2011 was a year of elections, where the watershed general election (GE) in May paved the way for a hotly contested presidential election (PE) in August. The elections were the focal point of policy activity. In the lead-up to the GE, the government endeavoured to respond to hot button policy issues like migration, transport, housing and cost of living. The GE has brought Singapore to what some describe as the ‘new normal’ in politics, given the higher level of political pluralism that has resulted from it, and the Prime Minister (PM) Lee Hsien Loong called for unity in diversity, with a pledge to build a more inclusive polity in his address at the opening of the 12th Parliament. The following document lists the key policy developments of the year that were to a large extent, influenced by those two political events.

THE LEAD-UP TO GE2011

In the months before the GE, the government said it would help Singaporeans deal with cost of living issues, minimise the negative social impact of migration, and tighten the influx of immigrants. It also changed the media rules on election campaigning, and electoral boundaries were modified to reflect changes to the election regime first introduced in 2009.

Cost of Living

Before the GE, the government promised to redistribute the gains from exceptional economic growth in 2010 to help Singaporeans deal with cost of living issues brought about by inflationary pressures and income inequality, as well as other hardships suffered as a result of past economic crises. It unveiled its ‘Grow & Share Package’ on Budget Day in February.

For small and medium-sized businesses, the government provided a one-time 20% corporate income tax rebate, or cash grants of 5% of revenue made in year of assessment 2011 (YA2011) to a maximum of $5,000. For households, resident working taxpayers were promised a personal income tax rebate of 20%, capped at $2,000 for YA2011. $1.5 billion of growth dividends were paid out to some 2.5 million Singaporeans. $194 million of utilities and conservancy rebates were paid to 800,000 households. This Package was to amount to S$3.2 billion.
Apart from the transfer payments and tax rebates of the Package, the government reiterated its commitment to help Singaporeans deal with rising costs by continuing to fund productivity improvements and human resource development, so that wage growth would increase their real purchasing power over time. Over the past decade, real resident household income for the lowest 20th percentile of the population climbed by 8%, below the 20% increase in real median household income of the same period. As stated in the Budget Speech of 2010, the state would aim to raise real incomes by 30% over the next decade through those efforts to boost the skills and productivity of the workforce and businesses.

The government also said that it would moderate medium-term inflationary pressures through its exchange rate policy.

The Retail Price Watch Group was formed by the government in February 2011 to ensure that there would be no excessive food price hike. As a result, retailers including supermarket chains of Cold Storage, Giant, NTUC Fairprice, Sheng Siong and Shop and Save, as well as food stalls in Serangoon, Bedok North, Radin Mas and Kovan pledged to freeze essential food prices for six months.

In addition, the government returned the S$4.9 billion that was drawn from past reserves to fund the Jobs Credit Scheme and the Special Risk-Sharing Initiative introduced in 2009, to the reserves. This was made possible by the exceptional level of economic growth in 2010. As it was the first time that the national reserves were drawn down, it was also a good precedent in government accountability to be seen to be returning the funds expeditiously.

The government announced that it would enforce the reinstatement of employer Central Provident Fund (CPF) contribution rates to the full rate of 16% in September 2011 (bringing the total contribution rate to 36%), as a continuation of increases over the years from cuts made in 2003. The CPF rate was reduced from 36% to 33% in 2003 following the Severe Acute Respiratory Syndrome Crisis, when the government also implemented a flexible approach to the CPF system, allowing it to alter total contribution rates between the range of 30% to 36% according to economic conditions. This restoration, in effect, increases the total remuneration of Singapore workers and helps to build up the funds they have for retirement and healthcare.

**Migration and Greater Resource Competition**

The government attempted to ameliorate public disquiet over migration with its spillover effects on housing cost and overcrowding in the transport system. On migration, the government continued with its policy of tightening the inflow of foreign labour and the level of migration as announced in the 2010 budget. In February this year, then Deputy Prime Minister Wong Kan Seng said that Singapore citizens should form a ‘strong citizen core’ of at least half of the population, stating this as the ratio of Singaporeans to foreigners that was sustainable for the country. In the same month, the government launched the Singapore Citizenship Journey as a compulsory orientation programme for individuals desiring to become citizens. At about the same time, then Minister Mentor (MM) Lee Kuan Yew reminded Singaporeans that the inevitable outcome of slowing the influx of migrants was that Singapore had to accept slower economic growth in the years to come. In March, the Manpower Ministry announced it would increase the qualifying salary of foreign professional
and skilled workers by as much as $1,000 for employment pass holders from July 2011 to improve the quality of foreigners entering the country.\textsuperscript{13}

On housing, the rate of increase of public property prices in the first quarter continued to decline to 1.6\% from 2.5\% in Q42010, the lowest quarterly increase in the Housing and Development Board’s (HDB) housing price index since the second quarter of the recession year, 2009.\textsuperscript{14} The government introduced property cooling measures in January for the fourth time in two years. The government increased the barriers to buying or selling residential property by raising the seller’s stamp duty charges from a scale of 0\%-3\% to 4\%-16\% (subject to the length of time the owner had held on to the property),\textsuperscript{15} and raising the holding period (minimum requisite time period before sale of property) from three to four years. The loan quantum allowed for those with outstanding mortgages was decreased from 70\% to 60\%. As these measures were introduced to discourage speculation, the maximum loan quantum for first-time home buyers and property owners with no outstanding mortgages remained unchanged.\textsuperscript{16}

The government then moved to increase the supply of available flats especially for first-time home buyers; it committed in March to offer a maximum of 22,000 of built-to-order (BTO) flats in 2011 – the largest annual increase in the last decade. Of this, the government would deliver 14,000 new flats in the first half of 2011. It also upped the monthly household income limit for the purchase of three-room flats in non-mature estates from $3,000 to $5,000, which would allow more young and new families to qualify for them.\textsuperscript{17} Even then, the government saw the need to strike a balance between catering to the demands of potential home buyers by keeping supply high and prices low, as well as property developers and home owners that would benefit from the opposite. Then Minister for National Development Mah Bow Tan pointed to the 33,000 unsold, completed units that the government had in supply as ‘a hell of a lot of flats’.\textsuperscript{18}

On transport, although the government had facilitated the increase of bus and train frequencies previously, and intended to continue to do so, the adequacy of these efforts were questioned by Member of Parliament (MP) Lim Wee Kiak in the Committee of Supply Debate in March. In response, then Minister for Transport Raymond Lim said that the government planned to ramp-up rail capacity and improve bus services. He added that the government would ‘open…a section of rail every year for the next six years’.\textsuperscript{19} In February, the Public Transport Council (PTC) announced that it would defer its annual fare review from July to the opening of the circle line in the fourth quarter.\textsuperscript{20}

\textbf{Internet Election Advertising Regulations}

In March 2011, the government relaxed the rules relating to election advertising on the Internet, extending the ‘positive list’ of activities and channels that are allowed to include social media platforms (podcasts, videocasts, blogs, micro-blogs, multimedia messages, photo-sharing platforms, social networking sites) and electronic media applications such as those appearing on mobile phones. This list previously included only party websites, Internet chat rooms, discussion forums, electronic mails, short message services and hyperlinks.
The new rules require election candidates to declare to the Returning Officer for the general election, all new media content used or intended for use within 12 hours after Nomination Day, that is, the start of the formal campaign period. After this, all new media content must be declared to the Returning Officer prior to publication.

The exception to that would be the direct uploading of undramatised and undistorted video election campaign recordings, that in their own right would not need to be submitted to the Board of Film Censors (BFC) for approval before distribution. However, films of all other nature must still be sent to the BFC.  

Some, like the National Solidarity Party (NSP) welcomed the changes, while blogger Alex Au of Yawning Bread noted that the government was playing a catch-up game as they were ‘regularis[ing]…what netizens [were]…anyway going to do’. 

**Electoral Boundaries Report**

The government released the electoral boundaries report (EBR) in February 2011, which factored in legislative amendments to the electoral system passed in Parliament in April 2010. As such, the number of electoral constituencies increased from 84 to 87, where there would now be 15 instead of 14 Group Representation Constituencies (GRCs) and 12 instead of nine Single Member Constituencies (SMCs). Two four-MP GRCs were added, the number of five-MP GRCs were increased from nine to 11, and the number of six-MP GRCs were down from five to two as part of the government’s promise to lower the average size of GRCs.

In general, the opposition took a negative view of the amendments. The Worker’s Party (WP) charged it had been an exercise in gerrymandering – in the case of Aljunied GRC, changes of the EBR did not bring about much difference in terms of population size – one key rationale raised by the government as a necessity, but the WP argued that the areas of Aljunied GRC where WP enjoyed significant support (as they were near Hougang SMC) had become a part of Ang Mo Kio GRC – the PM’s ward. The WP also noted that the two GRCs that were dissolved were previously headed by former Cabinet Ministers and retiring politicians Lee Boon Yang and Yeo Cheow Tong, suggesting that the leadership transition plans of the ruling People’s Action Party (PAP) had been a factor in determining the electoral boundaries. The NSP said it was ‘badly hit’ by the changes as three SMCs where they had been ‘working the ground’ (Macpherson, Yio Chu Kang and Nee Soon Central SMCs) had been absorbed into separate GRCs. In addition, parts of Jalan Besar GRC, where the NSP previously contested, were carved out to form Moulmein-Kallang GRC. The party would then contest in areas within close proximity of formerly targeted constituencies. The Reform Party (RP) said that they were not surprised with the changes and also said they smacked of gerrymandering.

**GE2011**

GE2011 was a watershed election because the PAP lost a GRC for the first time, and saw its popular vote fall to a record low victory of 60.1%. Abandoning the by-election strategy, the opposition contested a record number of 82 out of 87 seats; every constituency except for Tanjong Pagar GRC.
The most heated battle took place in Aljunied GRC. This constituency, helmed by former foreign affairs minister George Yeo went to the WP A-team headed by Low Thia Khiang. In the electoral campaigning period, then MM Lee said that Aljunied voters would have ‘five years to live and repent’ should they vote in the WP. This precipitated an apology by the Secretary-General of the PAP, PM Lee at a lunchtime election rally held at Boat Quay. The WP had set its sights on Aljunied GRC since the 2001 GE and this time translated it into five seats in Parliament. Other hotly contested spots included the two opposition-held SMCs of Potong Pasir and Hougang, Joo Chiat SMC and East Coast GRC.

**Issues and Manifestos**

Issues that were brought up in the election included the influx of foreigners and its social costs; the high cost of living, high housing prices, high ministerial salaries, government accountability, and the need to improve the plight of the poor.

The PAP’s manifesto sought to extend the work it had already done, while opposition parties promoted their own solutions to policy issues and visions of Singapore’s future.

In its manifesto, the PAP said it would work towards ‘Securing Our Future Together’. The party said it would achieve this with a six-pronged approach - by creating opportunities for higher incomes for all Singaporeans, improving the lives of the lower income, enabling Singaporeans of diverse capabilities and interests to develop themselves to the fullest, provide an outstanding living environment, and helping older Singaporeans age gracefully.

The NSP’s manifesto was guided by the principle of what it said would be a holistic and balanced quality of life approach to policy-making. The party campaigned on several issues - on housing, NSP proposed that public housing be sold to first-timers at a ‘cost-plus’ basis, rather than the current approach where prices are pegged to market rates. The NSP also suggested that Singapore adopt a wage-growth-focussed, rather than GDP-growth-oriented economic model. On migration and labour, NSP said that it was not anti-immigrant, but instead desired the moderation of the pace of this influx, particularly for the mid-skilled foreign workforce (includes fresh graduates, diploma holders and technicians).

NSP asked Singaporeans to consider if their lives had improved since the last GE, given the rise in cost of living under the PAP government.

The WP consistently advanced the notion of a ‘First World Parliament’, and the necessity for an opposition presence in Parliament to keep the PAP government ‘in check’. Its manifesto consisted of proposals in 15 broad areas, which include calls for the reduction of government expenditure, yet, increase in state revenues, increase in expenditure in health care, the suggestion that new flat prices be pegged to median Singaporean household incomes to ‘ensure that new flats are always affordable for the majority of Singaporeans’, the nationalisation of the transport system, and bolstering of retirement adequacy through the CPF scheme. The WP claimed that they could ensure that these proposals would not raise government expenditure. A fiery exchange ensued between former National Development Minister Mah Bow Tan and the WP, where both sides insisted that housing prices in the geographical area of Hougang in Aljunied GRC and Hougang SMC respectively were more favourable. Analysis by two PhD students suggested that there was ‘no significant difference’ in the prices of flats in the two areas.
The Singapore Democratic Party’s (SDP) rolled out its manifesto, ‘The SDP Promise’ which consisted of 10 pledges to ‘change…policies that hurt the people’. These measures included reducing the Goods and Services Tax (GST) to 3% from the current 7%, and removing it for essential items like basic food groups and medicine; implementing a Singaporeans-first policy in the labour market, instituting a minimum wage, doing away with the CPF Minimum Sum Scheme, reducing healthcare costs, reducing class size in schools, and contributing 50% of MP allowances to improve the party’s services to constituents if elected. The SDP proposed the reduction of the time obligation for National Service (NS) to 12 months, from its current period of two years. Then Minister for Community Development, Youth and Sports, Vivian Balakrishnan swiftly put down the suggestion of a minimum wage, reiterating his belief in the government’s ‘Workfare plus plus’ model.

SDP candidate and former senior civil servant Tan Jee Say proposed a $60 billion National Regeneration Plan which called for Singapore to focus more on the services sector and for the government to cease giving tax incentives and subsidised rental rates to attract manufacturing firms to the country. According to Tan, the manufacturing sector – which the government had promoted in the last 50 years as ‘a key pillar of its economic growth strategy’ – had been a major contributor to greater economic volatility in recent years. In response, Trade and Industry Minister Lim Hng Kiang said that while there were challenges ahead for the manufacturing sector, the right approach was to overcome difficulties rather than abandon the sector altogether. It would take several years to re-build a competitive manufacturing sector once the country had turned from this. In addition, the fluctuating contribution of the sector (especially with pharmaceuticals) did not mean that jobs followed the same trend.

The RP pledged to make 19 policy changes should it gain a majority in Parliament. These include the implementation of universal health insurance, minimum wage, decrease or waiver of GST on some categories of necessities for food for lower income individuals, reducing the length of NS among others. Lim Hng Kiang who headed the team contesting the RP in West Coast GRC invited his opponents to provide more details on those plans so that residents could come to their own conclusion about the merits of what RP was arguing for. In response, the RP posted further details and claimed on its website that it was ‘denied a right of response…in the State owned National Press’.

The Singapore People’s Party (SPP), in its manifesto said it aimed at speaking up for and improving the lot of the common man, promoting a more inclusive approach to long-term economic growth, bringing about a more equitable distribution of wealth to reduce income disparity, as well as providing sufficient retirement funds to meet the healthcare needs of senior citizens. Chiam See Tong, secretary-general of the SPP spoke of the similarity between the PAP’s and SPP’s manifestos and said his party would ‘be happy to dialogue with PAP on such points’.

The Singapore Democratic Alliance (SDA) adopted a Singaporeans-first approach in its manifesto. It proposed initiatives to deal with the high cost of living, prices of public flats, income divide, improve job security, and help Singaporeans deal with medical expenses.

In the lead-up to polling day, former Housing minister Mah revealed that the government was in the process of reviewing the ceiling of joint income of $8,000 for young couples to qualify.
for purchase of public flats, after a long refusal to change this amount.\(^{45}\) In addition, the government issued data to allay concerns on public housing affordability and in response to calls from the opposition to cut the price of flats.\(^{46}\)

**Strategies and Platforms**

This election also saw the opposition abandon its by-election strategy to contest all constituencies except Tanjong Pagar GRC (where an attempt was made but the nomination process of the political opposition was unsuccessful due to the late submission of papers). The by-election strategy was first introduced in the 1991 GE where the opposition made an informal pact to contest less than half the seats to allow the PAP to return as government. It was believed that it would embolden voters to choose a non-PAP candidate in contested constituencies since there was the assurance that the PAP would form the government.\(^{47}\) This time around, cooperation between opposition parties limited the number of three-cornered fights to just one, in Punggol East where Michael Palmer of the PAP emerged winner against Lee Li Lian of the WP and Desmond Lim of SDA. Lim was the only candidate to lose his $16,000 deposit in this election.\(^{48}\)

While political parties continued to rely on tried and tested methods of campaigning like walkabouts, door to door visits, and rallies, they increased their outreach through social media as well. A joint survey by the Institute of Policy Studies (IPS) and the Nanyang Technological University on the influence of the Internet on the GE found that it was not decisive in its influence as only three in 10 voters looked up Facebook or blogs for election content (excluding those who visited websites of mainstream media outlets).\(^{49}\) The IPS Post-Election Survey, a separate study, suggested that the influence of the Internet had increased since the 2006 GE, and ranked just after newspapers and the television for its power to shape decision-making at the ballot box.\(^{50}\)

**PRESIDENTIAL ELECTION**

Three months after the GE, Singaporeans went to the polls again on 27 August 2011, this time to elect the president. Tony Tan, a long-time former Cabinet Minister of the PAP government took the office with 35.2% of votes, a mere 0.35% ahead of the runner-up, Tan Cheng Bock also a long-time PAP parliamentarian, in a four-horse race, only the second presidential election since the first in 1993. The other two candidates were Tan Jee Say who had contested in the recent GE on a SDP ticket and Tan Kin Lian who had previously been chief executive officer of the insurance arm of the National Trades Union Congress (NTUC).\(^{51}\)

Tony Tan campaigned to bring Singaporeans ‘Confidence for the Future’ with his deep experience and expertise in the government and business sector; Tan Cheng Bock appealed to voters as a ‘Unifying Figure for All Singaporeans’ in wanting to bring the diverse opinions and inclinations of the country together, after what he viewed as a divisive GE; Tan Jee Say campaigned on being the ‘Heart of the Nation’, the conscience of the people and to hold the government accountable to its GE campaign promises, he said; Tan Kin Lian, said he would be the ‘Voice of the People’ and speak up for Singaporeans as he had done during the Lehman Minibonds Saga in 2009.\(^{52}\)
What was notable although not surprising about this election, was the confusion about the roles of the elected president (EP). Some Singaporeans, including the candidates felt that the EP should take a more activist role in voicing the concerns of the populace, and checking the government’s actions. The Law and Foreign Minister K Shanmugam was at pains to emphasise the government’s interpretation of the EP’s Constitutional role - ‘custodial, not executive powers’, veto powers in only five specified areas and the need to ‘act in accordance with the advice of the Cabinet in all other matters’. 53 Those five specified areas are the veto on the spending of past reserves, veto on proposed appointments in the public sector both with the assent of Council of Presidential Advisers (CPA), the release of detainees under the Internal Security Act in accordance with the recommendation of the advisory committee, the approval for the director of the Corrupt Practices Investigation Bureau to investigate a case even if the prime minister refuses to allow this and finally, the power to vary a restraining order under the Maintenance of Religious Harmony Act, with the power to overrule the Cabinet if its decision is opposed by the Presidential Council for Religious Harmony. 54

Even then, Singaporeans continued to debate the role of the EP and the process of qualifying people as candidates for the election. Chairman of board of trustees of the Singapore Management University (SMU) Ho Kwon Ping argued that by virtue of the fact that the EP is elected by more Singaporeans than any cabinet minister meant that he or she would have the soft power to speak up on their behalf, in spite of what the Constitution might stipulate. 55 This was rebutted by law assistant professor of SMU too, Wan Wai Yee, who argued that an EP who functioned as a separate political power centre and contradicted the government freely was problematic as it would be beyond what the Constitution allowed. 56 After the election, Ho Kwon Ping and Janadas Devan, associate editor of The Straits Times and director of the Institute of Policy Studies argued that the president should be chosen by an electoral college instead of the popular vote. Popular elections politicised the selection process, and was not commensurate with the notion that the president should remain above politics. 57 Constitutional lawyer Kevin Tan revived earlier suggestions of the formation of an upper house in Parliament to consolidate institutions unique to Singapore such as the Nominated Member of Parliament Scheme, the powers of the EP and the institutions within the president’s office overseeing racial and religious harmony. 58

Some commented that the decision-making process of the Presidential Elections Committee in issuing Certificates of Eligibility which give presidential aspirants the go-ahead to contest, could be made more transparent. 59

A NEW TERM IN PARLIAMENT

The 12th Parliament saw the ‘epochal’ reshuffle of cabinet posts, marking the entry of fourth generation PAP leaders into Parliament and even more significantly, the departure of long-time members of previous Cabinets including the two former prime ministers. 60 They were Lee Kuan Yew and Goh Chok Tong, as well as Wong Kan Seng, Mah Bow Tan and Raymond Lim from Cabinet. First-term parliamentarians were made office-holders to renew the ranks, and they were Heng Swee Keat as Minister for Education ministry, Chan Chun Sing, as Acting Minister for Community, Development, Youth and Sport (MCYS), Brigadier-General (NS) Tan Chuan-Jin as Minister of State for National Development and Manpower, and Lawrence Wong, Minister of State for Defence and Education. 61 There were switches
The Year in 2011

in portfolio for others - Khaw Boon Wan stepped into National Development Ministry from Health which was taken over by Gan Kim Yong who was previously at the Manpower Ministry. The Manpower Ministry is now helmed by Deputy Prime Minister (DPM) Tharman Shanmugaratnam. Lui Tuck Yew took over the reins at the Transport Ministry and Yaacob Ibrahim took his place at the Ministry of Information, Communications and the Arts from the Ministry of Environment and Water Resources (MEWR). Vivian Balakrishnan moved from MCYS to MEWR. The Manpower minister Ng Eng Hen moved to the Defence Ministry. This was in fact a major Cabinet reshuffle.

The new Parliament saw the entry of nine opposition Parliamentarians, the most since 1968, with the fall of the five-man Aljunied GRC to the WP and the retention of Hougang by the same. The WP Parliamentarians are Low Thia Khiang, Sylvia Lim, Pritam Singh, Chen Show Mao and Faisal Manap, as well as Yaw Shin Leong of Hougang. In line with legislative amendments made in 2009 to increase the diversity of voices and quality of debate in Parliament, three Non Constituency-Members of Parliament (NCMPs) were admitted to ensure that there would be nine opposition politicians in the House – SPP’s Lina Chiam as well as WP’s Yee Yenn Jong and Gerald Giam became the new NCMPs, as best losers in the election. In addition, Chen was appointed to the Committee of Selection, along with six PAP members. This Committee chooses the members that sit on permanent and ad hoc parliamentary committees.

At the opening of the 12th Parliament, PM Lee said the government’s priorities would be to ensure that social mobility is maintained in Singaporean society and that social safety nets are strengthened sustainably. He also called for ‘a constructive politics which puts Singapore first’ in the new political normal. This echoed President Tony Tan’s pledge for the government to cater to the different demographic and income groups, as well as ‘engage citizens more extensively on issues, tap ideas and foster a greater sense of shared ownership’.

The first parliamentary seating gave way however to sharper inter- and intra-party debate on a wide range of issues. The question is whether these would translate substantive changes to governance philosophies and public policy over time. PM Lee said he would hold opposition members accountable to their promise to be ‘responsible and constructive’. This meant taking a principled, rather than popular approach in their advocacy; he challenged them to be courageous in telling ‘unpalatable truths to Singaporeans’ when necessary.

Ministerial Salaries

At the swearing-in ceremony of the new Cabinet, PM Lee announced that he had appointed a committee to review salaries of political officeholders headed by Gerard Ee, chairman of Changi General Hospital and the National Kidney Foundation. This move was a response to criticism by the political opposition and the public more generally during the GE that the amount political leaders were paid was inordinately high when compared to what the average Singaporean earned, and not commensurate with the improvement in the lives of ordinary people or the poor. A further argument was that they wanted leaders to be driven by a sense of public service. Also, the high salaries had not attracted top private sector talent to join in any great measure. The current formula pegs the salary of political officeholders to the pay of top corporate jobs, with a discount for public service.
Transport

In July, the possibility of a transport fare hike started a debate on Singapore’s model of public transport.

The WP argued vigorously for the nationalisation of public transport services, which was rejected by new Transport Minister Lui Tuck Yew who said that ‘commuters and taxpayers – yes even those who do not take public transport are likely to end up paying more, and possibly, for a poorer level of service over time’, as the suggested cost-recovery approach would provide ‘little incentive to keep costs down’. Gerald Giam, NCMP and WP politician explained that the existing public transport companies should be replaced by a not-for-profit National Transport Corporation with strict key performance indicators. Primarily, a nationalised system would make up for market failures in public transport, and that the current approach was an incentive for transport operators to maximise profits to keep shareholders happy, and not be commuter-centric. Josephine Teo, Minister of State, Transport, in her response said that the current system allowed for ‘contestability’ and resulted in greater discipline and efficiency in running the transportation system. She highlighted that the system of having the Public Transport Council (PTC) regulate fares and set service standards was effective in serving the public.

Hazel Poa of the NSP proposed a third approach of introducing partial competition. In this model, the government would, for the rail system, retain ownership of ‘major fixed assets – tracks, stations and trains – and sub-contract out the operations to private companies’. This would be coupled with the liberalising of bus services to smaller and nimbler companies, and for a transport authority to centrally manage routes and licenses that will be distributed on a free-market, competitive basis.

PM Lee pledged that the government would improve the public transport service. The PTC approved 1% fare hike, lower than what was sought by the transport companies in August 2011, which was implemented in October 2011 with concessions for senior citizens.

There were massive train disruptions in December including a five-hour breakdown on 15 December 2011 that affected 127,000 commuters and trapped 4,000 passengers. While service disruptions have occurred in the 24 year history of the Mass Rapid Transit (MRT) system, none had been on such a scale. Public anger was fuelled by the poor communications with affected passengers, slow recovery and implementation of alternative bus and taxi services to help commuters get to their destinations. This stood in contrast to the flurry of reports and complaints from affected commuters on Twitter. Subsequently, The Online Citizen (TOC) organised a protest at Speaker’s Corner to petition for the removal of fare hikes implemented earlier this year, the freezing of transport fares thereafter, and the resignation of SMRT CEO Saw Phaik Hwa. The protest, attended by 80 individuals on 17 December, was organised over just two days, a testimony to the power to mobilise through the Internet. According to a 19 December post on its website, the petition with 2,000 signatures had reached the Transport Minister, Chairman of the Land Transport Authority, Chairman of the Public Transport Council and Chairman of SMRT. Just before the protest, the PM and Transport Minister held a press conference to announce that they were assembling a government committee of inquiry to thoroughly investigate the breakdowns.
Housing

Public property prices continued to increase after the GE in spite of the government’s efforts to dampen the exuberance of market through the year. The rate of increase in the second and third quarters picked up after the first quarter (3.1% in 2Q2011, 3.8% in 3Q2011). A total of 25,200 built-to-order (BTO) flats were offered in 2011 and the government committed to building another 25,000 in 2012.

The new National Development Minister Khaw temporarily reversed the decade-long policy direction to have flats ‘built to order’ only, but instead to ‘proceed to build, knowing that the orders will definitely come’ only to clear the backlog of demand from first-time buyers. The income ceiling was raised from $8,000 to $10,000 for couples intending to purchase new flats from the government, an – for the first time in 17 years. In addition, the income ceiling for couples aiming for Executive Condominium flats went from $10,000 to $12,000.

The Minister also said he would increase the number of rental flats available to vulnerable families.

Minister Khaw has taken to setting up a blog entitled ‘Housing Matters’ like he previously did in the Health Ministry, where he made housing data more readily available and has shared his observations on housing issues. While home buyers welcomed such a move, professionals in the property sector were concerned about the blurred boundary between personal commentary and official policy. He also directed his ministry to stop releasing the average cash-over-valuation (COV) figure as it was ‘misleading’ because it was a composite of prices achieved by a vast variety of flats in different locations. The ministry would hence release disaggregated data.

In July, Minister Khaw announced that the Design, Build and Sell Scheme (DBSS) scheme would be put on hold for government review, following controversy over record price tags (initially at $880,000 for a five-room flat, reduced to $778,000 after public response) for a launch of these sorts of public-private flats in Tampines. Launches for the rest of the year were to go on as planned, and developers moderated the prices of these flats to some extent in response to public sentiment.

To discourage speculation and further cool property prices, the government announced in December that foreigners would have to pay an additional buyer’s stamp duty of 10% on the purchase of residential property in Singapore, and permanent residents would have to pay 3% of additional stamp duty on second and subsequent residential properties. Citizens would see a rise in stamp duty for their third and subsequent purchases. In October, Minister Khaw revealed that foreigners made up 12% of private housing purchases in 2010 but this had grown to 16% this year. According to economist Chua Hak Bin of Bank of America Merrill Lynch, foreigners comprise 40% of the luxury market and had started to turn to the mass market property segment. The government had previously stated that its objective is to ensure that changes in property prices are commensurate with changes overall economic performance of the country.
Migration and Labour Issues

The government introduced more measures to grow the resource pie for Singaporeans as well as tighten immigrant inflow after the election.

In his August National Day Rally speech this year, PM Lee assured Singaporeans that the government would create 2,000 more places in tertiary education exclusively for Singaporeans in the next four years and cap foreign student enrolments at the existing level to assuage concerns that foreign students were crowding out local ones in the sector.92

In the same month, the government announced further changes to the employment pass framework, to reduce Singapore’s dependence on foreign labour. This was a surprise to many as the qualifying salaries for the employment and S pass had only just been increased in July. The new system would, in place of a single qualifying salary require the applicant to earn a minimum salary depending on his or her qualifications and experience. Such an approach is intended to give the Manpower ministry flexibility to approve applications on a case-by-case basis, and would take effect from January 2012.93 Manpower Minister Tharman Shanmugaratnam said that these changes were meant to ensure that salaries of local white-collar workers increased and that they would not be ‘competing at a disadvantage or grossly unlevel playing field with Employment Pass holders who come in much cheaper’.94 These changes, along with other levy increases and tier tightening measures were a ‘clear signal’ to companies to reduce their foreign worker dependency, increase investment in improving productivity so they would still be competitive in the longer term.95

As a stark demonstration of the tightening of the inflow of migrants, DPM Teo Chee Hean said in October that 127,066 foreigners that tried to become permanent residents in 2009 and 2010 were turned down. Immigration numbers have steadily decreased from 79,167 in 2008, to 59,460 the year after, and 29,265 in 2010.96

In November, in a written parliamentary reply to Lim Wee Kiak, MP for Sembawang GRC, Defence Minister Ng said that approximately 8,800 male foreigners that gained permanent residency status through parental sponsorship had signed up for and served NS in the past five years, and some 4,200 chose to renounce their permanent residency instead.97 NS which entails a full-time commitment of two years and reservist obligations up till at least 40 years of age, is one important deterrent for male second-generation PRs to retain their permanent residency status.98 First-generation PRs have no such obligations.

On 21 August 2011, Singaporeans island-wide cooked or ate curry in response to the ‘news’ that a native Singaporean Indian family agreed through the process of mediation to refrain from preparing curry when their immigrant neighbours from China were at home, six years ago through recent publicity by the legal service’s mediation centre. Law and Foreign Minister K Shanmugam explained that in the standard approach to mediation, ‘the solution or recommendation was not made by the mediator…arrived at by the parties themselves’ to suggest that the solution had not been foisted on the parties concerned. While he said the episode could be viewed as an affirmation of local identity, he cautioned against xenophobia.99
The year ended with gloomy prognostications of low economic growth for Singapore in 2012 – 1% to 3%, with inflation expected to be at levels of between 2.5% to 3.5%. The government has invited suggestions on how to help citizens and the business sector cope with the poor global demand that is the result of the sovereign debt issues in the Eurozone and the sluggish recovery in the United States. Issues of social protection will loom even larger in the discussions on public policy in the year ahead.

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The Year in 2011

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