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# SINGAPORE IN 2005

## *“Vibrant and Cosmopolitan” without Political Pluralism*

===== Garry Rodan  
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### Abstract

Prime Minister Lee Hsien Loong’s controversial decision to introduce casinos as part of the “remaking” of Singapore’s economy was accompanied by officially tolerated public criticism of that decision. Yet, other attempts at organized protests and political expression on a range of issues were subjected to the customary suppression that underlines the government’s continued resistance to political pluralism.

### Politics

Prime Minister Lee Hsien Loong’s May Day 2005 message emphasized the need for Singapore to continually “reinvent” itself to remain economically competitive. This, Lee explained, was why the government was pushing ahead with the unpopular introduction of casinos to Singapore in a strategy to “add to the buzz and excitement of a 21st century Singapore.”<sup>1</sup> This theme was repeated in his National Day message in August: “We also need to remake our city, so that it is vibrant, cosmopolitan and throbbing with energy.”<sup>2</sup> In October Lee also made it clear that this effort did not portend a liberal democratic trajectory, but his speech was sprinkled with rhetoric projecting a future Singapore characterized by openness and transparency.

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1. “To Stay Ahead, S’pore Has to Continually Reinvent Itself,” *Straits Times Interactive*, May 1, 2005, <<http://straitstimes.asia1.com.sg/sub/storyprintfriendly/0,5578,314463-1114984740,00.htm>>.

2. “Prime Minister Lee Hsien Loong’s National Day Message 2005,” <[www.straitstimes.asia1.com.sg/mnt/media/image/launched/2005-08-08/ndpspee](http://www.straitstimes.asia1.com.sg/mnt/media/image/launched/2005-08-08/ndpspee)>.

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The government's handling of the debate over casinos suggested that Lee's rhetoric wasn't entirely hollow. Not only did government-controlled media offer uncharacteristic space for criticism of the casinos idea but a measure of protest by non-governmental organizations was also tolerated. This included initiatives of Families Against the Casino Threat in Singapore (FACTS), whose online petition quickly attracted 29,000 names and identity-card numbers—significant in a country where fear of political retribution from the ruling People's Action Party (PAP) remains high. In October the government put its draft Casino Control Bill online to receive public feedback.

However, there were special considerations in the casino controversy. Not only was opposition too extensive to completely dismiss, but also casinos are a sensitive issue among socially conservative supporters of the PAP. Gaming is not a cause célèbre among liberal reformers. The government has been especially keen to avoid alienating ethnic Malays whose opposition to casinos is based on Islamic grounds. Ironically, then, Prime Minister Lee demonstrated in 2005 that some of the basic imperatives supposedly acting against political liberalism—religious and ethnic sensitivities—could be managed by greater tolerance of criticism and opposition. However, this concession was neither extended to liberal critics of the PAP nor to others attempting to circumvent established social and political controls.

Internet weblogs (or blogs), for instance, came in for thematic scrutiny by authorities. By their nature, blogs pose a problem for control over Internet usage: they lack moderators, system administrators, and web content managers for authorities to monitor, filter, or warn. The blog of Chen Jiahao, former beneficiary of a government scholarship to study at the University of Illinois at Urbana-Champaign awarded by the Agency for Science, Technology and Research (A\*STAR) was at the center of one controversy. Chen criticized the scholarships as overly restrictive, contending that scholarship holders were being managed as economic resources rather than as human beings. In response, A\*STAR's chairman, Philip Yeo, threatened a defamation suit unless Chen apologized. Chen acceded to Yeo's demands and shut down his blog. The Paris-based group Reporters without Borders observed, "Such intimidation could make the country's blogs as timid and obedient as the traditional media."<sup>3</sup>

Other blogging controversies included the "flaming" (insulting) of school teachers by students, resulting in suspensions and blog removals.<sup>4</sup> The strongest reminder from authorities that this medium was not immune from existing laws came in response to racist remarks against ethnic Malays. The Sedition

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3. Quoted in John Burton, "S'pore Threatens to Sue Internet Dissenter," *Financial Times* (London), May 8, 2005, <<http://www.singapore-window.org/sw05/050508ft.htm>>.

4. Sandra Davie and Liaw Wy-Cin, "Schools Act against Students for 'Flaming' Teachers on Blogs," *Straits Times Interactive*, September 27, 2005, <<http://straitstimes.asia1.com.sg/storyprintfriendly/0,5578,343207-1127858340,00>>.

Act—not used since 1966—was invoked to convict Benjamin Koh, 27, and Nicholas Lim, 25, the former sentenced to a month's jail and the latter jailed for a day and fined US\$3,000.

It was not just blogging that incurred the wrath of authorities. The Board of Film Censors invoked the Films Act to have Martyn See's "Singapore Rebel" documentary on political dissident Chee Soon Juan withdrawn from the Singapore International Short Film Festival. The act bans the making, distribution, and showing of films containing "either partisan or biased references to or comments on any political matter" and provides for a two-year jail sentence or a US\$60,000 fine. Police seized See's camera and tapes and are investigating the filmmaker and his associates—a process documented on See's blog <singaporerebel.blogspot.com> where he also calls into question the discriminatory application of the act. See contends that his film is no more political than "Success Stories: Lee Kuan Yew," broadcast several times on government-controlled television stations in 2002. Political activist Yap Keng Ho has also filed a police complaint against Singapore's national broadcaster MediaCorp for allegedly violating the Films Act by screening that program and "Up Close" in 2005 featuring Prime Minister Lee and four other PAP ministers.

The year also witnessed attempts by some of the PAP's opponents to challenge select government policies, laws, and aspects of governance through informal political action, emphasizing peaceful protest and at times civil disobedience. Cherian George has argued that the PAP's political success owes much to "calibrated coercion" in managing dissent,<sup>5</sup> with coercion selective and targeted rather than general and crude. But in the face of this new protest strategy, authorities' repressive reflexes were highlighted, rendering the political regime's coercive elements ever more visible.

In May, for instance, authorities barred the Thai international expert on non-violent protest Yeshua Moser-Puangsuwan from entering Singapore to speak to this topic, arguing that "Singapore's politics are reserved for Singaporeans." Similar reactions were aroused by protests over the death penalty following the sentencing to death of Shanmugam Murugesu, a sole parent of teenage twins who was convicted of possessing one kilogram of marijuana. The city-state has one of the highest per capita levels of executions in the world, with more than 400 prisoners hanged since 1991. Authorities barred Amnesty International from speaking in April at a forum opposing the death penalty and the use of Shanmugam's image in publicity material advertising an August protest concert.

It was also in August that a dozen anti-riot squad police wearing helmets and knee-high protective gear and armed with shields and batons formed a

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5. Cherian George, "Managing Civil Disobedience," *ibid.*, October 10, 2005, <<http://straitstimes.asia1.com.sg/sub/storyprintfriendly/0,5578,345860-1128981540,00>>.

phalanx in front of the Central Provident Fund (CPF) building in the city center. This was not in reaction to a security threat but to four silent protesters wearing T-shirts and carrying placards demanding greater transparency and accountability in the use of public funds. The CPF, Housing Development Board (HDB), Government Investment Corporation of Singapore (GIC), and National Kidney Foundation (NKF) were the focus of their protest. Although the protesters did not appear to violate the public Entertainment and Meetings Act, they were dispersed and their T-shirts and placards confiscated for “causing a public nuisance.”

Prior to this, the NKF had been embroiled in controversy over the use of donations and the accuracy of disclosures about the charity’s reserves. Chief executive officer T. T. Durai’s US\$360,000 annual salary, first-class travel perks, and lavish office fittings, first revealed in a *Straits Times* article, precipitated a public outcry and also a defamation suit by Durai against Singapore Press Holdings. Durai withdrew the case after it went to court. Although the NKF is not a state body, its patron is Tan Choo Leng, the wife of Senior Minister and former Prime Minister Goh Chok Tong. Durai and his board resigned.

Formal politics was not without controversy during 2005, notably arising from the end of the first term of S. R. Nathan as the elected president of Singapore. The largely ceremonial position also carries potential veto powers over senior civil service appointments and expenditure of the country’s financial reserves. Nathan was persuaded by the government to run for a second term. Meanwhile, none of the other three prospective candidates was able to satisfy the Presidential Elections Committee (PEC) that they met the stringent eligibility conditions, which almost by definition prevent anyone outside the PAP establishment from qualifying. On this occasion, though, maverick PAP member Andrew Kuan attracted considerable scrutiny in the lead-up to the PEC’s decision on candidates. However, Kuan’s performance as chief executive officer at a state corporation was questioned by a former colleague, the media, and senior PAP leaders and failed to impress the PEC. Consequently, Nathan began a second term as an elected president, albeit without an election.

## Economy

Losses of around US\$550 million to the Singapore-listed oil derivatives firm China Aviation Oil (CAO) at the end of 2004 pushed Singapore’s economic regulators into damage control at the start of 2005. Questions of corporate governance failure regarding the timing and veracity of company disclosures were raised by the demise of this state-owned Chinese company. Subsequently, 15 charges, including forgery and insider trading, were laid against CAO’s chief executive officer, Chen Jiulin, with assorted charges made against four other CAO executives. A rescue plan announced in December involved a joint

venture by CAO parent China Aviation Oil Holding Co., BP, and Temasek Holdings, with respective funds injections of US\$75.77 million, US\$44 million, and US\$10.23 million.

The city-state's economy also got off to a comparatively slow start. The first quarter real gross domestic product (GDP) growth rate of 2.5% fell well short of forecasts, principally because of a downturn in U.S. demand for manufactures. However, impressive gains were made in the second and third quarters to the manufacturing sector in general (and electronics and pharmaceuticals in particular) as U.S. demand picked up. Consequently, the government revised its annual growth forecast upward from its original range of between 3.5% and 4.5% to around 5%, consistent with private-sector economists' projections and ultimately reported 5.7% growth for the year.

Morgan Stanley's Daniel Lian, hitherto a leading critic of Singapore's structural dependence on manufacturing and high domestic savings rates, pronounced that the government's strategy was being vindicated. In particular, he lauded the strategic promotion of offshore investment by government-linked companies.<sup>6</sup> Temasek announced in October that it spent US\$7.8 billion during the year to March 2005, four times the US\$2.0 billion spent in the previous two years' acquisitions. This didn't include Temasek's attempt at its largest offshore investment in China to date of S\$ 5.3 billion (US\$3.1 billion) to purchase 10% of the Bank of China. Whether the deal will proceed remains unclear after the China Banking Regulatory Commission announced a two-bank ownership ceiling for foreign investors. Temasek already has a 5.1% stake in China Construction Bank and 4.55% in Minsheng Bank.

Job growth in 2005 was impressive. By the end of September, 78,200 new jobs had been created, already outstripping the 2004 total of 71,400 and bringing the unemployment rate down to 3.3%. Yet, while many new jobs were created in high-paying professional positions in pharmaceuticals and biotechnology, retrenchments of unskilled and semi-skilled workers in manufacturing increased. In conjunction with structural unemployment, the government envisages the widening wage gap between rich and poor to continue as a consequence of competitive global pressures. Accordingly, Prime Minister Lee launched the US\$33 million ComCare Fund during the year, comprising an endowment of US\$300 million, with the aim of providing some relief for the most needy. Targets include family breadwinners who are unemployed, parents unable to afford kindergarten fees, the elderly poor, and the disabled.

Ambitious plans for Singapore as an education hub received a setback late in the year. Having been approached by the Economic Development Board to consider establishing a comprehensive campus in Singapore, Britain's Univer-

6. Kelvin Wong, "Govt's Strategies for Singapore Economy Working," *ibid.*, August 9, 2005, <<http://straitstimes.asia1.com.sg/sub/storyprintfriendly/0,5578,333464-1123624740,00>>.

sity of Warwick decided after 12 months' deliberation against proceeding. This was because of the academic freedom concerns of its faculty and cost issues.

### Foreign Relations

Close defense ties between Singapore and the U.S. were consolidated with the formal signing in Washington in July of the Strategic Framework Agreement. This incorporates plans for annual strategic talks, more joint military exercises, and extended cooperation in military research and development. Negotiations toward the agreement began in 2003 within the context of the post-9/11 attempt to contain terrorism. The strength of the bilateral relationship didn't prevent, and may have facilitated, comments in October 2005 by outgoing U.S. Ambassador to Singapore Frank Lavin. He criticized the limitations on free speech in Singapore, asking: "In this era of Weblogs and Webcams, how much sense does it make to limit political expression?" Lavin cautioned that "governments will pay an increasing price for not allowing full participation by their citizens."<sup>7</sup>

In the followup to initiatives last year to try and resolve a string of long-standing disputes between Singapore and Malaysia, an agreement was signed in April to settle issues concerning land reclamation. Under the deal, Singapore will make some adjustments to the reclaimed shoreline and cooperate with Malaysia to ensure navigational safety and environmental protection. Progress on the issue of a proposed new bridge linking the two countries was slower despite meetings between senior government leaders during the year. The Singapore government is seeking to ensure that there will be a balance of benefits to both sides before it gives any go-ahead. This appears to be an oblique reference to talks toward the resumption of access to Johor airspace in southern Malaysia by Singapore military aircraft that continued without resolution during 2005.

Singapore's mandatory executions for serious drug offenses led to extensive diplomatic and bipartisan political representations and public appeals for clemency from Australia for 25-year-old Australian Nguyen Tuong Van. Nguyen was caught in possession of 396 grams of heroin at Changi Airport's transit lounge in 2002 while en route from Cambodia to Melbourne. The fact that Nguyen had never entered Singapore, cooperated with police to provide information on Asian drug syndicates, showed genuine remorse, and had become a drug mule only to earn money to pay his drug-addicted brother's debts were considered mitigating factors by Australian government and opposition leaders, members of Parliament, and signatories to petitions presented to the

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7. Franklin L. Lavin, Farewell Speech, Eisenhower Fellows Dinner, October 11, 2005, <<http://singapore.usembassy.gov/speeches/2005/Oct11.shtml>>.

Singapore government. However, ultimately the close ties developed between Canberra and Singapore in recent years didn't carry much weight and Nguyen was hanged on December 2.

In the process of the controversy, Singapore's image in Australia for bureaucratic efficiency and meticulous attention to detail by its political leaders suffered. After making a private plea to Lee Hsien Loong during the APEC meeting in South Korea, Australian Prime Minister John Howard had to learn from reporters that Nguyen's mother was already in receipt of the Singapore government's decision letter. By this time, opposition foreign affairs spokesperson Kevin Rudd asserted that Australians had been treated with contempt.<sup>8</sup> The Singapore government's refusal to allow Nguyen's mother to hug her son before the execution was also criticized by Howard as "clinical" and "disappointing." Although he ruled out any diplomatic action against Singapore and did not encourage boycotts against Singapore goods, Howard predicted that the execution "will have an effect on the relationship on a people-to-people, population-to-population basis."<sup>9</sup>

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8. Dennis Shanahan and Patrick Walters, "PM Warns Singapore on Van," *The Australian*, November 21, 2005, pp. 1, 2.

9. "PM Attacks 'Clinical' Singapore," *Sydney Morning Herald* online, December 2, 2005, <<http://www.smh.com.au/news/national/pm-attacks-clinical-singapore>>.