POLITICAL DEVELOPMENT OF SINGAPORE: A MULTI-DIMENSIONAL APPROACH

by

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Political Development of Singapore: A Multi-Dimensional Approach

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ABSTRACT

The existing approaches which attempt to explain the political development of Singapore, deserve to be questioned and supplemented. Some of them have used theoretical models which are either extraneous or inadequate, so far as the actual complexity of Singapore’s development processes are concerned. For that purpose this thesis provides what I have called a composite approach. Such an approach takes into account: Singapore’s historical background, changing political economy, ethnic composition and cultural values, and the social concerns and pragmatic policies of her governing elites. We shall examine the contribution of each of these, independently and in conjunction with other factors, to her many sided development.

For the purposes of development analysis, Singapore is often lumped together with the other so-called 'dragons', namely, South Korea, Taiwan and Hong Kong. That kind of an approach is not very helpful. For each one of them has come through a specific historical and social experience of its own. Equally distinct has been the nature of their economic growth and political development. Our detailed analysis of the different aspects of Singapore’s development process will illustrate this point.

This thesis critically examines the constitutional, structural and radical approaches to the study of Singapore, and emphasizes the need to adopt a more inclusive approach which takes into account the history, political economy, ethnic composition and immigrant ethic, political institutions, and highly flexible domestic and international policies which Singapore adopted for her economic and social development.

One of the most neglected aspects in scholarly writings on Singapore is how her immigrant population, and its cultural values, were blended in the drive towards the modernization of Singapore’s economy and society. In that sense the impetus from 'below' became most critical to her development. Such a contribution is examined in detail in
In the new writings on development studies, there is a growing emphasis on what can be called development particularism. That is to say that we need to pay attention to the peculiar development experience of each society. Towards such an exercise this thesis, with its attempt to understand the uniqueness of Singapore's development experience, is a contribution.
DEDICATION

To Singapore and My Family.
He who gains victory over others is strong
but he who gains victory over himself
is all powerful.

A Chinese saying
I would like to take this opportunity to thank Singapore, in general, for providing me and my family the equality of opportunity and a conducive environment to harness our true potential and free ourselves from the cruel and vicious chains of poverty. It is beyond my imagination, that if my parents had remained in India, we would have been able progress this far in our lives. On this note, my sincerest gratitude to my aunt, Madam Kaliammal, for all her past help. My parents, brothers, sister-in-law and nephews for being there when I needed them most. To my gurus, Dr. Somjee and Dr. Quo, for sincerely taking the pains to ensure my scholarly progress. Finally to Dr. Geeta Somjee, her timely advice and motivation made this endeavour a possibility.
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Since the 1970s, the attention of the world began to be focused on the Pacific Rim. The rise of Japan, as an economic power, the economic success of South Korea and Taiwan, and the opening of China for trade with the West, sparked off the world's interest in the Far East. The economic performance of South Korea, Taiwan, Singapore and Hong Kong has especially surprised many scholars. This surprise was not only at the economic dynamism of these states, but also at the strategies used to achieve high growth rates over a very short period of time.

As a result, scholars have taken great interest in the strategies applied by these four states. Some of these scholars produced ready-made answers to the puzzle presented by these four dragons. Few of them have taken the pains to go deep into the complexity of the development processes of these dragons to explain the miraculous growth rates achieved by them. What most of them have done is to draw 'parallels' from other situations and not go into the 'actuals' that have occurred, in explaining the economic growth and development achieved by South Korea, Taiwan, Singapore and Hong Kong.

Among these four dragons, Singapore, has attracted the attention of more scholars. The reasons for the attractiveness of Singapore, for development studies scholars, is largely due to two factors. The first factor is that the development achieved by Singapore has posed a serious challenge to the whole notion of dependent development. Not only did she contest the notion that only underdevelopment occurs in a state of dependent development, but also posed a serious challenge to the existing wisdom in the discipline of development studies. The second factor, that stimulated the interest of scholars, was that her development was never lop-sided as compared to Hong Kong, South Korea and Taiwan. Her economic development did extend to the social sphere.
creating a more balanced all-round development.

The existing approaches do not always help us to understand Singapore's development. This is because they put too much emphasis on institutions or policies. In addition, they seem to be built around a particular ideology so as to give credibility to their ideological perspectives. In order to balance that I have used a composite approach which takes into account, history, political economy, immigrant ethic and values, political institutions, social concerns and the pragmatic policies of the governing elites.

The first chapter involves an examination of the various approaches, that exist today, in explaining Singapore's rise to prominence. By and large, this chapter is a critique of the approaches. These approaches are classified under three categories; a) the constitutional approach; b) the structural approach; and c) the radical approach. The constitutional approach deals with those who have taken the constitutional factor as the principal one in her development. The structural approach looks at the neo-classical political-economists and their approaches to the study of Singapore's development. Finally, the radical approach, where the theory of dependent development is critically analyzed.

In the second chapter, I will analyze the history of Singapore. Along with that I have also examined some of the historical approaches adopted by scholars. Besides this, a review of the region's history before the 'founding' of Singapore by the British, is also included. This review will provide an overall view of how city-states have risen to become key actors in the region's political and economic life.

The third chapter, in view of the composite approach, deals with the manner in which the society itself helped to promote Singapore's modernization process. Here an examination of the factors responsible for the emigration of people from their respective homelands will give an insight into their political culture which, it is suggested, was a major factor responsible for modern Singapore's development.
The fourth chapter, to complete the approach, involves the study of the governing elites of Singapore. This study will probe into their background, ideology and policies. By analyzing these three it will be shown how these governing elites provided the managerial expertise and political guidance to Singapore’s development.

At this moment, I would like to thank Dr. Somjee, Dr. Quo and all the rest of the faculty and staff of the Department of Political Science for their kind and valuable assistance. This work would not have been possible but for the timely and scholarly advice given to me by Dr. Somjee and Dr. Quo. It is because of this constant encouragement that I have been able to reach where I am today.

I would also like to thank the staff of Simon Fraser University’s W.A.C. Bennett library, and the University of British Columbia’s main library, for providing me with the assistance needed to track down the literature on Singapore. For without this assistance the task of collecting research materials would have been much harder.

Eswaran Ramasamy
CHAPTER I

VARIETY OF APPROACHES TOWARDS THE UNDERSTANDING OF POLITICAL
DEVELOPMENT OF SINGAPORE.

In 1979, a new term, the NICs (Newly Industrializing Countries), was coined by the OECD organization of states to categorize a select number of emerging countries who have achieved rapid economic growth in recent years. Such a term was based on the rate of economic growth achieved by those developing countries during a period of fifteen years. Their status was determined, not by achievements made in their social and political spheres, but by the efficiency of their economic performance. The only standard applied to them was their cumulative growth rate which ranged from 6 to 10 percent per annum.

The economic performance of the NICs seriously questioned some of the assumptions of the existing theories of development. Between the years 1965 and 1980 they have been able to achieve a rate of industrial development that was rather remarkable when viewed against the background of obstacles that they had to face both from inside and outside. Not only were they successful in their industrial endeavour but were also able to provide stiff competition in the production of goods and services that had long been the mainstay of the industrial economies. In addition, they also proved that development does occur in an environment of dependency. This, has forced social scientists to take a hard look at this new phenomenon of what appeared to be dependent development.

Within such a group of NICs, four of them outshone the rest. These were South Korea, Taiwan, Hong Kong and Singapore: or commonly, but erroneously, called the 'four

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Barring a common Confucian cultural heritage and a more or less similar strategy for economic modernization, not much else is commonly shared by these economies. The former two, that is, South Korea and Taiwan, have exhibited authoritarian and even dictatorial patterns of political structure since their independence from colonial rule, while Hong Kong is still, technically speaking, a colony of Britain and has been a show-case for the neo-classical economists and modernization theorists. The last of them, Singapore has at least overtly exhibited political pluralism while maintaining a benign but illiberal government under the capable and paternalistic leadership of Lee Kuan Yew.

In recent years there have been a number of scholarly works on the rise of these most 'successful' NICs. Such a literature tends to overemphasize what is common to them rather than pinpoint the peculiarities of each of them. As opposed to them this thesis is an exercise in analyzing Singapore's 'actual' development. In this chapter we shall point out how different is the growth of Singapore, from the rest of the 'dragons', by intensively examining the peculiarities of the factors responsible for her developmental process. What we shall do, therefore, is to zero in on some of the 'actuals' of its modernization process.

Given the ideological nature of the bulk of literature on Singapore's development as a NIC, what is often overlooked is her historical antecedents; impetus provided from below, the part played by the governing-elites; and, the essentially pragmatic nature of her development policy. In addition, due to this ideological treatment, what results is an attempt at segmented, and often distorted social theorizing.

Singapore's benign illiberalism, relatively speaking, often tempts scholars to cite it as an example of the result of dependent development. But these two things are separate.

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1 Scholars have been rather confused with the term Four Tigers and Dragon. In Chinese mythology the dragon and not the tiger is that which symbolizes wealth and prosperity. As such these four states should be known as the Four Dragons and not called the Four Tigers.
Her economic development now is of the nature of economic interdependence with those countries which have invested in Singapore. And its political illiberalism is of a special kind which requires independent analysis on its own.

The economic and political development of Singapore, as we shall see in the following chapters cannot be explained by the existing approaches which are either too ideological or too broad in their sweep. Equally ineffective, as we shall see later on, are the approaches which put too much emphasis on the impetus for modernization and development coming from the top. And we shall see in the following pages that what distinguishes Singapore’s development from a number of Less Developed Countries (LDCs) is the manner in which the people themselves cooperated in bringing about rapid change and development in many compartments of their life. Finally, whatever shortcomings have been there in her political sphere, especially in her limited participatory character, is often viewed by her people as a necessary price to be paid, at least in the first few years, for her all round development. The case of Singapore thus deserves a nuanced social and political analysis of her own development.

Let us now briefly examine a few major approaches which have sought to explain the development of Singapore. Among others, they are: a) the constitutional approach; b) structural approach; c) radical approach. We shall now examine each of them separately.

**Constitutional Approach**

C.M. Turnbull, the highly reputed local scholar, takes a historical approach to show the manner in which Singapore’s constitutional development took place. She begins from the founding of Singapore and, appropriately, uses the *Separation* as a starting point to 'analyze' the genesis of the present political system. Despite this, her approach tends to

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be more of a narration of political history than an analysis of Singapore's constitutional development.

However, this short-coming is overcome by her excellent construction of events on the way local politics affected Singapore's constitutional development. Her thesis is that Singapore's constitutional development was the same as that of most other British colonies. Due to the British practice of indirect rule, there arose a political system structured along the lines of Britain's political institutions, that is, a cabinet led government, which, in turn, meant the rise of a 'fused' form of government structure. In addition, her article shows the evolution of the colonial mode of governance into the present cabinet form of government.

Nevertheless, her narration does not show us to what extent the constitutional development of Singapore affected her rise to prominence in contemporary times. Moreover, there is only implicit reference to the government's role in the economy and its contribution to the socio-economic development of Singapore. Finally, she fails to show the link between the nature of the economic structure and the formation of political institutions. This failure may have been due to her adoption of a historical approach but it also means she has missed a very essential element in Singapore's constitutional development; that is, her political system as an off-shoot of the economic structure, was geared to maintain and safeguard that particular economic framework.

Along with Turnbull, another local scholar, Shee Poon Kim, adopts a similar approach but begins his analysis from the post-War period to the present. He attempts to reconstruct the events that led to the evolution of Singapore's constitutional development. By this process, he merely describes the events that took place and their consequences. However, there are two dates that he points out as essential in the

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calendar of Singapore’s political development: the years of 1963 and 1968. The former is the year when Lee completely decimates the opposition by arresting the communist elements in them. The latter year is when, for the first time since the inception of local government, the PAP (People’s Action Party) won all fifty-eight parliamentary seats, which resulted in the consolidation of the PAP’s dominance of Singaporean politics. Moreover, it is in that year that a ‘one-party dominant political system’ emerges.

Despite his restriction to the post-war period, Shee provides a detailed narration of the evolution of Singapore’s constitutional development since 1945. Nevertheless, there are some serious reservations regarding his findings. Although he felt that the future of Singapore depended on external forces, he failed to examine the importance of domestic factors that he began discussing in the earlier part of his essay. Furthermore, 1867 rather than 1945, should have been the year from which his analysis was to have begun. In addition, his restriction to constitutional matters does not reveal the importance of other factors which helped shape Singapore’s future. The exclusion of the socio-economic factors makes his essay a reading in the development of the events that occurred prior to independence rather than an attempt to show how Singapore’s constitutional development helped to shape and enable Singapore to prosper as it has done over the years.

**Structural Approach**

Modernization theory as a whole can be viewed as a framework of analysis that separates the political, economic and social spheres of modernizing societies. As opposed to the actualities of modernization processes in traditional societies where cultural factors get enmeshed, modernization theorists emphasize the need for a rational and secular

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5Since the first attempts to introduce any form of governmental structure occurred only after 1867 (the Separation from India), it is essential that any analysis of Singapore’s political evolution should begin from 1867 and not otherwise. This would allow us to understand the way in which her political institutions evolved and its role in the development of Singapore.
approach to economics and politics; division of labour; orderly social change through societal institutions; and western societies as a model for emulation.

Political Order Theorists

In terms of political 'development', particularly with reference to Singapore, modernization theorists believed that what she needed was "... a process of creating political institutions able to solve specific problems pertaining to stability and regime maintenance rather than the reproduction of democracy".

In sum, political development for them was also closely tied with economic development in the sense that only by the provision of political order and stability would Singapore be able to emulate the pace of modernization and economic development attained by the West. In addition, an offshoot of such thinking was the notion of creating institutions competent to manage the strains of social and political participation with political order and stability as the principal goal.

State-Centric Theorists

The noted Singapore economist, Lim Chong Yah, cites the political stability and continuity of the leadership as major factors for the development of Singapore. Although he concludes that this plus the utilization of 'correct' policies and the external

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environment provided the stimuli, the detailed analysis also gives us a glimpse of the importance he attaches to political stability or to use the Huntingtonian concept, political order.

Lim feels and thinks like Huntington in that they both advocate the need to have political order to allow the leadership to promote orderly change. However, Lim does not vouch for the institutional build-up that Huntington proposed. Lim, on the other hand, adds that political stability and orderly change allow greater scope for the planned mobilization of Singapore’s resources. Nevertheless, the great emphasis placed on the role of the government in promoting socio-economic prosperity, which in turn, leads to political stability is all too familiar an argument. This structural/linear approach fails to understand the nature of Singapore’s history. The role of the government has been a key factor in the promotion of economic development since the Separation from Calcutta. Political stability does not arise out of sheer socio-economic well-being. If this were true then why do we witness a high degree of political activism in South Korea and Taiwan, and not in Singapore. The answer to this question is in the political culture of Singapore, where the immigrant ethic, from below, has complemented and produced the order and stability that propelled Singapore as a NIC. In South Korea and Taiwan, however, the drive from below has not always been complemented by the drive from above.

Peter Chen, like Lim, expands his analysis of Singapore’s development a little further by concluding that "... the stability and prosperity of Singapore depend heavily on the political leadership, and not on the political system per se." Implicitly he agrees with Lim on the role of the government in providing a lead in the social and

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11 Ibid., p. 4.
economic spheres. However, his emphasis on Lee’s political leadership ignores the other factors responsible for Singapore’s development.

In the final analysis there are three major deficiencies in Chen’s thesis. The first is that his voluntarist framework has been accused of being apologetic to the paternalistic trends in the present Singaporean government. Second, Chen’s rather adamant faith in growth theory seems to be his Achilles heel. There cannot be any denial that growth has to occur for any economic expansion. However, sheer growth alone cannot be taken to account for the progress Singapore has made over the years. Finally, he commits the mistake of proposing that other LDCs model their development along the lines of Singapore.

In reference to Chen’s notion of Singapore as a model of development for other emerging countries, we need some qualifications. (The historical experience of Singapore is unique to herself and cannot be transferred to others. In addition, the nature of politics is different within each polity.) The overthrow of the Gandhi government in 1977 is an example to show that the political order achieved in Singapore cannot be transferred to other developing societies. This is because the political order achieved in Singapore is due to the complementary impetus towards modernization from both the state and society. Any attempt to imitate her political order through the use of arbitrary political power has most often resulted in civil disobedience and chaos. This was what happened when Mrs. Gandhi invoked the Emergency Act in 1977, believing that political order could be easily established by the sheer use of political force. On this aspect of transferability of development experience, recently there have been questions raised as to the possibility of whether a second generation of NICs can succeed the present ones.  

\[12\text{See Mohs, op. cit.}\]
Growth Theorists

Growth theory postulates that economic growth will automatically generate the reproduction of the historical experience of the West.\(^{13}\) This in turn would tend to have "spill-over" effects in the social and political sphere which would result in an orderly form of social and political development. This theory of Rostow's and Organski's has been used to explain Singapore's development by Lawrence Krause\(^{14}\).

Utilizing this general framework, Krause puts forth the contention that Singapore's pragmatic use of (classical and Keynesian macroeconomic policies) is the key to understanding her economic development. The problem with this is that these theorists tend to correlate economic development with political stability and the higher rates of economic growth. Nevertheless, his arguments are a classic example of the failure to understand how Singapore's economic and political structure came about. The linkage between the nation's social, economic and political institutions is not explained by him.

Radical Approach

Bob Catley\(^{15}\) has provided a neo-marxian and dependency approach. He offers a broad survey of the region's history since the arrival of the European colonial powers in Southeast Asia. His approach may be considered a modification of what is known as the "Resnick-Hymer thesis". Theirs was an attempt "to trace the stages of the development of uneven development and from the theoretical considerations argue that capital accumulation at the centre and poverty in the periphery [was] a direct consequence of

\(^{13}\)Higgott, et. al. (1985), op. cit. p. 24.


the pattern of world trade and investment established as part and parcel of the creation of world market."\textsuperscript{16}

Furthermore, Catley's attempt at transferring the 'underdevelopment' thesis from a European and Latin American context to Southeast Asia begins to show its own fallacies. Surprisingly his interpretation of Southeast Asian history begins only after the discovery of a route to the East by the Portuguese. Moreover he is not interested in Southeast Asian history but only in the manner of European colonization of the region and its continuing 'rip-off' even after independence.

As such, his historical analysis provides a very shallow understanding of Southeast Asian trade patterns. The generalization of Southeast Asian states as all being under the same format of colonial exploitation,\textsuperscript{17} misses completely the complex nature of the problem and role played by Singapore in the colonial economic order. His attempt at generalization, on this note, shows a lack of understanding of the part played by Singapore in the extraction of surplus within the region. Moreover, for him the countries of contemporary Southeast Asia states were bound by a post-colonial economic relationship in which the ex-colonial power flourished and the newly independent states were still being plundered, in a typical centre-periphery situation. He has little or no idea of the pre-colonial situation of the Sri Vijayan empire, that left behind a lasting effect in the region's legacy regarding the development of city-states.\textsuperscript{18}

By and large his conclusion was that an alliance between the merchants and landlords developed into a comprador class that helped maintain a neo-colonial mode of economic underdevelopment in contemporary Southeast Asia. Right from the beginning, his

\textsuperscript{16}Ibid., p. 55

\textsuperscript{17}Ibid., pp. 56–59.

\textsuperscript{18}This point will be dealt with in greater detail in the next chapter. For more information on this point refer to D.J.M. Tate, The Making of Modern South-East Asia, Vol. II (Kuala Lumpur: Oxford University Press, 1979), pp. 149–260.
interpretation of Southeast Asian history serves to: 1) reflect empirical evidence for his ideological convictions; 2) fail to consider the existence of centre–periphery economic relations within Southeast Asia prior to the arrival of the Europeans; 3) fail to analyse the role and nature of the Singaporean polity in assisting the colonial powers to extract surplus from Southeast Asia; and, 4) the generalization that we can possibly make about the complex nature of colonial intercourse in Southeast Asia.

Herbert Feith adopted an approach that was similar to that of Catly's. He argued that "the notion of neo-colonialism is the key to [the] understanding [of] the progression of Southeast Asia". He defined neo-colonialism as:

"Key elements of the structure of dependency and unequal exchange characteristic of a colonial relationship . . . are maintained or restored after colonial rule".20

Succinctly his contention is that the rise of Singapore can be attributed to five major factors:

1. That foreign capital has directed the pace of change and for it the availability of cheap labour has been one of principal attractions;
2. The entrenchment of established classes leading to a concentration of power and wealth resulting in a much more narrow social ladder;
3. The accelerated destruction of pre-capitalist social formations;
4. Expansion and the co-opting of the middle-class groupings – thereby utilizing social conformity to maintain a cheap labour force;
5. An increasing level of repression, which seems to be heading towards totalitarian structures.

Thus, Feith too does not go beyond the colonial history of Singapore. Moreover, he fails to identify the specific nature of colonial rule in Singapore. In this manner, his approach has not probed, cautiously, into Singapore's history, and existing historical data do not corroborate his interpretation of Singapore's development. Furthermore, although foreign capital has played a key role in directing the pace of change, it is not completely responsible for the development of Singapore. For if we were to accept his

19See his article: "Southeast Asian Neo-Colonialism" in E.P. Wolfers (ed.) Australia's Northern Neighbours. 1976.
20Ibid., p. 29.
thesis then the standard of living in Singapore should be in line with that of the Latin American states, which is by no means the case in present day Singapore nor was it in the past. In addition, the notion of foreign capital that he uses is ambiguous for the capital responsible for Singapore's pace of change came both from European and Chinese sources in the past and, after 1959, it has been mainly Overseas-Chinese, American and Japanese.

The issue of cheap labour again is vague. For by the time of the 'transfer' of the Straits Settlements in 1867, the great influx of immigrants shows that wages in Singapore were much more attractive and the workers could even repatriate a part of their savings.\textsuperscript{21} This, as we shall examine later on, was and is still true today for migrants from China and India who save so as to undertake small commercial ventures in either the country of their origin or in Singapore itself.

The second contention of entrenched class-formations, again, seems to have been an adaptation from the Latin American experience. Historical evidence points out that the entrenchment of social interests is more widespread in established societies where there has been a slow evolution of social stratification. In the context of Singapore, Europeans were essentially capitalists, of the free-trade persuasion, and not of the feudal classes as was the case in Latin America.\textsuperscript{22} As a result it was against their own interest to establish a social structure, which could have acted against capitalist economic expansion.

Thirdly, the history and nature of Singapore's development has been such that it did not allow any long term social stratification to emerge during the colonial era. In most of the other colonies there was a deliberate attempt, by the colonists, to entrench and perpetuate the existing social structure, which was then deemed to have supplemented

\textsuperscript{21}See table 1.1 where it shows the wage differentials in the 1950s.

unequal trading relations. However, in Singapore the prevailing capitalist rationale was a safeguard against the rise of such entrenched social classes.\textsuperscript{23}

Fourth, Feith's assumption that the introduction of colonialism destroyed the pre-capitalist social structure does not have sufficient evidence. This is because when Singapore was founded, it consisted of a few fishing villages. Such settlements were then superseded by a modern trading post which then absorbed the population in a new kind of social and economic organization. Later on immigrant labour continuously changed the character of Singapore's social organization, until such time that her own economic and political institutions crystallized enough to retain a national identity on a continuing basis. This, as we shall see, occurred in the early 1960s, when the government began to institute a national identity by way of a policy of multiracialism.\textsuperscript{24}

The last two points made by Feith, that is, the level of repression and the creation of a larger middle-class, however, need further elaboration. It is true that Singapore is not a full-fledged democracy, in the Western sense of the term, and there is also an \textit{embourgeoisment} of a large segment of her society. However, we have to bear in mind that the limitations on political freedom in Singapore is different from other repressive states among the emerging countries. This is so because there is too great a risk for the governing elites if they choose to be too repressive. Moreover, limitations on political freedom have been put across by the governing elite with an economic rationale, which is now being gradually challenged by the masses. Furthermore, economically prosperous classes are still not prepared to barter away their standard of


living for an uncertain political future in the name of freedom. As long as its political system continues to score success in bringing about a better standard of living, the bulk of Singapore's population would hold back their judgement on the nature of the political society.

Clive Hamilton expresses his views through the idiom of world-systems. He claims to base his analysis in the form of a "critique of the impossibilist/inevitabilist" thesis, which is another term for the deterministic/voluntaristic arguments presented by Marx and Weber. However, his thesis is that the economic success attained by Singapore is only a partial achievement. He adds that only if this success is transferred into the social and political sphere, would Singapore's development be a holistic accomplishment. Such a preconception is, in its own way, an implicit acceptance of the inevitabilist or deterministic argument.

His interpretation of Singaporean history has been helpful in providing an understanding of her development. Although he agrees that the colonial economic order stimulated the rise of Singapore and maintained its progression over time, his analysis suffers from the fact that it fails to take into account the factors which had enabled Singapore to survive in the post-independence period. For it was only by maintaining her existing economic structure that Singapore could ensure her existence. Hamilton, however, was also right to point out that state intervention was a large factor responsible for her industrialization, but he fails to show how this particular position came about except for the fact that it was created to serve British colonial capital.

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In summary, Hamilton does not sufficiently consider the following: 1) the role of Singapore during the colonial era and its distinctive pattern of development; 2) cheap labour was only a factor, which helped the colonial rulers to exploit the region's trade; 3) there is an absence of any kind of understanding of the immigrant ethic and its contribution; 4) the role played by the governing elites; and of 5) the questionable thesis on external linkages. Nevertheless, his article helps to clarify and show the role of the state in Singapore's industrialization process and the impact it had upon the political and social aspects of Singaporean society. By and large, his analysis falls into a trap that he had wanted to avoid. That is, the adoption of a rigid and dogmatic approach to the study of Singapore.

The Marxist Scholars

Among the Marxist scholars, James Petras examines modernization processes of the NICs by focusing on the particular sets of circumstances that helped to mould the nature of state intervention. In this manner he admits a great diversity among the NICs. Nevertheless, Petras' essay is an attempt to show that the Marxists have accepted a variety of post-colonial state forms and how colonialism has affected the development of political societies which emerged in Asia. Such an approach, however, overlooks the particular character of Singapore as an emerging political society.

In a subsequent article, Petras commits the same mistake as that of his contemporaries by utilizing the 'cheap-labour' thesis. Here he contends that the move towards the creation of a capital goods sector was largely due to Singapore's "large surplus labour pools". As opposed to that, the government, from time to time, was

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19Ibid., p. 193.
forced to revise wages upwards to meet shortages of labour.\textsuperscript{30} Within this context, surplus was extracted from regional trade rather than from the Singaporean labour force.

The other scholar who uses the Marxian approach is Noeleen Heyzer\textsuperscript{31} whose focus is on the cultural, political and social consequences of Singapore's modernization process. The author indicates the need to differentiate between economic growth, on the one hand, and broad development, on the other.

She shows the relationship of the ruling party (PAP) and the MNCs (Multi-National Corporations), where the former's relationship with the latter is a key towards comprehending Singapore's economic development. As a result of such a relationship there would be a natural tendency for the development of a special kind of government–industrial bureaucratic network. This in turn resulted in class-polarizations and led to the rise of a middle-level technocratic class. Despite this, she accepts that independent development would never have been possible for Singapore and that dependent development was also based on the domestic conditions during the post-independence era where the situation warranted such an involvement with the MNCs. Her thesis, nevertheless, is not very helpful in explaining the development of Singapore after the mid-1960s or before World War II.

The Composite Approach

In an examination of the literature on Singapore, I observed a need to move away from the variety of approaches we discussed and initiate a new approach. Three major elements were either missing or only partially referred to by the authors discussed. They


are: a) a re-thinking of Singapore's historical development; b) the impetus provided from below, and; c) the role of the governing elites and their policies. Such an approach would enhance an understanding of Singapore's development in more realistic terms.

For this, the methodology that I will utilize is one that combines, rather than separates, the voluntaristic/deterministic thesis. This means that I would enmesh these two approaches into one so as to ensure clarity and avoid ambiguity. In addition, there will also be an attempt to fuse all ideological perspectives. Such a methodological approach would allow a more realistic and holistic picture of Singapore's developmental process. For the sum of parts is never equal to the whole, and, therefore, we shall try to go beyond the segmented approaches to get an understanding of the whole.

Chapter II in this exercise begins by analyzing Singapore's history. This analysis does not begin from 1819 but stretches a few centuries back to the time of the Sri Vijayan empire. This pre-Singapore history allows us to view how city-states have thrived and come to play leading roles in the development of the region as a whole. This pattern has been reinforced by Singapore after her 'founding' by the British. The period following her founding shows how the particular economic structure determined the shaping of her political development. This is clearly shown in the Separation of Singapore (Straits Settlements) from India and in Singapore's existence as a colony itself. In addition, this analysis would exhibit how external and internal factors acted in a harmonious fashion to enable Lee and his colleagues, later on, to use them in Singapore's favour.

Chapter III will analyze the impetus provided from below, that is, the immigrant ethic and its contribution towards the modernization of Singapore. Although there have been numerous articles/writings on Singapore's modernization, none of them have made any mention of the immigrant ethic. Consequently, this chapter will attempt to fill that void. Succinctly, this chapter will trace the factors responsible for the formulation of the
immigrant ethic and how it contributed to Singapore’s rise to prominence. This leads, first, to the immigrants’ homelands where a brief examination of the social, economic and political conditions that supplied the rationale for those who wished to leave. Next, Singapore’s social, economic and political conditions are examined to see how they produced the ‘demand’ for these immigrants. Together, they provided the much needed human resource and its dynamism to build modern Singapore. Finally, the analysis shows how this ethic has contributed to Singapore’s modernization and its utilization by Lee to perpetuate economic development.

The final link in this composite approach is that of the governing elites, and their role in guiding, managing and harnessing Singapore’s potential. These elites are called ‘governing’ because they have been vested with legitimate authority to provide the drive from above and do not have links to other elite organizations. Moreover, the term ‘power-elites’ is too ambiguous a term for this exercise. For power-elites need not necessarily have the legitimate authority to implement changes. They may have come from the traditional ruling classes and in the case of Singapore there are no traditionally or economically established power elites to analyze. Thus the term governing elites. In addition, the governing elites as opposed to the power elites, hold not only de jure but also de facto power.

In the second part of this chapter, I will analyze the socialization process of these elites and the end-result of it. (By analyzing the socializing agents we can obtain a clearer picture of their ideological beliefs. This in turn will help to identify the source of their drive. Such a drive has resulted in the creation of an ideology of developmentalism requiring the application of pragmatic policies to harness the favourable geographical location and the immigrant ethic towards Singapore’s overall development.)

In conclusion, we can hypothesize that the route taken by Singapore to modernize is peculiar only to herself and cannot be presented to suit other developing countries.
Nor can we have theories based on other developing countries' experience to explain Singapore's development. Coupled with this, the key to understanding her developmental experience lies in three broad spheres, history, the people and skills which they have learnt, and the role of the governing elites. This, in the final analysis, will show that social theorizing has to be particularistic to begin with.
CHAPTER II

SINGAPORE'S DEVELOPMENT IN A HISTORICAL PERSPECTIVE.

In attempting to analyze any society's quest towards modernization, it is necessary to comprehend its historical experience. By ignoring its history, a handicap automatically arises, making the study of that society superficial. By grasping that society's historical process, it is possible to understand, and possibly theorize about that society's political and economic evolution. From that point of view, this chapter is an attempt to analyze Singapore's history, thereby tracing the mode in which her political institutions were cast. This in turn introduces some general arguments about the broader social and political development of Singapore.

Since the 1970s, there has been a quantum jump in the volume of 'development' literature attempting to formulate theories to explain the phenomenal success of Singapore. Most of these scholars use or analyze one of the factors, and claim, to have found the answer to the questions regarding Singapore's rise to prominence as a NIC. Most of these scholars have come up with monocausal explanations. They have interpreted Singapore's past and the region's history, in a very limited and often distorted manner which is often at odds with the historical data available.

To be able to grasp it effectively, the historical background of Singapore is divided into three stages. The first is the inception stage from 1819 to 1867, when Singapore was founded until she came to occupy the centre stage of regional trade by becoming the capital of the Straits Settlements. The second can be called the maturing stage which is spread from 1867 to 1890, when her political institutions, due to a particular kind of

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1These theorists are not restricted to any one particular school of thought, we can find the same mistakes being committed by the three major schools of thought. The radicals have analyzed Singapore's history since 1959 (some feel that the region's history begins only with the arrival of the Europeans) and the role of the state. The liberals have taken an elitist and state-centric approach, while the neo-classical theorists have, mistakenly, looked at the market forces.
economic growth began to take roots. The third, phase could be called, the *mature stage* which is spread from 1890 to the present. In the third phase the inter–relation between the domestic economy and international trade and investments, and the crystallization of political institutions is examined.

In the inception stage the rise of Singapore is traced by looking at the regional political stage even before her emergence. This sheds light on the regional trends preceding its founding and illustrates how the forces of history have played a part in ensuring the survival of this city–state, not only economically but also by providing relatively greater political and economic prosperity. Of importance is Singapore’s inheritance from the region’s established patterns of commerce based upon a semi–colonialist nature economic structure, where its major activity was concentrated on the extraction of surplus from the hinterlands of the East Indies (Indonesia) and Malaya.

(In the maturing stage an analysis of Singapore’s expanded economic activities indicates the effect it has had on the development of her political institutions. Within such a context, this stage exhibits the *overwhelming influence* which the economy had on the creation of a particular set of political institutions which, subsequently, ensured Singapore’s quest for modernization. Moreover, this stage allows us to view the birth of her political institutions, which were meant to perpetuate Singapore’s position as a surplus extracting centre for the metropolitan powers of Europe. In sum, it was to play the role of a junior but important agent in the colonial economic order.)

In the third and mature stage the smooth transition of Singapore from a mere entrepot to an economic entity, consisting of a diversified economy takes place. In this

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2By *semi–colonial* we mean a situation where Singapore’s role is to act as the agent of the colonial master in extracting surplus from the region. As a result of this process, her own survival comes to depend on the accumulation of surplus within this colonial mode of surplus extraction.

manner its economy was not only an entrepot based on regional trade but increasingly began to make its own presence felt in the international economic system. It was at this time that Singapore came to perform the role of a major financial centre for regional commerce. Also it was in this stage that rubber, Singapore's role in the colonial economic order, and the internationalization of capital helped to create and evolve modern Singapore. Finally, in the post-independence period, the internationalization of capital helped develop a group of social classes and political institutions.

Such a stage by stage analyses allows us to trace Singapore's rise from a mere fishing village to the present stage in becoming, in Prime Minister Lee's words, "the lynch-pin" of Southeast Asia. This approach comprehends the actuals rather than the parallels of Singapore's development process.

**Inception Stage 1819 – 1867.**

*Historical Background*

Singapore, an island situated at the southern most tip of the Malayan Peninsula with a landmass of 360 square kilometers, and population of 2.6 million, has become, since independence, one of the most prosperous nations in Asia. With a standard of living second only to that of Japan in Asia, she has become an interesting case for scholarly research in development policy. The question is what makes such a state so dynamic when she has only geographical location and human resources. The answer to this puzzle lies in her history and the manner in which her people applied their own

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5By actuals I mean the analysis of Singapore's history without utilizing other developing countries' experiences (parallels) that could result in a distortion of facts.

6Nation here simply means the psychological attachment a population has towards the state despite its heterogenous population.
skills while taking up the challenges of modernization.

The area where Singapore is located came to acquire its geopolitical importance during the period of the Sri Vijayan and Malaccan empires. Palembang, the Sri Vijayan capital, was also a port located at the southeastern tip of the Sumatran coast, at the end of the the Straits of Malacca. Similarly there was Malacca, the seat of Malaccan empire, located on the west coast of Malaya. The point of similarity was that both these empires were located on strategic points along the Straits of Malacca, where they provided the same form of economic activities (as Singapore did later on) in the promotion of regional trade.

By utilizing their strategic locations, the Sri Vijayan and Malaccan empires dominated the Southeast Asian political, social and economic life from the 7 to the 11th century A.D and from the 15 to the 16th century, respectively. Armed with such natural advantage, these empires began to dominate the sea route from Southern Asia to the Far East, which at that time, as now, has been the life-line for trade between the Far East and the other parts of Asia. However, these states did not control the region's economic activities through their own agricultural or manufactured goods. Their political and economic life-line were also based upon entrepot activities. This meant that only by acting as a centre for surplus extraction could they accumulate capital for their own development.

As we shall see later on, Singapore as an independent state was also able to benefit economically from her geographical location as did these two empires of the past. Her location along the sea route helped her to influence regional trade; develop a tertiary level of economic activity by providing entrepot and other service related activities; thereby insulating herself from the ups and downs of business cycles; and came

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to depend on value-added manufacturing.

The Founding of Singapore

The British, who by the late eighteenth century, had established themselves in India, had also developed a keen interest in trade with China. However, they lacked a foothold in the Malay Archipelago to act as a centre for directing their economic activities within the Southeast Asian region. They, therefore, acquired the port of Penang in 1786, from the Sultan of Kedah, to perform such a role. However, despite its promising start, Penang failed to live up to its expectations. The port was too far north from the main centres of regional commerce and was also located at an awkward position along the Straits of Malacca. Meanwhile the search for a port continued but due to the fear of antagonizing their Dutch "allies", the British stopped short of penetrating any further south of Penang.

During the Napoleonic Wars, and in accordance with the Kew Letters, the British occupied all Dutch possessions in the East so as to prevent them from falling into the hands of the French. During this period a British colonial administrator named Stamford Raffles arrived on the scene. He was an astute person, well versed in local affairs, and a great believer in free trade. He wanted to break the Dutch stranglehold on the East Indies and to secure the sea route to the Far East for British economic interests. Consequently, he went in search of a port located at the southern tip of the Malayan peninsula, which could control and direct trade where the Straits of Malacca met the South China Sea, which he thought would liberate regional commerce from the Dutch who had imposed stringent trade controls to restrict British activities in Southeast Asia. At

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9These Letters' were an arrangement between the British and their Dutch allies during the Napoleonic Wars. This arrangement allowed the British to occupy all of Holland's possessions in the East till the end of the war.
first, he viewed the Riau islands as a possible site but due to strenuous Dutch protests and the official policy of the EIC (East India Company), of not antagonizing their European allies, particularly the Dutch, Raffles had to relinquish his search.10

In 1819, Raffles, by then a very tired and disappointed man, turned his attention to the island of Singapura (Singapore). During his earlier tenure as the Lieutenant-Governor of Java, he had already enlightened himself with a first-hand knowledge of the intricacies surrounding regional politics. Equipped with this local knowledge, he landed on the island of Singapura that very year with the full knowledge that there was a dispute over succession in the state of Johore of which Singapore was a part. He realized that one of the claimants (Tengku Hussein) and rightful heir to the throne of Johore had been by-passed due to the objections of the Dutch. He promptly recognized Tengku Hussein as the Sultan of Johore in return for the lease of Singapore.11

Thus Singapore was founded in 1819. The Dutch protested vigorously to the higher authorities in Calcutta. Since the EIC was actively pursuing a policy of not seeking territories within the Dutch sphere of influence, it was reluctant to back Raffles over Singapore. However, while this dispute was being negotiated in Europe, Singapore began to fulfil Raffles’ expectation of it. Within the first five year period of the dispute, Singapore’s revenue had almost tripled.12 That convinced the authorities in London and Calcutta that it was a prize finding. In 1824, the Anglo-Dutch treaty was signed, whereby there was a demarcation of spheres between the Dutch and the British. All


12In 1820 the value of Singapore’s trade was over 4 million dollars and in 1825 it rose $22,185,000; see N.J. Ryan, A History of Malaysia and Singapore, (Kuala Lumpur: Oxford University Press, 1976). pp. 105–106.
territories north of Singapore were given to the British, and all those south of Singapore were to be handed over to the Dutch. Thus, the only British station on the west coast of Sumatra, Benkulen, fell under the Dutch sphere, while Malacca and the Malay states came under the British sphere of influence.

Within five years Singapore had began to crystalize Raffles' dreams and showed that with careful harnessing of her potential it could revive the trends set by the Sri Vijayan and Malaccan empires. Raffles, in a sense, was ideally suited to develop Singapore. First and foremost was his thorough knowledge of local history and the geopolitical importance of a port at the mouth of the South China Sea and the Straits of Malacca. Second was his administrative experience which he had gained during his tenure as Lt.-Governor of Java. Third was his intuitive ability to exploit the existing circumstances to his benefit. Finally it was he who had differentiated the acquisition of territory for sheer commercial interests as opposed to imperial interests. A letter written by Raffles sums it all up:

"I shall say nothing of the importance which I attach to the permanence of the position I have taken up at Singapore; it is a child of my own. But for my Malay studies I should hardly have known that such a place existed; not only the European but the Indian world also was ignorant of it. It is impossible to conceive a place combining more advantages; it is within a week's sail to China, still closer to Siam, Cochin-China, &c. in every heart of the Archipelago, or as the Malays call it, 'the Navel of the Malay countries'; already a population of above five thousand souls has collected under our flag, the number is daily increasing, the harbour, in every way is superior, is filled with Shipping from all quarters; and although our Settlement has not been established more than four months every one is comfortably housed, provisions are in abundance, the Troops healthy, and everything bears the appearance of content and abundance.... to the advancement of a Colony which in every way in which it can be viewed bids fair to be one of the most important, and at the same time one of the least expensive and troublesome, that we possess. Our object is not territory but trade, a great commercial Emporium, and a fulcrum whence we may extend our influence politically, as circumstances may hereafter require. By taking immediate possession we put a negative to the Dutch claim of exclusion, and at the same time revive the drooping confidence of our allies and friends; one Free Port in this Seas must eventually destroy the spell of

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Dutch monopoly; and what Malta is in the West, that may Singapore become in the East.14

Raffles thus exploited the first historical opportunity for the expansion of trade. Simply put Raffles with his uncanny knowledge of the Malay world realized that the only means to extract the abundant surplus of the region was the establishment of a port that would execute such a role. Raffles was thus resurrecting the role played by Palembang and Malacca in earlier times. His dream was that this "Naval of the Malay countries" should be a junior partner in the colonial economic structure. Nevertheless, credit has to be given to Raffles for giving birth to a society that has not only prospered but had also come to play a leading role in the region.

*The Formation of Singapore's Economic Structure.*

The present economic framework of Singapore is not a novelty. It is a product of Southeast Asian history and the colonial economic system. The current economic structure is a tertiary based economy, and a carry-over from the colonial days, adapted along the lines of the Sri Vijayan and Malaccan empires. As such it would be difficult to qualify the existing literature on how contemporary Singapore's economic framework came about. On this note, we will shortly examine the concept 'semi-imperialist' and then analyze the factors responsible for the formation of a semi-imperialist and economic structure.

By semi-imperialist is meant an economy based on the sole preoccupation of acting as a centre of surplus extraction and accumulation between the colonies and colonial power. That is, it performs a role where it draws the surplus from regional trade, and then ships them off to the colonial master. Its own survival, as a result, becomes dependent on this process. Through this process the semi-imperialist economy's capital is

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provided for, considering the absence of any other means of capital formation. Evidence of such a nature is available when during the colonial days, the economy was directed towards the extracting of the hinterland’s (Malaya and Indonesia) surplus. This inclination is even more vivid in the present Singaporean economy where value-added industrialization is the catch-phrase. During the colonial era the economy’s main stay was the provision of tertiary economic services to regional commerce. On that depended Singapore’s very survival. However, the present Singaporean economy has diversified economic activities into other sectors such as manufacturing. This diversification involves the same practice as before. Previously entrepot services meant that domestic capital would be formed by the provision of services. In the 1970s and 80s, the manufacturing has come to mean the production of goods not in its whole form but just the parts. As a result, we can see that local capital formation involves a process where there will be a constant evolution of higher value-added manufacturing.

During the colonial period whatever surplus was made from the regional trade, was directly shipped to the colonial master. After independence, this surplus was being ploughed back into the economy of Singapore. This ensured the continuation of its role in regional and global trade.

The reason as to why the Singaporean economy took the shape that it did can be accounted for in four ways. First, history had shown that for such city-states to survive within the Southeast Asian context, they had to fulfil their economic potential by performing the role of a middle-man. Second, the impact of colonialism itself reinforced

15Part of the surplus is ploughed back into the Singaporean economy so as to ensure a continuation of her economic activities.


such an economic structure, which in itself meant that the mode of production at this stage of colonialism operated on the basis of rational capitalism. Third, the gains from involvement in such an economic activity were used to start a process of surplus accumulation unhampered by any socially entrenched interests or a large dependence on agriculture. Fourth, viewed from a Ricardian perspective, the ability to perform the role of a semi-imperialist state, through its existing resources, that is, entrepreneurship and geographical location constituted a distinct advantage. It is with these four advantages that Singapore has been able to modernize her society via the economic sphere. Finally, within this environment, political institutions are shaped to perpetuate its economic infrastructure. Thus, an injection from the past revived during the colonial era, and exploiting its comparative advantage, created a self-perpetuating political system to maintain its newly found economic momentum and prosperity.

Singapore’s growth and rise during the colonial days was an inevitable historical process, which was the continuation of the existing regional economic order. Economic survival first and foremost, and even today, depends on her geographical location along with improvements in communications and transportation technology and the upgrading of her human resources. This locational advantage was one of the necessary conditions to perform the role as a semi-imperialist state. Due to her location, there naturally developed an environment suitable to breed a particular economy based upon sheer surplus extraction. Despite its connotation this is the key to economic development within the capitalist mode of production. It also helped in capital formation, which in its own manner attracts the necessary entrepreneurial skills to develop the economy still further.

The impact of colonialism, particularly that of British liberal economic ideas, on Singapore’s economic structure is that it created the necessary linkages to tie her

18 Buchanan, op. cit. pp. 34–35.

economy to that of the global order. By such an arrangement, Singapore was made to operate as a link between the metropole and the periphery, thereby creating a dependent linkage under which she has to be an active participant or risk the danger of falling behind. Given the limited resources, location and human skills, it was the only logical position for her economy to adopt.

The third aspect of historical destiny sharply resembles the first but is dissimilar in that Singapore was one of the few ex-colonies to benefit from the colonial era. First there was not much indigenous capital for investment from which surplus could be extracted and, secondly, it was used as an extraction centre which meant that Singapore would benefit from the spill-over effects of such economic activities. When looking at the other colonies, the colonial powers geared these economies towards the enhancement of the metropole, that is to borrow Frank's term, the Development of Underdevelopment of the peripheral economies. However, since the Singaporean economy was a junior partner in such an economic order she siphoned off the value that was necessary to set in motion a process of capital formation, that in turn was a necessary condition for developing its own society. This is exemplified in the manner in which foreign investments were geared towards the building of an infrastructure that expedited the extraction of surplus. For example, the building of ports and railway lines in India and Malaya show that these were tools of exploitation rather than development. In the case of Singapore, though it was designed for the same function, due to the nature of the Singaporean economy, it turned out to be a life line rather than mere exploitative tools.

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22This point is implicit in Lee Soo Ann's "The Economic System", Singapore: Society in
From a Ricardian perspective, it was economically a rational decision to exploit the existing resources of an economy and also to benefit from the natural advantage. In this manner, Singapore as a semi-imperialist state was optimizing the relative advantage of her location over others. That is the primary reason for its resurrection. With its geographical location and human resources it served this function well. Moreover how else could Singapore have exploited her resources other than by acting as a linkage between the peripheral economies and those of the metropole. In the past she acted as an agent of the colonial power for extracting surplus from the hinterlands, that is Malaya and the East Indies and today similar advantages are reaped in building and expanding her economy.

**Political Implications of Singapore's Early Economic Development**

Raffles was also responsible for building some of Singapore's earliest political institutions. He, in accordance with the existing EIC's policy of non-intervention and the existing liberal economic views, established institutions that enhanced the peaceful trade and economic growth of Singapore. One of his earliest political undertakings was the subduing of the labour movement. With that goal in view, the chiefs of the respective ethnic groups were asked to maintain law and order within their groups. In turn, the chiefs were responsible to the British governor, for the behaviour of their groups. This was the earliest attempt to produce institutions to rule over this "Malta of the East".

The point that needs to be made at this stage is that all attempts to resurrect political institutions were based on the need to perpetuate the existing economic status

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13.Resurrection because there is evidence to show that Singapore was performing a similar role under the Sri Vijayan empire. Refer to D.R. Sardesai, *Southeast Asia: Past and Present* (New Delhi: Vikas Publishing House Pte. Ltd., 1981), p. 75.

quo. Given the needs of the economy, a particular form of political institutions began to sprout to facilitate economic development on its own.

By the time of the signing of the Anglo-Dutch treaty (Treaty of London) in 1824, Singapore had already become a multiracial society. The population consisted mainly of immigrants from China, South Asia, the Dutch East Indies and to a lesser extent from the Middle-East. As a result, a modus operandi had to be established to maintain harmony among these diverse ethnic groups, since they were the providers of relatively cheap labour. In accord with the EIC’s policy, the earliest political institutions restricted themselves to the economic sphere. Most civil matters were left to be handled by the chiefs of the various ethnic groups.

Since the Chinese formed the largest immigrant group, the reliance on its chiefs was the greatest. The South Asians, and the Malays of the Dutch East Indies, were also part of this institutional framework. But due to their small size and lack of group affiliations, they were largely controlled by economic means. In all these operations, colonial authority played an important part. Singapore’s economy was carefully guided by the colonial institutions so as to protect her economic interests despite professing to adhere to the principles of laissez-faire. That was as far as the colonial state was willing to go. But when it came to societal matters, the state devolved itself of such responsibilities, except as the chief arbiter in matters of crucial conflicts.

The Chinese, who have had trading links with this part of the region since the fifth century A.D., had begun to emmigrate to Nanyang (South Seas) in large numbers. Such an immigration reached its peak towards the late 18th century. This was because of deteriorating political and economic conditions in China. Moreover, the majority of these


26 Song Ong Siang, *One Hundred Years' History of the Chinese in Singapore*, (Singapore: University of Malaya Press, 19670, pp. 2–3.
Chinese came from the provinces of Fukien (Hokkien-speaking) and Kwangtung (Cantonese-speaking). These provinces due to the constant threat of natural calamities and political upheaval (birth place of modern China's nationalism) were the scene of constant peasant uprisings against the Manchu dynasty. They, therefore, bore the brunt of violent retaliations from the Manchus.27

As a result of these violent reprisals there was a steady stream of migration from China into Nanyang. At the same time, there was also a great demand for labour particularly after the acquisition of Penang and the introduction of large-scale tin mining in Malaya. (At about this time in China there was also a revival of the secret societies.28) These societies disguised themselves as village or clan associations to escape Manchu detection and detention. But when the reprisals came and the demand for Chinese labour increased, these secret societies shifted their operations to Nanyang where they would be safe from the repercussions at home, and began to perform the role of a labour regulatory agency, where they were expected (by the British) to maintain labour harmony among the Chinese labourers while still continuing to act as a platform for political activities back in China.29

These secret societies, in turn, organized groups of men belonging to their parent branches back home and at times even financed the passage of non-members, and paid their passage to Nanyang. Upon arrival, members would serve to honour and protect their society and give part of their earnings to the society. So far as the non-members were concerned they had to repay their passage dues on an amortized basis, which at times would far exceed the original amount. Moreover the violent nature of these


societies meant that if and when their members stepped out of line, sheer threat to their livelihood was more than sufficient to ensure conformity to official labour policies.30

By the time of the founding of Singapore, these societies had already entrenched themselves in the British system as labour brokers. At the same time the British found that it was easier to control Chinese labour with the help of such regulatory agencies. Thus, in Singapore Raffles introduced the time-tested method of law and order, vis-a-vis the Chinese, by controlling them through their own chiefs. The British would only deal with the headman or popularly known as Kapitan China in times of tension or conflict between the secret societies, thereby using social forces to institutionalize labour harmony.

The same pattern of social conformity can be seen in present-day Singapore. Today, the romanticization of the diligent immigrant, is an implicit attempt on the part of the government to achieve the same results as before. This diligent immigrant perspective, as discussed later, was an important element in the surplus accumulating process in the 19th century and is being invoked by the present government to maintain the work and social ethos of the past generation. In addition, it can also be argued that this is an attempt by the government to use the diligent immigrant perspective as a tool to exploit the internationalization of capital.31

The political implications of such labour controlling mechanisms were far reaching. Since the nature of Singapore's economic framework depends on foreign capital, which in turn would only feel safe in places where there is labour harmony, such a control mechanism began to be implemented at an early stage of her development.32 In addition to that, it should also be observed that political institutions are clearly prevented from overlapping into the social sphere while they are used to enhance economic growth.

31Higgott, et. al. op. cit. p. 45.
32Yen, op. cit.
Like the Chinese, the South Asians, particularly Indians from the state of Bengal, Kerala and Tamil Nadu, had been actively trading with the states in Southeast Asia. Such a relationship had been there since the first century A.D. At times wars were waged as a result of economic rivalries. For example the Chola raids in the 11th century were due basically to economic rivalries.33 Moreover, the South Asians did not have the same social institutions, like the Chinese secret societies, but, they, nevertheless had developed the _mandoors_, or overseer system, where the selected person would not only represent colonial interests but also the interests of the South Asians. These mandoors were in fact wealthy merchants or long-serving labourers. In a sense it was similar to an aspect of the _Zamindar_ system, where a middle-man was appointed to socialize the labour force so as to suit the existing economic system.14

Under such a system, these mandoors would be the labour-bosses similar to that of the secret societies. Whenever labour was in demand, the Colonial governor would enlist the help of the mandoors, who in turn, would approach their village organizations in their homelands, to recruit more labourers. Since most of these labourers never had the funds to pay for their passage they would be indebted to the mandoors till their debt was paid off either in terms of a contracted number of years without pay or to pay a percentage of their wages to the mandoors for services rendered. Such a process subordinated the Indians, just like the Chinese earlier, to the overall economic structure.

Using such a system, colonial capital could use this labour without much political complication to maximize its rate of returns. Labour harmony was maintained through the use of village loyalties and social pressures in terms of social ostracization and by the


14There were other arrangements from which South Asians arrived in Singapore and Malaya, however this was the most important manner in which a large part migration occurred. See Kernal Singh Sandu, *Indians in Malaya: Immigration and Settlement (1786–1957)*, (Cambridge: Cambridge University Press, 1969), and also refer to Sinnappah Arasaratnam, *Indians in Malaya and Singapore*, (Kuala Lumpur: Oxford University Press, 1980), pp 10–19.
use of force. In addition, such a process relieved the British of the need to incur additional expenses in maintaining law and order, by way of creating a huge law enforcement organization. Furthermore, such a process of labour control would not antagonize the labour force to demand for better wages since at that time they were made to perceive that their economic position was much better than that of their fellow countrymen in their respective homelands. This form of self-perception was created in accordance with the cultural notion of 'shame', whereby the newly recruited labourers would never behave in a manner that would put their bosses in an awkward position. Thus the utilization of cultural mechanisms made the regulation of labour much easier for the British.\textsuperscript{35} This form of working is also visible in modern Singapore where we witness the romanticization of the immigrant mentality of the past, whereby the early migrants to Singapore had to work hard to contribute to her development. It also helped to suppress demands for political reform.

Since the rest of the population consisted of the local and East Indies Malays, whose major preoccupation was in the agricultural sector, they did not constitute a political force till the turn of the 20th century. Moreover, they were left with their own social organization and all forms of political control were applied through their respective \textit{penghulus}, village headman.

\textit{In the final analysis, the only form of political development was in the institutionalization of the labour movement within their respective social groups. Moreover, these leaders represented the group from which the future elite of Singaporean society was drawn. Some of them were also the leading entrepreneurs at that time.} More important was the establishment of clear demarcations as to how far the state could intervene into the social sphere. However, these demarcations were vague between the polity and economy. This meant that in any future attempts to build a new political

\textsuperscript{35} Arasaratnam, op. cit., p. 10.
society in Singapore the polity had to take into account not only the economic but also the social sphere.)

By and large, this section shows how the Singaporean society came into being, through various stages of its historical development. It traces the development of her society from 1824 to 1840s, after which a new political chapter in her history begins to unveil.

The Maturing Stage – 1840s to 1880s

As we noted earlier in this chapter, from her inception, Singapore was intended to play the role of a colonial middle-man. In Prime Minister Lee's words, she was destined to play the role which Venice played during medieval Europe right up to the Renaissance. Nevertheless, after the 1840s, three other factors helped to reinforce Singapore's maritime importance to the British empire. These were the opening of the Suez Canal in 1869, the introduction of the steamship, and the creation of a separate colonial status for Singapore.

The opening of the Suez Canal and the introduction of steam-powered ocean going vessels, coupled with the increase in volume of the China Trade after the Opium War, along with the transfer of political governance of the Straits Settlements (of which Singapore was a part till 1959) may be regarded as the "take-off" stage in Singapore's political and economic development. It was only after the transfer of the governance to the Colonial Office in London that her political institutions begin to take root. It was from this era that future political institutions and development began to take shape.

36Quoted in Buchanan, op. cit., p. 13.
Right up to the 1860s, Singapore (along with Penang and Malacca) was under the control of the Bengal Residency in Calcutta, which was still controlled and operated by the EIC. At about the same time, the China trade and inter-regional trade also grew at a phenomenal rate.\textsuperscript{17} The EIC, which had most of its energy and resources directed to India, failed to heed the increasing needs of the Singaporean business community. They, the Singaporean business community, had by this time already been convinced of Singapore's economic destiny and begun to invest (in Malaya) without the much needed political security that was to have been provided by Calcutta.\textsuperscript{18} Disturbing to their commercial interests was the fact that Singapore's political status was degraded to that of being a sheer economic outpost within the Malay world. Such a label meant that Singapore would never be able to realize her own destiny and all her efforts would only be made to serve those of the EIC's interests in India.

It was this lack of political vision, that finally broke the camel's back, and made the local business groups (both European and Chinese) agitate for the separation of Singapore from India and the transfer to the Colonial office. It was the granting of such a status that can be considered as the birth of Singapore's political institutions. This was the matrix within which Singapore's political development took shape and the basis on which modern Singapore's political institutions grew.

Initially, Calcutta, the then capital of India, showed political apathy towards Singapore in the field of administrative justice. This was due to a lack of interest by the authorities in the tin mines of Larut (Perak), in which by this time, (that is, the

\textsuperscript{17} Wong, op. cit. p. 59. and also Sardesai, (1977) op. cit. pp. 54–55.

\textsuperscript{18} Although European capital led the way, the Chinese (Babas) also played a large role in investments in the Malay States. See Wong, op. cit. pp. 59–60.
large investments were made by the Singapore Chamber of Commerce.\textsuperscript{39} The second aspect was the lack of understanding of local customs by the law officers who were sent to the Straits Settlements to solve judicial matters. It was found that these officers were in fact the major reason for the failure of law and order. Moreover, since revenue from the China trade was dwindling, there had been a redirection of Singapore's capital towards the Malay states and the Kingdom of Siam (Thailand).

Despite this decline, the EIC still placed its hope on the China trade and so refused to take an interest in the local affairs of the Malay states and Siam.\textsuperscript{40} At the same time, the EIC’s official policy was based strictly on the notion of mercantile and not territorial expansion. The Singapore Chamber of Commerce on the contrary believed that such a policy would never result in the optimal utilization of the Malay states' economic potential. Furthermore, mere trade relations without political intervention would never create the conducive politico-economic environment necessary to optimize the economic potential and the extraction of surplus from the Malay states.

In addition, the local commercial grouping (the Babas and Europeans) had been growing in strength since the 1830s when the centre of government shifted from Penang to Singapore, and had already developed extensive economic links with the Malay States, particularly those with extensive tin-ore reserves. In this respect, it was this group which was behind the move to alter the colonial political status of the Straits Settlements. Since the Babas and British trading houses had invested large sums in the tin mines of Malaya they naturally wanted the political authorities to be in sympathy with Singapore's economic role. The failure of the authorities to empathize with these feelings resulted in the agitation for the separation from Calcutta. Moreover, it was felt that a separation would mean a greater say by this local bourgeoisie in the political process. While, these

\textsuperscript{39}Sardesai, (1977) op. cit. p. 154.
\textsuperscript{40}Tate, Vol. II op. cit., p. 151-154.
motivations were the driving force, the need for a coherent set of judicial rulings by the courts in India, in matters relating to the administration of justice in the Straits Settlements, were also cited as one of the major reasons. Within this context, three major issues were put forward. First, the need to implement a judicial system within the Straits Settlements so as to smooth and protect trade links with the Malay states; second, to consider the negative effects of changing the accepted currency of exchange from the Spanish dollar to the Indian anna and paisa; third, the lack of locally trained judicial administrators. Those who were seconded from the Indian Civil Service were ill-equipped to deal with local reality.

Prior to 1867, the Bengal administration wanted to standardize the currencies among the Bengal dependencies, from the Spanish dollar to the Indian anna. The Calcutta authorities paid scant attention to the vigorous representations made by the Straits merchants. These merchants, felt that such an action was an irresponsible act by Calcutta since the Spanish dollar was the accepted medium of exchange. Moreover, most of the regional trade was based on the Spanish dollar, and a switch to the anna would have resulted in monetary complications due to lack of exchange regulatory mechanisms.

In addition to this issue, there was the problem of law and order in the tin mines of Larut, where there were constant hostilities between the warring secret societies. Since by this time the largest investors in these mines were from Singapore, they expected the judicial system in Calcutta to deal with the situation. But due to the lack of an appropriate understanding of the complex nature of these 'secret' societies, the business chamber in Singapore argued that Anglo-Saxon law would only be applicable when it has made the necessary provisions for taking into consideration 'local' customs.

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42 Ibid., p. 205.
43 Ibid., pp. 298–299.
Such problems clearly highlighted the need for special treatment and administration of the problems of the region. What they called for was direct rule from London. The rise of the commercial class as a political force eventually led Singapore's march towards Merdeka (political independence). By severing her political ties with India, in 1867, Singapore began to have an administration staffed with locally trained administrators, who were sympathetic towards, and understood, Southeast Asian tradition and culture. Furthermore, such a status, allowed Singapore the breathing space to embark upon its "own development destiny". This enabled the growth of a new class of Singaporeans, who in the 20th century would spearhead the nationalist struggle towards Merdeka.

As far as the growth of Singapore's political institutions are concerned, they only began to take root after 1867 when she came under the direct authority of the Colonial Office in London. What this meant was that although the institutions were established to reflect the needs of the colonial administration, they also served to provide a framework within which modern Singapore's political infrastructure was shaped.

These internal factors along with the external factors such as the opening of the Suez Canal of 1869, and the introduction of the steam-powered ocean going vessels, together, had an indirect effect on the development of Singapore's political institutions.

It was argued by Max Weber, that capitalism, a particular form of economic enterprise, arose in Europe precisely due to the newly found freedom in religious expressions, whose drive was reflected in the rise of capitalism. However, in the case of Singapore, the introduction of liberal economic ideas were responsible for her political development. Since laissez-faire capitalism in its own right creates its own pitfalls, there arises a need to regulate it. Thus there arose a need to inaugurate political institutions to enable society to reap the optimum benefits of such an economic system. In the

Singaporean context, the growth and expansion of its economic experience blended with the mainstream cultural values to produce a political system that enhances and complements its economic development. By and large, it was from the mercantilist form of capitalism that ideas were extracted to implement a political system that perpetuated such an economic system.

Prior to the opening of the Suez Canal, Singapore's geographical location was not ideally located on the cross-roads of international trade. This was so because East-West trade was conducted along the Cape of Good Hope, which meant that it was a more direct and shorter route to travel via the Sunda Straits (Indonesia) to the Far East and not through the Straits of Malacca and Singapore. This meant that her location depended on the altering of international maritime activities through the Straits of Malacca. The introduction of the steamship, just at about the same time as the opening of the Suez Canal, made the route via the Straits of Malacca, a more feasible and shorter passage, an international maritime route. Finally, things began to move quickly when Singapore came under the aegis of the Colonial Office. It is from this moment on that we witness the beginning of the evolution of Singapore's political institutions.

The Mature Stage 1890 - To The Present

In the previous section the manner in which Singapore's political structure took shape was discussed. This structural formation came about due to the region's economic trends and domestic followup. However, as Singapore began to integrate its economy with the global economy, international events also began to influence and nurture the growth of her institutions. Moreover, the favourable international economic climate and her role


as a link in the global economy, determined the shape of her political future. (In other words, the political institutions would act in a manner that would ensure the continuity of the economic structure, that is, the maintenance of a semi-imperial economic structure.) The introduction of rubber, as we shall see, brought about a great change in manufacturing activities. The influx of international capital for rubber also ensured the survival of the economy as long as Singapore played the role assigned to her. All this was done not out of design, but because of the demands placed upon her by the global economic order.

Rubber and The Institutionalization of Value-Added Manufacturing

Although the tin-smelting plants performed a role similar to rubber, it, nevertheless, restricted itself to the smelting activities. The introduction of rubber, not only resulted in the processing of rubber, but also meant the rise in small-scale manufacturing that casts its production net much wider than tin had done earlier. What this amounted to was an increase in the level of value-added manufacturing that has become the key to modern Singapore's efforts to industrialize. Moreover, the linkages, both forward and backward, created by rubber were greater than tin.

At about the turn of the century, with the introduction of rubber wheels, there arose a great demand for natural rubber and although rubber was not produced in a large quantity till 1914, Malayan rubber, despite its quantity, still accounted for slightly less than one-half of global output at that time. Nevertheless, the net effect of the

47Tate, Vol. II op. cit., p. 152.
49Industrialization in this context does not merely imply the construction of huge factories but, as Marx had argued, the greatest exploitative tool vis-a-vis human capital. And in this respect the industrialization process that is being mentioned is that process by which human capital is exploited to the optimal level.
50Moore, op. cit., p. 478.
introduction of rubber was that it firmly established the ties between the Singaporean economy and the global market. The introduction of tin also had similar effects but the wide usage of rubber in a variety of production processes, cemented the relationship between the Singaporean economy and that of the global markets.

Rubber, as mentioned earlier, created backward and forward linkages that had tremendous ripple effects throughout the Singaporean economy. Not only was rubber being processed, that is, being smoked before being re-exported, it also helped to create and build an infrastructure, not only in terms of physical infrastructure but also invisible links with new markets. Though there already existed a physical infrastructure earlier, the increased demand meant that new roads, better warehousing facilities and better transportation facilities had to be developed. Besides physical infrastructure, there was the penetration of new markets, particularly that of Japan and the U.S. Since rubber was the basic component in the manufacture of automobile tires and for numerous other products, it meant that its use was more widespread than that of tin. This wide usage of a raw material meant that it would be demanded by a variety of markets, thereby creating still more new linkages. Tin only linked Singapore with the industrial economies of Europe, while rubber linked her economy with those of the newly emerging centres of the global economy, that is, Japan and the United States.

Forward linkages resulted in the creation of new production processes. Earlier the growth of an industrial mode of production based upon the extraction of higher value-added was noted. Rubber, in this respect, produced an even higher value-added surplus, which by this time became the only other major form of surplus extraction. The major portion of tin that came to be exported by way of Singapore only resulted in the tin-smelting plants which did not create a process whereby higher value could be...

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51 Kennedy, op. cit., p. 204-205.
52 Ibid., op. cit., p. 205.
added. Moreover, it did not produce the technological spin-off that had been expected. All that tin did was to create the minimum amount of labour value thereby serving the need for employment; whereas, rubber created the technological spin-off, while also adding a certain degree of sophistication into the production process. This sophistication resulted in a higher value-added process involved in the production of these products.

The nature of rubber was such that, although it could be exported in a semi-raw form, smoked rubber, if processed further could be more easily shipped. Moreover, the further processing of rubber led to the growth of the earliest forms of small scale industries specializing in the production of intermediate rubber products. As such there resulted yet another opportunity in the surplus accumulation process.

Thus we can see how a single raw-material coming into the global market with good timing had helped the Singaporean economy to maintain its role as a surplus accumulation centre for her colonial master. Tin, by this time, had started to decline in its value because of the rise of substitute products like aluminum, and also because of the better quality tin being produced in Latin America. Rubber, therefore, began to revitalize the economy that tin had done earlier. Only this time the economy was more global in nature than before.

From this time till 1914, rubber carried the day for Singapore. However, the breakdown of normal economic activities as a result of World War I in Europe made Singapore take the first steps from which value-added industrialization would be used as the main stay of the Singaporean economy, within the manufacturing sector. Besides economic development, it was at about this time that the early signs of the establishment of parliamentary government were in evidence.
Following the introduction and dominance of rubber, there seems to have been a lull in the pace of Singapore's modernization process. This was because the focus of global politics had shifted to Europe where the First World War, then the Depression, and then the Second World War again, tended to weaken the capitalist links throughout their respective colonies. Although colonies like Singapore did benefit from WW I, the losses occurred during the Depression eroded any benefits gained.

Despite such a setback, we witness the maturing of modern Singapore's political institutions. At about this time there was an increase in the participation of the locals in the Legislative Council, established shortly after the separation from India in 1867. But this council functioned only in theory. In actual fact it was the Executive Council that had powers to implement policy and changes. This concentration of power within the Executive Council and in the Governor-General was subsequently passed on to the new political institutions of Singapore, resulting in the concentration of political power within the cabinet and more particularly in the office of the Prime Minister.

Within British parliamentary tradition, both the legislative and the executive councils were supposed to have acted as an advisory body to the Governor-General on the day to day affairs of the colony. However, the locus of political power lay in the Executive Council. The Legislative Council was relegated to the role of a body that was to serve as a forum for domestic mercantile interests and its membership consisted of locals, who made up less than one-half of its total membership. This council was meant to be a forum where local concerns could be heard and acted upon. The lack of such a forum under Calcutta's reign, as mentioned earlier, was one of the major causes for the

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53 Immigrants who have come to accept Singapore as their home.

54 Turnbull, (1972) op. cit. p. 382.

separation. More specifically the Executive Council would act as the Governor-General’s cabinet.\textsuperscript{44} Whereas the legislative council was given the role of a semi-representative body, the Executive Council retained the responsibilities for the day-to-day operations of the colony, while the legislative council was to act as a law-making body.

The executive council’s members were hand-picked by the Governor-General. It never included any locals. In reality the day to day affairs of the state were effectively managed within the confines of this Council. The Executive Council was, in a sense, a forerunner of the Cabinet government in post-independent Singapore. The adoption of such a mode of government was to ensure the continuation of tradition and, more importantly the ability to implement decisions and policies to suit the change in circumstances. As such, this Council was not free from its own paternalistic approach.

This particular form of political government has been one of the keys in Singapore’s modernization process. To use the model provided by Barrington Moore Jr., the impetus for change and modernization in Singapore seems to have come from the 'top'.\textsuperscript{57} However, such an analytical framework provides only a partial answer. In other words, over and above the direction from the top, international capital, together with the drive of the immigrants, played an important part in building the political institutions of Singapore. This will be examined in detail in chapter III. The capitalist values, especially of hardwork and thrift, also blended with the values of the immigrants in a new land.

In this sense, consolidation of political power within the cabinet in post-1959 Singapore was largely due to the inheritance from the colonial era and also because it

\textsuperscript{44}Since it was the business community that vigorously agitated for a transfer and raised the issue of representation of their interests, this council served as a forum for airing their concerns. Refer back to the issues involved in the section on the Separation and Turnbull (1977) op. cit., p. 71.

provided a flexible system where quick decisions could be implemented without checks and balances found in other polities. But building of her peculiar political institutions would not have been functionally possible had they not been compatible with the values and demands of Singaporean society as well as foreign capital. Therefore the role and impact of foreign capital on Singapore's modernization efforts is significant.

The Internationalization of Capital

Singapore's modernization process is dependent upon the international environment for its survival and success, based on the international division of labour, capital and production. Such a division, important in Singapore's modernization effort, is also the key to our understanding of Singapore's prosperity since 1959.58

The Communications and Transportation Revolutions

One of the major causes of the internationalization of capital, and its ensuing division of labour and the global 'fragmentation' of production process, is the technological breakthrough that occurred in the fields of communications and transportation.59 Obviously there were other causes too, but the major factor involved was the technological advancement and its impact on the shaping of Singapore's modernization efforts. As a consequence of this a new international division of labour, a fragmentation in production occurred. Some of these divisions benefitted the newly emerging countries of the region.

58Higgott, et. al., op. cit., pp. 45-47.

Beginning with the late 50s and early 60s, we witness a new era in the modes of transportation and communications. The introduction of relatively cheap mass air-travel and cheap freight rates and better built ships, and cheaper fuel, meant that the time it took to move goods and services from one point of the globe to another was reduced considerably. What this meant was that goods and services that were produced for export to a few select countries, could now be made available to a larger market. This in turn meant larger profits and larger markets for the future. However, the most essential point to take note of is that this breakthrough also made capital more fluid in its movement throughout the globe.

As a result of such a fluidity, production itself could now be fragmented. As a direct consequence of such new production techniques, coupled with a decreasing rate of return, due to the relatively high wage structure in the metropole countries, international capital was forced to look towards stable ex-colonies which could provide them with an alternative. In search of such an alternative, the attention of industrialized countries turned to countries like Singapore and Hong Kong, Taiwan, South Korea, and Brazil and possibly a few others among the NICs.

What followed then was an increasing shift of the production and assembly process into such states. Though not all of these states have participated in this process equally, some of them like Singapore, have come to depend on it for their survival, while others have benefitted, to a limited extent. The Multi-National Corporations

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60 Schmitz, op. cit. p. 9.

61 These were the actors who had played a similar role to that of Singapore as colonies and those who have a certain level of development; see Christer Gunnarsson, "Development Theory and Third World: A Comparison of Patterns of Industrialization in 19th Century Europe and the Third World", Journal of Contemporary Asia, XV (1985), p. 193.

62 For practical reasons I would like to consider Hong Kong a state despite the fact that its status is that of a colony.

63 Schmitz, op. cit., p. 10.
(MNCs), due to the declining rate of returns in their respective home countries, found that with the improvements of transportation and technology they could now relocate their production and assembly plants into the new states so as to exploit their relatively cheaper labour force. But in the meanwhile technology began to provide higher capital intensive productive techniques which meant also that the labour intensive and assembly-lines were not compatible with future mechanization. Under such circumstances the MNCs have yet to decide which way they want to turn.

By and large, these factors motivated the MNCs to relocate and fragment production process according to the rate of returns. In the present political-economy jargon this means the introduction of 'branch-plant' economics; that is, production processes are splintered into various different locations around the globe. What each location produces or assembles depends on the nature of the comparative advantage offered to the MNC. Thus we find LDCs producing products ranging from ball-bearings to the assembly of automobiles, which, in turn, finds its way into the markets of the North where there is 'effective demand'. In short all forms of industrialization that occurred within the 'Third World' after 1945 were the direct result of this internationalization of capital, production and the 'new' division of labour.

In short it would be fair to argue that without this internationalization of capital and the fragmentation of production processes, there would not have been the rapid

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66Schmitz, op. cit., p. 10.

67Effective demand is that demand backed by the ability to buy. This sort of demand is actual or real, as opposed to this what we have in the Third World is only 'potential' demand.
industrialization of the Singaporean economy that has been attested to over the past 25 years. The arrival of international capital, though not a new phenomenon, (for this capital found its way into those economies that performed a similar role under different circumstances) was a major element that boosted Singapore’s modernization efforts. It then allowed Singapore’s surplus extraction and formation of an economy on a global scale.

Why did foreign capital, besides the historical factor, favour Singapore? When one looks at the wage issue, Singapore had a relatively higher wage structure than other LDCs in the region.68

Table 1.1: Average Earnings and Hours Worked per Week in Manufacturing in Singapore, Japan, S. Korea and Taiwan.

<table>
<thead>
<tr>
<th>Year</th>
<th>Singapore Weekly Hours Worked</th>
<th>Singapore Weekly Earnings ($US)</th>
<th>Japan Weekly Hours Worked</th>
<th>Japan Weekly Earnings ($US)</th>
<th>S. Korea Weekly Hours Worked</th>
<th>S. Korea Weekly Earnings ($US)</th>
<th>Taiwan Weekly Hours Worked</th>
<th>Taiwan Weekly Earnings ($US)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1959</td>
<td>46.7</td>
<td>12.1</td>
<td>47.3</td>
<td>14.5</td>
<td>1.2</td>
<td>57.0</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>46.4</td>
<td>13.0</td>
<td>47.8</td>
<td>15.8</td>
<td>1.0</td>
<td>56.4</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>1961</td>
<td>46.6</td>
<td>12.9</td>
<td>47.0</td>
<td>17.1</td>
<td>0.5</td>
<td>55.8</td>
<td>5.9</td>
<td></td>
</tr>
<tr>
<td>1962</td>
<td>47.8</td>
<td>14.1</td>
<td>45.8</td>
<td>19.0</td>
<td>5.8</td>
<td>55.2</td>
<td>6.2</td>
<td></td>
</tr>
<tr>
<td>1963</td>
<td>47.7</td>
<td>14.4</td>
<td>45.5</td>
<td>20.9</td>
<td>6.4</td>
<td>55.2</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>1964</td>
<td>47.3</td>
<td>14.5</td>
<td>45.2</td>
<td>23.1</td>
<td>3.9</td>
<td>55.2</td>
<td>6.6</td>
<td></td>
</tr>
<tr>
<td>1965</td>
<td>47.2</td>
<td>14.5</td>
<td>44.3</td>
<td>25.0</td>
<td>4.3</td>
<td>54.6</td>
<td>7.2</td>
<td></td>
</tr>
</tbody>
</table>

Note: The data on South Korea’s weekly hours worked is not available.


The timely arrival of such capital into the global scene, keeping in view Singapore's past role in the international economic system, ensured that it would succeed where others had failed. Politically, one of the major arguments put forth for the authoritarian nature of its political institutions, is the need to satisfy and accommodate foreign capital. Moreover, it cannot be denied that the Trade Union Acts of 1960 and 1968 were used precisely to curb radical elements within the movement so as to serve two purposes, that is, to eliminate, permanently, the communist's threat from the labour movement and also to control the wage structure so as to serve and attract large amounts of foreign capital.

However, despite the legislations effectively banning strikes, it cannot be denied that the government has acted as the labour movement's voice as opposed to that of foreign capital. One has just to witness the steady growth of wages since 1965 and the increasing amount of benefits these capital have brought in terms of employee benefits. What can be concluded from this is that the Singaporean government under Lee had to tread a fine line between the interests of the locals and that of foreign capital. For, to neglect either one would be tantamount to total disaster. It is this sort of balancing act that has enabled the ruling party to create an environment, that is, conducive to the needs of foreign capital. As a result labour unrest in Singapore, unlike in similar regimes, like Taiwan and South Korea, has been absent.

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69) Refer to Luther, op. cit.

70) It is an offence against the state to even have thoughts of striking.


Economically, the internationalization of capital, the creation of a new international division of labour, and the global fragmentation of production process had tended to serve and perpetuate an economic infrastructure inherited from the colonial days. The major factor that motivated the shift of capital into Singapore was that much needed infrastructure to support such huge inflows of capital had already been laid during the colonial era.73 Nevertheless, what the additional infrastructure provided for was the survival of prosperity by accumulating wealth, from additional availability of services to facilitate regional and international trade. In the past, manufacturing did not go beyond rubber and tin.74 The post-1959 influx of foreign capital, along with the fragmented production process, brought additional manufacturing that has even overtaken the traditional entrepot sector, and has now become the leading segment of the economy.75

The manufacturing process, in the era of fluid capital, involves the breaking down of production into various orders. This process, as we noted earlier, was further invigorated by the betterment of transportation and communication technology. What this process involved and began to be classified as 'Third World' industrialization, was the


74 Since Singapore was designed to play a specific economic role, the middle-man, there was never an incentive on the part of the British to diversify its economy. Refer to Garry Rodan, "The Rise and Fall of Singapore's 'Second Industrial Revolution"", Southeast Asia in the 1980s: The Politics of Economic Crisis, Richard Robison, et. al. (eds.) (Sydney: Allen & Unwin, 1987). p. 151.

75 In 1965, entrepot trade accounted for 60% of total exports (app. 20% of GDP), in 1985 it declined to 35% of total exports (9% of GDP). Meanwhile manufacturing rose from 14.2% of 1965 GDP to 31.6% of 1985 GDP. These figures are available in; Lawrence B. Krause, "Industrialization of An Advanced Global City", The Singapore Economy Reconsidered, Lawrence B. Krause, et. al. (eds.) (Singapore: Institute of Southeast Asian Studies, 1987), pp. 64-70., or in more simple terms the growth rate by sector in GDP terms amounted to: from 1960-70, services (entrepot activities)=7.7%, manufacturing=13.0% and industry=12.5% and in the period 1970-81, services=7.5%, manufacturing=7.7%, while industry=9.0%. Refer to Johan Saravanamuttu, "Imperialism, Dependent Development and ASEAN Regionalism", Journal of Contemporary Asia, XVI (1986), pp. 212–213. All these figures are evident of the declining importance of the entrepot sector within the Singaporean economy.
production or assembly of parts. Very few of these NICs ever truly produced a final product or had in them the whole production process. Thus what we have is 'value-added' industrialization. This involves the production of intermediate parts, which due to the high wage structure in the North, are being produced in the NICs that offer a low wage-level but relatively skilled labour.

Singapore, as noted earlier, had performed a similar role during the colonial era which then had brought her economy into the 'new international division of labour'. Previously Singapore had also been involved in value-added production but there was low return on capital. Now with the introduction of technologically superior production modes, there began to occur industrial production of key intermediate parts or even assembly plants of the final product. The blessing that Singapore received from such changes in the international arena, was that she no longer produced the same products as her fellow NICs, nor became a threat to the MNCs in the North.

Nevertheless, as the economy of Singapore became a part of the global economy, with the MNCs as the principal players, she also began to experience direct and indirect constraints on her margin of manoeuvrability. And yet the situation was materially different from the countries of Latin America. This is because, the Singaporean economy was based on the extraction of surplus from trade and manufacturing rather than on raw materials. Such a mode of production involved the production of higher value-added capital goods that evaded the declining terms of trade effect because it was involved in the production of tertiary and industrial 'goods'. Moreover, the economy could also relatively avoid the harsh effects of business cycles because it was tuned into the economies of the North. This meant that only if the North was involved in serious economic crisis would the Singaporean economy be affected. By and large, the Singaporean economy would not face the similar fate as those economies that depended

schmitz, op. cit., pp. 10-11.
on primary products for their economic survival. This new international division of labour, that came into effect in the early 1960s, was the beginning of a new era for Singapore and accelerated the pace of modernization.

*The Era of Ideological Confrontation*

A basic question was raised by some radical scholars regarding the flow of international capital into emerging countries that were pro-West. There is no doubt that the vigour with which the Cold-War affected developments in Southeast Asia and the Far East has to be considered before any conclusion is reached. In the late 40s and 50s, the tide of communism had already reached the shores of Asia. China, North Korea, and North Vietnam had seen the transformation. They were fanning communist-oriented or inspired insurgent movements which had began to sprout around Southeast Asia. Singapore-Malaya, Burma, parts of Thailand and Indonesia had to contend with the increasing tide of communism.

Besides, this region was no paradise when it comes to the distribution of income.77 The main contention of these insurgent groups was that they represented the underprivileged and those who had no means to represent their interests through the formal channels of the political process. For at that time, the entrenched interests of society (the comprador group) in most of these states, particularly in Malaya and Burma, effectively prevented any form of social mobility that could reduce economic and political tensions.

Based upon such claims, these insurgent movements had also the credit of being involved in the resistance against Japanese forces during World War II and had come to be looked upon by certain sectors of the society as the true heroes of the War era. Moreover, their egalitarian platform was more appealing to the masses in Malaya and Indonesia.

Singapore due to their immigrant compositions and also because a greater percentage of the labour force was involved as urban wage earners. These insurgent groups had to target the stagnant nature of the economies of Southeast Asia. Faced with the twin threats of communism and social unrest, the governing elites of Southeast Asia except Sukarno of Indonesia, began to play the intricate game of taking sides in the Cold War. Alternately, they began siding with whichever side promised to promote their national interests.

The leaders in this region believed that the only means to combat the threat of communism was to achieve quick economic results. Lee is often quoted as saying that communism, being a creation of economics, derives its source of strength and breeds in those societies that harbour stagnant economies. Thus the only effective means to combat communism was to ensure the rapid economic development that would help solve any form of social discontent. The role of the government was to ensure that the growth rates would effectively 'trickle-down' into society at large and not just remain confined to a minority.

The only way that these economies could perform such a miracle was with the help of Western capital. Besides, the West was also keen to halt any form of further communist expansion and wanted to 'contain' it. In this manner, the interests of both the West and the economies of Southeast Asia were compatible.

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81Since capital from the West wanted to find safe haven for investment purposes and their governments (particularly the U.S.) wanted to stem the tide of Communism, there occurred a marriage of convenience. The West could keep Singapore from turning 'Red' while the Singaporeans could use this opportunity to modernize their economy.
Thus there was an influx of capital to the states that were staunchly against communism, such as South Korea, Taiwan (Republic of China) and Singapore. The threat of communism played right into these states' national interests of being able to invite Western capital to rebuild and modernize their respective economies. One of the keys to the success of these economies today is still their staunch opposition to communism and, therefore, their attractiveness to foreign capital and Western governments. The governing elites in these states were able to exploit the communist threat to ensure the sort of capital that would be able to pull their economies out of the doldrums which in the long-run would provide the platform for sustained economic growth. However, Singapore seems to have been able to provide not only sustained growth but has also been successful in effectively operating its distributive mechanism through the state's various institutions. This coupled with foreign capital's need to seek higher returns by means of technological breakthroughs, further accelerated the pace of modernization in Singapore.\footnote{For a further and more detailed discussion see; Marc Lindenberg, "The Politics of Foreign Investment in South East Asia from 1945–1973", Journal of Contemporary Asia, V (1975), pp. 5–17.}

Such an era also had its impact on the political modernization of Singapore. As already noted, the role of the state in the Singaporean economy right from her inception, has been extensive. To that was added the development of government paternalism. In addition the government became heavily dependent upon several security measures to see that no deviation in the course set by it occurred.\footnote{The ISA Act was a creation of the British to combat communist insurgents during the Emergency that has been in use even today for various purposes.}

The other major attribute of this era is that it began to emphasize the notion of political order to ensure economic success. Political order as a sub-ideology came to be emphasized by the governing elites in Singapore as a means of ensuring politico-economic success. The notion of political order was a creation of political scientists particularly Americans, who argued that in order for these states to rapidly upgrade their economies...
some form of political order was necessary to promote a disciplined form of economic growth.\textsuperscript{14} In fact, the truth was that such an ideology only tended to perpetuate, in most other countries, the rule of authoritarian governments. Moreover, it was also an attempt to legitimize the creation of a 'conducive atmosphere' for foreign capital to operate.\textsuperscript{15}

Given such developments, we can conclude that the internationalization of capital, production and the new division of labour helped to perpetuate and legitimize the present political framework found in Singapore. However, it cannot be denied that the same political structure has propelled Singapore into the modern era, in a way not seen in its fellow NICs. The governing elites may be accused of being illiberal but no one can deny that their exploitation of favourable circumstances has brought Singapore prosperity, next only to Japan. In addition, the modern Singapore is not a mere creation of this era but a product of the past, and an amalgamation of various forces of history.

Some General Observations.

The emphasis on historical background from the founding of Singapore until the modern era serves two major purposes in understanding this city-state's quest for modernity. First by analyzing its historical past the underlying factors responsible for the creation and continuation of particular politico-economic institutions are revealed. Second, by analyzing these underlying factors, the motivations and workings of these institutions are understood.

\textsuperscript{14} Huntington, op. cit.
The first major contention is that the contemporary literature has distorted the relationship between the economy and the state. The state in this case represents the political sphere. Most scholars tend to treat the state as a new creation of foreign capital in the developing countries. They tend to ignore the fact that the state has existed even under colonial times and that it had then performed the role similar to the present state in a more crude manner, that is to perpetuate the then existing economic framework. More important is the manner in which states have come about. Within this region we may conclude that states develop and disintegrate on the basis of their economic capacity and their ability to sustain growth and expansion.

First of all, the present role of the state was never a novelty in Singapore's case. As mentioned earlier, the petition to the authorities in London with regard to the separation of the Straits Settlements from the aegis of Calcutta supports this contention. After separation, the role of the state in perpetuating the economic infrastructure becomes more obvious. After only a few years, there was an official policy alteration regarding the political intervention into the Malay states. The point here is that the role of the state in Singapore was the creation of modern times and that its genesis can be traced to the rise of a particular mode of economic development.

Secondly, within this we can observe that economics leads the manner in which the particular form of state is to operate. Some states, since they are the centre for

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15 I would prefer the use of the term governing elites but for simplicity sake continue to use the term 'state'.

14 Refer to our earlier discussion and also see; Linda Y.C. Lim, "Singapore's Success: The Myth of the Free Market Economy", Asian Survey, XXIII (June 1983), pp. 754-758.

17 The Straits Settlements was separated from India in 1867 and in 1874 the British intervened in the Malay States vis-à-vis the signing of the Pangkor Agreement. Refer to; John Bastin and Robin W. Winks, Malaysia: Selected Historical Readings. (Kuala Lumpur: Oxford University Press, 1966), pp. 173-184.
extracting surplus, closely resemble the comprador structure of governments. While those which perform the role similar to imperialist countries, share some of its basic features. The state of Singapore, in a sense, had a rub-off of such features on itself.

Political development or political modernization, whichever one prefers, has never been defined by scholars who have written about Singapore. There has been much discussion on what modernity means when discussing society or economics but as far as politics is concerned none ever attempted to define the term in the regional context. In view of Singapore’s historical past and that of the region, it would be fair to say that political modernization involves the utilization of the state’s institutions to consolidate and promote the interests of its economy. In short, the constant evolution of political institutions ensures the economic success of its society at large. This does not mean that the state does not participate on societal level. On the contrary the demarcations between the society and polity begin to fade as the economy reaches a point of high capital-intensive production. Earlier we noted the state’s role in society was limited, but as the economy began to modernize and diversify in the late 70s, this began to change, because human resources came to be the factor in determining the successful outcome of Singapore’s move into a more capital-intensive mode of production.

By and large, political development in Singapore has come to mean the utilization of the state’s political institutions to institutionalize economic modernization. In this respect the institutions in question, are constantly evolving to meet and suit the changes required to maintain and satisfy the ever-changing needs of the economy. Consequently these institutions begin to permeate the whole of society so as to gear it to the demands of a capital-intensive economy. Succinctly, political development for Singapore means the ability of her political institutions to meet the demands of economic development and the ability to evolve itself to meet the next stage of economic development.

It would be naive on anyone’s part to assume that any society can ever be atomized to the extent that it would result in being depoliticized. However, in Singapore’s case the
The process of political development, also aiming at a wider goal integrating the diverse social groups has often been misconstrued by scholars to mean a depoliticized society. A close look at the local media, despite its censorship, has shown a remarkable level of political participation both at grassroots and party levels. What is meant by depluralization is that the state due to its developmentalist ideology, has conducted the affairs of society under the pretext that nothing other than the modernization of the socio-economic aspects of society and high economic growth matters. All other goals within the Singaporean society are downgraded and given secondary importance, while giving the primary position to the continued development of her economy.

Finally, the question of development occurring in a state of dependent development needs to be examined carefully. Most of the literature regarding this aspect of Southeast Asian development studies remarks only at the negative aspects of dependent development while ignoring the fact that substantial development has also occurred in all compartments of Southeast Asian states. More specifically, the one state that has contradicted this negative notion of dependent development is that of Singapore. The 'development' that has occurred in Singapore over the past 130 years (since the Separation in 1867), although dependent in nature, has also gradually brought about economic growth, social services and political independence. For Singapore was not the typical colony where surplus was extracted, and ports and physical infrastructure were built to aid that process. Singapore was an integral part and junior partner in the colonial era of surplus extraction from the region. Infrastructure and ports were built to facilitate the surplus extraction process and in this manner Singapore itself had to be upgraded in the colonial economic order to a special status. Thus what is needed is not broad stroke ideological characterization but a careful examination of developmental particularism.

External Determinants

An analysis of the determining factors only gives a partial picture of Singapore’s development. By adding the external factors that were favourable to Singapore’s modernization process, the approach is much more comprehensive.

The first major aspect that needs to be dealt with is that of the manner in which fluid international capital came to occupy a key role in Singapore’s economic modernization. As observed in our earlier discussion of the nature of Singapore’s economic growth, it would be fair to say that states with similar economic framework would have a better chance of modernizing themselves with the help of international capital. However, Hong Kong does possess a similar economic structure but did not exploit this internationalization of capital. This can be explained by the flight of capital from China after 1949, which made it easier for Hong Kong to develop without foreign capital.

Thus states with ‘a semi-imperialist economic structure’, such as Singapore would be more equipped, given their historical experience during the colonial era, to fully exploit the potential of international capital. Since they had already performed an integral linkage role in the colonial economic order, it is much easier for them to ensure the successful adaptation of a new international division of labour. Moreover, the fragmentation/globalization of production process, or what I call value-added industrialization, further enhanced the success of such economies. Since such a process involves the higher value-added in the production process, surplus accumulation for internal development becomes easier and plentiful. The other side of this issue is that this new production involves the manufacturing of industrial goods and not the mere

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90Hamilton, (1983) op. cit., p. 47.
processing of primary products. This, in turn, is a boon for such economies since it helps them to avoid the long-run declining terms of trade effect. All these have been witnessed in Singapore’s all round development record.

The second argument refers to the Cold War era. Though Singapore tremendously benefitted from its ideological stand taken during this era, it is rather difficult to predict a repetition of similar historic events from which other states might benefit. Thus the emulation of Singapore’s developmental experience by other LDCs would not be possible, for they have different historical, political, social and economic opportunities and experience from Singapore.

In sum, only by providing such an analysis of Singapore’s history would we be able to comprehend the manner of the birth of her political, social and economic institutions. In addition the non-dogmatic approach further enhances the capacity to see clearly how and why political and economic development has actually taken place in Singapore.
CHAPTER III
SINGAPOREAN SOCIETY: ITS IMMIGRANT COMPONENT.

In the last chapter, the focal point of discussion was the locational and geographical forces surrounding Singapore's rise to prominence. More precisely, how did those forces shape her economy and polity in a particular manner. Such an approach, however, will not be complete without an examination of the composition of her society. The focus of this chapter, therefore, will be the Singaporean society, and its changing characteristics, as different waves of immigrants and phases of modernization shaped it.

This chapter will explore what motivates or drives this group of heterogeneous immigrants, to pursue their goal of economic well-being, in concert. The uniqueness of this society is that despite its racial, ethnic and religious variations, an environment has been achieved conducive to the pursuit of economic development and common social and political objectives. Such a development process has been in existence in Singapore contrary to the received wisdom of development literature, where it has often been shown that heterogenous societies are generally strife torn.

By probing deeper into the Singaporean society, this chapter hopes to show that, historical advantages notwithstanding, without the cooperation and the drive from 'below' not much could have been achieved. As the example of other immigrant societies, such as Argentina and Chile, suggests that, despite the presence of favourable historical conditions, their respective societies were not able to exploit the existing resources because of the cleavages inherent in their heterogenous social structure. The role which immigrants have played in Singapore's development experience can also help us formulate certain hypotheses.

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Moreover, the existing literature on development studies which deals with Southeast Asia often attempts to answer questions regarding the rise of the NICs by means of a state-interventionist or policy-analysis approach without paying much attention to the societies as such. Despite the significance of such approaches, it cannot be denied that any attempt to ignore the society concerned overlooks a vital factor. This chapter shows that in the case of Singapore, the immigrant nature of her society is one of the keys to the understanding of her development process and strategy.

Max Weber pointed out that the protestant ethic was a major factor in the rise of early capitalism in Europe. The question is whether one can find its parallel in the immigrant work ethic in the population of Singapore which stimulated them to attain high standards of living and general economic prosperity. What is meant here by such an ethic is their values and beliefs towards economic and political development.

With such a question in mind this chapter examines the factors that were responsible for mass migration to Singapore from the traditional societies of China, India and Indonesia. Of course, migration to Singapore from these countries has been occurring for a long time, but those migrants were of a transient category. The migrations that concern us are those that occurred after 1786 (the founding of Penang) and which, despite being transient in nature in the beginning, later led to the establishment of permanent settlements.

Furthermore, the political socialization process of Singaporeans and the development of their political culture, needs to be examined in a proper perspective. Here it will become clear why their attitudes towards political and economic development have been so diverse. Politically, since 1965, Singaporeans have been known to be passive in expressing themselves politically, while economically they are considered to be robust, proving their vitality in upgrading their standard of living. Evidence for such data can be
seen in their Gross National Product (GNP) per capita. In addition, to these numerical values, there have been qualitative improvements in their social index, the literacy rate, infant mortality and life expectancy rates, and a growing national income with a relatively stable distributive system.

Finally, the last section will show how the immigrants transformed themselves from a transient to a permanent population. It will also show that the altering of a society’s psychological make-up can stimulate an improvement in its standard of living, which in turn, will affect the nature of its social policy and operation of its political institutions. By and large, this section shows the relationship between the immigrant ethic and Singapore’s social and political development.

**Background: Factors Responsible for the Migration Process**

Historically, Southeast Asia has been a migratory spot for the peoples of the Indian sub-continent, and from China, present day Indonesia, and to a lesser extent, from the Middle-East. Nevertheless the earliest records show that these migrants were mainly traders and merchants who had come in the hope of expanding their commercial activities. Moreover, based upon existing data, the earliest migratory groups were from India and also from the Indonesian islands and the Malay peninsula.

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2 Saravanamuttu, op. cit., p. 205.


The Chinese, despite their claims of suzerainty over the islands of the South seas (Nanyang), never made such an impact as did the Indians or the Indonesians. Since China's trade routes to the West were mainly based on land, there was no rationale for them to seek and engage in maritime based activities. However, this does not imply that there were no commercial activities with Nanyang. Trade was carried by Southeast Asian traders to China. Only when the land-routes were affected due to wars, and also by a change in economic direction, did the Chinese seek to expand their sea-borne commercial contacts with the Nanyang.

The earliest form of Chinese, Indian and Indonesian settlements in Malaya took different forms. The Chinese seem to have established some form of a permanent settlement after the founding of Malacca during the first quarter of the fifteenth century. This group of Chinese settlers, more commonly known as the Baba or Straits born Chinese, developed a culture of their own, by borrowing from the mainstream Chinese and Malay cultures. Except for their physical appearance, they were more Malay than Chinese. It was this group of Chinese, who later played the intermediary role between the colonial authorities and the local inhabitants. Moreover, they were also in the forefront of the movement that shaped Singapore's political infrastructure. All this was facilitated by two factors: one was their embracing of the Christian faith and, the values and belief systems that accompanies such a conversion; the other was that of their socio-economic position. That also helped in their mediating role between immigrants and the colonial rulers.


The Indians on their part formed permanent settlements but not on the same lines as did the Chinese. The earliest batch of Indians, who settled in the Malayan archepalego were those from the priestly (Brahmins) and merchant castes.\textsuperscript{10} The Brahmins were brought into the Malay Kingdoms to perform the court rituals, as Hinduism was at that time (prior to the founding of Malacca) the prevailing religion in most, if not all, of the Malay courts.\textsuperscript{11} The reason why Hinduism attracted the attention of the Malay rulers was that it also contained within it certain political ideas. They were the notions of the division of society in a hierarchical political order, with a special role for the monarch.\textsuperscript{12}

The merchants or Mudaliars (traders cum investors) came mainly because of economic prospects in the Malay peninsula. Although some of the Brahmins settled permanently and integrated into the Malay society over a period of time, the merchants were never permanent settlers. Due to their travels they remained transients in nature. Most of these merchants never brought their families but established new ones in the then major trading centres. Whenever the centre of activity shifted they began to shift their bases to the new centres of trade, but left their families behind. Furthermore, they were never a part of the local society until the arrival of Islam. After that some made an attempt to integrate into the Malay society. But such a venture did not bear much fruit because despite the religious and cultural identity they were different and due to their transient nature could not completely become a part of the local society.

The Indonesian Malays (Sumatrans, Buyonnese, Menangkabau, Javanese, Bugis and Moluccans) came in two waves. One consisted of mercenaries and the second was made

\textsuperscript{10} Since the earliest form of contacts between India and Malaya were largely based upon cultural and commerce, the Brahmins acted as missionaries, while the Mudaliars acted as the traders. See C. Kondapi, Indians Overseas: 1838–1949, (New Delhi: Indian Council of World Affairs, 1951), pp. 1–2.

\textsuperscript{11} Sandhu, op. cit. p. 2.

\textsuperscript{12} Cady, op. cit., pp. 36–38.
up of the traders, slaves, wage-labourers and pirates. The group that had any formal impact upon the modern state were those of the mercenaries, the traders and wage labourers (to a lesser extent). Since most of the mercenaries were from the declining kingdoms, they were political refugees attempting to earn their livelihood in the Malay archepalego. They thus began to serve the local courts and even established their own kingdoms, for example the present state of Selangor and Negri Sembilan were the makings of Bugis and Menangkabau mercenaries. The traders, despite their transient mentality, showed that they did in fact influence the royal courts in terms of the commercial value they offered. This influence did not stop at the court but extended to the personal lives of the Malay nobility. This was specially the case with the introduction of the Islamic faith to the Malacca Sultanate. As far as the wage-labourers are concerned, most of them were also transient in their outlook and came to Malaya to make a living and return home one day after some time. Nevertheless, these labourers were the ones who later formed the bulk of immigrant Malays in Singapore.

Thus, the fact of immigration was never a novelty to Southeast Asia. What was new, on the other hand, was the concept of a settled immigrant population. This point will be discussed again in the analysis of modern Singapore. Since most of her population consists of descendants of immigrants or are immigrants themselves, Singapore's society has a special character.

13 Hall, op. cit., p. 373.

14 Due to the loss of their means of livelihood, their migration resulted in the founding of the earliest Malayan Kingdom. Thus we can trace the heritage of the present Malay Kings to the royal houses of Indonesia. See Rupert Emerson, Malaysia: A Study in Direct and Indirect Rule, (Kuala Lumpur: University of Malaya Press, 1964), p. 14.

Immigration to this region was, thus, already in progress prior to the arrival of the colonial powers. Migrants were attracted to the Southeast Asian region because of the economic opportunities.\textsuperscript{16} Bearing in mind what has been discussed earlier, we now shift our attention to the factors responsible for the emigration from India, China and the Indonesian islands into the Straits Settlements.\textsuperscript{17} Here we have to distinguish two distinct factors, which are conceptualized as "supply-side" and "demand-side" factors. Supply-side factors are those agents that were directly responsible for emigration from the home countries. Demand-side factors are those attractions from the host countries that were responsible for the pull of immigrants into Malaya and the Straits Settlements.\textsuperscript{18}

\textbf{Supply-side Factors}

The term supply-side factors, in this context, are those agents that produced the 'push' effect on migration. As such this would enable us to identify the social, economic and political factors which persuaded them to explore their fortune in other countries. It is the contention of this chapter, that such factors had an immediate psychological impact upon the prospective migrant. Moreover, such factors can be easily pinpointed rather than referring to their belief system. In this connection, I shall also look at those agents

\begin{itemize}
\item \textsuperscript{16}In the context of Singapore, and Southeast Asia at large, this can be generalized because, it is through commerce that the prosperity of the region is known to the outside world and in turn act as a magnet for immigrants.
\item \textsuperscript{17}Mention of immigration is made in reference to the Straits Settlements rather than Singapore because she was part of it and a majority of the immigrants within these colonial settlements made their way to Singapore.
\end{itemize}
which helped them make those critical decisions.19

The Chinese

In most studies concerning immigration, one or the other aspect gets emphasized to the exclusion of others. Economic factors and environment have often been cited as the deciding reason for a prospective migrant to leave his or her country.20 However, in the case of the Chinese immigrants in Singapore, it has been a case of socio-economic and political factors which compelled them to emigrate.21 Nevertheless, the political environment of China during the late 18th century overshadowed the rest. At about this moment, that is, the late 18th century China under the Manchus, the regime was constantly challenged by the Southern Chinese, who appeared to be against the rule of a "barbarian" dynasty. As a consequence riots and anti-Manchu sentiments began to prevail openly. Despite these disturbances the Manchu rulers were never truly threatened by these political uprisings since China enjoyed a favorable trade balance with the British, French and the Dutch.22 In addition, there were no natural calamities such as famine or drought to explain the sudden exodus to the Nanyang. There was, of course, the inordinate growth of population but it was easily absorbed by the expansion of trade and favourable economic environment.23

19Chen and Evers, ibid., p. 4.
22Fitzgerald., op. cit. p. 557.
Despite these historical reasons and the overriding influence of the political factor involved in the large migratory patterns towards Southeast Asia, the economic environment was never fully conducive for social and economic mobility especially of those from Southern China. Most southerners were looked upon with suspicion by the Manchu nobility because of their objection to the usurping of political power by the latter.\textsuperscript{24}

Although the Chinese economy at this point was performing well, distribution of the nation's wealth was never equitable. Most of the national wealth, earned through international trade, went, by and large, into the royal coffers and was never allocated towards national development except for the upkeep of an army and the imperial budget. That was the case, despite the modernization rhetoric of the Manchu government\textsuperscript{25}. In short there was no attempt made by the Chinese government to improve the lot of its citizens. Moreover, such a neglect and the general decline in the standards of living, led to the view that the rulers had lost their "Mandate from Heaven".\textsuperscript{26}

One of the approaches which is very useful in studying Chinese migration is that which is provided by the Todaro model.\textsuperscript{27} Although Todaro uses it to analyze internal migration, here we can use it to analyze overseas migration. This model uses a psycho-economic approach to analyze the motivations behind migration. It basically argues

\textsuperscript{24}Purcell, (1965) op. cit., p. 26.

\textsuperscript{25}A great amount of effort was spent on the imitation of Western arms manufacturing techniques and the attempts to institute constitutional changes without ever considering the changes that were required at the bottom level of Chinese society. See for example, Ch'ien Tuan-Sheng., The Government and Politics of China, (Cambridge: Harvard University Press, 1950), pp. 50-55.

\textsuperscript{26}This is a concept that differentiates between de jure and de facto rulers. Since it was thought that the emperor had received his right to rule in the form of a "Mandate from Heaven", he only has the right to change the institutions but not the basic principles of social existence. See Fung Yu-Lan., A Short History of Chinese Philosophy, (London: Collier Macmillan Publishers, 1948), pp. 199-200.

that only those people who are risk averse would become potential migrants.

Under this model, based upon the existing economic and social conditions of late 18th century China, it is reasonable to assume that the hope of doing better economically outside China was sufficient to encourage middle-class migration in search of better opportunities.\footnote{Refer to de Jong, op. cit., and Todaro, op. cit.}

Table 2.1: Growth of Chinese Population in Singapore.

<table>
<thead>
<tr>
<th>Year</th>
<th>Male Chinese</th>
<th>Female Chinese</th>
<th>Gender Ratio M:F</th>
<th>Total Chinese</th>
<th>Total Population</th>
<th>% Of Chinese To Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1824</td>
<td>2,956</td>
<td>361</td>
<td>8:1</td>
<td>3,317</td>
<td>10,683</td>
<td>31</td>
</tr>
<tr>
<td>1834</td>
<td>9,944</td>
<td>823</td>
<td>12:1</td>
<td>10,767</td>
<td>26,329</td>
<td>41</td>
</tr>
<tr>
<td>1849</td>
<td>25,749</td>
<td>2,239</td>
<td>12:1</td>
<td>27,988</td>
<td>52,891</td>
<td>53</td>
</tr>
<tr>
<td>1860</td>
<td>46,795</td>
<td>3,248</td>
<td>14:1</td>
<td>50,043</td>
<td>81,743</td>
<td>61</td>
</tr>
<tr>
<td>1871</td>
<td>46,631</td>
<td>7,467</td>
<td>6:1</td>
<td>54,098</td>
<td>97,111</td>
<td>56</td>
</tr>
<tr>
<td>1881</td>
<td>72,571</td>
<td>14,195</td>
<td>5:1</td>
<td>86,766</td>
<td>139,208</td>
<td>62</td>
</tr>
<tr>
<td>1891</td>
<td>100,446</td>
<td>21,462</td>
<td>5:1</td>
<td>121,908</td>
<td>184,554</td>
<td>66</td>
</tr>
<tr>
<td>1901</td>
<td>130,367</td>
<td>33,674</td>
<td>4:1</td>
<td>164,041</td>
<td>228,555</td>
<td>72</td>
</tr>
<tr>
<td>1911</td>
<td>161,648</td>
<td>57,929</td>
<td>3:1</td>
<td>219,577</td>
<td>303,321</td>
<td>72</td>
</tr>
<tr>
<td>1921</td>
<td>215,918</td>
<td>101,573</td>
<td>2:1</td>
<td>317,491</td>
<td>425,912</td>
<td>75</td>
</tr>
<tr>
<td>1931</td>
<td>263,191</td>
<td>158,630</td>
<td>2:1</td>
<td>421,821</td>
<td>567,453</td>
<td>74</td>
</tr>
<tr>
<td>1947</td>
<td>387,883</td>
<td>342,250</td>
<td>1:1</td>
<td>730,133</td>
<td>940,824</td>
<td>78</td>
</tr>
</tbody>
</table>

Source: Joyce Ee, "Chinese Migration To Malaya", Journal of Southeast Asian History, II (March 1951), p. 50.

In order to expand the application of this model to this study this section is divided into three time-frames: the late 18th century, pre and post opium war (1832) and, finally, the exodus after the Taiping Rebellion. This aids in formulating some understanding of the Chinese immigrants' perspectives towards society, politics and economy. Moreover, by analyzing within such time-frames the immigrants can be categorized, which in turn brings us a better comprehension of their culture and sub-cultures. Nevertheless, only by understanding the prevailing conditions at the point of
departure can a theoretical framework be formulated. Since the late 18th century time frame has been discussed, the other two time-frames will be examined in an even greater detail since they cover the periods of larger migratory patterns.¹⁹

Prior to the 1820s China’s trade with the colonial powers showed a surplus on the balance sheet. However, with the introduction of Bengal-grown opium the tide turned in favour of the European powers, particularly the British. As mentioned earlier, despite a vibrant economy the southern provinces of China never received much benefit and when the economy began to tumble their condition worsened. Also, the only route to any form of social mobility depended on one’s ability to contend with the imperial examination system or to go into commerce. The latter was only available to a handful. Moreover, given all the administrative constraints, only a few succeeded in commerce.

In this respect, with the opening of ports along the West coast of Malaya by the British and the demand for labour to mine tin and service the entrepot sectors of the Straits Settlements, there arose a natural demand for labour and since the Chinese were at this time willing to leave China, a great many of them arrived in the Nanyang.¹⁰ Those who left China at that time were motivated by economic factors and social conditions, whereas the later batch of migrants had some additional social and political reasons to leave.

By categorizing the various exodus of migrants, a pattern towards the understanding of their culture emerges. The first is that as economic migrants they refrained from any form of political activity in the host country. Second, a new form of socio-economic

¹⁹By viewing the demographic figures for the Chinese in Singapore we can see the different migratory patterns; in 1834 they constituted 10,767 while in 1871 the figure rose to 50,098. See Joyce Ee, op. cit., p. 50. Most of these increases were not due to natural increases but rather due to the surplus of immigration. Refer to Ng Siew Yoong., "The Chinese Protectorate in Singapore 1877-1900", Journal of Southeast Asian History, II (March 1961), p. 82.

¹⁰Joyce Ee, op. cit., p. 33.
environment, provided by the capitalist structure, had a kind of liberating effect on them, for it did not have the great many social obstacles from which they suffered in China. Third, the availability of a relatively open society for their economic and social mobility was also very much welcomed by them. Finally, an achievement oriented perception emerged. This perception implied that anyone who migrates should return with a socio-economic position higher than the one left behind.\footnote{Lattimore, op. cit., pp. 119-134.}

The group that came to form the largest proportion of the Chinese immigrants was the one that came during and after the Taiping rebellion.\footnote{Yen, op. cit. p. 197.} These migrants were not only motivated by the prospect of a better socio-economic opportunity but also had their own political reasons for leaving the country of their origin. Since the majority of those who were involved in that rebellion were from the south, they had to escape the wrath of the Manchu government. As a result, the place they turned up was Nanyang, where by this time there was a well-organized Chinese community, whose political sympathies were with the opponents of the Manchu government in China. Although, the initial refugees of the Taiping Rebellion were more interested in organizing political activities in China by collecting funds, over time they too settled down and integrated themselves into the Singaporean body politic.

Thus, what we have is three batches of Chinese immigrants coming into the Straits Settlements. The first which came in the late 18th century, was motivated purely by economic reasons. The second, like the first came in search of economic opportunities. But the third batch was a mix, of political, economic and social refugees and it was this batch that formed the majority among the Chinese in Singapore. The essence here is that the reason why the immigrants left China, and the prevailing disorders at the time of their departure, moulded their perspectives and became part of their cultural
outlook. They brought to their new homeland in the Straits Settlements a disgust for the socio-economic structure which was there in China. Unlike in China, they now looked for the socio-economic opportunity and mobility for which they were going to work very hard. While the Chinese economy could not give them those opportunities, they were dead serious in pursuing them in their adopted homeland.

(7) The second major impact upon these immigrants was the role of the state in the economy. According to Confucian political philosophy the state’s participation in the economy is a very crucial aspect of political governance. Confucianism argues that this participation should ensure that the masses attain a higher standard of living and not otherwise. It also adds that the state’s interests, and those of its citizens are never antagonistic to each other. Any state that does act against the interests of the people is on the verge of destruction. In addition, the Chinese believed that the interests of the state and society can be complementary. Western philosophy, on the other hand, believes that the interests of the state and society are often in conflict with each another. This aspect of state-society relations is very important to Singapore because it provided the basis from which the state’s participation in the economy was welcomed by the Chinese community. The Chinese, incidently, form the bulk of Singapore’s entrepreneurial class. Such a perspective on government, brought in by the Chinese immigrants, facilitated the interventionist role of the Singaporean government since its very inception.)

33 For a better analysis see: James L. Watson, Emigration and The Chinese Lineage: The Mans in Hong Kong and London. (Berkeley: University of California Press).

34 Jean Chesneaux, et. al. China from the Opium Wars to the 1911 Revolution. (Trans. by Anne Destenay) (New York: Pantheon Books, 1976), pp. 46-47.


36 This comparative notion was passed on to me by Professor F.Q. Quo while discussing Chinese (Confucian) political philosophy.
Table 2.2: Percentage Distribution Of Chinese By Dialect Group, 1881-1980.

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hokkien</td>
<td>28.8%</td>
<td>37.6%</td>
<td>36.0%</td>
<td>41.7%</td>
<td>43.0%</td>
<td>43.0%</td>
<td>39.6%</td>
<td>40.6%</td>
<td>42.2%</td>
<td>43.1%</td>
</tr>
<tr>
<td>Teochew</td>
<td>26.1%</td>
<td>19.5%</td>
<td>14.8%</td>
<td>17.1%</td>
<td>16.8%</td>
<td>19.7%</td>
<td>21.6%</td>
<td>22.5%</td>
<td>22.4%</td>
<td>22.0%</td>
</tr>
<tr>
<td>Cantonese</td>
<td>17.1%</td>
<td>19.2%</td>
<td>18.8%</td>
<td>22.2%</td>
<td>24.9%</td>
<td>22.5%</td>
<td>21.6%</td>
<td>18.9%</td>
<td>17.0%</td>
<td>16.5%</td>
</tr>
<tr>
<td>Hainanese</td>
<td>9.6%</td>
<td>7.1%</td>
<td>5.8%</td>
<td>4.9%</td>
<td>4.6%</td>
<td>4.7%</td>
<td>7.1%</td>
<td>7.2%</td>
<td>7.3%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Hakka</td>
<td>7.1%</td>
<td>6.1%</td>
<td>5.2%</td>
<td>6.6%</td>
<td>4.6%</td>
<td>4.6%</td>
<td>5.5%</td>
<td>6.7%</td>
<td>7.0%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Foochow</td>
<td>4.0%</td>
<td>1.6%</td>
<td>1.3%</td>
<td>1.5%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Sanjiangren</td>
<td>0.4%</td>
<td>N.A.</td>
<td>N.A.</td>
<td>1.0%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.7%</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Henghua</td>
<td>0.5%</td>
<td>N.A.</td>
<td>N.A.</td>
<td>1.0%</td>
<td>0.8%</td>
<td>0.8%</td>
<td>0.7%</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Hokchia</td>
<td>1.8%</td>
<td>2.1%</td>
<td>0.9%</td>
<td>0.7%</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Kwongsai</td>
<td>a</td>
<td>0.2%</td>
<td>0.1%</td>
<td>a</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Others</td>
<td>0.3%</td>
<td>7.5%</td>
<td>2.2%</td>
<td>1.6%</td>
<td>1.3%</td>
<td>0.1%</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Straits-born</td>
<td>11.0%</td>
<td>10.5%</td>
<td>9.4%</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

Total #s per '000: 86.8 121.9 164.0 219.6 317.5 418.6 729.5 1,090.6 1,579.9 1,856.2

Notes: Probably the 1881, 1891, 1901 and 1911 figures for the Hokkiens include the Foochow, Henghua and Hokchia.
Probably the 1921 and 1931 figures for the Hokchia includes the Henghua.
The Straits-born Chinese were largely Hokkiens migrated from Malacca, and thus could be classified under Hokkien.
N.A. - Not available.
a - Less than 0.1%

Last but not least, was the shedding of their xenophobic attitude. Since the Chinese have been known for their xenophobic attitude, for one reason or the other, they had to learn to adjust themselves to the presence of others in Singapore. Their closely knit social units showed resistance to inter-ethnic intermingling in the beginning. But in Singapore, as a result of the intermingling of Chinese with different dialects and people of different ethnic groups, this xenophobic element gradually declined. The shedding of such attitudes has enabled the Chinese immigrants to contribute to the harmonious working of the Singaporean economy and polity.

*The Indians*

Like the Chinese, the Indians in Singapore also contributed to the development of Singapore. However, the term Indians has to be qualified before any generalization can be made. In terms of intra-ethnic diversity, there is both horizontal and vertical division within the Indian community. Horizontally they are divided into Tamils (who form the majority), Telugus, Sikhs, Bengalis and Pakistanis. Vertically, despite the disclaimers, there are caste divisions running within them. Moreover, with these horizontal and vertical divisions, there is also a further variation of cultural differences. The South Indians, although Hindus at large, subscribe to the Dravidian form of Hinduism, which has fundamental differences with the Northern version or non-Dravidian Hinduism. Most scholars who deal with the Indians in Singapore fail to take into account the cultural difference in the various social groups and lump them together as 'Indians'.

37 Lawrence A. Babb, "Patterns of Hinduism", pp. 201–202; and Riaz Hassan and Geoffrey Benjamin, "Ethnic Outmarriage and Socio-cultural Organization", *Singapore: Society in Transition*, Riaz Hassan (ed.), (Kuala Lumpur: Oxford University Press, 1976), pp. 213. In Babb's article there seems to a confusion over the declining role of the caste system among Indians, while even he admits a social stratification exists. Whereas Hassan and Benjamin show that caste has been a major factor in outmarriage among Indians and among other races.

38 See Babb, op. cit. It seems he fails to understand the fundamental differences between the Dravidian (South Indian) and Aryan (North Indian) cultures. For an account of these differences see K.S. Krishnaswamy Sastry, *Tamils and Their Culture*, (Annalamainagar, Tamil Nadu: Annamalai University, 1967), pp. 1–24.
In addition to such a shortcoming, just as in the case of the Chinese, scholars tend to look at the mainstream culture, that is, the one prevailing in the sub-continent without taking into account the environmental impact and the dilution of certain aspects of the mainstream culture itself. As a result of such misleading assumptions, scholars miss out on the traditional, borrowed and assimilated aspects of cultural outlook of the Indians' in Singapore.

Before proceeding further a brief historical survey will help understand the migratory process between the Indian sub-continent and Southeast Asia. As mentioned earlier, this migratory process has been in operation since before the birth of Christ. Archaeological evidence in the tombstones found in Northern Malaysia (the Kedah-Perlis region) indicates that the migratory trends were there much before the birth of Christ.39

However, the impact of these early migrants from India was largely restricted to the court and its officials. In addition, Indian cultural traits seemed to have also filtered down to the populace. Personality traits and other common characteristics can be seen even today in many parts of Southeast Asia. Then there is the use of Indian words in the Malay language. The importance of the Ramayana in Indonesia also shows the extent to which Hinduism had permeated in the Southeast Asian region.40 Coupled with that is the ability of Southeast Asian societies to adapt themselves to complex and internally diverse cultures. This can also be attributed to the influence of Hinduism, followed by Buddhism, and Islam on the daily lives, of the masses and the rulers.

As compared to the earlier batch, we are more concerned with those who came to Singapore during the British rule. This is because it was they who later on established a permanent settlement in Singapore and became a visible minority in her society. As in the case of the Chinese, it is impossible to pinpoint the perspectives of the Indians on...

40Sandhu, op. cit., p. 25.
society, polity and economy. What is examined, therefore, is the influence of the circumstances prevailing in India at about the time the Indians left their country.

The first batch of immigrants from India to arrive in this region was when Penang was founded in 1786. It consisted of lower ranking civil service officials of the Bengal Residency, merchants, sepoys and manual labourers. However, just after that party arrived, the flood-gates to emigration from India into the Straits Settlements, and later to the Malay states, were opened. But despite the availability of opportunities in this region, the factors that led to their departure in such huge numbers needs to be analyzed (to understand their cultural perspectives which subsequently became an integral part of Singapore’s development.)

Back in India, at about this time, the indigenous industry was destroyed with the introduction of British mercantilism. Prior to this, due to the existence of a thriving cottage industry and a relatively well balanced subsistence mode of agricultural production, the Indian peasants were never hard pressed. But all that changed when their economy was transformed into a mixed subsistence and monetized economy. To add to this process was the change in demographics within the subcontinent.

With the destruction of the local enterprises, and the slow adaptation to a capitalist mode of production, there arose a need for the small and medium landowning peasant communities to seek outlets to escape economic difficulties. One interesting point here is that the group of immigrants in the late 18th century mainly consisted of small and medium landowning farmers. Neither the Zamindar group nor the lower castes made any attempt to be part of this migratory process. This has been supported by Todaro’s

\[41\text{Ibid., pp. 31 & 43.}\]

\[42\text{C. Kondapi, Indians Overseas. (Bombay: Oxford University Press, 1951), pp. 2-4.}\]

\[43\text{Ibid., p. 3-4.}\]
He argues that in any migration pattern it is never the rich nor the extremely poor who leave but those groups of people who are in the middle income category. Despite difficulties faced by the immigrants, the small and middle landowning community showed that they still possessed the entrepreneurial spirit to succeed in an alien environment. But due to changed circumstances they had to abandon that and become wage labourers.

With the near disappearance of their means of survival, there was only one other option open to them, that is, to emigrate. That coincided with the expansion of British influence in the Malayan peninsula and the increased demand for labour. Coupled with the crippling disadvantage which came with the introduction of mercantilism, there was also the population pressure. As income from the previous mode of production ceased to exist, increased population pressures began to exasperate the existing economic conditions. Under such conditions we find that these classes of immigrants left their homelands to seek their fortunes in the far off lands.

The prevailing trend among such a group was the need to make a quick fortune and return home. This, initially, made them transient migrants. Nevertheless, although transient in their psychological make-up, the exposure to an environment which provided them with the opportunities to 'prosper', in itself created a sub-conscious belonging to that environment. Moreover, economic motivations may have been the immediate 'cause' for their migration, but what finally persuaded them to emigrate was the social and political upheaval in India. What in fact happened among this group was that despite their desire to return home wealthy, very few of them returned for good. Most of them

\[\text{See Todaro, (1985) op. cit. and Prof. Mahmud Khan, Econ. 355: Lecture Notes, (Spring 1987).}\]

returned for a short while every couple of years.\textsuperscript{46} This was because even when they did make 'enough' fortune to ensure the security for their respective families, the internalizing of their hardship and work ethos made them return to Singapore. Such patterns are present even in contemporary times. As a result, what happened was the rise of a relatively settled population, in the physical sense of the term, but psychologically still transient.\textsuperscript{46} Such a perspective meant that all other aspects would succumb to their economic needs. This transient ethos resulted in what we see today in a largely integrated polity of Singapore. More particularly here we see the contribution from 'below' (both Chinese and Indian) towards the general immigrant and 'fragmented' political culture that has helped to usher Singapore unto the modern era. It was this sort of psyche that enabled the political system to create a depluralized, or integrated, political order, and not because of any implicit authoritarianism.

So far as their social and economic interactions were concerned, they were limited to their respective groups. That led to the formation of racial enclaves which was subsequently encouraged by the British. While such enclaves were based on vocational differentiation and ethnicity,\textsuperscript{47} they also provided a psychological security in an unknown environment. The Indians worked, largely, for the British. Since the majority of them were employed in the service and government sectors of the economy, they seldom interacted with the other races. Socially, they lived and quartered within a radius where there was a visible majority of their countrymen and in some instances, where there was a concentration of their fellow village folks and kinsmen. As a result of such behavioural patterns these immigrants were never as extensive in their commercial enterprises as the Chinese. This was so because, economically they did not engage in any form of trade

\textsuperscript{46}Such has been the experience of a great many Singaporean Indians and has been witnessed by me even within my family. For a theoretical explanation see W.D. Borrie, \textit{The Cultural Integration of Immigrants}, (U.N.: UNESCO, 1959), pp. 116–129.

\textsuperscript{47}The British always felt that the Chinese were the more entrepreneurial racial group in comparison to the Indians or the Malays. Refer to Emerson, op. cit., pp. 472–473., and also Bastin, op. cit., pp. 124 & 174.
that benefitted or enlarged Singapore's GDP (Gross Domestic Product).\textsuperscript{44} Those who engaged in commerce did not contribute towards Singapore's modernization, for they were engaged in the sectors which provided mere services to the Indian population at large and more essentially served their own ethnic groups. However, their participation in the bureaucracy and in the harbour did produce the efficient workings of a rational organization to manage the daily affairs of Singapore.

The second wave of immigrants which came to Singapore was those who were politically, socially and economically displaced. This occurred just after the Indian Mutiny of 1858.\textsuperscript{49} Economically, British mercantilism, had just completed its stranglehold of the Indian economy, which had now begun to affect the lower rungs of society.\textsuperscript{49} Moreover, with the advent of an economic system also came values and ideas that would be used to critically examine their own society. Since Indian society was based on a rigid hierarchy, which was ascriptive in nature, and a social structure supported by kinship and caste affiliations, such ideas also began to seep into the various enclaves in Singapore. Although Indian society has been known for its ability to absorb alien culture and assimilate it within the existing mainstream culture, when it met head on with the European notions of equality, meritocracy and political liberalism, mainstream Hindu perspective began to question itself, since these notions were attacking the underlying basis of Hindu society. Politically, despite her history that is one that has been plagued by foreign conquests and rule, India had been able to consume her conquerers by absorbing them culturally. However, when met with the equally proud British, Indian society finally met its match. Never before in her history, had India experienced an alien occupation that had penetrated society so deeply.\textsuperscript{50}

\textsuperscript{44}This can be attributed largely to the small size of the Indian population and second to the non-involvement of capital accumulating activities (a great deal of the surplus was repatriated to India). Refer to Sandhu, op. cit. pp. 245-293.

\textsuperscript{49}Sandhu, op. cit., p. 35. and Griffin, op. cit., p. 41.

\textsuperscript{50}K.M. Panikkar, \textit{Asia and Western Dominance}, (London: George Allen & Unwin Ltd.,
Efficiency wise, Indian industry was no match for the British. To add to that burden, the colonial government began to impose taxes on Indian goods competing with those that were manufactured in Britain. Such policies naturally thwarted attempts by local entrepreneurs to accumulate and expand local capital. But the most significant of these was undermining of the rise of indigenous capital. And that induced even larger migrations of the local inhabitants to Southeast Asia. However, the group of people who suffered the most were those from the rural areas, because of the destruction of local industry and the setting-up of the zamindar system of tax-collection. Such a system concentrated the ownership of land in the hands of a minority. The displaced landowners were forced to seek their livelihood from a different source, including migration to Southeast Asia.

Coupled with this came the new ideas of equality, meritocracy and political liberalism. Such ideas were filtered down to the lower rungs of Indian society not through the school system (since it was still a novelty for the peasants to send their children to schools), nor via the introduction of the mercantilist form of capitalism, but through their own cultural need. It was mainly the work of local reform movements, and what we call today the "demonstration effect" as amplified by the British. By the turn of the last century, there was already a spurt in reform movements seeking to alter certain fundamental social values. The reformers attacked the caste-system and the ascriptive manner in which it determined the social and economic life of the people. In

50(cont'd) 1961), pp. 111-128.
51Griffin, op. cit. p. 39.
53PM Lee has often been quoted as saying that if the Indians had political control of Singapore it would have been next to impossible to provide for a stable and functioning political system, because of their strong sense of individualism and high degree of participation in the political process, and also their highly dialectical approach to life. See, James Minchin, No Man is An Island, (Sydney, London: Allen & Unwin, 1986), p. 215.
all this, merit occupied a secondary position. Since Hindu society was not based on merit but on caste structure, it was deemed to be unequal. More than that, it remained indifferent to merit. Emphasis on merit alone would guarantee the people social mobility. The net result of these reform movements was not only an acknowledgement of merit but also an involvement in the political process. Finally, the combination of these factors led to a desire to protect and enhance one's interests.

The next batch of migrants to leave India were those who came to work in Southeast Asia's rubber industry. The majority of them went straight into employment in the rubber estates owned by British and Chinese capital. The rest ended up in the Straits Settlements, especially in Singapore. Nevertheless, the arrival of this batch of immigrants coincided with the growing influence of the Indian National Congress in its struggle for Indian independence. They were, therefore, more politicized than those who came before. However, it is the economic and social factors which, to a large extent, influenced these migrants' perspectives on the new life in Singapore.

Most of them, if not all, settled for employment within the service sectors. They were employed as manual labourers, porters, clerks and in administrative positions. Some even ventured into the retailing industry to cater to the needs of their fellow countrymen. For the first time, a new phenomenon was in evidence; the immigration of their wives and the raising of their families within the Singaporean environment.

The bringing of their spouses over to Singapore was a turning point in the outlook of the Indians. It had several consequences. The first was the change in perception from being a transient to a permanent migrant, which resulted in a loosening up of their ties with the homeland. Since these immigrants had their immediate family with them what now concerned them most was their welfare. Such a realization forced them to accommodate their inherited perspectives with the demands of local population.

54 Arasaratnam, op. cit., p. 16.
The migrants wanted to ensure that their children did not suffer the same human indignity as they did in India. The children of such immigrants, who were far more accommodating, were involved in building a new economic and political society of Singapore.

Thus we see that economic, political and social factors have been the major causes of the outflow of Indians from India into Singapore. There has been a tendency to cite economic needs as the most important consideration when they migrated. But it is also important to understand that their leaving India meant giving up of certain values held in their homeland. The significance of this rejection of values meant that these Indians would now be more than willing to accept other values and mesh it together with their own to produce a more pragmatic approach towards their new goals and responsibilities.

The three different waves of Indian immigrants, thus, brought with themselves three different sets of value-ties with India, and above all, a sense of accommodation in the new environment. The last ones to arrive, with interest in politics, proved to be the group to act as a role model for others. The children of all these groups began to change their life-style, placed a greater emphasis on education, developed a work ethic, went in search of middle-class jobs, and socialized with the wider community, and identified themselves with their adopted homeland rather than where they came from. They have shown that despite their cultural traits they could be just as easily motivated, materially, as the other races. Such a conviction and effort have all contributed tremendously towards Singapore’s development.

Table 2.3: Percentage Distribution of Population in Singapore By Ethnic Group, 1824–1980.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
<th>Chinese</th>
<th>Malays</th>
<th>Indians</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>1824</td>
<td>10,683</td>
<td>31.0%</td>
<td>60.2%</td>
<td>7.1%</td>
<td>1.7%</td>
</tr>
<tr>
<td>1830</td>
<td>16,634</td>
<td>39.4%</td>
<td>45.9%</td>
<td>11.5%</td>
<td>3.2%</td>
</tr>
<tr>
<td>1836</td>
<td>29,984</td>
<td>45.9%</td>
<td>41.7%</td>
<td>9.9%</td>
<td>2.6%</td>
</tr>
<tr>
<td>1840</td>
<td>35,389</td>
<td>50.0%</td>
<td>37.3%</td>
<td>9.5%</td>
<td>3.1%</td>
</tr>
<tr>
<td>1849</td>
<td>52,891</td>
<td>52.9%</td>
<td>32.2%</td>
<td>11.9%</td>
<td>3.0%</td>
</tr>
<tr>
<td>1860</td>
<td>81,734</td>
<td>61.2%</td>
<td>19.8%</td>
<td>15.9%</td>
<td>3.1%</td>
</tr>
<tr>
<td>1871</td>
<td>97,111</td>
<td>56.2%</td>
<td>26.9%</td>
<td>11.8%</td>
<td>5.1%</td>
</tr>
<tr>
<td>1891</td>
<td>181,602</td>
<td>67.1%</td>
<td>19.7%</td>
<td>8.8%</td>
<td>4.3%</td>
</tr>
<tr>
<td>1901</td>
<td>226,842</td>
<td>72.1%</td>
<td>15.8%</td>
<td>7.8%</td>
<td>4.3%</td>
</tr>
<tr>
<td>1911</td>
<td>303,321</td>
<td>72.4%</td>
<td>13.8%</td>
<td>9.1%</td>
<td>4.7%</td>
</tr>
<tr>
<td>1921</td>
<td>418,358</td>
<td>75.3%</td>
<td>12.8%</td>
<td>7.7%</td>
<td>4.2%</td>
</tr>
<tr>
<td>1931</td>
<td>557,745</td>
<td>75.1%</td>
<td>11.6%</td>
<td>9.4%</td>
<td>3.9%</td>
</tr>
<tr>
<td>1947</td>
<td>938,144</td>
<td>77.8%</td>
<td>12.1%</td>
<td>7.7%</td>
<td>2.4%</td>
</tr>
<tr>
<td>1957</td>
<td>1,445,929</td>
<td>75.4%</td>
<td>13.6%</td>
<td>7.0%</td>
<td>1.8%</td>
</tr>
<tr>
<td>1970</td>
<td>2,074,507</td>
<td>76.2%</td>
<td>15.0%</td>
<td>7.0%</td>
<td>1.8%</td>
</tr>
<tr>
<td>1980</td>
<td>2,413,945</td>
<td>76.9%</td>
<td>14.6%</td>
<td>6.4%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Note: From 1970 onwards, Indians include Sri Lankans (Ceylonese) who were previously classified under 'Others'.


The Malays

Just as the Indians and Chinese had been in contact with Southeast Asia long before the arrival of the colonial powers, so have the Malays from the Indonesian islands. They came in various capacities; as mercenaries, conquerors, traders and political refugees. However, the impact that they have had was not as consequential as those of the Chinese or the Indians. They merely acted as agents or carriers of trade, religion and culture.

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What is of concern here is the migration of the Malays from the Indonesian islands after the founding of Singapore. For it was only after the establishment of British supremacy over Malaya, that waves of migrants, escaping from the hardships in their homeland, came to seek their fortunes in the mercantilist world of British Malaya. In that respect the earlier migrants were different from the socio-economic groups that made up the later batch of migrants.

It was much easier to categorize the migratory patterns of the Chinese and the Indians, than of the Malays. Since there is very little data regarding their migratory patterns, and a lack of entry records, such a categorization is difficult. However, it is possible to note that huge groups of migrants left Indonesia during and after the imposition of the Culture Policy by the Dutch colonial masters.

The domestic conditions during the Culture Policy was similar to the one introduced by British mercantilism in India. The Culture Policy practically destroyed the native agricultural system. Traditionally, places like Java and Sumatra have been known to have been self-sufficient in rice and other staple foods. With the arrival of the Dutch and the introduction of colonial administration, the local economy was abruptly transformed into a peripheral economy, where the Indonesians would produce the raw materials and capital to feed the Dutch industries, and at the same time provide a market for their finished products.

What this meant for the local economy was that those who had previously depended on the traditional form of agricultural products now had to shift their production to other commodities like tobacco, sugar and rubber. These products, were

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58Ibid. pp. 53–54.


60Ibid, p. 10.
cash-crops and did generate income, but did not meet the food requirements of the local economy. To add to this burden was the increasing pressures on land, largely because of population growth and the cultivation of soil damaging crops. This also meant that less and less land was now available to the peasants. Under such conditions, peasants had to sell their lands to foreign capital, mainly Dutch landowning companies, and became wage labourers for their survival. The introduction of the Culture Policy not only destroyed their economic but also their social life. For the social organization was sustained by the pre-colonial economic structure which had very nearly disappeared.

Politically, it would be difficult to pin-point any form of particular behaviour that was exhibited by immigrant Malays. This is because those immigrants easily assimilated into the small and existing mainstream Malay culture. Thus, although these Malays were immigrants, officially speaking, they did not consider themselves as such. They, on the contrary, claimed to be Bumiputra or the sons of the soil.

In this section, we have observed and analyzed the "supply-side" factors responsible for encouraging the migratory process to allow large masses of people to move to Singapore from elsewhere. In that connection we also analyzed the imprints of socio-economic and political conditions prevailing in the countries where they come from. More essential is the contribution of these supply-side factors to the political development of Singapore. First, their transient psyche ensured that there would be no room for the emergence of ethnic group interests. Since the large majority never settled to form any kind of permanent habitat in Singapore, their constant moving back and forth from their homelands to Singapore had deprived them of their political effectiveness. This we can observe in modern Singapore and argue that the political continuity, stability and pragmatism in the political system was largely due to the absence of sectoral interests in society. Had the immigrant population of Singapore been more firmly rooted then perhaps it would have led to a more plural and stressful society. Second, the subsequent batches
of immigrants were much more involved in building and sharing the economic prosperity of Singapore and enjoying its network of social services. They therefore took only a marginal interest in its political process.)

Demand-side Factors

In the earlier section, the supply-side factors were analyzed to understand the perspectives of immigrants toward society economy and politics. Now the demand-side factors responsible for providing the attraction for migrants to come to Singapore are examined. This section will also make an attempt to provide the other half of the immigrant ethos that has been responsible for Singapore's developmental process. In addition to that, the effect of the cultural baggage that was brought by the immigrants on the nature of their participation in the economy, society and political life in general will be examined.

First is an analysis of the social environment present in Singapore at the time of the arrival of the immigrants. After that, the growth of her economy and political system is reviewed. Such a sequence will enable us to grasp the intermeshing of ideas in Singapore's modernization process: in short, an ethos that has been an integral part of Singapore's efforts to achieve modernity within a new social environment.

The Social Environment

(Prior to their arrival in Singapore, the immigrants, other than the merchants and traders had hardly any form of social interaction with people other than their own immediate or extended family. As such, the first cultural shell to be smashed was the xenophobic mentality that existed among all the new arrivals. Among the Chinese, there was inter-dialect animosity (as shown in their membership of the secret societies) and
Such a distrust and animosity was also present among the Indians and Malays. For example, there was the distrust of the Jaffna Tamils on the part of the Tamils from India. Among the Malays there was also such ill-feeling between the Buyonese and the general Malay populace.

The factors responsible for the eradication of the above mentioned behaviour are to be found in the economic, social and political spheres of Singapore. There is, obviously, a natural tendency for one to look at the economic sphere for answers. However the social and political spheres are also responsible for the eradication of such socially disharmonious behaviour. Economically there is the argument that their interaction resulted in the slow erosion of xenophobic attitudes. Socially, the mere absence of the traditional environment meant that they were forced into social intercourse with other races and ethnic groups in their place of work. Initially the political structure that came into being was not the one that was meant to act as an allocator of values and resources among the community, but merely act as the agent of the economy and the various powerful interests in it.

The prevailing social conditions in India, China and Indonesia, as discussed earlier, had began to portray the image that anything other than the existing social conditions that prevailed in their respective homelands was better. Such a perception meant that these immigrants were taking a great risk in coming over since there were no heaven-sent assurances that social conditions in the host country would be better. For one thing, in Singapore, the environment was different, and its economic re-birth

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61 For example the secret societies was largely demarcated along dialect lines, that is, the two major dialects, the Hokkiens (Hai San) and the Cantonese (Ghee Hin).


63 It has noted among Southeast Asian Historians that Singapore did thrive as an entrepot during the 12 till the late 14th century but seems to have gone into obscurity at the
through mercantilist capitalism and, later the establishment of a new international division of labour, promised economic security and prosperity through the performance of its economy.

There are several reasons why traditional social constraints were absent in Singapore. The traditional social structures, even of a specific ethnic group, were likely to acquire a new character in the far off lands. In the case of the Indians, in particular, their social mobility, which was denied to them in traditional society, was now permitted to them in their new 'homeland'. This mobility and social status was now a matter of economic prosperity rather than of birth or ascription.\(^4\)

The absence of a feudal structure, extended family, and caste-system also meant that there would now be ample opportunities for those who had the energy and ability to exploit them.\(^5\) Moreover, this was possible because of the fact that Singapore was an environment where the drive for material success was the principal objective.\(^6\) Furthermore, she was also free from the constraints of a subsistence economy. Consequently, and economically speaking, the immigrants had fewer obstacles in the way of attaining their material success.

(In addition, the economic drive of the individual, unrestrained by the traditional factors of associated living, also stimulated the spirit of individualism that complemented Singapore's capitalist economic structure.)

\(^{63}\) (cont'd) same time as the Sri Vijayan empire collapsed.

\(^{64}\) This was also true for the Chinese. Though they did not have a caste system, their social values and beliefs were very similar to the caste system in India, where ascription more than merit was used to determine one's potential.


The resultant social harmony of a different kind has been a contributing factor in Singapore’s great strides towards development. (The coexistence of different ethnic and social groups, with a common purpose of enjoying a higher standard of living, removed to some extent, the old intolerances. It, nevertheless, gave birth to some others. In certain fields and occupations the ethnic and racial ties reappeared.)

\textbf{Economic Environment}

Just as the economic decay within the home country encouraged outward migration, the promising nature of the Singaporean economy became a matter of special attraction to such migrants. It also meant that a new life would be possible where diligent work would be rewarded handsomely. Such then were prospects which Singapore held out for the immigrants. At different stages of economic development she required new immigrants to work in different industries. And at each stage those immigrants influenced the nature of the society, economy and political institutions.

By 1824 when Singapore was firmly entrenched in the British empire, she was already proceeding towards the fulfilment of the vision of Raffles. At that infant stage economic growth depended on increasing trade with China via the Straits of Malacca. Also, her economic base was built upon an entrepot structure, that is, a centre where capital would be accumulated in trade that took place between the Far East, South Asia and Europe. This meant that the service and trade sectors of her economy would be the leading sectors, providing the backward and forward linkages for the modernization of society.

The establishment of a semi-imperialist economic structure immediately demanded a great deal of labour. Since the population in 1819 only consisted of a few hundreds,\textsuperscript{67}

there naturally was a need for immigrant labour. As immigrant labour had been proven to be fruitful in the other colonies, the obvious choice was to open the gates to immigrants. In addition there was a deliberate selection of immigrants to be slotted into the various occupational categories. Indians were selected to fill in the various lower-level administrative posts. The Chinese were given a free hand in their venture into commerce and the Malays were employed in the menial and service-related occupations. Such selective procedures were based upon certain assumptions and evaluative experience of the British rulers. The Indians due to their familiarity with the British mode of administrative operations were brought into the public service as office-boys and clerical staff. Some were put into employment in the harbour sector to serve as labourers and others went into the British military garrisons as sepoys.

The Chinese, on whose entrepreneurial drive Raffles had hoped to build Singapore, were entrusted with the retail sectors of the economy. Moreover, by this time a few Chinese merchants had also established a series of extended commercial networks where the whole chain of operation was dealt with by a restricted group. An example of this was the rubber trade. Rubber was smoked, processed and stored within

68In 1819, just before Raffles’ arrival in Singapore, the population was only 150 of which 120 were Malays and the rest Chinese. The almost thousand percent increase of Singapore’s population to 10,683 by 1824, was not because of natural increases but due to the massive influx of immigrants. For further clarification refer to: Saw Swee-Hock, "Population Trends in Singapore, 1819–1967," Journal of Southeast History, X (March 1969), pp. 37–38.

69Ibid., p. 17.


72Ibid., p. 73.

this restricted group's smoke-houses, processing-plants and warehouses, and then exported to international markets through their own channels of operation.\textsuperscript{74} Rubber thus developed a semi-metropole economy within a larger metropole economy.

The Malays were employed within the service sectors and in the British army to serve as a countervailing force to oppose any overt attempt by the other races to pose a threat to British rule. (This was, thus, a deliberate attempt to diversify and cultivate separate loyalties to the British. Furthermore, like the Indians, the Malays were considered to be docile and without the entrepreneurial drive as the Chinese, but whose loyalty in certain respects could be counted upon in times of crisis.\textsuperscript{75})

Since none of these agents were socially and politically effective the flow of most of the resources were diverted exclusively to serve British commercial interests. A portion of the accumulated capital was reinvested in Singapore so as to continue with the existing status quo. Such a situation instilled in the minds of the immigrants that the social and economic ladder was open to anyone who had the diligence to climb it. In analyzing developing countries, one of the major obstacles to modernization has been the concentration of wealth and political power within certain groups of society. These groups have diverted that respective society's accumulated capital to serve and perpetuate their own interests. Obviously such a behaviour has only benefitted a small segment of the population, where socio-economic mobility is completely shut-off to other groups. (Singapore, on the other hand, due to its 'founding' at a particular period of capitalist development, had the benefit of being able to prevent the rise of such socially detrimental elements within her society. In turn, this created a psychological motivation for the immigrants. This made the immigrants perceive that this economic environment was

\textsuperscript{73}(cont'd) Maruzen Asia, 1983), p. 91.

\textsuperscript{74}Refer to Wong, op. cit. p. 84.

\textsuperscript{75}Neville, op. cit., p. 76.
more conducive to them, in terms of achieving a better standard of living. Thus the
drive towards diligent work and the creation of a work ethos which then sat very well
with Singapore's ideology of developmentalism.⁷⁶

(Coupled with the above, there was another social-stabilizer. This was the 'dream'
that the immigrants had brought with them to Survanabhumi,⁷⁷ the "land of gold". The
dream romanticized the notion of being an immigrant. By way of romanticization, it also
inculcated an unwritten code of conduct for these immigrants, in their quest for a better
standard of living. To add weight to this dream, Singapore after 1867 provided a more
promising environment to realize their potential. By and large, the Singapore dream was
an act of self-fulfillment that came to assume a spiritual aspect in the lives of the
immigrants in Singapore. Currently this spirit has been used by the governing-elites to
instill the same form of discipline and motivation in the younger generation, so as to
maintain the momentum from below.

Finally, as in any immigrant society, the relative openness of the economy was the
other major factor that attracted immigrants to Singapore. This economic openness is the
reward system of the Singaporean economy. Although, there was a reward system
back-home, it was not open enough to enable one to accumulate a surplus even from
wage labour. The extended family system in China and the caste-system in India, were
so entrenched that they themselves acted as obstacles in enabling members from
accumulating any form of surplus and in turn a higher standard of living. At about the
same time, due to the introduction of an alien economic system, there was chaos
resulting in the rise of a very derogatory form of capitalism. The introduction of this
form of capitalism only added to the existing problem because it never had a
wage-structure that operated along with the market forces of demand and supply. Low

⁷⁶Josey, op. cit., p. 76.

⁷⁷Majumdar, op. cit., p. 206.
wages were paid to exploit the high demand for jobs, which only perpetuated the existing socio-economic structure in India and China.

In contrast, the openness of the Singaporean economy, and the adherence to the market forces, provided an outlet for the enterprising immigrant to optimize his potential. Singapore's economy, because of the way it was organized, had to abide strictly by the rules of the market or face long-term consequences like those in India and China. This outlet allowed the immigrants to extricate themselves from the vicious cycle of poverty that existed in their homelands. Since the Singaporean economy had to operate along the rational lines of the market, it ensured that wages would be kept in line to ensure the extraction of surplus. This and the absence of any form of obstacles that existed in their homelands enabled the immigrants to amass capital at a much faster pace than before. This capital accumulation in turn fuelled the development of the local economy, by providing the scope for new investments, thus offering another attraction for the immigrants.

As a result of these developments, we have seen how the mechanics of the Singaporean economy itself radiated the attractiveness that lured immigrants. These were the major factors responsible for these migrants to choose Singapore over Malaya or the other two Strait Settlements (Penang and Malacca). Furthermore, in any analyses of immigrant societies there has to be the attraction of the economy that demands immigrant labour. In addition, this economic attraction has also to provide a socio-political environment that would further add to the economic attraction.

*Political Environment*

The first aspect of the political environment that is of concern is that of the political institutions that came into existence. The earlier discussion has shown that the growth of these institutions was influenced and shaped by the conditions of economic
modernization. Such a framework ensured that politics and economics would not be separated, and that the political environment would be conducive for the economy to grow and expand at the same time. As such this form of political framework encouraged the free workings of the economy by synthesizing the plural character of society.

The integration of the political framework ensured that societal conflicts would not be in the path of economic development. This meant that the state's institutions would not intervene into society except when it was deemed to be harmful to its economy. This sort of relative autonomy from the state's institutions created a process of role differentiation. Where the state would utilize her political institutions to maintain and harmonize all societal conflicts, while society would just concentrate its efforts on contributing to the economy. Basically, this was what Confucian philosophy had advocated for any state that wants to maintain its prosperity and that was what happened in Singapore. This was particularly very attractive to the Chinese and Indian immigrants. For, by this arrangement the political institutions would ensure societal harmony and society for its part could concentrate on its own development and, there was in turn, a general welfare for all concerned.

Since the state institutions were created to protect and harness the economy, the manner in which this was done was by utilizing a rational approach towards capitalist development. One of them was to minimize the exploitation of labour. Due to this rationalization and the importance of labour harmony to the stability of the economy, the political process ensured that exploitation and surplus accumulation from labour would be kept to a minimum. Furthermore, such a process meant that the state institutions would act on behalf of the labour force and promote its welfare; thereby making itself a paternalistic form of government. This in turn was another factor that attracted these immigrants.
While the colonial governments of India and Indonesia, and Imperial China, worked on the opposite principle, the Singaporean polity was operating in a manner that was very conducive to the immigrants. The reason for such contrasting political processes was largely due to the stage of development each of these states were going through. Singapore, due to its founding during the period of rational capitalism, produced an economic system that operated on the basis of mutual rather than exclusive benefit, for all of her members. That is, everyone involved in her economic development would get a share of the gains. In addition, rational capitalism offered Singapore a flexible modus vivendi that would act as an automatic stabilizer in the event of changed circumstances.\footnote{Bob Catley, "The Development of Underdevelopment in South-East Asia", Sociology of South-East Asia: Readings on Social Change and Development, Hans-Dieter Evers, (ed.) (Kuala Lumpur: Oxford University Press, 1980), pp. 264-267.}

Finally, the political stability offered to the immigrants by the Singaporean polity as opposed to that of China and, to a lesser extent, of India and the Dutch East Indies, was much more conducive for them to make a fortune without being embroiled in the political process. Since the political process has always excluded these immigrants, they felt that their increasing degree of politicization would not work in their favour. Moreover, Singapore did not have the sort of political struggle that was being waged between the colonialists and nationalists. What was being waged in Singapore was a battle over the intervention of the political institutions to regulate and offer protection, and security to her economy at large.

In sum these political factors played a large role in attracting immigrants to Singapore.\footnote{Joyce Ee, op. cit., p. 33.} Although these motivations seem to be abstract and far fetched at times, it is the contention in this thesis that economic reason alone does not answer the question of our concern sufficiently. Offering these immigrants an environment where political institutions would play an integral role in promoting their aspirations seemed more
As such the political environment complemented the desires of the immigrants. They, in turn, were socialized into the Singaporean milieu and came out with a cultural ethos that I call the immigrant ethic. This, in a large way, has provided the stimulus from 'below' and ensured the economic success of Singapore.

Some General Observations.

In a society that is largely peopled by a population which either consisted of recent immigrants and of their descendents, there must be some deeper explanation that has made them strive and contribute to the relative success of that society. Having examined the social, economic and political institutions of Singapore, an analysis of how the immigrant ethic helped in the modernization of Singapore's society and her economy follows.

Characteristics of the Immigrant Ethic

(In most cases, immigrants are transient in their mental framework. However, this perception alters over time and begins to make them become more of a settled group of people. In this process of evolution, from a transient to a settled population, a new culture begins to take shape. This culture, in turn, evokes its own ethic regarding society, economy and politics.) It is this ethic that we will analyze here and show how it fused together elements from the ethnic groups, their traditions and values of modernity, and gave birth to a coherent immigrant ethic. In the growth of such an ethic the impetus had come from below.

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The first and foremost of the characteristics of the immigrant ethic in Singapore's case is the perception of change and progress. As seen in the earlier discussion of the factors that encouraged emigration from China, India and Indonesia, the lack of any change in their respective societies, over long periods, had effectively retarded the social mobility of the general populace. Consequently, the impression this left on the minds of the immigrants, who came from those countries, was that change does and will in fact be more beneficial to them. Such change would ensure access to economic opportunity and to social mobility in general.

Change, however, for them did not mean a mere replacement of one system by another, but one that was conducive to economic development on a continuing basis. Here we witness that this change had to be qualitative as well. What this meant for Singapore was that the perception from below of such a change would bring forth the cooperation of the people for attaining her goals. That obviously had political implications as well.

On the socio-economic front, this perception, helped to instill a readiness to accept the constantly evolving nature of the Singaporean economy. Since the economy depends on the regional and global patterns of commerce, this mental framework provides the economy with the flexibility it needs to meet the varying circumstances. With this assurance from below, policies are implemented without the need to take into account the political repercussions that might otherwise occur. This practice allows the economy to be free from the rigidity that it might have had to face by having a labour force that is suspicious of any form of change. Since the acceptance of change by the people is a vital aspect of the development of Singapore, the governing elites ensure that such a change is incremental and not abrupt.

(In political terms, the acceptance of change and progress as beneficial and necessary, provides the basis from which political stability results. Just as this perception
allowed the economy the flexibility it needed, it also allowed the political institutions the ability to evolve themselves to meet the changing economic circumstances. Since Singapore's political institutions were moulded to the needs of the economy, they too needed the flexibility to evolve and meet the new demands imposed by the economy.

As the fragmented cultures of Singapore evolved, they also had built a common ground among them. Such a common ground took the form of the ideology of developmentalism. (What it professed was a strict role differentiation among the immigrants who came to Singapore. The immigrants were to concentrate on doing what they could do best, and that is, provision of a harmonious labour force. Although this is a status-quo oriented concept, it did imply that there will be progression if one were to concentrate on whatever one could do best. It was, in fact, very similar to Plato's Republic or Adam Smith's division of labour.)

As a result of this role-differentiation, labour and social harmony was assured. The strict adherence to this division and the absence of traditionally entrenched social interests meant that the class-conflicts that predominate in many developing economies would not be reproduced. Moreover, this element of the developmental ideology instituted a process of self-awareness. By this the immigrants would always be aware of the hardships they escaped from and how Singapore has offered them the opportunity to enjoy a relatively better life. In this manner it created a psyche where the immigrants would always be reminded of their past. By doing so this secured the integration of the labour force, which in turn helped to provide the social harmony that was essential to the accumulation of capital.

What this meant, in the final analysis, was a concentration of societal resources into capital accumulation. Since peace was assured because of the integration of society, the state's institutions could now intensify their efforts to provide stability and guidance to the economy, thereby ensuring the economy of its prosperity.
As such, there naturally was an avoidance of class-based conflicts. Following this, the focus of the state’s political and economic institutions were provided with the room to create a conducive environment to promote social and economic modernization. Moreover, the absence of socio-economic and political anarchy meant that these institutions could now direct their attention to mobilizing, allocating and regulating the available resources towards a single goal, and that is the modernization of Singapore, socially, economically and politically.

In addition to the acceptability of change and the ideology of developmentalism, there was also the deeply embedded sense of achievement. This achievement orientation has largely been the product of the immigrants’ traditional heritage and the inculcation of western values into Singaporean society. What this did was to create a psychological drive towards materialism, which in turn ensured a diligent and willing work-force.

Such an orientation was able to surface in Singapore because of the factors that brought the immigrants here and the environment additionally encouraged its development. As mentioned earlier, these immigrants came to Singapore to attain their economic goal. The attaining of such a goal gave them a sense of achievement and an added justification for leaving their country of origin. The more Singapore succeeded economically, the more they shared the sense of achievement. Unlike the constraints to their social and economic mobility in the countries of their origin, Singapore offered them unlimited access to opportunities and to this sense of achievement.

**Immigrant Ethic and the Modernization Process**

Thus far we have discussed three of the major characteristics of the immigrant ethic. However, at this juncture the link between the immigrant ethic and Singapore’s modernization process needs to be elaborated. In this respect, it can be concluded that a major issue of contention to arise out of this immigrant ethic is that of labour
Some scholars would dispute this by arguing that the authoritarian nature of the government has instilled a very superficial labour management harmony. Nothwithstanding this, it is my conclusion that there has to be something from within to maintain labour harmony, for mere external control and brute force have historically been known to be only temporary measures. Even in the present state of affairs, in Taiwan and South Korea, there has been outright use of violence and authoritarian measures to achieve labour harmony that has yet to produce the desired results.

In conjunction with this, there is the subordination of local interests to that of the general interests, not that this should be taken to mean that the Singaporean society is all too altruistic, but just that it is a prevailing value among Singaporeans that the economy will perform to its optimum if and when it is allowed to do so. On this note, individuals will have to perform their expected role, of contributing to the economy, if they were to benefit from the it. This role differentiation is the result of the cultural baggage, brought over from China, India and Indonesia, and economic rationale that is being transmitted by a capitalist mode of production.

Finally, all these enmeshed to create a new political culture that resulted in the formation of a developmentalist ideology. As the immigrants began to integrate themselves into the Singaporean context and mix with the other ethnic groups, they also began to understand and appreciate the values and belief systems of others. While Singaporean society has not become an ethnic melting pot, it has, nevertheless, developed inter-ethnic and inter-racial working relationships which have ensured an efficient economy.

On the economic front, the immigrants could not be choosy when it came to finding employment, they had to work in an environment where there would be other ethnic groups present. There were ethnic enclaves within particular sectors of the economy, but they were mainly in the retail and local businesses where circumstances warranted such practices. However, the overall nature of the economy and the availability
of jobs meant there was to be great intermingling of various races and ethnic groups. Therefore the work environment became a socializing agent in itself, creating cooperative behaviour, while at the same time demolishing some of the preconceived barriers of their fellow workmates. In this respect we find an easing and opening-up of the immigrant mind to other ideas and the acceptance of values and beliefs that would benefit them directly and materially. This in the post-independence period was a major factor that helped to facilitate the smooth transition of the Singaporean economy and polity.

These issues together persuaded Singaporeans to remain politically inactive and easily accept change as an inevitable part of their lives. They feel that since their society has to have the flexibility and adaptability to be able to meet changing circumstances, the political leaders have to be given a free hand to deal with them. Furthermore, as immigrants, they have advisedly kept their distance from politics. Such a political passivity has made them accept a highly active governmental role in the lives of the citizens. This implicit acceptance on the part of the citizenry is also in evidence in Singapore's fellow 'dragons', particularly, in Taiwan and South Korea.

Just as the Americans always refer to any form of success as the great 'American dream', Singaporeans have come to have a dream of their own. The Americans value liberty and freedom to pursue their own destiny, whereas in the Singaporean context it is the freedom to pursue one's economic destiny and escape from poverty. This psyche has become so entrenched in the minds of Singaporeans that each of them strive towards the five dreams: They are (some would say the five stars in the national flag symbolise these dreams) "one spouse, two children, a three-room apartment, four wheels and a five figure wage-scale".\(^{11}\) This dream has been a major factor in inspiring the labour force.

\(^{11}\)These dreams are not to be found in any literature. Though they are only mentioned among friends, we have to bear in mind the psychological affection Singaporeans have for it.
To conclude this chapter, the immigrant ethic acts as a psychological force in motivating and ensuring a continued flow of impetus from below. It also has contributed greatly to Singapore's political culture, and answers regarding the peculiarities of her polity, economy and society can be found in the immigrant ethic. Combined with the material benefits this has become an integral part of Singapore's developmental experience. By and large, John K. Galbraith has this to say about the impetus from below:

"Some of the credit accrues, not surprisingly, to the people. The talents of the three races - Chinese, Indians, Malays - are united in a harmonious blend. The people work without the fettering traditions to which they would be subject in the countries from which they or their parents came. Migrants and their immediate descendants always work harder and better than people who have long settled in their surroundings. To put people down in a new place without accustomed support from land or position, give them the challenge of survival and force them to think may be very cruel but it enormously increases their productivity".12

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The term *Elites* has been used to mean the leading or influential individuals. There are elites to be found even in the smallest social human units. This is true if we were to adopt Pareto and Michels' concept of elites.\(^1\) They argue that even in the smallest social unit, for example, the family unit, a group of friends, certain individuals emerge as more influential than others. As such we would find elites all over society in one way or another. Nevertheless, what we mean by elites here, in a political context, is that particular group of individuals which holds political power through the ballot box and functionally holds the reign of legitimate political power.

Even the term elites is full of ambiguity. Does this imply that just because they have been elected and have formally assumed political authority, these men and women have total say over all forms of policy matters concerning the society in question? Succinctly it implies that despite the fact that elected officials hold political office they, nevertheless, are influenced by other elite groups in various ways. The traditional elites would have an input into the political process by informally assuming some form of social control over their followers. Some religious leaders have assumed an elite position where they have come to command influence over their followers. Last but not the least, there are those who due to their ownership of the means of production have, particularly in the 20th century, been known as economic elites, and they have a great influence on political process. Thus, even though some elites have been elected it does not necessarily mean that they are free from the influences of other non-elected elite groups.

Despite the above mentioned conceptual inadequacy, the focus of attention here will be on the Governing Elites or on those who have attained political power through the ballot box. In our case-study of Singapore it would be naive to assume that all of the above complexities in elite structures would not be present in the Singaporean context just because of her relatively short history. In Singapore too, as elsewhere, elites are exposed to influences of other elites. In Singapore it is rather difficult to identify the various elite groups largely because of the heterogeneity of the population. In this respect we look at the given provided by the political elites who due to their occupation of political office have been granted the legitimacy to formulate and implement policies that would enhance Singapore's modernization process. Thus we call this particular group, the governing elites.

As such, to include all of the elite groups, would only complicate our attempts to understand the impetus provided from 'above', in regard to Singapore's modernization efforts. Therefore this study concentrates on the governing elites and their policies. There are of course other elite groups who can informally influence the political process. What is of concern here, is the need to distinguish the elites whose decision would have a direct effect on society's development as opposed to those who have an indirect effect. The former are called the governing-elites and are those who are of concern in understanding Singapore's development.

In order to have an in depth examination of Singapore's governing elites, the analysis is divided into two categories. First, their political ideology and notions of freedom, equality and modernization. Second, a section will be developed to probe into their particular set of policies which led Singapore into the modern age of socio-economic and political development. More than ideology, it was the appropriateness of their policies that saved Singapore from following in the footsteps of other LDCs. Their 'pragmatic' approach to modernization has led scholars to classify the Singaporean
society as one that is without an ideology and politics.²

The data assembled here point to the contrary. Of course the ideology pursued by this society is not one that could be found in any of the textbooks prescribing the three major ideological paradigms, the conservative, liberal and radical.³ It can be described as the ideology of development. That is, the non-adherence to ideologically oriented dogmatic principles.⁴ On the other aspect of depoliticization, it will be naive to assume that any society can ever be depoliticized. The substantial absence of political dissent or effective opposition to the ruling party does not merit such a classification. Moreover, what Lee's administration has done is to depluralize⁵ or divert the attention of the people of Singapore to economic goals. And opposition to such an emphasis takes on its own form of political expression. In actual fact, the Singaporean society is politicized, in that pluralist tendencies within her society and the stunning economic performance together give its policies a different character and expression.

Singapore's Governing Elites: Their Ideology

The ideological make-up of the governing elites is one that is composed of the three existing paradigms of development, the conservative, liberal and radical.⁶ Western education, together with the values inculcated by groups and belief systems, have led to the growth of a peculiar ideology, which can be described as the Developmental Ideology.


⁴Ibid, p. 149. and Vasil op. cit, p. 57-58.

⁵Depluralize from a national standpoint of view, is an attempt to fuse and aggregate all other forms of concerns to that of national development.

⁶Vasil, op. cit., p. 56.
Such an ideology refers to promises of a future paradise but without a coherent and
dogmatic adherence to any one particular approach. (In short it is an approach that
would accept any idea, value or belief if it were to further their interests.) This
ideological framework suits Singapore’s drive towards modernization as well. Most social
scientists would call it a non-normative approach towards modernization. However, we have
to bear in mind that such a term has relative meaning to individual societies and that
normativism cannot universally be the same. Normative emphases, based on what Dr.
Somjee has called a normative–pragmatic balance7 has to suit the relative needs of a
specific society.

The first major consideration towards the understanding of the ideological make-up
of Lee Kuan Yew, and his political associates, (is to survey the general political
environment and their educational background.) Such an approach would enable us to
avoid the difficulties that would arise when analyzing the role of the governing–elites of
a relatively young society. In the case of other ‘established’ societies it would be easier
to identify historically significant events which shaped the perspectives of their governing
elites9 ideological make-up. In the case of Singapore, due to her infant political status,
there has just not been enough time to crystallize an ideology beyond specific policies.)

(On this note, their education and exposure to Western social, political and economic
institutions of post-war Britain become significant. Over and above such an exposure, they
were deeply influenced by the independence movements that had sprung up in Asia. Of
these, the influences of the Indian National Congress and the ideas of Mao Tse–tung,

7A.H. Somjee, Political Society in Developing Countries, (London: Macmillan Press, Ltd.,
1984), pp. 75–81.

9Here the term is used to refer to the three of major actors in Singapore’s modernization
process, they are Lee Kuan Yew, his economic advisor, Dr. Goh Keng Swee and the
architect of Singapore’s economic modernization, and S. Rajaretanam, Lee’s ideological aide
and ex–foreign minister.
though not publicly acknowledged, were also significant.  

Although, these elites come from a traditional background, their outlook was more Western than what most would like to believe. As a result what we have is a group of elites being exposed to both the eastern and western philosophies. Such a mix has resulted in the adoption of 'good' values and beliefs from both the worlds. The exposure to Western forms of political philosophy had made them question the basis of their own belief systems. During their short stay in Britain, they had come to realize that for any non-Western society to emulate the progress of the West, there had to be an innovation in its perspective on modernity. In the case of Singapore, Lee with his astute capacity to analyze situations, was the first to realize that the Singaporean society, due to its immigrant component, could be geared to the shedding of its traditional beliefs and adoption of the Western perspectives towards modernization more easily than established societies.

The early exposure of Lee and his associates, to the radical Labour party in Britain, also helped to shape their mental framework vis-à-vis Singapore. Their sympathy for the left-leaning British political parties, helped to shape an ideology that in form was reminiscent of what we know as Democratic Socialism. The ideas that these elites derived from their education in the West were also those that inculcated in them a notion of the limited value of their traditional culture. They even began to view traditional culture as one that was perpetuating a particular social structure within which only a minority benefitted.


Although these three giants, Lee, Goh and Rajaretnam, were brought up in an environment that was traditionally oriented, they came from families that were having problems with their own traditional beliefs. Consequently, their roots in the traditional culture were weak. Just as the elites in 20th century India and China had come from families which had borrowed a western outlook, the Singaporean leaders too had come from families which had begun to abandon their own inherited culture and opted for one that was progressive. The adoption of Western values and life styles also facilitated their social mobility.

(Under the aforementioned circumstances, these leaders went a step-further than their families by immersing themselves into the more 'superior' education that would enlighten them and allow them to emulate the West. As a consequence of such a background, there arose three fundamental questions with regard to the modernization of Singapore. The first was that of freedom. They had, by this time, been convinced that individual freedom can only be attained by attaining a higher economic standard, which in turn, would enable individuals to free themselves from the 'tentacles of nature'. And this could be done when Singaporeans begin to take charge of their own political and economic destiny, that is, the attainment of political independence.)

This form of achieving of freedom was contrary to the traditional belief of attaining freedom by working in harmony with nature.\textsuperscript{12} Lee believed that if human beings were deprived of material wealth they would resign from life and become fatalistic. Such an inference can be seen in his interview with a foreign journalist in 1977:

\ldots I still believe that the fundamental premise of socialism is equality of opportunity for every individual regardless of \ldots status or wealth. You should have the same opportunities for good health, good education and a good life \ldots I believe the human being, anywhere in the developing part of Asia wants equality of opportunity to show how good they are and in

the process create wealth for everybody. But they will only do so if rewards are equated to performance... Only by obtaining the daily necessities can individuals be persuaded to take their other aims and ambitions seriously. This also interests the individual to involve himself in the political process so as to enhance his interests. In the final analysis, freedom in Lee’s belief is the ability to compete on an equal footing and the ability of society to provide the necessities that would enable its members not only to aspire but to ensure that these aspirations are concretized and realized.

The second major consideration was with regard to equality. Dr. Goh Keng Swee believed that equality per se is an abstract term and that equality may be interpreted in a number of ways. Nevertheless, within the Singaporean context, equality does not entail automatic assurances from the state with regard to an equal standard of living and other social benefits. Broadly speaking, equality is meant to enable members of society to compete in a particular manner so that the general society will stand to benefit from it. At a societal level, Dr. Goh disagreed with the notion that there was to be equal distribution of income in Singapore. Lee echoes Goh’s views that "everyone should strive to be unequal" within an environment of equal opportunities. In addition he insisted that, due to the special nature of Singaporean society, each member of society is born to play a part and contribute to the well being of society. Politically, he believed that the institutions of the state should act as an arbiter and allocater of resources so that a lop-sided distribution of wealth can be prevented. In addition, equality, Goh and

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14 Vasil, op. cit., p. 54.

15 Goh, op. cit., pp. 50–51.


17 Goh, op. cit., p. 57.
Lee believed, are relative terms which can only be achieved by means of *embourgeiosment* of the Singaporean society. What this means is that society would, as a whole, enjoy the benefits of having a majority in the 'middle-class', where they would provide the impetus for a constant improvement in their standard of living. For, as Barrington Moore Jr., observed, the middle-class in any society is the group that generally provides the major driving force behind any progress.\(^{19}\)

The final issue is that of modernity. This concept as a general term would imply the attempt to institute changes that would allow the adoption of ideas from both the traditional world and the Western world so as to bring about rapid social, economic and political changes. Such a concept of modernization should not be confused with that of *development* in the traditional sense, for the term refers to a stage where human beings would be able to free themselves from economic necessities. *Modernity* is a tool or means to achieving *development*. Also, modernity may appear in two forms; one that works in contradiction with nature and the other (most commonly found in Oriental philosophies) works in harmony with nature to free themselves from nature itself. The reference here is to the fact that human beings can benefit from the manner in which they choose to 'free' themselves. The point that needs to be borne in mind is that in most Asian societies the approach to development would be one which would enable their members to work in harmony with nature and utilize the knowledge gained to free themselves from nature itself. The West, on the other hand, has adopted an approach that works in contradiction with nature.\(^{20}\)


One can, of course, question the metaphysics of the preceding paragraph. Nevertheless, only by deducing from the governing elites’ perspectives can we proceed to have a better understanding of their role in Singapore's modernization process. It cannot be denied that the West by employing scientific advances has achieved a high standard of living, though at the expense of the environment. Whereas what Lee wants is a combination of both these modes, that is the spiritual drive from the East and the technological advances from the West, that would benefit Singaporean society as a whole.\textsuperscript{21} As a result, he does not believe in a mindless modernization of Singapore, making it a society of WOGs (Western Oriented Gentleman) but rather the inculcation of Western and Eastern ideas to promote Singapore’s welfare. Therefore what we have is a Western political system in form but managed along the principles of governance from Eastern philosophies.\textsuperscript{21}

At the social level, Lee seems to have opted, in the earlier days, for an outright adoption and inculcation of Western values. Since then he has reverted to exhorting the virtues of Eastern philosophy as exhibited by the Confucian and Hindu schools of thought.\textsuperscript{22} However, the motives for such a change, are in fact politically and economically induced. Politically, Lee when he came to power in 1959, had believed that only by injecting doses of Western ideas would Singapore be able to meet the challenges ahead, that is, to defeat the threat posed by the Communists and the dangers that were posed when the economy was transforming itself at a rapid pace.\textsuperscript{23} The same seems to have been the case in the economic sphere. But in contemporary times, the reverting back to the virtues of traditional values is inspired by the need to emphasize the immigrant work ethic and sustain a relatively high standard of living. However, I suspect


\textsuperscript{22}This point can be inferred from his recent extolling of the values of Asian philosophies.

that these exhortations are to preempt any future demands for political liberalization. Lee seems to have felt that by exposing one to the virtues of his or her culture, this would provide the drive for the younger generation to maintain the momentum created by the earlier generation of Singaporeans. Consequently, Singaporeans would be led into believing that they would have to work just as hard, if not more, as their ancestors did, to maintain and expand the newly found affluence for the following generations. This would have automatically served the economic and political goals of the governing elites, without having to worry about further political liberalization.

Nevertheless, Lee's ideas in regard to modernization are quite clear through his party's political manifesto. He agrees that the Western values and ideas have propelled him and his people to where they are today. However, he also adds that only by having a mixed form, of Eastern and Western values, will the political system be able to ensure the continuation of Singapore as did Venice in the age of Renaissance. (Rajaretnam, on the other hand, believes that Singaporeans should adopt only those methods that will benefit them, but not those normative values that come along with the methods. For those values are often valid within the environment and culture within which they arose. It is his belief that any society that fails to enrich its cultural heritage is doomed, for it has nothing intrinsic of its own to struggle for or live for.) As a result, and over time, this sort of dissolution would only pave the wave for the destruction of a society. His conclusion seems to have been derived from the great empires of the past, whose collapse has also been attributed to the dissolution of their

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25Refer to Vasil, op. cit. pp. 53-67.

26Buchanan, op. cit., p. 13.

respective cultural foundation.  

The inference here is that modernity does not entail any society to discard its identity in the name of development nor does it justify the exclusion of alien ideas. What is encouraged, is the acceptance of ideas and values that would enhance or strengthen the modernization process. Moreover, the mere acceptance of Western values and ideas does not entail its successful application in an alien context. They have to be refined, adapted and injected into a society by measured doses, so as not to cause any major disruption. The message for Singapore is that although it has been heavily exposed to Western ideas and values, it would be difficult for the majority of the Singaporeans to act and behave, either politically or economically, like their counterparts in the West, because in pure economic jargon, they just do not have the resources to act in that manner. Moreover, values and ideas that arose in the West are unique to its respective environment and contexts that enabled the sprouting of those ideas. Only by understanding them and mixing them with a society's mainstream value system would there be a possibility of avoiding disruptions and rejections.

By way of analyzing these three perspectives we get a rough picture of the ideological leanings of the governing elites of Singapore. By and large theirs is an ideology that subordinates all other issues to the general one of development. This developmentalism does not focus itself on the individual's ability to obtain freedom per se but is a collective attempt to seek freedom from economic wants. In addition, the

28 Ibid., pp. 5–9.


32 Roth, op. cit. p. 568.
political system, that of a liberal parliamentary form, that these elites came to adopt, aimed at welding the various social groups into a nation without completely depoliticizing them. Moreover, Lee's notion of political modernization or democratization is vague and ambiguous in the sense that he does not differentiate between economics and politics. As such, and due to its past history, the role of political institutions, and of the government in general, is one where political institutions are the overseers of the general welfare of its citizens. This ensures the use of the state's resources to promote and modernize the economy, which, in Lee's belief would definitely have an evolutionary effect on the political structure itself.33

There is evidence to show that such a process is already beginning to take effect. By the 1980s we witnessed a change in the economic structure of Singapore, indicating a shift from low skilled labour intensive industrialization to high skilled capital intensive value-added industrialization. This in itself is a major achievement, allowing the governing elites to perpetuate the political system which made it possible. Nevertheless, the rise in economic prosperity, as has happened in other nations, also resulted in the demand for greater political participation. In order to forestall political reactions similar to South Korea and Taiwan, the governing elites proposed two changes to the political system.34

The first was a proposal to institutionalize the role of the head of state, the president. This would give him or her a veto over budgetary matters, cabinet appointments, and finally over the use of the nation's foreign reserves.35 Second was the implementation of a team-member parliamentary system (GRC),36 whereby instead of an

34The recent demand for political liberalization and consequently the social in Taiwan and South Korea has left deep imprints on the minds of the governing elites of Singapore.
individual running for Parliamentary seat, a team consisting of three individuals, representing an ethnic group is chosen by the political party to compete for the seats in Parliament. In addition, there was another amendment which constituted the non-constitutional member of parliament (NCMP). This amendment allowed candidates who have finished second in the election, to be 'elected' to Parliament provided they have received the second highest number of popular votes. However, these MPs would not have the voting rights as that of the 'winning MP'.

The change in the largely ceremonial role of the President made the system, a hybrid system, similar to that of the French political system. The increased power of the President, including the veto over budgetry and cabinet appointments was to ensure the continuity of the elders' own policies and also give guidance to the younger generation. The major motivation behind this move, by Lee, seems to be his fear that the newly created wealth would not be managed appropriately by the younger generation of leaders or in the event of another party coming to power, the President could offer a 'check' on any form of 'inappropriate' handling of state affairs. Such a move in fact not only acts to check any future capture of political power by the opposition but also to have a check on the leaders of the future generations and their ability to manage the national purse. In short, what it ensures is the continuation of the older generation's proven policies.

The Group Representative Council (GRC) and the NCMP are attempts to allay the fears of Lee, in view of the rise of ethnic conflicts throughout Asia and the need to

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38This point has been raised by Lee in most of his public speeches surrounding his fear that those who come to power after his departure might squander the national wealth by promising certain policies to maintain their popularity. And also refer to Straits Times. (Overseas Edition), pp. 12-13, Aug. 6, 1988.

introduce and satisfy the appetite for parliamentary opposition. The views and interests of the minority, due to the nature of the electoral system (one person one vote), would not in the future be appropriately represented. In Lee’s judgement, all three major ethnic groups, that is, the Chinese, Malays and Indians, have to be represented politically in proportionate manner, and failure to do so would, in the long run, only serve to enhance the interests of the majority Chinese, and arouse the fears of the two other ethnic groups. Should that materialize, it will create a tyranny of the majority, where due to geo-political considerations, anarchy would be the order of the day similar to the chaos in Sri Lanka. Thus, the GRC with proportionate representation of the three ethnic groups seems to be the only solution.40

The NCMP is an even shrewder move by Lee. The creation of such an electoral process would satisfy the public’s quest for some form of opposition and act as the public’s eye over the governing elites but without the ‘stick’ needed to be effective. Moreover, all that the NCMPs can do is to come up with criticism. However, there is another side to this NCMP system. Lee has always publicly stated that he and his ex-cabinet members have had the parliamentary experience of facing the communists both within the government and later on as opposition MPs. Such an exposure ensured his own political education. He now wants the younger governing elites to face and explain their actions to opposition NCMPs, and thereby get their own political education. However, Lee did not give political power to the NCMPs because of his fear that if and when they came to power, they would create the same sort of chaos against the younger elites which he himself faced in his apprenticeship days.41

Let us now consider the views and policies of Lee along with those of his two major contemporaries, namely Goh and Rajaretnam. Lee, Goh and Rajaretnam, appear to


41Carolyn Choo, op. cit. p. 99.
have been influenced by the early exposure of their families to liberal democratic ideas. Their families, despite adhering to traditional cultures, were to a large extent anglicized. They thus exhibited a mixed Asian and European outlook. Lee and Goh came from Baba families, who as mentioned earlier had settled in this region much earlier and had been flexible in their adoption of foreign cultures. Rajaretnam, although, his parents came from Ceylon (Sri Lanka), was also brought-up in an environment where there was a mixture of Eastern and Western values. This was particularly true of families whose parents have had some form of basic Western education and had realized that the only way their children prosper was by acquiring values from the East as well as the West.42

As such these families adopted values from both worlds to ensure a bright future for their children. What they did not foresee was that their mode of socialization will also shape the political development of Singapore. Such a process of being exposed to Western values at an early stage, blossomed when these elites went to Britain for their tertiary, post-secondary, education. It was there that their notions of equality, freedom and modernity began to take shape.43

These leaders came of age, politically speaking, when they occupied political office. Moreover, the late arrival of political independence had its own benefits. Lee and his cohorts had ample opportunity to observe, and realize, that nationalism does not end once independence is achieved.44 He also observed (by 1965) that most of the ex-colonies were in a much worse-off economic and political condition than as colonies. Not that conditions during colonial times were better, just that the colonial state was able to 'better' manage the 'state' affairs. Such a realization helped to condition and reinforce

42Roth, op. cit., p. 559.


their beliefs and values regarding the manner in which Singapore was to be governed. It was a strategy based upon the experience and learning from the mistakes made by political leaders in the newly emerging countries.\(^{45}\)

As a result of this approach, benefitting from the mistakes of others, Singapore's modernization process continued with great caution. Such a cautious and pragmatic approach towards modernization can be considered as the greatest contribution of these governing elites.\(^{46}\) The application of appropriate and suitable policies that would be able to exploit the global environment in its favour was the goal of Lee and his associates.\(^{47}\)

Despite this rather sketchy ideological framework and policies, we now move onto analyzing how this disparate ideological motivation contributed towards Singapore's political modernization. The first major emphasis was on the use of the existing political institutions to promote economic growth and modernization. Second was in the manner in which these inherited institutions were going to be used to direct and control the society. Finally, the creation of a kind of parent–child framework of relationship between the government and the people. Although these three aspects seem to be unconnected with each another, they are, nevertheless, linked by what Weber termed as the concept of "discipline".\(^{48}\)

Since the inception of these political institutions were directed towards economic growth, their development was closely tied to the economy itself. The consequences of such a process was that it made political institutions far too dependent on economic ups

\(^{45}\) Drysdale, op. cit., p. 407.


\(^{47}\) Barber, op. cit., p. 195.


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and downs, whereby the collapse of one sphere definitely has its effects on the other. That is, it is not as Marx had argued where the structure (economy) affects and directs the superstructure (politics and society) but rather a system where each sphere depends on the others for support, maintain and derive its nourishment so as to survive, thereby making them far too interdependent. Thus what we have is the political and economic structures combining to bring about the necessary changes in society.

Since the economic and political institutions combine to bring about the necessary social change, there inevitably comes into being a role for the government in dictating the direction in which the society should go. This form of institutionalization, although, present during the colonial era was never as clear as during Lee's rise to political office. Ever since the late 60s, when the Lee administration began to be firmly entrenched, it began the long and manifested process whereby society was never to be left behind while the political and economic spheres were modernizing themselves. It was the ideological motivations of the governing elites that ensured a three-way modernization process, and not the two-way process that had existed during the colonial era. Thus, what occurred was that society was to take its direction from the economic and political structures and bring about the necessary changes required to act as a support system to ensure the continued progress of Singapore. Evidence to this can be found in the manner in which women's 'formal' economic activities in the economy had been increasing steadily ever since the late 60s as compared to the colonial era. Another example was also in the manner in which a permanent psyche has been created in the minds and hearts of a largely transient population.

Within such a process, the paternal position of the state extends to many spheres of society, where the government, although elected to office, plays a role comparable to

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that of the head of family. And the governed, on their part, accept the authority as emanating from the parent in the name of progress. However, there are some safeguards built into the system whereby there would be a relative amount of accountability on the part of the government, which then ensures that the political office would be used to further the general will rather than the individual will. This safeguard is an inherent feature of the political system, since only in theory does the government in power play the role of a parent while in reality the child (governed) have the right to discard the parent if and when the perceived image is shattered.\(^50\)

Despite Lee being in office for the past 30 years, he still has his feelers towards what the public opinion would be if particular policies were initiated by his government. One such policy was the government's initiative in providing incentives for the promotion of graduates to marry those with the same level of education.\(^51\) Although such policies are being practised in the leading economies today, the discontent of the masses in Singapore with this policy resulted in its withdrawal.\(^52\) Evidence of this was in the fall of popular votes for the ruling party in the 1984 general elections, and the gaining of two parliamentary seats by the opposition. This proves that despite the possibility of subverting the system, it has not occurred because the political structure has its built-in sensors for course correction. The fear of losing elections has held in check even an authoritarian personality like Lee, who personally believes in adhering strictly to the rule of law.\(^53\)

\(^{50}\)Rajaretan, op. cit., p. 171., and also Lee's interview with the BBC, Sumiko Tan, "Young Singaporeans Too Sanguine About The Future", Straits Times, (Overseas Edition), p. 4., June 10, 1989.

\(^{51}\)Minchin, op. cit., p. 248.

\(^{52}\)The lack of mention of this policy by the governing elites lately proves this point.

Finally, a common element within these three aspects, to use Weber's concept was that of discipline. To most scholars the mere sight of this term would tend to invoke the 'undemocratic' connotations involved in this concept. However, the usage of this term here is to facilitate our understanding of how such a particular form of development has occurred in the context of Singapore, that is the manner in which political institutions have become an integral part of the society and not separated from society.

Weber defined discipline as the "routinization of behaviour" in the socio-economic sphere while politically it meant a move away from a charismatic form to a more rational and institutionalized form of governance. Using these definitions, in the context of Singapore, discipline is used by the government to first institutionalize and then routinize the role of the government in the economy, and then in society.

However, lately, discipline has also been applied to the governing elites themselves in the hope that this would create a more rational and routinized generation of leaders to succeed them. Lee, when compared to other leaders in the Third World, would not be classified as a charismatic leader, nevertheless, it cannot be denied that within the context of Singapore he does possess enough charisma to ensure his political continuity. In this respect, the latest developments in the field of succession in Singapore is Lee's attempt to use his position to discipline the future governing elite structure. He has attempted to create a more institutionalized governing elite structure so as to facilitate the continuance of his modernization policies. As a result there has been a moderate and conservative element being implanted in the ruling party, coupled with a Head of State, with executive powers to ensure the institutionalization of such policies.

Thus, we have observed the manner in which the ideology of Singapore's governing elites has helped to shape the future of Singapore's modernization process. Furthermore, 

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The moderate faction is led by Goh Chok Tong and Dr. Tony Tan, while the conservatives are headed by Lee Hsien Loong (PM Lee's son).
their notions of freedom, equality and modernity as we shall see, balanced with the pragmatic policies, bore great results in the economic sphere. Coupled with that was their sincerity that helped to further the welfare of Singapore. Let us now examine some of the major policies implemented by the governing elite.

Policy Analyses

The first general policy initiated by the Peoples' Action Party (PAP), led by Lee Kuan Yew in 1959, was one that was imitated from the Latin American strategy of Import Substitution Industrialization (ISI). To the surprise of many, Lee at first toyed with this idea based upon the notion that it was the best way of maintaining Singapore's mercantile heritage, and maintaining her integral link with Malaya. His efforts to merge Singapore into the Federation of Malaysia was motivated largely because of his faith in the ISI strategy. That was the trend among most of the leaders of the post-colonial societies of the then emerging 'Third World'.

Import Substitution Strategy

But why did Lee first opt for ISI and then shift to EOI (Export Orientated Industrialization) strategies? The answer to this question lies in the political trends of the day. As a self-proclaimed Fabian socialist and nationalist, Lee like most of his contemporaries, wanted to avoid the web of a new form of colonialism and, of economic imperialism. As a consequence he believed that by instituting ISI policies, and merging

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55In 1963, following the formation of a political federation with Singapore, Sabah and Sarawak, Malaya became known as Malaysia. This change of name was to give recognition to the plural society Malaysia then represented.


into a federation with Malaya, Sabah and Sarawak would mean that he need not introduce drastic changes for Singapore. Otherwise, there would definitely be tremors within his 'own' political power base, for his rise to political office, was to a large extent, possible because of the communist elements within his party.

Lee had cherished the idea that by way of a Federation, Singapore's economic structure would not require drastic alterations. Moreover, this arrangement would ensure the continuity of its economic prosperity. It would also help him not only to protect his and the party's political future but that of Singapore's as well. Thus, the viable option for Singapore's survival as an entity was its federation with Malaysia and the continuation of the existing regional economic trends.

The whole notion of a federation was thus founded on a belief that it would also serve Singapore internationally and ensure the promotion of her national interests. When Lee came to power in 1959, it was under the banner of national self-determination and modernization. Due to his ideological leanings, like most of his contemporaries he was full of contempt for the manner in which the industrialized states had exploited the 'Third World'. At the same time he was also a great admirer of the manner in which the West had modernized itself over the past three hundred years. This stance was motivated largely to satisfy domestic needs, for the failure to do so would have resulted in loss of political support from the communists and among those who had been educated in Chinese-medium schools. Based upon these considerations, and the constant

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58 Although, Lee was the de jure leader of the PAP party, its grassroot organizations were dominated by the Communists who were the de facto leaders within the PAP party.


60 Vasil, op. cit. p. 8.

61 Roth, op. cit., p. 560.
internal conflicts between himself and the communists, Lee believed that only by proving his worth, and attaining the desired goals, that is, general economic modernization and growth, would he able to deal effectively with the communist threat, who by the time of the merger in 1963 were threatening to distance themselves and their support from Lee and his colleagues. Thus there was the need to expand the Singaporean economy, without its costs, so that he could entrench himself politically and prove to a population that what they needed most would be provided by his administration. In this manner he was able to show to the Singaporeans that he and not his political adversaries, the communists, had the policies, the political will, determination and diligence to bring Singapore out of the colonial form of economic structure and look after the welfare of her people.

Consequently, due to the domestic pressures Lee felt compelled to utilize the shortest route possible to modernize the Singaporean economy and entrench himself and his party politically. However, at about the same time there were drastic changes in the international economy where a new form international division of labour had begun to take shape. Though the devastation experienced during World War II had been 15 years ago, the economic recovery, except for a few spurts, did not generally keep up to meet societal needs. Population growth began to outpace economic growth and the unemployment figures in 1960 were well into the double-digit mark. Thus, the inherited institutions were beginning to show the strains as a result of the socio-economic pressures placed upon them.

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63 Linda Y.C. Lim, op. cit., p. 758.
64 Roth, op. cit. p. 557 and 560.
As a result, Lee and Goh felt that the shortest available route to economic modernization was to merge with Malaya, utilize ISI strategy to meet the challenges, and also maintain the status-quo.\(^{67}\) That would provide Singapore with the hinterland (periphery), which would be required if the ISI policies were to be operationalized. Although Lee’s and Goh’s calculations were purely motivated by the need to maintain Singapore's relative prosperity, his Malayan counterpart, Tengku Abdul Rahman, felt compelled to accept Singapore into the federation because of the fear that failure to do so would definitely strengthen the communists and make them politically more effective. The Tengku did not want to have a "Cuba in his backyard", for the communist insurrection, although squashed, still posed a serious threat to Malaya.\(^{68}\)

While ISI policies were being formulated, the groundwork for the later EOI policies, were also being laid. By 1960, Lee, despite his faith in the Federation, realized that the dependence on the traditional form of economic activity, particularly the entrepot form, had outlived its purpose and it would be suicidal to pursue them any further.\(^{69}\) In 1960, based along Japan’s Ministry of International Trade and Industry (MITI), a government agency, the Economic and Development Board (EDB), was established to prepare a blueprint for Singapore’s future industrial modernization.\(^{70}\) The form of industrialization envisaged was not similar to that undertaken by larger economies like India and China. Here the structure was to remain the same but specifically it meant a diversification and the introduction of higher value-added production of goods and services.\(^{71}\) This process was a continuation of the underlying framework of the

\(^{67}\) Drysdale, op. cit., pp. 215, 263–262–263.

\(^{68}\) Ibid., p. 258.

\(^{69}\) Ibid. p. 404–405.

\(^{70}\) Ibid, p. 405.

Singaporean economy. It also meant the beginning of a new era in its modernization efforts, for this development was an act complementary to the new international division of labour. As a result production was to be based on goods and services where there would be higher value-added. This in turn was the policy that made her EOI strategy successful in the late 60s, 70s and early 80s, despite the rise of global protectionist trends.

The EDB, Singapore’s version of MITI, was the first of many governmental agencies that came to be established by Lee’s administration in its quest for economic modernization. This department’s task was to forge and shape Singapore’s future comparative advantage by showing the direction whereby the economy as a whole should go so as to benefit by a higher level of value-added production.73 In addition, the EDB, whether conscientiously or not, was also the first of the many efforts by which the government was going to intervene in the affairs of the Singaporean society in an intensive fashion. Since, Singapore was still a society that was economically far behind, the only manner in which resources could be mustered and mobilized was by bringing in the state to play in this crucial role.73

Prior to the establishment of the EDB, Singapore’s comparative advantage was one that was artificially created by the British, the exploitation of her ‘natural’ resource, that is, her geographical location. Such a location had ensured a relative prosperity to her entrepot economy. However, by the 1960s,74 emphasis on such economic strategy began to be questioned. For by this time, new competitors had developed and Singapore because of her size and population could not afford to continue with an obsolete economic

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73Ibid., p. 221.

system. Then there were technological advances which also made it necessary for her to keep up with others. Here Dr. Goh, with his deep understanding of the international economic system played a crucial role. Coupled with this, was his faith in technological evolution and the need to constantly upgrade the economy.

The establishment of the EDB, meant that the government would play an active role in modernizing the economy. Such a move, although economically sound, had its own implications, for the polity and society. After 1965, following Singapore's exit from the Federation, there was a complete reversal of modernization strategies that were previously based on the successful outcome of the Federation. This meant that ISI had to be abandoned in favour of some other alternative. Without the hinterland that Malaysia had provided, ISI could not have worked. In fact if Lee's administration had been dogmatic in its ideological leanings it would have been caught in the rise of rigid policies as most Third World countries were.

With the exit from the Federation, there arose a new urgency to initiate some other strategy that would complement Singapore's semi-imperialist political economy. As such, EOI was adopted. However, it has to be remembered that EOI was only an extension of ISI, with its eyes on the global rather than the regional market. Furthermore, the adoption of such a bold strategy, with all its inherent dangers, was possible because by that time, the domestic situation had reached a stage where opposition to the governing elites came only from extraparliamentary quarters. Thus, these factors culminated at a crucial stage in her history to help Singapore into a new phase.

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75Drysdale, op. cit. p. 250.
76Goh, op. cit., p. 86.
The Adoption of EOI Strategy

The traumatic exit from the Federation meant that Singapore's hopes of pursuing modernization, via an ISI route, came to naught. Such a setback had reversed all hopes Lee and his associates had harboured to push Singapore into the modern era and enjoy a standard of living comparable to the West. Although Lee argues today that it was a challenge that his team took on and succeeded, but the data available show the contrary.78 Singapore's survival as an independent entity, at this stage, would have been put to its greatest test. There were the twin threats posed by Sukarno's policy of Konfrontasi (Confrontation) and that of the communists, who by this time had been swept to the fringes of the political system where they awaited their chance to pounce on any mistake made by the PAP leadership.79

Nevertheless, the manner in which the political institutions were structured favoured Lee's own political career and allowed the breathing time to outmanoeuvre his political opponents. Between 1959 and 1965, Singapore's economy was on its way out of the economic difficulties because, despite the loss of the Malaysian hinterland, the improvements in the global environment more than compensated it.10 The recovery of the Japanese and European economies and the internationalization of the division of capital and labour paved the way for the huge amount of investment that came into Singapore.11 This escalation of investments meant that the economy would now be involved in a production process that would be similar in nature to the one during her colonial days but involving more manufacturing than mere entrepot activities. By and large, such dramatic changes were not what Lee had in mind for Singapore but since

78Drysdale, op. cit. p. 404.

79Ibid, p. 258.


11Haggard and Cheng, op. cit. p. 98.
fortune was smiling on his administration he exploited it to the hilt.\(^\text{12}\)

With his dream and economic-blueprint for Singapore's modernization in shatters, Lee had to choose an alternative one that would help realize his dream. The timely arrival of Dr. Albert Winsemius\(^\text{13}\) brought a ray of hope to Lee's administration and to Singapore. It was the former's contention that since Singapore's survival depended on its relatively free access, and its ability to perform along the same lines as that of colonial times, it had to direct its energy to become integrated into the global order and exploit its semi-imperial role.\(^\text{14}\)

Such a redirection was not only directed to the economic sphere but also meant that drastic changes were to be made in the social as well as in the political field. The globalization of its economic activities meant not mere policy alterations but also institutional changes. The psyche of the, not too long ago, transient immigrant mentality was now the major cause for concern.\(^\text{15}\) For, the continued existence of such a psyche, would never permit the creation of a stable society and allow the roots of its institutions to strike deeper. Singapore now needed a population with a greater stake in her future. Politically and socially, society had to be inculcated with an ethos, which was compatible with the economic system that was emerging.

There has been an historical tendency within Singapore to emphasize an integrative political structure due to the heterogenous nature of her society. Within this framework, a new political structure, along with its traditional aspects came to be enmeshed with the organization set-up provided by the PAP leadership. The reason why so diverse a society


\(^{13}\)A Dutch economist who had early spent some time under the auspices of the U.N. in Singapore and the chief architect of Singapore's rejuvenation following its exit from the Federation.

\(^{14}\)Drysdale, op. cit., p. 405.

\(^{15}\)Goh, op. cit., p. 258.
could suddenly switch to a completely different modernization ethos was mainly due to the multi-sided efforts of the PAP.

(The consequent political order was an outgrowth of the fragmented cultures that Singaporeans and their forefathers had established. But once such a political order came into being, it began to integrate society and subordinated its needs to that of the overall modernization process of Singapore. Such a permeation was possible because of the fragmented political culture of an immigrant society. Since a large (majority) section of this society adhered to Confucianist ethics, and the fact that the central values and social norms of the Indians and the Malays were similar to the former, together they permitted the growth of a parliamentary system because of their emphases on consensus, reciprocity, and mutual coexistence. This, the governing elites were quick to grasp.)

(As a result what emerged in 1965, was a parliamentary system with the characteristics of a traditional regime. This mixture of a "modern" political form with characteristics of the *ancien regimes* of various regions was the final outcome. However, in this context, the aim was to utilize the best of both worlds, the modern notions of participation and accountability were enforced through the ballot box and the electoral system; the traditions of a group of elites under a single leader, enabled the coherent formulation of policies, for the mobilization of resources and generated the much needed drive for modernization.⁴⁷)

This should have created a particular form of political system with a great many characteristics of authoritarian regimes. However in the case of Singapore it was different. The modern institutions were to counteract and transcend the conflicts in the traditional institutions. The traditional half was meant to be the more active in the modernization

⁴⁷This notion is inferred from the fact that all of these three cultures practice a normative approach to their material well-being. In addition there is also the similarities of social organization and institutions.

⁴₇Refer to Goh's article on "Government and Society", in Goh, op. cit. pp. 180-195.
process. For it was that half which was supposed to have provided the work ethic and
dynamism. Such a hybrid system had five years to prove its effectiveness. If it had
failed then an alternate government would have assumed political office. However, in
Singapore, Lee’s economic success and use of the Internal Security Act to counter
extra-parliamentary activities effectively curbed the rise of viable opposition parties that
would have offered an alternative in case the ruling party ‘failed’ to live up to the
expectations. What emerged was a system that has built-in mechanisms to check the
excess of power that exists within a traditional mode of governance.

(The political society which came into existence as a result of an amalgamation of
traditional and modern values, presided over by a parliamentary system and a form of
government devoted to the ideology of development, also proved to be highly flexible
and adaptive. For example, when the global recession hit Singapore in 1985, the elites
were quick to freeze any further wage increases, which had been rising over the past
four years. The government on its part began to withdraw itself from the economy, in
the belief that private enterprise, with close regulation, would provide the competition to
tide over the slack in competitive production techniques.)

All of these actions would have had serious political repercussions had they been
introduced in other developing countries. For example, similar policies were introduced in
Venezuela and what happened was an upheaval and loss of human lives. In Singapore
the government implemented policy-guidelines to cushion the effects of the recession. She
took the lead by imposing a freeze on the wage-levels and employment and reduced the
employer and employee contributions to the Central Provident Fund (CPF). Though these
actions seemed to have been harsh, the governing elites promised that as the economy
improved, benefits would be restored but on a more cautious basis. This promise was

**T.J.S. George, op. cit., pp. 100, 110-131.**

**See Lim Chong Yah., et. al., Policy Options for the Singapore Economy, (Singapore:
realized in 1988, when the freeze on wage and employment levels were eased. Such action by the governing-elites showed to the people of Singapore that the political rulers, in the event of an economic crisis, would never hesitate to impose remedial action even if it meant losing out on the popularity polls. This sort of behaviour by the government showed that the welfare of Singapore came before everything else. More important is the point that the organization of the political system allowed the elites to have the flexibility and adaptability needed to change the direction of the economy under different circumstances.

In conjunction with the above point, Lee perceived that the complete adoption of the British political system would divert attention and slow down the process of rapid modernization. The British political system was created to aggregate the interests of British society. The British parliamentary system was created to cater to the political needs of a society deeply imbedded with class conflicts. That, however, was not the case in Singapore. Conflicts in Singapore were of a different nature, they were less entrenched than in Britain. In Singapore, the conflicts did not involve the struggle over the allocation of resources to various competing classes, but rather the promotion of the general welfare of its economy. She was relatively free from the conflicts that existed in Britain. Thus the British model was adopted with substantial changes to suit local needs and conditions.

As a result, due to the circumstances and the needs of the Singaporean polity, the political institutions that came into existence appeared to possess the characteristics of a Westminster model, while utilizing the more pragmatic mode of governance that had been present in the Asian cultures.

In retrospect, to understand the full nature of Singapore’s modernization efforts, mere analyses of the governing elites’ effort to mould a particular brand of parliamentary system does not enable us to comprehend the full extent of its modernization process.
and the intricate relationship between political institutions, economy and society.

**EOI Strategy and Its Interpretation**

EOI has been interpreted in a variety of ways, nevertheless, there are two major interpretations that are of concern. The first is that commonly propounded by neo-classical political-economists, where EOI means the gearing of society's means of production towards the export market. This would generate the growth needed to expand the economic sphere. In turn this wealth would trickle-down to the domestic economy. In addition, Transnational Corporations (TNCs) would assist in the modernization of these economies where the need arises, that is, in societies where there is a demand for capital and technological improvements. Furthermore, all this would be operated in an environment of **laissez-faire** economics, where the market forces would act as the allocative agent. All of which, in the long-run, would result in a greater standard of living and improved welfare for the members of society.

The second interpretation, at which Singapore is an example, is the one that has incorporated both ISI and EOI characteristics into it. In fact, it is a strategy that can be attributed to the Argentine economist, Raul Prebisch, who has been credited with the formulation of an ISI strategy for Latin American nations. This strategy involved industrialization to diversify the economy and to alleviate the problems related the 'terms of trade issue'. This would eliminate the need to import goods and services that could be produced at home while accumulating much needed foreign reserves to import the capital and technology to diversify into the manufacturing sphere. Moreover, this form of industrialization does not involve the large-scale industrialization. Rather it is one where production would be constantly upgraded to a higher valued-added production process.

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90Higott, et. al., (1985) op. cit., p. 25.

This means that, in the long run, the value of labour would be rising. In addition, production does not necessarily mean the complete construction of a product but only certain components that can be produced more efficiently by the economy concerned.\text{92}

Such a mode of production suited Singapore well. She would now be able to exploit the new international division of labour to serve the purpose of industrial development and diversification. On this note the Singaporean economy would now be an integral part of the international production chain.\text{93} As opposed to the colonial days, when her surplus was shipped off to Britain, now the surplus that was being produced would be utilized to modernize her own society. Thus Singapore invited the TNCs to produce the goods and services for local consumption but at the same time allowed them to produce for the global market.

Similar attempts made by Latin American governing elites have in most cases resulted in failure. The major reason for their failure, and the success in the Singaporean context, was because of the differences these economies had with those of Europe. Singapore's present role was a creation of the colonial powers and was meant to play the role of a junior partner in the colonial exploitative process, whereas, the Latin American economies were assigned the role of a peripheral market.\text{93}

The Singaporean experience is one that is a mixture of both these ISI and EOI models. The blessing in disguise, the lack of the traditional obstacles, has in fact worked in Singapore's favour. The EOI strategy expounded by the neo-classical economists has the serious set-back of leaving everything to the "invisible hand", which has the problem of widening rather than narrowing the allocative and distribution processes. Besides, studies have shown that the gap between the 'haves' and 'have-nots' tend to become wider.

\text{92}This can be observed in the production process involved in manufacturing activities in Singapore. 

under such conditions. Furthermore, the strict adherence and *kow-towing* to foreign capital, coupled with a political system riddled with a rigid structure of entrenched interests, has proved to be an added burden to the ills produced by the market forces. All of these have contributed to the inability of governments to implement effective development strategies.\(^9^4\)

In this respect, we can observe that Lee and his associates, either due to their observations or political cautiousness, developed a political system, in the absence of entrenched societal interests, so as to attain speed and flexibility in the decision-making process. (These, under an ISI/EOI strategy, are the two essential elements to achieve success. In this respect, Singapore's governing elites have utilized their political system to provide the lead and at the same moment act as a cushion to weather the irregularities that may occur as a result of these developmental strategies.\)

Singapore is one of the few cases where ISI/EOI has successfully been utilized to modernize her society. However, the micro aspects of Lee's domestic policies have also to be analyzed to comprehend fully why the adoption of a particular strategy has suited and promoted Singapore's interest while not paying dividends to other users of this same strategy. In this process a close scrutiny of the domestic policies instituted by the Lee administration and its complementarity to the general strategy, coupled with favourable environmental circumstances, enabled Singapore to push forward vigorously in her quest for modernization.

As a consequence, Lee's policies unlike that of his contemporaries in the LDCs, created effective backward and forward linkages. Nevertheless the focus here would be on the policies and investment directed at human resource development complemented by economic and political directions. Such an approach obviously is a rational approach since the only resources that were at her disposal were the human and locational resources.

\(^9^4\)Goh, op. cit., p. 44.
Besides, the opinion of this thesis is that the absence of other resources were a blessing in disguise since the non-existence of a primary sector allowed the focus of attention to be directed to the human and geographical factors. The distribution of the meagre existing resources among diverse economic sectors has been a major dilemma for the LDCs. Furthermore, such a process has often complicated the intricate mechanisms of the nation's political institutions. The absence of such problems have enabled Lee to simplify the modernization process and direct the nation's resources to upgrade the human resources sector along with the service sectors that were part of the overall modernization process.

The following section first analyzes Lee's human resources development and management programme. Within this general strategy, the focus is on the education policy, the creation of labour regulatory boards – the National Productivity Board and the National Wages Council, the utilization of non-preferential policies and the creation of a settled population.

**Domestic Policy Analyses**

The discussion on EOI gave insight into the manner in which the Singaporean economy began to cope with the demands placed upon it, and also its effort to modernize so as to cope with the fast-changing international environment. However, this process of analyzing the governing elites' general policy orientations only gives a narrow understanding of the effect of the governing–elites’ contribution to Singapore's development. The other coordinate of their contribution is their domestic policies. Its understanding would give us a more inclusive picture of their overall policy with regard to human resources.
In countless studies conducted\textsuperscript{95} time and again the evidence has been put forth indicating that investments into the development of human resources is in fact not a liability but an asset to the economy, society and to the polity. Human resources here refers to the upgradating of the existing capacity of the population in terms of the economic potential.\textsuperscript{\textit{It would also suffice to add that the investment in human resources in any economy has come to play a key role in helping that economy to modernize. The first aspect of human resource development concerns the provision of education. The second is the creation of a state body to monitor productivity levels and manage the wage structure of the labour force, and finally, the policy of avoiding preferential treatment for any ethnic group.}}

\textit{Education}

In any society today, education has come to be regarded as the most important function to maximize the returns from human resources. The provision of education on a universal basis does not necessarily limit itself to improved economic performance but also extends itself to the social and political spheres as well. As such, education has been a key ingredient in the modernization process of practically all developing countries.

In Singapore, education has been utilized not only to serve the demands of the economy but also for its potential impact on the quality of society. Economically, education has been employed to provide the necessary inputs of particular kinds of labour that the economy needs. Such a practice is not a novelty. That in fact was the practice even during the colonial administration.\textsuperscript{\textit{However, the universalization of education and total mobilization of it to suit the changing needs of the economy was the work of Lee and his associates. It was Lee's administration that began using education as a policy tool to further Singapore's modernization process.}}

\textsuperscript{95}Refer to Todaro, op. cit., pp. 325–354.
The universalization of education in Singapore is a process by which the human inputs are to be provided as the economy demands. During the colonial era, education was basically limited to the creation of 'white-collar' clerical support personnel. It was no more than a mere tool to perpetuate colonial domination and at the same time to serve the needs and interests of the colonial power. By and large it was a tool in helping to provide the foundation to support a system-maintenance mechanism. However, since 1960 education in Singapore has become a key policy instrument by which the government seeks to upgrade the labour force as the demands of the economy change. As a result the education policy is always constantly changing. In fact there have been continuous changes and alterations in the educational system to provide the appropriate amount of labour as the economy demands.

In industrializing an economy, by utilizing labour-intensive production techniques, which are more than adequate in supply in the LDCs, the educational policy needs to be focused on the new skills so that such skills may slowly change the nature of the economy. In Singapore, since the only inexhaustable resource is that of manpower, such a policy has a matter of life and death implications. Besides, this situation has forced the hands of the government more than ever to pay close attention to developing an educational system complementary to the economy. Nevertheless, since industrialization means the employing of new production techniques and communications procedures, only by having a highly educated population would there be any hope of achieving a successful industrialization drive.

From 1965 onwards, we witness attempts at using education as a key instrument in developing Singapore's human resources. The first stage dealt with the universalization of education, which was meant to eradicate illiteracy so as to complement the basic demands

for industrialization. The second stage, began in the 1970s, emphasized the need to educate a larger pool of students in the technical areas where, by this time, a great shortage for 'blue-collar' labour had began to surface. In view of this demand, the government altered the education policy to train a greater part of the future labour force to meet the demand for labour in the 'blue-collar' sectors of the economy. The third stage, begun in the early 80s, was the latest attempt by the government to produce an even more highly skilled personnel to coincide with the drive towards its second industrial 'revolution'. This revolution was to exchange Singapore's labour-intensive industries for more capital-intensive industries. As such the emphasis was on the need to create a greater pool of skilled labour that would be able to cope with a capital intensive economy. In this manner the stress was on the creation of people trained in the field of information systems and more tertiary oriented fields. Singapore, in short, as part of the global economy in the 1980s, needed adequate support from her educational system, and the various policy measures were designed to provide her with a specifically trained personnel.

However, education was not limited to the economic sphere but was also used as a tool to promote certain social goals. The most urgent was the population explosion that was threatening the social fabric of Singaporean society. Again, studies have shown that the provision of universal education and its resulting increase in income levels through increased employment opportunities, have acted as deterrents to population growth. It effectively checked the earlier notion of having a greater number of children as economic goods. Education and the creation of employment opportunities, and the resulting higher levels of income, have made the 'marginal' child an economic liability and not an asset.


In the social sphere, Lee and his colleagues have utilized education to counter the high birth rates. Evidence from World Bank data show that these policies, by the late 1970s and early 80s, have first slowed and then brought birth rates down to a zero population growth rate, making Singapore an example of population control. All these have been possible largely because of the use of education as a tool to restructure society and consequently improve the quality of life.99

Politically, education has been used as a socializing agent to promote greater social harmony and an ideology of developmentalism. In this a new process, which Riaz Hassan calls the "transition syndrome", is created. This syndrome, Hassan adds is:

"... a set of psychological and behavioural orientations, such as receptiveness to change, social mobility, economic rationality, achievement, materialism, individualism, acquisitiveness and above all an orientation which emphasizes change and progress as a highly desirable end".100

What this syndrome does is to rationalize the political process under the guise of economic development. As such, the governing elites have propagated the transition syndrome in schools to create this sort of socio-economic psyche, which in turn helps to strengthen the roles of the existing socio-economic institutions.

(As a political socializing agent, education, has also been used to create a political psyche that itself legitimates the political system. That is a political system that was geared towards the perpetuation of social and economic institutions which have proved their worth over time. This coupled with the still continuing immigrant ethos of hardwork give additional stability to Singapore.


Finally education has also been used, recently, to buttress official government campaigns. For example from the mid-7Os, the government has utilized the schools to promote, by psychologically internalizing, civic consciousness. The first of it was the anti-litter campaign, and lately the courtesy campaign. However, within this process, the government’s intention of introducing the teaching of ‘core values’ in schools, in the face of a wave of Westernization, has been an attempt to ease the tide, of not Westernization but one that creates the legitimacy for Lee’s brand of political modernization. This also includes the teaching of one’s native language and through it the core-values of one’s ethnic group and its cultural heritage. That in itself is a weapon against the rise in demands for Western-style political liberalization. At times Lee has proudly acknowledged the manner in which the traditional values have assisted Singapore’s progress. In his words:

"Looking back over the 30 years, one of the driving forces that made Singapore succeed was: The majority of the people placed the importance of the welfare of the society above the individual, which is a basic Confucianist concept. The society is more important than the individual. The family is the most important unit and all the families together form society. There is a willingness to sacrifice individual gains for a common good. It means a certain cohesion that enables us to avoid industrial strife which has plagued so many countries, even developed ones."

However, there is also an inherent danger here, if such values are not thought in a manner where each group is enlightened by the other’s values, then there is the danger of falling into a trap of ethnic groupism. Then, instead of producing the desired goals, (this teaching of ethnic core values could also be used to promote the fallacious theory of racial superiority of one group over the other based on the socio-economic performance of various ethnic groups.)

One aspect that the government has failed to consider is that while attempting social and political conformity through the educational system, there are inherent dangers that have over the years proven to be counter-productive to the economy itself. First,

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such attempts tend to stifle individual initiative and creativity. As a result a large proportion of highly skilled personnel has tended to migrate to other economies where their skills are more appreciated. This latter point has been a common argument among recent Singaporean emigres to Canada and to other parts of the 'developed' world. Second, there is always the possibility of the creation of a 'new class' of bureaucrats who would create a social environment where their interests rather than those of the public are served. This in the long run would result in the "loss of sensitivity and speed with which the government responds to underlying social problems and realities".  

The National Productivity Board and the National Wages Council

In 1968, a new statutory board was established by the PAP leadership to supplement its other activities to develop the existing human resources. This board was called the National Productivity Board (NPB), and its main functions were to act in conjunction with the educational policies to measure and channel resources where the productivity of the labour force could be measured and corrected if and when the situation arose.

The reason why the government utilized statutory boards as opposed to its own bureaucracy was because it wanted to avoid the rigidity of centralized planning and management. On the other hand, we have also to remember, that this was not a novelty within the Singaporean context, for even during the colonial era there was a great need for use of statutory boards to carry out economic policies without the burdensome hierarchy of centralized planning as characterized by most governmental bureaucracies. In addition, the freedom that these boards had over their own finances and decision-making enables them to act and "specialize in function[s] outside the scope of general

102 Ibid, p. 444.

government activities or in the provision of goods and services for the public". ¹⁰⁴

Under these circumstances the government created the NPB to monitor and report on the progress of the labour force's productivity levels in regard to the economy. Furthermore, despite all the sophisticated equipment employed in the production process, the lack of productivity within the labour force itself would have dire consequences for the general economy. Without a well motivated labour force even the most sophisticated machinery has no purpose at all. Under these circumstances, the NPB constantly reviews and monitors the labour productivity levels in regard to the performance of the economy.

With these tasks, the NPB provides the government with the essential data regarding labour productivity and initiates guidelines for remedial action to be taken. In this manner, the government introduces a program through the educational system to socialize the future labour force to adapt and train in the manner in which it will be able to contribute to the future of the economy. In addition, the NPB itself organizes retraining programs for the labour force, which due to the structural changes in the economy, have been left jobless. By and large the NPB acts as a complementary organization to the educational system by constantly providing feedback as to the future and contemporary needs of the economy.

In conjunction with the NPB, in 1972 the National Wages Council (NWC) was established. The main function of this body was to propose and manage "orderly wage increases". It was to advise and make recommendations to the government on this matter which the government would implement, thus taking the lead and forcing the private sector to follow suit. The NWC comprised of representatives from the government, employers' association and the labour unions under the umbrella organization of the National Trades Union Congress (NTUC). As such the NWC has three basic functions, the first, as mentioned, "to formulate orderly wage guidelines for the economy", second, ¹⁰⁴Ibid, p. 132.
the use of wage-increases to coordinate with the demands of economic modernization, and third, to promote productivity by using the wage structure as an incentive.¹⁰⁵

More important is that the NWC serves as a forum for the maintenance of labour harmony and increased labour productivity. Since the economy is only buoyant while there is labour harmony and a constant increase in labour productivity, this body is beyond doubt an essential one. Rather than allowing labour and management to discuss and take the initiatives over such issues as wage increases and productivity, the government's participation in this body allows a sort of compromise to both sides of the table. As a result the government's presence there is to ensure that there is always an independent arbitrary power able to cope with any serious disagreements that might arise out of labour-management discussions.

Essentially the government's presence ensures that all forms of discussion take place in view of the general economy and not just affecting certain sectors of the economy, thus the presence of NTUC officials and not 'local' members. Another important aspect of this forum is that, with the participation of the government there is always the certainty that no policy will be agreed upon which results in serious political and social dislocations. In this respect, whenever there are changes in the economy, the NWC and its government members act in a particular manner to ensure that social and political costs are borne too. In the early 80s, with the attempt to phase out labour-intensive industries (due to a labour shortage and the government's reluctance to depend on foreign labour) the government's presence ensured that management would agree to the wage increases (as a disincentive to labour-intensive industries), and as part of economic modernization. While the unions were encouraged to take this opportunity to encourage its members to make use of these wage increases to retrain themselves in the skills that

they lacked in regard to the new industrial strategy.

By and large, the NWC acts as a body that formulates orderly wage increase in-line with the overall human resources development program. But it also substantially acts as a forum to ensure labour-management harmony. More important is the government's presence, which provides it with the backing that ensures that all agreements are in-line with the general economy and the overall modernization plans.

The third domestic policy of the governing-elites is the non-utilization of preferential (affirmative action) policies. This assumes that the policies do not show preferential treatment to any one particular group. Such preferential action, argues Rajarettnam, has a negative connotation within the Singaporean context and tends to alienate the masses. Because of the fear that preferential treatment of one group over the other would lead to social unrest and encourage a higher degree of politicization of the masses, the government has a non-preferential policy.

The first issue that deals with the non-preferential policy is that of the language policy pursued by the government. Although there are four major official languages, English, Malay, Mandarin and Tamil, only Malay is afforded the status of being the national language. However, English is being used as a compromise language, so that no one ethnic group can dominate the other. The rationale behind this is to avoid social tension over language policies. In addition, there is also the economic motivation to use English as a bridge between Singapore's economy and the global market.

The use of such tactics seems to have been a lesson learnt by the governing elites from other LDCs. Wherever the issue of language has been raised, it has invariably been accompanied by turmoil and political upheaval. For language is the medium by which culture is transmitted to future generations. More than that, in Singapore, the availability of jobs depends on the language one speaks. As such, in
LDCs where minority groups have been given special privileges, there has been a tendency for violence to flare up. Hence Singapore’s emphasis on English serves to maintain social harmony and at the same time act as a bridge among the various ethnic groups.

The benefits of such policies, as argued by Rajaretnam, is that if and when minority or majority groups seek to maintain their religion by some form of privilege then the opposing group would also seek to do the same in fear of being absorbed by such a process. But the greater fear, implicit in Rajaretnam’s argument, is that such a process tends to alienate the masses not only against the nation as a whole but also against the ethnic groups of that state. As a result the outcome of such a process has tended to end in violence as a means of conflict resolution. The fear of this happening in Singapore has been the reason why the governing elites had to institute affirmative action policies to assist some of the underprivileged groups of society. Assistance to such groups are never provided along ethnic lines but rather over class lines where the outcome would benefit all of the underprivileged members of all ethnic groups.106

In a way these policies are to avoid the alienation of the masses from the Singaporean polity. Marx noted the manner in which alienation would effect social relations within a society. Within this context, Lee had been careful not to alienate the masses by way of the developmental ideology. Instead, he and his colleagues have taken on a tremendous task of instilling a sense of belonging, not just in terms of gaining material wealth but also the psychological attachments to the nation. They have come to realize that alienation, as Marx had noted in industrial England, could repeat itself and spell doom for the Singaporean society if measures were not taken to halt the spread of

106However there must be some qualification made here; the Malays are the only group afforded direct assistance from the government. This is so because of the government’s need to help the underprivileged groups and also due to geo-political considerations. Nevertheless refer to Rajaretnam, op. cit., pp. 133-139. for the government’s arguments against preferential treatment along ethnic or racial lines.
this lurking danger. Thus the only option was to begin instituting guidelines to make the masses have a sense of psychological and physical belonging in Singapore's modernization process.

The first step in this attempt, was the rapid urbanization and the creation of a society where the majority of its citizens would be in the middle-class. This attempt at embourgeoisement of society, as it were, was based on Marx's findings regarding the alienation process of the human being by way of the mode of production. As such Lee and his colleagues believed that the only way to combat alienation of the Singaporean masses, was to raise the standard of living for the whole of society. Alienation, it was felt was a social disease that could only be found when the larger proportion of society lived below a certain level of wealth.

The means by which the whole of society could be categorized, under the title of 'middle-class', was the creation of enough wealth to provide it with the basic necessities of living and also make it share the wealth rather than poverty. By such a process the individual begins to have a stake in the well-being of the society, economy and polity, that would also result in a more rational and responsible behaviour. Such rational and responsible behaviour would be opposed to any form of behaviour that would harm the existing economic and political structure. As such the elites have been relatively successful in avoiding the appearance of overt alienation and at the same time have utilized it to further perpetuate the political system and economic structure.

One of the major undertakings within this context, was the rapid urbanization and low-cost housing program instituted by Lee and company. They had believed that without the appropriate environment whereby the people would have a way to plant their roots in Singapore, there would be no cure for the alienating process. As such the first thing to do was to provide the environment for the creation of a 'settled' population without the loss of the ethos that had proved to be of use in the modernization of Singapore.
That led to the construction of low-cost housing. By the latest count, 85% of Singaporeans live in government built apartments and gradually begin to own them.\textsuperscript{107} Such a process continually enhances their sense of belonging.

In conclusion, it has been argued that the domestic policies of the governing elites was such that it was to a large extent instrumental in helping to cope with the demands of implementing a new and more aggressive modernization strategy. The effective implementation of such well coordinated policies has helped Singapore attain a standard of living which is next to Japan in Asia.

\textbf{Some General Observations.}

In sum, this chapter has surveyed the ideological leanings of the governing elites and discussed their policies with reference to the modernization process of Singapore. In this section, some general observations are made based on various themes and issues which were examined.

The first observation is regarding the background of the governing elites. Rather than just apply a class-analysis framework to understand the behaviour of the governing elites, there should be a deeper probe into first, the family's and then the individual's orientations. In addition, the labelling of these elites as \textit{compradoras}, as has been done, by the dependency theorists, does not deepen our understanding of their actual role and effectiveness. For it is one of the major arguments, within this school, that compradora groups never work for the sake of national development but only for the metropole.

On this note, the progress made by Singapore, not just in sheer GNP figures but also in terms of the quality of life indices, negates the labelling of the Singaporean

governing elites as compradoras. Moreover, these elites do not just merely work for international capital but have to work and act responsibly towards national development and their own people. Anything less may result in social discontent and political instability as it did under Marcos in the Philippines. However, there is evidence to show that these elites, at times, were influenced by the demands made by foreign capital. But these are instances only when either the demands made were favourable to the national interests or those demands did not affect society at large.

Returning to our focus of analysis, family background, traditional values, and western education and exposures have all contributed to their vision, and policies, for the future of Singapore. But what is remarkable in all this is the way they have blended their traditional values and the demands of modernity in their policies. This, they have done not only for themselves but for the entire population with diverse ethnic backgrounds.

Finally, the governing elites also succeeded in enmeshing the traditional and western orientations into a larger socialization process. Such a process would continue to mould the social and political life of Singapore. Moreover, the pragmatic approaches adopted by the governing elites have in fact been the result of their political experience rather than their early socialization. If we were to look at their early experience we find that there is nothing that indicates such a behaviour, however their political learnings during their tertiary education suggest a more populist, left-leaning but pro-capitalist approach. But such an elite learnt much more by means of practical experience, flexibility and openmindedness. They formulated the most effective policies for a globalized economy, complex ethnic structure, and evolving political institutions to meet the challenges of a rapidly changing political society.

The political evolution of Singapore thus represents a unique case in development particularism. And it is possible to understand its uniqueness and analyze it, as long as
we pay attention to what Professor Somjee calls the 'actualities' of development process. But before undertaking an analysis of such actualities, scholars ought to know what they are. This thesis contributes towards that understanding.

CONCLUSION

In view of the evidence gathered here, we may now conclude that Singapore’s development experience cannot be lumped together with those of South Korea or Taiwan or Hong Kong. Nor can we separate the deterministic/voluntaristic, state policies/immigrant ethic, thesis to comprehend Singapore’s modernization efforts. The application of similar development strategies, cultural heritage, and the role of the respective states, among Singapore, South Korea, Hong Kong and Taiwan does not mean that a theory can be formulated on the basis of these generalities. Even within these similarities there are marked differences among these three dragons, when we examine them carefully. The point that is being made here is that although theory building requires broad generalizations, it ought not to be at the expense of crucial dissimilarities.

The lumping of Singapore, under the category of NIC, along with South Korea, Taiwan and Hong Kong, is not a valid classification. All three of them, Singapore, South Korea and Taiwan, were colonies of either Britain or Japan. However the role performed by Singapore during the colonial period is sharply in contrast with that performed by South Korea and Taiwan. Singapore was a semi-imperial colony while Taiwan and South Korea were peripheral colonies under Japanese colonialism. Subsequently, Singapore’s role perpetuated her development whereas the improved agricultural productivity in the latter two colonies only further consolidated Japan’s accumulation of surplus capital, for her own development.

Even their respective societies differed greatly, Singapore is an immigrant and heterogenous society. South Korea and Taiwan are established and homogenous societies. Though Taiwan is considered by some to be an immigrant society, we have to bear in mind that the immigration from the mainland was considered to be an internal and not international migration. That is what happened in Singapore. In terms of their similarity
in cultural perspectives, Confucianism is predominant in Taiwan and South Korea but in Singapore, despite the predominance of the Chinese, their cultural perspectives are derived from the other cultures as well.

With regard to the development strategies employed by these states, only in a general term are they alike but on a particular level their differences are so great that their commonalities disappear. In Singapore, the state has utilized the help of the MNCs to promote economic development. In Taiwan and South Korea the level of MNCs' participation in promoting economic development is meagre. The state in South Korea and Taiwan has provided political and social stability by utilizing a highly authoritarian form of government. Moreover, the state there has paid more attention to the capital accumulating process while ignoring the social and political demands of their respective societies. In Singapore, on the other hand, political and social stability has been promoted through a paternalistic government, whose main concern does not limit itself to accumulating surplus capital but also extends to the social and political sphere of her society.

In addition to this loose classification, it was argued that a composite approach to understanding the role of the state and the immigrant ethic in building modern Singapore is required. It is a process in which, along with the pragmatic approaches of the governing elites, the state as well as society played a crucial role.

In this respect, political development of Singapore, based upon her historical experiences, belief systems and specific policies, has come to mean something different from the West. Her political development has come to mean the creation of a conducive environment for her citizens to aspire and meet those goals which are acceptable to society at large. As a result the political sphere leads the social and economic development. But at the same time it must also build a support structure for itself by building an adequate human resource base for the changing economy and the sharing of
common values.


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