at an average rate

of 2 percent per year and at the end of 2010 reached SYP 47 to the US dollar.

While the overall macroeconomic picture was generally positive, in the years leading up to 2010 real household expenditures steadily declined, unemployment and poverty rates rose, income inequalities increased, and regional disparities in development grew larger. The economic seeds for the uprising were clearly evident in Syria, and were essentially the same as those seen in other Arab transition countries.

#### **The pace of reform in Syria as follows:**

The economy started to gain momentum as new stimulating laws were enacted:

- 1) Law No. 29 for the year 2001 on the Establishment of Private Banks and Banking Confidentiality;
- 2) Legislative Decree No. 36 for the year 2001 on licensing private universities;
- 3) Several decisions by the Ministry of Education licensing private schools;
- 4) The Free Zone General Corporation law;
- 5) Legislative Decree No. 35 for the year 2005 on licensing Islamic banks in Syria;
- 6) Decree No. 43 for the year 2005 on investment in the insurance sector, health and higher education;
- 7) A number of measures on the possession of foreign currency and tax and banking reforms.

#### **Explanation to some of the most important reforms as mentions below: Price, trade and foreign exchange liberalization:**

The number of official exchange rates has been reduced and their level adjusted. The surrender requirement has been fully phased out. With gradual move towards unified exchange rates, implicit price subsidies have been largely eliminated. Prices have been liberalized, except those of a predominantly produced by public enterprises. In foreign trade, positive lists of importable goods have been replaced with a negative list, customs procedures have been streamlined, import duties have been simplified and tariffs lowered, and free trade agreements have been signed with several countries, notwithstanding this progress, Syria has yet to unify its exchange rate market and adopt current account convertibility, while its foreign trade regime remains one of the most restrictive in the world.

#### **Financial sector reform:**

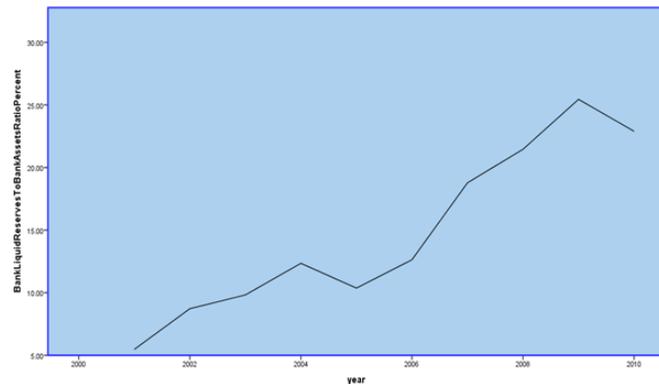
Banking and insurance have been opened to the private sector. With full assistance, a comprehensive banking regulatory framework has been set up and supervision capacity built up. A credit and monetary council has been reactivated as a step toward a more active monetary policy, and some flexibility in interest rates has been introduced.

Nonetheless, 98 percent of financial assets are still held by state banks, the level of financial intermediation is very low, and the government has yet to launch a T-bill as a pre-

requisite for the development of financial markets and the proper pricing of financial assets.

Bank liquid reserve to bank assets ratio percent (2000-2010)

Chart (1)



Source: world bank-world development indicators database 2018

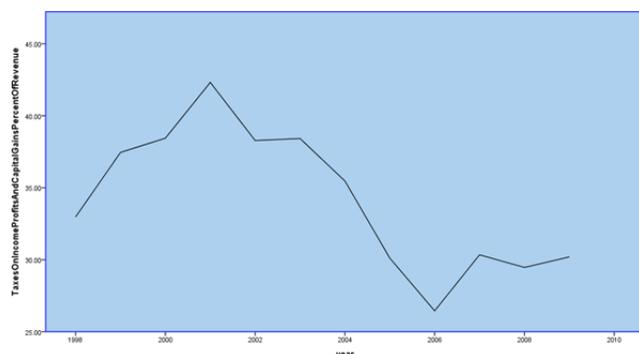
### In the tax field:

The income tax has been simplified and marginal rates lowered substantially, various specific taxes were consolidated into a single ad valorem consumption tax, and much of the remaining tax legislation has been reviewed and streamlined. Nonetheless, the tax regime is still complex, with widespread exemptions and tax liabilities which are subject to negotiations between tax collectors and taxpayers.

Public administration and PEs: limited progress has been achieved in this area. An overstuffed and ill-paid civil service is still a major impediment to effective economic management and reform implementation, while PEs operating under a soft budget constraint-countries to drain resources and hinder the growth of the private sector.

Taxes on income profits and capital gain percent of revenue (2000-2010)

Chart (2)



Source: world bank-world development indicators database 2018

### Third theme: Syria's Economic Reality 2010-2017

Syria's economy has deeply deteriorated amid the ongoing conflict that began in 2011, declining by more than 70%

from 2010 to 2017. as a result of the conflict Syria became under an international sanction. The government has struggled to fully address the effects of international sanctions, widespread infrastructure damage, diminished domestic consumption and production, reduced subsidies, and high inflation, which have caused dwindling foreign exchange reserves, rising budget and trade deficits, a decreasing value of the Syrian pound, and falling household purchasing power.

In 2017, some economic indicators began to stabilize, including the exchange rate and inflation, but economic activity remains depressed and GDP almost certainly fell. During 2017, the ongoing conflict and continued unrest and economic decline worsened the humanitarian crisis, necessitating high levels of international assistance, as more than 13 million people remain in need inside Syria, and the number of registered Syrian refugees increased from 4.8 million to more than 5.4 million.

### Empirical Study

First Section: Methodology

#### 1-1- Economic environment analysis for Syria and Singapore:

This part studied the differences and similarities between Syria and Singapore economic environment according to basic economic indicators like, GDP per capita, inflation rate, unemployment rate, poverty rate and GDP distribution across economic sectors. Hence, certain comparative statistics and indicators were presented figuring the level of foregoing variables in both countries.

#### 1-2- Econometric methodology:

For each variable a graph was made, with a simple analysis of the variables evolutions during the period (1972-2016) for Singapore's indicators. Within the framework of studying the relationship between variables, according to the logical relationship a graph was made between each two variables with a brief analysis of the impact of the independent variables on the dependent variables. The correlation coefficient should not be calculated if the relationship is not linear. In addition, descriptive statistics of the selected variables were listed to discover their properties during the considered period.

For correlation only purposes, it does not really matter on which axis the variables are plotted. However, conventionally, the independent (or explanatory) variable is plotted on the x-axis (horizontally) and the dependent (or response) variable is plotted on the y-axis (vertically) like the graphs in the practical framework.

The Pearson Coefficient technique is quantitative methods used in hypothesis testing to test the significance of the association between each two variables. Moreover, a regression analysis was executed to assess separately the impact of FDI, Tax revenue, official exchange rate and central government debt variables on GDP and

unemployment rate for Singapore, the same indicators has been studied in Syria except for central government debt.

Then, interpreting the outputs of the analysis including hypothesis testing was presented. In fact, the hypotheses were tested using simple regression analysis according to the following rule that says reject the null hypothesis (H0)... and accept the alternative hypothesis (H1), if the value of the experimental significance test (Sig) is smaller or equal to the nominal level of test ( $\alpha$ ), which is 0.05, and vice versa.

Finally, listing the results and proposing recommendations.

1-3- Community and Research Sample

Syria and Singapore represent the research community, variables are measured using some economic indicators of Singapore during period 1972-2016 and Syria during period 2000-2010 and period 2010-2016 relying on world bank website published data.

Second section: Research Limits

In general, this research was limited by certain constraints which include difficulty in sourcing data from certain relevant organization, non-availability of data on certain variables, restrictions in accessing certain materials on the internet.

In the economic environment comparison one year was selected for Singapore and Syria because of the limitations of data availability, and also the indicators were limited social indicators were only (unemployment rate) as well as the economic indicators were limited too, because of the limitations also the Syrian government didn't declare some of the data, and for Singapore also the data were very limited pre EDB phase period.

Despite the difficulties there were some other limitations such as: The period selected to be used for the research covers the period of 1972-2016 in Singapore the data didn't include 2017 for not being available. For Syria the covered period is 2000-2010 the Syrian government didn't declare some of the data issued after 2010.

The indicators were used in local and foreign currencies. Due to the short period of time, I could not convert the values from the local currency to the foreign currency because it requires exchange rates for each year.

2.1 Source of Data:

For the purpose of this project, data is sourced from the world bank statistical bulletin for the periods and the data are all secondary data.

2.2 Research Tools:

For the purposes of the research, in depth with reviewing previous studies and the results that were reached, accordance with the objectives of the study the collection of the data on the study hypotheses will be collected from the world development indicators database compiled from

officially recognized international source (the world bank site). As far as, data collection tools were concerned, the conduction of the research involved the use of the statistical techniques by statistical analysis program SPSS version 25 in analyzing the collected data. Will also be used some of the descriptive and inferential statistical measures, also tests that fit and serve the objectives of the variables of the study to reach the promised results. These measures and tests are the following:

- Descriptive statistics
- Diagram tools, including graphical representation,
- Pearson Correlation coefficient,
- Linear regression analysis.

Third Section: Practical Study

1. Research variables of The Practical Study

This practical study includes two common variables, dependent and independent variables as follows:

Independent Variables:

- I. Tax Revenue.
- II. Foreign Direct Investment (FDI).
- III. Central Government Debt.
- IV. Official Exchange Rate

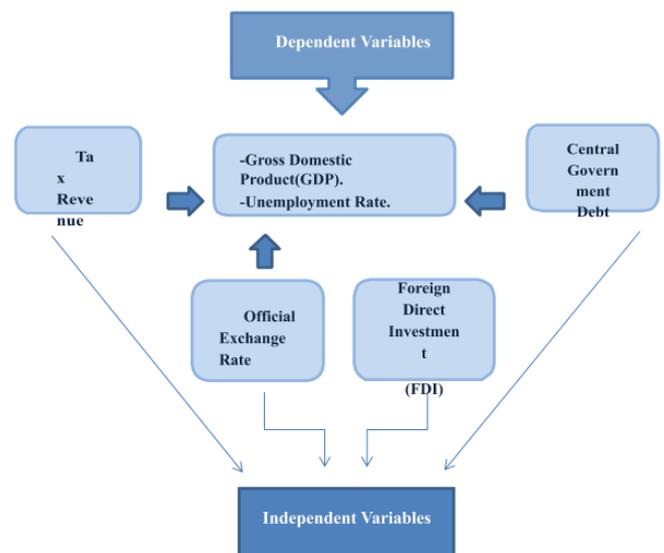
Dependent Variables:

- I. Gross Domestic Product (GDP).
- II. Unemployment Rate.

For the purpose of this study, the researcher will be using the following schema in the practical study to illustrate the relationship between the two variables dependent and independent variables as shown in figure (1) below:

Research Variables

Figure (1)



Source: created by the researcher

**Fourth Section: Economic Structure Comparison (Syria, Singapore)**

A comparison between Singapore and Syria by the indicators mentioned in the table below.

**Table (4-1)**

GDP per capita USD		Inflation Rate		Unemployment Rate		Poverty Rate	
Syria 2016	Singapore 1960	Syria 2016	Singapore 1960	Syria 2016	Singapore 1960	Syria 2016	Singapore 1960
464.052 USD	472.88 USD	47.7 %	1.36 %	14.5%	13.5%	85%	20% of household below poverty line, 9% lived in public houses

Source: Knoema- world data atlas/ Central Bureau Of Statistics 2017/Education, Manpower, and Development in Singapore-9-pang eng fong-1982/ theglobaleconomy.com/Syria-/NRC (<https://www.nrc.no/perspectives/2017/the-human-accounting/>) explaining the economic success of Singapore-johnny sung-2006-p97/

**4.1 GDP distribution across economic sectors**

A comparison between Singapore and Syria by GDP distribution across economic sectors.

**Table (4-2)**

GDP by factors (Syria) 2016		GDP by factors (Singapore) 1960	
Agriculture, forests & livestock	28	Agriculture and fishing	4.1
Mining, quarrying & manufacturing	32	Manufacturing	13.2
Building & construction	2	Construction	3.7
wholesale, retail trade & repair	7	Trade	33.6
Transport, storage & communication services	15	Transport and communication	14.0
Finance, insurance & real estate	2	Financial and business services	11.7
Social and personal services	6	Quarrying	0.4
Government services	9	Utilities	2.5
Non-profit institutions	0	Other services	18.5
-	-	Less imputed bank charges	1.7
Total	100.0	Total	100.0

Sources: Singapore, Ministry of Trade and Industry/Economic Survey of Singapore 1982; Singapore, Department of Statistics/ Monthly Digest of Statistics, March 1983/ Central Bureau of Statistics

From the table (4-1) it does exist a great similarity among these economies, in Syria during its crisis and in Singapore pre the EDB phase when the economic situation wasn't in its best shape, comparing the GDP per capita, unemployment rate and poverty the indicators value were approximately similar and close to each other.

countries. Those are poor agricultural countries that are seeking to become more advanced economically and socially.

**Fifth Section: Descriptive Statistics for The Study Variables**

Table (4-2) the sectors contributions in GDP are somehow different from each other, due the different environments and the availability of resources in each country. The long period also plays a role in these differences due to the world development at all levels.

Descriptive statistics for the period 1972-2016 of Singapore's economic indicators except for one indicator (central government debt) that will be studied between the period 1990-2016. we will be reviewing some of descriptive coefficients that summarize the research data like in the table below (5-1) that shows the arithmetic mean, the standard deviation, the greater value (maximum) and the smaller value (minimum).

But in general from the indicators reviewed above the economic environment is approximately similar, also because Syria and Singapore are considered developing

Descriptive statistics for Singapore’s indicators

Table (5-1)

Descriptive Statistics					
In millions	N	Minimum	Maximum	Mean	Std. Deviation
FDI	45	-326.7725	73986.66193	13871.09282	19479.04743
Central Government Debt LCU	27	54882	480707.2961	210997.3258	130283.9601
Tax Revenue LCU	45	1208	58662.97257	19816.73717	16826.43238
Official Exchange Rate LCU per US	45	1.249676	2.812500	1.87875302	.425652551
Unemployment Rate	45	1.5000000	6.8400002	3.744555564	1.2790976415
GDP US dollars	45	161.0666667	73986.66193	16818.74095	22053.5417
GDP LCU	45	8297.6	410272	142464.5689	126330.5419
Valid N (listwise)	27				

Source: Statistical Analysis Using SPSS version21 Program

5.1- Analytical study for the considered variables during period 1972-2016

We will describe the basic features of the data in a study with simple graphics analysis

Foreign Direct Investment Trend

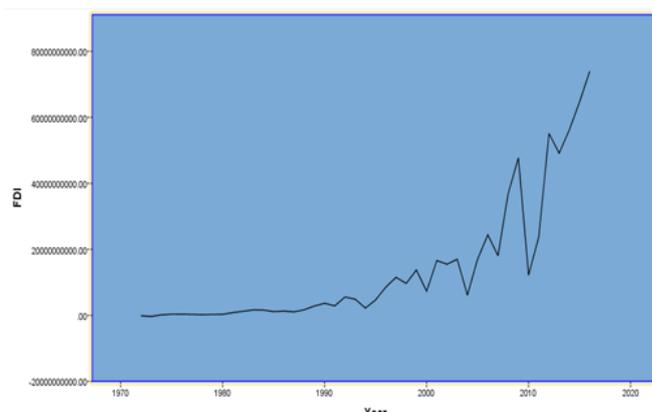


Chart (5-1)

Source: World Bank data.

Singapore’s FDI positive direction as we can see in the chart above the FDI growth, is due to its attractive investment environment they have created through the EDB, they focused on a weak spot each phase and made economic reforms and strategies, the FDI reached its highest value 73986, 66193 million in 2016, the economic crises in 2008-2009 had its impact FDI declined sharply in 2009-2010 in 2010 the FDI fell to reach 12200.70525 million. (source of INFO)

Tax Revenue Trend

Singapore’s Tax Revenue was reported at 58662.97257 SGD in 2016 This records an increase from the previous number of 1208 SGD in 1972, averaging 19816.73717 SGD from 1972 to 2016, The data reached an all-time high of 58662.97257 SGD in 2016 and a record low of 1208 SGD in 1972.

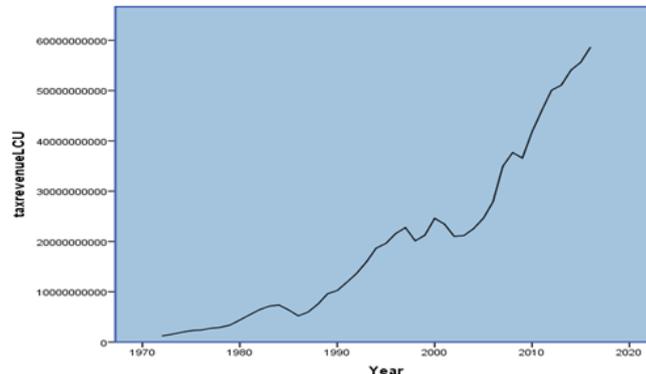


Chart (5-2)

Source: World Bank data.

Central Government Debt trend period 1990-2016

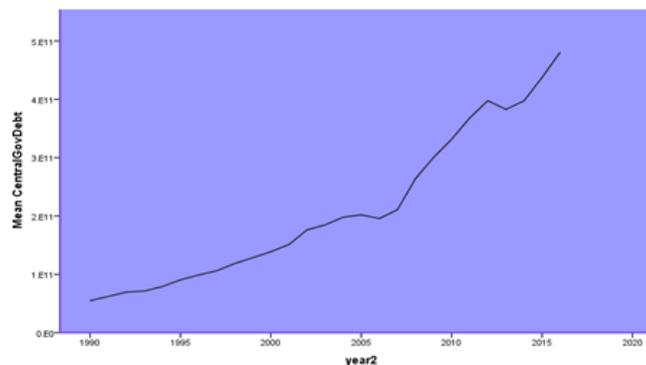


Chart (5-3)

Source: World Bank data.

Government Debt in Singapore increased to 480707.2961 million in 2016 from 54882 million in 1990 and the average value for Singapore during period 1972-2016 was 210997.3258.

Official Exchange Rate Trend:

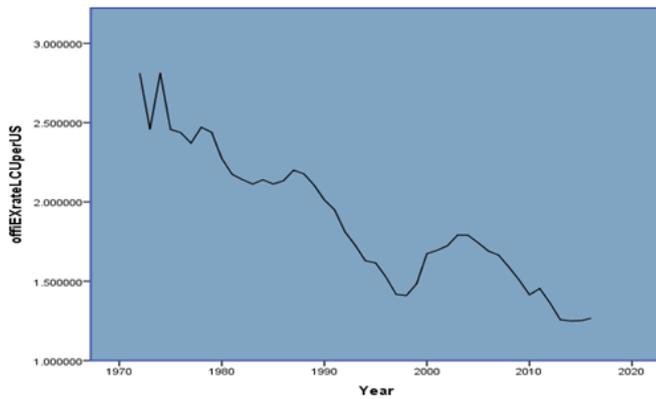


Chart (5-4)

Source: World Bank data.

The Singapore dollar slumped at trading to 1.267050 in 2016 SGD per USD, averaging 1.87875302 the Singapore Dollar reached an all-time high of 2.812500 in 1974 and a record of low at 1.249676 in 2014.

**Gross Domestic Product (GDP) Trend**

Singapore’s gross domestic product (GDP) is the most important measure to evaluate the performance of Singapore’s economy (Economic Growth, GDP).

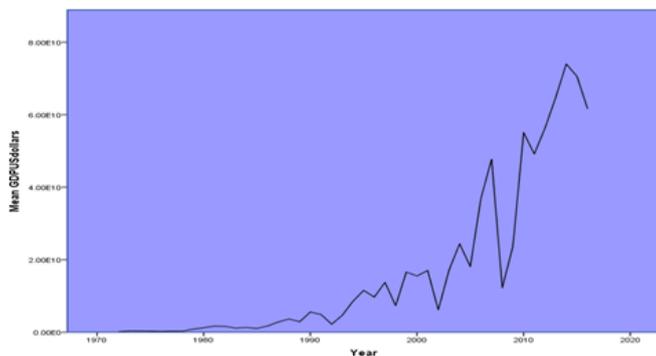


Chart (5-5)

Source: World Bank data.

Gross Domestic Product of Singapore grew, and The data reached an all-time high of 73986.66193 billion in 2014 and a record low of 161.0666667 billion in 1972 The average value of GDP for Singapore during period 1972-2016 was 16818.74095.

**Unemployment Rate Trend**

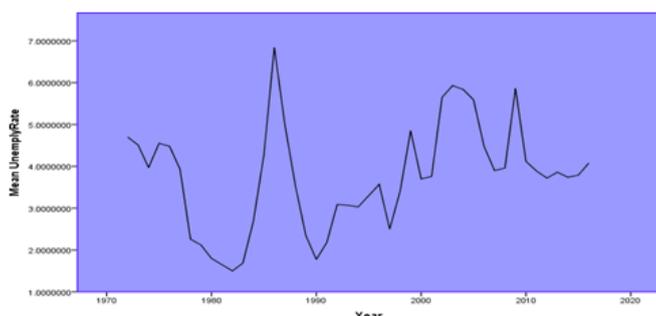


Chart (5-6)

Source: World Bank data.

The number of unemployment people is volatile but overall it seems to be increasing after 2010. The unemployment rate as we can see in the chart above draw a sharp fluctuation reaching the highest value 6.8400002 percent in 1986 from the lowest jobless rate 1.5000000 in 1982 with an average value 3.744555564 during period 1972-2016.

**Sixth Section: Analytical study for the relationship between the variables** Within the framework of the practical study the relationship between each two variables will be studied through a graph.

**6.1 Graphs analysis:**

**The Relationship between FDI and GDP in Singapore**

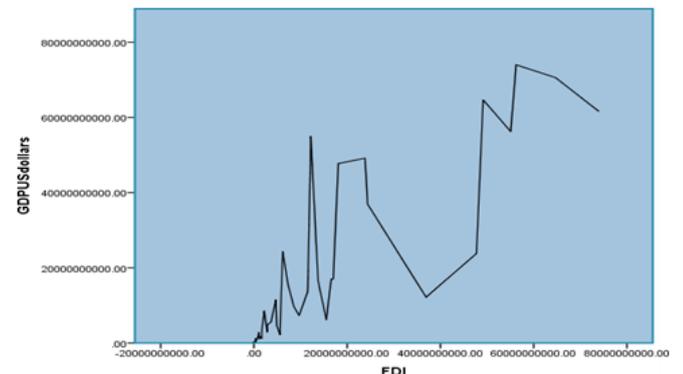


Chart (6-1)

Source: World Bank data.

The governments have aggressively promoted inflows of foreign direct investment (FDI) to stimulate economic growth (UNCTAD, 2014). From the chart above FDI and GDP have experienced slower growth rates at the begging of foreign investment inflows if we take a look at the lowest value The period of investment flows started with -326.7725 US billion and negative FDI net inflow means that divestment is greater than investment. The annual increase reached its highest value 73986.66193 US billion in 2016.

GDP shrank in 2009 because of the global downturn when demand from the United States and other developed economies collapsed (BBC, January 2011). A general look the growth in foreign investment flows has increased positively; this growth had a positive impact on GDP.

**The relationship between FDI and Unemployment Rate in Singapore**

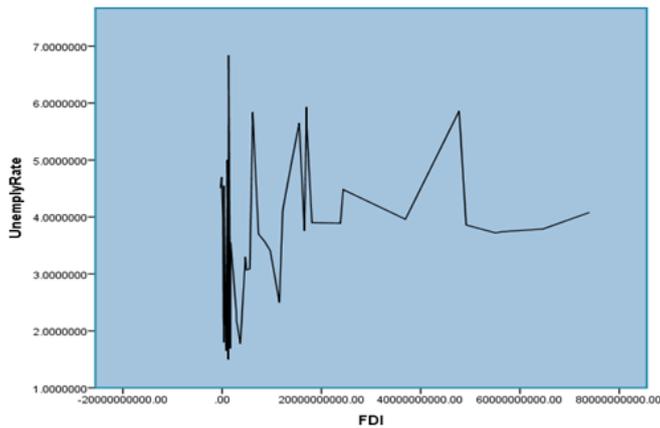


Chart (6-2)

Source: World Bank data.

Chart (6-2) in general during the period studied from 1972-2016 the relationship between FDI and unemployment rate is volatile. But the FDI had a positive impact on the unemployment rate after three years approximately of the Start of investments flow, when foreign investment inflows increased annually and the values the made a positive impact were positively stable, the stability and growth began from 2013 when the FDI was 49155.975338 USD and achieved annual growth till 2016 with the highest value 73986.66193 USD.

Singapore has also benefited from increased labour flows across international borders. Importing foreign labour leads to an increase in Singapore’s labour which raises the economy’s productive capacity. This is a relatively efficient and cost-effective way of increasing potential growth (in Singapore’s point of view) (Teo, Jan 2013).

**The Relationship between GDP and Tax revenue in Singapore**

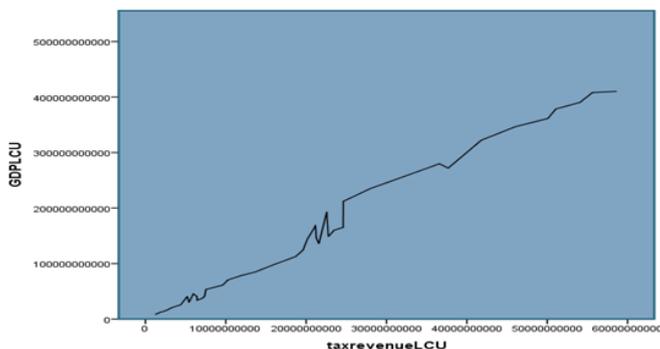


Chart (6-3)

Source: World Bank data.

From the chart (6-3) we can see that there is a strong relationship between Tax revenue and GDP, The risk is that higher taxes may weigh on growth, which could lead to lower tax revenue collection as a result. Singapore's low-tax territory has historically been a reason for its success, its attractiveness as a business hub and a vibrant city that draws talent. Instead of making today's taxpayers fork out more. This tax policy probably led to increase investments, and the tax incentives made, this probably was the reason of decreased tax evasion and collects more revenues.

The relationship Between the Central Government Debt and GDP in Singapore

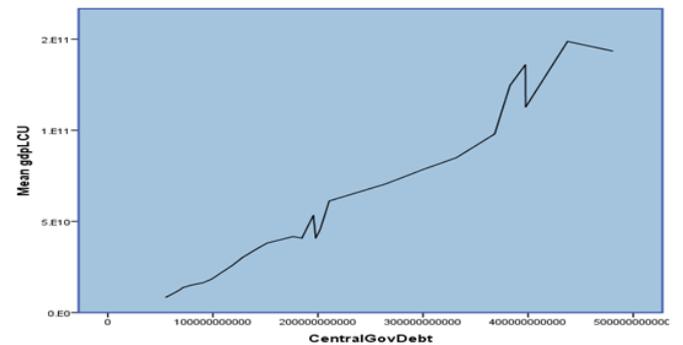


Chart (6-4)

Source: World Bank data

The classical economic view is that government debt (manifesting deficit financing) can induce growth by stimulating aggregate demand and output in the short run. Moderate levels of debt can have a positive impact on economic growth through a range of channels: improved monetary policy, strengthened institutions, and from the chart (6-4) we can see that there’s a strong positive relationship between central government debt and GDP. That the annual increase in the central government debt made an impact on GDP growth.

**6.2 : Empirical Study of the relationship between the variables**

**I. The impact of FDI on GDP**

Testing the first hypothesis H1:

H1-FDI has a significant effect on GDP growth in Singapore.

By applying the regression equation between the dependent variable (GDP) and the independent variable (FDI) in order to ensure a statistically significant relationship between the variables as in Table (6-1).

Correlation between FDI and GDP in Singapore

Table (6-1)

Correlations			
		FDI	GDP US Dollars
FDI	Pearson Correlation	1	.858**
	Sig. (2-tailed)		.000
	N	45	45
GDP US Dollars	Pearson Correlation	.858**	1
	Sig. (2-tailed)	.000	
	N	45	45

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Statistical Analysis Using SPSS version21 Program

Simple regression test results

Table (6-2)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3352172648.417	2108413707.746		1.590	.119
	FDI	.971	.089	.858	10.930	.000

a. Dependent Variable: GDP US dollars

Source: Statistical Analysis Using SPSS version21 Program

According to table (6-1), the significance level (sig) is smaller than the nominal level 0.05, so there is a significance relationship between FDI and GDP, and we conclude that this relationship is positive and .... Relying on the value of Pearson coefficient printouts indicate that the strength of association between the variables is very high (r = 85.5%), and that the correlation coefficient is very highly significantly different from zero.

The table (6.2) shows the value significance (sig) is 0 that which is less than the nominal level of significance 0.05 the null hypothesis can be rejected. In other words, the impact of FDI on GDP is generally significant.

And according to the value of B 0.971. an increase in FDI by the amount of 1 leads to an increase by 0.971 in GDP which means the FDI has a positive and strong impact on GDP this in turn leads to economic growth.

II. The impact of tax revenue on GDP

Testing the second hypothesis H2:

H2 -There is a significant effect of tax revenue on GDP growth in Singapore.

Correlation between Tax revenue and GDP in Singapore

Table (6-3)

Correlations			
		Tax revenue LCU	GDP LCU
Tax revenue LCU	Pearson Correlation	1	.995**
	Sig. (2-tailed)		.000
	N	45	45
GDP LCU	Pearson Correlation	.995**	1
	Sig. (2-tailed)	.000	
	N	45	45

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Statistical Analysis Using SPSS version21 Program

Simple regression test results

Table (6-4)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	-5532971816.33	3036971128.51		-1.822	.075
	Tax Revenue LCU	7.468	.117	.995	63.631	.000

a. Dependent Variable: GDP LCU

Source: Statistical Analysis Using SPSS version21 Program

The table (6.3) includes the Pearson correlation of tax revenue and GDP, it indicates that the significance level is 0.000, which is smaller than 0.05, and the correlation coefficient is 0.995\*\* This means that the correlation coefficient is very highly significantly different from zero and the strength of association between the variables is very high (r= 99%).

The table (6-4) shows the value significance (sig) of the coefficient associated with Tax revenue is 0 that which is less than the nominal level of significance 0, 05, hence the null hypothesis can be rejected. In other words, the impact

of tax revenue on GDP is generally significant. According to the coefficient value (7.468), an increase in Tax revenue by the amount of 1 unit leads to an increase by 7.468 in the GDP, to clarify more there's a strong positive relationship between the Tax revenue and the GDP

The impact of Central Government Debt on GDP

Testing the fourth hypothesis H4

H4: There is a significant effect of government central debt on GDP growth in Singapore.

Correlation between GDP and CGD in Singapore

Table (6-5)

Correlations			
		GDP LCU	CGD
GDP LCU	Pearson Correlation	1	.986**
	Sig. (2-tailed)		.000
	N	45	27
Central Government Debt (CGD)	Pearson Correlation	.986**	1
	Sig. (2-tailed)	.000	
	N	27	27

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Statistical Analysis Using SPSS version21 Program

Simple regression test results

Table (6-6)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error			
1	(Constant)	14197612568.6	2793250783.54		-5.083	.000
	Central Government Debt	.335	.011	.986	29.588	.000

a. Dependent Variable: GDP LCU

Source: Statistical Analysis Using SPSS version21 Program

The table (6.5) includes the Pearson correlation of CGD and GDP, it indicates that the significance level is 0.00, which is

smaller than 0.05, and the correlation coefficient is 0.986\*\* This means that the correlation coefficient is very highly

significantly different from zero and the strength of association between the variables is very high ( $r=97.21\%$ ).

The table (6.6) shows the value significance (sig) of the coefficient associated with CGD is 0 that which is less than the nominal level of significance 0, 05, hence the null hypothesis can be rejected. In other words the impact of tax CGD on GDP is generally significant. According to the coefficient value (0.335), an increase in CGD by the amount of 1 unit leads to an increase by 0.335 in the GDP, to clarify more there's a slight positive relationship between the CGD and the GDP.

**III. The impact of FDI on the Unemployment Rate**

Testing the third hypothesis H3.

H3: There is a significant effect of FDI on the unemployment rate in Singapore.

**Correlation between FDI and Unemployment rate in Singapore**

**Table (6-7)**

Correlations			
		FDI	Unemployment rate
FDI	Pearson Correlation	1	.224
	Sig. (2-tailed)		.140
	N	45	45
Unemployment Rate	Pearson Correlation	.224	1
	Sig. (2-tailed)	.140	
	N	45	45

Source: Statistical Analysis Using SPSS version21 Program

Simple regression test results

**Table (6-8)**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1114246431.036	8946265086.807		.125	.901
	Unemployment Rate	3406.771824 million	2263504566.383	.224	1.505	.140

a. Dependent Variable: FDI

Source: Statistical Analysis Using SPSS version21 Program

The table (6.7) shows that the value significance (sig) is 0.140 which is more than the nominal level of significance (0, 05). The null hypothesis cannot be rejected.

The impact of FDI on unemployment rate is not significant.

Pearson correlation coefficients and regression coefficients aren't statistically significant because sig is more than 0.05

**IV. The impact of Tax revenue on the Unemployment Rate**

Testing the third hypothesis H5.

H5. There is a significant effect of tax revenue on the unemployment rate in Singapore.

**Correlation between Tax revenue and unemployment rate in Singapore**

**Table (6-9)**

Correlations			
		Unemployment Rate	Tax Revenue LCU
Unemployment Rate	Pearson Correlation	1	.206
	Sig. (2-tailed)		.174
	N	45	45
Tax revenue LCU	Pearson Correlation	.206	1
	Sig. (2-tailed)	.174	
	N	45	45

Source: Statistical Analysis Using SPSS version21 Program

Simple regression test results

Table (6-10)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.434	.294		11.700	.000
	Tax revenue LCU	1.577E-011	.000	.206	1.381	.174

a. Dependent Variable: Unemployment Rate

Source: Statistical Analysis Using SPSS version21 Program

The table (6.9) shows that the value significance (sig) is 0.174 which is more than the nominal level of significance (0, 05). The null hypothesis cannot be rejected.

the impact of tax revenue on unemployment rate is not significant.

Pearson correlation coefficients and regression coefficients aren't statistically significant because sig is more than 0.05

Indicators comparison to evaluate Singapore's economy.

Singapore experiences post-independence recession

This section deals with GDP, unemployment rate and FDI comparing the economic situation in the past and the current time, taking comparative period 1960 with the mean value of indicators period 1972-2016.

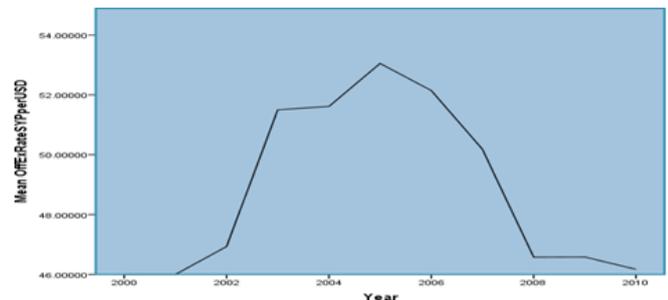
Table (6-11)

Year	FDI	GDP US dollar	Unemployment rate
1960	0.00	704.462 million	13.50%
Mean 1972-2016	13871.09282 million	16818.74095 million	3.744%

Source: world bank data / (Education, Manpower, and Development in Singapore- page 9 -table 1.1) / Statistical Analysis Using SPSS version21 Program

Source: Statistical Analysis Using SPSS version21 Program

The development plan of Singapore is considered efficient, from the presented results we can see that Singapore reduced the unemployment rate from 13.50% to 3.744% and the GDP sharply increased from 704.462 million to reach 16818.74095 million, and foreign direct investment has entered the country and positively affected the economic growth.



Seventh Section: Analytical study for the considered variables during period (2000-2010)

7.1- Graph Analysis

Syria's Official Exchange Rate Trend Chart (7-1)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5532971816.33	1		-1.822	.075
	Tax Revenue LCU	7.468	.117	.995	63.631	.000

a. Dependent Variable: GDP LCU

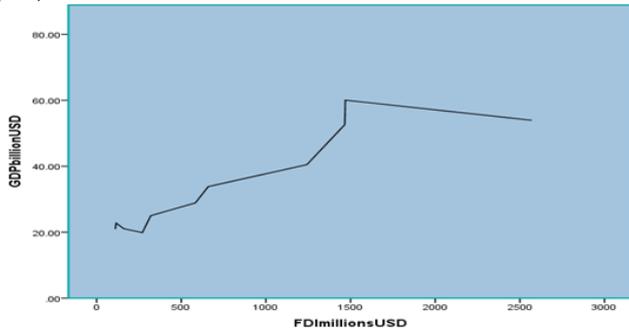
Source: World Bank data.

From the chart (7.1) obviously the exchange rate is unstable, which may mean that there's volatility in the Syrian economy.

Many developing economies have experienced high real exchange rate volatility. This translates into a high degree of uncertainty for the two main monetary policy objectives which policymakers often seek to achieve, both price

stability and economic growth. Volatile real exchange rates are associated with unpredictable movements in the relative prices in overall the economy. Therefore, exchange rate stability is a one of the main factors that are promoting total investment, price stability and stable economic growth.

**The relationship between FDI and GDP in Syria Chart (7-2)**

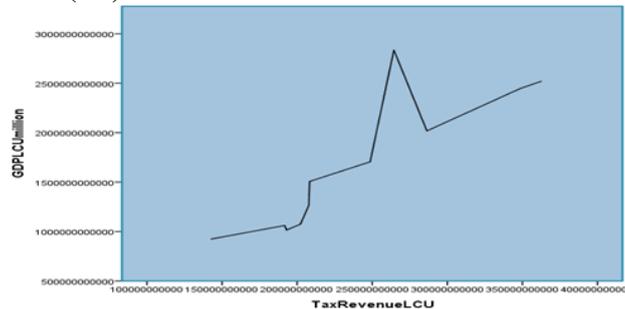


Source: World Bank data

The FDI performance, though not stellar, was nonetheless positive. Where Syria was recently preparing its economic environment for attracting foreign investments. from the chart (7-2) the annual increase in the FDI was accompanied by an increase in GDP.

**The Relationship between Tax Revenue and GDP in Syria**

Chart (7-3)

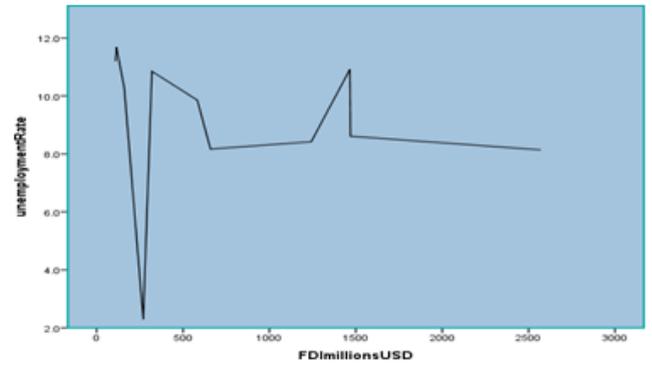


Source: World Bank Data

From the chart (7-3) in general tax revenues has a positive effect on GDP, Both changes in the level of revenues and changes in the structure of the tax system can influence economic activity, but not all tax changes have equivalent, or even positive, effects on long-term growth. This translates the sudden increase in the chart above.

**The relationship between the Unemployment Rate and FDI in Syria**

Chart (7-4)

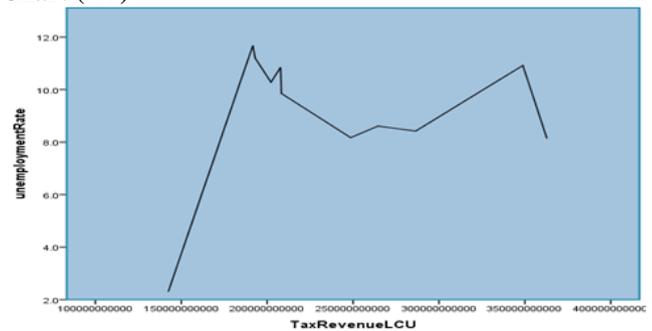


Source: World Bank data

The chart above shows instability in the relationship of FDI and the unemployment rate, especially in the period 2000-2010 the foreign investments were at their beginnings and they were heading to a positive results before the conflict, the reasons mentioned explains instability meaning the economic environment in process of developing itself.

**The Relationship between the Tax Revenue and Unemployment Rate in Syria**

Chart (7-5)



Source: World Bank data

The trend of tax revenue and unemployment rate is unstable, yes it increased at the begging when the increase in the tax revenue accompanied a decrease in the unemployment rate from 2001 when the unemployment rate was 11.2 reaching 8.2 in 2006. The relationship is generally inconsistent. Meaning the tax revenue has no rule in decreasing the unemployment rate.

**7.2- Empirical Study of the relationship between the variables in Syria**

**7.1.1 Syria during conflict 2010-2016**

The indicators studied through period 2011-2016 are GDP and the unemployment rate, FDI is studied only during period 2010-2011.

7.1.2 Descriptive statistics for Syria’s indicators (2010-2016)

Table (7-1)

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Unemployment Rate	7	8.40	14.90	13.6857	2.33626
GDP US dollars millions	7	22163	60465	38854.29	14127.993
FDI US dollars millions	2	804	1496	1150.00	489.318
Valid N (listwise)	2				

Source: Statistical Analysis Using SPSS version21 Program

The table above reflects the economic reality with indicators during the conflict, to compare the economic situation of Syria during conflict and Singapore pre the development phase, looking at the table (6-11) both county’s economic situation during their difficult time almost had the same picture.

7.1.3 Syria pre-conflict phase

The indicators studied through period 2000-2010 are GDP, Unemployment Rate, FDI and Tax Revenue.

Descriptive statistics for Syria’s indicators period (2000-2010)

Table (7-2)

Descriptive Statistics					
In Millions	N	Minimum	Maximum	Mean	Std. Deviation
Unemployment Rate	11	2.3	11.7	9.129	2.6098
FDI millions USD	11	110	2570	814.91	784.228
GDP LCU million	11	923198	2834517	1670340	686153.0316
Tax Revenue LCU	11	142401	362808	241495	68756.9733
GDP billion USD	11	19.86	60.04	34.4991	14.93992
Official Exchange Rate SYP per USD	11	46.00000	53.04917	48.7956809	2.86817609
Valid N (listwise)	11				

Source: Statistical Analysis Using SPSS version21 Program/UNCTAD <http://unctad.org/en/Pages/statistics.aspx/> world bank data/ Statista-The Statistics Portal.

I. The impact of FDI on GDP in Syria

H6. FDI has a significant effect on GDP growth in Syria.

Testing the third hypothesis H6

Correlation between FDI and GDP in Syria

Table (7-3)

Correlations			
		FDI millions USD	GDP billion USD
FDI millions USD	Pearson Correlation	1	.903**
	Sig. (2-tailed)		.000
	N	11	11
GDP billion USD	Pearson Correlation	.903**	1
	Sig. (2-tailed)	.000	
	N	11	11

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Statistical Analysis Using SPSS version21 Program

Simple regression test results

Table (7-4)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	20.479	3.016		6.790	.000
	FDI millions USD	.017	.003	.903	6.309	.000

a. Dependent Variable: GDP Billion USD

Source: Statistical Analysis Using SPSS version21 Program

From the table (7.3) and according to Sig which is 0.00 that is less than 0.05 we can consider the null hypothesis is rejected. The strength of association between FDI and GDP is positive and very strong 0.903

The table (7.4) shows that the sig related to the coefficient of FDI o, GDP, is smaller than 0.05, so this is a significant impact, and we can conclude that an increase by the amount of 1 in FDI leads to an increase by 0.017 in GDP, and

there's 81.5% of the variation in the values of GDP is explained by FDI values.

**II. The impact of Tax Revenue on GDP in Syria**

Testing hypothesis

H7. There is a significant effect of tax revenue on GDP growth in Syria.

H0. There is no statistical significance between tax revenue and GDP in Syria.

**Correlation between the tax revenue and GDP in Syria**

**Table (7-5)**

Correlations			
		Tax Revenue LCU	GDP LCU million
Tax Revenue LCU	Pearson Correlation	1	.864**
	Sig. (2-tailed)		.001
	N	11	11
GDP LCU million	Pearson Correlation	.864**	1
	Sig. (2-tailed)	.001	
	N	11	11

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Statistical Analysis Using SPSS version21 Program

**Simple regression test results Table (7-6)**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-412934619702.197	418478560867.897		-.987	.350
	Tax Revenue LCU	8.627	1.672	.864	5.158	.001

a. Dependent Variable: GDP LCU million

Source: Statistical Analysis Using SPSS version21 Program

Table (7-5) shows that the value significance (sig) is 0.001 which is less than the nominal level of significance (0, 05). we can consider the null hypothesis is rejected. the strength of association between tax revenue and GDP is positive

The table (7.6) shows that the sig related to the coefficient of tax revenue, GDP, is smaller than 0.05, so this is a significant impact, .and we can conclude that an increase by the amount of 1 in tax revenue leads to an increase by 8.627 in GDP, and there's 74.64% of the variation in the values of tax revenue is explained by FDI values.

**III. The impact of FDI on the Unemployment Rate**

Testing hypothesis

H8. There is a significant effect of FDI on the unemployment rate in Syria.

H0. There is no statistical significance between FDI and the unemployment rate in Syria.

**Correlation between FDI and the unemployment Rate in Syria**

**Table (7-7)**

Correlations			
		FDI millions USD	Unemployment Rate
FDI millions USD	Pearson Correlation	1	-.115
	Sig. (2-tailed)		.736
	N	11	11
Unemployment Rate	Pearson Correlation	-.115	1
	Sig. (2-tailed)	.736	
	N	11	11

Source: Statistical Analysis Using SPSS version21 Program.

Simple regression test results

Table (7-8)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.442	1.219		7.748	.000
	FDI millions USD	.000	.001	-.115	-.348	.736

a. Dependent Variable: unemployment Rate

Source: Statistical Analysis Using SPSS version21 Program

The value significance (sig) is 0.736 which is > than 0.05, meaning that the null hypothesis cannot be rejected. And from the tables above shows results explains that there's no relationship between FDI and the unemployment rate because already Syria doesn't have enough FDI to solve its unemployment rate problem.

Testing hypothesis

H9. There is a significant effect of tax revenue on the unemployment rate in Syria.

H0. There is no statistical significance between tax revenue and the unemployment rate in Syria.

IV. The impact of Tax revenue on Unemployment Rate

Correlation between Tax revenue and Unemployment rate in Syria Table (7-9)

Correlations			
		Tax Revenue LCU	Unemployment Rate
Tax Revenue LCU	Pearson Correlation	1	.192
	Sig. (2-tailed)		.573
	N	11	11
Unemployment Rate	Pearson Correlation	.192	1
	Sig. (2-tailed)	.573	
	N	11	11

Source: Statistical Analysis Using SPSS version21 Program

Simple regression test results

Table (7-10)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.373	3.107		2.373	.042
	Tax Revenue LCU	7.371E-012	.000	.192	.585	.573

a. Dependent Variable: unemployment Rate

Source: Statistical Analysis Using SPSS version21 Program

According to Sig which is 0.573 that is more than 0.05 we can consider the null hypothesis is accepted and true.

There's a positive affect and a strong correlated relationship between the FDI and GDP in Singapore, Pearson coefficient (r = 85.5%) refers to the correlation coefficient which is very highly significantly. The GDP increases as the FDI increases.

And from the tables above shows results explains that there's no relationship between tax revenue and the unemployment rate, Due to the possibility that the tax revenues aren't used in investments or efficiently used to reduce the unemployment rate and even reducing the unemployment rate by tax revenues wasn't an objective.

There's a positive affect and a strong correlated relationship between Tax Revenue and GDP in Singapore, Pearson coefficient (r=99%) refers to the correlation coefficient which is very highly significantly. As the tax revenue increases the GDP increases as well.

4. Results

By testing the hypotheses of the relationship between the economic indicators of Singapore and Syria to take lessons from Singapore's development experience the following results show that:

There's a positive affect and a strong correlated relationship between CGD and GDP in Singapore, (r=97.21%) refers to the correlation coefficient which is very highly significantly. As the CGD increases the GDP increases as well.

There's no correlated relationship between the FDI and the unemployment rate in Singapore. Pearson correlation coefficients and regression coefficients aren't statistically significant because sig is (0.140) which is more than the nominal level of significance (0.05)

The impact of tax revenue on unemployment rate in Singapore is not significant. Pearson correlation coefficients and regression coefficients aren't statistically significant because sig is (0.174) which is more than the nominal level of significance (0.05).

There's a positive effect and a strong correlated relationship between the FDI and GDP in Syria, Pearson coefficient ( $r = 81.5409\%$ ) refers to the correlation coefficient which is highly significant. The GDP increases as the FDI increases.

There's a positive effect and a correlated relationship between Tax Revenue and GDP in Syria, Pearson coefficient ( $r=74.64\%$ ) refers to the correlation coefficient which is significant. As the tax revenue increases the GDP increases as well.

There's no correlated relationship between the FDI and the unemployment rate in Syria. Pearson correlation coefficients and regression coefficients aren't statistically significant because sig is (0.736) which is more than the nominal level of significance (0.05)

There's no correlated relationship between the FDI and the unemployment rate in Syria. Pearson correlation coefficients and regression coefficients aren't statistically significant because sig is (0.573) which is more than the nominal level of significance (0.05).

## 5. Learned Lessons and Recommendation

Through the reached results, the study recommends the following:

From reviewing the development program of Singapore's (EDB), doing a survey and determining the needs at all levels is important to help determine the most suitable funding sources and being prepared to each phase by policy adaptation as well as drawing a suitable legislative environment. Any next phase is not implemented until the previous phase is completely finished.

Since the Tax revenue had a positive impact on GDP but not on the Unemployment rate in both Singapore and Syria, part of the revenues can be invested in local investments. These local investments contribute in reducing unemployment rates and in investing part of the revenues by establishing a developed **Investor Service Center**. In addition, establishing branch offices outside the country facilitates investment process and provides all services for the investors as it is considered a great encouragement for them to ensure that their finances are secured and in the right place. This can attract foreign investments and also contribute to reducing unemployment rate.

The central government debt has had a positive impact on the economic growth. This was reflected in the increase of

GDP indicator in Singapore. If Syria had to resort to debt, it is therefore necessary to formulate clear and appropriate policies to establish a suitable encouraging investment climate for the countries and other investors. These policies help to thwart the negative impact of these transitions of poverty, marginalization and the subordination of international financial institutions. In addition, it is supposed for the government debt to be get benefit of for productive economic activities.

Due to the importance of foreign investment, which contributed to the economic growth in Singapore and due to the continuous prepare for the economic environment to attract foreign investments, and since foreign investment in Syria has achieved simple positive results because of not having enough investment to reach the desired results, Syria can establish a developed Business and Finance Area that should be under the supervision of the Syrian investment agency with giving it the full authority to prepare the investment environment. It is one of the projects that have a big role in attracting more foreign investments. It may include towers and headquarters for banks as well as financial institutions within the business and finance area.

This area will include a number of administrative and commercial towers, as well as offices for banks and financial and investment institutions. This project promotes the role of investment to finance the reconstruction phase. After repairing our infrastructure and being totally recovered, which is our first priority and for a forward look, the exploitation of the resources in Syria is a way of economic growth as it's clarified below. From the comparison between the structures of Syrian and Singaporean economy, Syria's agriculture and manufacturing sectors can achieve the best in GDP, and for that the industrial sector remains very important to our economy and also plays an efficient role.

Strengthening and supporting our industrial sector in many different ways is important. It also contributes to increasing the growth rates in the national economy. Moreover, it helps to build growth in other sectors, such as agriculture and service sector that has an interrelationship with the other sectors. The industrial sector provides the agricultural sector with a lot of production inputs such as agricultural machinery, chemical fertilizers, and pesticides. At the same time, it is considered as a marketing area for many agricultural products manufactured in the industrial sector. On the other hand, the growth of some industries is pushing other related industries to grow in addition to the ability of the industrial sector to innovate and invent new products. Moreover, industrial products can help in increasing the economic growth rate.

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