



IPS Corporate Associates Lunch: Assessing the Outcome of GE 2015

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On 25 September 2015, the Institute of Policy Studies (IPS) organised a Corporate Associates Lunch where IPS Senior Research Fellows Dr Gillian Koh and Tan Tarn How, and IPS Adjunct Senior Research Fellow Manu Bhaskaran offered their analyses of the outcome of Singapore's 2015 General Election (GE). The session, which drew more than 50 corporate associates and IPS staff, was chaired by IPS Director Janadas Devan.

Post 2015 General Elections Analyses

Dr Koh covered three areas in her presentation — the policies the PAP government focused on after GE 2011; the politics and electoral strategies adopted by the parties in GE 2015; and the programme for both the opposition and the PAP now that the elections are over.

She began by giving an overview of how government policies since GE 2011 could have addressed the key concerns of three segments of voters that may have shifted their support away from the PAP then. These three groups were the seniors; younger Singaporeans who were concerned about whether there were enough opportunities for them to upgrade themselves; and the upper-middle income group who were concerned about rising costs.

As for the politics, Dr Koh cited how the PAP had taken a leaf out of the Workers' Party's (WP) playbook by going for deep engagement on the ground. On the other hand, the Aljunied-Hougang-Punggol East Town Council (AHPETC) saga also made the WP look like they could not play the role of an efficient government, which Dr Koh said was important to voters based on findings of the [IPS Post-Election Survey 2011](#). While the need for checks and balances against the governing party and diversity in Parliament were important voting considerations, they were still ranked behind the desire for an efficient government in voter priorities. So this would have cost the WP some erosion of support in the constituencies it held, she pointed out.

Now that the elections are over, planning for political succession and going to the ground and listening even harder is the programme for the PAP, she said. Instead of a fourth-generation Prime Minister, we might be looking at a “three-and-a-half generation one”, she said, adding that this would likely be Heng Swee Keat, the newly appointed Finance Minister, given the posts and profile that he has had. For the WP, she noted their increased parliamentary presence of nine members including Non-Constituency MPs, and said that this represented an opportunity for them to gain good traction if they can make good on the management of local government, be on time with their suggestions and critique of government policy in Parliament.

Mr Tan, covering the social media aspect of GE 2015, noted that compared to GE 2011, the pro-PAP Internet users were more vocal in their support for the incumbent. He referred to this as the normalisation of social media, where the online space reflects offline political sentiments. For example, there are new Facebook groups, such as “Silent No More!”, which propagate pro-PAP news and views, he said.

On why the election outcome seemed to come as a surprise to those who had been actively following social media, he said that we had been “hearing shouts and ignoring whispers”. While Facebook notes and comments seemed to support the opposition, he noted that there had been a rise in Facebook likes for PAP pages and this had been ignored, or less noticed. In the run-up to polling day, a series of messages on instant messaging platforms such as WhatsApp, predicting a sweep for opposition candidates in several hotly contested constituencies, might have steered people to vote for the PAP. On social media, there tended to be an echo chamber effect, as people associated themselves with others who shared their views, while Facebook algorithms might also show up news that one is more inclined to read, he said.

Mr Bhaskaran dedicated his presentation to the state of Singapore’s economy, saying that painful but necessary policy measures had to be taken, but that the PAP should take courage from the mandate they had been given in order to restructure the economy. He cited how various economic indicators — the Purchasing Managers’ Index, manufacturing output and tourist arrival numbers — pointed to the weak state of the economy.

Only in the financial sector are there reasonable signs of growth, he said. Referring to the political uncertainty in Malaysia, he said that there would be “no good outcomes for all involved”, and that he expected Prime Minister Najib to strongly defend his position. As

Malaysia's economy slows, Singapore will be negatively affected as local small-medium enterprises try to take advantage of this and relocate there, he said.

On a positive note, he observed that the US economy was gaining traction, and that falling oil prices mean that the global economy should recover as a result of that. The fundamental economic issue in Singapore is that business costs have escalated well beyond the ability to create value, which has eroded the country's economic competitiveness.

Policy-makers should respond by allowing property prices to fall by as much as 25–30% as sharp rises in property prices have spilled over into all aspects of the cost structure, he said. While acknowledging that competition was keen in the food and beverage, and retail sectors, this was not the case in other sectors and costs were higher than they should be. While some have suggested allowing the Singapore Dollar to depreciate, he disagreed with this view, saying instead that domestic costs should be allowed to fall, which would result in painful, but necessary, deflation.

Question-and-Answer Session

An audience member asked if there would be political difficulties if property prices were to plummet, saying that banks would lose their collateral, and that many young people who had just voted for the PAP would be upset. She also highlighted the issue of immigration, saying that this was often used to explain the stagnation of wages at the bottom, and asked what could be done.

Mr Bhaskaran pointed to low productivity as being a key factor. Companies, he said, had no incentive to be productive because of the large pool of low-cost foreign labour available to them. Labour costs would have to escalate first, businessmen would complain, but companies would inevitably have to adjust, he said. Once productivity growth rises, unit labour costs will come under control, he surmised. Dr Koh said that it would be a "difficult dance", adding that while the PAP was trying to meet public expectations that the numbers be tightened further, productivity growth was "moribund".

Another member of the audience asked whether or not the swing in votes towards the PAP could be attributed to the votes of new citizens. Dr Koh referred to the calculations published in [IPS Research Associate Debbie Soon's article in IPS Commons](#), where she concluded that even under the most generous assumptions and based on available government data, new citizens would have contributed only a "maximum of some 2% to the total pool of

eligible voters, and comprised not more than 14% of the increase in votes for the PAP between GE2011 and GE2015.”

How would the next elections go, considering the fact that there would not be a Lee Kuan Yew or SG50 factor anymore, a member of the audience asked. Mr Tan said that there was a danger that with renewed support for the PAP online, the party might not be able to get a good sense of online sentiment as this could also serve to mask the issues that people were truly concerned about. Without a good sense of the right signals, the government might not be able to respond appropriately, he said. Dr Koh said that the PAP would not be complacent, and that while they were technocratic, they would also be people-centric, she said. What would be an exciting prospect is if the WP were to step up its game now that it has nine members in Parliament, to offer voters a real choice in the constituencies where it might contest the next time around.

IPS’ [post-election conference](#), which will discuss findings from three surveys on different aspects of GE2015, will be held on 4 November 2015.

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