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Singapore

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Introductory: The dog that did not bark

"Is there any point to which you would wish to draw my attention?" "To the curious incident of the dog in the night-time." "The dog did nothing in the night-time." "That was the curious incident," remarked Sherlock Holmes.

– Sir Arthur Conan Doyle, "Silver Blaze"

Politics in Singapore ticks over with the efficiency of the proverbial Swiss watch. Technocrats scan the horizons of the global economy; ministers read the entrails, pronounce their pragmatic policies, thereupon swiftly implemented by an efficient bureaucracy; and a covey of government-sponsored committees chivvies the public in support. Singapore, as one of the original "Asian Tigers," must, on the face of it, be an exemplar of the connection between the political management of the economic system on the one hand, and the legitimation of the ruling political regime by an impressive rate of economic growth on the other. It is also, apparently, a practice of politics so inimitable that Singapore must constitute a unique test-bed for political ideas, at a time when political regimes everywhere are having to measure up to the challenges of globalization, liberalization, and a new revolution in technological advancement.

Yet, while politics across Asia is in turmoil, the political system in Singapore lies quiescent. What accounts for this condition? What led growth to assume its central importance within that political system, what were

the political elements that needed to be put in place to ensure the delivery of growth, and what have been the subsequent ramifications of that growth?

In any comparative study of the relationship between democratization and economic growth, Singapore would be an intriguing case – marked by many seemingly inexplicable paradoxes in the way its political processes function.

Historical origins

Lee Kuan Yew and his People's Action Party (PAP) came to power in 1959, in a newly autonomous, though not yet quite independent Singapore. The Singapore society of the time was economically extremely divided, and communally fragmented and inchoate, with a multitude of political groupings, each representing a specific economic or ethnic identification. These groups manoeuvred, plotted, and struggled against each other in a protean political soup, creating the semblance of democratic discourse, while each secretly aimed to seize power for its own exclusive use and to eradicate its rivals, in what was in reality a Hobbesian political struggle. As it turned out, it was Lee Kuan Yew who came to power at the head of a small Western-educated group of intellectuals, quite atypical of the Singapore society of the time, and with a mass following of workers and Chinese middle-school students gained only through a tactical alliance with Communist forces. On attaining power, Lee first distanced himself from his radical populist support, and then proceeded to cut his links from and then to eliminate his erstwhile Communist allies. Yet Lee himself shrewdly observed at the time:

> The mass of the people are not concerned with legal and constitutional forms and niceties. They are not interested in the theory of the separation of powers and the purpose and function of a politically neutral civil service under such a constitution.... if the future is not better, either because of the stupidities of elected ministers or the inadequacies of the civil service, then at the end of the five-year term the people are hardly likely to believe either in the political party that they have elected or the political system that they have inherited.[1]

Lee Kuan Yew's words reflected the political conditions of the time and the particular circumstances of his ruling party. Yet his words provide a revealing insight into his political beliefs. They set out a political creed that was to inform the process of creation and construction on which Lee was then to embark, a process whose end result is the modern city-state that is Singapore today. In his relentlessly unremitting drive to

improve the material circumstances of his people, Lee Kuan Yew in his practice of politics has not allowed himself to be bound by the principles or prejudices of any particular political model, democratic or otherwise. Instead, he has drawn ideas, in eclectic fashion, from whichever political model suited his purposes at any one time, upholding those ideas passionately and persecuting opponents of them with ruthless zeal; yet discarding those ideas without compunction in favour of something else, should circumstances so dictate.

Without a mass base of populist support, and confronted with the need to gel together his disparate populace, Lee Kuan Yew turned to the civil service, an organization imbued with an elitist ethos and a technocratic bias against political bargaining and compromise. These technocrats were like-minded in seeking economic growth, and like Lee, the civil service was sufficiently removed from, and indeed above, the demands of ordinary people, that it could maintain its autonomy to act and to implement policies with little or no popular support. Lee and his civil service allies had a window of opportunity to act, but they had to move quickly and to show results rapidly if they were to secure their position in power. As a governing elite, they could secure their political survival only by persuading the people that, despite their composition being distinctly different from that of Singapore in general, they nevertheless represented the people's interests and could ensure their material welfare.

The conditions of the time were extremely turbulent, with social unrest, high unemployment, and uncertainty over the nature and dimensions of the state. The political factions squared off against each other at the time of Singapore's joining the new Malaysian Federation in 1963, and again after its ejection in 1965, with political arguments over its ability to forge an independent course as a separate and distinct nation state. Such turbulent conditions provided the grounds for the PAP leadership to suppress destabilizing political opposition in the interests of securing political stability.

Other former colonized states may have secured their independence, perhaps after bitter struggle against their colonial masters, in a burst of euphoria, later to be dampened as the hard realities of economic development dawned on leaderships and peoples. Singapore became an independent nation state in polar-opposite conditions. Independence was neither sought nor fought for, but rather thrust upon a reluctant and fearful state on 9 August 1965, when Singapore was expelled from Malaysia. The political tears of frustration and fury which Lee publicly shed on that day were shared by both leadership and people, faced with an uncertain political future as an island nation state and enclave within Southeast Asia. Politically, the imperative was to secure social cohesion in the face of perceived external threats, and the path chosen was a nation-building pro-

gramme which emphasised modernization, social reform, and economic development, reinforced through ideological imposition and political institutionalization.

The changing social structure

The major indices of social stratification in the late 1980s were education level, citizenship status, sector of the economy where employed, and the number of employed people in each household.[2] Here, sharp differentiations open up, for example, in levels of education. In 1980, 44 per cent of the population aged 25 and over had no educational qualifications whatsoever, 38 per cent had a primary school education, 15 per cent had a secondary school education, and only 3.4 per cent had a tertiary education. While these figures must obviously have improved since then, there will for many years continue to be a significant proportion of the adult population with only an extremely limited education – this in a society where wages are fairly closely correlated with educational attainment. The stress on individual competition, rather than inherited status, makes education a keenly prized good in Singapore society, which is seen as the key to upward social mobility.

The uppermost levels of Singapore society are occupied by an elite group comprising high-level civil servants, business managers, and professionals, many working for large foreign-owned companies, together with a coterie of wealthy Chinese businessmen, leading the various associations which represent the Chinese-speaking community. The former have an extremely cosmopolitan outlook, apparently distinctively different from the bulk of society, and both groups tend to vigorously support values of competition, economic advancement, and social mobility through education.

There has, however, been significant alleviation of poverty, which by one measure fell from 19 per cent of households in 1953–54 to 0.3 per cent in 1982–83. In part this is a consequence of the general economic growth over the period – though a leading direct cause of poverty alleviation must surely have been the increased participation of women in the workforce, as households typically improved their material circumstances through having more than one wage earner (and also fewer children to support). Whatever the cause, household income distribution in Singapore in 1982–83 was roughly equivalent to that of the United Kingdom – a country which in the 1980s prided itself on encouraging individualistic values, led by a prime minister who stated publicly her disbelief that there is any such thing as ''society'' – and very much more equal than in Latin American countries such as Brazil and Mexico, though significantly

more unequal than in developed countries such as Germany and Japan.[3] The evidence supporting the application of communitarianism in Singapore, so far as the statistics are concerned, does not therefore appear conclusive.

Finally, ethnicity is an issue of extreme sensitivity whose dividing lines cross potential fracture points in Singapore's plural society. The official ideology is multiracial – even if in practice, the government sets out its own agenda of how multi-ethnicity should play out, an agenda fraught with its own internal contradictions. The government has tried to narrow the gap between English-educated and Chinese-educated within the majority Chinese community, while paying special heed to the minority Malay community, because of the country's geopolitical situation.

The institutions of politics

A two-party system would put us on the dangerous road to contention, when we should play as one team.

– Commodore, now Minister for Education and Second Minister for Defence Rear Admiral Teo Chee Hean, 1992[4]

The conditions from which Lee Kuan Yew and his PAP sprang were such as to lead him and his party away from what they viewed as the degenerate compromises of ''Western-style'' liberal democracy, so inimical to economic development, and also away from blatant appeals to populist sympathies. Indeed, rather in the manner of an oriental Churchill, Lee pledged his equivalent of blood, sweat, and tears – establishing political order through an extremely efficient and relatively incorrupt government, and securing material welfare for the citizenry through a benevolent, if not entirely benign, paternalistic government. Any measure in the political and economic armoury that suited these purposes was taken without compunction, and applied without reservation. National survival and political survival for the PAP (for by then the two were inextricably interlinked in the minds of the ruling elite, as they are indeed now in the minds of many of the populace) brooked no half-measures.

These governing measures were tempered from the 1980s by the grooming of a successor political generation, chosen from the ranks of the technocrats within the bureaucracy, socially and politically cosseted, and to some degree rather like the mandarins of yore, without the close ties to the grass roots that many of their predecessors in the founding political generation possessed. This change took place at a time when the general populace was becoming noticeably affluent, with the spread of greater material comforts. And, in the face of continued unremitting pressure

from the political leadership to strive even harder, these people were beginning to raise demands which were seemingly for a more tolerant liberal political practice, and exhibiting behaviour patterns at odds with the austere living style exalted by the political leadership as the appropriate model to follow.

The leader of that successor political generation, Goh Chok Tong, formally assumed the prime ministership in November 1991, and seized the opportunity to show a more human face by adopting a more common and sympathetic manner. This different style of leadership, it was believed, would help check the rising alienation by bridging the gulf between rulers and ruled. Goh had earlier declared his intention to work toward a ''kinder, gentler society'' and to introduce policies that have ''a human face,'' though adding that ''this does not mean that the society under Mr. Lee has not been kind and gentle.''[5]

The experience of this successor political generation has been mixed. Opening up a political ''discussion space'' in society has inevitably entailed the flowering of a diverse range of views and expectations of governance, not all of which could be met, or indeed were deemed desirable. And while exercises in consultation have an air of contrivance about them, the government remains closely aware of political opinions ''on the ground.''

In thinking through the key elements of politics in Singapore, a number of puzzling contradictions present themselves. For a start, we need to move away from the conventional notion that increasing economic affluence somehow leads to social change, which in turn compels a move from authoritarian to more democratic structures, cognisant of individual human rights. Having made that point, neither can we assert that the reverse is strictly true – that material affluence and globalizing trends have not led to increasing tensions between individuals and the state. Globalization challenges the adaptability of traditional patterns of hierarchy and elite status. The Singapore picture presents elements which seemingly support both notions, so how do we reconcile such contradictory trends?

To begin with, we need to make the point that what you see is not necessarily what you get. In form, if we accept a minimal procedural definition of democracy, we may identify a structure of democratic procedures in the Singapore polity, with political parties competing for power (albeit one dominant over the others, hence the term ''one party dominant system'' or ''hegemonic party system'' applied by a leading political scientist),[6] in elections held periodically, in which the government pledges that the ballot is secret. In turn, there is widespread acceptance of governmental authority. Yet these procedures have been so constrained by a range of restrictions and limitations – and, perhaps even more important, by a fear, held by many in society, of actively supporting

opposition politics) that the democratic nature of these procedures loses much of its validity.

The electoral process and its characteristics

In elections through the 1980s and early 1990s, the PAP steadily lost ground, first losing its parliamentary monopoly in a by-election in 1981, and then seeing a steady fall in its share of the vote in subsequent general elections. The turnaround in the PAP's electoral fortunes only came with the general election of January 1997, when Goh Chok Tong explicitly repudiated a more liberal political line and set out a much less compromising political style. In this most recent election, the PAP's share of the vote in constituencies where there was an electoral contest (less than half of parliamentary seats was contested, so the PAP was already returned to power at the start of the election campaign), rose from 61 to 65 per cent[7] – not a substantial rise, but nevertheless significant in the face of what many had expected would be a continuation of its earlier electoral decline. Why the PAP, and Goh Chok Tong's coterie in particular, should have recovered political ground by threatening tougher governing measures, is an issue which must hold significant lessons for the future direction of politics in Singapore.

To take one example, there was supposedly a fear that ''unsophisticated'' Singaporean voters, unschooled in democratic practice, would somehow come to believe that their vote could be traced back to themselves.[8] The voting system in use in Singapore derives from the British model, with numbered ballot papers linked to voters' names on the electoral register (though the number on the ballot paper is different from the identity card number of the voter recorded on the electoral register). The government claims that all votes are sealed and destroyed after counting, and has invited opposition representatives to witness the process. Increasingly, over successive elections, the fear of traceability of the vote has gradually diminished. Nevertheless, it may well be that a residue of that fear still remains. The critical issue is therefore not one of the secrecy of the ballot, but rather of the perception of the voter that there remains a possibility that his or her vote can be traced if the authorities so decide. This fear was heightened during the 1997 elections, when Goh Chok Tong declared that with vote counting being decentralized (in the interests of giving out the results more rapidly), it would then be possible to quickly establish how individual precincts voted (each with around 5,000 votes) and to reward those who most strongly supported the government.[9]

Certainly, Singapore's political evolution has not gone down the trailblazing democratic path set by Taiwan and South Korea. But to the

question, why did the dog not bark? The answer (as Sherlock Holmes made clear) is that it was in perfectly familiar surroundings and that it recognized the object of its actions. It is not that the government formulated communitarianism in order to deny democracy; on the contrary, what is clear in the practice of politics in Singapore today, is the seriousness with which the government treats the exercise of formal democracy, where every percentage point lost in electoral support (from what is, at over 60 per cent of the vote, a very high level of support) is worried over by the government precisely because it rests its claim to power on a communitarian ideology. If this government claims to embody the collective interests of society, such a claim to power would sit uneasily with an apparently increasing dissension within the ranks of that society.

What Goh Chok Tong did, in the January 1997 elections, was to turn around this general expectation of the electorate, by spelling out his intention to link government public-spending programmes to the extent of voter support of the government, not just in individual constituencies, but also in individual wards within constituencies.[10] Rather than the government being accountable to the people, the people were now explicitly made accountable to the government.

What, then, of the constraints which the Singapore government places on the mass media and on the voluntary associations of civil society? Rather than being symptoms of a transitional political phase to full democracy, these constraints are instead the means by which the government imposes its view of what the communitarian consensus should be. Communitarianism may have a soft centre – the desire to build and to live in stable communities, and consideration and responsibility for the wider community to which one belongs viewed as a social virtue (shades of Francis Fukuyama) – but it also has a hard edge, emphasizing duties and responsibilities rather than rights. Illiberal measures which restrict the public expression of individual interests are part of the expression of this hard-edged communitarianism. People have to recognize that they may need to make sacrifices for the greater good, rather than pander to their own individual gratification.[11]

The communitarian ideology and its role

Throughout the whole period of independence, there has been a tension in the Singapore polity between the competing claims of communitarianism and individualism – which evokes a familiar argument over supposed ''Asian values.'' Superficially, the Singapore government may be seen as the guardian of communitarianism, against the apparent erosion of those values by more self-centered individualistic concerns. Communitarian

values did indeed underpin popular support for the government's initial decision to legitimize its rule through economic growth. The government and civil service had to have in place mechanisms and institutions which the disparate elements making up Singapore society could believe would spread the benefits of growth. Only then did a groundswell of support build up which created sufficient socio-political stability to sustain the economic policies that were put in place. Without this communitarian reassurance, it would be safe to say that there would not have been the co-operation between groups which would have allowed the social stability to give these policies time to take effect.

One striking feature of politics in Singapore is the way that ideology has been defined by the government so as to reinforce its claim to power and the duty of citizens to obey. Motivated by concern that people were being overly influenced by ideas seeping in from abroad, influences that were difficult for the government to monitor and control, the government directed a lengthy public debate over the relative merits of ''Asian values'' (good) versus ''Western values'' (bad). The ''Asian values'' espoused were the alleged values of Confucian high culture, to which the cultural distinctiveness of Asian politics is nowadays fashionably attributed. Asian politics has everything to do with the Asian spirit, defined as a belief in strong authoritarian control, respect for bureaucracy, and emphasis on the group at the expense of the individual. Lee Kuan Yew, incidentally, is often characterized as advancing this view, but a close reading of his public pronouncements shows a rather more sophisticated appreciation: disclaiming that an ''Asian model'' exists, accepting that value systems do change, and criticizing Western society, interestingly enough, for a perceived erosion of individual responsibility and for an over-reliance on government to solve social problems.[12]

The ideas propagated by Confucius and the school of thought he established were ideas for a governing elite, at a time when cities were being built and states being established in China. It took centuries – almost right down to our own time – for these ideas to percolate down to the common people, and in doing so they became mixed in with all sorts of local folk traditions and practices. This is not the popular Confucian ethos innate in that part of Singapore's population that is immigrant Chinese. What we see at this populist level is not the high Confucianism of the intellectual elite (actually extremely stifling towards entrepreneurial initiative and innovative ideas), but the vulgar Confucianism of ordinary people (best exemplified in the networking of overseas Chinese). It is this lower form of Confucianism which shapes the values and the political choices of many ordinary people from among the immigrant Chinese community in Singapore. At this level, the pontificating of Asian elites

becomes irrelevant; and we need to discard all those abstract concepts of high Confucianism such as loyalty and filial piety.

Strangely enough, the Singapore government had to sponsor the study of Confucian ethics through the setting up of an Institute of East Asian Philosophies, staffed by eminent academics brought in from abroad, to define Confucianism for the citizens of Singapore. Indeed, although Lee Kuan Yew once confidently asserted that "for most Chinese students, Confucianism not Buddhism will be what parents would prefer their children to study,"[12] in the event, a survey of student preferences in 1989 gave Buddhism 44 per cent, bible knowledge 21 per cent, and Confucianism a mere 18 per cent. The presumed role of Confucian values in Singapore's economic development is indeed an intriguing issue, which certainly deserves detailed consideration.

Popular Confucianism, as it affects the man or woman in the street, is far removed from high Confucian theory. It is perhaps no more than a vague amalgam of residual ethical beliefs and a bias towards particular practices – not amenable to rational analysis, but nevertheless prompting certain attitudes towards the family, education, social responsibility, and government. The family is the focus of attention and close affections, education is respected, public service honoured, but government viewed with a measure of suspicion. There is a concern to keep some distance between one's family on the one side, and the state – whose intentions cannot, in the last resort, be fully known – on the other. Such attitudes are neither obviously democratic, nor readily authoritarian. They do, however, lend themselves to participatory politics which is very much locally focused.

In Singapore, the ruling party constantly reworks its legitimizing ideology to suit changing economic circumstances. The advocacy of Confucianism has since moved on, with the evolution of a form of communitarianism, through a process by which the PAP has repeatedly repackaged and redefined a national ideology to serve as its *raison d'être*. It has been argued that the objective of ideological reformulation in Singapore's case has been to obstruct and to deny any logical linear move to liberal democracy, as exemplified by the experiences of Taiwan and South Korea.[13] Yet it could be even more plausibly argued that this constant redefinition by government of the basis of its legitimacy is a measure of its adaptability to a rapidly changing society. Indeed, this capacity to continually reinvent itself in the perceptions of the electorate could well be the key to the government's long-term survival.

The Singapore government's interpretation of communitarianism is a doctrine in which government, as custodian of the communitarian will, ineluctably imposes a set of civic values on individual behaviour. By emphasizing the community and telling us how things should be for the greater good, this form of communitarianism curbs egocentric behaviour

and asserts that responsibilities to the wider community coexist with individual rights. In any society where there is a range of personal moral and religious beliefs (and in Singapore, this range is even wider than is usually the case, given the plural nature of its society), any assertion of a common standard of behaviour must involve a measure of coercion. The Singapore government might presumably assert that all states (even the most supposedly liberal) coerce, but the question is: to what end is that coercion addressed?

In the case of Singapore, the aggregate effect of the government's communitarian style, however illiberal it may be characterized as being, is to consolidate the politics of the middle ground, deliberately excluding what are perceived to be political extremes. Goh Chok Tong's own declared intention has been to enlarge the middle ground through a more accommodating and participatory style of government, and he has clearly moved to include the greatest number of Singaporeans in the political process, rather than to exclude them from it.

Indeed, communitarian ideology renders the Singapore government, despite its authoritarian tag, even more vulnerable to electoral rebuff than so-called democratic governments elsewhere. If communitarianism is defined in terms of a common national will, any dissenting political activity must call into question the extent of that common will. The Singapore government must therefore constantly be acutely sensitive to the varying shades of public opinion, and act quickly to deal with contrary views, either through suppressing them or through going some way to meeting them. Fully conscious of the position the government is in, Singaporeans are perhaps even more sophisticated than their Western counterparts in exercising their voting rights. Because opposition parties recognize the general sentiment that there really is no practical alternative to keeping the PAP in power, and therefore do not contest the majority of seats in general elections (giving these general elections a by-election flavour), Singaporeans vote, not to change the government, but to register dissatisfaction with its policies – and to express their expectation that the government, precisely because of its communitarian legitimizing ideology, will act to redress the grievances raised.

The institutions of economic policy: Chasing bubbles of value

Exceptional returns arise from exploitation of market, political and technological discontinuities.... Successful companies pay inordinate attention to identifying discontinuities early on, as well as predicting their implications for money making opportunities that may be short-lived.

– *McKinsey Quarterly,* 1994

When Singapore gained its independence in 1965, it was burdened with an economy seemingly in terminal decline. Forced out by Malaysia and still in confrontation with Indonesia, the new state confronted an external environment that appeared darkly threatening. There would, apparently, be no regional common market of which Singapore could be a part, and its own domestic market was minuscule. So the import substitution policies of growing nascent industries that were the economic development fashion of the day were obviously inappropriate. The economy, meanwhile, was burdened by a declining entrepot trade, dependence on British military spending, low productivity, and chronic unemployment – the seeding ground, together with latent irredentist sympathy by elements within the majority ethnic Chinese community for the People's Republic of China, of much of the support for radical Marxist political opposition depicted in the above.

Given that all economic paths being pursued at the time led to obvious dead ends, there was no alternative to a complete restructuring of the Singapore economy to force it in a direction which it had never taken before. The private sector would not take the lead, with foreign capital being repatriated abroad in the face of such poor economic prospects, with no large agglomerations of domestic capital given the small scale of Chinese family businesses and local banking houses, and with little prospect of raising much more money from a profoundly non-egalitarian society. The state, therefore, was forced to pursue policies of massive economic intervention, in a bid to re-align the domestic economy. The result was an example of economic development cited by economists worldwide, however inappropriate Singapore may be to their own particular preoccupations, as a growth model to emulate.

This irony is compounded by the fact that economic policy in Singapore is characterized by – to use the government's favourite term of approbation – ''pragmatism.'' The economy has been shepherded along by the state – first surmounting one challenge, next another – not according to rigid principle, but rather, in a spirit of willingness to adapt and change according to what circumstances require. The domestic economy, because of its small size and responsiveness to government control, has proved manoeuvrable and quick to change – swiftly moving out of one area where its competitive advantage is being eroded, to seize ''bubbles of value'' in another, and to build a position to exploit them rapidly before, ineluctably, other competitors come in to squeeze it out.

Lee saw that the only possible economic strategy he could pursue would be to create an investment climate conducive to foreign investors, since only they could grow the economy. To do so, Singapore offered a range of inducements, though these proved less significant in the long run than sound government, a stable currency, a lavishly supportive and reli-

able physical infrastructure, and a dependable workforce, disciplined by government injunction and easily controlled because of its urban character and the small size of the state.

Most of all, however, by plugging into the emerging global economy, Singapore benefited from the favourable economic situation of the time. The 1960s were a period of rapid economic growth for all industrialized countries, and the Vietnam conflict also provided an economic stimulus for regional states (much as Japan had benefited in the 1950s from the Korean War). So also did the 1973 oil crisis, which led to a heightened search for oil reserves in Southeast Asia.

Initial industrialization was based on labour-intensive heavy industry, such as shipbuilding and the processing of oil products – activities then not to be found in neighbouring countries. ''Heavy industry ... swept the whole economy along in its wake throughout the 1970s, energy products alone serving as the driving force for manufacturing industry and exports and becoming the primary focus of Singapore's activities.''[14]

The Singapore government's management of multinational companies played a key role in shaping the policies of the political leadership, and in nurturing large state-owned companies run by the civil service bureaucracy. These state companies (comprising three large holding companies for a diverse range of small to medium-scale enterprises), together with multinational enterprises, provided the main thrust for the economic development that was the leadership's primary objective. The foundations of a much-expanded role for multinational investment in the domestic economy were laid by the labour legislation of l968, which, by establishing the rights of managers while limiting the employment protection of labour, shifted the balance of power between employers and employees. In particular, the Industrial Relations (Amendment) Ordinance set out the prerogatives of management and removed a range of contentious issues from labour-management negotiations.[15] The managers of multinational enterprises, though not part of the governing elite, found themselves playing a more significant role in government policy formulation, through their links with government statutory boards and state-owned companies, than they might have expected to play in most other countries.

The aim of the new labour laws was to assure employers, especially potential employers from multinational companies, that labour in Singapore was disciplined and provided a reliable low-cost resource. It should be stressed that in the view of the political leadership, these laws did not leave labour unprotected. Rather, given the critical, importance of export-oriented investment in the leadership's development strategy, trade unions could not be expected to carry out their labour protection function while giving due regard to the government's, and hence the country's wider interests. Labour interests were therefore yet another responsibil-

ity that the government arrogated to itself, using a corporatist, rather than a legalistic, approach to managing relations between employers and labour by carefully regulating wage levels through a National Wages Council, in consultation with both employers and labour.

Economic growth therefore allowed the civil service bureaucracy to consolidate its power and influence within the Singapore polity. A range of statutory boards was set up, mostly during the 1970s, to guide government involvement in the economy in a diverse range of seemingly unrelated activities. Lawrence Krause observes: "there appears to be no ideological barrier preventing the government from entering any economic activity."[16] These organizations, staffed by government employees and directed by top-level civil servants with direct access to the prime minister's office, have played a key role in enhancing the power of the civil service within the governing coalition and in impelling the coalescence between political leadership and high-level bureaucrats.

From 1979 to 1981, the government began a new drive to push the economy up the technological ladder, impelled by increasingly effective competition in labour-intensive industry in neighbouring countries. The rising costs of doing business in Singapore meant that it was losing its ability to compete in manufactures where cost of factors of production was the primary consideration. New priority economic sectors were identified: precision engineering, electronics, information technology, optics, chemicals, pharmaceuticals, aeronautics, telecommunications, and biotechnology. The government-run National Wages Council decreed a substantial increase in pay for labour, ranging up to 20 per cent, with the intention of forcing out labour-intensive industries which added little value to gross domestic product. Other measures were also introduced to enhance skills and to raise labour productivity. This policy tipped the Singapore economy into recession: it moved from a growth rate of 8.3 per cent in 1984 to minus 1.6 per cent in 1985. Yet the economy was to stage an extraordinary recovery in two years, with growth rates reaching 9.7 per cent in 1987 and 11.6 per cent in 1988.[17]

An Economic Committee under the chairmanship of Lee Hsien Loong, Lee Kuan Yew's son, aimed at charting a course of action to end the recession. But equally important in turning around the recession was the impact of external developments – in particular, an influx of Japanese investment brought about by a rapid appreciation of the yen and encouraged by government-imposed cuts in local employment and operating costs (a consequence of the Economic Committee's deliberations).

Nevertheless, the recovery from the late 1980s led to a rethinking by the state of its appropriate role in the economy. In 1986, the government began a programme of deregulation and privatizing public enterprises, first with obviously commercial enterprises which had private-sector

competition (such as Singapore Airlines and Neptune Orient Lines), and then with other companies (such as Singapore Telecoms). The government, though, retained a minimum participation of 30 per cent in each and every case, and hence a voice in management. The government also began a programme of supporting local industrial entrepreneurs with financial and technical assistance, a programme too recent for its long-term results to be assessed, though the initial impressions are very mixed.[18]

Singapore therefore faces new challenges, if it is to maintain its remarkable economic growth. The lesson of the 1980s was that the economy is too small to stand on its own, but will have to continue to adapt to trends in global and regional markets – trends which are increasingly swift-moving, turbulent, and unpredictable. Singapore will also have to be adept at seizing the new technologies which are rapidly becoming available, as its own regional competitors grow in economic and technological sophistication. Rather like the Red Queen in *Through the Looking Glass*, the Singapore economy will have to run very fast just so as not to slide backwards. If it is to continue to push ahead, the pace at which it needs to go will be positively breakneck.

If the Singapore economic development model is an exemplar, it is through the role of the state, led by a political-bureaucratic alliance, akin to the management of a business enterprise, operating in the global economy. While almost everywhere else, the state has been much diminished by globalizing forces of political change, the internationalization of financial markets, and rapidly cumulative increases in technological capability, there is an alternative by which the state can build up its strength vis-à-vis the domestic economy and polity – through going along with and feeding, rather than vainly attempting to counter, those forces of globalization. Singapore provides an example of such a ''competing nation.''

Rather than try to ''pick industrial winners'' and build up large national companies behind mercantilist barriers, as Japan and South Korea have done, Singapore recognizes that capital is mobile; that companies are increasingly thinking in global terms; that governments have little talent for picking winners (particularly as they move ahead of the rest of the competition or if their circumstances – like Singapore's small size – are such that meaningful comparisons with other countries are difficult); and that there is intense competition between companies – which countries can exploit to their own advantage. A sense of national economic purpose can be created around this idea of competitiveness – with the government implementing proactive non–laissez-faire policies to create a pool of highly educated and flexible workers, an extensive and efficient infrastructure, and a sound and stable currency. If the government can set up such a base of economic support, then the nation it governs is well placed to operate as an open economy, attracting mobile financial and

human capital to a place where the environment is conducive for business and where people can live in material comfort. The government still plays an extremely active role in controlling social behaviour, and in policing the outer boundaries of the state to keep out not goods, but illegal immigration; while the economy is extremely open to trade flows, all factors of production crossing into or out of its territory are kept under tight control. Such is the Singapore model.

Conclusion: The future of the state

"You want to go into the world and you are going empty-handed, with some promise of freedom, which men in their simplicity and their innate lawlessness cannot even comprehend, which they fear and dread – for nothing has ever been more unendurable to man and to human society than freedom!"

– The Grand Inquisitor in Fyodor Dostoyevsky, *The Brothers Karamazov*

Fire is fierce, and people feel fear at the sight of it. So they seldom die of it. Water, on the other hand, is gentle, so that people are inclined to play in it. As a result, many of them drown.

– Traditional Chinese saying

Singapore politics is not in a transient phase, evolving towards a future, more liberal form. Rather, the current formally democratic yet illiberal political style, whatever tension it may breed in parts of the populace, is likely to prove fairly resistant to change. Singapore resents comparisons with Western models. Indeed, at a time when the Western political vision has itself become clouded by alienation and uncertainty, and many people in those countries are engaged in a search for new political forms and values to revitalize existing structures, the Singapore government would presumably argue that its version of imposed communitarianism has managed, by whatever means it was done, and however tenuous the result, to strengthen weak civic bonds in a plural society (formerly fractured), and to instil a sense of belonging to the majority of the population.

Furthermore, for a country pursuing a "competing nation" strategy in the global economy, the Singapore government's willingness to spell out and to successfully impose on everyone a common view of how people should live together, achieves a sense of cohesion, of trust within society, and of an intrinsic civic justice, which helps oil the wheels of business and commerce. That this imposition requires a hard edge is due to the apathy of many people, who do feel a vague sense of commitment to their own community, but are not prepared to do much about it – a hangover, per-

haps, from their immigrant origins. As writers like Robert Putnam and Francis Fukuyama assert, a high level of interpersonal trust in society provides a critical competitive advantage, and leads to high rates of economic growth.[19]

A corollary to the strategy of playing as a ''competing nation'' in the global economy is the need for periodic acts of symbolic nationalism – to reinforce national cohesion and purpose, against the dissolving influences of global internationalism on the loyalties of the domestic population. Hence, Singapore has emerged as a strident champion of Asian Confucian values in the global ideological debate, neutered since the collapse of Soviet communism. The advocates of Asian values point to the inherent cultural advantages of countries such as Singapore, imbued with Confucian values, over a declining and degenerate West.

Political tensions will persist, and we will see a new younger generation of voters make increasing demands on a not too flexible political system. But as beneficiaries of the steely-eyed paternalism which characterizes that system, they will generally seek to maintain the status quo, as change is threatening and uncertain. A few may take upon their shoulders the mission of acting as a conscience for their society, asserting individual rights and calling for a greater sense of responsibility towards the disadvantaged. But the majority have made a pragmatic calculation, and will continue to uphold it, that swings the other way, toward calculated inaction. However enticing ideas of liberal individualism may be, why rock the boat when it is moored in such comfortably familiar waters? It would take a tropical typhoon to strike sparks off these people, to galvanize them into attempting to shift Singapore politics onto a completely different course.

Notes

1. Lee Kuan Yew, *Text of a Speech by the Prime Minister, Mr. Lee Kuan Yew, at the Official Opening of the Civil Service Study Centre* (Singapore government press statement, 15 August 1959).
2. Measures cited in U.S. Library of Congress document addressed hup lllcweb2 loc gov/cgi-bion query D/cstdy:2:./temp/-ffd_MKZf, from which the figures for educational levels come.
3. Data from World Bank, *World Development Report 1997* (New York: Oxford University Press, 1997).
4. *Straits Times*, 12 December 1992.
5. Ibid., 27 September 1990.
6. Change Heng Chee, *The Dynamics of One Party Dominance: The PAP at the Grassroots* (Singapore: Singapore University Press, 1976); and ''Political Parties,'' in Jon S. T. Quah, Chan Cheng Hee, and Seah Chee Meow (eds.), *Government and Politics of Singapore* (Singapore: Oxford University Press, 1987), pp. 146–72.

7. hup://www.sintercom.org//election96/results97.html (13 February 1997).
8. From discussion in http://www-leland.stanford.edu/-chongkee/sef96/vote_trace.html (31 December 1996). See also Derek da Cunha, *The Price of Victory: The 1997 Singapore General Election and Beyond* (Singapore: Institute of Southeast Asian Studies, 1997), p. 64.
9. *Straits Times*, 1 and 12 January 1997.
10. Da Cunha, *The Price of Victory*, pp. 40–41.
11. Thus in the debate on emigration by Singaporeans to Australia, Canada, and other countries, the argument is even made that people have a patriotic obligation to remain in Singapore, even if they feel that they and their families would do better elsewhere.
12. Fareed Zakaria, ''Culture Is Destiny: A Conversation with Lee Kuan Yew,'' *Foreign Affairs* March–April 1994; 73(2): 109–26.
13. See Beng-Huat Chua, *Communitarian Ideology and Democracy in Singapore* (London: Routledge, 1995).
14. Philippe Regnier, *City-State in Southeast Asia*, trans. Christopher Hurst (Honolulu: University of Hawaii Press, 1991), p. 55.
15. See Pang Eng Fong, Tan Chwee Huat, and Cheng Soo May, ''The Management of People,'' in Kemial Singh Sandhu and Paul Wheatley (eds.), *Management of Success: The Moulding of Modern Singapore* (Singapore: Institute of Southeast Asian Studies, 1989), pp. 129–30.
16. Lawrence B. Krause, ''Government as Entrepreneur,'' in Sandhu and Wheatley, *Management of Success*, p. 439.
17. International Monetary Fund, *International Financial Statistics Yearbook 1998* (Washington, D.C.: Publication Services, IMF, 1998), pp. 154–57.
18. See Lee Tsao Yuan and Linda Low, *Local Entrepreneurship in Singapore: Private and State* (Singapore: Institute of Policy Studies, 1990).
19. Robert D. Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton, N.J.: Princeton University Press, 1993); and Francis Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity* (London: Hamish Hamilton, 1995).