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## **SINGAPORE, LAND USE AND THE LESSONS FOR HUMAN DEVELOPMENT**

**Wellington Migliari**

### **ABSTRACT**

A study of the impact of using land use controls as a strategic tool to further human development among all social classes is presented. We advocate that human rights include a long-term practice of combining public policies, manufacturing industry, and property system. Further, this study strives to educate economists and those in other academic areas (e.g. humanities) on the importance of considering land use, ownership, and urban planning with economics to form a new theory of developmentalism. Singapore provides a case study demonstrating similar aspects that may shed light on that debate. The Housing & Development Board and the Urban Redevelopment Authority, for instance, are the two coordinated institutions that combine ownership, monetary mechanisms of transmissions, and manufacturing industry. However, it is indispensable to apprehend that political decisions on land (predominately made after 1965) is a premise driving Singapore's experiment to adjust its development strategies by considering the economic, social, and cultural rights of all humans. This study presents observations on the level of human development in Singapore, and how their governance underpins the political organization of the country.

**KEY WORDS:** human rights, development, land use, housing, developmentalism.

### **1. INTRODUCTION: THE LAND QUESTION AS A MECHANISM OF WEALTH ACCUMULATION**

A major land use issue faced today is the intimate relationship between wages and property. Bhide & Gupta (2018) refer to land scarcity, increased prices, and the spread of slums as consequences of a long-term mode of development that left behind the most crucial element of human dignity, affordable housing. A set of mechanisms could permit people to be included in the urban fabric offering their strength and intellect for a salary, but also distributing the wealth generated in order to reduce inequality. However, historical reasons may interfere in the process of sharing the access to land as a resource for prosperity. Lungisile & Hall (2007) highlight how land reforms are essential of those places object of colonization in which the territorial conflicts were also used to a primitive accumulation of capital. Possession by force has been an instrument of the present value of the lands in South Africa. Other

continents with a history of using slavery as a system of property oppose the liberation of the land since the economic structure depended on both slaves and territorial occupation by military conquests. Since the beginning of a democratic process in 1994, after decades of apartheid started in 1948, the redistribution of land was certainly an end to expand the concept of socioeconomic equality without erasing the brutality of neocolonialism against the natives. Parnell, & Beavon (1996) published their thoughts and impressions of that time mentioning restitution and compensation for those lands involved in forced removals as the minimum task for the South African Government of National Unity. There is not only a need for historical reparation, but also a need for present socioeconomic justice. In his analysis on the Irish land question, Henry George highlighted that poverty, lack of life protection and human indignity were all consequences derived from the land domination. In his book entitled *The Irish land question. What it involves, and how alone it can be settled. An appeal to the land league*, which was first published in 1881, he makes explicit how the power of the proprietors was excessively superior to the one given to public administration, the system of justice, and an organized civil society (George, 2015).

Wealth accumulation is not the only method of measuring the longitude of one's economic power. Patrimony considers much more, and is radically involved with both an expensive infrastructure and a legal system guaranteeing the protection of estates and inheritance. The devaluation of ownership is also trapped in an immanent paradox, i.e., the natural depreciation of an asset or ownership tends to be more than compensated by the land value. While societal norms and government regulations for urban development are mostly responsible for proprietors' benefits, owners with more units available are in fact the constructors of urban wealth concentration. Their lands are not a factor of production, because they are not operating in the real economy either as a plant for goods production or parcels destined to housing programs. Their ownership of land is predominantly used as a bargaining chip to help secure contracts with public power sometime in the future, illustrated in the case of *Minha Casa, Minha Vida*, in which land prices controlled by a private supply which is curiously the urban developers.

Brazilian companies have few public contracts as builders relative to their enormous stock of land in urban areas, the mechanisms of production and the priority for credit in commercial banks since they are known as successful in their enterprises. Therefore, the vicious circle is more evident when considering the increase in housing prices, families getting indebted by more expensive mortgages, and the city becoming an expensive product.

In Spain, the situation was more tragic - people lost their homes with the burden a lifelong debt to be re-paid. Spanish law favors the creditors since financial institutions are permitted to take back property when the mortgage contract is dishonored, but the remaining balance must still be paid by the mortgagor.

The private markets of Brazil and Spain are extremely concentrated, meaning ownership is legally limited by commercial transactions of selling, buying, or renting a place to live. Other countries in Europe and Asia have taken a more democratic notion on their property system and distribution of wealth, promoting human development through affordable housing. In a nutshell, what are the instruments of human development linking property, workers, and successful urbanism?

According to Henry S. Churchill, it was exactly the public control over real estate investments in Sweden that was a major catalyst, enabling their urban areas to flourish with goods, services, and employment, especially post-World War II. He, as an architect and creative mind maintained this had nothing to do with a socialist housing model, but was the result of combining private assets with state control based on straightforward compliance (Churchill, 1969, pp. 195-196). The strategy was based on a sort of urban development in which the state's capital was the land. Since the parcels were public, marginal costs drastically declined with additional housing units. Moreover, the state did not need the land assets back. So, how could the public money be compensated? With a series of services offered on the ground floor for the workers living in the same building and neighbors. Such micro-scale economics caused local equilibrium between investments and taxes. For example, the national manufacturing industry supplied the units design, materials, furniture and electric equipment. The Swedish Government used World War II to re-organize and protect the domestic financial and industrial sectors of the Swedish economy.<sup>1</sup> In his book Churchill writes, "Sweden, even more than England, seemed to provide the accomplishment of orderly city growth in a framework of social enterprise that was not anti-capital. First the success of the cooperative housing projects and then the brilliance of Vällingby showed what could be done by private enterprise under state control. When, after the war, the huge remodeling of central Stockholm (the Centrum) was undertaken, the Swedish

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<sup>1</sup> The Swedish government controlled foreign direct investments during the Second World II with the Exchange Control Act of 1939. The legal restrictions imposed by Sweden to the foreign capital were lifted only in 1990. See Sandler, D. (1998). Controlled foreign companies regime. In *Tax treaties and controlled foreign company legislation: pushing the boundaries* (23-37). London: Kluwer Law International. The complexity of bank crises rely on some aspects. Housing mortgages is one of them. Read "For the study of banking crisis, three features of the data set underlying this book are of particular note. First, to reiterate, our data on banking crises go back to 1800. Second, to our knowledge, we are the first to examine the patterns of housing prices around major banking crises in emerging markets, including Asia, Europe, and Latin America. Our emerging market data set facilitates comparisons across both duration and magnitude with the better-documented housing price cycles in the advanced economies, which have long been known to play a central role in financial crises". See Reinhart, C. M., & Rogoff, K. S. (2011). Banking crisis. In *This time is different: eight centuries of financial folly* (pp. 141-143). New Jersey: Princeton University Press.

triumph was complete” (Churchill, 1969, pp. 195). The lands where projects developed belonged to municipalities and is best known in Stockholm with their collective houses. Such strategy reduced the prices for buyers while salaries were freed from the burden of debt (Markelius, 1936).

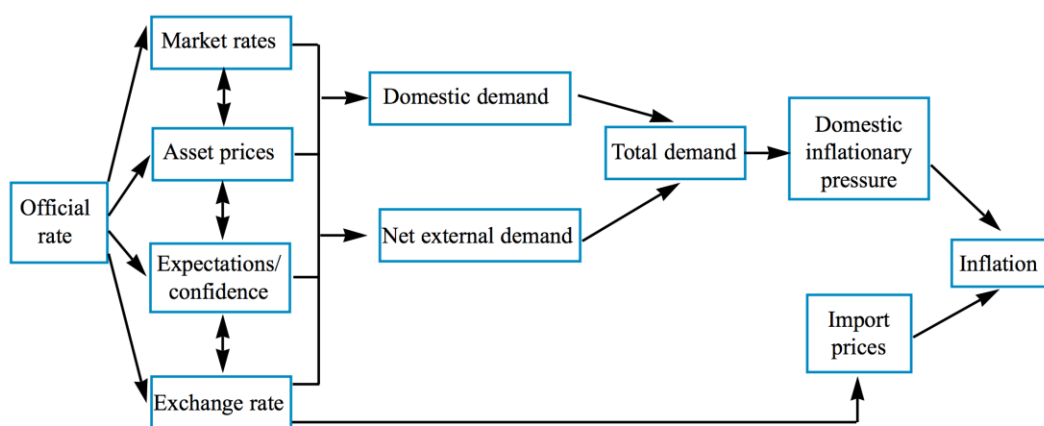
## **2. THE MONETARY MECHANISMS OF TRANSMISSION AND THE PROPERTY SYSTEM**

Through their lack of dependence on imports, the Swedish revolution showed other countries during the World War II that national industry, scale, and technology were necessary to overcome underdevelopment. This indicates why the Swedish government selected a complex policy for monetary mechanisms of transmission that mainly considered the aggregate demand, the level of interest rates for national enterprises, and the money supply – referring to the issues of domestic demand, the amount of money in the nationals’ pockets, and the price of the credit available for them. The net external demand was also understood as a key factor and incentive to expand the national production of more goods with a higher aggregate value. In short, Sweden took advantage of World War II to look inside the country and diversify the domestic production while fortifying the composition of the total demand of the nation. Since that process often causes inflationary pressure (either stimulated by the augmentation of the domestic demand or the expansion of credit directed to the growth of consumerism; or inflation generated by the variation of prices in capital goods imported to elevate the national production) Sweden decided to implement economic policies divided into blocks, i.e., strategies of development comprising industry and trade: “Sweden had escaped the war and could profit from undamaged human as well as physical capital. This in itself made the chances of expansion fairly good. There were also many development blocks, some of them, particularly those connected with a much more general use of passenger cars, in their early but quite forceful phase. Contrary to what had been expected, a negative transformation pressure was not strong enough to countervail the positive one. When in the 1950s the negative pressure became severe in textile industries, the positive pressure became even stronger in many other sectors than before because most development blocks with widespread effects had gained much strength. This was particularly so in the first half of the 1960s. Though the inflationary effects were stronger than in the 1930s, due to more powerful unions in combination with tax increases among other things, which began to give rise to compensatory wage increases, they were not as strong as could have been expected. One of the explanations was the fact that the positive transformation pressure, including the many development blocks, dominated industry and trade” (Dahmén, 1998, pp. 12-13).

Fig. 1 displays the transmission mechanism of monetary policy in which two elements must be highlighted. One of them is the reduction of external dependency on imported goods with high aggregate value which alleviates the

current account balances with surplus results – domestic demand plus net external demand greater than need for imports, favoring the expansion of a nation’s production and trade. The other aspect is the decrease in imported capital goods in order to create a more independent domestic economy not only harvesting less inflationary waves from imported prices, but elevating the gains in real salaries once the inflation is basically controlled by domestic variables.

Fig. 1. *The transmission mechanism of monetary policy*



Note: For simplicity, this figure does not show all interactions between variables, but these can be important.

Source: Bank of England Quarterly Bulletin (1999). Retrieved from <https://www.bankofengland.co.uk/-/media/boe/files/quarterly-bulletin/1999/the-transmission-mechanism-of-monetary-policy>

As seen in Figure 1, the sectors revolution was also accompanied by the intimate relation between market rates and asset prices as a transmission mechanism for monetary policy. However, for such analysis, it is necessary to understand the basic demonstration of James Tobin (1969) which established a relation of the total market value of any enterprise and its total asset. In other words, Tobin’s Q ratio equals the market value of a business, which can be any asset in the market, divided by the cost of its assets’ replacement. Therefore, equilibrium occurs when market value equals the replacement cost (Fig. 2).

Fig. 2. *Q Ratio Equation*

$$\text{Tobin's Q} = \frac{\text{Total Market Value of Firm}}{\text{Total Asset of Firm}}$$

Suppose a parcel of land to be sold in the market has a price of one-hundred units of a hypothetical currency. By definition, that quantity of money equals the replacement cost of that same property. Then a developer is interested in that ownership, but the firm has only the capital to buy the area and not to construct on the site; or the firm decided to make public a project without the funds to put it through. As the total market value is known by all – one-hundred units, the cost to construct may not be under the replacement cost, that is to say, the price of the land. According to Tobin's Q, the total market value will define the quantity and value of the assets the firm will need. However, as seen in Tobin's model, if  $Q > 1$  then potential shareholders in stock markets avoid risking their capital. As a result, the volume of shares must result in a sum larger than the price of the land. In theory, if the Tobin's  $Q < 1$ , shareholders tend to be interested in the business leading to a developed project. In the one-hundred unit hypothetical piece of property, the responsible person of an enterprise will offer one-hundred shares, costing one unit hypothetical currency. In that experiment in which we assume the ownership is by a firm, the sum of all shares will be equivalent to the value of that underdeveloped parcel, and the total value of the firm or its "replacement cost." Nevertheless, this is an undesirable situation for an investor. If the total market value of the firm is stabilized in short-term periods, it causes two different risks. One of them is related to the quantity of shareholders, the more there are the less the return on incremental invested capital. The firm divided by more shareholders leads to  $Q \text{ Ratio} = 1$ , that is to say, one unit of currency invested for one unit in return. The second risk is if other shareholders notice that stability of the total market value of the firm, they will inevitably announce their lack of confidence or even their expectation loss in that enterprise (Fig. 3).

Fig. 3. *Q Ratio and Liabilities*

$$Q \text{ Ratio} = \frac{(\text{Equity Market Value} + \text{Liabilities Market Value})}{(\text{Equity Book Value} + \text{Liabilities Book Value})}$$

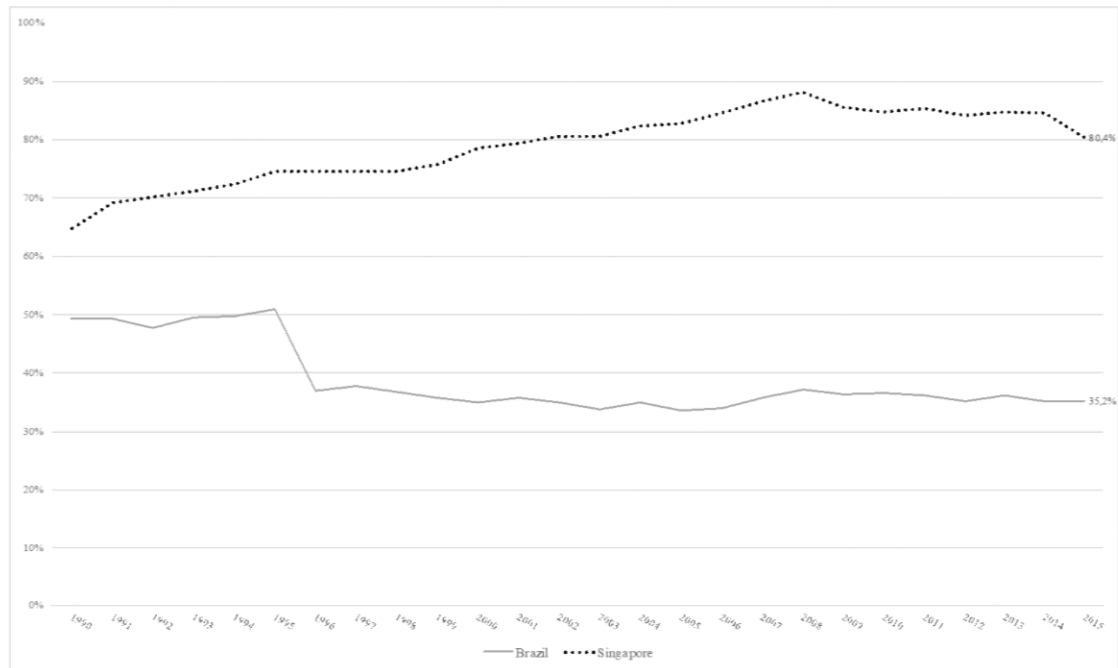
The negative externalities occur in both directions - real economy of the construction market with parcels waiting to be developed and the investments. Real Estate is never trusted as a *certain* investment with increasing marginal returns until the price of the land starts rising, whether the cause is inflated by speculation, asymmetry of information, biased reports from firms in the same sector, etc. Foreign direct investments are the first to leave developing countries when the expansion of credit does not happen (even under the burden of higher interest rates) as we can see in the housing market financial crises, which have brutally affected the exchange rates: “Cranes devoted to the construction of high-rises with little realistic prospect of occupancy dotted the skyline of Bangkok. Investors were led to ask questions about the management of the firms undertaking these projects, and there was growing uncertainty about the ability of outsiders to enforce their rights. As recognition of these problems sunk in, foreign banks and residents unwound their positions in local markets. The Bangkok bourse declined steadily from the middle of 1996. The baht came under pressure” (Eichengreen, 2008, p. 193).

### 3. LESSONS FROM SINGAPORE AND METROPOLITAN HUMAN DEVELOPMENT

Singapore’s mortgage system takes into account many aspects of potential buyers, but organizes the pulverized information in three layers. One is aimed to keep the real gains (or at least the stability) of the working class income while the mortgagors are in debt. So short-term monetary policies are not welcome, nor are the volatility of interest rates even less the rate exchange shocks between the national currency and American dollar, Euros etc. The dependency on imported goods is also another complex issue, but at that point we have to sum up the debate in a sole axis. It is mostly an invisible strategic local-national knowledge for urban planners, public administrations, and civil society. Although one may justify underdevelopment by accusing the political process as a *Via Crucis*, which is also true in Brazil and Latin America, it is undeniable the property system of many countries is still an arena of disputes involving work, income distribution, and the accumulation of capital. In other words, the concept of development for the Latin American nations (including Brazil) does not permit any change in the logic of restricting the access to land specially for working class salaries (Tavares, 2002, p. 29). Urban land is not part of a market which only few proprietors decide to conduct business or not.



Graph 1. *Medium and High-Tech Industry (including construction) (% manufacturing value added in total value added of manufacturing)*



Elaborated by W. Migliari (2019) based on high levels of urbanization. Source: World Bank. Retrieved from <https://data.worldbank.org/indicator/NV.MNF.TECH.ZS.UN?locations=SG-BR>

A negative consequence of that concentrated model of property connects the Brazilian history of land occupation and development to a global inclination. For both public and private sectors of construction, urban planning is a tool that refers to the accumulation of dispossession, that is to say, people tend to be either in debt or poverty while proprietors rely on the uses and abuses of land owners’ historical power (Harvey, 2003, pp. 137-182).

As Graph 1 indicates, land use, housing, and urban planning are considered complex systems that are heavily dependent on technology. The figures reveal two radical levels of manufacturing value added in total value added of manufacturing (%) of Brazil and Singapore including mainly urban construction. It is important to consider the issue from a global perspective, assuming the markets involved in the production of dwellings are linked now more than ever. The industry of cement, bricks, and iron may have costs that hardly affect a nation even when these materials are not available inside its borders. However, to put a plan of housing and urbanism into practice—like the one successfully realized by the Housing & Development Board (HDB) and the

Urban Redevelopment Authority (URA) in Singapore—a huge effort must be made. Since the construction and credit systems for mortgages are under the responsibility of the HDB, the URA has accumulated a series of resources tradable overseas. Urban agriculture (*agritech*, for instance) is a project that combines vertical plantation in city context, with a hydraulic water-driven system and the concept of vertical farm. The main objective is to reduce dependency on food imports, but the technical and electronic knowledge behind the idea generates other goods, data, and architectural design.<sup>2</sup> Another inventive project is the study of high-density urban areas with the objective of developing new techniques to offer better environments for humanity. So, one of the typologies found as appropriate is the construction of linear-open air green spaces, making an inclined ladder in which the spaces between the steps are used as filters. Particles and noise do not reach the residential parcels, especially those ones along highways.<sup>3</sup> The URA is a sort of hub in which researchers, institutions, universities, and the private sector look for partnerships or are sometimes designated by state investments.

In addition to local projects to reduce dependency on foreign goods, it is not difficult to find a varied list of capital goods and building materials within urban laws and regulations that are inevitable items of importation for many countries. The construction of a metro line is a very eloquent example as few companies concentrate on the possession of tunnel boring machines.<sup>4</sup> If the goal is to develop and connect different areas of a city, the neighborhoods will have more denizens causing a need for an upgraded sewage system. A village of old houses (as found in Mooca, Tatuapé and Barra Funda for instance) will be converted into areas with skyscrapers where cars, gas pipelines, electricity, etc. inevitably demand more technologies Brazil does not produce. Conveyors (such as elevators for residential buildings) are another pack of machines with restricted global suppliers. Other examples include: the articles used in housing construction to avoid thermal and moisture discomfort; the high-precision cut machines to make doors and windows; the high-quality of electrical systems and, cables for communication; close-circuit television, painting and oils for the surface finishing of walls, heating, ventilation and air-conditioning;

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<sup>2</sup> Urban Development Authority. (2018). *Feeding cities of the future with agricultural technology*. Retrieved from <https://www.ura.gov.sg/Corporate/Resources/Ideas-and-Trends/Feeding-cities-of-the-future>

<sup>3</sup> Urban Development Authority. (2018). *Eco-centric approaches to sustainable urban typologies*. Retrieved from <https://www.ura.gov.sg/Corporate/Resources/Ideas-and-Trends/Eco-centric-Approaches-to-Sustainable-Urban-Typologies>

<sup>4</sup> “The building code should allow and encourage the use of locally available materials and construction techniques. Inappropriate transfer of codes from high-income countries often increases the dependency of developing countries on imported industrialized building materials and design practices” (p. 55). UN-HABITAT. (2018). *Planning law assessment framework*. Retrieved from [https://unhabitat.org/?mbt\\_book=planning-law-assessment-framework](https://unhabitat.org/?mbt_book=planning-law-assessment-framework)

polymers; private security systems etc. Housing may not be tradable, but certainly materials necessity for their construction is.

During the XIX century, Singapore imported rubber seeds from the United Kingdom and adapted the plant to local production. In 1877 the project to expand the planting of the tree to produce latex as a commodity matched the old arrangement designed by Sir Stamford Raffles (1781-1826). The colonial scheme combined the strategic position of the British settlement to other points of free trade in Southeast Asia (Ibrahim & Pui San, 2008). In 1822, a town plan was presented by Lieutenant Philip Jackson (1802-1879) and the British East India Company was responsible for the innovations of the Singaporean port (Cangi, 1993). However, the dependency of Singapore on imported goods crept into the following century, initiating the XX century under the influence of the British Empire and the cultural references of the Victorian Age. Film footage of the Queen Victoria (1901) was shown in Singapore, and the year of 1942 was a turning point. World War II devastated Asia, and the Singaporeans found themselves under the political influence of Malaysia (1962-1965). The economic and racial inequalities granted by the terms of the Malaysia Agreement (1963), which was signed in London that same year, resulted in a kind of federation with loose threads. In 1965, the Parliament of Malaysia voted for a constitutional amendment to expel Singapore from the Federation of Malaysia. It is really impressive how social cohesion was strengthened since then in the country and converted to a value that is visible nowadays along the neighborhoods of Chinatown, Little India, Tiong Bahru and also the iconic Bukit Brown Cemetery that represents by itself a cultural heritage with different religions and traditions.

After suffering its expulsion from the Federation of Malaysia, Lee Kuan Yew (1923-2015) and the People's Action Party (PAP) faced a challenging task. The country had a very strategic position for international trade with its ports, but it was not enough to turn the dependency of the Singaporeans on other economies into a long-term project of development. Knowing how difficult it could be to implement fundamental rights guaranteeing the right to property, freedom of speech, and the protection of life at the same time, the PAP designed structural investments to connect land use, manufacturing industry, and a sort of robust financial sector making a massive housing construction plan viable. It is exactly what some authors call the rights of second generations to make effective human dignity, but skipping the first generation of human rights founded by the French Revolution in 1789 (Vasak, 1977). One of the tools to connect capital to the working class was to use the Singaporean State to develop the construction of houses for all. The Housing & Development Board (HDB) was founded in 1960, and built approximately 54,000 flats by 1965. In 1965, with the national independence, investments were multiplied and for more than 50 years the institution provided the Singaporeans with more than one-million housing units and today more than 80% of the population have their places constructed by the HDB. The instruments to finance the housing system relies

on the construction sector, along with a series of monetary mechanisms of transmission controlling the interest rates, reducing the dependency on technology developing via the manufacturing industry with high added value through the central provident fund—the compulsory contribution for social security, medical assistance, and housing—that every citizen or foreign resident must pay. Therefore, the level of investments of the country are intimately connected to notion of a welfare state in which not only urban development is stimulated, but also the property system as part of a capital chain. The Pinnacle @ Duxton is an audacious plan of social housing that may indicate how property systems may serve human development. It is a massive project with seven towers with spectacular views in the heart of the Tanjong Pagar area, close to the business center of Singapore. The complex has fifty floors and two elevated gardens covering approximately 500 square meters (1,600 ft) each located on the 26<sup>th</sup> and 50<sup>th</sup> floors. The high-tech construction with glass panels includes a jogging track, skybridges where the boulevards are connecting all blocks with a total of 1,848 housing units, fitness stations, green spaces, a food court, childcare center and sports courts within the premises.

Yet with the intervention of the state in housing investments, there is an almost invisible element for that long-term success in social construction; the creation of new territories heading to the sea. Land reclamation is the process of using sand and other sediments to cover the seashore waters in order to expand the surface where new construction will be located. The main added value in ownership happens in the creation of new soil when the imported sand is transformed from a commodity into a constructable land with high value. The practice dates back to the XIX century, but advanced rapidly in the last decades enabling Singapore to expand their territory by 25% from the original land area of 578 to 719 square kilometers. Another example is the Punggol area developed to be an urban settlement for new residents through the same technique, land reclamation. It is important to note that dealing with population density is tricky for urban planners, geographers, legislators, and the defenders of human development (Sien, 1998). The high levels of the human well-being in Singapore during the last decades led the country to multiply its population, dramatically elevating the density per squared kilometer. From an economic perspective, with more than 5.6 million people in 2018 compared to 1.8 million people in 1965, if any plan of land creation existed, the supply of housing would have decreased with higher prices, more expensive interest rates, and probably much less in terms of investment.<sup>5</sup> Other issues are generated with the modification of the natural environment and its conditions in Singapore as some researchers show (Lu, Goh & Chou, 2002). Rooftop gardens, the construction of channels permitting the local water catchment, and the technologies (applied

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<sup>5</sup> Data collected from the National Statistical Office of Singapore. Department of Statistics. (2018). *Population and population structure*. Retrieved from <https://www.singstat.gov.sg/find-data/search-by-theme/population/population-and-population-structure/latest-data>

either to purify the water disposed after the domestic use or to desalinate) can be considered positive actions to compensate other impacts on nature.

The dislocation of the national wealth from the countryside to the urban settlements through a change of the private property model, which is defined using Ignácio Rangel's concept on dislocation of the socioeconomic basic condition of equilibrium and reinforced by the dynamics of Tobin's Q, corresponds to the needed amount of investments to finance the manufacturing industry. In Brazil, since mining and agriculture are devoted to exportation, the capital invested is inevitably connected to the international market, but mostly to incentivize the agrarian production and remuneration varying as the prices usually behave in international markets. The Brazilian case of urbanization is very illustrative in Latin America. Raúl Prebisch conceptualised that phenomenon of industrialization imagining urban settlements and manufacturing industries. Not democratizing the land use, the access to affordable housing, and urban entrepreneurship based on small property use may define what Prebisch defines as the path dependency of outward-oriented development.

My diagnosis of the situation of the countries of Latin America was constructed on the basis of my criticism of the pattern of outward-oriented development, which I considered to be incapable of permitting the full development of those countries. My proposed development policy was oriented toward the establishment of a new pattern of development which would make it possible to overcome the limitations of the previous pattern. This new form of development would have industrialization as its main objective. In reality, my policy proposal sought to provide theoretical justification for the industrialization policy which was already being followed (especially by the large countries of Latin America), to encourage the others to follow it too, and to provide all of them with an orderly strategy for carrying this out. This task was by no means easy, because the recovery of the international economic order after the Second World War and the expansion of exports caused a resurgence of the champions of outward-oriented development and the criticism of industrialization of the periphery (Prebisch, 1984, p. 177).

Raúl Prebisch provides detail into how low the elasticity of the demand can be from industrialized countries, and how at the same time their national markets tend to react negatively to the expansion of manufacturing industry in the periphery of the capital. However, Prebisch is aware of the systemic low productivity of developing countries since the labour force in poorer nations is allocated in traditional activities and not yet adapted to the grammar of the urban economies based on scale. At that moment, the new developmentalism comes

as the key-factor to overcome dependency making technological catch-ups accessible and transferrable. Singapore utilized its position as a platform for international trade to make two things possible. One of them is associated with the exchange rate in order to protect the national industry and those imported goods should be basically raw materials to be transformed locally. Taking into consideration the Singaporean land use has permitted the production of small ownerships to serve the domestic demand, the manufacture of goods for exportation and positive balances in the current accounts occurred while ownership was not put in service of few proprietors, but a national plan of development as we can observe in other countries. Ha-Joon Chang affirms that: “Land reform in Japan, Korea and Taiwan after the Second World War violated the existing property rights of the landlords but contributed to the subsequent development of these countries [...] Hence, what matters for economic development is not simply the protection of all existing property rights regardless of their nature, but which property rights are protected under which conditions. If there are groups who are able to utilize certain existing properties better than their current owners, it may be better for the society not to protect existing property rights, but to create new ones that transfer the properties concerned to the former groups” (Chang, 2002, p. 83). Singapore also took advantage of the Cultural Revolution in China between 1966-1976 to attract foreign capital by offering a well-trained, cheaper work force based on a national plan of development controlled by the People’s Action Party led by Lee Kuan Yew (Turnbull, 1989, pp. 275-277; Huff, 1997).

Assuming the same perspective presented by Celso Furtado, Ignácio Rangel, and Raúl Prebisch, that national landowners are usually vulnerable to the international demand for commodities to be able then of investing in extensive farming, Chang questions traditional regimes of ownership. He goes further into that inquiry by observing that the lack of land reforms, coupled with high levels of urbanization perpetuates a sort of international regime of dependency based on traditional forms of possession. To make matters worse, the international division of labor tends to aggravate the processes of urbanization.<sup>6</sup> The authors explain that the cycle for supplying the external market with commodities were not interrupted by any type of radical land reforms, reduction of land prices, nor the elevation of cheap credit for small

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<sup>6</sup> It is also relevant to consider the insertion of Brazil in the routes of trade since the colonial times. Ruy Cirne Lima presents a concise history of the Brazilian territory through the use of the new lands and they were intimately connected to the many sorts of dependency. The legal and administrative ones are of paramount importance, although it is undeniable how slavery as an economic system is the backdrop of the author in his legal and historical analysis of the Brazilian system of property. The land use and the economy of the country is part of the long narrative of the human submission for centuries. See Lima, R. C. (2002). *Pequena história territorial do Brasil: sesmarias e terras devolutas*. Goiânia: Universidade Federal de Goiás. For a dialectical overview between land and slavery, ownership and human condition, foreign and domestic determinants referring to international trade, read Martins, J. de. S. (2010). *O cativo da terra* (9<sup>th</sup> ed). São Paulo: Contexto.

producers that would stimulate familiar agriculture. There are a myriad of other studies that corroborate that assertion. Thailand and Indonesia, for instance, had a similar path combining their agrarian transformation with plants of manufacturing industry in urban areas: “[...] modern Indonesian industry could not and did not arise ex nihilo, and that the changes underpinning a rise in commerce and a loosening of traditional agrarian ties were necessary for economic growth [...]” (Amsden, 2004, p. 107, Ingram, 1971). As Pollard remarks, the case of Switzerland highlights the importance of being liberated from the custom of low productivity destined for exportation to conquer the “freedom from a parasitic landed nobility and from its power to legislate in favour of agrarian interests; social mobility and urban self-government; the Calvinist-Protestant religion and the high level of education achieved; and associated with all of these, an active, innovative class of entrepreneurs, managers and engineers” (Pollard, 1990, p. 27). On the other hand, supposing these traditional fields dedicated to exportation could not be changed by distributive justice, landowners would use administrative procedures to face the public power, demand legal injunction against peasants farming the land, and even hiring militias to shield their interests. One way or another, violence is the instrument of the land elites either the institutional or the physical one.<sup>7</sup>

#### 4. LEGAL ISSUES AND THE ABUSES OF LAND USE

The judge of the International Court of Justice, Antônio Augusto Cançado Trindade, has been an advocate of the growing material content of the *ius cogens*. For him, this is one of the first steps we should take to guarantee a common language on two levels, domestic and international grounds (Cançado, 2011). In other words, it means that access of individuals to international justice must be an immediate link if any national law fails to protect individuals and make their rights minimally effective. So, if the Brazilian ordinary due process and administrative procedures are not enough to enforce the law even with a substantial amount of material evidence against a party Cançado advocates states must be the first to guarantee the rule of law, determining which legal instruments most appropriately make more effective, for example, the right to access justice and protect human dignity. Nevertheless, analyzing the Constitution of the Federative Republic of Brazil with a fair applicability of the

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<sup>7</sup> We could mention many biographies and facts with reference to violence in land conflicts either via institutions or by the landowners’ militias. It is worth reading the memories of the Catalan bishop Pere Casaldàliga though. His overview narrating the episodes that he lived in the Prelazia de São Félix, Mato Grosso, synthesises violent historical disputes involving the peasants, the inactive state and the abuses of the “new conquerors” with the help of the invading militias. A myriad of human rights violation including hunger, fear and no state protection of families, children and elderly people. See Escribano, F. (1999). *Descalç sobre la terra vermella: vida del bisbe Pere Casaldàliga*. Barcelona: Edicions 62. Regarding to what is called by Maria Sylvia de Carvalho Franco “the code of the sertão”, which means the system of violence, read *Homens livres na ordem escravocrata*, Chapter 1.

law, some issues arise over whether the failure to enforce national environmental laws would justify the support of international bodies. Brazil is part of the Sendai Framework for Disaster Risk Reduction 2015-2030 celebrated by the United Nations. Recapitulating other documents such as the Yokohama Strategy for a Safer World: Guidelines for Natural Disaster Prevention, Preparedness and Mitigation and its Plan of Action<sup>10</sup> plus the Hyogo Framework for Action, the point 19 of the Sendai Framework avers that states should observe and be “consistent with domestic laws as well as international obligations and commitments.” Having a clear view on the negative effects of a non-sustainable activity of soil exploitation, the document calls private and state companies for transboundary care as the letter “a” of the same provision affirms: “Each State has the primary responsibility to prevent and reduce disaster risk, including through international, regional, subregional, transboundary, and bilateral cooperation”. Furthermore, the task of reducing the disaster risk must be realized in different levels with a plural representation of state powers, private sector, and civil society: “19(e) Disaster risk reduction and management depends on coordination mechanisms within and across sectors and with relevant stakeholders at all levels, and it requires the full engagement of all State institutions of an executive and legislative nature at national and local levels and a clear articulation of responsibilities across public and private stakeholders, including business and academia, to ensure mutual outreach, partnership, complementarity in roles and accountability and follow-up”. Given that the countries have been seen fit to lay down procedures to “promote the coherence and further development” the point 27(a) enhances “as appropriate, of national and local frameworks of laws, regulations and public policies, which, by defining roles and responsibilities, guide the public and private sectors.”

As seen in the first section, land use may create effects in human lives, economic activities, and even produce the accumulation of privileges for some social classes. The Brazilian Constitution of 1988 states in its Article 5 that “everyone is equal before the law.” Article 23(VI) holds the explicit command that the Brazilian State, the states of the federation and the municipalities have the competence to protect the environment, combat pollution; (VII) preserve the forests, fauna and flora; (VIII) subsidize the agricultural production and organize the food supply; and (IX) promote programs of housing construction and sanitary infrastructure. Moreover, the magna charter, in Article 1, III, affirms that one of the foundations of the Brazilian welfare and democratic state is “human dignity.” The concept is part of a corollary involving the principles of “sovereignty,” “citizenship,” “social values of labour and free economic initiative,” among others. That sequence means exactly the opposite the values private companies and public concessions have shown since the 1990s. Exploring the soil either through mineral activities or agriculture was not considered by the Brazilian constituents between 1987-88 as a free pass to exploit the domestic natural wealth and disaggregate the State sovereignty



(Slaughter, 2004). On the other hand, the mechanisms of control are essential to ensure investors base their interests on a fair public accountability and global networks of governance that respect common standards for both mineral and agricultural activities. But what happens to those international companies responsible for environmental disasters in Brazil? According to article 4, II, the defense of human rights is one of the principles that will guide the country's international relations. In that sense, both the constitutional text and the Sendai Framework converge. Article 34 of the Brazilian Federal Constitution also predicts the use of exceptionality. In extreme situations - such as the disrespect for human life, environmental disasters, and consequently both at the same time - the competence of gathering evidence in the pursuance of a due process is supposed to be redirected to the Federal competence. Article 109, V-A, which was born with a more sensible mechanism of control after the 45/2004 Constitutional Amendment, has been a powerful instrument to make more effective international agreements, covenants, and treaties according to the article 5, third paragraph. It is this link that lends support to make the material content of *ius cogens* grow by the hands of the Federal Attorney-General.<sup>8</sup> This is the agent of the law in control of making the material content of the *ius cogens* grow as A. A. Cançado Trindade wrote. The “incidente de deslocamento de competência,” or simply the dislocation of competence, is a procedural mechanism for the human rights protection can be combined with other remedies.<sup>9</sup> For example, based on the article 5, XXII, of the 1988 Federal Brazilian Constitution, the social dimension shall limit the right to property for any party with clear abuse of land use for illegal, inappropriate, or speculative activities. When referring to the economic order, article 170, III also includes the social function keeping a logical sequence in which “sovereignty,” “private

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<sup>8</sup> *Procurador-Geral da República* in Portuguese. We also call the attention to the role of the Secretaria de Cooperação Internacional, which is linked to the Office of the Federal Attorney-General, in charge of making easier the access to legal information for foreign authorities and international organizations. Retrieved from <http://www.mpf.mp.br/atuacao-tematica/sci>

<sup>9</sup> Only with the cases of Dorothy Mae Stang and Manoel Mattos, the mechanism of competence dislocation had a general attention in the Brazilian society as an effective remedy introduced in the Federal Constitution of 1988 with the Constitutional Amendment N° 45/2004. It is important to say that the American Convention on Human Rights was incorporated in the Brazilian legal order by the Decree 678/1992. However, the instrument is yet to be regulated by a specific legislation. See the Incidente de Deslocamento de Competência N. 1 - PA (2005/0029378-4) denied by the STJ; and the N° 2 - DF (2009/0121262-6) which was accepted by the court. During the last ten years, 553,000 people died in Brazil as victims of intentional acts of violence. Almost all of them are young and live in the periphery of the Brazilian metropolitan regions stigmatised by skin colour and socioeconomic status. See Atlas da Violência. (2018). *Instituto de Pesquisa Econômica Aplicada*. Retrieved from [http://www.ipea.gov.br/portal/images/stories/PDFs/relatorio\\_institucional/180604\\_atlas\\_da\\_violencia\\_2018.pdf](http://www.ipea.gov.br/portal/images/stories/PDFs/relatorio_institucional/180604_atlas_da_violencia_2018.pdf)

property,” and “environment” are explicitly mentioned in the sections I, II, and VI, respectively.

Land use is defined and measured based on its economic growth in value. The mining activity in Brazil always affect or create human settlements in the surrounding areas where the mining business is located. The cases of Mariana and Brumadinho, State of Minas Gerais, are clearly urban economic enterprises since the arrival of Samarco and Vale Companies covered, controlled, and managed the federal concession of lands with both a significant mass of infrastructure and high number of employees all over the territory. Between 40-60 million cubic meters of toxic residues covered the City of Mariana in 2015, a historical municipality with around 58,000 inhabitants. When the Fundão tailings dam failed, an avalanche of sediment destroyed the small 600 person village, Bento Rodrigues and killed 19 people before hitting Mariana. The distance between the two points is around 35 km. The River Doce was affected by the mud and crossed into the borders of another Brazilian State, Espírito Santo, polluting almost 100 km. In early 2019, a similar episode involving the same company, Vale, happened again; Samarco, the enterprise responsible for Fundão in Mariana, belongs to Vale in Brumadinho. At this time, with the failure of the tailings dam, 12 million cubic meters of chemical residues engulfed hundreds of people with nearly 300 fatally injured and many others missing. The disaster also swept residences away in addition to commerce, buildings, part of a train line, and a bridge. The River Paraopeba, was contaminated, which is a source of water for 48 municipalities. After these tragic events, the company dropped in value. According to the Tobin’s Q Ratio, when the price of replacement of a firm goes down it is a moment to invest. If the head of the business decides to pay the liabilities already agreed by contract, a new set of shares can be put in the market. That movement will eventually recover the value of the company as it happened to Vale in both occasions. So, if a negative externality supervenes, payments restore the confidence in the company. The question is about the legal arrangements that permit that sort of mechanism since Vale does not consider any compensation nor indemnity to the victims in its liabilities. Therefore, if the investments are done well, the investors take advantage of the scenario without any tragedy to deal with. If the business drags the name of the country through the mud, the shareholders succeed as well.

How can we change that classical zero-sum game? Underpinned by the Brazilian constitutional principles of environmental protection and preservation, social function of property, and human dignity, it is time to innovate and create trigger clauses to respond to such exceptional experiences. The direct administration of Vale could be taken over observing the Article 5(XXIV) of the Brazilian Constitution that affirms “the law shall establish for expropriation by that is, public, or social interest”. In fact, the Federal Decree-Law 3.365/1941 defines the reasons on which the public powers can claim its right to expropriate private investments or property. In Article 4, sole paragraph,

the criterion of the public utility embedded in expropriation is extensively detailed by a series of possibilities that contextualize the importance of protection and preservation of space, that is to say, land use especially for urbanization or re-urbanization. Therefore, through public utility, Article 5 provides a long list including: “a) national security; b) the defense of the State; c) public assistance in case of calamity; d) public health; e) the establishment and improvement of population centers, their regular supply of means of subsistence; f) the industrial exploitation of mines and mineral deposits, water and hydraulic energy; g) public assistance, hygiene and decoration works, health centers, clinics, climate stations and medical sources; h) the operation or maintenance of public services; i) the opening, conservation and improvement of public roads or public places; the execution of urbanization plans; the parceling of the soil, with or without building, for its better economic, hygienic or aesthetic use; the construction or expansion of industrial districts (Drafting provided by the Act No. 9.785, of 1999); j) the operation of collective means of transport; k) the preservation and conservation of historic and artistic monuments, isolated or integrated into urban or rural areas, as well as the measures necessary to maintain and enhance the most valuable or characteristic aspects thereof, as well as the protection of landscapes and sites particularly endowed by nature; l) the preservation and proper preservation of archives, documents and other movable property of historical or artistic value; m) the construction of public buildings, commemorative monuments and cemeteries; n) the creation of stadiums, aerodromes or airfields; o) the reissue or dissemination of a work or invention of a scientific, artistic or literary nature; p) other cases provided by special laws.”<sup>10</sup>

Regarding the procedural steps to carry on with the expropriation based on public utility, the executive and legislative power can work separately or together. Article 6 states: “The declaration of public utility shall be made by decree of the President of the Republic, Governor, Intervenor or Mayor” while Article 8 avers that “The Legislative Power may take the initiative of expropriation, fulfilling, in this case, the Executive, to perform the acts necessary to its effectiveness”. In order to avoid abuses, with reference to the costs of expropriation beyond the total value of company, Article 25, in its sole paragraph, makes explicit that: “The judge may arbitrate a small amount for the dismantling and transport of installed and operating machinery”. Furthermore, Article 27, *caput*, affirms that “The judge will indicate in the sentence the facts that motivated his conviction and should especially consider the estimation of the assets for tax purposes; at the acquisition price and interest that the owner receives; their situation, state of conservation and security; to the market value of the same species over the last five years, and to the valuation or depreciation of the remaining area belonging to the defendant”. A detained observation of

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<sup>10</sup> Decree-Law No. 3.365, June 21, 1941. *On the expropriation for public utility*. Retrieved from [http://www.planalto.gov.br/ccivil\\_03/decreto-lei/Del3365.htm](http://www.planalto.gov.br/ccivil_03/decreto-lei/Del3365.htm)

the Article 27 will educate the reader on the need for a motivated decision, i.e., studies, reports, facts, reasons, principles, and legal information must be the cornerstones of a judge's decision. From a Public Law's perspective, all of the powerful instruments to detain the abuses of discretionary power, and at the same time, promoting the exercise of the rule of law, impartiality, transparency, proportionality, and efficiency. Article 27, third paragraph (II), protects proprietors from irregular or illegal expropriation by the public administration without due process compromising fair compensation as expected in the Brazilian legal system. Article 32 makes clear compensation must be fair, previously paid, and in legal currency.

## 5. ANALOGIES TO EXPROPRIATION FROM THE INTERNATIONAL ARENA

An operation analogous to expropriation was realized by Project West in the United States when the plan was designed to regain the confidence of investors after the 2008 global economic crisis. Washington Mutual, Inc. was a savings bank holding firm, but also the former owners of Washington Mutual Bank. It was the largest savings and loan association until its collapse.<sup>11</sup> Regarding the tragedy of the national housing mortgages, the U.S. Office of Thrift Supervision (OTS) decided to acquire the Washington Mutual Bank from the Washington Mutual, Inc. reallocating it in the Federal Deposit Insurance Corporation (FDIC). After that, following a withdrawal of around 9% over all deposits, the FDIC started selling parts of the banking subsidiaries discounting the unsecured debt and equity claims to JPMorgan Chase. As stated, the total value of a firm may decrease due to a lack of confidence when the price of replacement cannot be recovered by the selling of shares. So, Tobin's Q ratio can be applied here to explain why the U.S. federal authorities faced the irresponsibility of the subprime mortgage market, transforming the debts generated by the borrowers into assets, separating the liabilities and the losses from the value of the business. That intervention attracted more solid investments, making new actors enter the competition. The same mechanism was repeated when the U.S. Department of the Treasury used billions of dollars to restructure the finances of two financial institutions, Fannie Mae and Freddie Mac. Despite the use of taxpayer money to save a public institution, that is to say, different from the previous case involving JPMorgan Chase, the logic is the same. Once the negative externalities are overcome, there is a vital change in market expectations. The U.S. Department of the Treasury and the Federal Housing Finance Agency (FHFA) bear the responsibility for the regulation and

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<sup>11</sup> For a systemic view about the long-term impoverishment of the U.S. working class and its negative effects on housing system before the 1990s, read Grigsby, W. (1990). Housing finance and subsidies in the United States. *Urban Studies*, 27(6), 831-845. A substantial contribution involving financial crises and banks, especially connected to the system of property, is made by Reinhart, C. M., & Rogoff, K. S. (2011). *This time is different: eight centuries of financial folly*. New Jersey: Princeton University Press.

protection of the capital from public funds (taxpayers' money) used to restructure the Fannie & Freddie's conservatorship (Frame, Fuster, Tracy, & Vickery, 2015).<sup>12</sup>

Another analogy of expropriation for restructuring foreign direct investors that may breach environmental laws is the idea of arbitrage as a mechanism of control based on the same definition of public utility aforementioned. In that case, the nature of that expropriation would be settled by contract of concession between public and private *personae* which may imply not fair compensation depending on the case. Nevertheless, it is important to say that controlling mechanisms are not supposed to affect the Brazilian constitutional, administrative, and procedural laws. The contract shall predict that if any human and natural life is put at risk, the public authorities retain the right to take over the company and trigger the clause summoning technicians and experts to a technical board. That body is responsible for a preliminary report with academic studies, images, documents, and interviews with the affected people. This board must also present the first calculus including the tangible, intangible, and environmental damages. After that, both nominated judges and the technical board will appear at the initial public hearing. The task of that meeting is to answer objectively three matters: i) the level of compliance the company had with the minimum technical requirements for the protection of human and nature life before an environmental disaster; ii) the degree of conformity to the domestic laws and international treaties involving environment, land use and human settlements; and iii) the reasons of any supposed negligence. The Federal Act N. 9.307/1996 is legislation that regulates arbitrage in Brazil, while complying with the 1958 New York Convention to settle disputes between companies.<sup>13</sup> The extraordinary recourse

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<sup>12</sup> For mechanisms of transparency and control of the assets, there are many public forms of decision-making processes. One of them is the participatory budgeting as it is well-known in many cities all over the world especially in developing countries. See Shah, A. (2007). *Participatory budgeting*. Washington: The World Bank. Other one is the public scrutiny through digital media, webpages, pieces of news with objective messages and detailed reports. In that case, check the case of the Norges Bank Investment Management and how the sovereign fund of Norway is managed. Since the assets coming from the public investments in petroleum exploitation belong to the Norwegian society, it is already a legitimate consensus Norwegians should control them. Retrieved from <https://www.nbim.no/>. The losses in the market with the variation of the share values as it happened after the tragedy of Mariana are immediately converted into "green credits". One of the reasons for that positive expectation just after the disclosure of an environmental disaster has to do with the inexistence of any sanction over the company's assets. The objective is not a fine, but a compensation combined with the protection of less powerful shareholders. Under the circumstances, it is the major stockholder the target of all negative externalities, but only to manage the costs of reparation and not to expropriate its capital. Other reason to believe the "green credits" will happen is the inevitable support of the public opinion to effective and transparent measures to overcome structural crises.

<sup>13</sup> In order to be part of an arbitrage, the Brazilian legislation imposes the juridical figure of companies in contracts. This is why all concessions made by the Brazilian state for soil

No. 1.297.974 by the principle of double jurisdiction was filed by the STJ in the State of São Paulo.<sup>14</sup> In that case, there was a disagreement involving *Petrobras v. Mitsui* when a subsidiary of the Brazilian company was not paid in full by another subsidiary. The Superior Tribunal of Justice of Rio de Janeiro tried to solve the conflict since one of the companies was registered in another State of the federation, but the contract between the parties had already predicted the settlement of the conflicts by a court of arbitration, which was then guaranteed by the same extraordinary recourse aforementioned.

The International Centre for Settlement of Investment Disputes, World Bank Groups, is another option of extraordinary controlling mechanisms. In that case, a third part is also possible as a complement to traditional models of dispute resolutions. The case *AES Summit Generation Limited and AES-Tisza Erdma Kft. v. Republic of Hungary* is very illustrative. The International Centre for the Settlement of Investment Disputes (ICSID) accepted the European Commission as *amicus curiae* in order to balance pros and cons in a millionaire investment in electric, gas, steam, and air-conditioning supply under the form of an international investment. The State of Hungary won the dispute after: “One avenue, which interested parties now increasingly rely on to include broader interests in investor-State arbitration is *amicus curiae*, or third party, intervention in arbitral proceedings. Arbitrators in investment disputes have over the last decade begun showing greater willingness to provide third parties with a very limited mandate to participate by way of written *amicus* briefs. In a number of high-profile arbitrations, nongovernmental organizations (NGOs) have intervened in order to provide expertise on thematic issues of public policy implicated in the dispute” (Levine, 2011). In that juridical battle, the introduction of administrative prices by Hungary was considered legal, and the country had not breached the Articles 10(1), 10(7) and 13 of the Energy Charter Treaty.<sup>15</sup>

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exploitation should include the Brazilian public companies as partners. Yet the public companies would be present in every foreign direct investment, the Brazilian authorities do not have any right to manage, administer, protect or even orient the private decision-making process of the company in charge.

<sup>14</sup> Superior Tribunal de Justiça de São Paulo.

<sup>15</sup> Retrieved from <https://www.italaw.com/sites/default/files/case-documents/ita1072.pdf>. There many international regimes for the settlement of disputes that could unleash our creativity between state and private investments, state and state partnerships, state and society to solidify the compliance of any sort of mineral or agricultural exploitation of the Brazilian lands. All of them observing how important are the mechanisms of control as the premise for international cooperation and human development. We suggest also the differentiation between the concepts of social and public control. Read Hale, T.; & Held, D. (Eds.). (2011). *The handbook of transnational governance*. Cambridge: Polity Press.

## **6. CONCLUSIVE NOTES ON THE LEGAL AND INSTITUTIONAL FOR A NEW DEVELOPMENTALISM**

The conditions for human development in Singapore derived from a set of political, economic, and social arrangements that connected property to other forms of capital. The most important one, the human capital, which is defined as the capacity to re-invent the human existence while co-existing with the challenges of the present times. The Singaporean experience reveals the way a city-state could deal with the scarce supply of capital and land, lack of social cohesion in a multi-racial background, poverty, housing shortage, colonialism dependency especially on imported goods, and a country essentially financed by its platforms of trade as an Asian cosmopolitan port combined with the rubber plantations between the XIX and XX centuries. It was not simple to enhance its import-substitution process, as it happened mainly after 1965, while avoiding looking like a sort of re-edition of an old nationalism or a wave of communism baptized by the Cultural Revolution in China (1966-1976). Therefore, one of the forms that may complement and detail the theory of the new developmentalism is the inclusion of land use connected to monetary mechanisms of transmission. The Housing & Development Board is coordinated with the Urban Redevelopment Authority. The former is responsible for the land supply associated with construction sites, while the latter is in charge of the master plans, the urban development design, conservation, and many other tasks, while also producing valuable knowledge about city planning transformed into tradable resources. That process is very close to the definition of new developmentalism in which the domestic effort to industrialize the country is made with the support of two axes at the same. One of them responds to long-term and high levels of investments in manufacturing industry, and the other monetary policies based on exchange rates that can protect the national industry until the moment domestic entrepreneurs are prepared to compete globally. Both of them are structural and monetary mechanisms used to produce positive current accounts avoiding what is well-known in the literature as the Dutch disease (Bresser-Pereira, 2016, p. 11). Therefore land use, the property system, and urban planning in Singapore may represent one of the cornerstones for human development under the auspices of the new developmentalism.

Environment protection, water sources, public health, housing, and sanitary conditions are the axes used by Singapore to reach the level of urban and human conditions enjoyed today.<sup>16</sup> Another conclusion, perhaps necessary

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<sup>16</sup> “Considering the long-term target for total investments in water supply and sanitary sewage of R\$ 304.0 billion and with an investment of R\$ 35.9 billion accumulated from 2014 to 2016, we have the total amount of R\$ 268.1 billion to be invested by 2033 as a goal to be met. Thus, the accumulated value of the trend line (R\$ 312.8 billion) indicates compliance with the long-term target if the trend remains similar for the following 17 years”. Read Brasil. Ministério das Cidades. Secretaria Nacional de Saneamento Ambiental



for reflection, has to do with traditional and historical models of production in countries, like Brazil today or the Singapore of the past, that may not permit the democratization of the property system. The domestic production of commodities is then protracted with not only low salaries and the concentration of land in urban and rural areas, but also a financial dependency of the international capital that constitutes the economic elite in the country (Leal, 2012, p. 46; Silva, 2008). Foreign loans and importation must be paid with the products sold in the international market with low added value as it in Brazil's case. That cycle continues to produce two mistakes: the dependency on external macroeconomic variables puts together the depreciation of the exchange rate and the decrease in value of the land use as the Brazilian concessions for mining show eloquently (Calvo, Leiderman & Reinhart, 1995). Yet not referring to a land reform in Brazil not even a domestic regime of property prepared to "liberate" the land (Martins, 2010), the theory of the new developmentalism is closer to that debate as a strategy for developing countries to understand how to catch up with developed countries or the Singaporean inspiration (Bresser-Pereira, 2016, p. 6; Evans, 1996).

Another noteworthy conclusion is how Singapore harnessed multinationals, reversing the dependency model decades ago between the 1980s and 1990s. The country created a platform of human capital well-prepared for production, innovation, and high-tech investments that multinationals decided to deepen their roots (Choy, 1986). Another intelligent guideline is the differentiation of general ideas of democracy from a strong notion of governance. Entrepreneurships, such as Sustenir Agriculture and Biopolis, respectively, for food production in urban environment from a private initiative and a complex public institution for biomedical research represents very well the famous saying of Deng Xiaoping *It doesn't matter whether the cat is black or white as long as it catches the mice*. As previously explained, Singapore jumped those human rights from the first generation to invest in human development with social, economic, and cultural public policies with splendid results. A strategy to modernize the country that is certainly singular. In Singapore it is quite normal for people to use their free speech consensus in a public space to recognize that they constructed their city. It is also true that the political activity is restricted, the right to privacy yet a polemic topic when the government is involved and the right to property not explicitly affirmed in the text of the constitution, but a sense to make amendments with human dignity is inevitably tested with sexual tolerance, political open assemblies, and how public space has been noticed as a transient realm (Lee, 2015). The strong governance orienting codes of practice and conduct (Sebastian, 1997) was able to produce a sort of development that shielded the human rights of the second

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– SNSA. (2016). *Sistema Nacional de Informações sobre Saneamento: Diagnóstico dos Serviços de Água e Esgotos – 2016*. Brasília: SNSA/MCIDADES, 2018. Retrieved from <http://www.snis.gov.br/diagnostico-agua-e-esgotos/diagnostico-ae-2016>



generation. We finally synthesize the Singaporean experience as also the results of an identity creation on the common grounds of local and foreign economic elites agreeing to respect a long-term project that respected historical, traditional, and sociological backgrounds in order to put forward a bigger challenge that followed its own nation-state paradigm to become a global city (Hack, Margonlin & Delaye, 2010). Other difficult tasks must not be disregarded as the poverty among the elderly people, the concentration of wealth, and long hours of work.

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