



DEVELOPMENTS IN SINGAPORE 2004

**Presentation to Singapore International Foundation's
6TH Overseas Singapore Clubs Forum**

by

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**SIF'S 6TH OVERSEAS SINGAPORE CLUBS FORUM:
DEVELOPMENTS IN SINGAPORE IN 2004**

Good afternoon ladies and gentlemen.

Introduction

In preparing for this evening I tried to put together a presentation that I hope would be of relevance and of interest to you, fellow-Singaporeans based overseas and returning for a short stint. I was twice in your shoes, once returning from Canada and the second time from the U.S. and would have found a summary of the preceding year's happenings useful if indeed I had the chance to attend. But at the time SIF did not organize such events.

I take this opportunity to thank the Singapore International Foundation for organizing this occasion and affording me this chance to share with you some of the developments that took place in Singapore in 2004.

If 2003 gave Singaporeans a sense or a feeling of uncertainty and instability, 2004 was, in my opinion, a year where things seemed to come together for the better. This was in no small part the result of events that happened around the world and because the Government and the people collaborated at some level to arrive at more comprehensive and meaningful solutions. It was also the year Singapore seemed to find a better footing in the region and in the world. This was reflected in all four main areas: Politics, International Relations, the Economy, and in Singapore Society.

Politics

In the area of politics, the most significant event was the handing over of leadership. In what the newspapers termed as an understated handover of power and a few of us who are more provocative might say, a 'non-event' and a sort of deliberate Singapore-style, seamless change rather than any real shift of political power, Deputy Prime Minister Lee Hsien Loong was sworn in on 12 August 2004 as Singapore's third Prime Minister. He took over the reigns of leadership from Prime Minister Goh Chok Tong, who had been Prime Minister for 14 years. But PM Lee was no stranger to politics or to Singaporeans.

He had been DPM all those 14 years, sharing power at the very top of the government structure.

Yet, on everybody's mind was the question: "What sort of Prime Minister will Lee Hsien Loong be?" On one end of the spectrum were those who hoped that the kinder, gentler and consultative leadership that Mr. Goh initiated and cultivated during his Prime Ministership would continue, while those at the other end wondered whether Prime Minister Lee, would be his father's son and revert to the more authoritarian, top-down, no-nonsense leadership style.

We had a hint of what was to come during the Harvard Club Speech he made at the beginning of 2004, 8 months prior to the handing over. Some described his speech as his road map for politics and society. In his speech, he said: 'I have no doubt that our society must open up further.' He indicated that the government would "pull back from being all things to all citizens." He expected people to debate issues with reason and conviction and not be passive bystanders of their own fate. But perhaps even more telling was the fact that he noted in the same speech that he recognized that the primary concern of many Singaporeans was still bread-and-butter issues and that the Government would not lose sight of this.

But nowhere and on no occasion were Singaporeans more pleasantly surprised by Prime Minister Lee as when he delivered his National Day Rally Speech a few days after he took office in August. It was not only that he spoke for hours, with what seemed like little reference to a prepared speech, but because a few long-standing policies were overturned with a turn of the page. Some of them were policies that he admitted he had stood fast against changing for many years. Examples of the new policy announcements were:

- (1) Doing away with the need for Public Entertainment license for indoor talks, unless the contents touched on sensitive issues like race and religion.
- (2) Introducing the five-day-work week for the Civil Service. Although having to still work the minimum 44 hours a week, by just adding half an hour or so for the weekdays, civil servants would not need to go into the office on Saturdays thus getting two days off a week instead of one-and-a-half days.

- (3) (Philosophically accepting the proposal) Equalizing medical benefits for men and women under the new medical schemes.
- (4) Extending maternity leave from 8 weeks to 12 weeks for women with the extra 4 weeks to be borne by the government so that private companies don't discriminate against women workers.
- (5) Allowing Singaporeans above 35 to buy HDB resale flat of any size (not just 3-roomed flats)

In fact, Singaporeans who heard the speech were so surprised that so many goodies were given that the buzz at the time was that polling was around the corner. Even though the Government had until 2007 to call for elections, some thought that polls would be held as early as December, and of course they weren't. Yet others believed that it would be the March 2005 school holidays. The rumour was fueled by the fact that:

- (i) civil servants were being trained for polling
- (ii) civil servants were given bumper bonuses and
- (iii) the economy was improving.

Yet others felt that elections would be held towards the end of the political term, ie. in 2007. They gave the reason that the Government had just made a leadership transition, and it was important that the people felt the impact of the policies. Some noted that Parliament had been prorogued at the end of 2004 till January 2005. This was the created opportunity for the new Prime Minister to set out his blueprint for the remaining term of Parliament and also set the course for his administration going ahead. For them, it did not make sense to dissolve Parliament so soon after. Political pundits also noted that when Mr. Goh prorogued Parliament in 1991, only to call an election seven months later, PAP's share of votes slipped and it lost four seats. The lesson they suggested was that the new man should take the time to prove himself and develop his personal mantle for leadership.

Of course, one could also argue that not much had and would really change. After all, Lee Hsien Loong has been an active deputy in Goh's administration for many years. It would not matter then, when elections would be called. Even with talk of greater political space, the Christmas party, Snowball, which the police said was to be organized as a gay party, was not allowed to carry on at Sentosa. The Home Affairs Ministry upheld the

ban after an appeal saying that the party was an “affront and unacceptable to the large majority of Singaporeans.”

Another example was that while we did not need to work on Saturdays, government sector vacation days were reduced, for some from 28 days to 21 days. Even much later in 2004 some people felt that nothing much had changed and that political space had not been expanded. In the selection of the Nominated MPs, critics pointed to the exclusion of outspoken NMPs of the previous slate, the likes of Ms. Braema Mathi and Mr. Chandra Mohan. This exclusion and the fact that the NMPs were selected mainly from the spheres of science or business were perhaps an indication of, quote, “a move towards a more ... business-like and quieter legislative process.” Critics implied that the current slate of NMPs were not up to the mark. One was quoted to have said: “To be an NMP, you have to meet certain minimum qualifications; “your interest in national agenda and society issues, for instance. It’s too narrow if you represent only your interest group.”

But whatever the case, I think that Newsweek was right when it named Prime Minister Lee as a face to watch in 2005. It says, “One of 11 persons who will shape our world in the year to come and beyond.’ That was indeed very apparent when we saw him take the lead over the country and the region in responding to the tsunami crisis after Boxing Day, 26 December 2004.

International Relations

On 26 December 2004, the largest earthquake (8.9 on the Richter scale) to jolt the planet in nearly 40 years triggered off a series of powerful and huge tidal waves which swept thousands of people to their deaths. Witnesses described how vast 10-metre walls of water approached the region’s coastlines at lightning speed, wreaking death and destruction in places as far as southern India, southern Thailand, the Maldives, the Andaman Islands, Bangladesh and as close as Indonesia and Malaysia.

Thus far, in terms of the number of deaths, Indonesia was the hardest hit. Of the 295,000 reported dead, around two-thirds were Indonesians. Many of these countries would take years to recover from the disaster even with the help of the international community. The tsunami did not hit Singapore. We only experienced mild tremors in a few parts of Singapore – Tanjong Rhu, Marine Parade, Toa Payoh and Siglap. No

physical damage was reported as a result. The Singaporeans who were reported dead or missing were mostly holidaying in Thailand. The numbers were small, relatively speaking.

The Singapore industries and the people who experienced some economic downside, albeit relatively minor compared to that experienced by our neighbours were (i) those in the tourism industry, for e.g. tour agencies and the airlines and (ii) those in the seafood import industry. However, they were only affected until they found alternative sources of seafood and they could redirect the tourists to other places of interest in the region. In short, the economic fallout for Singapore and Singaporeans was focused and localized to specific industries and groups.

But Singapore would be remembered by the international community, by the region and by Singaporeans themselves not because of specifics or numbers but because of the way we came together as a country and as a community to provide assistance to those in need outside our borders. Political leadership as well as the civil service, especially the SAF, reacted quickly, swiftly and effectively. Within the same day of the disaster, PM Lee issued a statement on the disaster and offered help with relief and rescue efforts and in no time raised the disaster relief contribution from \$2 million to \$5 million.

The civil service also played its part and no stone was left unturned. Other than the usual suspects for such disasters, that is the Ministry of Foreign Affairs and Immigration, the Institute of Mental Health was also roped in to set up and man the 24-hour contact centre to provide counseling for concerned family members of Singaporeans affected by the tragedy. PSA waived all charges for handling relief supplies sent through its ports, which was quite remarkable if you know what the Singaporean mentality is.

Also, in total, approximately 1000 personnel from MINDEF and the Singapore Civil Defence Force (SCDF) were deployed to assist relief and rescue/ search efforts in Thailand and Indonesia. A ship carrying a joint humanitarian assistance task force was sent to Aceh to function as a base for helicopters carrying out rescue efforts. The ballpark cost of the deployments over two weeks had been estimated at \$20 million. Mr. Lee said: "We've never done anything on this scale before ... but the cost is not the thing, the thing is the effort to be of a direct help." One notable aspect of this "direct help"

was the fact that MINDEF officers could speak Bahasa Indonesia, a point that was brought up on more than one occasion by Indonesian leaders, the Indonesians themselves and the international community. The officers communicated effectively with the Indonesians they were helping and it was greatly appreciated.

The government also offered to be a regional co-ordination centre for international relief operations and to provide air and naval facilities as well as office space and logistical facilities to ease distribution of aid to countries hit by the tsunami disaster. This offer came with the assurance that whatever centre was set up, it would remain for as long as it was needed and that aid would be handled efficiently. Andrew Tan, Deputy Secretary of the Ministry of Foreign Affairs mentioned that the offer to the UN flowed naturally from Singapore's position as a transport and logistics hub. He said: "We'll make sure it gets channeled to the right places, leveraging upon the fact that the Singapore Armed Forces have people on the ground, and have access at sea which can be secondary staging points, and also helicopter access to distribute the aid to villages and affected areas." The United Nations had accepted Singapore's offer and a coordination centre was also set up in Paya Lebar/ Changi areas to be near the air and naval base.

Civil society, volunteer groups, the private sector and Singaporeans in general also quickly played their part. Within one month of the disaster, the Red Cross collected contributions totaling 50 million dollars. This amount was above and beyond the millions of dollars in cash and kind – clothes, milk products for children and medical supplies --- collected by religious groups, civic organizations, artistes, individuals and high commission offices. Many had taken personal time off and leave to fly to affected areas to lend assistance. Understanding that we were in this for the long haul and the long-term, cash and kind have continued to pour in and Singaporeans have not stopped making plans to help with the reconstruction efforts that now lie ahead in the affected regions.

Prime Minister Lee and Singapore had also played a pivotal role in initiating the summit of world leaders to co-ordinate international responses to the disaster held in Jakarta. To be better prepared, PM Lee and Minister for Defence, Teo Chee Hean visited Aceh while Minister for Home Affairs visited Thailand. They were one of the first leaders to do so. Getting first hand knowledge and experience of the ground situation helped them be

better prepared and better able to speak with greater credibility at the tsunami summit, held in Indonesia.

In sum, the tsunami disaster would have positive, far-reaching, long-term social, economic and political impact on and implications for Singapore. The unprecedented tragedy and loss resulting from the gigantic tsunamis had surfaced unprecedented opportunities for Singapore, opportunities for providing Singaporeans in general, the civil service, leadership and civil society to participate and provide humanitarian assistance in an unprecedented way. Amidst the tragedy of the century, it was those efforts, and the effectiveness of those efforts that had provided Singapore the opportunity to showcase its ability for large scale planning, quick mobilization and speedy and effective implementation of humanitarian efforts, but more importantly, to showcase the big-hearted Singaporean generosity of spirit.

But it did seem that the tsunami was but one example of an external factor that had helped Singapore find its role in the region, a role that was seen, as mentioned by Associate Professor Simon Tay, Chairman of the Singapore Institute of International Affairs at the Institute of Policy Studies Forum held in January this year, "... moving beyond narrow and immediate self-interest, and beyond the closed circle of mandarins and political leaders." Both regional and local political scientists have said that the outcomes of the recent elections in Malaysia and Indonesia were holding out the promise of better relations with these closest of our neighbours: The "omens are good, with the election of leaders in Malaysia and Indonesia whose policies will foster stability and growth."

In Malaysia, Prime Minister Abdullah Ahmad Badawi and his brand of progressive Islam Hadhari had won back many Muslim votes lost earlier to the Islamic PAS. In Indonesia, President Susilo Bambang Yudhoyono's aim to restore business friendly conditions to attract foreign investment was winning praise. These measures had included the commitment to reduce corruption, to uphold the law, to clean up the judiciary and to take a proactive stance against terrorism.

Farther a field, President George Bush's second term means that the prospects for regional security and the economies of Asia would remain unchanged. During the next

four years, President Bush is likely to pursue his objectives, especially in terms of the fight against terrorism in Afghanistan and Iraq, with greater vigour as he did in his first term. Whatever reservations Muslim leaders in Indonesia and Malaysia have, they know clearly where the President stands on key issues. This spells predictability, continuity and for the eternal optimists, even stability in the long run for the region and for Singapore.

Economy

The prospects for the economy would seem brighter too. Since this area is not within my area of expertise, I will just give you very broad strokes.

According to the Ministry of Manpower website, preliminary estimates show that employment grew by a strong 66,200 in 2004. This was more than the job losses over the preceding three years, which totaled 35,900. As at December 2004, estimates would bring the total number of persons employed to a new high of 2,201,300. Reflecting the strong employment creation, 2004 ended with a seasonally adjusted overall unemployment rate of 3.7% in December 2004, significantly lower than 4.6% in 2003.

In helping businesses grow, by removing barriers to trade and investment in order to expand the economic space, the Government embarked on the strategy of signing a host of Free Trade Agreements (FTAs). The strategy, which began in 1999, creates a freer flow of goods, services and people and Singapore businesses would find it easier to trade with and invest in our FTA partners. To date, Singapore has signed a total of 6 Free Trade Agreements (FTAs), the 6th one in 2004, with Jordan. More are in the pipeline, including the one with ASEAN and Canada.

Other than FTAs, in 2004, the Government firmly moved behind companies that were seeking to restructure their businesses to remain competitive. Many in Singapore are not likely to forget how determined the Government could be in doing this, as demonstrated in the case of SIA, where they felt that all obstacles to change had to be and were removed, decisively.

Another new business idea or strategy that was floated in the course of the year was the idea of allowing for the establishment of an integrated resort with a casino on Sentosa

island. Singapore, including Cabinet, would seem to be polarised on the specific question of whether to allow the licensing of a casino because of its impact on pathological gamblers, the subsequent impact on the families, children and lives in terms of eroding our work ethic, the increase in vice and the many other moral questions we ask ourselves. Therefore, the casino proposal, which started out as a possible boost to the sluggish economy is fast becoming a sociopolitical issue with various sectors of the community, such as the Muslim religious groups, the Christian organizations and parents' groups jumping into the fray.

Singaporeans are split among (i) the moralists, who say, 'no,' to the casino as it erodes the moral fabric of the nation by, for eg. taking parents away from children and supporting and encouraging vice, (ii) the economic advocates who believe it essential for the development of the tourism industry and (iii) those who feel that there are better ways than the casino to develop the tourism industry. The current state of play is that the Government had made a request for proposals from companies interested in setting up an integrated resort with a casino. This would allow the Government and hopefully citizens to assess the idea based on some proposed plans. This would also help make the consultation and decision process a more informed and considered one.

Singapore Society

Finally, I have saved the best for last, developments in Singapore Society.

While the casino proposal would seem to have divided Singaporeans, Singaporeans were clearly not divided when it came to voting for our first Singapore idol. The finals came down to two finalists, Taufik and Sylvester. Singapore voted for Taufik by a large margin (he received 62 per cent of the 1.1 million votes cast). But more importantly the win was seen not only as a win by the better singer and performer. Everybody hailed it as a success of Singapore's 3 'M's: Multiculturalism, Multiracialism and Meritocratic society, where the better person wins no matter his race or religious affiliations. The Singapore idol also reflected another aspect of Singapore society, that Singaporeans had talent.

There were also many changes and meaningful developments in the area of healthcare. In fact, this was one sector where it was clear that the voices of Singaporeans had been

heard as reflected in the changes initiated by the Ministry of Health. In the past years, Singaporeans complained to the Ministry and the Government about paying a lot for health care. Many Singaporeans felt that with rising medical costs, the health insurance they had, namely Medishield, provided insufficient coverage. In fact, it was discovered that Income Shield by NTUC gave better coverage and for a longer period of time.

Singaporeans also felt that there was a great difference in charges and fees over different hospitals. After what I am sure was much soul searching on the part of the Government and the Ministry in question, 2004 saw greater transparency in how the restructured hospitals fared competitively among themselves and other private healthcare providers in Singapore. We are now able to compare the size of hospital bills according to conditions, procedures and ward class. The Ministry is now also in the process of reviewing MediShield coverage with the assistance from NTUC. The area of healthcare more than in any other sector had provided a good example of how the public voice could work.

In the area of contagious diseases, 2004 saw no further development in their spread in Singapore. SARS would seem to be under control with the last reported SARS case in the world being on 22 April 2004 and in Singapore, in 2003. In Singapore, temperature-screening measures at the border checkpoints ceased from 9 June 2004. Thankfully, there were also no cases of avian 'bird' flu detected in Singapore, either in humans or in poultry, although there was a bit of a scare last year when it was detected in Kelantan, Malaysia. Singapore quickly banned the import of poultry and eggs from Malaysia. The ban was lifted in September 2004.

However, in the case of AIDS, Singapore did see a rise in numbers. Although far from the numbers experienced in some regional countries and even further than those of countries farther a field, Singapore feels that measures need to be put in place lest things got out of hand. As an additional measure, the Ministry of Health had proposed compulsory HIV testing for couples planning marriage. This proposal would seek to protect individuals and their families from HIV by identifying infected persons prior to marriage. In this way, premarital compulsory HIV testing could help to reduce transmission of HIV between spouses and prevent HIV from spreading within family, for eg. through perinatal transmission from HIV infected mother to her baby. The Ministry

also enforced an opt-out rule for testing mothers-to-be for AIDS, ostensibly for the same reason as that for the opt-out scheme for organ donation.

However, the most significant changes were seen in Singapore's Education and Language policies. In 2004, Prime Minister Lee stressed that although bilingualism would still remain a cornerstone of Singapore's education system and that learning of the mother tongue was necessary to preserve Singaporeans cultural identity and to engage Asia, there should, however, be less focus on the technicalities of the language, with greater emphasis on the functional aspects of it. Students without proven aptitude would be allowed to take their second language at a more manageable level.

Therefore, in the pipelines is a major review of how Chinese is taught in schools. The teaching of Chinese in schools would move away from the one-size-fits-all approach that dominated previous administrations and would be adapted to suit the varying abilities and family language background of students. The new approach would focus on listening and speaking and would require all students to take specified core modules. Students could take Mother Tongue B (easier Chinese) option at secondary school. The central principle of the Chinese language White Paper debated in parliament on 24 November 2004 was to teach and help students learn the Chinese language so that it would be an enjoyable and living language.

It was hoped that students would learn the functional skills in school and develop the intrinsic motivation to learn and use the language beyond the examinations and after they left school and would carry on pursuing the language later. A panel comprising top scholars, education officials and principals have been appointed to review current teaching methodologies and think of fresh ways to help students with differing aptitudes master the language as fully as possible. Many have hailed this change in the teaching of the Chinese language as long overdue.

PM Lee also mentioned subsequently that what we planned to do for Chinese, where there was demand, would be planned for the teaching and learning of Malay and Tamil as well. It would not just be for the sake of being fair or because it would be the right thing to do, to make sure Singapore stayed multicultural but because the home trends in

Malay and Indian families were changing just as much as they were in Chinese families. Similar reviews for the Malay and Indian Mother Tongue Languages are in the pipelines.

Parents would now be allowed to decide what was the appropriate ratio of emphasis between English and mother tongue they wanted for the child and this decision would not prejudice their child's prospects for entry into secondary and junior college levels. It was also announced in 2004 that students would not be required to use the grades from their mother tongue to enter into the three universities in Singapore. Aspiring undergraduates would still need to muster a pass in the subject, but they no longer needed to count their grade for it as part of their admission scores.

In the Prime Minister's maiden National Day Rally Speech, he said that he was also going to increase the number of teachers in every school over the next few years. The higher ration would help students achieve their potential at school. In addition, the curriculum would be reduced significantly in order to stimulate a greater passion and practice for learning and encourage independent thinking. But it should also be noted that this was not the first time Singapore had tried to reduce the amount of material taught in schools. In 1999 the Ministry tried to reduce the syllabus but was unsuccessful because it only reduced the optional syllabus, with material to be covered in major examinations remaining the same.

Another development in the area of education was the official opening of the Singapore Sports School on 2 April 2004. A recommendation of the Remaking Singapore Committee, the Sports School was important as a tool to "stretch" our education system, to broaden the definition of talent to include non-traditional areas like sports and arts. It also recognized the contributions of sports in society. Sports was said to be able to entertain, excite and bond our nation and foster a "can do" quality in our people. Sports people also served as good role models for our youth." The primary objective of the Sports School was to produce top athletes who would contribute to Singapore in different ways. The school curriculum had a good balance between studies and sports, and parents should not worry that their children would pay a price later on in life if they focused on sports now. This was realistic and pragmatic considering our small population and the number of athletes that we could churn out every year.

Other major developments in 2004 took place in the area of population growth.

2004 saw Singapore taking steps to grow its population. Morgan Stanley said that Singapore might be thinking of substantially increasing its population from 4 million to 6 or 8 million over the long term. Economists had said that we needed the numbers, the critical mass to buffer the fluctuations in the economy and also said that Singapore survives by exporting to the rest of the world and could not close its doors to the import of capital and talent.

The 2004 Budget statement dwelt extensively on the need to reverse the low birth rates here as Singapore faces a record-low birth rate and an aging workforce. But if the Government was to increase the population from getting Singapore women to have more babies, it would be an uphill climb and an unenviable task. The targeted replacement level would be 2.1 babies per woman but in 2003, the total fertility rate was only 1.25 babies per woman or 36,000 babies born. It was the lowest ever. If the number of new citizens stayed constant and if the fertility rates did not turn round, Singapore population would start to decline soon after 2020.

The Government said it would leave no stone unturned in its attempt to increase the population. The Government would be tweaking housing, health and other policies to make Singapore Citizenship more attractive to foreigners and Permanent Residents. The changes would involve arriving at a 'delicate balance' between the privileges given to permanent residents and to citizens.

While Singapore is made of a migrant population, with our ancestors coming from India, China and many regional countries, it would appear that convincing Singapore of the need and getting Singaporeans to accept it is a whole different matter. The situation would likely become more complex and the ability to convince Singaporeans more difficult with the need to increase the population even during times of recession as the need in certain industries and sectors to have workers of specific skills at a competitive wage would not likely go away. A Gallup poll found that 56 per cent of Singaporeans and Permanent Residents in 2003 believed that foreign infusions were necessary for the country's continued economic vitality, but this was down from 64 per cent two years earlier and 72 per cent in 1997.

It should also be recognized that getting new citizens should be more than a numbers game. We should aim to make sure that people who become citizens can integrate into our society and fit in well, share our core values and our commitment to values, such as meritocracy and that the new citizens also reflected the multi-racial and multi-cultural make-up of Singapore.

A good move in the right direction was the policy that finally gave Singapore women the right to pass on citizenship by descent to their children who are born overseas. Singapore citizens, now, whether they are male or female, would be allowed to pass on citizenship by descent to their foreign-born children. This has come about with changes made to the Constitution of Singapore in 2004.

Conclusion

It is hoped that with changes to Singapore's immigration and population policies that the Government keeps in mind the value of its current citizens as well as the new ones. But if its and SIF's efforts to keep you, in the audience, engaged with Singapore is anything to go by, this speaker thinks that they are on the right track. From their work, it is quite apparent that they are making every attempt to keep you interested with the hope, that if you should decide to work or live abroad, we would be able to develop a strong Singaporean diaspora and grow the 'Singapore family name.'

I would like to thank my IPS family for their contributions to this speech in terms of providing suggestions and for helping out with the research.

I wish all Chinese in the audience a good reunion with family and a happy and prosperous Year of the Rooster.

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