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ON THE SEVENTH DAY, HE RESTED:

LEE KUAN YEW AND THE CREATION OF SINGAPORE

Core Course Essay

PATRICK C NEARY/CLASS OF 1997

COURSE 5601

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In August 1965, Lee Kuan Yew neither sought nor welcomed the strategic challenge he suddenly faced. forming a nation-state where one had never existed Malaysia's expulsion left Singapore no alternative but to accept the risk, and the opportunity, of nationhood While Lee had only months earlier denied even the possibility of independence, he now placed his considerable intellectual and organizational talents to that end. The story of Singapore's successful entry into nationhood is primarily the story of Lee Kuan Yew's insight in analyzing the strategic environment, and his willingness to impose exacting, results-oriented domestic policies in pursuit of national goals.¹ Lee's paternal authoritarianism proved to be highly successful, but this success sowed the seeds of discontent now producing weeds in his island paradise.

Lee's clear vision of the strategic environment actually proceeded from a flawed assumption. Believing that Kuala Lumpur acted rashly in evicting Singapore, Lee and his senior advisors reasoned that if Singapore could evolve as a model of economic vigor and social tolerance, Malaysia would recant and welcome them home² This was almost certainly the only lapse Lee made in his analysis of both the domestic and international situations. Despite this initial error, Lee and his People's Action Party (PAP) charted a course that navigated the dangers of the height of the Cold War while overcoming significant internal obstacles to nationhood.

The international environment in the Fall of 1965 was not particularly inviting to a newborn state The newly independent island nation of 210 square miles obviously lacked strategic depth Furthermore it was a predominantly ethnic Chinese enclave amidst the Muslim crescent of Malaysia and Indonesia. No one would have faulted Singapore's leadership if it had displayed a preoccupation with security However, Lee Kuan Yew viewed the situation quite differently First, Malaysia had no designs on Singapore, as evidenced by Kuala Lumpur's

decision to eject the city from the federation. Second, Indonesia's animosity to the Malaysian Federation presented little threat. Lee's efforts to establish trade relations with Indonesia marginalized whatever residual threat Jakarta may have posed. This apparent about face did anger Malaysia, but in the end it only served to disabuse Singapore of its dreams of a rebuilt federation.

The secret behind Lee's pursuit of a secure regional environment was not simply his ability to maneuver between other regional players, but his understanding of the role of the decisive extra-regional power, Great Britain. After Britain's renunciation (1959) of colonial rights to Singapore, the ruling PAP had agreed to British protection in matters of defense; this status continued when Singapore gained full independence in 1965. Britain's continuing interest in Singapore's strategic location and port facilities made it a de facto guarantor of Singapore's security, as long as Lee was willing to let the British retain their unique access. Much as the Royal Navy once enforced the fledgling American Republic's Monroe Doctrine, now the Royal Navy provided Lee safe harbor amidst his most immediate potential adversaries.

The final international difficulty facing Lee was Singapore's role in the bipolar world structure. While the Cold War was reaching a peak of intensity during this period, the dynamics of bloc politics on both sides provided Lee several opportunities. First, the rift between Moscow and Beijing limited the Soviet's ability to meddle in Southeast Asia precisely at the moment of Singapore's greatest vulnerability. Singapore's ethnic Chinese majority might have made it an inviting target for subversion by Beijing, but the PRC was maintaining a low profile and reconsidering the historic policy of using expatriates as a tool to pursue Chinese foreign policies.³ This left Lee free to concentrate on the question of relations with the United States. Due to the

strong relationship with Great Britain. Lee was free to avoid an entangling alliance with America. More importantly, America's growing involvement in Southeast Asia provided Singapore with economic demands that neatly matched Lee's vision for industrialization. Despite being an obvious strategic prize, Singapore thus escaped becoming a pawn on the bipolar chess board.

While some of Singapore's success was due to serendipity (e.g., the Sino-Soviet split, Great Britain's initial impulse to remain a player in Southeast Asia, the growing US involvement in Vietnam), a less gifted leader could easily have missed the opportunity. Lee Kuan Yew not only identified the opportunities, he exploited them in a manner which primed the pump for Singapore's domestic transformation.

If natural resources are the building blocks of the modern nation-state, Singapore had few. In terms of population, it had an overabundance and a difficult ethnic mix.⁴ Its only other asset was the realtor's cant of "location, location, and location," as it sat astride the strategic Straits of Malacca. Lee Kuan Yew realized that national cohesion was the key to Singapore's viability. To his credit, Lee was willing to abandon much of his dogmatic socialist past and embrace a series of immediate policies which built a Singaporean identity. More impressively, he responded to the crisis posed by the British strategic withdrawal with policy revisions that reinforced Singapore's recent gains. Finally, once the island state had survived infancy, he developed new policies which established the prerequisites for continuing success.

Partially due to his background in the British colonial education and bureaucratic systems, Lee viewed Singapore's population density as a resource awaiting development. One of the PAP's first initiatives was to establish universal primary education, and the government allocated the resources necessary to achieve this goal within one decade. Within the primary schools and

especially in the competitive secondary school system, the government emphasized the study of science and technology in order to provide the engineers, architects, and scientists necessary to pace technological development. Finally, the government instituted rigorous testing and evaluation, to avoid corruption and educational minimalism while promoting a highly meritocratic standard for advancement

Due to Singapore's ethnic diversity, language education promised to be a divisive issue which might undermine the developmental gains of the education program. To sidestep this problem, Lee instituted a two language requirement. All students trained for fluency in English and one other language of the family's choice. Each ethnic group felt protected by the ability to ensure their children learned the mother tongue, yet all would have English as a common denominator. English already was the language of the elite, but the masses would have resisted had the PAP chosen to favor it. Instead, the two language policy led to the gradual acceptance of English as the common language, with ethnic languages gradually becoming irrelevant. Within a decade Singapore had a common language and a commitment to personal advancement through education.

Lee's efforts to eliminate the problem of ethnic enclaves were even more rapid and just as successful. In effect, the government made the public an offer it literally could not refuse. Public housing with eventual self-ownership. Lee embarked on an ambitious schedule of public housing construction which forcibly removed the squalid ethnic *kampangs* and replaced them with modern--albeit spartan--housing. The government's twist was that residence within the new public housing projects was ethnically mixed, thus eliminating the possibility of ethnic tribalism or opposition in the future. By 1990, this program housed 80 per cent of Singapore's population

including most of the poor and a much of the middle class.⁵ The icing on the housing cake was the government's offer to let tenants in public housing use the savings kept in government-mandated accounts to "buy" their properties back. This policy invested former tenants in their developments and made permanent the neighborhood (vice ethnic) loyalty Lee initially sought.

With policies fostering a common language, commitment to education, and neighborhood loyalties, Lee's last immediate challenge was to jump start an economy which was traditionally labor-intensive and based on trade. In the economic realm, Lee's policies generated synergy. The construction boom caused by government demand for housing and schools generated a high demand for equipment and spurred economic growth. The government liberalized capital and investment regulations, producing a steadily expanding flow of foreign investment and the development of more diverse, export-driven industries. Finally, Singapore's move into the global economy occurred during a period of unprecedented economic prosperity, augmented by the regional development of Japan and the expansion of US economic investments in the region.

By 1968, Singapore was off to a fine start. Yet the creation of a lasting Singaporean state was still in doubt when the British announced their strategic withdrawal from the region. Lee's opportunistic style and effectiveness were nowhere more apparent than in his policy approach to the British withdrawal crisis. While Singapore was theoretically without a protective power, Lee realized the threat environment remained benign, so he did not overreact to the security situation. He used the crisis atmosphere first to emphasize the national military service requirement (where again English was the *lingua franca*), and to solidify the PAP's hold on power with an election (which the opposition conveniently boycotted). Next, Lee set about mitigating the effects of the British pull-out which would remove between 10 and 25 per cent of Singapore's Gross Domestic

Product⁶ Using his knowledge of the British government, command of the language, and forceful personality, Lee traveled to England and arranged a series of compromises which delayed the timetable for withdrawal, provided valuable compensation to affected domestic industries in Singapore, and provided choice facilities to the government of Singapore at a nominal cost.

Returning home, Lee took one last dramatic step. Knowing some unemployment would result from the British withdrawal, and armed with a renewed political mandate, Lee pressured Singapore's labor movement into a package of concessions which was locked in under the Employment and Industrial Relations Acts of 1968. These laws gave business and industry leaders great flexibility on personnel matters, and practically outlawed strikes. Through Lee's masterful policies, the crisis sparked by Great Britain's strategic withdrawal had engendered a stronger sense of unity, new capital facilities (such as the onetime Royal Navy shipyards) and an improved business climate.

Once past the initial problems of creating national cohesion and surviving the withdrawal by Great Britain, Lee sponsored two long term policy drives to address the biggest remaining challenge to Singapore's continued success: continuing growth in the standard of living. On one hand, Lee instituted an economic diversification plan which limited Singapore's vulnerability to international economic conditions and improved its prospects for continued growth. Meanwhile, he pursued sometimes draconian (if not eugenic) population control policies designed to rein in what was already the world's most densely populated state.

To preclude a national economy too sensitive to the whims of international commerce, Lee used government policy to spur diversification. Since the maritime support and shipbuilding sectors appeared to have a comparative advantage, Lee promoted capital investment in them, and

liberalized registration requirements, making Singapore a flag of convenience and the third largest port in the world. The government's flexible currency and capital laws attracted the banking industry, and its willingness to provide long-term financing generated a genuine industrial export sector. Foreign capital sought out Singapore for its educated, disciplined work force and political stability. The oil shock of 1973 prompted a response similar to earlier challenges. After surviving the initial economic slow down, Singapore moved into the petrochemical and petroleum refining fields to prevent future disruptions. No international economic factor appeared sufficient to sidetrack Singapore's success.

Still, Lee faced the denominator of the standard of living equation—population growth. Against a backdrop of traditional Asian cultures which favored large families, Lee promulgated a mix of population control policies—liberalized access to abortion, preferential treatment for those consenting to sterilization, and housing privileges and penalties tied to family size. Yet these efforts only reduced the growth rate in line with other industrialized nations, a result which might have occurred simply from economic development. Some of Lee's policies to play government matchmaker for professional women in order to improve the "genetic pool" met with strong cultural resistance and proved ineffective.⁷ While sustaining high economic growth rates, Lee mitigated the population growth problem, he has bequeathed to his successors the ultimate resolution of continuing population pressures.

Lee Kuan Yew's approach of paternal authoritarianism took advantage of a benign regional environment, exploited the few natural advantages Singapore had, and accomplished the formation of a Singaporean state. By any objective standard, Lee met the challenges facing him and succeeded at what even he once doubted. However, Singapore is no longer an infant state.

and the difficulties it faces today demonstrate that it is the victim of Lee's success. The educated, hard-working middle class which Lee fostered is ever less willing to follow, without reservation, where the government leads. Singapore's government lacks an effective political opposition, has a compliant press, and often tramples on the civil liberties of political outsiders or the population at large. All of these factors are tied to Lee's requirement for a free hand during the early crisis years, and the peoples' acquiescence in light of his success. While Lee remains a power behind the scenes as Senior Minister, even he publicly wonders whether Singapore has advanced too quickly, becoming vulnerable to cultural dislocation in the process.⁸ Lee Kuan Yew accomplished what few other 20th Century statesmen did in building a successful, modern state out of post-colonial, third world cloth. His accomplishments clearly outweigh any difficulties his strategy engendered for his successors.

ENDNOTES

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- ¹ While several other members of the People's Action Party especially economist Goh Keng Swee, were key players in Singapore's success, there is little doubt that Lee was the dominant force. For all practical purposes the policies of the government of Singapore, the People's Action Party and Lee Kuan Yew are synonymous.
- ² C.M. Turnbull, *A History of Singapore 1819-1988* (Singapore: Oxford University Press, 1988), 297.
- ³ Turnbull, 300.
- ⁴ Roughly 80% of Singapore's population is straits-born Chinese, another 15% is Malay, with the remainder being South Asian or European.
- ⁵ James Minchin, *No Man is an Island* (London: Allen & Unwin, 1990), 248.
- ⁶ The low figure comes from Stanley S. Bedlington, *Malaysia and Singapore: The Building of New States* (Ithaca: Cornell University Press, 1978), 211, while the high end is from Turnbull, 305. While the exact amount may be in dispute, the point remains that the nascent Singaporean state expected sizable economic dislocation from the British withdrawal.
- ⁷ Lee's unusual ideas on cultural and ethnic traits are explored further in Lewis M. Simons, "Brave New Singapore," *The Atlantic* 268 (July 1991): 35, and in Fareed Zakaria, "Culture Is Destiny: A Conversation with Lee Kuan Yew," *Foreign Affairs* Vol. 73 No. 2: 123.
- ⁸ Zakaria, 115.

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