

Whither the hot-button issues of the previous general election?

Kelly Tay

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HOT-BUTTON concerns like housing, transport and the foreign influx had marked GE 2011, but ahead of the coming general election widely expected to be held soon, there is a relative quiet as far as such issues are concerned. To most objective observers, this is to the credit of the People's Action Party (PAP) government, which has made significant strides in addressing these major problems, although more work remains to be done.

This track record should in theory translate into a stronger showing at the polls - but politics is never quite as simple as that, political watchers say.

For one thing, tangible results from policy changes tend to take time to materialise. It's also next to impossible to achieve outcomes where everyone is better off - stem the influx of foreign labour to address issues of overcrowding, for example, and open the door for businesses that bemoan the shortage of manpower. Every policy has trade-offs.

"I think a fair-minded observer will certainly be able to see that many initiatives have been put in place since GE 2011, and that there is less reason to be unhappy this time around," said Singapore Management University (SMU) law don Eugene Tan. "But whether that will assuage them sufficiently to cast the ballot in favour of the ruling party is another story altogether.

"One may be able to give credit to the PAP for what they've done (and yet) still say: 'We wouldn't have been in this situation if you guys had done a better job' (or) 'It is because there is more opposition in Parliament that you're more sensitive to the concerns of the people'."

Putting this aside, however, the report card shows that the PAP government has made considerable headway in addressing (even if it has not yet fully resolved) the main grouses of GE 2011, in which the PAP won a national vote share of 60.1 per cent - its weakest showing since Independence.

Housing

On the housing front, there seems to be less to gripe about: availability has improved due to a sharp ramp-up in supply, and prices have also come down, thanks to various property cooling measures. The slowdown in foreign inflows has also helped to temper demand.

In terms of supply, from 2011 to 2013, the Ministry of National Development (MND) launched more than 25,000 Build-to-Order (BTO) flats per year. A total of 77,000 flats were built in that period - a record bout of construction. By 2018, the stock will have grown to about 1.43 million housing units, representing an increase of about 11 per cent from the February 2015 figure of 1.28 million.

Still, some homebuyers could be waiting longer to get their BTO keys. According to HDB's InfoWEB site, estimated waiting times for May and February launches range from 38 to 57 months. This is compared to MND's 2010 projection of a 30-month wait for a typical project.

Earlier this year, MND said that waiting times - from booking a flat to collecting the keys - vary according to numerous factors, such as the popularity of the BTO project and applicants' preferences.

What's clear is that the pumping up of supply, together with a slew of measures designed to cool what was then an exuberant property market - including the additional buyer's stamp duty (ABSD), seller's stamp duty (SSD), and total debt servicing ratio (TDSR) framework - have helped with housing affordability. In fact, both public and private housing prices declined for the full year in 2014 - for the first time in 13 years.

Said independent economist Song Seng Wun: "If housing was red-hot on a heat chart in the last election, I would say it's very green now. It will be on the periphery rather than in the centre of the telescope, although now the question will be whether it is time for measures to be tweaked. That just reflects how much sentiment in the market has changed."

Transport

Things are not as clear-cut when it comes to the issue of public transport. With service disruptions still occurring - the most recent and serious being the July 7 breakdown of both the North-South and East-West MRT lines - this is one issue that remains tetchy, observers say.

This is despite significant improvements (and, in some cases, a complete overhaul) of existing transport systems.

Under the government's new bus contracting model - in which routes are tendered out for bidding among operators - at least half of all buses will arrive within 10 minutes, up from 30 per cent today; buses will also need to arrive within a 15-minute interval on any route. With the Bus Service Enhancement Programme, an additional 450 buses will be added by 2017.

As for the rail network, SMRT Corporation and the Land Transport Authority (LTA) have since 2011 embarked on a billion-dollar, multi-year programme to upgrade the North-South and East-West lines. Changes to the 30-year-old train signalling system will see peak-period intervals between trains being cut to 100 seconds from 120 seconds today. Other repair and replacement work will be completed progressively by 2018, and the troubled Bukit Panjang LRT system will undergo an overhaul by 2019. New trains and stations are also in store - 99 new trains will be added by 2019, the full Downtown Line will be complete by 2017, and commuters can begin using the Thomson-East Coast Line by 2019.

Even with this litany of planned improvements, observers point out that commuters may still be disgruntled - firstly, because of on-and-off service disruptions; and secondly, because several years will first have to pass before major enhancements are felt.

Said Mizuho economist Vishnu Varathan: "The plans are obviously concrete - steps have been taken to expand capacity, to make appreciable improvements in terms of frequency. The issue is the sheer gestation period (required for) all the initiatives to pay off."

Foreign influx

The other hot-button issue of GE 2011 pertains to the government's hitherto liberal immigration and foreign worker policy. Because of its wide-reaching effects - it had a part to play in

escalating property prices, in overburdening a crowded transport network, and in growing perceptions of unfair job opportunities for locals - observers agree that the foreign influx formed the most emotionally and politically charged issue of GE 2011.

Said Nanyang Technological University (NTU) assistant professor Walter Theseira: "I think the fundamental issue linking many of the hot-button topics in GE 2011 was immigration, (and its resultant impact on) economic growth in Singapore. To put it bluntly, Singapore's economic growth was driven to a significant extent by the very liberal immigration policies in the last decade, but unfortunately the benefits of that growth were not shared evenly by all Singaporeans.

"That may have contributed to the significant drubbing the PAP received in the polls in 2011 - really significant when you consider that the government did really well in pulling Singapore through the global financial crisis only a few years before."

The government has since implemented a range of tools to tighten the inflow of foreign workers, at every skill tier. These include higher foreign worker levies, dependency ratio ceilings (which cap the number of foreign workers a firm can hire for every full-time local worker it employs), and stricter criteria for S Pass and Employment Pass holders.

Such efforts to reduce firms' over-reliance on foreign labour have produced material results; the statistics bear this out. Foreign employment growth, excluding foreign domestic workers, moderated for the third consecutive year to 26,000, or 2.4 per cent, in 2014 - down from 48,400 or 4.6 per cent the year before. This has marked a dramatic slowing in foreign employment gains - in 2011, this figure stood at 79,800, and in 2008, it was 148,700, according to a Bank of America Merrill Lynch report.

Immigration numbers have also been kept stable, with the government accepting 20,000 new citizens and 30,000 new permanent residents (PRs) annually in the past few years.

Said Barclays economist Leong Wai Ho: "I think it's on the issue of foreigners that the government has done the most and made the most headway, even at the risk of slowing the economy further. It just shows very clearly that they intend to follow through on these policies. Whether or not this will dispel the perception that we are foreign-heavy is something else, but I think they've made important strides towards achieving that rebalancing."

Still, the aggressive tightening has also led to complaints from businesses who criticise the policy response as being too overwhelming, too blunt, and coming too fast.

"It's always a fine balance you tread with policymaking," said Mr Leong. "It's hard to find a policy that makes everyone better off at the same time - somebody has to be worse off."

Mr Varathan agreed: "On the ground, it's inevitable that you will hear a lot of these gripes. Macro policy will never perfectly translate at the micro level, particularly at the firm level."

Other issues

In seeking to reduce Singapore's over-reliance on foreign labour, the government has also taken steps to heighten productivity, retain a Singaporean core in the workforce, and sustain real income growth for a broad base of citizens.

To that end, it has launched a bevy of measures to boost locals' employability, including the Jobs Bank, the Fair Consideration Framework, and the new SkillsFuture initiative.

"These are all very practical things on the ground that address some Singaporeans' concerns about employability even before it becomes a hot-button issue," said Mr Song.

The government has also seemed to pre-empt another potentially fractious issue: that of healthcare costs, especially for the elderly.

Said SMU's Prof Tan: "I think with MediShield Life, the Pioneer Generation Package, and the government's commitment to spend more on healthcare expenditure, I don't expect healthcare to be a major issue. What they've done over the last four years has allowed them to now say: 'We've put in place a lot of measures such that Singaporeans need not worry excessively'."

Earlier this year, the government also introduced the Silver Support Scheme - a permanent initiative which will give quarterly cash payouts of between S\$300 and S\$750 to the elderly poor.

Of course, the PAP government has stressed numerous times that its recent policy shifts predated GE 2011. Said Deputy Prime Minister and Finance Minister Tharman Shanmugaratnam at a recent conference: "It's a bit of an overtold story that there was a sea change after the 2011 General Election. We started a major shift in our policies before that - starting in 2008 and building progressively, step by step reforming our policies aimed at building a more inclusive society, providing better security for the elderly, and working harder at social mobility."

Such policy shifts have helped to alleviate consumer price pressures as well. Just this year, Budget 2015 brought relief through medical subsidies, one-year road tax rebates, and a reduction in the concessionary foreign domestic worker levy.

These have helped to bring inflation readings down to five-year lows (although, admittedly, this was also helped tremendously by lower oil prices). In light of this, some economists say the perennial cost-of-living issue could take a backseat this time around.

But Mr Varathan cautioned that there is a "very fuzzy line between inflation as a concept and affordability". He said: "The distinction here is that no voter is going to take an academic view of inflation and think of it in year-on-year terms. Things can remain and feel unaffordable although on inflation terms, it can be very mild."

Mr Leong agreed, noting that Singapore's negative headline inflation - at minus 0.3 per cent in June - is a "double-edged sword" at best. "It's cold comfort if prices seem to be falling but that's never reflected in your spending habits."

Indeed, the broader point observers share in the run-up to the next general election is this: Proof that voices have been heard and action has been taken is one thing; whether the effort has been felt or deemed sufficient is another thing entirely.

Noted Institute of Policy Studies (IPS) senior research fellow Gillian Koh: "If we assess it based on the lived experiences of these policy changes by the voters on the ground, we will recognise that for many, the full effects of the reforms will not be felt for a while. So voters will have to

understand the changes, and take it on faith that their lives will improve. There are others like housing, where access and affordability for Singapore residents have improved.

"So whether these issues continue to be bugbears on the ground will depend on when the election is called, the effectiveness of implementation, and the ability of the government to convey the intent of these moves to a broad swathe of the population."

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