

# Singapore's Ruling Party Wins Big in Vote But Faces Complacency Risk

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Singapore's ruling party, fresh off a big win in parliamentary elections, will need to guard against complacency as it heads into its sixth decade of leadership, while the nation's nascent opposition looks to regroup.

Prime Minister Lee Hsien Loong's People's Action Party, bruised by its worst performance in 2011 since independence, fought back in the Sept. 11 poll to boost its share of the popular vote to nearly 70 percent -- the highest since 2001 -- and secured 83 of 89 seats up for grabs.

The PAP saw off a challenge for the first time in every seat among nine opposition parties, who sought to win voters dismayed by rising living costs and an influx of foreign workers who account for about a third of the island's 5.5 million people. But only the Workers' Party won seats -- and even then it lost one it previously held.

## Yearning for Stability

"The results mainly reflect many Singaporeans' yearning toward stability and continuity amidst a worldwide climate of turbulence and economic uncertainty," said Oh Ei Sun, a senior fellow at the S. Rajaratnam School of International Studies in Singapore.

The government wooed back voters with policies including limiting work passes for foreigners and boosting spending on lower-income households and the elderly -- removing several points of differentiation with the opposition. Challenges remain, including managing an aging workforce, doubts over traditional areas of growth such as manufacturing, and the effect that China's slowdown and uneven recoveries in the U.S. and Europe will have on the export-driven economy.

"People who think that this is therefore a mandate to just ride roughshod over the people -- I don't see that at all," Tan Chuan-Jin, Singapore's minister for social and family development, said in an interview on Monday as he identified the aging population as one of the key issues the new government faces. "It's not about telling people what to think, what to do, but really be there sharing the perspectives and allowing Singaporeans to have a peek at behind-the-scenes in the decision process."

## Populist Policies

Having signaled that the ballot was a chance to set out the future leadership of the PAP with the entry of new faces and a post-election cabinet reshuffle, Lee, 63, must manage a potential succession within the party that's ruled Southeast Asia's wealthiest nation since independence in 1965. He may also face pressure to steer the PAP further toward populist policies that could damage Singapore's fiscal bottom line, and to curb foreign labor despite the reliance of some local businesses on such workers.

For the PAP, the win was boosted by one-time factors including celebrations to mark the 50th year of the nation's founding and an outpouring of grief this year for the death of the first and longest-serving premier, Lee's father Lee Kuan Yew.

## **‘Special Factors’**

“There were some special factors at work in 2015,” said Manu Bhaskaran, director at Centennial Group, a policy advisory firm in Singapore. “The secular trend is still that over time, especially as younger voters enter the electorate, the demand for a stronger opposition will grow. So the PAP may have to reconcile itself to losing vote share over time.”

Despite the outcome, it’s notable that 30 percent of the voter population did not support the PAP, said Gillian Koh, a senior research fellow at the Lee Kuan Yew School of Public Policy in Singapore.

“The leaders are cautioned to know that the result does not mean there is no dissatisfaction with it and its policies,” Koh said. “The new candidates that voters have allowed the PAP to bring in will quickly be placed in the junior ranks of government to test them, to give them experience and ultimately to monitor how the ground takes to them.”

The Straits Times Index slipped 0.5 percent, heading for a one-week low. The election result will have a limited impact on the market as it’s unlikely the government will reverse policies on foreign labor or property curbs, Credit Suisse Group AG analyst Gerald Wong wrote in a note.

## **Sending Signal**

The result came as a surprise to the opposition, who believed that voters wanted to “send a signal to the PAP that they wanted change,” said Roy Ngerng, a Reform Party candidate who unsuccessfully contested a seat in the prime minister’s district. Ngerng was found to have defamed Lee and is being sued by him for damages.

“People decided to vote conservatively and had a ‘not in my own backyard’ syndrome: They want more opposition but weren’t prepared to take the risk themselves,” he said. “Essentially people still prefer stability and incremental and slow changes at a pace that they can deal with instead of having massive reforms.”

The opposition must analyze the results to find out what message voters are sending, said Kenneth Tan, vice dean of the Lee Kuan Yew School of Public Policy.

“The opposition parties might conclude that the electorate continues to be conservative in wanting the PAP to form a strong government and the opposition to provide a limited check in the form of a small number of opposition MPs,” he said. “They may scale back their ambitions and contest in fewer constituencies.”

## **Crowded Political Scene**

As the country’s political scene becomes crowded and competitive, more will be expected of the opposition, said Eugene Tan, an associate professor at the Singapore Management University and a former nominated member of parliament. Alongside the traditional media, Singapore has a lively social media scene where locals discuss issues including transport and housing costs.

“They cannot merely be cesspools of political discontentment, but need to show that they have a political value in effecting change or, at the very least, exerting pressure for change with viable policy alternatives,” Tan said.

Even as the opposition grapples with regrouping after the vote, the PAP has signaled it recognizes its own challenges ahead. It is likely to roll out “practical populist policies” while growing the population through immigration at a more palatable speed, said Song Seng Wun, an economist at CIMB Private Banking in Singapore.

“There may be more pro-business policies, but it will probably be calibrated towards a more sustainable path,” Song said. “I don’t think we will go back to the days where it’s all about growth, but keeping pace and taking into account the grouses that cost the PAP votes in 2011 won’t be repeated.”

The 2011 election result reflected an erosion of trust in the PAP that was regained over the last five years, said Inderjit Singh, a former member of parliament in Lee’s district who stepped down in the latest polls after four terms.

“Right now, the ability to solidify this trust is very important,” Singh said. “If let’s say we go back to some of the old ways of doing things that people don’t like, if we lose the trust of the people, it’s not going to come back again so easily as it did this time.”