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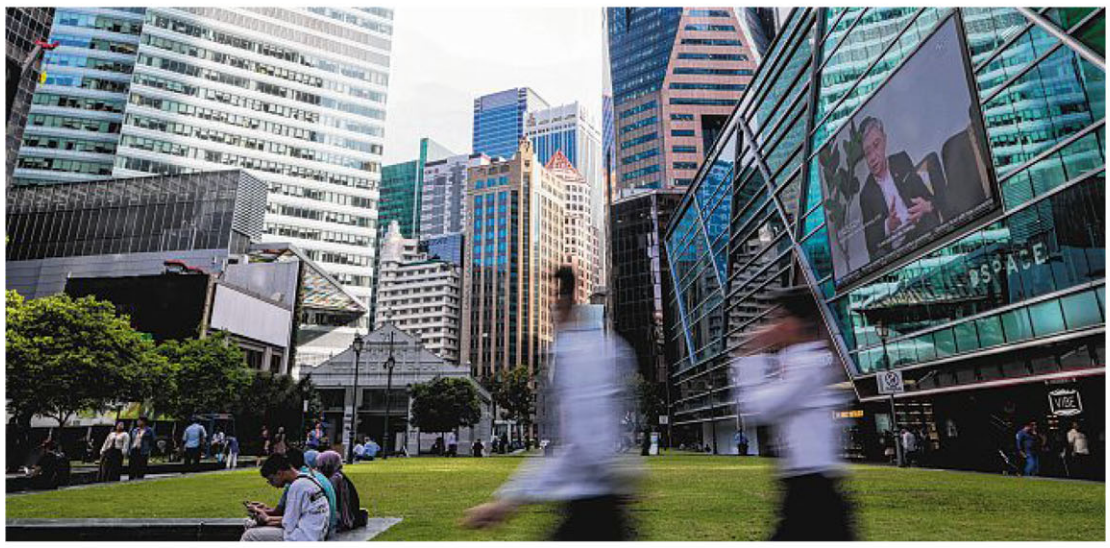
Of state and society: Does Singapore have social capital?

Countries require both state-imposed laws and society-driven norms in order to flourish. **By Georgios Georgiou**



Social norms, beliefs and behaviours can create an internal enforcement mechanism, potentially leading to a high level of trust and care among individuals. PHOTO: CMG

ONE of the first things that impressed me when I arrived in Singapore was how often I saw unattended valuable items – computers, phones, bags – left in public spaces around the university. In all the places I had lived before, this would have been unthinkable; such items would have disappeared within seconds or minutes. This naturally raises the question: what creates such a strong sense of confidence among young Singaporeans that their belongings will remain safe, even when left unattended?

Many factors may be at play here, but two distinct focal points can be identified: the effect of the state (top-down explanations) and the effect of society (bottom-up explanations).

The former emphasises the role of laws, institutions and policies imposed by the state, which create an external enforcement mechanism – typically mediated by fear; people refrain from stealing because they are afraid of the consequences.

The latter focuses on social norms, beliefs and behaviours that emerge from the people themselves. This bottom-up configuration fosters an internal enforcement mechanism, potentially leading to a high level of trust and care among individuals, which in turn may explain the absence of theft.

Two of the 2024 Nobel laureates in economics, Daron Acemoglu and James Robinson, in their 2019 book *The Narrow Corridor*, have highlighted how important the balance is between state and society. If one overpowers the other significantly, bad outcomes ensue for the people.

Moreover, economists often refer to the trust and generosity shared among members of a society as "social capital".

Does Singapore possess social capital? The most recent information we have on this matter comes from the recently published *World Happiness Report* for the year 2025.

According to that study, Singapore ranks 34th in the world in terms of its happiness level, which was measured at 6.57/10 (Singapore's level and rank have not changed significantly in recent years).

This year, the report also measured the rank of the countries in terms of six benevolence indicators. The first three measured whether individuals actually engaged at least once in the past month in the following benevolence acts: donating, volunteering and helping a stranger. Singapore ranks 14th, 32nd and 35th, respectively. The remaining three measured people's perception on whether their lost wallet or other valuable item would be returned by: (a) a neighbour, (b) a stranger or (c) a police officer. In that perception indicator, Singapore ranks 25th, 56th and 9th, respectively.

How do these results compare to the results of other countries? Top performers in happiness, such as the Nordic countries, score, on average, way worse on the first three indicators of actual behaviour but better on the three indicators of perceived behaviour. Overall, Singapore's ranking on the six indicators squares with its happiness ranking. Therefore, our preliminary finding is that Singapore's level of social capital is consistent with its overall level of happiness.

Another way to measure benevolence or altruism is the so-called "dictator game".

In a dictator game, one player, the dictator, is given by an experimenter some endowment, say $10, and he/she has the option to share some of it with an anonymous other player (a real person, who will actually receive the money) or keep all the money to himself/herself.

In such games, more than 60 per cent of the dictators share some money with the other player with the average transfer being 20 per cent of the original endowment (if, like in our example, the endowment is $10, dictators give to the other player, on average, $2).

In 2007, the economist John List famously challenged the rampant altruism that such experiments documented by creating variations of the dictator game. In one variation, the dictator was given one more option: to steal $1 from the other player. Under this configuration, only 35 per cent of the dictators shared any money and about 20 per cent stole the other person's dollar.

> After all, isn't it better if bags, phones and computers can be safely left unattended because we trust each other rather than because we are afraid of each other?

In another variation, the other player was given an endowment equal to the dictator's, but this time the dictator had the option to steal all or part of it. In this scenario, 10 per cent of dictators chose to give any money; conversely, 60 per cent took some money from the other player, and 40 per cent stole the entire amount. The availability of stealing options made the dictators more and more stingy.

To measure whether NUS students conform with these patterns of giving, I have been "replicating" these experiments in a course that I was involved in from 2019 to 2024. A total of 881 students participated, representing a wide range of academic disciplines. The "replication" is informal, in that it does not constitute a proper scientific experiment. The students are given a questionnaire and are asked to report their giving or taking decisions without the use of real money or an actual anonymous recipient. Still, this informal setting can give us some information about the altruism decisions of young Singaporeans.

In the simplest dictator game (no taking), 64 per cent of students give an average of 28 per cent of their original endowment. In the first variation (option to take $1), 30 per cent of students give some money and 47 per cent stole the other player's dollar.

In the second variation (option to take up to the entire endowment of the other player), only 5 per cent of students gave any money; on the other hand, 65 per cent of them stole some amount of money from the other player, and 49 per cent stole all the money.

Therefore, aside from the exception of stealing $1 in the first variation, the local data from my informal "experiments" are not very different from the findings documented in the literature. In other words, this serves as a second indication that Singapore's social capital is largely consistent with international benchmarks. This bodes well for the bottom-up development of social norms in Singapore.

We should not forget that countries require both state-imposed laws and society-driven norms in order to flourish. One might ask: how can policymaking help societies create such norms?

Perhaps this is one of the rare areas where policymaking triumphs in absentia. The policymaker can just step back and let the grassroots movements work their magic. In a well-organised country such as Singapore, such an arrangement can only yield positive outcomes. After all, isn't it better if bags, phones and computers can be safely left unattended because we trust each other rather than because we are afraid of each other?

The writer is a senior lecturer in the Department of Economics, National University of Singapore. These are his personal views and do not represent those of NUS.

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