

## Assess Lee Kuan Yew? Which one?



To be both fair and informative in writing an assessment of Lee Kuan Yew requires a level of detachment that seems to be uncommon. Certainly his devotees, whether in Singapore or overseas, don't usually come close to achieving it as they echo versions of Lee's own story of how he took the country 'from Third World to First', often taking umbrage at those who are more

critical. For those of us who are, indeed, more critical, the temptation is to focus on the Lee Kuan Yew who engaged in ‘brass knuckle politics’, and ignore the achievements. Many of us have friends who have suffered brutality at his hands – or who have been intimidated or suffered discrimination by the system he put in place. It is not easy to put such personal connections aside and give credit where credit is due. Yet despite these burdens, I am pleased to say that this is a temptation in which critics have not generally indulged for a couple of decades now.

At the time of writing it is now a few days since Lee died and while the devotees have been as adoring and banal as one might fear, his critics have been consistent in recognising his formidable achievements. Their (our) record of even-handedness in this regard is only partly inspired by respect for the dead and for his family. Rather it is a recognition of the complexity of this man. As much as some of us might prefer not to articulate it, he was, in all the conventional senses of the use of the term, ‘a great man’ with a long list of achievements to his name.

His critics might (and do) quibble that he did not do this on his own; that he was the leader of a team of talented men (women generally did not need to apply). And this is indisputable.

We complain that the self-serving narrative of his success would have us believe that he built it from ‘[a fetid swamp](#)’ (to quote Greg Sheridan in *The Australian* a few days ago) and we know full well that this is just plain wrong. He and his colleagues had a lot of valuable material to work with: much of it a legacy of British rule (e.g. the administrative system, the Naval Base and English as the lingua franca); some a gift of nature (such as the port); or the luck of geography (being on the Straits of Malacca, near a rising East Asia).

We complain about a long list of seemingly unintended consequences for those who have been left behind by Singapore’s success or crushed by the dominant elite, and we rightly fear that many of these consequences are not as unintended as they appear at first glance – that they are, in fact, implicitly intended and explicitly accepted as part of the deal.

Yet I cannot think of a single critic who denies his record as a successful builder and who doesn’t feel obliged to put on record some recognition of his achievements. I just wish that those of his devotees who know better could find the honesty to recognise his failings so that more casual followers of public affairs would have a chance of reaching a more balanced perspective.

With this preamble behind me, I would now like to reproduce an interview I did with Zarina Hussain of the BBC last week, a few days before Lee died. Zarina used half-a-dozen sentences of the interview in a piece titled ‘[How Lee Kuan Yew engineered Singapore’s economic miracle](#)’, which was published on the BBC website, but most of it has not been reported. I have just tidied up some of the grammar.

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**Zarina Hussain (ZH):** In your view, what's been the best economic policies from Lee Kuan Yew's years as prime minister, which have vastly contributed to Singapore's economic success and how have they raised Singapore's profile from a third-world country to a first-class player it is today?

**Michael D Barr (MDB):** Lee Kuan Yew was no economist, and the real innovative thinking done on the economic front was done by others. Lee had the good sense to follow good advice, and the political ability and will to implement good advice, even if it was unpopular in the short term and brought a lot of immediate hardship. Not everything went well. His government created an unnecessary recession in the 1980s when they suddenly jacked up wages and salaries by 20%, but they got a lot more right than wrong.

If Lee personally had any direct economic initiatives that he can be said to really 'own' it is in positioning little Singapore to capitalise on the advantages of its strategic position at the southern end of the Straits of Malacca and near East Asia. This was critical. It also rested on some lucky timing. If Singapore had gained independence and Lee had been Prime Minister at a time when either Japan or China – particularly China – was already at the peak of its game, i.e. if either had already 'risen', there would have been not such an important place for Singapore.

Singapore had the chance to get a terrific leg up by being able to turn to capitalism three decades before China did. Without that head start, independent Singapore would have been nothing more than an entrep??t – a middle man between East Asia and the Middle East/Europe/India – just like it had been as a colony. It still would have been a remarkably important entrep??t because it would still have been sitting astride the Straits of Malacca, through which most of the world's shipping passes. But it would never have been able to develop a manufacturing base or position itself as a financial hub.

But the fact is that these stars were aligned for Singapore and Lee Kuan Yew, more than anyone else, recognised this and set out to capitalise on it. Malaysia and Indonesia had the same opportunities but were not able to capitalise on them. Singapore under Lee's leadership took trick after trick, and sucked all the strategic advantage of being in the Straits of Malacca to itself.

Hence Lee has always taken a very personal and direct interest in the Port of Singapore, Changi Airport, and Singapore Airlines. He intervened very directly to see that these were built up and maintained, because they were the key to capitalising on Singapore's strategic position. Lee was also personally responsible for correctly foreseeing the rise of China in the early 1980s before anyone else did and positioning Singapore to take advantage of it – just as he had done everything he could in the 1960s to take advantage of the rise of Japan, when this was a deeply unpopular thing to be talking about in Singapore and Southeast Asia because of Japan's war record. It is not a bad record, all in all.

**ZH:** And in your view, what have been the worst economic policies, which ones are you most

critical of, which in your view, have led to setbacks to the Singapore economy?

**MDB:** It depends on when you consider he bowed out. If we only consider the period in which he was Prime Minister, then his greatest economic failing was a political one: his failure to keep Singapore in Malaysia and to turn Malaysia into Singapore's hinterland.

But leaving this aside – and also acknowledging that he turned Singapore into a stand-alone economy that flourished without Malaysia and streaked ahead of it – the greatest economic failure of his prime ministership was the recession of the 1980s, which was totally government-made and caused a lot of pain.

I would also like to point to a lot of pain that was caused by the social unfairness of a lot of his government's economic initiatives. There were a lot of economic losers in Singapore – especially among those with poor English or no English. But he wouldn't see this as a failure. He saw it as just a side-effect to be dealt with politically. And this is what he did, very effectively.

Perhaps his biggest long term failure was the inadequate steps taken to move the Singapore economy out of its 1970s mode of export-oriented industrialisation, and into new models that relied less on cheap labour, cheap land and cheap exports – into a knowledge and service-based economy with a vibrant external investment arm. They did try to do this, and Lee was behind these efforts, but they were hamstrung by the political model that Lee had created that relied upon tight government control of almost everything – and tight family control. His family sits at the heart of the engine of Singapore economy. Lee and his colleagues and successors could not bring themselves to loosen up their tight control of either the politics or the economy. Sure, Singapore invests heaps overseas and receives lots of investment, but the government is the gatekeeper at every front. Hence under the system he set up and managed, government investment arms have become major sources of domestic political patronage and they have had to carry some appallingly bad investment and management decisions, the most spectacular of which have been the direct responsibility of Lee Kuan Yew's close relatives!

**ZH:** What's your picture of Singapore post-LKY? Will there be an economic divide, will that shatter investors' confidence in Singapore?

**MDB:** Politically Singapore has been in a post-LKY era since his son pushed him out of Cabinet in 2011. Even for five or more years before that Lee has been a marginal figure in real political terms. I would have to say that since about 2005 or 2006 the achievements and mistakes of the government have been owned increasingly by Lee Hsien Loong rather than Lee Kuan Yew. And yes, part of this record has been increasing disparity between rich and poor, the squeezing of the lower middle class and the working class, and the huge error of drastically increasing the immigration intake, beginning in 2005. These decisions are all connected and at the heart of them were people close to Lee Kuan Yew and who were effectively appointed by Lee – and Lee vocally supported these decisions – but to be fair, Lee himself was only passively and selectively involved

by 2005 and 2006 and really can't be blamed. These mistakes are really down to his successors.

**ZH:** How do you see Singapore in the next 10 years, without the presence of Lee Kuan Yew in the shadows?

**MDB:** Unless something drastic happens there will be a steady loosening up and fragmentation of the system he put in place. I don't foresee a sudden shift, but gradually the political system and the economic regime he put in place are going to unwind and become less and less effective. This is partly because of changing circumstances over which Singapore has no or little control, but also because Lee has left in place a broken system of elite regeneration.

In short, his system only works with someone as smart and ruthless as Lee Kuan Yew at the top. My fear is that his successors might be able to bring themselves to be as ruthless as Lee, but not as smart. This would be the worst of all worlds.

A better scenario would see a more flexible and open political system that is less ruthless and has much more public accountability. This would enable the system to work without finding a new Lee Kuan Yew. I see this as being critical for the future of Singapore as a nice place to live and work, since it is perfectly obvious that there is no one, including the current prime minister, capable of filling Lee Kuan Yew's shoes.

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