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SINGAPORE: DOES AUTHORITARIANISM PAY?

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Despite its tiny land area of just 716 square kilometers, Singapore has figured prominently in the debates over when, whether, and how countries should democratize. Singapore acquired this significance by confounding theorists of liberal democracy and serving as the poster-nation for those who believe that economic development and the establishment of a strong state committed to the rule of law should precede any risky democratic ventures. Underlying the various debates is the rock-solid conviction that the policies of the Singaporean government—led for three decades by Lee Kuan Yew, and now by his son Lee Hsien Loong—are primarily responsible for the economy's rapid elevation from "Third World to First World."

We believe that matters are more complex than this widely shared belief would indicate. While many of the government's policies *have* enabled or contributed to the remarkable increase in Singapore's per capita national income over the last forty years, these very policies have also led to the gradual emergence of some serious economic challenges. As a result of these economic vulnerabilities, many Singaporeans are less prosperous than the island's rapid increase in per capita income would suggest. At various points in Singapore's history, opposition forces have advocated economic and social policies different from those of the government. Arguably, if the government had included rather than suppressed these divergent groups and opinions, the country and its citizens might now find themselves in a better economic position.

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Since gaining independence in 1965, Singapore has been governed by a single political party, the People's Action Party (PAP). Although general elections have been held every four or five years, the PAP has continuously occupied nearly every parliamentary seat. Those who run or vote for parties other than the PAP are discouraged, disadvantaged, and punished in a variety of ways: the jailing and bankrupting of opposition leaders; the engineered sacking of critical commentators; the withholding of state funds from opposition wards and the redrawing of their boundaries (as well as other, more creative forms of gerrymandering); the manipulation of election schedules to deprive the opposition of time to campaign; the restriction of political debate to officially registered parties; the placement of ambiguous limits on any form of public discourse; the curtailing of media coverage of opposition parties; and so on.

This "soft authoritarianism," coupled with the country's economic progress, appears to contradict liberal-democratic theory on two counts. First, it challenges the expectation that illiberal, one-party rule over time becomes corrupt, nepotistic, and detrimental to a country's economy. Rather than holding back the Singaporean economy, the PAP government is usually credited with the country's economic successes. Journalist Robert Kaplan is one among many who are convinced that "Lee Kuan Yew . . . wrought an economic miracle in Singapore."[1]

Singapore's trajectory also appears to have flouted the hypothesis that, as prosperity and economic freedom increase in a country, so too will political freedom. Businesses on the island have historically faced few legal and financial obstacles, and the country's economic growth as measured by GDP has been among the highest in the world. Despite some token concessions from the government, however, political freedom has barely expanded. Nevertheless, Singaporeans have remained acquiescent in, if not positively in favor of, continued PAP control.

No wonder, then, that Singapore has long provided those who believe that democracy can wait with a best-case scenario. Academics and journalists are not the only ones who have employed Singapore's case in their defense of postponing the introduction of liberal democracy until sustained economic growth has been achieved and security prevails. Leaders of the People's Republic of China have followed suit.[2]

The Singaporean state is also frequently lauded for its lack of corruption. One may question, however, whether it is as "clean" as proclaimed. Its purported support of the Burmese military junta and apparent willingness to act as a safe haven for ill-gotten money, for example, call this into question. This essay, however, will focus on another widely held assumption—namely, the view that the PAP's solitary rule has been largely responsible for Singapore's economic advancement. Not surprisingly, this view has been propagated by the PAP itself as well as by its foreign admirers. In his 1999 portrait of Lee Kuan Yew as one of the influential Asians of the twentieth century, Terry McCarthy writes:

> From sleepy colonial outpost to prosperous high-tech enclave, Singapore owes its rise to the stern, stubborn lawyer who virtually invented the place . . . His life has shaped and been shaped by the small territory at the tip of the Malaysian peninsula that he made first into a country, and then a rich country . . . His legacy is Singapore, no more and no less.[3]

More surprisingly, many critics of illiberal regimes have often ended up affirming the image of the Singaporean government as an economic miracle worker. A recent article in these pages by Thomas Carothers provides a telling example. "Bluntly stated," Carothers writes, "for every Lee Kuan Yew of Singapore there have been dozens or even hundreds of rapacious, repressive autocrats posing as reformers, leaders for whom the rule of law represents a straitjacket to be avoided at all costs."[4] Domestic opponents of the PAP government frequently adopt this line as well. In Singapore's climate of self-censorship, critics too often credit the government with the country's economic successes while lamenting the lack of human rights and the spirit of solidarity lost in the process.

Cracks in the Façade

Singapore's economic achievements have indeed *appeared* to be unassailable. From 1960 to 2000, the city-state experienced the highest national-income growth in the world. As a result, in 1997 Singapore's GDP per capita (GDPpc) ranked eighth in the world, ahead even of its former colonial ruler, the United Kingdom. Since then, Singapore's ranking has slipped, and in 2006 it was accorded the thirty-first position in the World Bank's rankings. Still, in that same year, Singapore's nominal GDPpc amounted to a respectable US$29,320. Given the country's modest starting point, this growth record is impressive—even if Singapore never really was the economic basket-case before independence that is routinely claimed by PAP politicians and apologists. Inflation and unemployment rates have generally remained low during the last forty years, while the country's per capita foreign reserves are currently the highest in the world. This economic progress has gone hand in hand with a number of other positive developments, such as a sharp increase in literacy and life-expectancy rates and the eradication of hunger and extreme poverty.

Still, there are cracks in this impressive façade. Singapore's economic difficulties are less well known than its successes, but equally real. Many Singaporeans are far less prosperous than the country's high GDP growth would suggest. Moreover, Singapore's economy suffers from some inherent weaknesses that the government has struggled to overcome in the last ten to fifteen years. These problems are as much the result of government policies as is the country's rapid economic growth. They predate the outbreak of the global financial crisis in the fall of 2008 (for which Singapore's government, of course, cannot be held accountable). Since independence, the PAP regime has muzzled political parties and nongovernmental organizations (NGOs) that have attempted to formulate alternative economic and social strategies. Careful consideration of these different points of view might have produced more balanced policies and mitigated the emergence of today's problems, even if they might have slowed Singapore's high rate of economic growth.

Various features unique to Singapore's economy have led to significant disparities in wealth on the island. One example is the vast number of foreigners who work there. In 2005, 4.3 million people lived in Singapore, 1.2 million of whom were not Singaporean. Most of these noncitizens came to the island to work and can be separated into two main groups. The first comprises low-paid workers from impoverished Asian countries who fulfill the duties that most Singaporeans no longer want to perform—the many Bangladeshi construction workers and the domestic maids from Indonesia and the Philippines, for example. The second group comprises the multitudes of highly paid expatriates from North America, Western Europe, Australasia, Japan, and South Korea.

These "foreign talents," as they are often called in the government's courtesy campaigns, usually work either for one of the more than six-thousand multinational corporations (MNCs) in Singapore or at the highest levels in local businesses. In addition to generous compensation, they benefit from Singapore's low income-tax rates and the absence of a capital-gains tax. These expatriates tend to reside in expensive private condominiums flanked by swimming pools and security guards, away from the less luxurious Housing Development Board (HDB) flats in which some 80 percent of Singaporeans live. Economists Gavin Peebles and Peter Wilson have estimated that, as a result of the high salaries paid to the foreign talents, indigenous GNP per capita—that is, the income earned by Singaporeans—is about 10 percent lower than Singapore's overall GNPpc.[5]

Another unique feature of Singapore's economy is the very low share of private consumption. This stems mainly from an enormously high savings and investment rate. The country's gross savings rate has risen to a whopping 50 percent of GDP, which makes it the highest in the world. Though there are various reasons for this thriftiness, it is clear that a major part of these savings comes from the financial contributions that citizens and companies are obliged to make to the Central Provident Fund (CPF) pension system.

The government has used these savings to spur economic growth in a variety of ways: offering tax holidays to multinationals that relocate to Singapore and outfitting industrial parks for them to move into; setting up government-owned companies; building roads and constructing HDB flats; financing worker-training programs; investing in education; and the like. This bevy of government initiatives is entirely justifiable, but the resultant sky-high savings and investment rates in Singapore mean that GDPpc is a poor indicator of the average Singaporean's prosperity. Between the 1960s and the year 2000, private consumption as a share of GDP declined from 74 percent to a rather meager 39 percent.[6]

To make matters worse, Singapore must prolong its high savings and investment rates because of a fundamental economic weakness. The country's economic growth has been driven mainly by investments in capital and by expanding the number of hours worked—not by that other possible source of growth, increased total-factor productivity (TFP), a standard measure of technological progress and efficiency that most economists assume to be the real driver of economic growth. This presents a severe problem. Singapore's lagging TFP means that to achieve a given increase in national income it needs to invest more than countries with greater productivity do. Thus Singapore's sizeable forced-savings rates will have to remain in place if it wants to maintain continued economic growth. (Hong Kong, with its higher productivity, achieved a similar increase and absolute level of national income with an investment rate about half that of Singapore's.)

Poor People in a Rich Country

Still another exceptional feature of the Singaporean economy is an already high and ever-increasing level of income inequality. Despite its high GDPpc, Singapore's income-inequality profile is in line with those of Third World countries. While other affluent Asian nations such as Japan, Korea, and Taiwan have Gini coefficients (a standard measure of income inequality) close to those of European nations (.25, .32, and .33, respectively),[7] Singapore's deteriorated from .43 in 1998 to .47 in 2006—roughly the same as those of the Philippines (.46) and Guatemala (.48) and worse than that of China (.44). As a result of this massive disparity, in 2005 the median monthly income for Singaporean residents was only about US$1,750,[8] which is below the minimum wage of a fully employed forty-year-old in Britain.

This sizeable income gap may in part explain why, in such a seemingly affluent country, more citizens have not insisted on the expansion of political freedoms. A significant number of Singaporeans make so little money that the possibility of earning less would be unbearable. Thus they are susceptible to the PAP's claims that the opposition—entirely inexperienced in governing—would make a hash of the economy. At the same time, others are doing well financially and therefore have much to lose from opposing the government and incurring its well-known wrath.

A last feature that masks the deprivation in this seemingly affluent country is the number of hours worked by Singaporeans. In 2005, citizens and permanent residents worked an average of 48.4 hours per week. With the exception of famously industrious South Korea, this is far more than in any member state of the Organisation for Economic Co-operation and Development (OECD). As a result, Singapore's GDP per hour in 2005 came to 20.89 international dollars, just a bit more than in Slovenia but less than in Trinidad and Tobago and Estonia.[9] Life for many Singaporeans is therefore highly stressed—a feature that is often bemoaned, criticized, and satirized in the country's top films (*12 Storeys, I Not Stupid* and its sequel, *I Not Stupid Too, Money No Enough,* and *Singapore Dreaming*), novels (Tan Hwee Hwee's *Mammon Inc.*), and poetry (especially that of Alfian bin Sa'at).

In sum, most citizens must work long hours for a relatively meager income, a significant portion of which has to be saved. The greatest irony is that despite having contributed all their working lives to the highest savings rate in the world, many elderly Singaporeans have insufficient pensions. In 2005, economist Mukul Asher estimated that no less than 75 percent of contributors to the CPF would find themselves without enough money for retirement.[10] Even before the 2008 global financial crisis had hit Singapore hard, matters were not improving. Chua Hak Bin wrote in 2007:

> Private consumption is growing at less than 3 percent, even with GDP growth at about 8 percent. Wages across different income segments are further diverging, as the recent household survey showed. The bottom 30 percent saw incomes fall between 2000 and 2005, while wages of the highest income segment experienced large gains. Thus, as workers' nominal wages barely keep up with inflation, the owners of capital are seeing a windfall.[11]

This paradox of "poor people in a rich country" tends to go unnoticed in the global debates about democratization.

Singapore's Brain Drain

Not only has the bulk of Singapore's citizenry not shared in its prosperity but Singapore's economy itself has confronted some serious challenges during the last ten to fifteen years. First, large numbers of young, talented Singaporeans have been emigrating. The government has long worried about this continuous exodus of the country's best and brightest. In his 2002 National Day Speech, then–prime minister Goh Chok Tong divided Singaporeans into "stayers" and "quitters," berating the latter. His predecessor Lee Kuan Yew began voicing concern about this issue more than twenty-five years ago and recently stated that the rapidly swelling Singaporean diaspora was the country's economic Achilles heel.

An anecdote from our time teaching at a university in Singapore may help to illustrate the severity of the problem. One of us once asked who among the more than forty students in his political-science class wanted to leave the country. After a few moments of hesitation, all but one (a scholarship holder from the Singapore Armed Forces) raised their hands. In talking with our students, we discovered a variety of motivations for their desire to pack up—economic (low wages and long work hours), social (the ban on unmarried people under thirty-five buying HDB flats or the taboo of homosexuality), and political (anger at the regime).

Meanwhile, the young people of Singapore are not the only ones threatening to leave. With the economic rise of India and China, multinationals have new incentives to relocate. This is a bleak prospect for Singapore, as foreign-controlled corporations produce almost half its GDP. Thus the government has with great difficulty tried a variety of measures to preempt this threat. First, it mandated a round of belt tightening for Singaporeans in the form of wage restraints. In addition, it significantly lowered the contributions that companies must make to the CPF pension accounts of their employees. Although this has reduced business costs, it has increased income inequality and eroded future pensions.

The government has also reinvigorated its push to induce wealthy or highly educated foreigners—"shape-shifting portfolio people," in the local jargon—to relocate to the city-state. Its efforts have dramatically changed the composition of Singapore's populace: In 1970, Singaporean citizens comprised 90 percent of the population, 7 percent consisted of (foreign) permanent residents, and 3 percent were nonresident foreigners. By 2000, only 74 percent were citizens, 7 percent were permanent residents, and 19 percent, nonresident foreigners. Since then, the influx of foreign talent has accelerated even more. The number of permanent residents increased from 7 to 8.7 percent of the population between 2000 and 2005—ten times the growth rate of citizens. And the number of new citizenships granted in 2005 was nearly double the rate of previous years.[12] The government anticipates that the population will soar from roughly 4.6 million to 6.5 million in the coming decades. Given that there are currently only about 3.1 million Singaporean citizens and that they display a particularly low reproduction rate, it appears as though the PAP government has lost faith in its own citizens' economic capabilities and has decided to swamp them with more talented immigrants.

Finally, the government has attempted to diversify the economy and move it up the value-added chain. This is a far greater challenge than were past economic initiatives. From the 1960s through the 1980s, the government did not predict or cultivate future "winners" among economic sectors or firms. Rather, it persuaded leading companies within sectors that had already been profitable in other, richer parts of the world to establish their regional headquarters or parts of their assembly lines in Singapore. This strategy is no longer adequate. In order to elevate the country to the top of the value-added chain spanning the global economy, the government must pick winners—in terms both of future economic-growth areas and promising companies within these sectors. So far, the government's efforts have met with only mixed success at best.

The government has, for example, channeled significant funding into the biomedical sector, profiting from other countries' bans on cloning human embryos. Balking at this restriction, several years ago some leading European and U.S. researchers moved to Singapore, where generous research funds and salaries also awaited them. In 2007, however, several U.S. research teams announced scientific discoveries that may make it possible in the near future to undertake stem-cell research without embryos. A number of leading scientists have already left Singapore after a few lucrative years in the sun.

Similar problems are hindering the government's ongoing efforts to turn Singapore into an "Asian Cambridge" by expanding local universities and attracting foreign ones. In 2005, the faculty of Britain's Warwick Business School decided against opening a campus on the island because of the lack of academic freedom. Two years later, Australia's University of New South Wales (UNSW) discontinued all the undergraduate and graduate programs that it had launched in the country after only one term. An insufficient number of students prompted this costly reversal. UNSW had failed to realize that young Singaporeans who can afford tuition fees much higher than those of local universities will choose to study abroad.

The Paradox of Government Policies

Government efforts to broaden Singapore's financial sector have been more successful, but at a cost. According to members of the European Parliament and others, Singapore is trying to capitalize on the pressure that the European Union (EU) has put on Switzerland to reduce its role as a safe haven for illegal money. Thus, just as Switzerland was modifying its bank-secrecy laws to mandate greater transparency, Singapore was permitting even more bank secrecy. As a result, Singapore's bank-secrecy laws currently threaten to derail a free-trade deal with the EU.

Another way in which the government has sought to diversify the country's economy is by building "integrated resorts"—a euphemism for casinos. The process by which the PAP government made the decision to move forward with the casinos, which it had previously prohibited on ethical grounds, is revealing of its notion of democracy and public participation. Before announcing its final decision in April 2005, the government invited the people to offer their views on whether or not to build a casino. Many citizens, religious groups, and even parliamentarians voiced their opposition to the proposed casino, after which the government decided to build two rather than the originally proposed single one. Finally, the government has attempted to reduce the impact of MNCs leaving the island by investing part of its own vast financial reserves in other countries. Although this is a wise strategy, it has not always been easy or successful. For example, the government lost US$90 million between 1994 and 2000 in an ill-fated project to launch an industrial park in Suzhou, China.

The PAP government and its foreign supporters habitually attribute Singapore's economic successes to extensive government planning and intervention. Although it cannot be denied that the government's policies have been a major force behind Singapore's economic successes, they have also led to the gradual appearance of the economic problems that currently face the country.

As noted above, wooing MNCs to the island has been the linchpin of the government's economic strategy since independence in 1965. This courtship, which has indeed been a major contributor to the country's high GDP growth rates, has been costly. First, it has made Singapore especially dependent on the whims of foreign-controlled corporations, thereby increasing the country's vulnerability and greatly limiting its freedom to redistribute income. In order to keep the MNCs from relocating, it has been vital for Singapore to keep in check income, corporate, and capital-gains taxes, as well as local wages. Taking these measures, however, has impeded the redistribution of income and the creation of a strong social safety net. The influx of highly paid expatriates that has accompanied the arrival of thousands of MNCs has only added to the resulting income inequality.

Furthermore, the heavy reliance on foreign firms has come at the expense of local entrepreneurship. Local privately owned firms have not received as much support from the government as have the more than six-thousand foreign companies currently in Singapore. In the government's economic plans, local firms have figured predominantly as suppliers to MNCs and not as potential pillars of the Singaporean economy in their own right. Even if the government had not favored multinationals over local companies, the latter would have always been at a disadvantage given the superior financial, marketing, research and development, recruiting, and training resources of the former. Thus it has been easier and safer for talented young people to obtain well-paying jobs with a multinational or government-linked firm than to venture out on their own. Ultimately, the influx of thousands of multinationals into Singapore has crowded out the local, family-based entrepreneurship that is so characteristic of Chinese migrants elsewhere.

In addition, as Alwyn Young has described, Singapore's unique reliance on foreign companies has limited TFP growth. With the steady influx of foreign firms from different economic sectors—from petroleum refining, pharmaceuticals, and electronics to textiles, clothing, and plastics to financial, insurance, and business services—Singaporean employees have constantly had to be retrained and have not been given the time to master technically complex tasks to the point where they could begin to improve on how these jobs are usually done.[13]

The lack of local entrepreneurship, innovation, and productivity growth that has resulted from the government's economic policies has been compounded by the social conformity and lack of political freedom enforced by the PAP government. Business guru Michael Porter is one among many who have argued that creativity and risk taking are lacking in Singapore due to the highly planned, authoritarian style of governing that has prevailed in the country.[14] Even former deputy prime minister Toh Chin Chye, one of Singapore's "Old Guard" (the revered first generation of PAP cabinet members), has come to regret this:

> I cannot blame the present generation, because they see the heavy-handed response by the Government to dissenting views, even though they know that these matters involve their daily lives. So the result is that we produced a younger generation who are meek and therefore very calculative. They are less independent-thinking and lacking in initiative. It does not bode well for the emergence of future leaders in politics and business. . . . Robots, computers can be programmed, or if you like, can be trained. But the trouble, of course, is computers lack soul and what we need in Singapore is soul. Because it is soul that makes society.[15]

An additional side effect of the lack of political freedom has been that many Singaporeans do not feel at home on the island. Never being consulted on many of the decisions that deeply affect their lives, they do not feel a sense of belonging. As a result, many find it easy to emigrate.

Hence it must be concluded that Singapore's present economic problems—extreme income inequality, overdependence on MNCs, excessive savings, lack of entrepreneurship and creativity, lagging productivity growth, and emigration of local talent—are to a significant extent direct, if inadvertent, consequences of the government's policies. By making the island safe for multinational companies, and mandating high savings rates and encouraging long working hours, the PAP government has prioritized and ensured a swift increase of GDP, but its actions have had economic drawbacks as well.

The Question of Entrepreneurship

The main architects of Singapore's economy (Goh Keng Swee, Hon Sui Sen, and Lee Kuan Yew) have retorted that alternative economic policies would have been impossible, as Singapore lacks local entrepreneurship. In his memoirs, Lee Kuan Yew dismisses the suggestion that the city-state could have learned from Hong Kong, where strict *laissez-faire* policies have been followed and hundreds of thousands of small family-based companies have flourished, making it more prosperous as well as less dependent on MNCs and high savings. In Lee's words, "The Singaporean lacks that entrepreneurial drive, the willingness to take risks, succeed and be a tycoon."[16] The problem with the argument that Singapore has had a dearth of local entrepreneurs is that it is empirically invalid. From Sikko Visscher's excellent history of Singapore's ethnic-Chinese entrepreneurs and their representative association, the Singapore Chinese Chamber of Commerce and Industry (SCCCI), a completely different picture emerges. Singaporean settlers were entrepreneurial right from the start:

> The average individual who came to trade or settle in early Singapore was an adult male trader or agricultural entrepreneur. Men of all kinds of ethnic backgrounds arrived but soon the Chinese became the majority ethnic group. For the first 50 years British Singapore was a frontier society of adult *homo economicus*.[17]

Moreover, this did not change over time. According to Visscher, SCCCI leaders and members viewed the world in terms of trade. Not surprisingly, then, for more than a century the port of Singapore drew Chinese migrants, who found success there and passed down their tales of "rags to riches."[18]

Visscher's research establishes that, throughout the history of Singapore, its Chinese immigrants were fiercely self-reliant and entrepreneurial, and they played a major role in Singapore's early industrialization. In this respect, the Chinese migrants who went to Singapore were just like the other overseas Chinese (the *huaren,* in Mandarin) who left the coastal areas of South China in large numbers beginning in the mid-nineteenth century. As has been extensively documented, wherever the *huaren* have ended up, they have prospered as a result of their adaptability, hard work, emphasis on their children's education, and family-based entrepreneurship. As the great majority of Singapore's population has long consisted of *huaren* and their descendants, it is impossible to sustain the idea that the country lacked enterprise. The success of Singapore's many government-led companies (which have operated much more like independent, private businesses than like bureaucratic entities) casts further doubt on the claim that the island harbored few talented entrepreneurs.

Perhaps the best evidence that the PAP government did not always get it right is the various policy reversals undertaken from the late 1990s onward—Singapore 21 (1997); Technopreneurship 21 (1999); Prime Minister Goh's call for "nonconformist thinking" (2001); his successor's promise to "build a civic society" (2004); the "Remaking Singapore" process (2002); Local Enterprise and Association Development (2005); and the list goes on. These can be interpreted as so many admissions that earlier policies did not pay enough attention to Singapore's small and medium-sized companies, local creativity and entrepreneurship, and the need to make young people feel a part of Singapore by allowing them to voice their opinions. Given that the PAP has ruled Singapore since 1959, however, these policy corrections came awfully late. Moreover, they may founder on the paradox of commanding people to be creative, entrepreneurial, and independent. Ngiam Tong Dow, one of Singapore's most distinguished former civil servants, succinctly described the PAP's dilemma in the following way:

> So SM [Senior Minister] Lee [Kuan Yew] has to think very hard what legacy he wants to leave for Singapore and the type of society he wants to leave behind. Is it to be a Sparta, a martial, well-organised, efficient society but in the end, very brittle; or an Athens, untidy, chaotic and argumentative, but which survived because of its diversity of thinking?[19]

As Catherine Lim, Singapore's best-known novelist, has observed, for now the country's polity remains as Spartan as ever.[20]

The Case for Democracy

The soft-authoritarian nature of the PAP regime has allowed it swiftly and decisively to implement the economic and social policies that have not only fostered the country's rapid GDP growth but also created its current economic vulnerabilities and inequities. If Singapore had been more democratic during the last forty years, the political parties and NGOs that foresaw the emergence of these problems and recommended alternative policies would have had more room to gain popular support and political influence. Pressure from these opposition groups could have resulted in adjustments to government policies, which might have lowered economic growth rates but also mitigated some of today's economic problems and possibly left many Singaporean citizens better off than they are today.

To make this argument persuasive, we must address two considerations. First, since we argue that the government's economic policies have led to many positive outcomes, we must demonstrate that even in a liberal democracy the PAP's position of power would not be seriously at risk. Second, we have to show that in a liberal-democratic Singapore, opposition forces which could correct negative aspects of the government's economic and social policies would be influential.

It is possible to make the case for both these counterfactuals. To begin with, while many in Singapore disapprove of and fear the PAP government, even more endorse it and are grateful for the progress that it has facilitated. The government's intimidation of voters and opposition politicians, as well as its steely grip on policy analysis and media coverage, only partly explain the PAP's remarkable electoral success. The PAP's consistent victories also stem from the government's widely appreciated contributions to the country and its innovative manner of periodically reforming itself. These, in combination with Singapore's district-based electoral system, make it unthinkable that the PAP would not have held on to power most of the time even if the country had been truly democratic. Thus the general thrust of the government's economic policies during the last forty years in all likelihood would have been the same in a liberal democracy: Multinationals would still have been welcomed; government services would still have been efficient; the city would still have turned out beautiful; and so on.

In a more democratic society, however, alternative political voices could have spoken and would have been heard, and their influence would have prevented the government from inadvertently causing the various economic woes discussed above. Instead, since coming to power in 1959, the PAP government has silenced, or at least muffled, the country's two main sources of alternative voices: the SCCCI on the one hand and several left-wing parties on the other.

The SCCCI and its political wing, the Democratic Party (which won two seats in the 1955 elections), for many years advocated a more libertarian economic approach. Even before Singapore's independence in 1965, they were pleading for a level playing field for domestic and foreign companies, the promotion of local entrepreneurship in commerce and industry, free trade, reduced government intervention, strong commercial ties to China, and official recognition of the Chinese dialects spoken in Singapore. In these and other ways, the SCCCI played a prominent role in Singapore's society. Between 1959 and 1966, however, the government waged a withering campaign against the Chamber's more activist leaders and the Democratic Party, publicly humiliating, intimidating, and ultimately silencing them for the better part of the next two decades. The SCCCI regained some standing only after the economic crisis of 1985.[21]

A freer society is likely to be more effective than more economic tinkering by the government in ensuring the country's future prosperity.

Had its libertarian approach been heeded earlier, however, Singapore arguably would have become more entrepreneurial and less dependent on multinationals. In a liberal democracy, the SCCCI's views would have been of consequence, particularly given the Democratic Party's limited but not insignificant earlier electoral successes, the SCCCI's standing in Singaporean society, and its vast financial resources.

The other alternative perspective comes from the left side of the political spectrum. The Singaporean state has muffled the voices of radically left-wing, egalitarian parties and organizations such as Barisan Sosialis (the Socialist Front, now part of the Workers' Party), the Singapore Democratic Party, and the Workers' Party. These parties have called for greater public participation in decision making, an end to censorship, the full restoration of human rights, more solidarity, lower income inequality, less materialism and status consciousness, a more comprehensive social-security system, greater tolerance for sexual and other minorities, the abolition of the death penalty, and greater efforts to preserve colonial streets and houses. The PAP government has stifled these demands by jailing, harshly interrogating, and bankrupting the leaders of these parties.

Moreover, the government has forbidden left-leaning international NGOs such as Greenpeace, Friends of the Earth, and Amnesty International to set up shop in Singapore. Had they had greater freedom to operate and thus greater influence, these parties and organizations would have pushed for measures to make Singapore less stressful, materialistic, and unequal. Furthermore, allowing these voices to speak freely would have assured young Singaporeans that they truly had a stake in their country and maybe even the chance to change society in ways reflective of their own views. And this might have helped to stem the brain drain.

Paradoxically, a stronger anticompetitive voice from the left might have actually stimulated entrepreneurship in Singapore. Entrepreneurship will not flourish if people are afraid to fail and are highly conscious of status, and Singapore is currently plagued by the fear of failure. In fact, in describing their society, Singaporeans frequently introduce the term *kaisu,* from the Hokkien dialect, which captures this apprehension. Stronger antimaterialistic and anticompetitive voices would have surely lessened *kaisu*-ism, thus inadvertently helping to unleash Singapore's entrepreneurial spirit.

Both critics and defenders of illiberal rule have been duly impressed by Singapore's economic performance. Although the tiny island nation has experienced remarkable growth rates under the firm guidance of its one-party state, the long-term prospects for its economy are less than dazzling. Already most Singaporeans work long and hard for surprisingly little compensation, while the best and brightest are leaving in droves, and government policy is driven by the need to retain the thousands of foreign companies on the island. Rather than changing course, however, the state has so far tried to rectify these economic ills with more of the same—namely, government planning and prescriptions.

Had Singapore been a liberal democracy, however, these difficulties might never have emerged in the first place. Even today, a freer society is likely to be more effective than more economic tinkering by the government in ensuring the country's future prosperity. That is the economic case for liberal democracy in Singapore.

NOTES

1. Robert D. Kaplan, "Here's Your Vote: Liberty Can Wait," *New York Times,* 10 April 2003.

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