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Charity Registration Number: 208223

Transcript

Singapore's Perspectives on Asia and Europe

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28 March 2014

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SINGAPORE'S PERSPECTIVES ON ASIA AND EUROPE

Sir Malcolm Rifkind:

Good afternoon, ladies and gentlemen. I'm Malcolm Rifkind. I've been invited to not only chair these proceedings but begin the proceedings with a conversation with our most distinguished guest, the prime minister of Singapore. It's a great privilege for Chatham House to be able to host your visit. I know that all associated with Chatham House very much appreciate that.

I should make clear that today's event and discussions, at the prime minister's own request, are not under Chatham House Rules. They will be on the record. Please feel free therefore to proceed on that basis. I have a couple of preliminary points before we begin. I've said the event is on the record. I'm informed that people can comment via Twitter using #CHEvents. We have an hour – we have to finish at two o'clock because of the prime minister's programme. The suggestion is that our conversation, which you are invited to listen to but not at this stage participate in, will be for about twenty-five minutes or so. Then we will have hopefully up to about a full half-hour for questions and answers.

Prime minister, can we perhaps start our conversation, if we may. We are often told – we sometimes analyse ourselves – that this century is going to be Asia's century. There are obvious reasons why people have come to that view. Where I want to start is simply by asking you, from the perspective of Asia, how do you see this? Do you see this as, first of all, accurate – and secondly, an unalloyed benefit or do you see problems and concerns associated with it?

Prime Minister Lee Hsien Loong:

I think it's a good thing that Asia is doing well and expecting to do well. I don't think it will be Asia's century in the sense that it's the only bright spot in the world – there are lots of other bright and energetic and successful peoples and societies, and they will have their play in the 21st century. But Asia has been progressing rapidly over the last few decades. When you say Asia, you mean really the Pacific Rim periphery: China, Korea, Taiwan –

Sir Malcolm Rifkind:

And India as well, of course.

Prime Minister Lee Hsien Loong:

And India as well, in a different way and perhaps in a more complicated path. From Asia's point of view, and I think from the world's point of view, that's a good thing, because if Asia were poor, the human misery is something – we're talking about billions of people. Instability in Asia will affect the whole world. But I don't think Asia is the only story. Africans are also – very varied, but some of them are very much on the move. I think if we look at the Latin American countries, there is also a great range, and the ones on the Pacific coast – like Chile or Peru even, or Colombia – they are taking their economic development and progress very seriously. That's the way it is. There is no central Middle Kingdom. It's a global network.

Sir Malcolm Rifkind:

Thank you, but let me press you a little bit further on the Asian aspect of this dimension. Different things have been happening over the last few years. Some might want to suggest that it may indeed be Asia's century economically, but politically it's not Asia, it's China. And that China is not only economically growing at a dramatic rate, it's not only a very different country to what it was twenty years ago, but it's flexing its muscles. It's building its armed forces. That appears to be creating a degree of nervousness amongst its Asian neighbours.

Prime Minister Lee Hsien Loong:

It's a very big change in the landscape. When you see mountains grow, you're talking about millions of years; when you see a country rise, you are talking about less than a century. A powerful country, a continental power, will have commensurate defence forces: air, sea and land. I think that's only to be expected. What posture those forces take – whether they are benign, they are restrained, whether you have a hair-trigger, whether you take an aggressive approach when issues come – that is a matter of policy and also of history and of the thrust of the zeitgeist in the country.

Sir Malcolm Rifkind:

Aren't you perhaps becoming a little bit nervous? Because if one looks around the Pacific Rim, China's relationship with some of its most immediate neighbours is becoming pretty fraught. Traditionally with Taiwan, obviously, an unresolved issue which in theory could become a military confrontation. With Japan, very poor relationships over the islands to the north. With the Spratly Islands, claiming large amounts of territory or economic interest. Certainly to the Philippines, to Vietnam, to Japan, it seems to be not just a possible problem but one that has become a real one.

Prime Minister Lee Hsien Loong:

I would take a more nuanced view. First of all with Taiwan, which a few years ago looked like a real hot spot. I think things have stabilized considerably with this KMT government over the last couple of terms. They've got a free trade agreement, they are trying to get a services agreement through. It is much less likely now that you are going to have some conflagration across the Taiwan Straits.

Sir Malcolm Rifkind:

Forgive me – we said that about Russia up to a few weeks ago, and yet we've soon seen the use of military force in a way very few in this part of the world expected or predicted.

Prime Minister Lee Hsien Loong:

Yes, but you are not going to war with Russia.

Sir Malcolm Rifkind:

Not yet. Russia could be going to war with Ukraine very soon – could be.

Prime Minister Lee Hsien Loong:

That's imaginable. But China-Taiwan compared to ten years ago, I think things are much better today. China-Japan, things are worse today. China-ASEAN, there is an issue of the South China Sea, which is a serious one, with several of the ASEAN countries. But all of the ASEAN countries in fact want good relations with China. Other than the South China Sea, China is

actually making a considerable effort to cultivate these countries and to get them on China's side. So it's a multifaceted relationship. Would we prefer China to be weak and poor? I'm not sure. A different set of problems would come.

Sir Malcolm Rifkind:

Before we move on from this issue, just one final area that is relevant to what we've just been discussing: the question of the future role, not just the present, but the future role of the United States. The United States is not Asian. In one sense, what is it doing as a guarantor of the defence of various countries in that part of the Pacific Rim? And yet what we have seen is many of your Asian neighbours anxiously looking to America for reassurance, which if it's provided implies that America has not just a short-term but a long-term security presence in your part of the world. Is that something which you think is likely? Is it healthy?

Prime Minister Lee Hsien Loong:

America is not an Asian country but they have always been an Asia-Pacific power, especially since the Second World War. They have been present in the region. The Seventh Fleet has had an overwhelming influence. It's not just missiles and airplanes but the fact that the United States of America has a vested interest in the stability and security and prosperity of the region. And many countries are thankful for that.

Sir Malcolm Rifkind:

Including Singapore?

Prime Minister Lee Hsien Loong:

Including Singapore, overtly and openly. The Americans – this administration has said that it's pivoting to Asia. A pivot is not necessarily the best choice of words, because you can pivot in, you can pivot out. For now they talk about a rebalancing towards Asia, including forces. We think that's a good thing, because we believe that America actually has interests, has friends, has security concerns in Asia. It's an important part of the world for America. Many of the countries in the region look forward to this continuing.

Sir Malcolm Rifkind:

Do you ever see Asia and America having the same defence alliance that Europe and the United States have?

Prime Minister Lee Hsien Loong:

Some countries in Asia have defence alliances with the US – Japan, Korea.

Sir Malcolm Rifkind:

But they're bilateral.

Prime Minister Lee Hsien Loong:

They are bilateral. Multilateral, I think the situation is different. Today, if we would start from scratch, you wouldn't create NATO in this form.

Sir Malcolm Rifkind:

Thank you. Let's move on, if we may, to ASEAN. ASEAN has been around now for quite a long time. The first question I wanted to ask you, just your thoughts: what should we expect for the long-term future of ASEAN? Is ASEAN a potential Asian European Union or is it more an Asian NAFTA, purely dealing with trade and economic matters?

Prime Minister Lee Hsien Loong:

I think an Asian economic union is something over the horizon. Looking at where the European economic union is, we are not sure that we are aiming for that particular [indiscernible].

Sir Malcolm Rifkind:

That's very diplomatic.

Prime Minister Lee Hsien Loong:

We are just trying to get somewhat closer together, recognizing that we are very different countries – very different histories, cultures, systems, values. But where our paths converge, we work together. Where they don't, we put

that aside and we try not to collide. One day we will try to do better or our children will try to do better.

Sir Malcolm Rifkind:

But are you talking in purely economic or trade terms, or do you see political cooperation, political positions, adopting common foreign policy – issues of that kind being available or potentially something you would like to see?

Prime Minister Lee Hsien Loong:

We talk about more than trade and more than economics. We talk about security issues, we talk about social issues, we talk about cultural issues. From time to time we have taken clear stands on these. One very sharp example was on Cambodia in the 1970s and 1980s, when ASEAN – then a smaller group – came together to resolutely oppose the Vietnamese invasion of Cambodia. We had to stand beside very uncomfortable allies in that exercise, because the Khmer Rouge had a bad odour around the world, but they were the legitimate government and you cannot chase out a legitimate government for no good reason, whether it's in Crimea or Cambodia. We stood by that principle and ASEAN held together.

Today it is more complicated because you are talking about ten ASEAN countries and the interests diverge. If you look at the South China Sea, some are claimant states but one country is landlocked and adjacent to China (Laos), another country has no littoral on the South China Sea and is in the Indian Ocean (Myanmar). So to have one single interest is much harder than NATO in the old days.

Sir Malcolm Rifkind:

Is there an argument for saying that the countries of ASEAN should, on foreign policy issues, show solidarity to their fellow members when there is a problem with a third party?

Prime Minister Lee Hsien Loong:

That is the ideal. That's the idea in NATO too and the EU. You try to approximate that. We acknowledge that we're not quite so close yet.

Sir Malcolm Rifkind:

What would you say ASEAN's priorities are at this moment?

Prime Minister Lee Hsien Loong:

First thing is we are trying to conclude an ASEAN community, which is to be done by next year. There is an economic community, there is a political community, there is a social community. There are all sorts of components which go into that: free trade, movement of transportation, mutual recognition, political cooperation. I think we will probably get three-quarters or 80 per cent of the way there and then there will be some work which will be done for the morning after.

Sir Malcolm Rifkind:

In Europe when we talk about free trade, of course, we've moved from classic free trade into a single market, with free services, free movement of labour and so forth. Do you see that – I don't mean tomorrow or next year, but do you see that gradually as something that the ASEAN countries would be interested in? A completely open trading system, not just for goods but also for services and free movement of labour?

Prime Minister Lee Hsien Loong:

No, I don't think so. Even Britain doesn't think so.

Sir Malcolm Rifkind:

Not quite right. Britain has always championed and continues to champion a completely open Europe on trade and on services.

Prime Minister Lee Hsien Loong:

But on movement of people?

Sir Malcolm Rifkind:

I know what you're getting at. Not very subtle, I know what you're getting at.

Prime Minister Lee Hsien Loong:

We make no bones about it. We can't do that.

Sir Malcolm Rifkind:

No one is suggesting in the United Kingdom that we go back from a free movement for people who are genuinely taking up employment and so forth. The debate in this country is about what are called welfare tourists.

Prime Minister Lee Hsien Loong:

I accept that. But even genuinely seeking employment, if 100 million people came to look for jobs in Singapore, I would have a problem.

Sir Malcolm Rifkind:

Sure. But the markets suggest you don't get those numbers.

Prime Minister Lee Hsien Loong:

No, not at all. Today we have legally one million foreign workers in Singapore. There is one foreign worker to two Singaporean people in the workforce. We control those numbers. We manage the ratios and we have to watch the flows, because there is a limit to what the society can accommodate and what you physically can.

Sir Malcolm Rifkind:

And these are people with their families, or these are just foreign workers?

Prime Minister Lee Hsien Loong:

Some are allowed to come with families, some come as individual foreign workers.

Sir Malcolm Rifkind:

I mean, if they come with their families, the possibility is they stay permanently.

Prime Minister Lee Hsien Loong:

That becomes more complicated. So we have immigration, people who come with families or without, and we allow them to become permanent residents or citizens. But those numbers are small. But it has to be a controlled flow. It's not a doctrinal thing with us. You used to make a doctrinal thing out of outflows from the Soviet Union, that people should be free to travel anytime they want. When the Americans met the Chinese, they made a doctrinal thing of it too. They said: you must let people go. I can't remember which president made this argument to Deng Xiaoping, but he turned and said: how many million do you want?

Sir Malcolm Rifkind:

I once had that conversation with a Soviet minister during that period. We were making representations why they were not allowing their people to leave and he said: But Mr Rifkind, you in Britain, you have a controversial immigration policy. How would you like it if I interfered with your domestic immigration policy? I said: well, there is a difference. He said: what is it? I said: in our case, they're trying to get in; in your case, they're trying to get out. The conversation moved on to other subjects.

Prime Minister Lee Hsien Loong:

In our case, people will try to come in. We will welcome talent, we will welcome workers who can contribute to our economy. We have to watch the balance.

Sir Malcolm Rifkind:

Let's move on. What degree of optimism do you have about Myanmar? Myanmar is going through an extraordinary period in its history. Are the omens good? Are you very optimistic or just cautious about it?

Prime Minister Lee Hsien Loong:

It's a very long journey they have to take. They have taken several steps along the way. They are much better off than they were three years ago, before the elections. I think the leaders know that the old path was a dead end and that they have to move forward, but moving forward goes into quite complicated territory too. Once you've gone for open freedom of speech and

democracy and elections, the Pandora's box is open. You have 135 nationalities in Myanmar, not counting the Rohingyas. You have Muslims, you have Buddhists. You have elections and votes, and you have to count your votes. Even Aung San Suu Kyi has to watch her Buddhist votes and come onside with the Rohingyas. So in that sort of situation, we wish them well. I think they have a very difficult task ahead. I think the omens are good but nothing can ever be certain.

Sir Malcolm Rifkind:

Do you think the generals are now committed to a more pluralist and more democratic Myanmar, or could it go into reverse?

Prime Minister Lee Hsien Loong:

It could go wrong. The generals know that they all [indiscernible] in work. They know they have to hold elections. They hope that in their post-general incarnation they can win them.

Sir Malcolm Rifkind:

You think they will themselves be candidates for office? Is this the assumption?

Prime Minister Lee Hsien Loong:

They were. They are.

Sir Malcolm Rifkind:

Indeed, but you think that will continue?

Prime Minister Lee Hsien Loong:

Surely, they wish to stand for re-election.

Sir Malcolm Rifkind:

Do you think there is anything that Singapore and other ASEAN countries can do to help the people of Myanmar, help the process of transition?

Prime Minister Lee Hsien Loong:

There is foreign aid, which you are generous with, and technical assistance which we give them, and exchanges. Also the gradual influence of interaction and seeing other peoples and knowing how other countries are doing things and how they stand, and where Myanmar stands with them. They stand 40 or 50 years behind because of self-inflicted tragedies and they have a lot of catching up to do.

Sir Malcolm Rifkind:

Let's turn, if we may, to Singapore itself and where it is at the moment and what its future suggests. If you were asked – which you are being asked by me at the moment – what is Singapore's USP, its unique selling point, what would you concentrate on?

Prime Minister Lee Hsien Loong:

It's a first-world system in a very complicated and non-first-world part of the world. Things work. The country is stable, the society is cohesive. People are well educated. The government is incorrupt and efficient. We deliver on what we promise and we try to head in a consistent direction over a long period of time. So if you come to Singapore and you want to do business, you can count on what we promise you and what you see is what you get, and that's not bad.

Sir Malcolm Rifkind:

You mentioned Singapore's reputation for not having corruption as a major problem, and that goes back to your father, Lee Kuan Yew, and the policies he implemented during his period as prime minister. That's a long time ago now. People often said at the time, well, that's all very well, Lee Kuan Yew is a very unusual personality – this can't survive indefinitely. Are there strains that one sees or do you think Singapore's very high reputation for having eliminated a very high degree of corruption, is that irreversible?

Prime Minister Lee Hsien Loong:

Nothing is ever irreversible but I think these values and this system is very well entrenched. The expectations from the public are there, so if something is not quite right you can be sure that somebody will sound the alarm. In this

day and age there is no possibility of something wrong being kept secret for very long. Within this system, there are mechanisms to make sure that if something is suspicious it's investigated, and if something indeed is wrong then consequences will have to follow. It doesn't mean that the system runs by itself. In the end it is still people and you must have very capable and very honest and very resolute people who will operate this system and follow through and keep it clean, even when it's politically inconvenient. That's what we tell Singaporeans. You cannot assume that whoever happens to be the minister or the prime minister, all will be well because we've got all these rules and rulebooks and laws built up. It depends on what sort of person he is and who is going to make it work.

Sir Malcolm Rifkind:

That's where you are now. What is it that made it possible? Because many countries have rules which, on the face of it, are just as good as Singapore's rules, but what Singapore has done is actually given substance to that. What was it that made it possible in the first instance and what is it that makes it still deliverable, not just as a rulebook but as rules that people observe because the whole mindset –

Prime Minister Lee Hsien Loong:

We started off with quite a good foundation because the British, as colonial masters, were the least evil of all the colonial masters.

Sir Malcolm Rifkind:

We're grateful for the compliment. I'm glad it's on the record.

Prime Minister Lee Hsien Loong:

We fought to get rid of them but you did us some favours.

Sir Malcolm Rifkind:

But prime minister, the same applied to 50 other countries in the Commonwealth, not all of whom have ended up with the success in dealing with corruption.

Prime Minister Lee Hsien Loong:

That is true. But in fact it was one of the considerations when the People's Action Party fought to win, and did win, the first elections, in 1959 – that you must win the first time, because by the second time your system may well have gone corrupt. Then we had an exceptional team of people, with a tremendous sense of purpose and resolve, who kept it clean and who built this system to maintain it. We have prevention of corruption laws, a corrupt practices investigation bureau. The track record of investigating whoever is at fault, whether it's a policeman or whether it's a minister, and punishing them.

Sir Malcolm Rifkind:

If any other country or any other prime minister or president said to you: we'd like to follow your example, what do we need to do apart from the rulebook? The rulebook we understand. What else do we need to do?

Prime Minister Lee Hsien Loong:

You can either progress slowly or you can have a revolution.

Sir Malcolm Rifkind:

But you're a city-state, a relatively small country. That does make it easier.

Prime Minister Lee Hsien Loong:

Our problem is easier. If you are a big country it's very hard. You can have a national-level government which works and then the local governments become very complicated. Fortunately, we only have one level of government.

Sir Malcolm Rifkind:

You have been prime minister since 2004 but your party has been in power for half a century.

Prime Minister Lee Hsien Loong:

Yes. We've won elections along the way.

Sir Malcolm Rifkind:

I noticed. I ask these questions with a strong sense of envy. The longest the party I belong to was able to be in power was 18 years, under Margaret Thatcher and John Major. That seemed a heck of a long time at the time. By the time we lost power in 1997, my wife said if we'd won it, she'd have asked for a recount. That was after 18 years. Is it healthy to be in power for 50 years?

Prime Minister Lee Hsien Loong:

I think there are some advantages.

Sir Malcolm Rifkind:

If you're prime minister, I can see that.

Prime Minister Lee Hsien Loong:

You don't want to be prime minister for 50 years, or even 18 years. You want a system where there is continuity and there is change within that continuity. I think for a small country, continuous change is disruptive and could be dangerous. Luckily for us, we have been able to keep the system renewed. It is not the same people who were present at the beginning in 1959 who are in charge now. We've had several changes of the guard and we move with the times, with the population. Whether we can do that, whether we can maintain that position of trust and confidence and dominance in the system over the long term, that depends on Singaporeans – and also on how well we acquit ourselves and we establish ourselves in our own right, not just as heirs to the success but creators and builders on what the previous generation has done.

Sir Malcolm Rifkind:

At your last general election, if I'm not mistaken, your opposition did much better than ever before and got some 40 per cent of the popular vote.

Prime Minister Lee Hsien Loong:

Yes, that's right.

Sir Malcolm Rifkind:

That means that in terms of voting preferences, they're not a long way away from perhaps one day overtaking you and taking power.

Prime Minister Lee Hsien Loong:

I don't think you can draw straight lines like that. In politics, things never progress in a linear fashion. In the end people will have to decide in Singapore what government they want and whom they want to run the government. The opposition in the last election didn't stand to run for government – in fact, the contrary. They made a point of saying: we are not going to run the government, please vote for me.

Sir Malcolm Rifkind:

You think that's why they got 40 per cent of the vote?

Prime Minister Lee Hsien Loong:

I think that's part of the factor.

Sir Malcolm Rifkind:

Why should Singapore be different in this sense? Being blunt about it: any opposition that says, don't worry, we don't want to run the government – either you don't believe them or there's some very odd thing going on. Why shouldn't they want to run the government?

Prime Minister Lee Hsien Loong:

The odd thing going on is that in Singapore people actually know that their government generally is doing the right thing. But they'd like somebody to be there to put a bit more chilli on the government's tail.

Sir Malcolm Rifkind:

Okay but I've mentioned that 40 per cent voted for the government, but in terms of your electoral system –

Prime Minister Lee Hsien Loong:

No, 40 per cent voted against the government. In Britain, 40 per cent voted for the government.

Sir Malcolm Rifkind:

When we're lucky. We should be so lucky. But the fact is, nevertheless, there is something that is less complimentary, compared to the point you just put to me: 40 per cent voted for the opposition, but in a parliament of 87 seats, the opposition won seven or eight seats.

Prime Minister Lee Hsien Loong:

The system is different. We have a first-past-the-post system, like you do. You mitigate that because in first-past-the-post, home counties go Tory, Scotland goes Labour. We don't have Scotland.

Sir Malcolm Rifkind:

You never know what might happen here.

Prime Minister Lee Hsien Loong:

What we do have is really smaller than London. It's uniform – we made a point of making the different constituencies representative of a national mix, so you don't have Chinese constituencies and Malay ones. So it's a very flat political landscape. If you tilt, you might suddenly have a complete change overnight.

Sir Malcolm Rifkind:

Once every 50 years is not exactly overnight.

Prime Minister Lee Hsien Loong:

Therefore, the way the parliament has to be built up and composed is different. We've evolved. We are first-past-the-post but we have topped up beyond the people who win their constituencies, with non-constituency members. So although the opposition won 6 seats, there are 9 opposition

members. We make sure there is always a minimum representation of non-government members of parliament.

Sir Malcolm Rifkind:

But a very serious point: we all know that if you have first-past-the-post, it can sometimes mean that the government has a greater proportion of seats than its share of the vote justifies. That happens in many countries that have that system. In your case, because of the growth of support for the opposition, how tenable can that be in the longer term? Because if you have an opposition, let's say, that consistently gets 35 or 40 or 45 per cent of the population but even with top-ups is restricted to about 10 per cent of the seats, is that not going to create deep-growing resentment and need some political reform?

Prime Minister Lee Hsien Loong:

There is a desire for more representation of voices in parliament. So in fact beyond the opposition-assured seats, we also have nominated members of parliament who are neither government nor opposition but represent academia, unions, professions –

Sir Malcolm Rifkind:

Not very democratic, nominated members of parliament. We have the House of Lords but that's only one chamber. That's not where the government comes from.

Prime Minister Lee Hsien Loong:

But the fact is, if you look at the way politics is played in Singapore, a lot of it doesn't happen in parliament, because the opposition in parliament has decided it's politic for them not to propound policies or alternatives. They just snipe at the government from time to time and when the election comes you have the opportunity to make a fuss and raise issues and argue again to be re-elected.

Sir Malcolm Rifkind:

Okay. Let us now move to questions.