

Singapore Management University Institutional Knowledge at Singapore Management University

Research Collection School Of Law


School of Law

1-2003

Singapore: The Feel Good Factor - A Vital Element in the Meticulous Preparations for Leadership Change

Eugene Kheng Boon TAN
Singapore Management University, eugenet@smu.edu.sg

Follow this and additional works at: https://ink.library.smu.edu.sg/sol_research

 Part of the [Asian Studies Commons](#), [Law and Politics Commons](#), and the [Political Science Commons](#)

Citation

TAN, Eugene Kheng Boon. Singapore: The Feel Good Factor - A Vital Element in the Meticulous Preparations for Leadership Change. (2003). *Asian Analysis*. Research Collection School Of Law.
Available at: https://ink.library.smu.edu.sg/sol_research/445

This Report is brought to you for free and open access by the School of Law at Institutional Knowledge at Singapore Management University. It has been accepted for inclusion in Research Collection School Of Law by an authorized administrator of Institutional Knowledge at Singapore Management University. For more information, please email libIR@smu.edu.sg.

Singapore: The Feel Good Factor - A Vital Element in the Meticulous Preparations for Leadership Change

Eugene K B Tan

Published as Asian Analysis, 2003

http://www.afgventuregroup.com/asian_analysis/

As Singapore continues to honour the life work and legacy of "founding father", Senior Minister Lee Kuan Yew, a lot of effort is also going into preparing the ground for his son, Deputy Prime Minister Lee Hsien Loong, to take over as Prime Minister. The local Straits Times newspaper has published DPM Lee's replies to "sensitive questions" on the Lee family's involvement in politics and the economy as well as insights into his private life. One aim is clearly to enhance his public image.

The "feel good" factor and the state of the economy are crucial to the timing of the leadership handover - expected to take place within the next 18 months. Incumbent Prime Minister Goh Chok Tong has indicated that the economy must pick up before he steps down. He also recently revealed that the Government cannot continue with its slackened fiscal discipline whereby it now spends half of the income from its investment of the nation's reserves. The economic recovery remains tentative and the possibility of a jobless recovery is real. The nagging challenge remains: how to compete, even in the IT, manufacturing and electronics sectors, against capable but more cost-effective competitors such as China, India and Malaysia.

China (and increasingly India) remains a key concern in foreign economic policy. The approach is to "jump onto the Chinese bandwagon" by co-opting the opportunities and ameliorating the threats. This has necessitated that Chinese-majority Singapore rigorously taps into the cultural affinity and ties, as well as good political relations. Closer ties with India are also taking on an increased urgency. The growing and potentially lucrative Sino-Indian market is being eyed. It complements Singapore's belief in ethnic network capitalism, wherein Singapore has supposed inherent advantages due to its multiracial population.

Singapore is also aggressively developing its Free Trade Area (FTA) network. Although ASEAN is pursuing a FTA with China, Singapore has officially expressed its interest in a bilateral FTA with China. FTA agreements have been concluded with Australia, the European Free Trade Association (an arrangement consisting of Switzerland, Iceland, Liechtenstein and Norway), Japan, New Zealand and the United States. On-going negotiations are taking place with Canada, India, South Korea, Mexico, Jordan and Sri Lanka. Preliminary discussions have begun with Chile and New Zealand for a Pacific Three FTA. Negotiations are likely to begin with Bahrain. Discussions with Taiwan may resume provided the latter negotiates a FTA as an economic entity rather than a political one.

The recent failure of WTO talks at Cancun will only strengthen Singapore's resolve to pursue bilateral deals in a bid to gain a head start. This view is bolstered by a recent World Bank report that

integration is increasing in East Asia and that global trade liberalization could result in more than a third of the US\$500 billion annual growth accruing to East Asia. Singapore is also supportive of ASEAN admitting Australia and New Zealand into its membership.

However with the prolonged economic woes, unease has surfaced over Singapore's tripartite labour system involving employees, employers and the government. Some union leaders have expressed concern that the cosy arrangement puts workers at a severe disadvantage leading a unionist to remark that "instead of biting the bullet, we [the workers] can even swallow grenades".

Singapore has taken the lead in facilitating the strengthening of the US commitment to the region. During President George W Bush's recent visit, both countries agreed to enter into negotiations for a Framework Agreement for the Promotion of a Strategic Cooperation Partnership in Defence and Security.

WATCHPOINT: As Singapore meticulously prepares for the leadership change, reviving the flagging economy becomes critical in continuing to maintain the electorate's confidence, already unsettled by the prolonged downturn. Failing to do so would inflict a political cost on the new leadership during the next general elections which must take place by 2007.