

Singapore enters new era as founding father Lee leaves Cabinet after historic opposition gains

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The surprise resignation of Singapore's founding father may herald a new, softer approach by the city state's long-ruling government in response to growing opposition voices and voters' desire for a more open society.

But, analysts say, the big question now is whether any substantive changes will be seen following Saturday's announcement that 87-year-old Lee Kuan Yew and his longtime right-hand man, Goh Chok Tong, were stepping down from their Cabinet positions.

"It's not clear whether policy changes will be merely cosmetic in terms of communication, or whether more meaningful changes in direction are likely," said Wei Zheng Kit, an analyst with Citigroup in Singapore.

At the very least, the government has promised a shift in tone away from Lee's my-way-or-the-highway attitude that has helped make Singapore one of the world's wealthiest -- and most tightly controlled -- countries.

His departure after more than five decades comes in the aftermath of a disappointing May 7 election result that represented a major shift for a country where Lee, his son who is now prime minister, and the 69-year-old Goh, are referred to as "the father, the son and the holy Goh."

Lee became prime minister in 1959 and saw the country through self-rule under the British, a two-year federation with Malaysia and finally independence in 1965. He remained in office until 1990, overseeing a period of rapid development that turned Singapore from a sleepy port city into to a modern, virtually corruption-free society that remains a darling of foreign investors.

Goh was prime minister until 2004, when the baton passed to Lee's son, Hsien Loong. Through it all, though, the elder Lee, who tolerated little criticism, was considered by many Singaporeans to be the real power.

His ruling People's Action Party controlled every seat in parliament until 1981, and, in some elections, opposition parties have failed to even contest a majority of seats.

In the latest election, the opposition increased its number of seats from two to six -- that drop in the PAP's percentage of votes that has come as a wake up call.

Lee began the campaign warning voters they would "repent" if they chose opposition candidates. The backlash from those comments put PAP leaders on the defensive.

Days ahead of the vote, the younger Lee gave a rare public apology for government mistakes and sought to distance himself from some of his father's more aggressive rhetoric. He said after the election that the government would change its "style and approach."

"There's a huge adjustment going on in the PAP, and this is just the beginning," said Chua Beng Huat, a sociologist at National University of Singapore. "They have to be much more

accountable to the public. The last election was really an expression of an accumulated sense of powerlessness."

Still, it's unclear to what extent Lee and Goh will be sidelined from power. The two are still members of parliament. The prime minister said Wednesday that his father would step down as chairman of one of the country's two sovereign wealth funds, Government of Singapore Investment Corp., while Goh would resign as central bank chairman. Both will remain as senior advisers at those institutions, however, Hsien Loong said.

"It's an epochal change," he said at a news conference to announce the new cabinet. "They have now decided that it is time for them to step down and leave it to me and my team of younger ministers."

Analysts said they will be watching closely to see if PAP leaders ease strict speech and assembly laws and work with emerging opposition figures. Opposition rallies earlier this month of more than 40,000 people were the first tangible signs of the depth of voter discontent, but such outdoor gatherings are only allowed during the official campaign period, which is usually about nine days every five years.

Some expect the government to shift from its "growth at all costs" economic model and invest more in social programs and tax relief for middle-income and poorer Singaporeans. Many say the well-educated electorate has increasingly bristled at the authoritarian aspects of the government -- and particularly the elder Lee's blunt style.

"Singapore is moving toward more normal politics," said Gillian Koh, a senior research fellow at Singapore's Institute of Policy Studies. "It can't be 'sit down and shut up because you don't know what you're talking about.' Singaporeans want a strong, effective government, but they want checks and balances too."

It's not yet clear if Hsien Loong is prepared to give them that. Though he has held several senior government positions, the 59-year-old has until now toiled largely in the shadow of his legendary father in the eyes of Singaporeans and has mostly expressed a similar vision for Singapore as his dad.

Still, the elder Lee's diminished role should allow opposition parties more breathing space.

Lee has long been dead-set against allowing anything more than a token opposition in Singapore, warning factions would weaken the government, scare off investors and undermine prosperity. From the 1960s to 1980s, he imprisoned suspected communists without trial for years and later bankrupted opposition figures with defamation lawsuits.

"Why should we not demolish them (opposition parties) before they get started?" Lee asked in his 2011 book *Hard Truths*.

The electorate has long allowed the PAP that leeway, as it made good on delivering jobs, housing and education, made Singapore synonymous with efficient, corruption-free bureaucracy and helped boost gross domestic product per capita to \$43,867 last year from \$428 in 1960.

"There is a sense that Lee has achieved amazing things in Singapore," said Benjamin Reilly, a political scientist at Australian National University. "Quite possibly Singapore would not be the success it is without him, not just the PAP, but him."

But the Lees and the PAP have become victims somewhat of their own success. A wealthier and more widely traveled population of 5 million finds it harder to except Lee's argument that without PAP dominance and strict controls on freedoms, Singapore would be ruined.

The annual salaries of Lee and Goh of more than 2 million Singapore dollars (\$1.6 million) also came to symbolize for poorer Singaporeans an out-of-touch government that couldn't relate to struggling with soaring housing costs and stagnant wages.

"I thank Lee Kuan Yew for his service," said Tan Hui Ching, a 42-year-old accountant. "But it's time for him to let go."