

Look Ahead 2019: Politics — a key year for leadership transition, possible GE on the cards

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Against the backdrop of the most significant leadership renewal in the ruling party in decades, a few key political events are set to take place in Singapore in the coming months. These include the prospect of the country's 13th General Election (GE) being held.

While the elections are not due until early 2021, political analysts said that there are signs a GE could be called towards the end of this year. The calendar ahead — with a Cabinet reshuffle expected in April or May and bicentennial celebrations all-year round — is conducive should Prime Minister Lee Hsien Loong decide to hold the polls early.

One of the factors could be the state of the economy, although the analysts noted that this was not crucial.

At the People's Action Party's (PAP's) biennial conference in November last year, Mr Lee rallied party activists to start gearing up for the next GE. "PAP did exceptionally well in the last GE, but we can neither rest on our laurels nor take people's support for granted," said Mr Lee, who also noted that this could be the last party conference before the country heads to the polls.

Days earlier, Mr Lee was asked by Bloomberg editor-in-chief John Micklethwait if the commemoration of the 200th year of Singapore's modern founding would be reason enough to bring forward the GE. In response, Mr Lee said: "It's always possible. There are many reasons to bring elections forward or not, so we'll see."

Contacted by TODAY, several opposition parties had previously said that their GE preparations were underway, and they would be ready should snap elections be called in 2019.

The term of Singapore's current Parliament will expire by Jan 15, 2021, but it may be dissolved at any time before the expiry of its five-year term by President Halimah Yacob on the advice of the Prime Minister. The GE must be held within three months of the dissolution of the Parliament.

While there have been media reports of public servants being called up for election training, the sure sign of imminent polls is the setting up of the Electoral Boundaries Review Committee.

For the 2006 and 2011 GEs, public servants were called up for training about 18 months and 31 months respectively before the polls were held.

In the previous GE held in 2015, this took place about 11 months before the elections. The committee was set up in May that year, with its report submitted two months before polls were held in September 2015.

The analysts believe that the conditions are ripe for a GE to be called.

For one, the PAP's fourth-generation (4G) leadership succession is complete, with Finance Minister Heng Swee Keat expected to take over the reins of the party and the country from Mr Lee.

Then, there is the economy. Despite troubling factors such as the ongoing trade war between the world's two major economies of the United States and China, Singapore remains on course for growth in 2019.

Domestic issues to be addressed

There are also no pressing national matters which are unsettled, aside from perennial bread-and-butter concerns such as cost of living and longer term work-in-progress issues including social mobility.

Still, former PAP Member of Parliament (MP) Inderjit Singh said that the PAP Government should not underestimate negative voter sentiments over the rising cost of living.

He noted that "all along, we have been selling Singapore as a first-world nation matching Swiss standards". He added: "Why should people not expect a better standard of living that is affordable?"

It is more important to look at the level of purchasing power, rather than just income growth, he said. While wages have gone up, he pointed out that costs have increased at a faster rate, resulting in lower purchasing power. That could potentially lower further with a Goods and Services Tax (GST) hike on the horizon, he added.

The GST is set to increase from 7 per cent to 9 per cent some time between 2021 and 2025.

Dr Gillian Koh, deputy director of research at the Institute of Policy Studies, noted that cost of living will remain a key issue that the PAP Government will need to deal with "whatever the broader, strategic issues or historical record it calls upon in its campaign". This comes on the back of the rise in utilities cost, coupled with the upcoming GST raise.

"It will be important to watch how the 4G leaders address these pocketbook concerns, which come not just through market forces, but through policy decisions," she added.

This is why all eyes will be on the Budget this year.

Political analyst Felix Tan, an associate lecturer at SIM Global Education, said that there is a high chance new initiatives will be announced at the Budget to alleviate the cost of living. But these could be one-off measures which may not be enough in the event of an economic slowdown, he said.

In his New Year Message, Mr Lee said that Singapore's economy could grow between 1.5 and 3.5 per cent this year, but he warned that growth could be slower due to major global uncertainties.

Noting the "very healthy" fiscal positions of the Singapore Government, economist Selena Ling with OCBC bank said: "There is some room for a generous budget if indeed elections will be called earlier."

Another public concern, the worries over the lease expiry of older Housing and Development Board flats, for example, were assuaged to some extent by Mr Lee during the National Day Rally in August last year when he announced the broad strokes of the steps which the Government is taking.

Uncertain external environment

On the external front, the ongoing disputes between Singapore and Malaysia could work in the PAP's favour, should an election be called in the months ahead, the analysts noted.

Apart from perennial issues including the price of water and the proposed crooked bridge at the Causeway site, new disagreements over airspace and maritime boundaries have arisen in recent months.

Weighing in on the fresh disputes for the first time, Mr Lee stressed in his New Year Message that these matters need to be dealt with "calmly and constructively".

Mr Singh noted that when Singapore's sovereignty and security are perceived to be under threat, voters tend to throw their support behind the PAP, and come the elections, they will look for a tried-and-tested party that has steered the country through many such situations before.

In the same vein, analysts said that the ongoing trade between the US and China could be a wild card that sees Singaporean voters adopt a "flight to safety" mentality, if the global economic situation worsens.

Law lecturer Eugene Tan from the Singapore Management University said that an economy "buffeted by deteriorating external conditions is more likely" to work in favour of the PAP, as this could better focus minds on which party can better secure Singapore's future in light of severe economic conditions.

Still, the economic factor could be a double-edged sword, said political scientist Bilveer Singh from the National University of Singapore (NUS). Noting that the global economic situation could worsen amid the trade war, he said an economic downturn in Singapore could hold political implications if the Government is blamed for "mismanagement". It is "better (for the PAP) to go in early than late" and call a GE before the situation gets worse, he added.

Mr Inderjit Singh said that the ruling party typically calls for a GE under two scenarios. One is where the country is facing economic and security uncertainties. In such a situation, the electorate "will typically want a tested and stable government with a good track record of performance", he reiterated.

The other scenario is where the ground is sweet and the mood of a majority of Singaporeans is positive. "This is when the economy does well and the Government shares surpluses with Singaporeans by giving out money and other grants. PAP expects that the electorate will reward them for a job well done," he added.

On whether the ground is "sweet" enough for the ruling party, SMU's Assoc Prof Tan pointed out that the question is "more of whether the ground will get sweeter or less sweet after 2019".

"I would say that there's still work to be done for the PAP Government, and it would be presumptuous to conclude that the ground is sweet," he said. "As I see it, 2019 is about the PAP pulling all the disparate strands together so that it can go to the hustings with as good a report card as it can get."

He reiterated that elections are won in the period between two elections, where voters would "assess how the PAP has governed and how they assess the next four to five years for them and for Singapore".

Ge timing: the key factors

Here are what the experts said on the potential considerations:

The economy

One would typically assume that a strong growth for both the global and domestic economies would provide a conducive environment to call for elections. But that is not necessarily the case for Singapore, said OCBC economist Selena Ling, who pointed to previous GEs held against a backdrop of economic turbulence and slowdown.

For example, a GE was held in Nov 2001, just two months after the 9/11 terrorist attacks in the United States, which resulted in a sharp economic slowdown, including in Singapore. The last GE, in 2015, was held against the backdrop of a "very modest moderation in domestic growth momentum from the preceding year to the election year", Ms Ling noted. Singapore's economy grew 2 per cent in 2015 — which was, at the time, the weakest rate of growth since 2009. "What this means is that a supportive global and domestic growth environment, as opposed to tumultuous global markets and harsh economic realities, is probably not the most important or only consideration," said Ms Ling.

4G leadership transition

Previously, TODAY reported that the upcoming Cabinet reshuffle — expected to take place after Budget, which is traditionally unveiled in February or March — will be more "substantive and strategic", with analysts saying then that changes in the education, defence and foreign affairs portfolios could be on the cards.

SIM Global Education's Dr Tan said that with an eye on the polls, Mr Lee would assess whether the incumbent ministers have "steady hands" to steer their respective ministries before deciding whether they will stay put or will be rotated. "For example, (before the GE) can we put a 4G leader in the transport portfolio which is hugely sensitive and can be difficult to manage?" he added.

Should the Cabinet reshuffle take place in, say, April, this leaves a short runway for any new appointment holders to prepare for the GE at the end of the year.

Nevertheless, this should not have much of a bearing on the timing of the elections, they said, noting that Mr Heng has already been identified as the leader of the 4G cohort. "We will be operating in a setting of a short runway and that is a new given, and I don't see it as a problem," said NUS' Assoc Prof Singh.

Mr Inderjit Singh pointed out that the 4G leaders have a platform to "shine" during the Budget debates early next year. Ahead of the Cabinet reshuffle and potentially a GE later on the year, the younger leaders can show their potential through the policies which they plan to implement and how they handle the debates, he added.

Bicentennial commemoration

Next year will mark 200 years since Singapore was founded by Sir Stamford Raffles, with a slew of commemorative events lined up in the coming months.

Mr Lee had previously said that the country will "appropriately" commemorate the occasion, which he described as one for Singaporeans to "reflect on how our nation came into being, how we have come this far since, and how we can go forward together".

The analysts noted that such milestones have been leveraged to good effect by the PAP, with the most recent being the golden jubilee (SG50) celebrations in 2015. In the GE held in September that year, the PAP garnered 69.9 per cent of the vote share — its highest since 2001.

While the bicentennial commemoration would create "feel-good sentiments", the analysts noted that the impact would likely not be as great as the SG50 celebrations.

SG50 had marked a nation coming of age, the analysts noted, and coincided with the death of Singapore's founding father and first Prime Minister Lee Kuan Yew.

Even so, the analysts said that the PAP could use the chance to showcase what it has achieved in governing the country. They noted that 2019 also marks the 60th year of the PAP's uninterrupted rule.