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Abstract: The late Mr. Lee Kuan Yew was the founding father of the nation of Singapore. He was also a philosopher king in the mold of Plato's *Republic*, a grand strategist, an incorruptible czar, and the ultimate pragmatist. In every century, one can find only a handful of people like him—who had a vision for his country and was also able to achieve it, leaving lasting footprints in the world.

1. Introduction

The late Mr. Lee Kuan Yew was among a handful of people for whom I have the highest admiration and respect. He led the efforts to create the independent nation of Singapore, with the support of colleagues and many others, and built the solid foundations of its sustained success. He was always extremely proud of Singapore, and the people of Singapore are no less proud of him and their country. When Mr. Lee passed away a few months ago, there was a spontaneous and genuine outpouring of grief as well as affection and respect from the people of Singapore, across all races, strata and age groups, even among the young people, who probably were not aware of the hardships and sacrifices that their forbears had gone through in the building of Singapore. Mr. Lee Kuan Yew (henceforth LKY) should be very pleased and proud.

¹ Ralph and Claire Landau Professor of Economics, Institute of Global Economics and Finance, The Chinese University of Hong Kong, and Kwoh-Ting Li Professor in Economic Development, Emeritus, Stanford University. The author wishes to thank Mrs. Ayesha Macpherson Lau for her invaluable comments and suggestions. However, all opinions expressed herein remain the author's own and do not necessarily reflect the views of any of the organizations with which the author is affiliated.

2. The Founding Father of the Nation of Singapore

The nation of Singapore is in some sense a miracle. It is an unlikely country. It is only a small island. It has no resources. It is ethnically, linguistically and religiously diverse. Among its peoples—the Chinese, the Malays and the Indians—two of them, the Chinese and the Indians, have their roots elsewhere. For generations, they came and went, especially the Chinese, but few called it home. And it is surrounded by not exactly friendly countries. Out of this, LKY managed to create a real nation.

Originally, LKY thought that Singapore's future would lie with a Malaysian Federation, consisting of Malaya, Singapore, Sabah and Sarawak, which would have a much larger population and area and greater natural resources. He actively promoted and supported the idea and led Singapore into the Malaysian Federation in 1963. Unfortunately, the union did not last long. LKY had to take Singapore out of Malaysia in 1965 to become an independent country.

LKY and Singapore never looked back. Between 1959 and 1990, LKY served first as Prime Minister of the self-governing territory of Singapore, then as Prime Minister of the State of Singapore in the Malaysian Federation, and finally as the Prime Minister of the independent country of Singapore. He took Singapore from the “third world to the first world in a single generation.” The real GDP of Singapore grew from US\$5.9 billion in 1960 to US\$71.5 billion in 1990, at an average annual rate of 8.3% and further to US\$295 billion in 2014 (all in 2014 prices). Similarly, the real GDP per capita of Singapore grew from US\$3,585 in 1960 to US\$23,458 in 1990, at an average annual rate of 6.3% and further to US\$53,976 in 2014 (also in 2014 prices) to become among the highest in East Asia, behind Macau, with its US\$89,333. By comparison, the real GDP per capita of Japan was US\$31,823 in 2014. It was truly a success story.

LKY richly deserved the accolade of the “Founding Father of Singapore”. He single-handedly created a nation and a people with shared values, with a harmonious multicultural, multiracial and multi-religious society. He provided all Singaporeans with economic prosperity and national security. Singaporeans are extremely proud of being Singaporeans. What is truly remarkable is the fierce loyalty of the Singaporeans to their country and their steadfastness in defending their political and social system. The spontaneous and genuine

outpouring of affection and respect by the people of Singapore on the passing of LKY is testimony to their patriotism for and pride in their country.

3. A Philosopher King

LKY was a ruler in the mold of the “philosopher kings” described in Plato’s *Republic*. He was also a ruler in the best Confucian paternalistic tradition. LKY was more than just a George Washington of Singapore. He was the Father of Singapore in an even more direct sense—Singapore was one big family and he was the head of this family. As such, he believed that he was personally responsible for the well-being of every citizen of Singapore. He took seriously his role as a “father”—his fatherly duties included not only nurturing and providing but also teaching and moral guidance. Precisely because the people had to be taught and guided, LKY considered it critical to be able to control the dissemination of information, the educational system and the media. To LKY, domestic dissent and potential political gridlock were luxuries that a small developing country can ill afford, especially given the precarious state of the nation of Singapore in the 1960s.

However, his paternalism was manifested mostly through the use of the law. A clear line exists between what is permitted and what is forbidden under the law. There is no arbitrary prosecution—only those people who choose to cross the line will be prosecuted. No one can say that there is no rule of law in Singapore.

LKY was a believer in meritocracy. He wanted to recruit the best and the brightest in Singapore to work for the government, as had been done in China for a couple of thousands of years. LKY was unusually self-confident, borne of his intelligence and deep analysis and understanding of problems that arise. He made decisions from a long-term perspective. He would choose to do what was right rather than what was expedient, and would not sacrifice the long-term benefits for short-term gains. On quite a few issues, such as the promotion of the use of Putonghua in Singapore, the prosecution of the Wall Street Journal and the caning of a foreign teenager in accordance with Singapore law, LKY decided to do what he thought was right despite the opposition of his government colleagues and the temporary loss of some domestic and foreign popularity.

LKY was a master of statecraft, and knew when and how to exercise authority and power for the benefits of the people. The establishment of the Central Provident Fund (CPF)

was a masterstroke. Even though both the employer and the employee had to contribute a significant percentage (currently in the high tens) of the employee's salary to the Fund, it raised the national saving rate of Singapore significantly, provided the people of Singapore a dependable source of income in retirement and enabled them to own their own housing. Moreover, the CPF was able to provide funding for Temasek Holdings and the Government Investment Corporation, the two sovereign wealth funds of Singapore, to invest domestically and abroad. Singapore also had a sound land use policy—with the quantity of land released for housing each year tied to the rate of appreciation of housing prices. The higher the rate of appreciation of housing prices, the more land for housing will be released into the market, dampening future price expectations, thus keeping housing affordable for the people of Singapore.

4. A Grand Strategist

LKY was a grand strategist. He had a strategic vision of the long-term big picture and a clear understanding of Singapore's own strengths and weaknesses. Moreover, he was creative and original and could think out of the box. He considered how Singapore could fit into the global economy and geopolitics and hence how to achieve both national security and economic prosperity for Singapore. He was able to look way beyond Singapore. He developed close personal relations with many world leaders who depended on him for advice. His influence, and hence Singapore's influence, extended far beyond the borders of Singapore.

Having been left out of the Malaysian Federation in 1965, how was the new nation of Singapore to survive? The first thing that LKY did was to reach out to the developed countries of the West, in particular the United States, not only to seek their official recognition, but also to try to persuade them to continue to use Singapore as a base for their military as well as their multinational corporations. By providing services useful to the U. S. and other Western countries, Singapore can breathe more easily among its not always friendly neighbors.

Second, from a strictly military point of view, the Island of Singapore is not easy to defend. Like Switzerland, Singapore adopted what could be called the "porcupine" defense. Porcupines are small animals with a coat of sharp quills, which can make their attackers extremely painful, and thus help deter possible attacks. Singapore is well-armed, and through

conscripts and reserves, approximately 1 million troops can be called up in an emergency. Invaders of Singapore will have to pay a heavy price to be successful.

Third, it is in both Singapore's economic and security interests to maintain friendly and cooperative relations with all of its neighbors and to try to take collective action whenever possible. Thus, with Singapore's promotion and support, the Association of Southeast Asian Nations (ASEAN), initially consisting of Indonesia, Malaysia, the Philippines, Singapore and Thailand, was formed in 1967. The ASEAN, which has since expanded to include Brunei, Cambodia, Laos, Myanmar and Vietnam, has proved to be a most useful forum for the discussion of not only issues and projects among the ASEAN countries, such as the ASEAN Free Trade Area (AFTA), but also those between ASEAN and other countries and regional blocs such as ASEAN+3 and ASEAN+6 (Regional Comprehensive Economic Partnership (RCEP)) Free Trade Areas as well as the ASEAN Regional Forum, which is primarily concerned with security.

Outside of the ASEAN, Singapore tried to maintain a balanced foreign policy. For example, it was able to maintain an almost equidistant policy with the two sides of the Taiwan Strait (Singapore has actually been training its troops in Taiwan for many years with little or no publicity, and lately has also begun training its troops on the Mainland of China). LKY was well respected and trusted by the most senior leaders on both sides, including Mr. Chiang Ching-Kuo and Mr. Deng Xiaoping. He was considered an honest and completely disinterested broker. It was not an accident that the talks between Mr. Koo Chen-Fu, Chairman of the Straits Exchange Foundation, and Mr. Wang Daohan, Chairman of the Association for Relations Across the Taiwan Straits, the very first high-level dialogue between the two sides since 1949, were held in Singapore in 1993.

In this regard, it was also not an accident that Singapore was the last of the ASEAN member countries to recognize the People's Republic of China officially. Singapore wanted to maintain good relations with the other ASEAN countries and did not want to give the impression that just because its population was majority ethnic Chinese that it would be necessarily pro-China in its foreign policy. Singapore would follow the lead of the other member countries of ASEAN.

5. An Incorruptible Czar

Thanks to LKY, Singapore definitely has the cleanest government in East Asia and perhaps even in the whole world. This has been achieved under LKY with a two-pronged policy. First, Singapore adopted a high salary policy for its civil servants. Civil servants are paid extremely well in Singapore. Ministers in the Government of Singapore are typically paid more than US\$1 million a year, about four to five times the salary received by Department Secretaries in the U. S. Cabinet. And these salaries are certainly the highest in the world relative to a country's GDP. Second, if, however, any civil servant were found to be corrupt, he or she would be mercilessly and relentlessly prosecuted through the legal courts to the fullest extent of the law. The combined effects of these two policies have eliminated corruption within the Government of Singapore.

Singapore could have probably gotten away with paying its civil servants less. But LKY wanted the best and the brightest to work in the Government; he wanted their first choice for a vocation to be government service. LKY insisted that the remuneration of civil servants should be as good as the best private opportunities available for them. LKY also pioneered the linkage of salary adjustments for top government officials to the rate of growth of the real GDP so that they would be accountable for the performance of the Singapore economy. What Singapore has managed to accomplish in the area of anti-corruption demonstrates that it is not impossible for ethnically Chinese people to do without "guanxi" in conducting their public and private affairs.

6. Grooming the Next Generation

LKY fully understood the importance of succession planning. A policy, no matter how good it is, takes time to implement; moreover, it can be effectively implemented only insofar as the public expects it to be in force for a long time. Thus the continuity of the government and the policies it adopts and pursues are absolutely essential for success. In order to assure the continuity and sustainability of policies in the long run, credible succession planning is necessary. While LKY was alive, the succession was meticulously planned. Singapore, a small country surrounded by not so friendly neighbors, cannot afford domestic instability or strife.

LKY was first succeeded by Mr. Goh Chok Tong as Prime Minister in 1990, after LKY had served as Prime Minister for more than thirty years. Mr. Goh was in turn succeeded by Mr. Lee Hsien Loong, LKY's son and current Prime Minister, in 2004. LKY stayed on in the Cabinet first as Senior Minister from 1990 to 2004, and then as Minister Mentor from 2004 to 2011, thus assuring stability during governmental transitions and continuity of policies designed for the long term.

Besides succession planning, I am also very impressed by the way new members were recruited for the People's Action Party (PAP), LKY's Party. Normally a party in power, especially one that has been in power continuously for a long time, does not bother to recruit new members actively. This is because since it is generally known that becoming a member of the governing party will automatically bring so many direct and indirect benefits, everyone will naturally flock to this party. There should be no shortage of applicants. Thus, all the party needs to do is to set up appropriate screening mechanisms for the admission of new members. LKY thought differently. While it is great that many people want to join the party, but is it good for the party in the long run if the new recruits are only attracted by the potential benefits and not necessarily by the ideals and ideology? The party should try to avoid those people who are solely motivated by the potential benefits. The PAP is well known for its pro-activity in identifying and recruiting worthy individuals, even newly arrived immigrants to Singapore, who otherwise may not have wanted to join it or even thought about joining. Active recruitment of new party members help to assure their quality, integrity and reliability.

7. The Ultimate Pragmatist

LKY was the ultimate pragmatist. While he was strongly principled, he was no ideologue, and was quite prepared to change his position when circumstances required it. He was one of the strongest advocates for the establishment of the Malaysian Federation in 1963. He saw it as an opportunity for Singapore to have a prosperous economic hinterland and to have the necessary economic, political and social weight to become the leading metropolis in Southeast Asia. But when it became clear that it would be impossible for Singapore to stay in the Federation in 1965, he accepted it and charted a completely different course for Singapore that in retrospect proved even more successful.

LKY also adjusted the population policy—he started with a “two-child policy” in the late 1960s in order to slow down the rate of growth of population in Singapore. Over time, as the economy grew and the unemployment rate fell, this policy was gradually reversed. Since the late 1990s, Singapore has had a pro-natalist policy (which has apparently not proved to be too successful). There was the same kind of reversal in Singapore’s policy for higher education. Under LKY, the best students of Singapore were sent to the best universities around the world, with financial support from the government. This is a highly successful policy, enabling the best Singapore students to receive the best possible university education anywhere. However, domestically, LKY did not want to have too many idle university graduates, who could potentially pose a challenge to his policies. Thus, he closed down Nanyang University, and for quite a few years afterwards, Singapore had only one university, the National University of Singapore. Later, when it became clear that Singapore was falling behind in human capital compared to the other newly industrialized economies such as South Korea and Taiwan, the policy was reversed. Not only was Nanyang University resurrected as the Nanyang Technological University, but several other new universities were also established.

Finally, LKY was philosophically and ethically against gambling. He did not support the legalization of the gaming industry and the establishment of casinos in Singapore. However, he was willing to compromise and was finally persuaded to accept legalized gambling in Singapore. The gaming industry has brought an economic boom to Singapore but has also created some domestic social problems.

8. Concluding Remarks

LKY's successful experience in Singapore had a profound influence on the thinking of the Communist leadership in China, who made a major effort, especially under Deng Xiaoping, to study whether and how his policies in Singapore could be emulated. The question is how a party or government can promote economic development and growth through a market system, with its emphasis on free enterprise and individual entrepreneurship, and yet at the same time maintain political primacy. Can the successful Singapore model be extended to a large and populous country like China?

LKY is not without his detractors, both inside and outside of Singapore. Some claim that he is too dictatorial. Others claim that he is overly paternalistic. A civil libertarian he is not. However, no one can argue that he is a person without principles, that he is arbitrary or capricious, that he does not respect the law, and that he does not always have the true interests of the people of Singapore in his heart.

There are indeed very few people like LKY, who had a vision for his country and was also able to achieve it, leaving lasting footprints in the world. Within the 20th century, I can name only a few more: Mustafa Kemal Atatürk of Turkey, Konrad Adenauer of Germany, Mao Zedong and Deng Xiaoping of China, and Nelson Mandela of South Africa (in approximately chronological order). LKY will long be remembered, not only in Singapore, but also around the world, as a model to be emulated.