

## **It's a vision thing: S'pore politics to come**

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In 1992, Mr Bill Clinton decisively and surprisingly defeated Mr George H W Bush in the American Presidential elections.

Mr Bush, the scion of political aristocracy, was a highly experienced politician who had just won a major victory in the first Gulf war. Mr Clinton, a generation younger, was from a poor family from a poor state, Arkansas.

The Republican Party had been in power for 16 years and had reshaped American foreign policy, public finance and financial systems.

Mr Clinton was thus an underdog candidate from the underdog party. But he won anyway.

His campaign had two defining themes: "It's the Economy, Stupid" and "It's a Vision Thing". It correctly identified that voters cared more about their personal future economic prospects than they did about past political (ending of the Cold War) or military (Gulf War I) success.

Mr Clinton also had the political instinct to see that voters wanted a shared sense of purpose beyond individual circumstances. Through his power of communication, he gave them a vision of what America could be and could accomplish. He realised that it was not an either-or situation — both economics and vision had to be complementary.

Arguably, Singapore's politics today is dominated by the same themes. The political force which can provide a compelling case on both fronts will eventually prevail, regardless of the advantage of incumbency.

### ***Decision and effect***

Prime Minister Lee Hsien Loong on Monday explained how we arrived at an infrastructure lag. He elaborated on how the decision to augment the labour force and the population was taken in the context of the economically bleak first half of the last decade.

The Gross Domestic Product (GDP) growth is a function of a combination of changes in productivity and labour force growth. Historically, Singapore had productivity-driven growth. Many will remember the productivity campaigns of the 1980s and early 1990s. Productivity-driven growth creates added value for the economy. It also typically expands it in a more stable and sustainable way.

Straightforward labour force injection creates a temporary boost to the economy but can quickly lead to a tail-wagging-the-dog effect. For example, this can be seen in the rapid growth of the food and beverage sector, and the overheating property sector to cater to population growth.

This in turn leads to higher demand for workers in the construction and food and beverage sectors, which then creates its own feedback loop.

The economic growth over the past several years has been almost entirely labour force-growth driven. While this has created a positive GDP, it has come at social, public finance and now political cost.

The social costs are evident in the pervasive sense of unease among Singaporeans, particularly in the heartlands, that their country has changed dramatically and that in myriad ways they are somehow at the losing end.

The public finance cost is in terms of the infrastructure catch up now, required to keep Singapore efficient and the population housed at affordable levels. These costs are not small; they are also exclusively public expenditures and thus will mostly be borne by the taxpayer.

In the context of slow wage growth but high and rising costs of living, this may explain the sense of grievance Singaporeans have. And the political costs are now becoming clear. The weakened showing by the People's Action Party (PAP) in the last General Election, their loss of two by-elections and the electoral swing in the historically safe seat of Punggol East are the price the incumbent Government is paying for its decisions.

### ***Good intentions and execution***

The intentions behind the population augment policy were good and driven by deep anxiety that Singapore had somehow fallen off the growth ladder.

The psychological state of policymaking was rather pessimistic in the early years of the new century as we faced recession after recession (1997, 2001, 2003) and unexpected shocks such as SARS. It was thought that we had to give an adrenaline shot to the economy when its heart seemed to be restarting in 2005.

What should be understood is that the Government was, in hindsight, essentially policy experimenting. It was doing what it thought best and doing it boldly. That is the prerogative of the elected Government.

However, the execution of the policy could have benefited from better pacing and finer calibration. More was also needed in communicating and listening to the ground, as undesired and unanticipated negative side effects made themselves felt.

The ongoing Our Singapore Conversation and intensified engagement at the grassroots suggest that the PAP is trying to improve its political sensitivity. The electoral result in Punggol East suggests it has quite a way to go.

Now that road just got harder.

### ***The vision thing***

The population White Paper which has just been released should be of interest to every Singaporean. The Government is making the effort to communicate its intentions and reasoning. Setting forth a vision and strategy are expressions of political leadership.

Equally, it must be the political duty of every Singaporean to give due consideration to the presented ideas and engage in constructive debate on its merits. That is the expression of political citizenship.

We all have a vested interest in finding a sustainable plan to underpin the economic viability of the country. This is especially so in the context of rapid ageing that is beginning to assert its malignant effects on indigenous labour force capacity and rising healthcare costs.

At the recent Singapore Perspectives conference, Dr Gillian Koh shared the findings of the Institute of Policy Studies' Prism Survey. It clearly showed that Singaporeans want economic growth to have social meaning. Hence, it is not enough for the PAP to make a case for one without presenting a compelling case for the other.

### ***Wider community of thinkers***

The study also showed that Singaporeans — and this may well be for historical reason of the PAP style of governance — have a proclivity to expect the Government to find an answer to every question and to meet every need.

The Prime Minister made a frank admission that his Government lacked foresight in anticipating the infrastructure lag and social unease. This confession was not a sign of weakness but an indication that national decision making today is complex and highly contingent on a wide range of variables — not all of which are foreseeable and not all of which fall within executive control.

We need to have a wider community of thinkers and subject-matter experts contributing to policy formulation. There is also scope for the Opposition, primarily the Worker's Party, to do more than simply oppose the PAP; it should move towards assigning "shadow" portfolios to elected members. This would require them to invest energy into deep policy thinking and expend political capital to put forward alternative ideas in the House.

The parliamentary process already exists to allow for rigorous debate on policies. What we need now is the political imagination and courage on all sides to work on our problems constructively.

This does not hide the political reality that the race is on to show the people who has the "vision thing" for the future. This is a race where being first is less important than being convincing.

The major difference between our past and the future is that a politically viable vision must succeed on the people's terms and not the government's. Welcome to the new world where trickle-down economics meets bottom-up politics.