

Corruption in Singapore

- Willie Sutton robs banks because that is where the money is..
- Civil servants well compensated
 - ▶ Salaries of ministers benchmarked at wages of top 1,000 earners in private sector (-40%).
 - ▶ Mid-level civil servants about 250
- Extensive controls
 - ▶ Civil servants buying properties automatically reported to permanent secretary in employing ministry
 - ▶ Using related parties (shell companies) does not help – all registered and reported to permanent secretary.
- Culture of “non-corruption”
- Hard to hide – everyone knows each other

Housing Market

- Private Housing: 20% of housing sales
- Subsidized Public Housing: 10% of housing sales
 - ▶ Singaporean citizen (and PR)
 - ▶ Heavily subsidized
 - ▶ Income restrictions
 - ▶ Long waiting list (about 4 years)
- “Resale” Public Housing: 70% of housing sales
 - ▶ No restrictions other than citizenship (and PR)
- HDB housing lower quality
- HDB housing closer to MTR

- Mid-level civil servants more likely to purchase *private* housing close to MTR
 - ▶ Why not re-sale public housing?
- Effect significant for Planning Ministry
 - ▶ Not significant for employees of other ministries
 - ▶ Why effect only twice as large (compared to all employees) when planning ministry accounts for 10% of employment

Why would civil servants buy houses close to MTR?

- Commuting choices
 - ▶ About 40% drive to work
 - ▶ Do civil servants take public transportation?
- Effect of MTR on housing price?
 - ▶ Larger effect on housing of public transportation users
 - Lower quality housing?
 - HDB vs. private housing?
 - ▶ Any effect on prices of housing of civil servants?
- Maybe only care about capital gain?
 - ▶ Do civil servants purchase properties with highest appreciation?