The New Rich in Asia

Mobile phones, McDonalds and middle-class revolution
Contents

List of tables vii
List of contributors ix
Preface xi

1 The new rich in Asia: economic development, social status and political consciousness 1
Richard Robison and David S. G. Goodman

2 Class transformations and political tensions in Singapore’s development 19
Garry Rodan

3 Growth, economic transformation, culture and the middle classes in Malaysia 49
Joel S. Kahn

4 The middle class and the bourgeoisie in Indonesia 79
Richard Robison

5 The Philippines’ new rich: capitalist transformation amidst economic gloom 105
Michael Pinches

6 Emerging social forces in Thailand: new political and economic roles 137
Kevin Hewison

7 Hong Kong: post-colonialism and political conflict 163
Lo Shiu-hing

8 The new rich and the new middle class in South Korea: the rise and fall of the ‘golf republic’ 185
James Cotton and Kim Hyung-a van Leest
2 Class transformations and political tensions in Singapore’s development

Garry Rodan

Singapore’s economic expansion in recent decades has been dramatic. Since 1960 its per capita gross national product has increased seventeenfold and now approximates those of Australia and New Zealand. The inter-related objectives of employment creation and economic growth through industrialisation have long given way to more ambitious aims. For at least the last decade, economic policy has been orientated towards securing technology-intensive niches in the international economy in a range of service and manufacturing industries.

However remarkable Singapore’s economic transformation may be, it has been accompanied by equally remarkable social dynamics. In particular, the economic process has generated changes in class structure and levels of affluence which are manifesting in new lifestyles, cultural patterns and political expectations. Official recognition of the changing social face of Singapore is reflected, among other things, in more quality-of-life goals in government development plans. But political stability has been one of the enduring and contributing factors in Singapore’s economic transformation and associated status as a newly industrialising country (NIC) since the late 1960s. What, then, are the implications of emerging social forces for the authoritarian and paternalistic rule that has prevailed under the continuous government of the People’s Action Party (PAP) since 1959? What position and role can we expect the new substantial and expanding middle class in Singapore to play in the political process?

The argument developed here is that Singapore society and polity are indeed undergoing significant change as more members of the middle class assert their preferences and aspirations in both realms. Increasingly, they seek greater autonomy from the PAP state in an attempt to take more direct control over their lives. But to a large extent this involves autonomy as consumers, especially of cultural products, rather than autonomy to challenge the distribution of social and political power in Singapore
ECONOMIC GROWTH, SOCIAL DEVELOPMENT AND CONSUMPTION PATTERNS

The turning point in Singapore's economic development was the adoption in the mid to late 1960s of an export-oriented industrialisation (EOI) programme. This was introduced against the background of a failed political merger with Malaysia and, subsequently, the announcement of the withdrawal of British military bases from Singapore. Collectively these developments represented potential economic disaster for Singapore. However, favourable global trends in investment were to combine with active local state initiatives at the economic, social and political levels. This led to Singapore's incorporation into the unfolding new international division of labour in manufactures. Under this structure, production was for the first time organised on a genuinely global basis to take advantage of differing costs, principally labour costs, across national economies. This opened the way for a significant, even if selective, relocation of industrial activity to developing countries.

In the first instance, Singapore entered this structure as a source of relatively cheap, semi-skilled labour and was principally a site for the assembly of consumer goods industries. Before long, however, slightly more sophisticated forms of production would be undertaken. The primary aim of exploiting higher value-added settings was to attract capital from advanced countries, which would result in a growth in foreign investment which had risen from $47,520 million by 1990 to $23,903 million by 1992.

Table 2.1 Basic economic data

| Gross domestic product (annually charged by percentage at 1985 market prices) |
| Per capita gross national product (S$) |
| Total domestic exports (S$ million) |
| Domestic manufactured exports (S$ million) |
| Net foreign investment commitments in manufacture (S$ million) |
| Cumulative foreign investment (gross fixed assets in S$ million) |
| Official foreign resources (S$ million) |
| Unemployment rate (per cent) |

Note: Except where otherwise indicated.
ence that the state exerts over the interests and perspectives within a class bourgeois for that matter. A stake in the PAP state and its rates their privileged social and political measure of middle-class status, and non-state political space, this is true.

A change from within the middle class, it is the tendency towards the increase in conspicuous consumption awareness of the absolute all advanced capitalist societies, role in institutionalising middle-class alienation. This point on results and the government has a difficult task of redressing real trying to achieve this, however, for ideology or the fundamental AP over the last three decades.

**ELOPMENT AND**

Development was the adoption of industrialisation (EOI) and background of a failed politi- cally, the announcement of the Singapore. Collectively these economic disasters for Singapore. How- ever, they led to new international division of e, production was for the first time to take advantage of differing al economies. This opened the cation of industrial activity to this structure as a source of as principally a site for the

assembly of consumer goods, notably in the electrical and electronic industries. Before long, however, international companies began to move slightly more sophisticated operations to Singapore, though always with the primary aim of exploiting labour cost advantages over traditional production sites in the advanced industrial centres of the world.

As can be seen from the indicators presented in Table 2.1, impressive growth rates have been sustained in Singapore for over three decades. The success of the EOI strategy has been central to this growth. Direct manufactured exports, negligible in the first half of the 1960s, rose to a value of $47,520 million by 1990. This has largely been facilitated by sharp rises in foreign investment which climbed from a modest $157 million in 1965 to $23,903 million by 1990.

**Table 2.1 Basic economic data for selected years, 1960–1990**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross domestic product (annual charge by percentage at 1985 market prices)</td>
<td>8.7</td>
<td>9.4</td>
<td>9.7</td>
<td>8.3</td>
</tr>
<tr>
<td>Per capita gross national product ($)</td>
<td>1,330</td>
<td>2,825</td>
<td>9,941</td>
<td>21,657</td>
</tr>
<tr>
<td>Total domestic exports ($ million)</td>
<td>217</td>
<td>1,832</td>
<td>25,805</td>
<td>62,754</td>
</tr>
<tr>
<td>Domestic manufactured exports ($ million)</td>
<td>1,043</td>
<td>2,044</td>
<td>19,875</td>
<td>47,520</td>
</tr>
<tr>
<td>Net foreign investment commitments in manufacturing ($ million)</td>
<td>n.a.</td>
<td>703</td>
<td>1,189</td>
<td>2,218</td>
</tr>
<tr>
<td>Cumulative foreign investment (gross fixed assets in $ million)</td>
<td>n.a.</td>
<td>1,575</td>
<td>7,090</td>
<td>23,903</td>
</tr>
<tr>
<td>Official foreign resources ($ million)</td>
<td>n.a.</td>
<td>3,098</td>
<td>13,758</td>
<td>48,521</td>
</tr>
<tr>
<td>Unemployment rate (per cent)</td>
<td>4.3</td>
<td>6.0</td>
<td>3.0</td>
<td>1.7</td>
</tr>
</tbody>
</table>

**Note:** Except where otherwise indicated, all figures in current market prices.

Driven by this massive infusion of foreign investment for export production, the manufacturing sector’s contribution to GDP, which stood at 17.6 per cent in 1960 and dropped further within that decade, climbed to nearly 30 per cent by 1980. As Table 2.2 reflects, manufacturing is still important, but Singapore’s economy has been maturing and diversifying since the 1980s with activities in the services sector, especially financial and business services, assuming an increasingly vital role. The government has actively encouraged this development – partly out of recognition that the EOI strategy has peaked, and partly due to the severe effects in the mid-1980s of a sharp fall in demand for manufactured exports which highlighted the susceptibility of the existing economic structure. Attention is now focused on the need for greater integration with fast-growing regional economies as a basis for sectoral diversification and further technological upgrading of the economy.

Although there are challenges ahead in Singapore’s economic transformation, the prospects for the short to medium term are for continuing prosperity. Certainly with per capita income rising from just S$2,825 in 1970 to S$21,657 by 1990, expectations have been raised, particularly among the generation that has only experienced the buoyant economic times since the 1960s. As Deputy Prime Minister in 1984, Goh Chok Tong set the goal in his Vision 1999 statement of Singapore surpassing the 1984 Swiss standard of living, as measured by gross national product, before the turn of the century. On current projections that will occur ahead of time. More recently, under the 1991 Strategic Economic Plan, attention has turned to the task of ‘catching up’ living standards by the year 2000.

Table 2.2 Gross domestic product by industry for selected years, 1960–1989 (per cent at 1985 market prices)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerce</td>
<td>26.0</td>
<td>22.1</td>
<td>18.4</td>
<td>16.5</td>
</tr>
<tr>
<td>Financial and business services</td>
<td>14.9</td>
<td>17.0</td>
<td>20.0</td>
<td>26.1</td>
</tr>
<tr>
<td>Transport and communications</td>
<td>9.3</td>
<td>7.3</td>
<td>11.6</td>
<td>13.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>17.6</td>
<td>24.9</td>
<td>28.6</td>
<td>27.2</td>
</tr>
<tr>
<td>Construction</td>
<td>5.6</td>
<td>9.5</td>
<td>6.9</td>
<td>5.0</td>
</tr>
<tr>
<td>Others</td>
<td>26.7</td>
<td>19.2</td>
<td>14.6</td>
<td>11.9</td>
</tr>
</tbody>
</table>


Table 2.3 Social indicators, 1991

<table>
<thead>
<tr>
<th>Indicator</th>
<th>1989</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literacy rate</td>
<td></td>
</tr>
<tr>
<td>Adults with secondary or high</td>
<td></td>
</tr>
<tr>
<td>Home ownership</td>
<td></td>
</tr>
<tr>
<td>Owners of HDB flats with 4 o</td>
<td></td>
</tr>
<tr>
<td>Working women</td>
<td></td>
</tr>
<tr>
<td>Persons aged 60 years and over</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Department of Statistics; Department of Statistics, Literacy, Languages Spoken and Education, 1991.
eign investment for export pro-

duction to GDP, which stood at

within that decade, climbed to

reflects, manufacturing is still

been maturing and diversifying

ices sector, especially financial

ly vital role. The government

— partly out of recognition that

the severe effects in the mid

manufactured exports which

g economic structure. Attention

integration with fast-growing

diversification and further tech-

n Singapore’s economic trans-

medium term are for continuing

ne rising from just S$2,825 in

have been raised, particularly

rienced the buoyant economic

istor, 1984, Goh Chok Tong

Singapore surpassing the 1984

oss national product, before the

that will occur ahead of time.

Economic Plan, attention has

turned to the task of ‘catching up on a moving target basis’ with American

living standards by the year 2030. In the same year, the government

released a blueprint for the long-term physical development of Singapore,

the Concept Plan, which contained plans for better homes, more efficient

transport, more recreational opportunities and general quality-of-life

improvements. Also in 1991 a government document, Singapore: The Next

Lap, tied explicit social and environmental objectives to long-term

development plans and strategies.

Table 2.3 provides some general indicators of the social changes that have

accompanied Singapore’s recent economic development. In particular, the last

decade has witnessed an almost doubling of the population with secondary or

higher education qualifications. Growth in post-secondary education enrol-

ments has been particularly impressive, up from 22,633 in 1980 to 65,775 in

1992. There has also been a noticeable increase in the proportion of females

in the labour force, a development that is not just driven by increased oppor-

portunity but promoted by government for economic reasons. The pace of eco-

nomic growth combines with an ageing population profile to place increasing

strains on a limited domestic labour supply.

One of the most outstanding features of Singapore’s economic and

social development has been the role of subsidised public housing. Virtu-

ally the entire physical face of Singapore has the imprint of the Housing

Development Board (HDB). Its extensive construction programmes have

combined with a compulsory national superannuation scheme, out of which

Singaporeans are able to pay their mortgages, to produce one of the highest

Table 2.3 Social indicators, 1980 and 1990

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>18.4</td>
<td>16.5</td>
</tr>
<tr>
<td>0</td>
<td>20.0</td>
<td>26.1</td>
</tr>
<tr>
<td>3</td>
<td>11.6</td>
<td>13.3</td>
</tr>
<tr>
<td>9</td>
<td>28.6</td>
<td>27.2</td>
</tr>
<tr>
<td>5</td>
<td>6.9</td>
<td>5.0</td>
</tr>
<tr>
<td>2</td>
<td>14.6</td>
<td>11.9</td>
</tr>
</tbody>
</table>

Sources: Department of Statistics, Singapore, Census of Population 1990: Advance Data
Release; Department of Statistics, Singapore, Singapore Census of Population 1990:
Literacy, Languages Spoken and Education.
rates of home ownership anywhere in the world. Singapore’s current home ownership rate of around 90 per cent substantially exceeds the average for developed countries of about 50 to 60 per cent.\textsuperscript{7} The trend is now towards more spacious dwellings as incomes rise. Indeed, with the wealthier segment of the population in mind, the HDB is giving greater emphasis to medium- and low-density housing, including condominiums and townhouses. For the first time, some design work is also being contracted to the private sector to increase the diversity and distinctiveness of different public housing projects.

Rising incomes have been reflected in changing levels and patterns of consumption more generally. Table 2.4 identifies the major consumption trends since the late 1970s. Even taking into account price inflation and the rise in total population from 2.3 million to 2.7 million between 1977 and 1990, there have been considerable absolute increases in consumption expenditure on goods like housing, food, beverages, clothing and footwear. But equally significant is the noticeable shift in the relative expenditure on different commodities. The proportion of spending on food, for instance, has dropped markedly, while expenditure devoted to leisure and education has jumped. Almost by definition, spending on this latter category is disproportionately accounted for by higher-income Singaporeans. Expenditure on education not only includes secondary and tertiary fees but outlays on private tuition. According to one survey, approximately one-third of all students from kindergarten to university make use of private tutors. This alone involves a total monthly expenditure of S$21 million.\textsuperscript{8}

This changing consumption pattern also has an international dimension to it, including greater overseas travel by holidaying Singaporeans. In 1991, 1.6 million trips outside the country were made by Singaporeans, and that figure excludes travel to and from Malaysia.\textsuperscript{9} There has also been a considerable expansion in Singaporeans undertaking studies overseas, as demand for places in domestic tertiary institutions outstrips supply. In 1987, for example, over 9,000 students were enrolled in educational institutions in the United States, United Kingdom, Canada, Australia and New Zealand.\textsuperscript{10} By 1990 there were nearly 15,300 Singaporeans studying overseas, of which 11,520 were university students.\textsuperscript{11} Given the steep fees involved, the extent of Singaporeans studying overseas reflects both a significant capacity to pay for, and importance attached to, education.\textsuperscript{12} At one level this mirrors the growing size of the middle class and the spread of attendant values. But this pattern is compounded by the exceptional importance of credentials in ‘meritocratic’ Singapore. There is probably no other place in the world where formal qualifications represent as much economic or social capital.

\begin{table}[h]
\centering
\begin{tabular}{|l|}
\hline
\textbf{Table 2.4 Consumption (S$ million and percent)}
\hline
\hline
\textbf{Food} & \\
\textbf{Non-alcoholic beverages} & \\
\textbf{Clothing and footwear} & \\
\textbf{Housing} & \\
\textbf{Household goods and services} & \\
\textbf{Health goods and medical services} & \\
\textbf{Transport and communications} & \\
\textbf{Leisure & Education} & \\
\hline
\hline
\end{tabular}
\end{table}

\begin{flushright}
\textit{Source: International Ma}
\end{flushright}

The high level of spending pattern. An ever-grow\(\cdots\)
Table 2.4: Consumption expenditure for selected years, 1977–1990
($S million and percentage of total spending)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food</strong></td>
<td>2,348</td>
<td>3,107</td>
<td>3,793</td>
<td>4,915</td>
<td>5,369</td>
</tr>
<tr>
<td></td>
<td>(25.3)</td>
<td>(23.9)</td>
<td>(17.7)</td>
<td>(19.1)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-alcoholic beverages</strong></td>
<td>215</td>
<td>343</td>
<td>465</td>
<td>570</td>
<td>622</td>
</tr>
<tr>
<td></td>
<td>(2.3)</td>
<td>(2.6)</td>
<td>(2.7)</td>
<td>(2.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Clothing and footwear</strong></td>
<td>877</td>
<td>1,275</td>
<td>1,569</td>
<td>2,206</td>
<td>2,410</td>
</tr>
<tr>
<td></td>
<td>(10.0)</td>
<td>(9.8)</td>
<td>(9.0)</td>
<td>(8.6)</td>
<td></td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td>1,067</td>
<td>1,390</td>
<td>2,184</td>
<td>2,784</td>
<td>3,041</td>
</tr>
<tr>
<td></td>
<td>(11.5)</td>
<td>(10.7)</td>
<td>(12.4)</td>
<td>(10.8)</td>
<td></td>
</tr>
<tr>
<td><strong>Household goods and services</strong></td>
<td>926</td>
<td>1,322</td>
<td>2,015</td>
<td>2,694</td>
<td>2,943</td>
</tr>
<tr>
<td></td>
<td>(10.0)</td>
<td>(14.3)</td>
<td>(11.5)</td>
<td>(10.5)</td>
<td></td>
</tr>
<tr>
<td><strong>Health goods and medical services</strong></td>
<td>298</td>
<td>411</td>
<td>702</td>
<td>1,219</td>
<td>1,331</td>
</tr>
<tr>
<td></td>
<td>(3.2)</td>
<td>(3.2)</td>
<td>(4.0)</td>
<td>(4.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Transport and communications</strong></td>
<td>1,325</td>
<td>2,231</td>
<td>2,678</td>
<td>4,316</td>
<td>4,715</td>
</tr>
<tr>
<td></td>
<td>(14.3)</td>
<td>(17.2)</td>
<td>(15.3)</td>
<td>(16.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Leisure &amp; Education</strong></td>
<td>1,144</td>
<td>1,802</td>
<td>2,453</td>
<td>4,344</td>
<td>4,795</td>
</tr>
<tr>
<td></td>
<td>(12.3)</td>
<td>(13.9)</td>
<td>(14.0)</td>
<td>(18.6)</td>
<td></td>
</tr>
</tbody>
</table>


The high level of students going overseas for education is part of a larger pattern. An ever-growing number of Singaporeans are also spending part of their working lives outside Singapore as the economy increases in sophistication and various links with the international community expand. In 1990 there were 14,600 expatriate Singaporean workers in various countries. Indeed, so internationally mobile has the Singaporean population become that in 1991 the government established the Singapore International Foundation (SIF) to facilitate contact with and between Singaporeans abroad. Although this organisation was ostensibly created to facilitate Singapore's economic 'globalisation', it is also an expression of the government’s concern about, though not necessarily an intended remedy to, its weakening
social and cultural control as more Singaporeans spend time overseas and are exposed to different social and political systems and ideological perspectives that challenge the PAP’s world-view. In 1994, the SIF initiated a satellite television service – Singapore International Television (SITV) – broadcasting news, current affairs and entertainment shows sourced from the Singapore Broadcasting Commission (SBC). Significantly, at home, individual Singaporeans are banned from owning satellite dishes. In a separate initiative, through the Ministry of Education, Singapore’s first overseas primary school was established in Hong Kong in 1991. The government also announced in early 1994 that it will be launching Radio Singapore International (RSI), in conjunction with the Singapore Broadcasting Commission, to reach Malaysia, Indonesia, Brunei, Thailand, Vietnam and Cambodia.

All this suggests strongly that Singapore’s rapid economic growth has ushered in important social developments. One particularly important and interesting dimension is the emergence of sizeable new wealth segments of society that not only assert themselves economically, but who also have broader social, cultural and political implications. The emergence of these social forces within the ranks of the bourgeoisie and the middle class, and their identification, is of more than passing significance for the current direction of society and politics in Singapore.

THE BOURGEOISIE

Broadly, the development of the bourgeoisie in Singapore has undergone three phases, to be discussed presently. Each phase marks a turning point in state–capital relations, and changes in the patterns of capital accumulation by the domestic bourgeoisie. However, despite this dynamism, the economic and political positions of locally based private capital have not been dramatically transformed. Rather, it is the historical emergence of the state sector as a dominant economic player that is most distinctive about recent developments.

The first phase in the development of Singapore’s bourgeoisie began with colonialism and carried through, beyond self-government, until 1965. It witnessed the progression by the domestic bourgeoisie from trade and commerce, and the development of finance capital, to limited forms of import substitution industrialisation (ISI), and involved integration of capital groups between Singapore and Malaya/Malaysia. The tendency for the first half of the twentieth century was to consolidate and extend complementarity with European investments. However, the demise of colonialism and the advent of self-government in 1959 brought with it better opportunities for diversification. A prospect in the 1960s of a single capital group being important in this, also raised the issue of how capital groups spread across Singapore. Then, local capital was still overtaken by foreign capital, but it was becoming more diverse while being more seriously into manufacturing.

The second phase in the development of the bourgeoisie, with the collapse of political restrictions and the shift in economic strategy towards investment into infrastructure, involved the government and the integration of capital, both domestic and foreign, into the process of economic development. This was evident in the diversification of capital from the industrial sector into the tertiary sector, with the government providing support services for the development of the city-state. The process of industrialisation continued, with the development of more advanced manufacturing industries.

An equally important post-1980 phase was the rapid growth of state-owned enterprises (SOEs) and the expansion of the private sector, which became a crucial economic sector. The emergence of a virtual “class” of public servants has lead to the development of a new ruling party, the new People’s Action Party (PAP), which has become the dominant political force in Singapore.

Since the mid 1980s, Singapore has continued to push for higher value-added products in order to diversify its economy, there have been new
as spend time overseas and stems and ideological per-
In 1994, the SIF initiated a-
tional Television (SITV) –
ment shows sourced from 
Significantly, at home, it will be launching Radio with the Singapore Broad-
ing satellite dishes.15 In a 
vention, Singapore’s first 
ong Kong in 1991.16 The 
it will be launching Radio with the Singapore Broad-
onesia, Brunei, Thailand, 
apid economic growth has 
particularly important and 
ble new wealthy segments 
mically, but who also have 
ys. The emergence of these 
; and the middle class, and 
ificance for the current 

Singapore has undergone a significant turning point in the context of capital accumulation, despite the dynamism, the presence of private capital has not been a historical emergence of the bourgeoisie. The emergence of the bourgeoisie began as a private sector activity, until 1965, with the bourgeoisie from trade and finance,18 which involved integration of Malaysia. The tendency for capital to consolidate and extend the bourgeoisie.

However, the demise of the local bourgeoisie began in 1959 brought with it better opportunities for diversification by established local groups.21 The prospect in the 1960s of a single pan-Malaysia market for industrial goods was important in this, also raising the likelihood of deeper integration of capital groups spread across Singapore and Malaysia. By the mid 1960s, local capital was still overwhelmingly based in trade and finance, but was becoming more diverse within these sectors, and shaped to extend more seriously into manufacturing.

The second phase in the development of the local bourgeoisie began with the collapse of political merger with Malaysia, and the subsequent shift in economic strategy towards EOI. Both developments represented obstacles to the emergence of a domestic industrial bourgeoisie; first by weakening the integration of capital across the new national boundaries, and second by the active courting of foreign-based international capital. Those domestic-based companies involved in EOI have tended to be overly concentrated in the lower value-added industries or have provided support services for the major players in the production process. This consolidation of local capital in the services sector was aided by government policy which protected the domestic bourgeoisie in banking and finance and provided a favourable climate for diversification into real estate, hotels and property development.22 The growth of regional economies since the 1970s also boosted Singapore’s entrepôt role, especially in financial and business services.

An equally important post-1965 development was the emergence of the state as a crucial economic actor, not just through statutory boards but through state-owned companies directly investing in manufacturing and commercial enterprises. The initial rationale for the latter was related to the collapsed merger with Malaysia and the termination of Britain’s use of Singapore as a military base in the late 1960s.23 But over time the logic of capital accumulation asserted itself, with the pursuit of profit taking government companies in various directions.24 Together with the extensive direct expenditure of the government, this has given the state enormous influence over the domestic economy. An important aspect of Singapore’s economic development over the last three decades, then, is the emergence of a virtual ‘class’ of public entrepreneurs. These entrepreneurs not only wield considerable economic power, but enjoy close connections with the ruling party, since the civil service has become the principal recruiting ground for the PAP.25

Since the mid 1980s, Singapore has entered a third phase in the development of locally based capital. Against the background of an official push for higher value-added production and greater structural diversification of the economy, there have been new trends in the patterns of international and
domestic capital investment in Singapore. In particular, Singapore's role in servicing regional economies has been accentuated by the shift among multinational corporations (MNCs) towards strategies of 'regional emphasis'.²⁶ Through this, a more comprehensive range of higher value-added production and services is being located within the Asia-Pacific region. In particular, foreign-based international capital is increasingly investing in the services,²⁷ especially in the use of Singapore for MNC operational headquarters drawing on accounting, law, training and management consultancy services. More generally, there has been a rapid expansion in Singapore in such service industries as information technology and communications, transport and distribution, and leisure and medical services in response to growing regional demand. There are thus more avenues for higher value-added investment for the services-based domestic bourgeoisie, but amidst growing competition from foreign-based international capital.

This new phase is also characterised by a shift by capital based in Singapore towards more internationalised accumulation strategies, with a definite regional focus. Overseas investments by Singapore companies, predominantly headed for the Asian region, more than doubled between 1981 and 1990, and have accelerated particularly since the late 1980s.²⁸ A feature of recent overseas investments is the concerted attempt by the political and economic arms of the state to initiate major projects.²⁹ Huge investments by government-owned companies have been involved in establishing industrial infrastructure in nearby Batam and Bintan islands as part of the Growth Triangle concept. The Singapore private sector, by contrast, has been heavily involved in tourist and property developments associated with the Growth Triangle.³⁰ A substantial investment agreement to develop the township of Suzhou in China has also been signed recently which, while dominated by government companies, is intended to open up opportunities for the Singapore private sector.³¹

Despite recent offshore forays by the established, larger capital groups of Singapore's private sector, for the vast majority of the more than 80,000 of Singapore's small local enterprises in manufacturing, commerce and services, overseas investment remains unviable or beyond their vision.³² Since the mid 1980s, these small and medium enterprises (SMEs) have attempted to make more effective representations to government and in 1986 the Association of Small and Medium Enterprises was established.³³ This activism reflects consciousness of widening disparities between different fractions of capital in the third phase. Subsequently, in 1989, the government committed itself to an SME Master Plan intended to foster local enterprise and the number of schemes to assist the development of local entrepreneurs has since been extended.³⁴ The declining electoral support for the government, and thus, have aided the cause of these small firms.

Although the SME case is the more typical, it has involved a general increase in competition between the state and the private sector. A diversified economic base may retard the rise of a state-sponsored bourgeoisie, and private sector participation in the government's behest. Moreover, the Singaporean bourgeoisie, the path to such cooperation with, rather than challenge, the government's economic role.

THE MIDDLE CLASS: EXTENSION

The meaning and analytical use of the term 'middle class', itself, is the subject of considerable debate and it is not possible to survey the voluminous literature to at least underline some of the characteristic features of the middle class. For example, descriptive and categorical definitions of the middle class and status levels are employed in different social contexts. In the theoretical framework, whereas Marx's social relationship linked to the production of surplus, and in the latter, the 'middle class' in no direct sense it lies in surplus extraction. It is clear that the Marxist tradition has incorporated some notion of the division of labour to clarify the social status levels.

Within both popular and academic theoretical perspectives, there is a substantive middle class. Adopting an approach that focuses on the emergent 3 out of every 4 adult Sin who are middle-income earners and / or who have a 'middle-class lifestyle'. The most common household is a three- or four-bedroom home.
support for the government, and the effects of the mid-1980s recession, have aided the cause of these small entrepreneurs – at least temporarily.

Although the SME case is the most conspicuous, the post-1986 period has involved a general increase in the level of institutionalised interaction between the state and the private sector. An increasingly sophisticated and diversified economic base may require further and deeper forms of institutionalisation in state–private capital relations in Singapore. However, private sector participation in the policy process is still largely at the government’s behest. Moreover, for significant sections of the locally based bourgeoisie, the path to successful internationalisation rests on cooperation with, rather than challenges to, the state in its expansive economic role.

THE MIDDLE CLASS: EXTENT AND NATURE

The meaning and analytical use of the concept of the middle class, like class itself, is the subject of considerable debate. In the space available here it is not possible to survey the voluminous literature on this, but it is necessary to at least underline some of the fundamental points of departure. For example, descriptive and categorical notions of wealth, income, education and status levels are employed in stratification theory as the basis of social (class) distinction, whereas Marxist-inspired approaches view class as a social relationship linked to the pattern of ownership and control of production. In the latter, the ‘middle class’ is a somewhat ambiguous term since in any direct sense it lies outside the fundamental relationships involved in surplus extraction. It is a residual class. Many contemporary writers from the Marxist tradition have therefore drawn on Weber and incorporated some notion of domination between ‘classes’ in the technical division of labour to clarify the specificity of the middle class: the middle class dominates the working class yet it is itself dominated by the owners of capital. Just whom we are talking about as the ‘middle class’ could vary, then, according to the framework adopted.

Within both popular and academic literature, and from different theoretical perspectives, there is a widespread view that Singapore has a substantive middle class. Adopting a stratification notion of class, Reader and Wong have argued on the basis of survey data involving 503 respondents that 3 out of every 4 adult Singaporeans ‘could be labelled middle class by their own commonly accepted criteria of income, housing, education and lifestyle’. The most common conception of ‘middle class’ in this survey was a household with an income of at least S$2,000 per month, owning a three- or four-bedroom flat and having somebody in the family
with a tertiary education. The possession of a washing machine and the taking of an overseas holiday were also identified as characteristically ‘middle class’. A similar conclusion had earlier been drawn from the same theoretical perspective by Chen.\textsuperscript{39} He argued that 56 per cent of respondents in an Economic Commission on Asia and the Far East survey were ‘middle class’. This figure was arrived at by combining his ‘upper-middle’, ‘middle’ and ‘lower-middle’ categories of socioeconomic status which he had developed on the basis of income, educational level, occupational status and housing type.

Interestingly, both the immediate past prime minister, Lee Kuan Yew, and the current prime minister, Goh Chok Tong, have described Singapore as a ‘middle-class society’. Lee went so far in 1987 as to claim that ‘Our society has become 80 per cent middle class’\textsuperscript{40}

But not all stratification theorists are convinced that the middle class is so pervasive in contemporary Singapore. Recently Quah \textit{et al.} have argued that ‘there is no evidence of a concentration of people in one homogenous “middle” interval’.\textsuperscript{41} In particular, using 1980 census data, they take issue with Chen over the proportion of blue-collar or manual workers (production, agricultural and service workers, and labourers), claiming that more than half the workforce (53 per cent) was in this category.\textsuperscript{42} More generally they warned against overemphasis on superficial indicators of class such as consumption patterns.

Since the work of Quah \textit{et al.} went to press, preliminary data from the 1990 census have been released which may clarify the issue. As revealed in Table 2.5, the combined share of the total workforce accounted for by administrators, executives and managers, as well as professionals and technicians (hereafter collectively referred to as ‘professionals’), rose from 17.0 to 24.0 per cent between 1980 and 1990. This 1990 share roughly approximates the 21.7 per cent that Burris arrived at in trying to isolate the middle class using 1989 International Labour Office data.\textsuperscript{43} Burris employs a Marxist or conflict theorist’s notion of the middle class which is necessarily less inclusive than the one employed by stratificationists; locating many white-collar workers as part of the proletariat. By any measure, then, the middle class in Singapore is at least approaching one-quarter of the workforce and rapidly expanding.

Data on the sectoral location of professional workers reveal that, while they have proportionately increased within each industry category over the last decade, the most rapid expansion has been in the finance and business service industry. In 1990, professionals accounted for as much as 43 per cent of all workers in this industry. Professional workers in the finance and business service industry were also the most highly paid of all professionals in 1990.\textsuperscript{44} Clearly, then, a class is tied up with the composition of the services sector in the employment matrix.

Mak makes the retrospective, that Singapore labour through its EOI of the traditional professionalising workers alongside the service and a handful of workers...
n of a washing machine and the
do not identified as characteristically
earlier been drawn from the same
ted that 56 per cent of respondents
the Far East survey were ‘middle
combining his ‘upper-middle’,
 socioeconomic status which he
educational level, occupational
prime minister, Lee Kuan Yew,
Tong, have described Singapore
in 1987 as to claim that ‘Our
in convinced that the middle class is
Quah et al. have argued
of people in one homogenous
890 census data, they take issue
in or manual workers (pro-
t and labourers), claiming that
) was in this category. More
sis on superficial indicators of
ress, preliminary data from the
clarify the issue. As revealed in
al workforce accounted for by
as well as professionals and
as ‘professionals’), rose from
990. This 1990 share roughly
olved at in trying to isolate the
Office data. Burris employs
ce middle class which is neces-
stratificationists; locating
eter. By any measure, then,
approaching one-quarter of the
on workers reveal that, while
ach industry category over the
en in the finance and business
ounted for as much as 43 per
al workers in the finance and
highly paid of all professionals

Table 2.5 Occupational distribution in 1980 and 1990 (%)

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and technical</td>
<td>11.7</td>
<td>15.7</td>
</tr>
<tr>
<td>Administrative, executive and managerial</td>
<td>6.3</td>
<td>8.2</td>
</tr>
<tr>
<td>Clerical, sales and services</td>
<td>28.4</td>
<td>26.5</td>
</tr>
<tr>
<td>Production and others</td>
<td>53.6</td>
<td>49.6</td>
</tr>
</tbody>
</table>


in 1990. Clearly, then, a significant component of expansion of the middle
class is tied up with the growth and increasing technological sophistication
of the services sector in the last decade.

Mak makes the related observation, from a broader historical perspective, that Singapore’s incorporation into the international division of
labour through its EOI strategy has resulted in a changing balance in the
composition of the middle class. It has expanded the pool of ‘non-
traditional’ professionals such as managers, computer personnel and adver-
tising workers alongside the ‘traditional’ administrative elite in the civil
service and a handful of British-trained professionals.

Despite these changes, as in most industrialised societies, the state in
Singapore remains a major employer of the middle class. However, what is
unusual about the Singapore case is the extent to which the state’s activities
are skewed towards profit-motivated activities, or the support and attraction
of private capital investment through such bodies as the Jurong Town
Corporation and the Economic Development Board. This is reflected in the
fact that, of the total 266,200 public sector employees in 1990, state-
owned enterprises and statutory boards accounted for more than half.
Similarly, although government expenditure represents about one-fifth of
Singapore’s total GDP, a small proportion of this is devoted to areas like
social security and social welfare. In 1988, for example, spending on social
security and social welfare amounted to 2.01 per cent of total budget
expenditure, compared with an international average of about 30 per cent.
The significance of this is that it generates exceptional demand for profes-
sionals with technical skills pertinent to the functioning, administration
and accounting of the economy, and comparatively little for professional
skills less pertinent to the market economy.

Hence, there is little evidence in Singapore of the so-called ‘new class’
of professionals identified and despised by conservative theorist Irving
Kristol as an anti-capitalist element within the employ of the state in advanced industrial societies. On the contrary, the bulk of professionals within the public sector in Singapore are playing no less important roles in promoting and facilitating capitalist development than their private sector counterparts. This, together with the way that PAP ideology of meritocracy elevates the technical specialisations of the middle class in the development process to a status that has no parallel in other countries, generates a set of mutual interests and values between the government and a substantial body of the middle class. The extent to which this circumscribes the broader political orientations and behaviour of the middle class is the next important question.

PERCEPTIONS OF A MIDDLE-CLASS POLITICAL THREAT

Since the early 1980s the ruling PAP has suffered a sustained electoral decline. It started with a shock by-election loss in 1981 which broke the ruling party’s absolute parliamentary monopoly and culminated in the loss in the 1991 general election of 4 of the total 81 parliamentary seats. Although the PAP still clearly enjoys overwhelming political ascendancy, it has been extremely sensitive to the erosion in its support. Throughout most of this period, and despite the observations above, the PAP seemed convinced that it was the rapidly expanding middle class that contributed most to the party’s declining fortunes.

The basis of this PAP perception initially lay in the increased public challenge to government policies and views by the English-educated. This first came to notice through the letter columns of the Straits Times when contributors took issue with the government’s treatment of the lone opposition MP, the Workers’ Party’s Joshua Jeyaretnam, and its denunciation of political opposition per se. Subsequently, in the lead-up to the 1984 election, Lee Kuan Yew’s eugenics thesis and associated measures to foster the intermarriage of university graduates was openly contested, not least by graduates themselves. In this context, the government introduced Non-Constituency Members of Parliament (NCMPs) before the 1984 election, with the obvious aim of diverting any disenchantment from opposition parties. However, a dramatic 13 per cent downturn in the PAP’s vote at the 1984 election and the loss of a further seat to the opposition prompted further party soul-searching. This led to the conclusion that there was a perception of the PAP government as paternalistic and authoritarian, particularly prevalent among the middle class, which must be rectified. Accordingly, the PAP embarked on a range of reforms, increasing consultation with the middle class in the policy process. Conveniently, this
new strategy coincided with an orchestrated leadership transition within government which gave the appearance that the PAP itself was changing with the times.

The reform measures included: the establishment in 1985 of a Feedback Unit, an extra-parliamentary institution which was intended both to take suggestions from the public and to explain government policies better at the grassroots level; the adoption of Government Parliamentary Committees (GPCs) in 1987; the introduction of town councils; and the establishment of the Institute of Policy Studies (IPS), a ‘think-tank’ that attempts, among other things, to involve professionals in public policy discussion.

The theme to most of these reforms was the government’s desire to channel dissent and disaffection with its policies through institutions that it could control, or through which public policy debate could be largely depoliticised. The message clearly directed at the educated professionals was that the government was receptive to constructive suggestions from those with relevant expertise on any policy issue. It was not, however, an invitation to form pressure groups or the beginnings of a more pluralistic political culture. On the contrary, the PAP’s aim appeared to be to undercut the growing support for opposition political parties by demonstrating how unnecessary they were. Significantly, this selective consultative approach was consistent with PAP ideology of meritocracy, according special status to the educated elite. The apparent ‘opening up’ of the political process still rested then on elitist assumptions.

Although the 1988 general election continued the PAP’s electoral slide, this time it was a far less dramatic 1.7 per cent and resulted in just one opposition MP. The surface evidence might have vindicated the PAP strategy, except that figures released in 1989 on emigration revealed an alarming level of emigration in recent times. In 1988 alone, 4,707 families emigrated. A subsequent study revealed that contemplation of emigration was especially high among the young, English-educated, high-income Singaporeans whom the change in PAP reforms had targeted. The perception of Singapore as an ‘over-regulated’ society, particularly as it applied to official controls on people’s reading and viewing habits, appeared to be a significant factor here.

The government responded to the 1988 election with a new category of MPs – the nominated MPs (NMPs). They were to be appointed by the President on the advice of a Special Select Committee. The rationale was that they would provide a non-partisan alternative view in parliament that would satisfy the evident growing sentiment for an opposition. The feedback chairman reported enthusiastic support for the idea from professionals and academics. However, a snap election in mid 1991 soon put the political question of the middle class in a new light.
1991 ELECTION: WIDER BASIS TO PAP ELECTORAL DECLINE

The official explanation for this early election, some two years ahead of schedule, was Prime Minister Goh’s desire to establish a clear mandate for both the long-term programme outlined in *The Next Lap* and his more consultative style of leadership. However, what the 1991 election results showed was that much of the strategy to arrest the PAP’s electoral decline had been misdirected. In particular, the direct political significance of the middle class had been overstated. The election revealed widespread working-class discontent with the government; a discontent that was, as will be discussed below, only exacerbated in recent times by the PAP’s special sensitivity to perceived middle-class concerns.

The election was fought selectively by the opposition parties. Of the total of 81 seats, 41 went uncontested. This assured the PAP of government, leaving voters the option of electing a genuine opposition as opposed to the manufactured one presented to them by the PAP through the NCMP and NMP schemes. The government’s share of the vote dropped from the 1988 level of 63.2 per cent to 61.0 per cent, with the opposition parties picking up 3 new seats to add to Potong Pasir and making significant gains in various other electorates. To generalise, the support for the opposition parties came from satellite towns on the outer rim of the city.\(^56\) They contain a high percentage of constituents with average and below-average incomes involving a range of working-class occupations, including clerical and non-supervisory white-collar categories.\(^57\) Recent cost-of-living rises in essential services would have had a particular impact on these people. In the first half of 1991, for example, the consumer price index rose by 3.8 per cent but costs in public transport rose by 19 per cent, health charges by 9.9 per cent and education charges by 6.8 per cent.\(^58\)

The election result was a rude awakening for the PAP. Its leaders had largely taken the support of the predominantly Chinese-educated working class for granted, presuming that it was the backing of the relatively affluent English-educated that might be more tenuous over time. Yet in a climate of rising charges in public and private transport, and in health and education, the government’s various elitist policies that especially benefited the middle class were a source of particular irritation to the working class. Policies such as the establishment of expensive independent schools, the gifted education programme which provided privileged treatment for early achievers, the partial privatisation of public health services to enable the more affluent to exercise greater consumer choice, and incentives to encourage child-rearing through graduate marriages were all unpopular. The 1991 election results seemed to reflect a growing class consciousness and perception that Singapore’s diversity and increasing inequitable outcome of the government’s policies might be a “levelling” of society that was no longer productive.\(^59\) Attempts to debate the question still routinely condemned as the politics of envy.

The question of whether or not the middle class is associated with an increase in income inequality has been increasingly in public debate. Families reported that 23,000 are living in poverty.\(^60\) More recently, local analysts have suggested the plight of middle-income can be as much a recognised disadvantaged group, as the population earns too much to qualify for resources.\(^61\) In attempting to refute this charge, Loong cited data covering the past two decades, whereas the bottom 20 per cent of households increased by 4.1 per cent for the top 20 per cent relative deterioration of the lower.

In the aftermath of the 1991 election, the Review Committee to address public perceptions that income growth has not been reaped equally, particularly, drawing on census data of increasing income among the bottom 20 per cent and middle categories. The committee thus called for young people to be moved into the ‘good’ categories, which also increased the ‘quality of life’ because of the better conditions.

While the exact picture on income distribution remains unclear, some luxury items in Singapore. Some luxury items were thes
PAP ELECTORAL DECLINE

election, some two years ahead of
ire to establish a clear mandate for
d in The Next Lap and his more
er, what the 1991 election results
rest the PAP’s electoral decline
direct political significance of the
election revealed widespread
rmament; a discontent that was, as
ted in recent times by the PAP’s
ass concerns.

by the opposition parties. Of the
is assured the PAP of government,
ion opposition as opposed to the
the PAP through the NCMP and
the vote dropped from the 1988
ith the opposition parties picking
making significant gains in
, the support for the opposition
rim of the city. They contain
age and below-average incomes
otions, including clerical and

Recalling cost-of-living rises in
icular impact on these people. In
sumer price index rose by 3.8 per
9 per cent, health charges by 9.9
ent.60

for the PAP. Its leaders had
ntly Chinese-educated working
: the backing of the relatively
ore tenuous over time. Yet in a
tate transport, and in health and
policies that especially ben-
ticular irritation to the working
ensive independent schools,
ied privileged treatment for
ble health services to enable
mer choice, and incentives to
riages were all unpopular.
a growing class consciousness

and perception that Singapore’s dramatic economic development had led to
increasingly inequitable outcomes. But Prime Minister Goh emphasised
that any ‘levelling’ of society through welfare would be counter-
productive.61 Attempts to debate the merits of a more redistributive state are
condemned as ‘the politics of envy’.62

The question of whether or not Singapore’s more advanced economic
phase is associated with an acceleration of inequalities in wealth and
income is increasingly in public focus. In 1989, the Committee on Destitute
Families reported that 23,000 families in Singapore were living in
poverty.63 More recently, local academic Tan Kong Yam drew attention to
the plight of middle-income earners. He suggested that a hitherto un-
recognised disadvantaged group amounting to about 20 per cent of the
population earns too much to qualify for government subsidies, yet too
little to effectively compete for private property, cars and other limited
resources.64 In attempting to refute this, Deputy Prime Minister Lee Hsien
Loong cited data covering the period 1972–1988 which showed that
whereas the bottom 20 per cent of the workforce improved incomes by 3.7
per cent, this contrasted with 4.1 per cent for the middle 60 per cent and 4.2
per cent for the top 20 per cent.65 Inadvertently he had highlighted the
relative deterioration of the lowest income groups.66

In the aftermath of the 1991 election, the government established a Cost
Review Committee to address public concerns about rising costs of living.
The committee has tried to allay fears about rising inequalities, empha-
sising that income growth has outstripped price increases since 1980. More
particularly, drawing on census data, the committee maintained that the
bottom 20 per cent and middle 60 per cent of households experienced
higher rates of income growth than the top 20 per cent of households. It
conceded, however, that there had been steep price increases in the cost of
health care, housing, education and transport. Some of this was seen as the
inevitable consequence of Singapore’s natural resource constraints which
pushed up the cost of land and placed a premium on private vehicles. The
committee thus called for young Singaporeans to adjust their expectations
and their definition of the ‘good life’.67 Further reassurance about in-
equalities came by way of publicity to data released in late 1993 by the
Department of Statistics which suggested that there had been a 3 per cent
increase in the ‘quality of life’ between 1986 and 1992.68

While the exact picture on inequalities is clouded by methodological
arguments, what matters in political terms are people’s perceptions and a
greater awareness of wealth and income differentials is certainly surfacing
in Singapore. Some luxury items remain frustratingly elusive for many
Singaporeans. The increasingly exorbitant cost of a private car, which
might be supportable on social and environmental grounds, is nevertheless an especially significant source of consumer anxiety. Whether Singaporeans will adjust their consumer horizons, as prescribed by the Cost Review Committee, to alleviate such anxiety is of course problematic.

Just as in other countries that have undergone a major economic transformation, inequalities in wealth and income in contemporary Singapore are now more visible and will continue to be so. The conspicuous consumption of the middle class thus unavoidably takes on a political significance that is beginning to manifest itself in greater discontent than in an earlier stage of development. Then, so many Singaporeans were simply grateful to have stable employment and steadily rising incomes. Now the working class, which is meant here to include those in non-supervisory white-collar positions, is increasingly viewing its social and economic position with reference to what it sees as the especially privileged middle class and the PAP government’s role in institutionalising these privileges.

A key political question for the PAP is just how the perception of inequalities will be managed in the absence of a more expansive welfare state. Government spending on social security in Singapore is minute by world standards. However, the proportion of government spending on education and housing is well above world averages and incorporates substantial public subsidies of private consumption. Generally, though, subsidies are not means tested. It is not the principle of subsidisation that irks the PAP, but rather the deliberate redistribution of income and wealth to the detriment of the ‘high fliers’. For the PAP, this runs counter to the idea of a meritocratic society. This ideology remains central.

Nevertheless, the political success of the PAP principally rests on having substantially and progressively raised the living standards of the masses. So, while the government would like to see an adjustment in consumer expectations, it also genuinely seeks to address the concerns of alienated lower-income voters. Hence, since the 1991 election, the PAP has embarked on various programmes targeting these people. Matching funds to ethnic-based community organisations engaged in welfare projects alone now runs into several hundred millions of dollars. Voluntary welfare organisations are also now eligible for assorted subsidies in construction, operating and land costs. In addition, a recently established Small Family Scheme provides direct assistance to certain low-income families. In yet another gesture of positive discrimination in favour of the underprivileged, the government has paid a month’s public housing conservancy charges for low-income people in both 1992 and 1993. A substantial upgrading of public housing estates is also under way which will significantly improve conditions for most Singaporeans.

Currently, then, the government, welfare, albeit sometimes unavo

INTEREST GROUP POLITICS

It would appear that the real threat to the PAP, but instead accordingly. However, the electoral process has implications for the formation of more advanced civil society, but they also tend to be drawn by professional associations. In other NICs, and/or protest over government's electoral process. In Singapore, the extent of political participation is limited. Moreover, the extent of political participation of Singapore is constituted by a sphere of le carted from the state itself. Howe

The NSS is not a new organisation, its membership has been built up among the expanding number of constructively critical government missions to government departments. The NSS editorials of the Straits Times public policy of late, beginning in 1988 to reserve 87 hectares
Currently, then, the government is effecting somewhat more targeted welfare, albeit sometimes under cover of non-state organisations. It is not averse to spending money on welfare, but careful not to raise expectations that the state might play a redistributive role that is informed by some notion of ‘social justice’. On the contrary, the government’s aim is to attend to the needs of the masses without compromising the privileged social and economic positions of the middle class. This is a considerable political challenge.

INTEREST GROUP POLITICS AND THE MIDDLE CLASS

It would appear then that the middle class does not pose any direct political threat to the PAP, but instead is a major beneficiary of PAP rule and acts accordingly. However, the existence of a substantial middle class can also have implications for the form that politics takes. Not only do the conditions of more advanced capitalist accumulation heighten material inequalities, but they also tend to foster the pursuit of separate identities in civil society by professional and employer associations and environmental, consumer and women’s groups alongside the more traditional labour organisations. In other NICs, these groups have entered into public debate and/or protest over government policy without necessarily participating in the electoral process. In Singapore, though, the PAP has been more successful in limiting political engagement to direct, formal processes. Moreover, the extent of political cooption is such that there is arguably no genuine civil society in Singapore. As Bernhard points out, civil society is constituted by a sphere of legally sanctioned political space autonomous from the state itself. However, the more sizeable middle class has manifested itself in the expansion and formation of organisations that are nevertheless attempting to carve out a measure of political space outside the formal political process. These include the Nature Society of Singapore (NSS), known up until 1992 as the Singapore branch of the Nature Society of Singapore (NSS), the Association of Women for Action and Research (AWARE) and the Association of Muslim Professionals (AMP).

The NSS is not a new organisation, having been established in 1954, but its membership has been boosted by increased environmental consciousness among the expanding middle class and now stands at 1,300. It has constructively criticised government policy through detailed technical submissions to government departments and selective letter writing to the editorial pages of the Straits Times. NSS has exerted a real influence over public policy of late, beginning with its role in persuading the government in 1988 to reserve 87 hectares of degraded mangrove at Sungei Buloh for a
bird sanctuary. In 1990, the government’s Green Plan also incorporated much of the NSS’s 152-page Master Plan for the Conservation of Nature in Singapore. Most recently, following the release of the NSS’s own environmental impact assessment arguing against a proposed golf course at the Lower Peirce reservoir catchment area, the government decided to put the project on hold.

AWARE was established in 1985 and has a membership of about 500. Generally it employs a similar approach to NSS, although it has occasionally adopted a comparatively aggressive public stance, as it did against the government’s recreation policies in the late 1980s and, more recently, in a controversy over unequal benefits to female civil servants. The sorts of issues on which the organisation is most outspoken reflect the predominantly middle-class leadership and constituency of AWARE.

The AMP is the most recent of such organisations, having been established in 1990. The existing council for the development of the Muslim community, Mendaki, was seen to be too dominated by the PAP to adequately represent Malays. Being an organisation of professionals, AMP represents a clear case of middle-class activism, but the PAP appears to have restricted its potential as an independent organisation by providing the AMP with funds on a dollar-for-dollar basis for its activities. The government’s object is to steer the AMP towards apolitical community development work.

To be sure, these organisations have a very carefully defined existence, given the Societies Act which proscribes political activities by organisations not formally registered for that purpose. Nevertheless, to the extent that these organisations involve themselves in concerted and regular attempts to influence government policy on behalf of their members they very definitely engage in political activities. But the capacity to undertake restricted political activities is contingent upon an acceptance of the PAP’s overriding political authority. Hence, public disclaimers of organisational activities as political are common. Following NSS’s apparent success in lobbying the government over the golf course proposal, the organisation’s president, Wee Yeow Chin, insisted that NSS was not a pressure group. He elaborated: ‘We are level-headed and look at things rationally.’ This sort of comment is not only indicative of the nervousness and insecurity characterising organisations undertaking informal political activities, but also the moderate nature of the political outlooks within them. Indeed, the level of tolerance that the PAP has for the activities of these groups is suggestive of their unthreatening nature. Similarly, this may very well be the pre-condition for a more expansive realm of independent political space in Singapore. Independent organisations that have sought to represent the working class, such as the organisations that have an extended sense of the issues and values in society. As has been seen, the presence of such organisations points to a demand for and by leaders with a strong preference to independent and democratic political space appears to be more than just a reaction to a perceived threat.

CONCLUSION

Singapore’s rapid economic changes, including the emergence of a new economic role for this class, has enjoyed elevated social status as a result of the increased opportunities for social mobility. The remarkable economic growth and the greater visibility of the middle class transformations rely on the foundation of support and the greater visibility of this class. This is manifesting in the political space, where the middle class is more often represented and where the demand for independent political space appears to be more than just a reaction to a perceived threat.
t's Green Plan also incorporated the release of the NSS's own document opposing a proposed golf course at Tampines. The government decided to put the project to the people for a vote, with the conservationists subscribing to the NSS. Despite the government's stance, NSS received a membership of about 500 persons. Public opposition to the proposal, which had initially been driven by conservationists, increased with the government's efforts to promote the project.

The existence of greater social differentiation and middle-class expansion in Singapore is thus manifesting itself in attempts to develop forms of representation that more effectively accommodate the diversity of interests and values in society. As has already been indicated, the PAP's continually extended mechanisms of political cooption evidence the ruling party's strong preference to avoid forms of representation that are more independent and democratic. Yet a limited measure of increased independent political space appears to be tolerated where moderate political demands are exerted by essentially middle-class groups.

CONCLUSION

Singapore's rapid economic development has set in train important social changes, including the emergence of a substantial middle class. This middle class has significant purchasing power and expresses itself in new lifestyles and aspirations. However, the PAP government has always been dominated by leaders with professional backgrounds who have seen a crucial economic role for this class: a role that has been consolidated as the PAP's control over the economy has been extended. Moreover, the middle class has enjoyed elevated social status through the ideology of meritocracy promoted and institutionalised by the government. In fundamental terms, there is no reason for the now sizeable middle class to seek drastic political change.

Similarly, while there are some tensions between fractions of the domestic bourgeoisie and the state, the Singapore state's ability to heavily condition the avenues for effective capital accumulation fosters moderation in the form and content of the increased representations to the state by business. Indeed, the current development trajectory may encourage new forms of cooperation between the state and the domestic bourgeoisie rather than any attempt by capital to significantly redefine the state's economic role.

The most important political dynamic arising out of Singapore's recent class transformations relates to the increased absolute material disparities, and the greater visibility of these due to rising conspicuous consumption. This is manifesting in discontent with the government among its traditional supporters, many of whom are beginning to seriously doubt their prospects for social mobility. Whereas the last two and a half decades have witnessed remarkable economic growth and social mobility in Singapore, greater rigidity in social structures is now accompanying the city-state's economic
growth. This of course charts a challenging course for the PAP, since expectations are high. The challenge, however, is not just to compensate for inequitable market outcomes, but to do so without compromise to its much-vaunted ‘meritocracy’ and the associated social and political order.

NOTES

4 These figures are for the total population of Singapore. An attempt is made to separate the per capita GNP among Singapore residents which produces figures of S$2,478 for 1970 and S$18,437 for 1990. See Ministry of Trade and Industry, Republic of Singapore, Economic Survey of Singapore 1990.
12 Fees for tertiary studies range from between S$2,000 and S$24,000 in Canada to S$14,000 and S$36,000 in Britain. See ‘NZ Back as Popular Spot for Studies’, Straits Times Weekly Overseas Edition, 21 December 1991, 24.
15 Access to satellite services is restricted to financial analysts, journalists, diplomats, bankers and companies who have a professional need for satellite services.

18 Five domestic banks set up between by the Holdkien traders and later to Corporation (OCBC) which is told.
19 Diversification into industry w 20th century, including small-scale in consumer manufactures in Singapore.
21 One route by which established factoring was through buying out Overseas Chinese Banking Co. (OCBC) and other banks. Fraser & Neave Ltd and Wearne V. Komoran, ‘Singapore Multinationals, Summer 1985, 37.
24 By 1990, through Temasek Holding Corporation Holdings, the joint ventures with interests in a further 566 sub enterprises amounted to S$10.6 billion.
25 ‘Strait Times Weekly Overseas’ linked companies (GLCs) and so on.
28 ‘Radio Singapore Goes Regional’.
ning course for the PAP, since er, is not just to compensate for without compromise to its ed social and political order.

 Singapore. An attempt is made to residents which produces figures 90. See Ministry of Trade and Industry, Republic
Towards a Developed Nation, of Trade and Industry, Republic.

Debate: Department of Statistics.
Next Lap, Singapore: Times gapore, 61(7), 12 October 1993,
shadows’, Straits Times Weekly
October 1993, col. 631.
Smart and Grace Ang, Oppor-
lot Survey of Singapore, Policy
ch University, March 1992, 21.
re, Singapore Census of Popu-
Education, statistical release 3,
so Warren Fernandez, ‘Over-
ing Overseas’, Straits Times
2,000 and $24,000 in Canada
Back as Popular Spot for
Studying, Working or Living
m, 27 June 1992, 24.
TV Service’, Straits Times
analysts, journalists, professional need for satellite
prise Overseas, Ministry of

18. Five domestic banks set up between 1903 and 1919. The three largest were founded by the Hokkien traders and later merged to form the Overseas Chinese Banking Corporation (OCBC) which is today one of the so-called ‘Big Four’ local banks.
19. Diversification into industry was also discernible in the first part of this century, including small-scale investment in tin mining in Malaya, and basic consumer manufactures in Singapore. See Wong Lin Ken, ‘Singapore: Its Growth as an Entreprene Port, 1819–1941’, Journal of Southeast Asian Studies, IX(1), 1978, 64.
21. One route by which established Chinese business groups entered manufacturing was through buying out sizeable British companies. For example, the Overseas Chinese Banking Corporation bought out the British companies Fraser & Neave Ltd and Wearne Brothers Ltd. See Pang Eng Fong and Rajib V. Komoran, ‘Singapore Multinationals’, Columbia Journal of World Business, Summer 1985, 37.
24. By 1990, through Temasek Holdings, Singapore Technology Holdings and Health Corporation Holdings, the state was sole shareholder of 50 companies with interests in a further 566 subsidiaries. The total assets of these state-owned enterprises amounted to $10.6 billion. See ‘Role of State-owned Enterprises’, Straits Times Weekly Overseas Edition, 29 August 1992, 20. Government-linked companies (GLCs) and statutory boards pervade most sectors of the economy, but are particularly prominent in the transport, marine-based, defence and petroleum industries. An analysis of the top 500 Singapore-based companies in 1988 suggested that, although GLCs represented just 16.9 per cent of the leading 248 locally owned companies, they were responsible for as much as 60.5 per cent of all realised profits. Singapore 500 cited in Werner Vennewald, ‘New Perspectives on the Political Economy of Singapore: The Role of Technocrats in the State Enterprise System’, unpublished mimeograph, Hamburg, July 1993, 21.
27. Whereas Singapore companies were responsible for 36 per cent of services sector investment commitments in 1987, by 1991 this share had fallen to 20 per cent. See Economic Development Board Yearbook 1991/92, 14.
28. By the end of 1990, a total of 2,293 Singapore companies had invested $27.8 billion abroad, of which $7.5 billion was in direct investment. The rest was made up of portfolio investment, transactions with overseas companies, and
other foreign assets. About two-thirds of these investments were from companies with either wholly or majority local ownership. These investment figures exclude banks and finance and insurance companies. See ‘Overseas Investments by Singapore Companies Soared 23 per cent to $27b in 1990’, Straits Times Weekly Overseas Edition, 27 February 1993, 20.

Indeed, the government is exhorting private companies to invest abroad and is backing this call with various forms of assistance. See Zuraidah Ibrahim, ‘SM: Way to Take S’pore Inc Abroad’, Straits Times Weekly Overseas Edition, 9 January 1993, 1, and Parliamentary Debates Singapore, 60(9), 10 March 1993, cols 866–867.


The state-owned Keppel Group has a 70 per cent stake in a partnership with the Chinese to develop a 70 sq. km township in Suzhou, China, which will comprise industrial parks, residential estates and commercial facilities. The estimated total investment in the township is S$30 billion and, although Singapore government companies dominate the project, it is likely to also open up significant opportunities for Singapore’s private sector. See Gerry de Silva, ‘“S’pore II” Industrial Township for Suzhou’, Straits Times Weekly Overseas Edition, 14 August 1993, 24. Much of the recent offshore push by private Singapore-based companies has been skewed towards China. In 1992, Chinese authorities approved 742 Singapore projects worth US$1 billion, bringing cumulative investments to US$1.9 billion by the end of that year. For many small businesses run by Chinese-speaking Singaporeans, the opening up of the Chinese economy has made some form of internationalisation feasible. See Raj Vasil, ‘Singapore 1992: Continuity and Change’, Southeast Asian Affairs 1993, Singapore: Institute of Southeast Asian Studies, 1993, 311.

Less than 1 per cent of these enterprises boast more than S$12 million in fixed asset investment. See Final Report of the Committee to Promote Enterprise Overseas, Singapore: Ministry of Finance, 1993, 32–33.

This was intended as an alternative to the existing Singapore Manufacturers’ Association (SMA) and the Singapore Chinese Chamber of Commerce and Industry (SCCCI).

There are currently sixty such schemes.


s of these investments were from com-
pany local ownership. These investment
of insurance companies. See *Straits
soared 23 per cent to $27b in 1990*;
38 See Don Reader and Jacqueline Wong, 'Portrait of the Middle Class', *Straits
private companies to invest abroad and is
assistance. See Zuraidah Ibrahim, 'SM,
Tong Overseas Edition, 9
*Times Singapore*, 60(9), 10 March 1993.

isions of Labour: Singapore's New
Leaver and J. Ravenhill (eds) *Pacific
operation or Conflict?*, St Leonards;
0 per cent stake in a partnership with the
ship in Suzhou, China, which will
ates and commercial facilities. The
is $830 million and, although Singa-
the project, it is likely to also open up
's private sector. See Gerry de Silva,
*, *Straits Times Weekly Overseas
of the recent offshore push by private
owed towards China. In 1992, Chinese
projects worth US$1 billion, bringing
ion by the end of that year. For many
Singaporians, the opening up of the
of internationalisation feasible. See Raj
Change*, *Southeast Asian Affairs* 1993;
Studies, 1993, 311.
boast more than $12 million in fixed
the Committee to Promote Enterprise
ce, 1993, 32–33.
the existing Singapore Manufacturers' *n
Chinese Chamber of Commerce and
tral in Singapore: The Emergence of
Asian Journal of Social Science,* *ng, 'Roles of Organized Business in
inges and Continuities', honours thesis,
at University of Singapore, 1993/94.
etical approaches to class see Anthony
Power, and Conflict: Classical and
litan, 1982; and Rosemary Crompton,
tion to Current Debates*, Cambridge:

is of Marx and Weber on Class*, in
date, Newbury Park, California: Sage
Number 12, Singapore: Department of Sociology, National University of
40 Lee in Heng Hiang Khng, 'The Middle Class in Singapore and its Role in
41 Stella R. Quah, Chiew Seen Kong, Ko Yin Chung and Sharon Mengchee Lee,
42 Chiew Seen Kong, Ko Yin Chung and Stella R. Quah, 'Occupational Prestige
and Occupational Structure' in ibid., 78.
43 Yat Buir, 'Late Industrialization and Class Formation in East Asia', paper
presented at the *Emerging Social Forces in Asia* conference of the Asia
Research Centre, Murdoch University, 5–8 September 1991.
Labour Market*, Asia Research Centre Paper 1, Murdoch University, Perth,
1993, 26–27.
45 Lau-Fong Mak, 'The Rise of the Singapore Middle Class: An Analytical Frame-
work', in Hsin-Huang Michael Hsiao (ed.) *Discovery of the Middle Classes in East
46 Rodan, 1989, op. cit.
47 'Role of State-owned Enterprises', *Straits Times Weekly Overseas Edition*, 29
48 Lim Say Boon, 'Spore Budget Policy Unique for Emphasis on Frugality',
50 Garry Rodan, 'Elections Without Representation: The Singapore Experience
under the PAP', paper presented at the *Elections in Southeast Asia: Meaning
and Practice?* conference, The Woodrow Wilson Center, Washington DC,
51 He drew attention to differential procreation rates of university-educated pro-
fessionals and relatively uneducated women, arguing that this represented a
threat to Singapore's economy and society. According to Lee, it was the
national duty of female university graduates to marry other graduates and
reproduce, lest Singapore's genetic stock degenerate as a whole. Various
incentives were proposed to induce a greater sense of 'national duty' among
graduates. See Lee Kuan Yew, 'Talent for the Future', *Straits Times*, 15 August
1983, 10–11.
52 In July 1984 an Act of Parliament provided for the appointment of up to three
MPs among the unsuccessful opposition election candidates with the highest
share of votes.
53 Garry Rodan, 'Singapore's Leadership Transition: Erosion or Refinement of
54 Simon Elegant, 'Singapore's Emigration Rate Stirs Debate', *Asian Wall Street
55 Chiew Seen Kong, 'National Identity, Ethnicity and National Issues', in Jon
S.T. Quah (ed.) *In Search of Singapore's National Values*, Singapore: Times
56 Chiew, ibid.; Cheng Tun Jen, 'Is the Dog Barking? The Middle Class and


59 The definition of ‘working class’ hereafter applied is one that is in keeping with the neo-Marxian literature which makes qualitative distinctions between white-collar workers in a supervisory or professional capacity and those whose subordination to others in the technical division of labour is fundamentally the same as most manual workers.


64 Sumiko Tan, ‘No Basis to Say that There is a Middle Class Squeeze: BG Lee’, *Straits Times*, 29 July 1991, 1.


66 In a subsequent attempt to redeem his argument, Lee produced data that showed that the annual income growth in the decade 1980–1990 witnessed greater gains by blue-collar workers at 5.6 per cent, compared with 4.3 per cent for clerical workers and 3.1 per cent for professionals. As for absolute inequalities, Lee drew on the *World Development Report* 1991 to make the point that by international standards Singapore enjoyed low levels of income inequality. ‘Hard-headed Approach Best Way to Help: See S’pore Progress’, *Straits Times Weekly Overseas Edition*, 18 January 1992, 2–4. The problem for the latter part of the argument was that the data were derived from surveys conducted mainly in the late 1960s and early 1970s. However, a recent study by Rao argues that between the early 1970s and late 1980s the degree of inequality in Singapore’s household income distribution has remained roughly the same. Indeed, he points out that ‘The top 10 per cent of the families have an income share of a little over 30 per cent which is not too far from the range of 24–31 per cent in OECD countries in the late 1960s and early 1970s.’ See V.V. Bhanoji Rao, ‘Income Distribution in Singapore: Trends and Issues’, *The Singapore Economic Review*, XXXV(1), 1990, 147. Yet the same study notes that when we look at income distribution on an individual basis, using data on CPF contributions and taxpayers, larger but not dramatic increases in income inequality are revealed. See ibid., 152.


68 This was based on an index of social change which incorporated nine categories: real income; family conditions; health; education; employment; housing; personal safety; family conditions and personal safety.
Private vehicles are subject to quotas in Singapore and attract heavy premiums. Currently the government introduced Certificates of Entitlement (COEs) for private vehicles which are subject to competitive bids. Valid for ten years, COEs ranged in May 1992 from S$17,200 for a vehicle of 1,000 cc capacity or less to S$32,000 for luxury cars. This cost is of course on top of the price of the car. See ‘COE Prices Pass S$30,000 Mark for the First Time’, Straits Times Weekly Overseas Edition, 23 May 1992, 2.


Registry of Societies, Singapore.


Registry of Societies, Singapore.

As quoted in ‘NSS “Not a Pressure Group”’, Straits Times, 2 October 1993, 23.