The Year in Review: Policy and Political Developments in 2018

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Introduction

This document provides a review of key policy and political developments in Singapore in 2018. The information in this document is correct as of January 10, 2019.

The Ministry of Trade and Industry (MTI) reported that Singapore’s economy grew by 3.3 per cent in 2018 (Ministry of Trade and Industry, 2019). The overall unemployment rate for 2018 was 2.1 per cent, while resident unemployment was 2.9 per cent. To compare, in 2017, the overall unemployment rate was 2.2 per cent while the resident unemployment rate was 3.1 per cent (Ministry of Manpower, 2018).

Nominal median gross monthly income from work of full-time employed residents (including employers’ Central Provident Fund contributions) in 2018 was S$4 437, up from S$4 232 in 2017 (Ministry of Manpower, 2019). Singapore’s Gini coefficients in 2018, a measure of income inequality, were 0.458 before accounting for government taxes and transfers, and 0.404 after accounting for government taxes and transfers. Singapore’s Gini coefficients in 2017 were 0.459 and 0.402 respectively (Department of Statistics, 2019).

Singapore’s citizen population grew by 1.0 per cent to reach 3.47 million citizens, while the non-resident population remained relatively constant at 1.64 million. Singapore’s total population was 5.64 million (Strategy Group, 2018).

POLICY DEVELOPMENTS

Budget 2018

On February 20, Finance Minister Heng Swee Keat proposed the national budget for Financial Year (FY) 2018. He outlined three major shifts in the coming decade that the Budget aimed to prepare Singapore for with the first being the shift in global economic weight; the second, the emergence of new technologies; and the third, ageing (Heng S. K., 2018). The Budget was passed on March 1 after the parliamentary debate on it, with 89 Members of Parliament (MPs) voting in favour, and eight MPs from the Workers’ Party (WP) voting against (Chia, 2018a).

One of the highlights of the budget was in the area of housing. It was announced that the Proximity Housing Grant would be extended to singles buying a Housing and Development Board (HDB) flat to live near their parents. Grants for both singles and families buying HDB flats to live with their parents or married children were also raised (Au-Yong, 2018a). Rebates on service and conservancy charges for HDB households were extended by another year as well (Toh W. L., 2018a). Top marginal buyer’s stamp duty for residential properties worth over S$1 million was raised to make the tax system more progressive (Williams, 2018a).

On the economy, it was announced that e-services would be subject to good and services tax (GST) from the beginning of 2020 (Lam, 2018a). The foreign domestic worker levy would be raised from April 2019 (Lam, 2018b), but the previously announced increase in foreign worker levies for the weak-performing marine shipyard and process sectors would be deferred (Ng C., 2018a). To deal with carbon emissions and its harmful effects, an initial carbon tax of S$5 per tonne would be introduced for emitters producing 25 000 tonnes or more of greenhouse gas emissions in a year, although oil and gas corporations Shell and ExxonMobil expressed reservations about its efficacy (Tan A. & Toh W. L., 2018).

A number of schemes and grants to aid businesses were also announced, including the Productivity Solutions Grant (PSG) to provide funding for small and medium enterprises (SMEs) when they adopt off-the-shelf technologies (Williams, 2018b); the Enterprise
Development Grant (EDG) to aid large companies in innovation and internalisation; and the Partnerships for Capability Transformation (Pact) to assist Singapore business in developing strong partnerships locally and abroad (Williams, 2018c). The Wage Credit Scheme, which subsidises wage increases for Singaporean employees earning up to S$4,000 monthly, was extended by three years to 2020, although government co-funding for it will taper off (Williams, 2018d). Furthermore, an additional S$145 million was to be set aside for the Tech Skills Accelerator (TeSA) (Sim F., 2018a), which is a SkillsFuture tripartite initiative “to enhance training and placement opportunities” in the information and communications technology (ICT) industry (SkillsFuture, 2017).

On the education front, Finance Minister Heng announced an increase in the annual Edusave contributions by the government from January 2019. The income eligibility criteria for the Edusave Merit Bursary, Independent School Bursary, and Ministry of Education (MOE) Financial Assistance Scheme (FAS) would also be raised to expand support to students from lower- to middle-income families (Chia, 2018b).

To address Singapore’s ageing population, all social and health-related services for seniors would be consolidated to fall under the purview of the Ministry of Health (MOH). Finance Minister Heng explained that this would help streamline the delivery of services for the seniors. In addition, there would be S$300 million and S$100 million top-ups to the Community Silver Trust and Seniors’ Mobility and Enabling Fund, respectively (Ng H., 2018a).

Regarding government finances, Finance Minister Heng announced that the government was looking to allow statutory boards and state-owned companies to finance infrastructure projects by borrowing from capital markets in order to “distribute the share of funding more equitably across generations” (Cheng, 2018a). He also announced that all Singaporeans would receive a “SG Bonus” of up to S$300 cash due to a budget surplus of S$9.6 billion in FY2017 — a surplus that he emphasised was not “structural” (Toh W. L., 2018b). Nonetheless, as government expenditure on healthcare, infrastructure and security was expected to continue rising, it was announced that GST would be raised from the existing 7 per cent to 9 per cent sometime between 2021 and 2025. To assist lower-income households, the GST Voucher fund would be topped up by S$2 billion (Lam, 2018c).

Reactions

The carbon tax was welcomed by the Singapore Environment Council, which noted it would help Singapore reach its emissions intensity reduction target of 36 per cent, set as part of the Paris Agreement, adopted at the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (Ng H., 2018b). However, ExxonMobil Singapore noted the importance of “affordable energy” to Singapore’s economic competitiveness while Shell said that a flat carbon tax would not incentivise companies to improve energy efficiency. Finance Minister Heng responded that the flat rate was “economically efficient” (Tan A. & Toh W. L., 2018).

Announcements to aid businesses and upskill employees were received positively by a number of business groups and commentators for its future- and growth-orientation (Khanna, 2018a; Ng H., 2018b; Tang S. K. & Ong J., 2018; Woo, 2018). However, others pointed out that the Budget could have been more “specific” and called for more help for loss-making firms, start-ups and SMEs (Tang S. K. & Ong J., 2018). Some also raised the possibility of re-examining Singapore’s tight stance on immigration given its labour constraints, and the possibility of extending retraining schemes to foreign employees (Leow, 2018).
Regarding social issues, the Association of Women for Action and Research (AWARE) criticised the announcements addressing Singapore's ageing population as inadequate for its continued reliance on informal networks of support (AWARE, 2018a), while WP MP Sylvia Lim called for medical insurance schemes to be more equitable for the elderly (Kotwani, 2018). On inequality, former Nominated Member of Parliament (NMP) Calvin Cheng suggested that the government “explore more ways to tax the wealthy” (Tan J., 2018). MP Dr Intan Azura Mokhtar suggested raising personal income tax rates for high-income earners, and raising corporate tax rates for companies with annual revenues in excess of S$1 billion, in order to raise funds for increased social spending (Yuen, 2018a). Non-constituency Member of Parliament (NCMP) from WP, Dennis Tan asked the government to consider equalising the Proximity Housing Grant (PHG) for singles with what married couples were currently receiving (Kwang & Sim F., 2018). Sociologist Teo You Yenn argued that the announcements made during the Budget speech “do not go far enough in committing to reduce income and wealth inequalities”, and added that Singapore’s public policy regime had to shift away from “privileging narrow market values” to being centred around meeting needs (Teo Y. Y., 2018a).

Allowing the borrowing of funds for infrastructure projects was noted as being “innovative” for reducing the burden on government finances, at the same time injecting vibrancy into Singapore’s capital markets. However, commentators also warned of the risks, particularly for projects involving third-parties outside the control of the Singapore government (Cheng, 2018a; Ng K., 2018a).

By far the biggest point of contention was the impending GST increase. The GST hike was noted as being “fiscally sound” (Chua M. H., 2018a; Poh, 2018) and its early announcement a positive in giving businesses time to adjust (Koh G., 2018a; Tang S. K. & Ong J., 2018). However, commentators felt that it was “politically risky” (Chua M. H., 2018a; Ng K., 2018a) especially given the announcement came after a record Budget surplus in 2017 (Toh E., 2018a), making it challenging for the government to persuade the populace of the need for the increase (Koh G., 2018a). Nonetheless, Finance Minister Heng said that it was the “right thing” to do despite the potential political costs (Mokhtar, 2018a).

A number of MPs questioned if all other avenues to raise government revenue had already been explored (Kwang & Chia, 2018). WP MP Pritam Singh and then NMP Kuik Shiao-yin both raised the possibility of increasing the 50 per cent Net Investment Returns Contribution (NIRC) cap instead of GST, although other parliamentarians argued it was prudent to maintain the current cap (Lee J. & Tan J., 2018; Yuen, 2018b). Views for and against raising the NIRC cap were echoed by political commentators as well (Low D., 2018; Tan R., 2018).

There was also controversy over WP MP Sylvia Lim’s statement in Parliament that she suspected the government had floated a “test balloon” to gauge public sentiment during the 2017 People’s Action Party (PAP) Convention and in the run-up to the Budget statement, for an immediate GST hike, but decided against it in view of public opinion (Ng J. S., 2018a; Lim S., 2018). In response, Finance Minister Heng, Law Minister K Shanmugam and Leader of the House Grace Fu called on Ms Lim to apologise and withdraw her statement, noting that her suspicions were baseless and that she was in effect accusing the government of being dishonest (Chia, 2018c; Today, 2018a). Ms Lim refused to do so, countering that while her suspicion “may have been wrong”, it was not baseless (Siau, 2018a), and that she had not accused the government of being untruthful (Lim S., 2018). Ms Fu cautioned Ms Lim that the latter would be referred to the Committee of Privileges should she repeat such conduct in the future (Lay, 2018a).
In Finance Minister Heng’s Budget round-up speech on March 1, he highlighted the transformation of the economy as the most critical challenge facing Singapore (Yahya, 2018a). He also reiterated the need for increased spending in healthcare, security and other social spending, and that the government had to ensure there were sufficient revenues for future needs (Yuen, 2018c). Nevertheless, he gave assurances that lower and middle-income families would receive more help (Yahya, 2018b), and that social mobility was a critical issue the government had to address (Yuen, 2018d). Responding to suggestions to raise income and corporate taxes, he said doing so would go against global trends (Ng J. S., 2018b). He also opposed amending the NIRC framework, calling it “ill-disciplined and unwise” (Yuen, 2018e). Regarding the WP’s proposals, Mr Heng criticised them as “distractions” and accused the WP of falling back on “politically expedient options” (Seow B. Y., 2018a).

Committee of Supply 2018

Following the Budget debate, 2018’s Committee of Supply debate lasted 52 hours over eight days with MPs filing 530 cuts – the longest in the past five years. Key announcements were made in the domains of the education, employment, healthcare and housing.

Education

On March 5, then Minister of Education (Schools) Ng Chee Meng announced that all primary schools would have a non-examinable Applied Learning Programme (ALP) by 2023, which would encourage “exploration, ideation and creativity” (Chia, 2018d). However, commentators expressed scepticism, with one stating that existing high stakes exams could negate the positives of ALP (Jagdish, 2018a), while another argued that ALP should be integrated into the core curricula and be assessed to maximise its effectiveness (Sockalingam, 2018). There was also concern over students’ workloads (Yong J., 2018) but Senior Minister of State Dr Janil Puthucheary assured that MOE would get the “balance right” when introducing ALP (Raman, 2018).

Minister of Education (Higher Education and Skills) Ong Ye Kung also announced that the government expected to provide an additional S$100 million in funding for lifelong learning programmes by institutes of higher learning. In addition, he stated that autonomous universities would be repackaging some courses to award “micro-credentials” which could be “useful in providing a milestone for adult learners to aim towards, and which employers can recognise” (Tang S. K., 2018a). The National University of Singapore (NUS) announced that current and former students would be enrolled for 20 years from the point of undergraduate admission to read courses under the NUS Lifelong Learners programme even after they have completed their undergraduate degrees (Mokhtar, 2018b). However, there was concern if this would feed a “second education arms race” imminently – where individuals compete to collect credentials beyond the “standard” educational qualifications (Ng C. W., 2018) despite Minister Ong cautioning against it (Tang S. K., 2018a).

Employment

Then Manpower Minister Lim Swee Say announced on March 5 that the S$4 500 salary cap of the Employment Act would be removed, resulting in about 430 000 more professionals, managers and executives (PMEs) being covered under the Act. Revisions to the salary cap for Part IV of the Act, where regulations relating to overtime pay are found, were also announced. The revisions would result in about 100 000 additional “non-workmen” being liable for overtime pay (Sim F., 2018b). In addition, new hiring guidelines, an insurance scheme and Medisave model to reduce payment disputes and enhance protections for freelancers were announced by then Second Minister for Manpower Josephine Teo (Cheng, 2018).
2018b; Yahya, 2018c), based on proposals by the Tripartite Workgroup accepted by the government earlier in February 2018 (Today, 2018b).

She also announced a new Career Trial programme as part of the Adapt and Grow initiative, alongside enhancements to the Place and Train (PnT) and Attach and Train (AnT) programmes (Channel NewsAsia, 2018a). The Career Trial programme replaced the previous Work Trial scheme, and increased the maximum training allowance and salary support for individuals and employers respectively (Workforce Singapore, 2018).

The changes to the Employment Act were positively received by all 17 MPs who spoke on them (Yahya, 2018d) and passed in Parliament on November 20 (Sim F. & Mahmud, 2018). Nonetheless, some questioned why the salary cap for Part IV of the Act was raised by only S$100, and the value of the continued distinction between “workmen” and “non-workmen”.

On the same day in Parliament, Minister Teo responded to say that broadening the coverage of Part IV would escalate costs for employers, and so the government had to consider the impact on both employees and employers (Yahya, 2018e). Others called for freelancers to be covered under the Act. Minister Teo responded that freelancers had a different relationship with their service buyers which the government did not regulate (Cheng, 2018c).

Healthcare

Health Minister Gan Kim Yong announced on March 7 that patients who purchase new Integrated Shield Plan (IP) riders had to bear a minimum of 5 per cent co-payment for medical bills, as insurance plans that offered zero co-payment tended to lead to over-consumption and have an overall detrimental impact on healthcare costs (Abu Baker, 2018a). Later, Senior Minister of State Dr Lam Pin Pin clarified that the new requirements would not apply to existing policyholders (Yip, 2018). NUS Business School Associate Professor Lawrence Loh remarked on March 18 that the new requirement was timely due to rising healthcare costs (Loh L., 2018).

A number of community-based healthcare initiatives were also announced, including a community-based pharmaceutical care services pilot, in which pharmacists from community retail pharmacies and polyclinics would visit seniors to assist them with their medication. Commentators agreed that this would benefit the patients particularly the elderly but one challenge would be for the pharmacists to know the full medication background of patients that visit multiple doctors (Sim F. & Abu Baker, 2018). Minister Lam also announced that six to eight new polyclinics would be built by 2030 (Abu Baker, 2018b).

Housing

A number of policies to improve the ease of purchasing a HDB flat for various groups were announced on March 6. First, families with young children living in public rental flats only need to have stayed in the flats for a year, instead of the previous requirement of two years, to qualify to purchase a 2-room Flexi flat under the Fresh Start scheme (Abu Baker, 2018c).

Second, young couples applying for housing loans and grants would be allowed to have their assessment of income deferred, which would reduce the time required to secure a new flat especially if either or both of them are currently studying or serving National Service (NS), or had recently completed either (Sim F. & Chia, 2018).

Third, 2000 more built-to-order (BTO) flats with shorter waiting times – achieved by beginning construction ahead of BTO launches – would be made available in 2019 to expand the variety of options available to buyers (Teng & Tang L., 2018).
Fourth, both parties of a divorced couple would be able to purchase subsidised flats immediately upon divorce so long as they each were able to meet the qualifying requirements – which include having custody of children – whereas previously only one party could do so within three years of divorce. This would mean that in cases where for example, each parent is granted custody of one child each, both would be eligible to purchase subsidised flats immediately. In announcing the new policy, Minister of National Development Lawrence Wong noted that this would smoothen the housing transition and benefit the children, and that the government was mindful of the “diverse range of home-buyers” (Chia, 2018e).

The fourth announcement generated the most reaction. MP Louis Ng hailed it as “a good day for activism in Singapore”, noting that he had previously submitted a Parliamentary petition for the policy change, which was rejected at the time. The move was also lauded by commentators and civil society groups Singapore Women’s Association and AWARE (Au-Yong, 2018b; Teng, 2018). However, AWARE further urged the government to extend the removal of the debarment period to public rental housing, and to further ease the restrictions of home ownership for all divorced parents regardless of their care and control arrangements of their children (AWARE, 2018b).

Debate over housing eligibility of divorcees based on the care and control arrangements of their children was brought up again in Parliament in July, when MPs Louis Ng, Rahayu Mahzam and Alex Yam suggested that divorced parents who are granted shared care and control of a child should both be allowed to list the child as an “essential occupier” – which would allow both to be considered an eligible family unit for a subsidised public housing flat. Senior Parliamentary Secretary for National Development Sun Xueling responded that each person can only be listed in one public housing flat to be “consistent and fair to all HDB flat owners”, but that HDB would “exercise flexibility” if the parents could not agree who would get to list the child as an “essential occupier” (Au-Yong, 2018c).

President’s Address

The 13th Parliament of Singapore which was prorogued on April 3 reconvened on May 7 (Singapore Parliament, 2018). At the opening of its second session, President Halimah Yacob delivered her maiden President’s Address, which the PAP’s fourth-generation (4G) leaders said they were responsible for (Daud, 2018).

Among all the issues that were raised, the President Halimah highlighted tackling social inequality as one of the government’s key priorities, and noted that “in Singapore, people must always be able to get ahead through effort and excellence” (Yacob, 2018). During the Parliamentary debate that followed, Minister of Education Ong warned that social stratification was threatening cohesiveness in Singapore, and it would “poison our society over time” (Ng K., 2018b). PM Lee Hsien Loong emphasised the need for social networks to remain “open and permeable” to prevent elite groups from becoming closed circles (Kwang, 2018a).

Several MPs also suggested changes to education and housing policies to tackle inequality – including encouraging collaboration between students of “elite” and “non-elite” schools (Seow B. Y., 2018b). Minister for National Development Lawrence Wong announced that three blocks of BTO flats currently being constructed will integrate rental and sold flats as part of efforts to tackle inequality (Ng J. S., 2018c), although Institute of Policy Studies (IPS) Senior Research Fellow Leong Chan Hoong warned of potential friction arising from such integration due to differing needs, priorities and values (Paulo & Low, 2018a).
President Halimah also called on the 4G leadership to be willing to make “bold changes” instead of being content with “tweak[ing] things at the margins” when confronting the challenges Singapore would face (Yacob, 2018). Furthermore, she noted that they will “need to listen to the views and feelings of the people” in order to “earn the right to lead” (Yacob, 2018). NUS sociologist Tan Ern Ser interpreted this as a call for the 4G leadership to “build a new social compact” with Singaporeans while IPS Deputy Director (Research) Gillian Koh commented that this was “recognition” by the 4G leadership that they needed to “engage more intently” with the citizenry to identify the issues that resonated with them (Kwang, 2018b).

Then NMP Kuik highlighted the importance of including dissenting views in “national level focus groups, committees, boards, ministries and Parliament” (Kuik, 2018), and warned that opinion polls may overlook “quiet dissent” and present an overly positive assessment. WP NCMP Leon Perera also questioned if the system sufficiently encouraged a diversity of ideas while NMP Kok Keng Leun reminded his fellow parliamentarians that good leadership was about humility in listening to others (Kok, 2018; Seow B. Y., 2018c). In response, Finance Minister Heng acknowledged that the government may not have all the answers to the challenges Singapore faced (Ng J. S., 2018d), and would launch a series of discussions to engage all segments of society. In doing so, Minister Heng said the 4G leadership would “listen with humility and respect” and “consider all views with an open mind” (Tang S. K., 2018b; Tham, 2018a).

Debates on Inequality

In late December 2017, a study by IPS showed that the most salient social divisions in Singapore were based on class, instead of race and religion. It found that Singaporeans were more likely to share social ties with others from a similar educational background or housing type (Yong C., 2017a; Institute of Policy Studies, 2017). In early 2018, Sociologist Teo You Yenn’s book “This is what inequality looks like”, was published and turned out to be a bestseller by the end of the year (Teo Y. Y., 2018b). She highlighted how poor living conditions, lack of employment stability, and the structure of the education system negatively impacted lower-income families’ ability to experience upward social mobility and their children’s ability to excel in school (Jagdish, 2018b). Both sparked off a national conversation on the issue of inequality.

As mentioned in the previous section on the President’s Address, the government stated that it was committed to tackling inequality. Various politicians noted the threat of inequality too. In early February 2018, PM Lee warned that “if widening income inequalities result in a rigid and stratified social system… our politics will turn vicious, our society will fracture and our nation will wither” (Ng J. S., 2018e). Deputy Prime Minister (DPM) Tharman Shanmugaratnam stated that a society segmented into “winners” and “losers” would not be socially or politically sustainable and thus called for investment into ensuring social mobility (Ghosh, 2018). WP MP Sylvia Lim called inequality a threat to Singapore’s solidarity (Kotwani, 2018). These messages resonated with the public and commentators alike. A survey by Channel NewsAsia and OnePeople.sg found that almost half of its respondents selected inequality as the likeliest to cause a social divide in Singapore (Paulo & Low, 2018b). Straits Times Opinion Editor Chua Mui Hoong argued that inequality also had a negative impact on economic growth and efficiency (Chua M. H., 2018b).

One of the main issues of inequality discussed was the lack of social mixing, as illustrated by the IPS study. Since then, there have been calls for policies and initiatives to encourage more social mixing (Yong C., 2017b). Sociologist Paulin Straughan suggested that more resources being channelled into organising community-based events to facilitate social
interaction across class lies although there were mixed reactions regarding the ability of such programmes to achieve that (Ng K. & Toh E. M., 2018). Others pointed out how school admission policies that prioritised affiliation, alumni connections and proximity had contributed the problem, with elite schools disproportionately attracting students from higher-income families (Ng K. & Toh E. M., 2018). PM Lee noted that elite schools had become “less diverse” over time (Ng K. & Toh E. M., 2018), and a report by the Organization for Economic Cooperation and Development (OECD) suggested that nearly half of low-income students in Singapore were concentrated in the same schools (OECD, 2018; Teng A., 2018a). IPS’s Dr Leong suggested that popular schools could be geographically dispersed instead of being clustered in more affluent neighbourhoods, where children from higher-income families would have an advantage through proximity admissions (Leong C. H., 2018). Education Minister Ong acknowledged that more could be done to counter the concentration of higher- and lower-income students in certain schools (Cheng, 2018d).

The ability of education and meritocracy to uplift the less well-off was questioned (Teo Y. Y., 2018b; Yahya, 2018f). The OECD report noted that although Singapore had overall high intergenerational educational mobility, and lower-income students performed well compared to their peers internationally, there was a considerable achievement gap between students from higher- and lower-income backgrounds (OECD, 2018). Education Minister Ong noted that it was the success of meritocracy that had, paradoxically, resulted in “different starting lines” in life (Cheng, 2018e). However, he believed the solution was to reinforce the commitment to meritocracy, and recognise “broader range of skills, talents and strengths” (Cheng, 2018e). He also pointed out that the focus should be on “lifting the bottom” rather than “cap[ping] the top” by providing more opportunities for those from less privileged backgrounds (Ong Y. K., 2018).

To address the effect of different starting points in life, the government has emphasised that it had made an effort to level the playing field in the pre-school years (Hong, 2018). However, sociologist Teo You Yenn argued that without broader changes to the system, the intervention risked “intensifying the education arms race”, explaining that in a highly unequal society, parents would continually seek to advance any advantage (Teo Y. Y., 2018c). Her view was echoed by Professors Linda Lim and Pang Eng Fong, who argued that tweaks to the education system would not reduce inequality that was inherent in Singapore’s economic model (Lim L. & Pang, 2018).

Assistant Professor Ng Kok Hoe drew attention to housing inequality — explaining that those living rental flats had a vastly different experience from those in purchased flats (Ng K. H., 2018). Economist Walter Theseira also suggested that housing asset enhancement policies contributed to inequality, because those who could afford a greater housing investment also reaped far greater rewards when they cashed out on their assets (The Straits Times, 2018a).

Two other international indexes also featured in the debates on inequality in Singapore — The World Bank’s “Human Capital Index 2018” (HCI) and Oxfam’s “The Commitment to Reducing Inequality Index 2018” (CRII), both released in mid-October 2018. While Singapore ranked top in the former (The World Bank Group, 2018), it ranked 149 out of 157 in the latter (Oxfam & Development Finance International, 2018). Singapore’s low ranking in the Oxfam report was largely attributed to its “harmful tax practices”, but the report was rebutted by Finance Minister Heng and Social and Family Development Minister Desmond Lee, who both explained it was more important to consider the outcomes achieved (Channel NewsAsia, 2018b; Lim J., 2018a). Experts noted that the contrasting rankings of the two indexes were the result of different methodologies used and were both valid, and that the Oxfam report did provide useful pointers for Singapore. Professor Guido Gianasso of the
Nanyang Business School also pointed out that the World Bank report did not measure inequality (Yahya, 2018g).

On November 1, 2018, the Ministry of Social and Family Development (MSF) released an occasional paper that reported on the impact of Singapore's efforts and progress at improving social mobility (Ministry of Social and Family Development, 2018). The paper stated that while Singapore’s system was not perfect, it had performed better than most countries. It highlighted the progress in upward mobility in education and housing, and that the Gini coefficient — used to measure income inequality — had fallen over the past decade (Tan T., 2018). The key to tackling inequality and sustaining social mobility, according to DPM Tharman, was to ensure everyone was progressing (Shanmugaratnam & Koh T., 2018).

**Education Reforms**

As noted in the section on inequality, the effectiveness of the education system in ensuring social mobility was heavily discussed. Several education policy reforms were announced during the year, in addition to those announced during the presentation of the Budget and Committee of Supply.

**Admission Policies**

On November 8, changes to the Direct School Admission (DSA) scheme were announced. Acknowledging that the DSA had benefited children from wealthier households, Second Minister for Education Indranee Rajah announced that application fees would be scrapped and applications would be done through a centralised portal. She also noted that general academic ability tests were no longer being administered for DSA selection, and that secondary schools had been allowed to admit up to 20 per cent of their non-Integrated Programme Secondary One intake via DSA in 2018, resulting in 3 000 students receiving DSA offers in that year compared to 2 500 in 2017 (Mokhtar, 2018c; Rajah I., 2018). Sociologist Tan Ern Ser remarked that the revamped scheme was more “inclusive”, while Adrian Danker and Ruby Tan, principals of St Joseph’s Institution and Jurong Secondary School, respectively, said that the centralised portal would improve their ability to attract students from diverse backgrounds (Chia, 2018f).

Polytechnic graduates seeking admission to local universities would also no longer be required to submit their O-level results, a change Minister Indranee said would provide a “better and more current reflection” of the students’ qualifications and “better recognises late bloomers” (Chia, 2018g). The change was well-received by current and former polytechnic students The Straits Times spoke to (Teng A., 2018b). Observers argued that the O-levels should have little or no weightage in university admissions (Yang, 2018).

**Examinations and Pathways**

On September 28, MOE announced that all examinations for Primary 2 students, as well as mid-year examinations for Primary 3 and 5, Secondary 1 and 2 students would be removed (Ministry of Education, 2018). Education Minister Ong explained that the changes would redress the overemphasis on assessment (Ang J., 2018) and that the education system and society-at-large had become over-reliant on the “security blanket” of examinations. He stressed that the changes would not reduce the rigour of the education system (Chia, 2018h). He also announced that class and level positions would be removed from primary and secondary school report cards to show students that “learning is not a competition” (Teng A., 2018c). Reactions of parents were mixed, where some welcomed it for reducing students’ stress, while others argued for the need for proper benchmarks (Ang J., 2018).
Educators, industry professionals and MPs praised the changes but warned that a broader societal mindset change in relation to education and academic achievement was necessary (Kuah, 2018; Mokhtar, 2018d).

There were also calls to remove the Primary School Leaving Examination, or PSLE (Mohan & Yusof A., 2018; Teng A., 2018d). In response, Minister Ong argued that PSLE was the “most meritocratic, and probably the most fair of all imperfect systems” and that it could motivate “poorer students to work hard” (Ong Y. K., 2018). Nonetheless, he noted that the stakes of the examination could be reduced, and a broader definition of merit adopted.

**Uplifting Pupils in Life and Inspiring Families Taskforce (“Uplift”)**

A new taskforce called “Uplift”, headed by Second Minister of Education Indranee, was launched on October 28. The taskforce aimed to help children from disadvantaged backgrounds by tackling school absenteeism and the causes underlying it, to raise their levels of motivation and enable better performance. Minister Indranee stated that its focus would be children in pre-schools and early primary years, based on research that highlighted the importance of intervention in a child’s early years (Davie, 2018a). Sandra Davie, Senior Education Correspondent at The Straits Times, lauded the formation of the taskforce for its emphasis on studying the underlying causes of students’ underperformance rather than offering extra classes and remedial programmes (Davie, 2018b).

**Work Group on Older Workers**

The employability of older workers was in the spotlight in 2018. During the Budget debate in late-February and in after the re-opening of Parliament in mid-May, Deputy Secretary-General of National Trades Union Congress (NTUC) Heng Chee How and NTUC Secretary-General Ng Chee Meng both suggested that a tripartite committee to support older workers be formed (Seow J., 2018; Yahya, 2018h).

In an opinion essay, economics and industrial relations Professor Chew Soon Beng stated that older workers were especially vulnerable to technological disruptions in the workforce, and that firms needed to be incentivised to reskill their workers (Chew S. B., 2018). Manpower Minister Josephine Teo also urged companies to retrain existing staff for new roles (Tham, 2018b). Consultants Dr Michael Netzley and Dr Tomas Klvana, however, warned that retraining itself was insufficient. They argued for the need for enhancing the mental capabilities of older workers through cognitive development programmes, and for older workers to be repositioned to make best use of their talents (Netzley & Klvana, 2018). Likewise, Puneet Swani, a partner at Mercer, extolled the virtues of older workers if deployed the right way (Swani, 2018).

On May 28, it was announced that a new Tripartite Workgroup on Older Workers would examine Singapore’s retirement and re-employment age, the contribution rates to their Central Provident Fund accounts, and the employability of older workers (Teo J., 2018). In support of employing older workers, Prudential Singapore removed its retirement age policy on October 1 (Wong K. Y., 2018).
**National Day Rally 2018**

PM Lee announced new policies in the housing and healthcare domains during his 2018 National Day Rally speech on August 19.

**Housing**

PM Lee announced the Voluntary Early Redevelopment Scheme (VERS) and the Home Improvement Programme 2 (HIP2) during his speech. VERS would allow owners in selected public housing apartment precincts with a remaining lease of less than 30 years to collectively sell their flats back to the government. HIP2 would allow apartment blocks aged between 60 and 70 years old to undergo a second round of heavily-subsidised upgrading.

He explained that VERS would allow the government to redevelop precincts progressively, but that the compensation would “less generous” than for the existing Selective En Bloc Redevelopment Scheme (SERS). He also stated that HIP2 was necessary so that Singapore’s public housing estates did not degenerate (Lee H. L., 2018). In a follow-up announcement on August 20, National Development Minister Lawrence Wong said that the Lease Buyback Scheme would be made available to elderly owners in all public housing flats when previously it had been restricted to those in four-room or smaller flats (Au-Yong, 2018d).

The announcements came after a period of concern over the depreciating value of older public housing flats (Silvam, 2018) which was sparked off by Minister Wong’s blog post in March 2017, in which he cautioned against assuming that all old HDB flats would be automatically eligible for SERS when only 4 per cent of flats had been identified for SERS to date (Wong L., 2017). Commentators pointed out that the narrative of asset enhancement had become ingrained among Singaporeans, partly as a result of government policies, but that the emerging narrative was one of depreciating value, and hence a mindset shift among the populace was needed. Several suggestions were mooted, including applying SERS to all flats or automatically renewing the 99-year leases. However, government agencies and experts noted the high financial cost of doing these and the need to have sufficient land to provide affordable housing for future generations of Singaporeans (Wong P. T., 2018a).

Some analysts commented that the new policies would provide some reassurance to homeowners (Lim J., Wong P. T., & Chua A., 2018), and signalled strong political commitment to public housing (Lin, 2018). Director of the Institute of Real Estate Studies Associate Professor Sing Tien Foo noted that these policies would help slow down the rate of depreciation of older flats. Economist Walter Theseira thought that VERS would provide more options to homeowners looking to sell their flats, and address the danger that the resale market for very old flats could become “effectively non-existent in the future” (Lim J. & Chua A., 2018).

In addition, some analysts also pointed out that the details of VERS were important — including how precincts were to be selected for VERS, how the redevelopments would be paced, and the level of compensation offered (Lim J., Wong P. T., & Chua A., 2018). IPS Senior Research Fellow Fellow Christopher Gee wrote that homeowners should “forget about getting a windfall from VERS” as the government cannot be offering above-market prices to them, and instead view it as an “offer of liquidity” (Gee, 2018a). Vikram Khanna, Associate Editor at *The Straits Times*, argued that housing prices could depreciate due to an oversupply of housing, as demand was projected to shrink as a result of demographic shifts (Khanna, 2018b). A Credit Suisse report also predicted a widening in the price difference between public and private housing over time (Lim J., 2018b). MP Alex Yam noted that
acrimony between residents could result due to differences in desire to sell via VERS (Abu Baker, 2018d).

Healthcare

PM Lee also announced that the Community Health Assist Scheme (CHAS) would be extended to all Singaporeans with chronic conditions regardless of income, and that a new Merdeka Generation Package (MGP) would be introduced to assist with the medical expenses of Singaporeans born in the 1950s. In introducing the MGP, PM Lee said that many who would qualify had similar healthcare concerns as those who qualified for the Pioneer Generation Package (PGP) introduced in 2014, and that “we owe something to them” because they had “lived through the tumultuous years of the ’50s and the early ’60s”. However, he stated that the benefits would be less generous than that of the PGP since the pioneer generation had “much less advantage in life” (Lee H. L., 2018).

In a commentary piece, Director of Future-Moves Group Lee Kok Fatt praised the announcements, explaining that CHAS would reduce the burden on public healthcare services by providing subsidies for healthcare services offered by private clinics. He also noted that CHAS had been “effective in encouraging elderly patients to seek early outpatient treatment for chronic conditions... before they develop into acute conditions that require costly in-patient care.” Thus, extending CHAS to all Singaporeans with chronic conditions would help alleviate the strain the on public healthcare system (Lee K. F., 2018).

Regarding the MGP, Lee said it was “prudent” to subsidise healthcare costs by providing differentiated benefits to different generations based on their needs, without the obligation of doing the same in the future for the more well-off generations (Lee K. F., 2018).

CareShield Life

While the changes to CHAS and introduction of the MGP did not spark much debate, there was far more controversy when CareShield Life was announced earlier in the year on May 27. The existing ElderShield scheme would be enhanced and renamed CareShield Life from 2020 and will offer higher and lifetime payouts to severely disabled residents in Singapore. Residents would begin paying premiums at 30 until the age of 67, and the scheme would administered by the government (Ministry of Health, 2018). Health Minister Gan Kim Yong explained that the name change more accurately reflected the design of scheme which “primarily focuses on long-term care, and it's basically a collective risk-pooling insurance scheme.” Lower- to middle-income residents would also qualify for premium subsidies of up to 30 per cent (Tang L., 2018).

The differentiated premiums for males and females generated considerable controversy. Several MPs raised concerns that it could act as a “double penalty” for women, given that they generally had less savings in their Medisave accounts. In response, Senior Minister of State for Health Amy Khor explained that because women tended to live longer than men, they were more likely to spend more years in severe disability, and the differences in premiums “more accurately reflect the differences in risk” between men and women. Choo Oi San, member of the ElderShield Review Committee, stated that a gender-neutral CareShield Life premium could result in less uptake among men, which would cause the premium to increase further. Insurance economist Joelle Fong noted that having gender-differentiated premiums was the norm for long-term care insurers (Toh E. M., 2018).

However, IPS’ Christopher Gee explained that in national insurance schemes in which residents pool their lifetime risks together, the cross-subsidisation inherent in such schemes was “generally tolerated” because risk-sharing “ensures the most optimal coverage for all"
thus arguing for gender-equal premiums (Gee, 2018b). An online petition calling for gender-equal premiums garnered more than 8 700 signatures in a little more than a week (Yuen, 2018f). President of AWARE Margaret Thomas and former NMP Kanwaljit Soin argued that even though ethnicity and educational background were associated with different likelihood of disability, it would be “unthinkable to peg premiums” to them — “so why should we peg [premiums] to gender” (Thomas & Soin, 2018). Sociologist Tan Ern Ser suggested that the government could retain gender-differentiated premiums but provide subsidies to women instead (Yuen, 2018f), while former NMP Calvin Cheng suggested the government offer a choice to Singaporeans to find out their willingness to pay equal premiums (Toh E. M., 2018).

### Deliberate Online Falsehoods

On January 5, 2018, the Ministry of Communications and Information (MCI) and Ministry of Law presented a Green Paper to Parliament titled “Deliberate Online Falsehoods: Challenges and Implications”, which set out the reasons for appointing a Parliamentary Select Committee to examine the issue of Deliberate Online Falsehoods (DOFs) (Ministry of Communications and Information & Ministry of Law, 2018). The Committee was formed on January 11, and chaired by Deputy Speaker of Parliament Charles Chong. It consisted of 10 parliamentarians in total (Devadass, 2018). The Committee received 170 written submissions and conducted public hearings with 65 representors, which lasted eight days over the period March 14 to 29 (Tang S. K., 2018c).

One of the key issues brought up during the hearings was whether there was need for new legislation to combat DOFs. While some witnesses pointed to gaps in existing laws, there were concerns about whether overly broad laws would be too blunt a tool to deal with DOFs and stifle free speech and democratic deliberation. There was disagreement as to whether and how falsehoods could be appropriately defined by legislation. Several witnesses also suggested non-legislative measures including public education to develop media literacy skills and the setting up of non-governmental fact-checking groups. In two closed-door hearings, experts were said to have presented evidence that Singapore had been the target of state-sponsored disinformation campaigns which threatened Singapore’s national security (Channel NewsAsia, 2018c; Seow B. Y., 2018d; Tang S. K., 2018c).

Social media companies’ role in perpetuating and also containing DOFs was debated extensively. Facebook Vice-President of Public Policy for Asia-Pacific Simon Milner’s three-hour dialogue with Law Minister Shanmugam, who was part of the Select Committee, was one of the hearings that garnered widespread public attention. In his line of questioning, Law Minister Shanmugam raised doubts as to whether Facebook could be capable of self-policing DOFs found on its platform (Tang S. K. & Chia, 2018a; Tham, 2018c). On the issue of removing falsehoods from their platforms, Facebook, Twitter, Google and the Asia Internet Coalition (AIC) all took a similar stance that they were not in a position to be the “arbiter of the truth”. However Facebook stated that it would comply with court orders to remove content that is “locally illegal” while Google similarly stated it would comply with “legal authority” (Chia & Tang S. K., 2018).

Another hearing that garnered widespread public attention was the final one that spanned six hours with historian Thum Ping Tjin. Law Minister Shanmugam questioned Dr Thum’s claims it was the PAP government that peddled falsehoods for political gain, and that there was “no evidence” those hauled up by the government in the 1963 Operation Coldstore and detained without trial had planned a violent communist conspiracy to overthrow the Singapore government (Neo, 2018; Yahya, 2018). In the aftermath of the hearing, 284 academics signed an open letter addressed to Select Committee Chairman Mr Chong.
expressing “deep concern” at the Committee’s treatment of Dr Thum and its implications for “freedom of expression and academic freedom in Singapore” (The Online Citizen, 2018a). However, Mr Chong, citing email correspondences, alleged that the support appeared to have been “primarily engineered” by Dr Thum, and that the information suggested that “there has been a coordinated attempt, with foreign actors involved, to try to influence and subvert our parliamentary processes”, which he called a “serious matter” (Today, 2018c).

On September 19, the Select Committee presented its report to Parliament, in which it provided 22 wide-ranging recommendations to combat DOFs, reflecting the broad input it had received during the consultation process. On legislative measures, the report recognised that while legislation “cannot be a silver bullet by itself” (Select Committee on Deliberate Online Falsehoods, 2018, p. 112), it was required to provide the power to swiftly disrupt the spread and influence of DOFs. Yet it was also recognised that such legislation had to be calibrated to prevent over-reach and the stifling of free speech (Sim R., 2018a). Legislation could also be introduced to make technology companies more transparent and accountable, including having them cooperate in implementing “demonetisation” regimes to mitigate the financial incentives of DOF perpetrators (Yahya, 2018j). On non-legislative measures, it noted public education to be an “essential long-term measure to ensure citizens are well-informed, able to discern truth from falsehood, and able to interrogate information sources effectively and critically” (Select Committee on Deliberate Online Falsehoods, 2018, p. 165). It made recommendations to promote fact-checking and to reinforce social cohesion and trust as well (Mokhtar, 2018e). The report also noted the threat of state-sponsored disinformation campaigns, stating that it had evidence about disinformation campaigns conducted in Asia by “an Asian country” (Select Committee on Deliberate Online Falsehoods, 2018, p. 50). To counter the threat, the report recommended coming up with a “national-level strategy and coordinated approach” (Select Committee on Deliberate Online Falsehoods, 2018, p. 176). On September 20, the government announced that it accepted the Select Committee’s recommendations in principle (Channel NewsAsia, 2018d).

Responding to the recommendations, IPS Senior Research Fellow Mathews Mathew noted that the mix of ground-up and government-led initiatives that were recommended reflected the government’s acknowledgement that it could not tackle DOFs alone. On whether legislation would curtail freedom of expression, experts said that it would depend on the details of proposed legislation, but noted that the laws should be calibrated and have safeguards in place (Mokhtar, 2018f; Sim F., 2018c). With regard to public education efforts, experts said these had to be holistic and go beyond merely inculcating media literacy (Yahya, 2018j). However, law academic Eugene Tan warned that inoculating the public was likely to be the most challenging aspect (Sim F., 2018c). Countering the threat of state-sponsored disinformation campaigns was also flagged as particularly challenging by national security expert Dr Shashi Jayakmar (Mokhtar, 2018f). Two days after the report was published, former Ambassador-at-Large Bilahari Kausikan responded with a Facebook post warning of the threat posed by Chinese influence operations in Singapore (Kausikan, 2018a).

On November 5, alternative news website States Times Review published an article linking PM Lee to the 1Malaysia Development Berhad (1MDB) corruption scandal. On November 9, the Monetary Authority of Singapore (MAS) filed a police report on the article alleging criminal defamation for its “baseless and defamatory” content (Channel NewsAsia, 2018e). On the same day, the Infocomm Media Development Authority (IMDA) issued a notice asking the website to take down the article by 5pm. When the website refused to do so, IMDA directed the Internet Service Providers (ISPs) to restrict access to the website, and it was reported to be inaccessible by about 9pm that day. After access was restricted, its
Australian-based founder Alex Tan announced that he planned to shut the website down (Channel NewsAsia, 2018f).

IMDA requested that Facebook remove a post sharing the article, but Facebook declined to do so. Facebook explained that it “do[es] not have a policy that prohibits alleged falsehoods, apart from situations where this content had the potential to contribute to imminent violence or physical harm” (Teo D., 2018). The Ministry of Law then cited Facebook’s inaction to illustrate the point that legislation against DOFs was needed (Channel NewsAsia, 2018g), while Senior Minister of State for Law Edwin Tong stated in Parliament that “this incident demonstrates why we cannot rely on the goodwill of service provider platforms to protect Singapore from disinformation campaigns” (Chua A., 2018a). However, NUS law professor Simon Chesterman explained that determining truth poses practical as well as ethical challenges for Facebook if it were to self-regulate the content it hosts, while his colleague Professor David Tan also believed it was too onerous for Facebook to verify the truth of content posted by its users. Lawyer George Hwang praised Facebook’s policy for empowering readers to decide for themselves how they wished to respond to what they found on the social media platform (Ang B., 2018a).

In a further development to the case, PM Lee initiated charges against financial adviser and blogger Leong Sze Hian for defamation that was alleged to have resulted from Mr Leong sharing an article on Facebook. The article, written by Malaysian website The Coverage, claimed that PM Lee was involved in the 1MDB corruption scandal. This article was itself based on the article posted by the States Times Review, on November 7. On November 10, IMDA sent a take-down order to Mr Leong, which he complied with. On November 12, he received a letter from PM Lee’s lawyers instructing him to make a public apology within three days and compensate PM Lee for damages. When he failed to do so, PM Lee’s lawyers commenced legal action. According to a report by The Straits Times on December 6, the court documents showed that Mr Leong had shared the article and referred to the title of the article in his caption (Lai, 2018a). However, a report by The Online Citizen (TOC) on December 4 disputed that Mr Leong had included a caption in his post (Xu, 2018). A later report by Today on December 26 also stated that the post was shared without any accompanying caption (Mokhtar, 2018g). Mr Leong rejected allegations that he was acting maliciously to damage PM Lee and that he was “bewildered” as to why the PM was suing him (Lay, 2018b).

On December 26, Mr Leong, represented by lawyer Lim Tean who is also the leader of the newly-formed People’s Voice party, filed both his defence and a countersuit against PM Lee. In his defence, he denied any malicious intent and allegation that what the article stated was true. Mr Leong also stated that the impact of him sharing the article was “minimal and inconsequential”. His countersuit alleged that PM Lee’s defamation suit against him was an “abuse of the process of the court” and that “the predominant purpose of [PM Lee’s] claim is the use of the legal process to chill freedom of expression in Singapore generally and in particular to restrict reporting on any role the government may have had in the 1MDB scandal” (Lai, 2018b; Lam, 2018d; Mokhtar, 2018g). In a further twist in the tale, it emerged that Lee Hsien Yang, the younger brother of PM Lee, had contributed what was a “meaningful sum” to Mr Leong’s crowdfunding campaign for his legal fees (Cheng, 2018f). The cases are currently ongoing.

In a separate case, TOC editor Terry Xu and Mr De Costa Daniel Augustin were charged with criminal defamation over an article the latter wrote that alleged corruption by government officials in Singapore. The article was published on TOC by Mr Xu on September 4. Mr Xu said that IMDA had served TOC a take-down order on September 18,
which he complied with on the same day. IMDA lodged a police report on October 5 (Lim M. Z. & Tan T. M., 2018). Former Straits Times editor Bertha Henson noted in a blog post about the chilling effect this case, together with other developments, had on free speech (Henson, 2018), but Senior Parliamentary Secretary for Home Affairs Amrin Amin insisted the government needed to take a “clear stand” against those who put forth such allegations (Chua A., 2018b). The case is ongoing.

On December 27, Minister Tong revealed that a Bill on DOFs could be tabled by the first half of 2019 (Lee L. Y., 2018).


**Public Order and Safety (Special Powers) Act**

The Public Order and Safety (Special Powers) Act (POSSPA) was first proposed on February 27, and passed into law on March 21. The law gives the police the ability to issue a “communications stop order” during what the Home Affairs minister deems a “serious incident”. Second Minister for Home Affairs Josephine Teo said that the “communications stop order”, which would allow police to stop members of public, including journalists, from taking photos or videos in an affected area and not forward messages about police operations to others (Seow B. Y., 2018e), was necessary to protect the secrecy of police tactical operations (The Straits Times, 2018b). Security studies experts agreed that the new law would aid police operations (Cheong D. D., 2018; Ng K., 2018c). However, civil society groups and parliamentarians raised concerns of public accountability (Mokhtar, 2018h; Rashith, 2018a). Civil society groups also argued for a narrowing of the definition of a “serious incident”, pointing out the definition included sit-down demonstrations that start to “impede the flow of vehicular and pedestrian traffic and interfere with normal trade of business activities in the area” (Rashith, 2018a).

In response, the Ministry of Home Affairs (MHA) explained that the Act is “not intended to be used in a peaceful public order scenario where there is no threat to lives and public safety” (Ng K., 2018d) but justified the inclusion of abovementioned sit-down demonstrations by stating that it was “disingenuous to assert that large-scale assemblies are devoid of violence and injuries”, citing the case of the 2011 London riots that began as a peaceful assembly (Rashith, 2018b). Minister Teo also clarified that it would be an offence for police officers to exercise their special powers to delete footage of misconduct (Mokhtar, 2018h), and that selected media outlets would still be allowed to record footage of an incident that the provision was being applied to (Seow B. Y., 2018f).

**Criminal Law (Temporary Provisions) Act**

On February 6, Parliament voted to extend the Criminal Law (Temporary Provisions) Act (CLTPA) for the 14th time by another five years from October 21, 2019. The law was also amended to grant the Minister for Law the final say on whether detention is necessary, prescribing a list of offences that would come under the Act. Law Minister Shanmugam explained that this provided “more certainty” (Tan T. M., 2018a). MP Louis Ng asked if having the offences listed would dilute need for full explanation on detention, but Minister Shanmugam replied that the Minister for Law would now have to fulfil two criteria — that the grounds for detention were satisfied and the offence was one listed on the schedule (Tan T. M., 2018b).

A few MPs also raised concerns over the lack of judicial oversight. Minister Shanmugam argued that the changes “do not oust judicial review” because the courts could still review
the minister’s decisions based on the traditional tests of illegality, irrationality and procedural
impropriety (Ng K., 2018e; Tan T. M., 2018a). Overall, MP Louis Ng and then NMP Kok
Heng Leun both called into question the necessity of the Act (Tan T. M., 2018b), while
opposition politician Teo Soh Lung argued that such a law “has no place in a modern
society” (Teo S. L., 2018), but Minister Shanmugam pointed out that it was an “essential
tool” for maintaining law and order, and that society had to accept trade-offs (Ng K., 2018e).

Penal Code Review

A total of 169 recommendations by the Penal Code Review Committee were submitted to
the government at the end of August 2018. Among other things, the committee
recommended removing marital immunity for rape, decriminalising attempted suicide,
increasing protections from sexual exploitation of minors, enhancing penalties for abuse of
vulnerable victims, introducing new laws to combat voyeurism, the distribution of sexual
images without consent, and sexual exposure, as well as changing the definition of outrage
of modesty to be gender-neutral (Mokhtar, 2018i; Ong J., 2018a; Tan T. M., 2018c; Vijayan,
2018a).

In AWARE’s submission during the public feedback period from September 9 to 30, it
welcomed the repeal of marital immunity for rape and the decriminalisation of attempted
suicide, but said that sexual assault offences should make clear that the “lack of resistance
and submission to sexual activity, in itself, is not consent as a matter of law.” The Children’s
Society lauded the committee’s suggestions to tackle the commercial exploitation of minors
while the Association of Criminal Lawyers of Singapore (ACLS) called for the abolition of
euthanasia as a crime, Section 377A of the Penal Code, and the death penalty. All three
suggestions by the ACLS were outside the scope of the review (Vijayan, 2018b).

Section 377A

Although not in the Penal Code review, there was extensive debate over Section 377A in
2018. On September 6, the Indian Supreme Court ruled to strike down the law against
consensual gay sex in India. Following that, Singapore’s Ambassador-at-Large Tommy Koh
encouraged Singapore’s lesbian, gay, bisexual, and transgender (LGBT) community to
“bring a class action to challenge the constitutionality of Section 377A”, in his Facebook
comment reacting to India’s decision. These events energised the debate on Section 377A
(Yahya, 2018k). A constitutional challenge was filed against Section 377A by Johnson Ong
Ming on September 12 (Lum, 2018). The court case is ongoing.

From September to October 2018, a flurry of statements and opinions were made by parties
both for and against the repeal. Those for repeal argued that it would help to integrate the
LGBT community into the mainstream in Singapore and alleviate the discrimination they
faced (Goh, 2018; Loh V., 2018; Toh T. W., 2018). Those arguing to retain 377A, notably the
various Christian and Islamic groups, raised concerns that repeal would trigger a “slippery
slope” and threaten the institution of the traditional family unit (Channel NewsAsia, 2018h;
Goh, 2018; Tan T. M., 2018d; Thio, 2018). However, law professor Simon Tay pointed out
that merely permitting an act through legislation did not equate to endorsement of the act by
the state — and hence, concerns of a “slippery slope” were overstated, he argued (Tay,
2018).

Related to that, the opposing sides also disagreed on the role of religion in public discourse,
with those who were pro-repeal arguing that the secular state should not be enforcing
religious dogmas (Koh T., 2018; Mokhtar, 2018j; Rajah V. K., 2018a), while law academic
Thio Li-ann argued that “all citizens have equal rights to participate in public debate, whatever the source of their views” (Thio, 2018).
Another bone of contention was whether the state should criminalise a consensual act between two adults based on a sexual orientation that was innate to them. The repeal camp argued that to do so would be a violation of human dignity (Chua A., 2018c; Rajah V. K., 2018a), especially as the act caused “no harm” (Goh, 2018). However, Professor Thio argued that laws could not merely be based on consent (Thio, 2018).

The enforcement of Section 377A was also debated. While the government repeatedly stated that it would not proactively enforce the law, Attorney-General (A-G) Lucien Wong clarified that the public prosecutor (PP) retained the discretion to charge individuals under Section 377A (Wong J., 2018). Former A-G V. K. Rajah suggested that this was an “unsatisfactory” arrangement, as each PP could have a “different and subjective view of what circumstances merit prosecution” (Rajah V. K., 2018b).

Both the retain and repeal camps launched online petitions to support their positions. The petition to retain Section 377A garnered more than 109,000 signatures when it closed on September 24, 2018, while the “Ready4Repeal” petition garnered 44,650 signatures when it was submitted to MHA on September 28, 2018. In response, the government clarified that it had received the petition but had “no plans to repeal Section 377A” (Ong J., 2018b).

Earlier, Law Minister Shanmugam had explained that while there was a “growing minority” in Singapore that wanted Section 377A repealed, Singapore was a “deeply split society” on the issue and reiterated that the government’s position is in the middle (Ng C., 2018b). In late-November 2018, Blackbox Research released survey findings which suggested that most residents in Singapore favoured retaining Section 377A without enforcement, but also thought that religious views should not influence Singapore’s laws. They were divided on whether repealing 377A would lead to a breakdown of the family unit (Yong N., 2018a; 2018b; Wong C., 2018).

**Surrogacy and Adoption of Children by Same-Sex Couples**

In another court case with implications for the LGBT community, on December 17, the High Court approved on appeal, a gay Singaporean’s application to adopt his biological son whom he fathered through a surrogate mother in the United States. His application to adopt the child had been turned down by a district judge in 2017. In the High Court judgement, the judges wrote that although public policy in Singapore was against the formation of same-sex family units, the welfare of the child was “first and paramount” and would be improved if the adoption were legitimised. Furthermore, the court found that there was no clear public policy against surrogacy (Vijayan, 2018c). In noting that public policy in Singapore regarding surrogacy was unclear, the court urged the government to clarify its stance (Wong P. T., 2018b). In light of the ruling, Minister of Social and Family Development Desmond Lee wrote that the Ministry “will review our adoption laws and related policies, to see if they should be amended and further strengthened” (Lee D., 2018). He also pointed out that while the court had found a lack of evidence that the man had set out to deliberately violate Singapore’s policy against the formation of same-sex family units, the publication of the court’s judgement would mean that “it may be harder for future applications doing the same to argue that they did not intentionally set out to do so” (Rashith, 2018c).

Experts agreed with the court that the government ought to clarify its stance on surrogacy. Sociologist Tan Ern Ser explained that ambiguity surrounding surrogacy would be “to the detriment of child’s welfare” while law professor Thio Li-Ann highlighted the need to safeguard against exploitation of surrogate mothers (Wong P. T., 2018b). Commentators also said that the issue of surrogacy should be considered separately from that of LGBT
rights, and that legislation on surrogacy should not discriminate based on the sexuality of the adopting parents (Wong P. T., 2018b; Yuen, 2018g).

**National Service Deferment for Athletes**

On July 14, it was reported that the Ministry of Defence (Mindef) had rejected footballer Ben Davis’ application to defer his NS commitments, despite him being the first Singapore to sign a professional contract with a top-tier English club. In its statement, Mindef explained that his application “[did] not meet the criteria for long-term deferment from full-time NS” and that “deferments are granted only to those who represent Singapore in international competitions like the Olympic Games and are potential medal winners for Singapore” (Khan & Mohan, 2018; Osman, 2018a). In a follow-up statement on July 18, Mindef said that Ben Davis had “no intention” of fulfilling his NS duties and that approving his deferment request would “seriously undermine the ethos and sacrifice of Singaporeans” (Ministry of Defence, 2018). However, Harvey Davis, the father of Ben Davis, disputed Mindef’s assessment and explained how he had stated that Ben Davis would complete his NS but the only question was one of timing (Osman, 2018b).

The issue triggered a spirited discussion among Singaporeans, and an online petition to grant Ben Davis long-term deferment attracted about 20,000 signatures within a week (Yusof Z. M., 2018). Members of the sporting fraternity voiced their support for Ben Davis and called for greater flexibility from Mindef (Low L. F., 2018; Mohan, 2018; The Online Citizen, 2018b). There was also sentiment that Mindef’s guidelines for deferment disadvantaged athletes in team sports, and that Singapore could look at adopting the South Korean model which allowed for enlistment over a range of ages up to 24, which would allow athletes to concentrate on their development during the crucial phase between the ages of 16 and 21 (Abdul Aziz, 2018a).

However, some spoke out in support of Mindef’s decision, including former diplomat Bilahari Kausikan, who wrote in a Facebook post that Ben Davis’ case was “no different in principle from say, an opportunity to study or work overseas” (Kausikan, 2018b). Former sports journalist Chua Siang Yee wrote in a blog post that Ben Davis was not an “exceptional talent” — unlike Joseph Schooling, who was granted long-term deferment by Mindef (Chua S. Y., 2018). In an opinion essay, law academic Eugene Tan explained the importance of upholding equity in considering deferment applications and hence “the requirements of exceptional talent and national glory must never be flouted” (Tan E. K., 2018a).

In Parliament on August 6, Defence Minister Ng Eng Hen highlighted the importance of preserving equity as well, and thus stated: “Mindef [would] only defer individuals very selectively if their deferment serves Singapore’s interest first and foremost, never their own.” He explained that in Ben Davis’ case, Singapore’s interests were “secondary considerations, if at all” (Siau, 2018b). Minister for Culture, Community and Youth Grace Fu also denied that her ministry favoured individual sports over team sports. She explained that “for team sports, we have to adopt a whole-team development strategy which covers the entire squad of athletes, beyond just an individual athlete” (Abdul Aziz, 2018b).

**SingHealth Cyberattack**

On July 20, the MOH and MCI issued a joint press statement announcing that hackers had broken into SingHealth’s IT system and accessed the data of 1.5 million patients, over the period June 27 to July 4. The hackers specifically and repeatedly targeted PM Lee’s medical records (Ministry of Health & Ministry of Communications and Information, 2018). In a separate statement, the MCI said that the attack was “deliberate, targeted and carefully planned” and “not the work of casual hackers or criminal gangs” (Ministry of...
Communications and Information, 2018). The MCI also said that a Committee of Inquiry (COI) would be convened, chaired by Richard Magnus who is a member of the Public Service Commission. The committee would “establish the events and contributory factors leading to the cybersecurity attack, and the incident response”, as well as “recommend measures to better manage and secure SingHealth’s and other public sector IT systems against similar cybersecurity attacks in future” (Ministry of Communications and Information, 2018).

In the aftermath of the incident, experts suggested that the attack was likely to have been state-sponsored, based on the type of data stolen and resources required to pull off such an attack. Cyberspace security researcher Eugene Tan explained that political motives could have been behind the targeting of PM Lee’s medical records. Senior regional director of security intelligence company LogRhythm Joanne Wong agreed, explaining that the “health records of Singapore’s leadership could be used to cause instability within the country by casting doubts on the health status of our leaders.” However, other experts also pointed out the monetary value of medical records (Choo, 2018a).

Some also pointed out the incident’s impact on citizens’ trust in Smart Nation initiatives. Law professor Simon Chesterman said that that the “real damage... is that it undermines trust”, and thus focusing solely on security in responding to the incident would be a mistake (Chesterman, 2018). Journalist Elgin Toh agreed, saying that the “authorities have to work to uphold public confidence in Singapore’s Smart Nation project” (Toh E., 2018b). To that end, Professor Chesterman suggested that laws to encourage good behaviour and punish bad behaviour in safeguarding privacy could be implemented (Chesterman, 2018). Reiterating the government’s commitment to Smart Nation initiatives, PM Lee emphasised that despite the data breach, “we cannot go back to paper records and files. We have to go forward, to build a secure and smart nation” (Today, 2018d).

The COI hearings took place from August 28 to November 14 in three phases, with the closing submissions heard on November 30. The committee heard from 37 witnesses. On December 31, the COI submitted a report of their findings and recommendations, classified “Top Secret” because of sensitive information, to Minister of Communications and Information S. Iswaran, who is in charge of cybersecurity (Channel NewsAsia, 2018i). On January 10, 2019, the COI released a public version of the report. The report stated that while the attacker was a skilled and sophisticated actor from a “well-resourced group”, the attack was “not inevitable”. Staff at the Integrated Health Information Systems (iHiS) — Singapore’s central IT agency for the healthcare sector — lacked the skills and resources to respond effectively to the attack – which led to “missed opportunities” to prevent data from being stolen. The report also found a number of “vulnerabilities, weaknesses, and misconfigurations” in the SingHealth network and patient database which contributed to the attacker’s success. The report also provided 16 recommendations for combatting cybersecurity threats (Committee of Inquiry into the Cyber Attack on SingHealth, 2019).

**POLITICAL DEVELOPMENTS**

**Leadership Renewal in the People's Action Party**

Three critical events occurred with regard to leadership renewal in the PAP in 2018. The first was the Cabinet reshuffle, which was announced on April 24 by PM Lee. He said that the younger ministers “will head two-thirds of the ministries” and that the leadership transition taking place in the next few years is well underway” (Channel NewsAsia, 2018j). For the three ministers then considered to be frontrunners to succeed PM Lee, Chan Chun Sing was made Minister of Trade and Industry, Heng Swee Keat remained the Minister of Finance,
and Ong Ye Kung remained at the Ministry of Education but as the sole minister rather than sharing the portfolio with a second minister (Chew H. M., 2018). However, as PM Lee had stated earlier on January 26, there were no new Deputy Prime Ministers (DPMs) appointed during the reshuffle (Toh E., 2018c).

In the aftermath of the Cabinet reshuffle, political analysts and observers weighed in on the significance of various portfolios for the person or people who were likely to be the next PM. They agreed that it was important for the next PM to have experience in managing a broad range of ministries to be effective — especially in defence, economic-related functions and foreign policy — but that each of the three frontrunners had gaps in terms of their experience in these key fields. Nonetheless, they recognised that the succession blueprint could be different for the 4G leadership, with a shorter timeline for them to build up their capabilities individually but a stronger emphasis on collective leadership (Ng K., 2018f).

The second event of significance was the PAP’s Central Executive Committee (CEC) election, which was held on November 11. In September, prior to the election, Law Minister Shanmugam remarked that the CEC would be significant in providing an indication of whom the next PM might be. Political observers also noted that potential successors would have to receive strong support from PAP cadres, and be voted into the CEC instead of being co-opted (Mokhtar, 2018k). All three frontrunners were indeed elected into the CEC (Yusof A., 2018a) which led some observers to say that all three were still in the running to be the next PM (Mahmud, 2018). However, PAP cadres said that Education Minister Ong was out of the running as he was not among the seven names recommended by the outgoing CEC for the incoming CEC (Mokhtar, 2018l). In a commentary piece, IPS’ Dr Koh wrote that the transition to the 4G leadership was in “full swing”, with the CEC predominantly made up of 4G leaders (Koh G., 2018b).

The third event of significance was the election of the office-bearers in the CEC, and in particular, the selection of the Assistant Secretary-Generals (ASGs), which would be as a precursor to the Secretary-General position within the party and hence the role of PM. On November 23, it was announced that Heng Swee Keat had been selected as First ASG, and would succeed PM Lee. In turn, Mr Heng had picked Chan Chun Sing to be Second ASG. PM Lee revealed that the younger ministers and political office holders had selected Mr Heng by consensus and that he “support[ed] the decision” (Sim R., 2018b). A total of 32 younger PAP political office holders also issued a statement endorsing Mr Heng and Mr Chan as their leaders (The Straits Times, 2018c), which Dr Koh said underscored the consensus among the 4G leaders, dispelling any notion of division among them (Cheng, 2018g).

Political commentators said that the selection of Mr Heng was not a surprise as he had greater experience and exposure compared to the other 4G leaders, and that Mr Heng had also helmed key initiatives including “Our Singapore Conversation” (Hussain, 2018; Tan E. K., 2018b). Political scientist Bilveer Singh pointed out that as a former Principal Private Secretary (PPS) to Singapore’s founding PM Lee Kuan Yew, he would have been mentored by the “best political teacher” in Singapore. Political analyst Dr Mustafa Izzuddin agreed that Mr Heng has been proven to have the “required political skill-set and diplomatic toolkit” to be the next PM (Chia & Yusof A., 2018). In addition, they highlighted his “ability to listen and communicate effectively” (Chia & Yusof A., 2018) and his “sincere and approachable” public persona (Tan E. K., 2018b) as factors for his selection. Associate Professor Singh also felt that Mr Heng’s non-military background was an advantage (Chia & Yusof A., 2018).

On Mr Heng’s leadership style, political observers noted that they expected him to be consultative and take a consensus-building approach, citing his ability to engage with
citizens, consider diverse viewpoints and bring people together (Cheng, 2018g), a sentiment about him that was shared by Cabinet ministers K Shanmugam and Indranee Rajah (Ang B., 2018b; Au-Yong, 2018e). Mr Heng himself acknowledged it, remarking that “[h]is own sense is that [he is] very open” and that “[h]e listen[s] to all views and [h]e decide[s] what needs to be done” (Mokhtar, 2018m).

The emphasis on collective leadership among the 4G team was also brought up, with Mr Heng highlighting its importance and stating that Mr Chan “complements [him] very well” (Mokhtar, 2018m). Political observers agreed with the importance of Mr Chan and Mr Heng working well together (Chia & Yusof A., 2018). IPS’ Dr Koh said that their contrasting leadership styles would complement each other and that being backed by a strong team would mitigate political risk arising from any health issues Mr Heng might experience, hence dispelling any worries regarding his suitability as the next PM due to previous illness (Koh G., 2018c). Emeritus Senior Minister Goh Chok Tong also concluded that Mr Heng and Mr Chan’s experiences and abilities complemented each other (Tan M., 2018).

Furthermore, Associate Professor Singh and Dr Mustafa predicted that although Heng Swee Keat was designated to succeed PM Lee, Chan Chun Sing could still become PM in the future, succeeding Mr Heng. Dr Mustafa added that Ong Ye Kung would be in contention to succeed Mr Heng as well (Chia & Yusof A., 2018).

**Leadership Renewal in the Workers’ Party**

The leading opposition Workers’ Party (WP) underwent their leadership renewal in 2018 as well. Previously, on November 3, 2017, then WP Secretary-General Low Thia Kiang stated that he would be stepping down in 2018 (Cheong D., 2017a). On February 10, 2018, the party announced that it would be holding its CEC elections early on April 8, in time to start the second Parliamentary term with a new secretary-general. At that time, then ASG Pritam Singh was considered the frontrunner, though it was unclear if there would be other contenders, with Chen Show Mao thought to be a possible one. Political observers remarked that the leadership renewal would give the WP an opportunity to create greater resonance with Singaporeans and signal that it is “doing something fresh and new” (Yahya, 2018l).

On April 8, Pritam Singh was elected as WP’s new secretary-general unopposed. Party chairman Sylvia Lim was also re-elected to her position unopposed, while Mr Low remained in the CEC (Chia, 2018i). After the election, Mr Low said that while that phase of leadership renewal was complete, the renewal process is “never complete” and that WP would need to continue to make the effort to attract younger Singaporeans (Toh E. M. & Siau, 2018).

Although Mr Low stepped down as party leader, political scientist Woo Jun Jie wrote that Mr Low would continue to play a “strong supportive role” advising the younger leaders, while law academic Eugene Tan felt that Mr Low could become even more vocal both in and outside of Parliament, as his views would no longer be taken to represent WP as a whole. IPS’ Dr Koh pointed out similarities between WP and PAP's leadership transitions in that both parties needed to signal their future direction, “and then strengthen and go out and recruit” (Toh E. M. & Siau, 2018). Mothership.SG journalists Belmont Lay and Martino Tan wrote that in Mr Chen deciding not to challenge Mr Singh for the secretary-general position, they were making a public demonstration of party unity (Lay & Tan M., 2018).

**Proposed Opposition Coalition**

On July 28, seven Singapore opposition parties discussed forming a coalition to contest at the next General Election (GE), and proposed that former PAP MP and presidential candidate Dr Tan Cheng Bok, who attended the meeting as an observer, lead the coalition.
Dr Tan said he was open to doing so but had not decided on it yet. The seven parties were the Singapore Democratic Party (SDP), the People’s Power Party (PPP), the Democratic Progressive Party (DPP), the Reform Party (RP), the National Solidarity Party (NSP), Singaporeans First (SingFirst), and the People’s Voice (PV). The WP and Singapore People’s Party (SPP) were not part of the proposed coalition (Yuen, 2018h).

Although the proposed coalition was widely considered to be inspired by Malaysia’s then opposition Pakatan Harapan coalition’s victory in its 2018 General Election, political analysts said that conditions in Singapore and Malaysia were considerably different. First, it was the “egregiously blatant” (Cheng & Choo, 2018) corruption by the then incumbent Barisan Nasional coalition that led to its downfall. This was coupled by “mass disenchantment” (Cheng & Choo, 2018). Second, the PH coalition was far more mature an organisation than the proposed coalition in Singapore. Third, PH was led by former Malaysia PM Dr Mahathir Mohamad, while Dr Tan had only ever been a MP (Cheng & Choo, 2018).

Political observers also noted that the leaders of the various parties would have to set aside their differences and forge a common vision and identity in order to achieve success. Political analyst Felix Tan also remarked that the coalition would have to go beyond just being against the PAP, but also have clear policies and directions to convince voters. The leaders of the various parties appeared to be aware of the need for unity, with SingFirst’s secretary-general Tan Jee Say acknowledging that they would have to reach a “compromise” and adopt a “give-and-take spirit” (Cheng & Choo, 2018).

However, some within the proposed coalition seemed to have different ideas of what the coalition could achieve. While Lim Tean of the PV said that the coalition must “strive to form the next government”, PPP chief Goh Meng Seng acknowledged that the smaller opposition parties were “at rock-bottom”, and hence they needed “a new approach to get a different result”. Political analysts saw this as a last-ditch effort by the parties to avoid fading into political irrelevance. They also pointed out that the absence of the WP and the SPP would lower the coalition’s chances of success, although retired political scientist Hussin Mutalib felt that the coalition could still succeed with credible and united leadership, as well as relevant and timely programmes (Cheng & Choo, 2018). On August 24, three of the parties — DPP, PPP and RP — signed a resolution on greater opposition unity (Tham, 2018d).

**Town Councils’ Lawsuit Against Workers’ Party Members of Parliament**

The hearings for the lawsuit by the Aljunied-Hougang Town Council (AHTC) and the Pasir Ris Punggol Town Council (PRPTC) against WP MPs Low Thia Kiang, Sylvia Lim and Pritam Singh and two other WP members, began on October 5. The lawsuits alleged that the three MPs had breached their fiduciary duties in appointing FM Solutions and Services (FMSS) as the managing agent of the town council, leading to more than S$33 million in “improper” payments to FMSS (Sim R., 2018c). To cover the legal fees and possible damages, the three MPs launched an online fundraising appeal on October 24, and garnered more than S$1 million by October 27, at which point they closed the appeal (Wong D., 2018).

After the 2011 GE when the WP won the Aljunied Group Representation Constituency (GRC) — the first time an opposition party had done so — it took over the Aljunied Town Council (ATC) from the PAP (and subsequently combined it with the Hougang Town Council to form the AHTC). The plaintiffs pointed out that when it took over management of ATC, it relieved the existing managing agent CPG Facilities Management, and appointed FMSS as the new managing agent without a tender. Furthermore, the WP MPs did not disclose to the other town councillors that FMSS would be charging the same rate as the outgoing CPG
Facilities Management. In doing so, the plaintiffs argued that the WP MPs had breached their duty to the town council, which Sylvia Lim admitted to (Ong J. & Chia, 2018). Furthermore, the plaintiffs also alleged that in appointing FMSS, the WP MPs had created a conflict of interest, as FMSS was set up and owned by How Weng Fan and Danny Loh, who were also appointed general manager and deputy secretary of AHTC, respectively, which resulted in a lack of checks and balances in the financial management of the town council (Ong J., 2018c).

The defence rebutted that they had to replace CPG Facilities Management with FMSS because they believed the former would be unwilling to properly manage an opposition town council, based on WP’s previous experiences, although the plaintiffs disagreed with such an assessment. Furthermore, the defence said that it was difficult for opposition town councils to find willing managing agents, thus they turned to FMSS. Therefore, the defence argued that they acted in good faith and in the best interests of their residents, to quickly secure a new managing agent for the town council (Chia & Lam, 2018; Lam, 2018e; Lam & Chia, 2018). Addressing the issue of the conflict of interest, the defence said that the WP MPs were aware of a potential conflict of interest. However, the defence pointed out that this had been the practice of ATC under the PAP as well, in which the secretary of ATC was also managing director of CPG Facilities Management. Furthermore, the defence explained that they had put in place additional checks and balances regarding payments to FMSS. The defence also argued that they were only bound by duties as described in the Town Councils Act, and owed “no fiduciary duties” to the town councils (Lam, 2018e). The hearings ended on October 30 and the case is currently ongoing.

Experts called the case a “landmark case” (Au-Yong, 2018f), because it may establish precedence on whether town councillors owe a fiduciary duty to their town councils, which is not spelt out in the Town Councils Act. They explained that if the court were to rule in the affirmative, there would be significant implications for town councils and town councillors at large; it would mean that “the highest standard of care, diligence and good faith would be imposed on town councillors.” Law academic Eugene Tan argued that town councillors may not be equipped to deal with such statutory duties and legal obligations, resulting in fewer volunteers willing to serve in town councils. Real estate associate professor Yu Shi-Ming also pointed out that it was unlikely a “lay person” would know that “he or she is getting involved in such a serious position of responsibility” (Cheong D., 2017b). In addition, if the WP MPs were to be found liable, they would have to compensate the town councils. If they were unable to do so, they would be declared bankrupt and lose their parliamentary seats.

FOREIGN RELATIONS

There were developments in foreign relations and international trade that had consequential domestic public policy implications.

Singapore-Malaysia Relations

Kuala Lumpur-Singapore High Speed Rail

Following Pakatan Harapan’s victory at the 2018 General Election in Malaysia, in which Dr Mahathir Mohamad was reinstated as Prime Minister, some observers cited the possibility of delays or revisions to the agreed Kuala Lumpur-Singapore High Speed Rail (HSR) project. Dr Mustafa Izzuddin remarked on May 13 that the project was likely to be “completely scrapped” or stalled (Ng K., 2018g). Dr Mahathir had previously pledged to review all mega projects including the HSR that were sanctioned by the Barisan Nasional administration which PH took over from. On May 28, Dr Mahathir confirmed that Malaysia would pull out of the HSR project, citing high costs and lack of benefit to Malaysia. However, Singapore’s
Ministry of Transport said that it had not received “any official notification from Malaysia” of that (Channel NewsAsia, 2018k).

On June 12, Dr Mahathir clarified that the HSR project was postponed but not cancelled, stating that Malaysia “cannot afford it at this moment” (Leong T., 2018a). However, on July 9, Singapore’s Transport Minister Khaw Boon Wan said in Parliament that Singapore had sent a diplomatic note to seek Malaysia’s position on the HSR project on June 1, but had not received a reply. He also explained that because of the lack of clarification, Singapore had to continue with their end of the agreement, and had incurred costs in excess of S$250 million by the end of May 2018 (Kwang, 2018c).

On July 19, Dr Mahathir said Malaysia would negotiate a deferment of the HSR project with Singapore to avoid paying compensation (Leong T., 2018b). The Malaysian government initially informed their Singaporean counterparts that the meeting would take place by the end of July, but on August 6, Singapore’s Ministry of Transport clarified that the meeting had not been scheduled (Channel NewsAsia, 2018l). Eventually, on August 11, Minister Khaw and Malaysia’s Economic Affairs Minister Mohamed Azmin Ali met to discuss the issue (Today, 2018e).

During his National Day Rally speech on August 19, Singapore's PM Lee pointed out that the HSR project was legally binding, and hence “both sides have to carry out what has been agreed to, unless we mutually agree to vary the terms” (Lee H. L., 2018). On September 5, both countries formally announced that they had agreed to postpone the HSR project until May 31, 2020, with Malaysia reimbursing Singapore S$15 million in costs. It was also agreed that Malaysia would bear the costs Singapore would incur in fulfilling the HSR agreement if the project were not resumed by the end of May 2020 (Ministry of Transport, 2018; Yong C., 2018a). Some analysts pointed out short-term losses would be incurred mainly by Singapore, but that there would be long-term gains in stronger bilateral ties by agreeing to the deferment (Choo, 2018b). In an opinion essay on December 14, journalist P N Balji wrote that “Singapore offered very generous terms” in the agreement, which he said could have been a miscalculation in trying to appease Dr Mahathir (Balji, 2018). However, in Parliament on October 1, Minister Khaw called the agreement to suspend the HSR project a “fair arrangement” for both countries, and that it was in the “spirit of bilateral cooperation” that both countries resolved the issue, even though the original HSR agreement contained no provision for deferment of the project (Lim A., 2018a).

Dispute over 1962 Water Agreement

In late June 2018, Malaysia’s PM Dr Mahathir Mohamed revived the longstanding water dispute between Singapore and Malaysia, when he criticised the price of water being sold to Singapore as “ridiculous”. He said that that the 1962 Water Agreement in which Malaysia sold water to Singapore at three Malaysian sen per thousand gallons, needed to be renegotiated (Channel NewsAsia, 2018m; Naidu, 2018). In response, Singapore’s Foreign Minister Vivian Balakrishnan said that Singapore would fully honour the 1962 agreement and expected Malaysia to do the same, highlighting that it was “not an ordinary agreement”, as it was guaranteed by both countries in the 1965 Separation Agreement, which was registered with the United Nations. Furthermore, he reiterated that Malaysia had lost its right to review the price of water under the agreement, as it had chosen not to do so in 1987 when the agreement stipulated it could do so (Yahya, 2018m). Dr Mahathir’s rhetoric, however, stoked up considerable support and nationalist fervour in Malaysia, although political analysts said this was not surprising. One analyst, Dr Mustafa Izzuddin, suggested that it was a tactic by Dr Mahathir to rally and enhance support among Malaysians for the new government, and that Singapore should “remain calm” (Today, 2018f). Nonetheless, Director for Security and
Global Affairs at the Singapore Institute of International Affairs Nicholas Fang cautioned that “water represents a strategic red line” for Singapore, hence the government “takes any questioning of the agreement very seriously” (Fang, 2018).

In an interview published on August 13, Dr Mahathir reiterated his stance, and said that Malaysia should raise the price of water sold to Singapore by more than 10 times (The Straits Times, 2018d). The Singapore government continued to stand firm on its position, with Singapore’s PM Lee stating during his National Day Rally speech that “we must proceed strictly in accordance with its terms”, referring to the 1962 Water Agreement (Lee H. L., 2018). On August 28, DPM Teo Chee Hean said that Singapore was not undergoing any discussions with Malaysia over renegotiating the water price (Chua A., 2018d).

Nonetheless, the Malaysian government persisted with the issue, and on October 31, its Deputy Foreign Minister Marzuki Yahya said that it would attempt to begin negotiations with its Singaporean counterparts (Today, 2018g). On November 12, it was announced that PMs Lee and Mahathir had discussed the water agreement issue during the latter’s visit to Singapore, and that they were willing to have further discussions (Ministry of Foreign Affairs, 2018a).

Airspace and Maritime Dispute

In November and December, airspace and maritime disputes emerged between Singapore and Malaysia. Regarding the maritime dispute, the Malaysia had announced changes to its port limits in Johor Bahru (JB) through the Malaysia’s Federal Government Gazette on October 25. Singapore argued that the extension of the port limits encroached into its territorial waters, which was a violation of its sovereignty, and raised the concern with Malaysia several times, although Malaysia denied that the extension encroached into Singapore’s territory. Singapore also noted multiple intrusions into its waters by Malaysian government vessels in the disputed area. On December 8, Malaysia’s Foreign Minister Saifuddin Abdullah called for both sides to withdraw from the disputed area, but Singapore disagreed, and requested the Malaysian vessels to leave the disputed area and return to the status quo before October 25 (Yahya, 2018n). However, Malaysia said it was unable to accede to the request, and would retain Malaysian vessels in the disputed area until the issue was resolved (Yahya, 2018o). Subsequently, it was announced on December 13 that representatives from Singapore and Malaysia would meet to discuss the dispute in the second week of January (Ministry of Foreign Affairs, 2018b).

Regarding the airspace dispute, the Malaysian government argued that the new Instrument Landing System (ILS) procedures for Seletar Airport Singapore issued on December 1 were introduced without Malaysia’s consent and would jeopardise development in the Pasir Gudang area of JB, due to building height restrictions. Malaysia’s Transport Minister Anthony Loke also said that Malaysia had informed Singapore on November 29 of its intention to reclaim its delegated airspace in Southern Johor in stages (Today, 2018h). However, Singapore’s Transport Minister Khaw Boon Wan rebutted by explaining that the airspace over Southern Johor had been delegated to Singapore’s management under a 1973 agreement, and that Singapore had shared the new ILS procedures with the Civil Aviation Authority of Malaysia (CAAM) in December 2017, and CAAM had not raised any concerns (Teoh & Lim, 2018). Furthermore, Minister Khaw also disputed Malaysia’s claim that the new ILS procedures would impose any additional impact on JB, and said that Malaysia seemed to be using a “technical excuse” to change airspace arrangements in Southern Johor (Yusof A., 2018b). On December 25, the CAAM announced that it would establish a permanent restricted area in the airspace over Pasir Gudang, effective January 2, 2019 (Channel NewsAsia, 2019a). On January 1, 2019, Singapore’s Ministry of Foreign...
Affairs (MFA) announced that the mid-January meeting between Singapore and Malaysia would touch on both the maritime and airspace disputes (Channel NewsAsia, 2019b).

Observers expressed the likelihood that the airspace and maritime disputes were likely to persist for some time under the Malaysian administration led by Dr Mahathir. They noted that Singapore was a convenient “bogeyman” and “punching bag” when the Malaysian government was facing domestic pressure, and that such disputes were distinctive of the brinkmanship of Dr Mahathir. Devadas Krishnadas, chief executive of Future-Moves Group said that the disputes were tests to Singapore’s 4G leadership. However, Peter Mumford, director of the Eurasia Group, warned that these disputes could be damaging for ASEAN as a whole (Lim A., 2018b; Mokhtar, 2018n). In his new year's message, Singapore PM Lee said that disputes with Malaysia would be dealt with “calmly and constructively” to “manage specific problems” while “preserving the overall relationship” (Lai, 2018c).

On January 8, 2019, following the meeting between the foreign ministers of both countries, it was agreed that Malaysia would immediately suspend its permanent restricted area over Pasir Gudang for a month in the first instance, while Singapore would do the same for the new ILS procedures for Seletar Airport. Regarding the maritime dispute, it was announced that a working group would work to de-escalate the situation and provide a platform for further discussions and negotiations (Ministry of Foreign Affairs, 2019). Former NMP Zulkifli Baharudin said that the meeting demonstrated there was political will on both sides to reach a resolution and ISEAS-Yusof Ishak Institute fellow Norshahril Saat felt it was a “good first step” towards that. Dr Mustafa Izzuddin agreed that the measures taken showed a “diplomatic reciprocity”. However, Associate Professor Alan Chong of the S. Rajaratnam School of International Studies added that it was unclear if the meeting was a breakthrough in resolving the disputes, or that it would lead to a prolonged period of calm between the two sides (Lim A., 2019). Singapore’s Foreign Minister Vivian Balakrishnan hailed the meeting as “very positive, very constructive” (Kaur, 2019).

**Singapore’s Standing in Regional and International Affairs**

**Trump-Kim Summit**

On June 12, US President Donald Trump and North Korean leader Kim Jong Un met in Singapore, which was the first time a sitting US President had met with a North Korean leader. In a watershed moment, they signed a joint commitment to the complete denuclearisation of the Korean peninsula (Au Yong & Tan D. W., 2018). As the host country, the summit was of no less significance to Singapore. Straits Times Opinion Editor Chua Mui Hoong wrote that the summit marked “a reputational high” for Singapore, as it attested to its position as an “honest, neutral broker, and as a safe, secure city capable of hosting such a major event” (Chua M. H., 2018c). Financial Times columnist Zhao Lingmin suggested that the choice of Singapore as summit host was “evidence of its rising international influence”, and the successful organisation of the event testament to its efficiency (Zhao, 2018). PM Lee explained that the summit would boost Singapore’s reputation and standing in the international community (Sim R., 2018d).

**ASEAN Chairmanship**

Singapore was also ASEAN chair in 2018, and outlined its manifesto under the tagline “Resilient and Innovative” (Yong C., 2018b). Foreign Minister Vivian Balakrishnan said during a speech in December 2017 that some of its priorities were to boost the connectivity of the region’s peoples and economies through digital innovation, enhance cybersecurity, as well as strengthen the region’s ties with external powers (Yong C., 2017c). Some observers pointed out one of the main challenges Singapore would face was to ensure ASEAN
remained united and cohesive, and maintained a balanced relationship with US and China (Wai, 2017). Lynn Kuok, a non-resident fellow at the Brookings Institution’s Centre for East Asia Policy Studies, warned that strained bilateral relations between Singapore and China could affect its leadership of ASEAN (Kuok, 2018). Others pointed out potential difficulty in getting buy-in from member states for digital initiatives (Wai, 2017). The Rohingya issue was also noted as a challenge (Yong C., 2018b).

On November 11, 2018, ahead of the 33rd ASEAN Summit, which marked the final milestone of Singapore’s chairmanship of the regional bloc, Minister Balakrishnan said that Singapore had “achieved far more than [he] dare[d] to anticipate.” In Parliament on November 19, he highlighted that Singapore had spearheaded the ASEAN Smart Cities Network, which would connect cities to private corporations to develop solutions for sustainable urbanisation (Yahya, 2018p; 2018q). He also noted significant progress in negotiations for the Regional Comprehensive Economic Partnership (RCEP) (Yahya, 2018p), although its conclusion was delayed to 2019 after the countries failed to reach an agreement at the ASEAN Summit (The Straits Times, 2018e). The RCEP is a trade pact involving ASEAN, China, Japan, South Korea, India, Australia and New Zealand. Another key achievement was the formulation of a Single Draft Negotiating Text for the Code of Conduct in the South China Sea, which was agreed between the ASEAN countries and China, and would form the basis for future rounds of negotiations (Yahya, 2018p; Yong C., 2018c).

**Singapore’s Stance on the Multilateral Trade System**

**US-China Trade War**

The US and China had been embroiled in a trade war in 2018, with both parties introducing retaliatory tariffs on each other. On July 9, Minister for Trade and Industry Chan Chun Sing explained in Parliament that Singapore could be impacted directly through tariffs that were applicable to Singapore, and indirectly through disruptions to global supply chains. Furthermore, the trade war could also lead to a slowdown in trade globally (Shiao, 2018). MTI had said on July 3 that the ongoing trade war had “limited” direct negative impact on Singapore’s economy thus far, yet warned of the long run erosion of the multilateral trade system which Singapore is dependent upon. (Ng K., 2018h).

On December 1, China and the US agreed to halt new tariffs for a period of 90 days (The Straits Times, 2018f), which DPM Teo Chee Hean said Singapore welcomed (Yahya, 2018q). However, economists remained cautious in their forecasts for 2019, citing the trade war as a risk factor (The Straits Times, 2018g).

**EU-Singapore Free Trade Agreement**

On October 19, the European Union (EU) and Singapore signed a landmark Free Trade Agreement (FTA), the first between the EU and an ASEAN country, although the FTA had yet to be ratified (Tang S. K., 2018d). The FTA was welcomed by businesses in Singapore. Association of SMEs president Kurt Wee said that it would create a "greater marketplace for [Singapore’s] SMEs in a time when there's a great push towards internationalisation" (Heng J., 2018). Minister of Communications and Information S Iswaran also noted that SMEs in particular would stand to gain (Tang S. K., 2018d). HSBC Singapore managing director Alan Turner noted the “profound” economic benefits the removal of tariff and non-tariff barriers would have (Turner, 2018).

Furthermore, the FTA would also have the concept of “ASEAN cumulation” for key exports from Singapore This would mean that materials sourced from other ASEAN countries by
Singaporean firms would be deemed as originating from Singapore, and allow the final product to considered made-in-Singapore and qualify for tariff concessions, which Turner said would be a boon to the region’s supply chains and “solidify Singapore at the centre of this trade activity” (Turner, 2018). Law professor Locknie Hsu also wrote that it would bolster Singapore’s appeal as a base for businesses (Hsu, 2018). In addition, PM Lee said that the FTA would signal Singapore’s and the EU’s commitment to free trade and cooperation. It could also pave the way for a broader EU-ASEAN trade deal (Tang S. K., 2018e).
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