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Capitalism, Inequality and Ideology in Singapore: New Challenges for the Ruling Party

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ABSTRACT
Amidst popular concerns about rising inequalities and living costs, reduced social mobility and inadequate public infrastructure, Singapore's ruling People's Action Party (PAP) suffered significant declines in electoral support in the 2006 and 2011 general elections before regaining support at the 2015 polls. Importantly, these concerns reflect the intensification of contradictions inherent to Singapore's model of capitalist development. This juncture in the city-state's political economy has been conducive to greater scrutiny of core PAP ideological notions about the perils of "Western" social welfare and the moral and functional advantages of non-democratic institutions of political accountability and representation. The PAP has responded with creative new defences of its core ideologies in conjunction with social spending boosts, a strategy that will be further tested following the 2015 election.

KEYWORDS
Singapore; ideology; inequality; development model; state capitalism; globalisation; political representation; political accountability; social citizenship rights; welfare

Introduction
Singapore has experienced one of the most rapid capitalist transformations anywhere in Asia, which from the late 1960s through to the early 1980s was accompanied by remarkable material and social improvements for the vast bulk of Singaporeans. Uneven social impacts of Singapore's sustained and spectacular capitalist economic development nevertheless pose new political challenges for the ruling People's Action Party (PAP). The very model of capitalism that has hitherto laid the foundations for sustained political support is generating heightened social contradictions.

The PAP suffered a combined loss of 15 per cent support at the 2006 and 2011 general elections, in a context of widespread popular concerns about rising inequalities and living costs, declining social mobility, immigration and inadequate public infrastructure (Tan & Lee, 2011). Indeed, the ruling party’s vote share in 2011 dipped to its lowest level since independence in 1965.¹ In the 2015 polls the PAP reversed this pattern with a 9.8 per cent swing in its favour following increased social spending commitments and other policy measures, but the effective management of the social contradictions of Singapore's capitalist development is a continuing political project. In particular, it remains to be seen whether
the PAP promise of a more egalitarian Singapore can be reconciled with core PAP ideologies that rationalise an acute concentration of elite power.

Contradictions inherent to the PAP’s capitalist development strategy have intensified precisely because of the high growth it has successfully produced. That strategy is heavily reliant on the increasing importation of high-cost “foreign talent” and low-cost unskilled labour. This generates pressures towards increased material and social inequalities and public concerns about the social and environmental sustainability of population growth. In short, whereas sustained high growth has hitherto been pivotal to the PAP’s performance legitimacy, this same growth has a recently demonstrated potential to erode PAP political support.

What then are the consequences for an authoritarian state when its economic development strategy starts to generate social contradictions that threaten that state’s ideological hegemony? In Singapore’s case, the PAP is attempting to address voters’ concerns, but the objective preconditions for capital accumulation and the interests of state capitalism place limits on such responses. Meanwhile, broad reformist coalitions are constrained by the pervasive impacts of state capitalism in reinforcing elite power concentrations and authoritarian controls. Consequently, far from economic growth finally paving the way for an incremental transition to democracy, as early modernisation theorists anticipated, a more complex struggle is under way. The foreseeable outcome may be reduced PAP ideological hegemony but not necessarily reduced PAP political domination.

Existing literature contains some consideration of the implications of pre-2015 electoral trends for the reproduction of PAP ideology. Barr (2014a; 2014b) viewed electoral drift from the PAP as symptomatic of government policy failures attributed to the ruling elite’s declining quality, a function of ideologically restrictive elite recruitment and related systems of patronage integral to “meritocracy”. Tan (2012) was less concerned to evaluate the quality of the elite than to argue that the elite’s ideological hegemony requires continuous upkeep and maintenance owing to the pressures associated with neoliberal globalisation.

This essay shares Tan’s theoretical linking of PAP ideology with capitalist dynamics, drawing on Gramsci’s insights about the political management of contradictions, but the approach here is distinctive in two respects. First, it emphasises how state capitalism and attendant interests are integral both to social contradictions inherent in Singapore’s development model and in the PAP’s ideological and policy responses to the social and political conflict generated by these contradictions. Second, this essay highlights the significance of these contradictions for ideological propositions fundamental to specific formal and informal institutions of political entitlement, accountability and representation – institutions at the heart of any political regime. Such focus highlights the significance of recent ideological questioning and jockeying, but also reflects a theoretical understanding of institutions as sites and products of dynamic social conflicts. Struggles over the control and distribution of rewards from, and consequences of, capitalist development are integral to these conflicts in Singapore (Rodan & Jayasuriya, 2012; Rodan & Hughes, 2014; Sangmpam, 2007).

Capitalist development in Singapore has involved deepening economic globalisation under the aegis of multinational capital alongside the consolidation and extension of a variant of state capitalism, affording an acute concentration of power in the hands of technocratic elites. This power concentration has not just been protected from scrutiny and challenge by the exercise of repressive state powers, but also rationalised through various mutually reinforcing ideological claims about the nature and benefits of technocratic elite...
rule under a so-called meritocracy in Singapore (Rodan & Jayasuriya, 2007; Barr & Skrbiš, 2008; Tan, 2008).

Until recently, there has been a significant degree of resonance between such ideology and the way that Singaporeans interpret their experience of capitalist development. Ideological rationales for authoritarian rule by technocratic elites have, however, been subjected to greater questioning in the last decade, including three core PAP ideological propositions: the concept of family responsibility for welfare in preference to so-called “Western” social welfarism and associated notions of citizenship rights; a moral ideology of political accountability emphasising the virtues of political leaders ahead of liberal and democratic institutions (Rodan & Hughes, 2014); and a “consensus” ideology of political representation that champions rational problem-solving over political competition and contestation (Rodan, 2012).

Individually and collectively, these ideologies have been central to the concentration of state bureaucratic and political elite power. The PAP has therefore sought to defend and creatively adapt its core ideological propositions and would be encouraged in this by the 2015 election results. It nevertheless remains to be seen whether the PAP’s commitments to greater social redistribution and other concrete policies to manage the social contradictions of the existing capitalist model adequately meet voter expectations. If not, this could have implications for the form of authoritarian rule as much as for any prospects for democratic change. Indeed, a failure to defend these propositions could reinforce the disinclination of authorities to relax legislative and other measures constraining political competition.

Globalisation and State Capitalism

Authoritarianism, economic globalisation and a particular variant of state capitalism have developed side-by-side over the last five decades in Singapore. The relationships between these different aspects of Singapore's political economy are complex and dynamic, but they cannot be separated without cost to understanding the contradictions inherent to capitalist development in Singapore. It is not just global market forces and interests of foreign capital that are important to increased inequalities in Singapore. The political and economic interests of the PAP in state capitalism, including a continued expansion of foreign labour availability, are also fundamental to how the domestic political economy articulates with globalisation. Moreover, the pervasive role of the state in Singapore's economic and social development makes it all the more difficult for the PAP to distance itself from public concerns about the distributional effects of capitalist growth.

State capitalism has its roots in both political and economic considerations within the PAP. The PAP government's embrace of international capital to lead Singapore’s industrialisation reflected a determination to expedite development through incorporation into new international divisions of labour. Yet the marginalisation of local private capital altogether in that process was also a calculated political move. Lee Kuan Yew had concerns in the 1960s about a private domestic bourgeoisie – notably an ethnic-Chinese bourgeoisie – providing a power base for, or alliances with, contending forces in the struggle over power and reform directions (Rodan, 1989, p. 98; Visscher, 2007).

Meanwhile, the de facto merger of state and ruling party, which was integral to the creation of Singapore's authoritarian regime, established the base for an increasingly powerful politico-bureaucratic elite. Alongside the suppression of labour, this elite smoothed
the way for international investment by ensuring the appropriate physical, technical and social conditions for industrial production. It was also involved in an assortment of state economic and social investments crucial in the 1960s and 1970s to PAP strategies to raise living standards and generate electoral support (Rodan, 1989; Tremewan, 1994; Chua, 1997).

With the maturation and growing sophistication of capitalism in subsequent decades, the roles and powers of technocratic elites were consolidated and extended. A vast array of government-linked companies (GLCs) proliferated so that, by March 2014, the government holding company, Temasek Holdings (2014, p. 6), boasted an investment portfolio of S$223 billion. GLCs continue to dominate the upper echelons of the domestic economy and stock market. Through the Government of Singapore Investment Corporation (GIC), a sovereign wealth fund established in 1981, “well over S$100 billion” of taxpayers’ money is also now invested overseas (GIC, 2014, p. 33). This internationalisation of “Singapore Inc.” has increased the power and resources at the disposal of technocratic elites.

Consequently, despite the highly globalised nature of most of the economy, due to the pervasive role of the state many Singaporeans are directly or indirectly dependent on it for access to economic and social resources – including housing, employment, business contracts and personal savings. Such dependence has fostered bureaucratic and administrative techniques of political control and governance that include sophisticated forms of political co-option as well as crude intimidation (Tremewan, 1994; Rodan & Jayasuriya, 2007; Rajah, 2012). Thus, political economy relationships have helped obstruct independent sources of power, especially among the domestic bourgeoisie, supporting political fragmentation and compartmentalisation militating against coalitions among government opponents and critics.

Importantly, this model of capitalist development has involved simultaneous dependence on foreign labour at both the most, and least, skilled ends of the economy – to the benefit of foreign multinational corporations, Singapore GLCs and small-to-medium local private companies alike. Consequently, by 2010, foreign labour accounted for 1.1 million or one-third of the total workforce, and was instrumental in boosting Singapore’s population by nearly 32 per cent in just a decade from 2000 (Chun, 16 February 2013). This included 201,400 foreign domestic workers (popularly referred to as maids) (Ministry of Manpower, 2014), with significant implications for social policy and government revenue. Pressure on the provision of public childcare facilities, for example, is contained to some degree by the availability of foreign domestic workers/maids who often play the role of primary care giver for children in middle-class families. Government revenue is also generated through levies on employers for the visas to employ these and other foreign workers.

The marriage of economic globalisation and state capitalism provided extremely effective foundations for rapid economic growth that initially brought widely shared material and social benefits for Singaporeans. As upward social mobility slowed and the uneven effects of Singapore’s highly globalised economy have intensified in recent decades, government policies either failed to ameliorate the effects of, or contributed to, widening social and economic inequalities (Ho, 2010; Ng, 16 February 2014, p. A25). In particular, unskilled and working-class Singaporeans have suffered from the absence of a minimum wage, the market impact of low-cost foreign workers, and the lack of genuinely independent and effective trade union representation of their interests. Meanwhile, the inflationary costs of housing, transport and health, driven by dramatic population growth and high professional and executive salaries, have affected many middle-class Singaporeans too.
Singapore's income gap, as measured by the Gini coefficient, rose from 0.422 in 2000 to 0.478 in 2012. Singapore thus became the second most unequal economy, after Hong Kong, in the developed world. According to researchers at Singapore Management University's Lien Centre, absolute poverty levels in 2011 were around 10–12 per cent and relative poverty levels twice that figure (Chun, 10 November 2013; Chan, 23 October 2013).

Increased income inequalities and absolute poverty occurred not just because incomes for the top 10 per cent rose much faster than for the bottom 20 per cent, but also as part of a broader redistributive process. Thus, wage shares of GDP fell from 45.9 per cent in 2001 to 42.3 per cent in 2012, while the GDP shares of profits and taxes rose. These figures are particularly revealing of the continued importance to the prevailing development strategy of holding wage costs down in some sectors, despite the increasing sophistication of other sectors of the Singapore economy. Moreover, median household income grew in real terms by just 2.5 per cent per annum in 2003–12 compared with real GDP growth of 6.1 per cent per annum in the same period (Bhaskaran, 2014, p. 293).

Just as mounting inequality did not arise accidentally, nor has public disquiet about immigration. This was a response to the intertwined social and demographic effects of Singapore's dynamic, high growth and foreign labour-dependent capitalist model. The government's Population White Paper released in 2012 projected that Singaporeans – who comprised 91 per cent of the population in 1980 and 62 per cent in 2012 – would account for just 55 per cent of the population by 2030 (Chun, 16 February 2013). Immigrants and foreign labour would sustain high growth by mitigating an ageing population and falling birth rate. In a rare mass demonstration, on 16 February 2013, around 5,000 protesters gathered in Singapore's Hong Lim Park to express opposition to such plans, raising concerns about further over-crowding, rising costs and the challenges of social cohesion. Opposition parties released their own counter proposals including for slower economic growth and more emphasis on raising Singapore's fertility rate.4

The government had already signalled in its 2010 Economic Strategies Committee report that it was embarking on a restructuring of the Singapore economy to reduce dependence on low-skilled foreign workers in favour of greater reliance on productivity increases to drive growth. Yet restrictions on foreign labour before and after public reactions to the Population White Paper have slowed the intake, but not the growth in absolute numbers, on these workers. Thus, by December 2013, there were 100,000 more foreign workers than in 2010 (Radha, 6 July 2014).

The transition to higher productivity has proved difficult for many small-to-medium enterprises (SMEs) in particular. Significantly, SMEs employ foreign workers on projects and services that GLCs generate or commission, such as in the construction industry and conservancy and cleaning for the Housing Development Board. State capitalist interests are thus not unambiguous over the policy to reduce foreign workers. On the contrary, a substantial cutback on low-cost foreign labour in particular would likely increase the cost of services to the public and/or reduce profits of GLCs. As Prime Minister Lee Hsien Loong (in Tan & Chen, 2015) explained during the 2015 election campaign, on managing immigrants and foreign workers, “there are no easy choices”, declaring that slowing the inflow of cheaper overseas workers has raised business costs and slowed economic growth. Lee conceded (in Tan & Chen, 2015) that “Whichever option we choose, it will involve some pain”.

Indeed, as Bhaskaran (2014, p. 292) points out, if the government’s restructuring policy were successful, it would have distributional implications with potentially adverse political
implications for PAP support. SMEs are significant employers of many lower-middle income
earners. The pace and nature of the government’s restructuring strategy has raised concerns
not only from those directly affected by it, but also among academic and professional econ-
omists within Singapore concerned about the redistributive effects (Chan, 2 August 2014;
Tan, 12 August 2014). Yet, low wages costs cannot completely arrest the trend towards the
hollowing out of the manufacturing sector due to lower-cost production sites in China
and Southeast Asia. This is why, in 2005, the PAP controversially lifted its previous ban on
casinos to diversify the economy and boost the growth of tourism. For similar reasons, the
domestic housing market has gained in importance to growth, aided by migration.

To be sure, the PAP government understands that it faces serious new challenges in the
political management of capitalism. Accordingly, in addition to the government measures
referred to above, leading up to the 2015 elections, the PAP embarked on a range of other
policy adjustments or reforms while flagging others to come, including: an S$8 billion
commitment in the 2014/15 budget to a Pioneer Generation Package boosting health care
subsidies for 450,000 Singaporeans 65 years or older; initial reforms in transport, housing
and superannuation, including expanding subsidies for first-home buyers and substantially
boosting the supply of HDB flats, while further reforms are under investigation; increased
income supplements for the bottom 20–30 per cent of workers; and salary cuts for govern-
ment leaders and ministers, who remain among the highest paid in the world.

Crucially, though, government policy responses are constrained in nature and depth by
social and political contradictions of the ruling party’s own making. Thus, the PAP is aiming
to address public concerns without significant change or challenge to the economic and
political system that affords considerable powers to technocratic elites. Yet many pressing
policy problems have given rise to critical reflection by Singaporeans on core PAP ideol-
gies rationalising technocratic authoritarian rule – not least on welfare, accountability
and political representation. The challenges emerging for each of these core ideologies are
now examined in turn, as are the PAP’s attempts to defend them, including through some
creative new formulations of those ideologies.

Increasing Welfare, Containing Entitlement

Citizenship rights refer to “the civil, political and social rights established under the impetus
of economic development” (King, 1987, p. 3). The idea that citizens have social rights was
first clearly postulated by T. H. Marshall (1964). He contended that, after the institutional-
isation in England of civil rights in the eighteenth century and political rights in the nine-
teenth century, in the twentieth century rights to a reasonable standard of economic and
social welfare should also be enshrined. This normative view enjoyed widespread political
support in England and other advanced capitalist societies where it resonated with social
democratic reformist movements. It has been under sustained neoliberal counterattack
since the late twentieth century, as part of the push to wind back the socially redistributive
role of the state in favour of private markets (Harvey, 2005).

PAP opposition to what it sees as “Western welfarism” is longstanding and rooted in
ideological hostility to notions of citizenship rights that can be asserted on governments
or the state. This opposition has more to do with the desire to preserve a particular form
of political paternalism than with a belief that markets are always the best allocators of
resources. Indeed, policy directions since the 2011 election indicate that the PAP is not
resistant to social welfare increases so long as social rights are not enshrined and technocratic elite discretionary powers are not compromised. There are also structural limits to redistributive policies before this impinges on the conditions required for profitable capital accumulation under the existing growth model.

Previous PAP leaders were quite explicit in their attempts to disabuse Singaporeans of any expectations that more extensive social welfare provisions would accompany increased economic development in the city-state. As Deputy Prime Minister S. Rajaratnam declared early in the PAP’s reign:

We want to teach the people that the government is not a rich uncle... We want to dissuade people of the notion that in a good society the rich must pay for the poor. We want to reduce welfare to the minimum, restricted only to those who are handicapped or old. (in Vasil, 1984, p. 168)

The then Prime Minister Lee Kuan Yew also asserted that: “If you bring a child into the world in the West, the state cares for him. If you bring a child into the world in Asia, that’s your personal responsibility” (in Macrae, 12 November 1993, p. 24).

This did not mean that PAP leaders were hostile to the concept of redistribution per se, but as Lee Kuan Yew pointed out, the PAP government “chose to redistribute wealth by asset-enhancement, not by subsidies for consumption” (in Pearson, 5 March 2011). Key to this has been the policy enabling Singaporeans to purchase public Housing Development Board (HDB) flats by drawing on their compulsory superannuation savings in the Central Provident Fund (CPF) (Chua 1997; 2014). Over time, the government opened up contributors’ access to their CPF accounts not just to finance the upgrading of housing, but also for educational purposes and health care insurance.

Dependence on housing asset inflation to supplement pensions is inherently contradictory since it contributes to rising living costs and therefore downward pressure on living standards – against which voters reacted at the 2006 and 2011 polls. Similarly, high migration levels are functional for rising property values and boosting the CPF coffers, but also unpopular with voters. The extent and effectiveness of government subsidies, especially in housing, has also increasingly been brought into question, not least by the PAP’s party-political opponents (Lee, 16 December 2010). No less contentious is the fact that, although employees and employers generate contributions to Singaporeans’ CPF savings, the PAP state exercises control over people’s access to those funds and how they are invested. This control has become increasingly controversial as public anxieties mount about how real asset enhancement is and whether savings will be adequate for retirement needs.

In particular, CPF returns are low, at 2.5 per cent per annum on an ordinary account. This has been below inflation in some years, such as in 2011 and 2012 when inflation was 5.2 per cent and 4.6 per cent respectively. Moreover, the government’s opening up of these accounts for various non-retirement purposes has further diminished the nest eggs for low-income Singaporeans in particular. As early as 1994, economist Mukul Asher predicted that a crisis was looming for retirees whose funds would be limited (Fernandez, 18 September 1994, pp. 5–6). For at least the next decade, the government was relatively unconcerned about this, as it assumed that appreciation of the value of HDB flats would effectively bolster savings (Chua, 2014, p. 9).

While there was upward social mobility in the early decades of Singapore’s economic development, and before too many Singaporeans had put their lifelong CPF contributions to the test in retirement, the paucity of state-funded welfare presented no serious political
problems for the PAP government. More recently, though, the rise in inequality and poverty led many Singaporeans to conclude that the government has been uncaring and elitist with regard to such a pattern. Altering that perception became a major priority for the PAP in the lead-up to the 2015 election and beyond. Consequently, the PAP began policy reform, particularly aimed at improving the lot of the least advantaged and poor, accompanied by an attempt to ideologically redefine the PAP alternative to “Western welfarism”.

But if change is in the air, where is it headed? Is it towards “Western welfarism lite”, or a genuine alternative approach to redressing social inequities arising from capitalist development in Singapore? Notwithstanding the 2015 election result, the basis has been laid for increased contention over the rationale for, and limits to, welfare.

Within a few years of the 2011 election, PAP leaders began making interesting claims about ideological directions under the PAP. In April 2013, Deputy Prime Minister and Minister for Finance, Tharman Shanmugaratnam, asserted that the current PAP cabinet represented a shift to the political left:

“You still get diversity of views in Cabinet but the centre of gravity is left of centre. And that means the current team is very clearly focused on upgrading the lives, improving the lives of lower-income Singaporeans and of our older folk.”

Tharman also highlighted that, as a result of other transfers from recent budgets, low and middle-income groups now receive 2.5 times the public subsidies they did ten years ago (Tham & Chia, 25 February 2014). This is not something PAP governments in the past would have boasted. Prime Minister Lee Hsien Loong also projected in mid-2013 that the government would “play a bigger role to build a fair and just society”, portending related changes in housing, health care and education (Fernandez, 11 August 2013).

Just months later, Emeritus Senior Minister Goh Chok Tong introduced the concept of “compassionate meritocracy” for Singapore: a system providing equal opportunity for those who are financially disadvantaged. This, according to Goh, will ensure that Singapore’s brand of meritocracy remains compassionate, fair and inclusive for all (Law, 28 July 2013). Subsequently, at the PAP’s convention in December 2013, the party’s first resolution since 1988 was adopted, emphasising the PAP’s democratic socialist ideals and desire for an open compassionate meritocracy (Ong, 8 January 2014).

Yet the attempt to reconcile this so-called shift to the left with traditional PAP core values is also evident. Announcing the Pioneer Generation Package, Prime Minister Lee described the policy reforms as having to achieve a “dynamic balance” between free market economics and social security. Shifts would have to be made step-by-step, “in order to strengthen the social safety nets while doing our best to maintain that sense of initiative and personal responsibility and family responsibility” (in Zuraidah, 31 March 2014).

Meanwhile, the concept of “compassionate meritocracy” has been widely challenged or rejected in cyberspace, and even in published letters to the editor in the Straits Times, such as the following:

The onus is on the state to ensure the availability of quality resources to all, regardless of socio-economic background… This has to be coupled with greater transparency, accountability and safeguards against deficiency of regulatory systems – rather than “compassionate meritocracy”. Without such safeguards, the incentives for corporate misconduct and discriminatory practices are greater, as are costs imposed on society. This does not mean that elitism should be condoned. We should be striving for a compassionate society as a whole, rather than simply a “compassionate meritocracy”. (Geeva, 18 June 2014)
Similarly, Tharman's linking of old and new welfare approaches in terms of core cultural values is a matter of contest. According to Tharman:

Policies to redistribute resources and level up the poor can only succeed and be sustained if they are designed to encourage a culture of personal responsibility – in the family, in education and at work – and if they promote collective responsibility among everyone, to improve the lives of others and the community we live in. (in Lim, 7 December 2013)

In response, Workers’ Party (WP) member and sociologist at the National University of Singapore, Daniel Goh, likened this to the earlier PAP discourse of “Asian values” but arguing that this time around the pitch is against the new perceived threat of the culture of entitlement. Goh argued that: “The trouble with Asian values and, now, social culture is that they distract us from the underlying cause – unbridled capitalism – of the problems of individualism and inequality, and place the blame wholly on individual psychology” (in Lim, 7 December 2013).

Recent national budgets and 2015 election commitments demonstrated that the PAP government is prepared to increase funds directly and indirectly towards social welfare, including that directed towards some of Singapore’s lowest paid (Chan, 23 May 2014). Yet by any international comparison this spending remains modest, despite the strength of the national budget and the city-state’s considerable financial reserves. Consequently, in the 2015 election campaign Singapore’s opposition parties criticised the PAP for what it saw as inadequate policies to redress poverty and inequality. WP leader Low Thia Khiang argued that the centrepiece of the government’s redistributive reform, its S$8 billion Pioneer Package, was insufficient (Audrey Tan, 2015). Singaporeans First secretary-general, Tan Jee Say (in Sim, 2015), also contended that the Prime Minister’s new policy announcements “just scratch the surface” of providing the safety nets needed for Singaporeans. Leading opposition parties also called for a minimum wage, which the PAP rejected.

The PAP’s resounding 2015 electoral victory suggests the more modest social welfare and redistributive programs were sufficient for the time being to win the debate. Significantly, though, post-election surveys by Singapore’s Institute of Policy Studies led its analysts to conclude that by far the greatest swing back to the PAP came from middle- to higher-income voters. These Singaporeans would be required to pay higher taxes to help sustain the more substantive redistribution advocated by opposition parties, a point Finance Minister Tharman Shanmugaratnam highlighted during the election campaign. “There’s no system in the world where you can give everyone something without taxing people, and especially the middle-income group,” said Tharman (in Ong, 2015), adding that “we must make sure that our system is never one where we place a high burden on the middle income group”.

Clearly, the new ideological concept of “compassionate meritocracy” resonates more closely with the material interests of the middle class than those of the working class. Whether this new ideological construct becomes widely internalised by voters, or enjoys more selective but electorally strategic appeal, remains to be seen. Ideally, the PAP would like to win back more votes from working-class Singaporeans that have been directed to opposition parties in the last decade, and it has recently begun drawing more on the surpluses from GLCs towards that end. Yet opening the door for claims about citizenship rights that can be demanded of the state is something it has assiduously sought to block in the past and remains determined about. Such a direction would also be in tension with various state and private sector interests embedded in the prevailing capital accumulation strategy.
Moral Accountability Challenged

Opposition parties campaigned heavily in 2011 on the need for a critical mass of elected opposition parliamentarians to increase accountability between elections (Rodan, 6 May 2011). This was at least as strong a theme through social media, where calls for increased transparency and accountability were directed not just at the government but at assorted state institutions (Ngerng, 7 June 2011). In the context of rising popular questioning of the policy performance of the technocratic elite – before, during and after the 2011 election – the PAP has thus sought to defend a particular ideology of accountability from challenge. Barr's (2014a; 2014b) observations about the rising gap between the ideology of meritocracy and PAP policy performance is relevant here, but heightened contradictions to the development model have created conditions conducive to a critical exposure of this and related ideologies.

The PAP subscribes to a moral ideology of accountability that is very different in emphasis from either democratic or liberal ideologies of accountability (Rodan & Hughes, 2014, p. 15), which have been either explicitly or implicitly contained in critiques of the government and its policies. The underlying premise of democratic ideologies of accountability is that official action at all levels is subject to sanction, either directly or indirectly, in a manner that promotes popular sovereignty. Liberal accountability ideologies are concerned more with protecting individual freedoms and thus place emphasis on legal, constitutional and contractual relationships to restrain the ability of state agencies to violate personal freedoms (Rodan & Hughes, 2014, pp. 4–11).

In moral ideologies the conception of political authority may be grounded in metaphysical, charismatic and/or traditional sources. Thus, conformity to received codes of behaviour assumes pre-eminence in evaluating the conduct of power holders. All moral ideologies of accountability include: the idea that personal behaviour is core to the critique of the performance of political elites and public officials; and poor performance by elites and officials is fundamentally the result of personal failings rather than institutional arrangements. Political leaders are the moral guardians of society and, in Singapore, moral virtue (personal integrity) combines with “meritocracy” (talent) according to the PAP. This idea of accountability is rooted in classical republicanism: political authority flows to actors who exhibit their personal dedication and prowess in pursuit of the public good (Rodan & Hughes, 2014, pp. 12–15).

This variant of moral ideology is central to the justification of technocratic authoritarian rule in Singapore. Two different examples from relatively recent controversies in Singapore highlight how major policy failures have opened up questions about, or challenges to, the PAP’s moral ideology of accountability.

The first is the escape from custody in February 2008 of terrorist suspect Mas Salamat bin Kastari, who was finally recaptured more than a year later in Malaysia and returned to Singapore. Initially, Mas Salamat had been arrested in Indonesia and deported to Singapore. He was alleged to have been plotting in 2002 to blow up Changi Airport. His subsequent escape in Singapore was, notoriously, through a toilet window. Significantly, numerous lower-level prison officers and security guards were held to account for the escape, but not the head of the relevant ministry – Minister for Home Affairs, Wong Kan Seng, who was also a Deputy Prime Minister. Many Singaporeans saw the junior staff as “fall guys” in an episode that should have resulted in ministerial responsibility being accepted from the very top. It was also a major symbolic blow for the notion that Singaporeans were ruled by
meritocratic elites. Indeed, this incident made the minister and the PAP government the target of jokes in social media.\textsuperscript{12}

Prime Minister Lee nevertheless sought to salvage points from the controversy to underline the moral basis of PAP leaders and government. Resisting calls to hold Minister Wong accountable, Prime Minister Lee (2008, p. 23) explained the guiding principle his government adhered to:

The basic issue is whether this person is culpable. If so, we must act against him, no matter how senior his position. But if he is not at fault, then we must have the moral courage to state so, and support him.

Workers’ Party leader Low Thia Khiang (2008, p. 31), however, saw it differently, exposing inconsistencies with previous PAP justifications for exorbitant ministerial salaries:

I think we will remember that, when we debated the Ministers’ salaries in this House, we were talking about pitching the Ministers’ pay to the corporate world or the private sector. But in the corporate world, when something goes wrong, heads roll, and it includes the CEO, whereas here, when something goes wrong, we are talking about honest mistakes. So, I think a lot of people, including myself, cannot reconcile the principle on which the Government applied in looking at the salaries of Ministers, pitching them to the corporate world vis-à-vis when it comes to accountability and responsibility.

Thus, it was not just departures from the Westminster government principle of ministerial responsibility highlighted during the Mas Salamat controversy. In effect, PAP leaders were also being projected as a self-proclaimed technocratic elite that could be flexible in side-stepping responsibility for its failures. Arguably the impact of this episode was intensified by the context of increasing social and material inequalities and a greater influx of foreigners than the city-state’s infrastructure could accommodate, which already fostered more scepticism about the idea that Singaporeans were governed by exceptionally gifted elites.

The second and more recent example highlights how the nature of state capitalism and rising concerns about inequality and the cost of living have more directly combined to foster heightened calls for technocratic elites to be held accountable – in this case over CPF. On 7 June 2014, a crowd of people, variously estimated at between 3,000 and 6,000 people, attended a Return Our CPF protest rally in Hong Lim Park organised by The Heart Truths blogger Roy Ngerng (Nazrul, 7 June 2014). Ngerng wrote assorted pieces raising questions about the low level of interest returned to CPF holders and attempting to decipher from four different official websites why this was so. The diagrams and analysis he developed from that material portrayed the CPF as being invested by the Government of Singapore Investment Corporation (GIC) and Temasek Holdings to earn high interest for those entities.

The government emphatically rejected Ngerng’s charges about CPF funds. Finance Minister Tharman maintained that neither GIC nor Temasek has received CPF funds as separate assets,\textsuperscript{13} and that returns on CPF accounts are “fair” and “safe”\textsuperscript{14} However, The Real Singapore blog site reported that the official online sources Ngerng drew on had been edited so that the calculations Ngerng made are no longer possible.\textsuperscript{15} The article supplied screenshots to support this claim. In any case, and despite Ngerng being sued by the Prime Minister for inferences of misappropriation of CPF funds, he and his supporters demand a different political relationship between Singapore authorities and citizens on the CPF. At the rally, Ngerng proclaimed: “What we want is transparency and accountability... The CPF is our money” (in Nazrul, 7 June 2014).
The significance of this campaign lay not so much in whether Ngerng’s claims about the CPF being invested to the benefit of Temasek and the GIC were correct, but in that it asserted the right to demand information of technocratic elites that they appeared reluctant to provide. Government reassurances about robust internal governance processes and professional expertise were not sufficient to fully settle this contention. Indeed, various critics explicitly stated that lack of transparency does not necessarily mean the likelihood of corruption or misappropriation of funds by officials, but does obstruct the right to demand information from officials (see, for example, Kumaran, 23 June 2014).

To be sure, accountability has not been a clearly developed political or ideological concept in this campaign. Nevertheless, it is evident that those using it reject the PAP’s moral ideology of accountability as adequate to safeguarding the best interests of CPF account holders: specifically the idea that talented people of integrity are enough to ensure good governance. The same is true of parallel calls for greater transparency from Temasek Holdings and the GIC about their investment decisions, which featured prominently in criticisms of the PAP around the time of the 2011 election (for example, Leong, 21 May 2011; Mokhtar, 30 April 2011). It was also at this election that the WP pitched heavily for voter support to help establish a “First World Parliament” with enough government opponents, according to WP leader Low Thia Khiang (in Rodan, 2011) to ensure it is “held to account, to explain and justify to Singaporeans their decisions and policies in a meaningful way”.

A similar opposition emphasis on the need for checks and balances to hold policymakers to account at the 2015 polls proved less effective. Low (in Rodan, 2015) claimed policy redirections by the government since 2011 were only possible because of greater opposition presence of “co-drivers”, without which “Singaporeans keep getting taken for a ride”, and appealed for more progress towards what he saw as the requisite critical mass of around 20 opposition members of parliament to entrench a stronger capacity and culture of political accountability. The election results suggested, though, that enough voters had decided to reward the ruling party for its post-2011 policy initiatives, trusting in its declared commitment to, and the effectiveness of, further reforms.

These developments suggest two points. The first is that the political currency of the PAP’s moral ideology of accountability is by no means spent. Second, though, challenges to that ideology resonate most strongly when the prospects of effective policy responses to the concrete concerns of Singaporeans are least promising. Thus, if the PAP’s reforms fall short of enough voters’ expectations or hopes, the climate may again be conducive for scrutinising and challenging moral accountability ideology.

**Consensus Representation Upkeep**

Consensus political representation constitutes a major plank of the PAP’s institutional and ideological alternative to competitive, democratic politics. As the social contradictions of Singapore’s model of capitalist development have gathered momentum, there has been a growing preparedness among Singaporeans to look to opposition parties and engage in combative online commentary. Such developments alerted the ruling party to the need to shore up the avenues and rationales for consensus representation. This is precisely what transpired after the 2011 election, most notably through the biggest exercise yet in public consultation on government policy and repeated pronouncements by PAP leaders on the virtues of “constructive politics”.
Consensus ideologies of representation emphasise the problem-solving utility of incorporating stakeholders’ interests and/or expertise into public policy processes for effective functioning of economic, social or political governance. Processes of consultation or deliberation form the basis of claims to represent the public interest, rather than any process of authorisation by those purportedly being represented. These processes are privileged over political contestation – either in parliamentary institutions or via independent civil society activism – as is common to democratic ideologies of representation (see Rodan, 2012).

The advent of consensus representation did not mean the PAP had become seriously interested in perfecting new institutions for genuine political consensus. It was intent instead on channelling more politics via PAP-controlled institutions, through which some form of “manufactured” political consensus might be more possible.

Consensus representation is not unique to Singapore but has been especially acute under the PAP owing to the political dominance of a technocratic elite imbued with intensely elitist and functionalist notions of how public policy issues are defined and addressed. According to current Prime Minister Lee (1999): “In a rapidly changing environment, much of the valuable up-to-date information is held by people at the frontline. Policymakers must draw on this knowledge to understand realities on the ground, and reach better solutions”. Emphasis is on elite problem-solving with better information, while normative choices in public policy are downplayed.

Institutions embodying consensus ideologies were substantially developed from the mid-1980s as PAP leaders sought to ensure effective mechanisms of political co-option in the context of rapid economic and social transformations. The idea was to steer conflicts and reform aspirations arising from development through PAP-controlled parliamentary and non-parliamentary institutions. This included the establishment in 1985 of the Feedback Unit, renamed REACH (Reaching Everyone for Active Citizenry @ Home) in 2007, which has been supplemented by periodic public committees of enquiry, facilitating various forms of public policy consultation. It also included the introduction of nominated members of parliament (NMPs), introduced in 1990. NMPs are appointed by the President on the advice of a Special Select Committee of the Parliament. The PAP depicted NMPs as non-partisan representatives who could transcend combative engagement in favour of constructive public policy contributions.

Following the 2011 election, the government sought to give consensus representation a fillip through the year-long Our Singapore Conversation (OSC) public enquiry launched by Prime Minister Lee Hsien Loong in his National Day Rally Speech in August 2012. Through this “conversation” an estimated 47,000 people were consulted, involving 660 in-person and online “dialogues”. No previous exercise in public feedback gathering had been on anything like this scale. This underlined how important it was for the PAP to project the government as genuinely interested in a diverse range of views and concerns among Singaporeans. Such projections were aided by reports in government-controlled media about the OSC process, highlighting a stylistic shift away from “hectoring” government voices towards a listening mode (Chang, 17 August 2013).

The OSC process was steered by a 26-member Our Singapore Committee, headed by Education Minister Heng Swee Keat and including government ministers and parliamentary secretaries as well as members of PAP-aligned labour and media organisations, but not a single opposition member of parliament. According to Minister Heng, selection of committee members was “not a partisan exercise”, and opposition politicians’ views would be
welcome during the OSC process (in Chang, 15 September 2012). OSC committee member and government member of parliament (MP), Indranee Rajah, contended that “the conversation was apolitical” (in Phua, 18 October 2012). Leading up to the 2015 election, however, the government was at pains to link the OSC to whatever policy reforms it introduced or was considering, and denied that they would be in response to increased electoral support for parliamentary opposition or criticisms and policy suggestions from civil society actors. The message was unmistakable and familiar: the root to reform is by working with the PAP and not by competing with it.

In this vein, Minister Heng pointed to the 2013/14 budget as evidence that OSC was already having policy impact, from a wage credit scheme to the introduction of government-run kindergartens. In his budget speech, Finance Minister Tharman talked about what he gathered from the OSC and how the inputs came in from different ministries and informed changes in various policies (Quek, 12 June 2013). Meanwhile, OSC committee member, Indranee Rajah, slammed the Workers’ Party for its attempt to “claim credit” for the introduction of MediShield Life review committee proposals on health care reform. Indranee said MediShield Life was the sum of efforts of Singaporeans who took part in the Our Singapore Conversation, civil servants and the review committee (Ong, 14 June 2014). In his May 2014 Presidential Address, Tony Tan also declared: “We have heard from the many voices who participated in the OSC (Our Singapore Conversation). We will give substance to these voices, and set out a new way forward for ourselves and our nation.”

The new slogan introduced by PAP leaders to reinforce consensus representation ideology is “constructive politics”. In his 2014 speech, President Tan underlined the need to uphold “constructive politics that puts our nation and our people first” (in Saad, 28 May 2014). Prime Minister Lee told parliament in May 2014 that he believed “constructive politics” included “developing effective policies for Singaporeans, which means solving problems, creating opportunities and making difficult trade-offs to improve lives … putting forward good people to lead and maintaining high standards of integrity and honesty” (Saad, 28 May 2014).

WP leader Low Thia Khiang responded that what the PAP really wants is “compliant politics”: “It [constructive politics] does not happen by the order of the Government. Nor does it happen through a national conversation or public consultation” (in Tham, 27 May 2014). Low added that it requires inculcating political values in youth, building a political culture that is free from bullying, abuse of power or fear, and establishing institutions that are impartial and therefore trusted by the people. With reference to controversial changes introduced in 2013, Low emphasised the continuing authoritarian bent of the PAP that belied its rhetoric about constructive engagement: “The recent extension of media licensing rules to online news sites smacks of ‘compliant politics’” (Tham, 27 May 2014). Similarly, Singapore Democratic Party’s Wong Wee Nam (19 October 2012) was particularly critical of the “managed type of sessions” of the OSC, including TV forums that lacked diversity of political participation and scope for contention (in Phua, 18 October 2012).

Yet, despite the organisations involved in the OSC being heavily skewed towards those that were PAP-related or apolitical civic society groups, this did not totally undermine the government’s projection of its policies as outcomes of an inclusive consultative process. Instead, it availed the PAP of greater control over how feedback was conducted, recorded and, most crucially, interpreted in its impact on government policy. Therefore, by the time
of the September elections in 2015, the PAP and opposition parties presented voters with diametrically opposite claims. The PAP underlined throughout that campaign how new direct engagements between government and the people helped shape key policies. This contrasted with its opponents attributing increased social redistribution and other reforms to the effect of enhanced political competition.

The 9.8 per cent swing to the PAP strongly suggested that the OSC had been an extremely effective mechanism for creatively shoring up the ideology of consensus representation. Certainly this was the conclusion PAP leaders drew, with projections from them in the wake of the election of further bolstering mechanisms for institutionalising consensus representation. Heng Swee Keat (in Sim, 2015), promoted to Minister for Finance in the new government, declared that, in view of the support for and confidence in the PAP voters had shown, the ruling party needed to “engage even more extensively and even more deeply”. Increased public forums and dialogue sessions on specific issues were projected.

Conclusion

The PAP has previously responded effectively to political conflict emanating from social contradictions in Singapore’s model of capitalist development. For instance, there was a swing of 13 per cent to the opposition in 1984 against the background of working-class anxieties over economic restructuring and the reaction to Lee Kuan Yew’s eugenics policies from the enlarged ranks of educated middle-class women generated by economic development. Both institutionally and ideologically, this marked a new phase in the sophistication of the authoritarian regime and its capacity to politically absorb more diverse social forces. Assorted initiatives in state-controlled public policy consultation and the introduction of nominated members of parliament followed. Notwithstanding periodic minor gains by its electoral opponents, the PAP authoritarian regime and capitalist growth continued a remarkably powerful partnership in subsequent decades.

As Singapore entered the twenty-first century, upward social mobility and increasingly high material standards of living for the vast bulk of Singaporeans became more difficult to sustain. Rising income inequalities, declining accessibility and quality of public infrastructure and services, and dramatic expansions in immigration and foreign worker numbers occurred in conjunction with extended forms of PAP social and economic control under state capitalism and deepening economic globalisation. The social contradictions of Singapore’s model of capitalist development reached a new peak. The PAP thus suffered declining support at the 2006 and 2011 general elections as public perceptions of technocratic elite competences became much more sceptical, resulting in increased critical examination of key PAP ideologies. Ruling party leaders therefore tried to ensure that mutually reinforcing ideologies justifying acute concentrations of elite power were viewed as indispensable to the fairer distribution of the benefits of capitalist growth in Singapore that many Singaporeans were demanding.

The results of the 2015 general election appear to once again underline the impressive capacity of the PAP to respond to the political challenges of managing the social contradictions of capitalist development in Singapore. Yet such is the scale and nature of the contradictions of Singapore’s capitalist development now that, even with the best of intent and compassion from existing or emerging policymakers, conflict-free solutions are impossible. Indeed, there has been a discernible recognition of this by PAP leaders during and after the
2015 election, with “trade-offs” and “pain” depicted as inevitable in whatever future social and economic reforms transpire. This is precisely why these leaders see defending and refining core PAP ideologies as so crucial. The social contradictions of capitalist development in Singapore now emphatically highlight the intrinsically difficult distributional politics common to all advanced capitalist economies. The PAP is insistent, however, that the only policy responses that will work for Singapore are those that maintain an acute concentration of power in the hands of a technocratic elite.

Yet we should also be cautious about what recent electoral trends and increased questioning of PAP ideology signify about the nature and direction of political change in Singapore. Increased opposition electoral support in 2006 and 2011 was not indicative of a coherent emerging social or political movement with a clearly defined ideological alternative to the PAP’s authoritarianism. Opposition parties remain small and splintered. Indeed, more new parties emerged at the 2015 polls. Furthermore, notwithstanding the growing significance of social media in contesting PAP ideologies, civil society still lacks collective organisational capacity and links to political parties. The domestic political economy still melds with regulatory and legislative measures to favour political fragmentation of the PAP’s opponents and critics.

What then if the PAP’s redistributive and other policy reforms are insufficient to manage the underlying conflicts emanating from the existing development model? This could rekindle scrutiny of core PAP ideologies, but without enhancing the prospects of democratic change.

Indeed, PAP failure to restore its customary ideological hegemony might result in greater reliance on repressive laws and practices to curtail political dissent and competition. After the 2006 election the PAP consolidated recourse to, and the legislative capacity for, political repression and intimidation. This included the Public Order Act 2009 under which a single person appearing anywhere in public could now be deemed to constitute an illegal “assembly” depending on what authorities anticipated the intent of that person to be. Defamation and other legal actions have been directed not just at blogger Ngerng, but at various other critics and commentators, including satirist Leslie Chew who was charged with sedition in April 2013 over two comics he produced on his Facebook page, entitled “Demon-cratic Singapore”. A licensing system was also introduced in 2013 requiring bloggers and internet service providers disseminating news and public affairs information to deposit a S$50,000 (approximately US$40,000) bond with authorities, which could be surrendered if there were official concerns about the content.

In short, even if the PAP proves less able to manage and contain conflict under this new phase in Singapore’s political economy, its diminished ideological hegemony will not necessarily translate into diminished political domination by the PAP.

Notes

1.  With a still formidable 60 per cent support, the ruling party retained all but six of the 87 seats in parliament in 2011 due to the combined effects of the first-past-the-post voting system and electoral gerrymandering (Tan, 2013).

2.  The exact amount of funds invested by the GIC is not publicly revealed by the GIC. Instead, for many years it has used the phrase “well over US$100 billion” in public statements.

3.  Intimidation includes threats of discrimination in public housing upgrades against wards supporting opposition candidates (Danker, 30 April 2011).

5. Manufacturing’s share of Singapore’s GDP fell from 27 per cent to 18 per cent between 2005 and 2014 (Augustine Tan, 2015).

6. According to the government, its subsidies for housing, health and education amounted to S$3.4 billion by 1994 (see Fernandez, 18 September 1994, p. 5).

7. In 2015, contributions of 20 per cent and 17 per cent of wages were respectively made by employees and employers for all employees aged up to 50 years with slightly different levels and variations for older Singaporeans.


11. Singapore’s foreign reserves increased from US$98 billion in 2004 (ranked 31st globally) to US$273 billion by December 2013 (Tam, 12 August 2014).


16. The major such committees have been The Next Lap in 1991, Singapore 21 in 1998 and the Remaking Singapore Committee in 2002.


18. Ibid.

19. Wong specifically contrasted these with the format of the *Q&A* television program on Australia’s ABC Channel.

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