

**SPEECH BY MR LEE HSIEN LOONG, PRIME MINISTER, AT
PARLIAMENT SITTING, 27 MAY 2009, 4:00 PM AT THE
PARLIAMENT HOUSE**

(PART 1)

- 1. We usually prorogue and reopen Parliament mid-term**
 - a. Set direction for remaining term of office of Government**
 - b. But this time far from a routine mid-term course correction**
 - c. Proroguing in the midst of global economic crisis, drastically affecting Singapore**
 - d. Impact on the world economy will last well beyond the crisis**
 - i. Major changes to markets, business climate**
 - ii. New opportunities for countries that are fast off the marks in this new world**
 - e. Have to set direction for Singapore for the next decade**

- 2. President's speech covered issues comprehensively. I will focus on two:**
 - a. Long term economic transformation**
 - b. Evolving our political system**

DECISIVE ACTION TO TACKLE CRISIS

- 3. Immediate measures taken to tackle crisis**
 - a. SPUR**
 - b. Resilience Package, containing Jobs Credit and Special Risk-Sharing Initiative as key measures**
 - c. President's approval obtained to draw on reserves**
 - d. Full debate in this House earlier in the year**

4. Despite measures, this will be a difficult year

a. Latest growth projections between -6% and -9%

b. Every country has been hit. Even large economies with big domestic markets like Germany and Japan expected to decline by -4% to -6%.

c. Obvious now that we were right to mount a decisive response in Budget, with all resources at our disposal

5. We have succeeded in moderating the rise in unemployment

a. GDP shrank sharply – 10.1% in 1Q09

b. But unemployment went up only moderately – from 2.5% to 3.2% (3.6% to 4.8% for resident labour force), much less than other countries, and much less than the reduction in GDP

6. But we are still worried about retrenchments for rest of the year

a. Output is still down

b. Employers holding on to workers for now, because of SPUR and Jobs Credit, as well as flexi-work and flexi-wage arrangements

7. Hope that our firms receive new orders soon

a. If so, their decisions to hold on to workers will pay off

b. But so far most orders coming in will see companies only till mid-year

c. Not certain demand is sustainable

8. If orders do not come, companies may have no choice but to let workers go

a. Cannot sustain short-time and work-sharing indefinitely

b. Eventually, companies have to right-size

c. Workers must redeploy into new businesses with better prospects to become fully productive again

d. Economy has to restructure and gear up for the changed new world, rather than wait in vain for old business to come back

e. Our measures to save jobs will buy us time to do this restructuring

9. Watching situation unfold

a. All economic agencies are alert and engaged

b. We have the resources and the will to do more, if we need to

RESTRUCTURING OUR ECONOMY FOR LONG TERM GROWTH

10. To overcome crisis, not enough to excel at crisis management

a. Must also strengthen ourselves and build up during normal times, so we meet problems in a strong position

b. Hence need long term strategy for growth and development

11. We have regularly reviewed and updated our longer-term policies to adapt to changing circumstances

a. Broad reviews in 1985 and 1997

b. In 2001, we formed the Economic Review Committee (ERC)

c. Many wide-ranging recommendations implemented

d. Since then have continued to make major policy changes

12. Restructured government revenues

a. Cut Corporate Tax progressively from 25% to 17%

b. Raised GST to 7%

c. Amended Constitution to put in place new framework for spending from Investment Returns to achieve better balance between saving for a rainy day and investing in our future

13. Invested in education

a. Recruited and trained more teachers

b. Strengthened and reorganised ITE into 3 new Colleges

c. Built a fifth polytechnic – Republic Polytechnic

d. Setting up Institute for Applied Science and Technology, to open more direct routes for polytechnic graduates to obtain degrees

e. Starting a new publicly-funded university, partnering MIT and a leading university in China

15. Developed new industries

f. High-tech – biomedical sciences, interactive digital media, clean technologies, R&D

g. Services – financial services, high-end tourism, HQ and control tower activities (regional production and supply chain management)

h. Companies from new geographies – China and India

14. Strengthened social safety nets

a. Created ComCare

b. Workfare Income Supplement

c. Improved CPF system

i. Raised interest on CPF accounts

ii. Introduced CPF LIFE

d. Avoided Western-style welfare, but still ensured that every Singapo-rean who makes the effort will be looked after

15. Measures have seen us through good times and bad

a. In good times

i. GDP grew strongly – 7-8% in 2005, 2006, 2007

ii. Created many skilled jobs and PMETs

iii. Incomes went up - Median resident household incomes rose from \$3,600 in 2003 to almost \$5,000 in 2008

b. In bad times

i. Our restructured economy is efficient and competitive

ii. Our accumulated resources help to fund counter-recession measures without borrowing

iii. Our reputation attracts new partners and opportunities, and helps us continue building even in downturn

16. Thus we have weathered successive crises, and steadily developed and progressed

MORE UNCERTAIN WORLD AHEAD

17. After crisis, world will not be the same

a. This is not just another cyclical downturn and recovery

b. The world economy is undergoing a structural shift

18. Developed countries will see slower growth for quite some time to come

a. Financial sector

i. Likely to have more stringent regulations

b. Businesses

i. Industries with excess capacity will now consolidate

ii. Less credit will mean less demand, less new investments

c. Governments

i. Will play larger role in their economies

ii. More interventionist and redistributive

d. Result is slower growth, less vibrant economies, but hopefully less likelihood of a repeat disaster

19. Asian economies expected to develop faster than OECD

a. China – shifting to more domestic demand to drive growth

b. India – after decisive Congress victory, hope it will push towards further economic reform

c. With rising affluence and rapid urbanisation, Asia can offer new opportunities for growth

d. Though overall not enough to offset demand drop in the developed economies

20. This major crisis and subsequent economic troubles will change attitudes in the West

a. Turn against globalisation and international trade and investment

b. e.g. mood in US is nationalistic and anti-trade

i. “Buy American” provisions in stimulus package

ii. “No foreign hire” stipulation for banks getting government funds

iii. Proposal to make American companies pay tax on foreign-earned income

(1) In announcing it, Obama vowed to make the US tax code ‘more fair’ by “finally ending the tax breaks for corporations to ship our jobs overseas”

c. Europe too seeing angry agitation against immigration and foreign workers

d. These protectionist moves will impact Singapore, since our economy depends on free flow of goods, services, capital and talent

21. Political impact from economic crisis

- a. Deep anger against those perceived to have done wrong**
 - i. AIG bonuses – overwhelming public reaction, even though most of the recipients had not been culpable and had soldiered on to try and put things right**
- b. Governments under pressure**
 - i. France – major strikes and demonstrations**
 - ii. Iceland, Hungary – governments fell after their economies faltered**
- c. Relations between countries may be affected**
 - i. Trade disputes may affect wider relationships, e.g. between US and China**
 - ii. Though so far major economies are emphasising need for cooperation**
- d. In Southeast Asia relations between ASEAN countries still good**
 - i. Though many members have domestic preoccupations**
 - ii. ASEAN cooperation has slowed down**
 - iii. More challenging to implement the ASEAN Charter and ASEAN Economic Community by 2015**

ECONOMIC STRATEGIES COMMITTEE

22. Outlook is more difficult and uncertain

23. But there are opportunities for Singapore

- a. The Asian growth story is intact and the main plot going forward**
- b. We are small and can focus on doing well in niche areas. Examples:**
 - i. Singapore has 70% world market share in the manufacture of oil-rigs, thanks to companies like Keppel and SembCorp**
 - ii. Nestle's Singapore plant produces 1/3 of company's world output of malt extract, which is used in food items like Milo**
 - iii. 9 of the top 10 law firms serving Southeast Asia are based here**

24. At the broadest level, our approach to economic development remains valid

a. Stay open to trade and global competition

b. Be present all over Asia; link up with the world

c. Upgrade our skills, build new capabilities that keep our lead

d. Encourage our people to be self-reliant and enterprising rather than dependent on state support and welfare

25. But we need to review our specific strategies to develop the different sectors

a. Relook at their potential

b. Find new ways to attract investments

c. Implement policies to keep growing faster than other developed economies and give Singaporeans good jobs

d. As President said in his Address, we need “fresh thinking and creative answers”

26. Study five key strategies

27. First, how can we seize growth opportunities?

a. If we are creative and spry, there are still ways to prosper

b. Pursue more niche opportunities in developed countries

i. e.g. manufacturing aerospace components

c. Develop new markets in emerging economies

i. e.g. win more projects in Gulf which is still investing in infrastructure

d. Make the most of Singapore’s unique strengths and experience

i. e.g. use our urban planning and development capabilities to help fast-growing cities in Asia

e. Maximise win-win cooperation with our neighbours

i. e.g. Iskandar Malaysia project in Johor

28. Second, how can we strengthen our corporate capabilities?

a. Build a diversified and resilient corporate landscape

b. Attract next tier of global companies

i. Smaller than Fortune 500, though still large by Singapore standards

ii. Investing here because they are comfortable with business environment and see this as good place to expand into Asia

iii. e.g. Germans have a strong Mittelstand sector

iv. e.g. 'Berg Propulsion', a leading Swedish manufacturer of marine propellers and thrusters

c. Be the base for Asian MNCs to internationalise

i. Can we be the global HQ for Asian companies, like Focus Media, China's leading providing of advertising platforms?

d. Nurture our own globally competitive companies

i. How to grow local companies and help them internationalise?

ii. Many MPs have spoken on this

iii. Government wants to help companies grow, is trying many ways, and is willing to do more

iv. But do not believe that this can be done by the government simply pouring money in, or creating a 'Temasek II'

v. Critical factor is not availability of money

vi. Need to build entire ecosystem - attract talent, develop entrepreneurship and professional management; invest in technology, develop distinctive brands

29. Third, how can we grow human and knowledge capital?

a. Be a leading global city to attract top talent

i. How to make Singapore an exceptional place in Asia?

ii. How to encourage talent to work and also take root here?

iii. How to encourage Singaporeans to welcome them and help them integrate into our society?

b. Review our R&D programme

i. Five years since we started programme, and time for review

ii. Major long-term investment, just starting to yield results

iii. How can we take it to the next level, and expand the economic pay-off from R&D?

30. Fourth, how can we create good, high-value jobs for Singaporeans?

a. Aim for all Singaporeans to benefit from growth – good jobs and rising incomes. How to achieve this?

b. Need to attract industries that require skilled workers and technicians, as well as professionals and managers

c. Companies need to upgrade their workforce, raise productivity and create higher value jobs

d. Singaporeans have to acquire skills which are in demand, through

i. Good education

ii. Upgrading opportunities, e.g. new university focusing on technology and design, and Singapore Institute of Applied Technology

iii. Continuing Education and Training

31. Fifth, how can we deploy our resources to maximum effect?

a. Land

i. Only 700 square kilometres

ii. Every area planned for use in our Masterplan

iii. Can reclaim, but only within our international boundary and we still have to set aside sea space for ports, anchorages and navigation lanes

iv. How to make judicious trade-offs – recover land from less productive, declining industries, for new industries bringing good jobs?

v. Can we think of creative ways to expand supply?

(1) e.g. underground space?

(2) Build upwards – with better air navigation and traffic control, can we relax height constraints where it limits our plans for high-rise development?

b. Foreign Workers

i. About one million foreign workers in Singapore now – majority are lower-skilled Work Pass holders

ii. They have helped us to grow the economy, by building our infrastructure, bolstering our workforce and filling critical gaps

iii. In this downturn, their numbers will fall, especially in manufacturing and services

iv. But demand for them will grow when economy recovers

v. Cannot do without them, but must reduce our dependence

vi. How to grow our economy without indefinitely growing our foreign worker numbers?

c. Energy

i. Conservation

(1) Energy an important utility, like water

(2) Prices not so high now

(3) But expect long term trend to be up, because of Asia's growing demand

(4) How to encourage energy conservation, so we can grow more sustainably and be less affected by high prices?

ii. Diversify for energy security

(1) How can we be less dependent on piped natural gas, which is from nearby sources? e.g. LNG terminal

(2) Do we need to develop other sources?

iii. Prepare for climate change

- (1) Global deal currently being negotiated**
- (2) Singapore must do our part in any global deal**
- (3) How can we prepare for a carbon-constrained world?**

32. Form an Economic Strategies Committee (ESC) to look into these issues

- a. Chaired by Minister Tharman Shanmugaratnam**
- b. Public and private sector participation, to tap the strengths of both, as suggested by Mr Inderjit Singh and other MPs**
- c. Broad representation to canvass spectrum of views**
- d. Develop main recommendations in time for next year's Budget**

33. Confident we can develop strategies to pursue:

- a. Global opportunities through capabilities-driven growth**
- b. Inclusive growth with best use of resources**
- c. Thus transform our economy, continue to prosper and build our first-class home**

(Part 2)

CHANGES TO ELECTORAL RULES

- 1. Maintaining growth depends on getting our politics right**
 - a. We do not possess some secret recipe for growth**
 - b. Individually we are not necessarily smarter or more hardworking than people in other countries, as Prof Koo Tsai Kee noted**

c. But as a Singapore team, we outperform many other countries

i. Trust between government and people

ii. Close tripartite partnership

iii. Strong social cohesion

iv. Working together for a better future for all sectors in our society

d. Key factor underlying our success is our politics

i. Continuity

ii. Renewal – systematic political succession

iii. Produced a long period of stable, competent government

iv. Able to develop and implement policies that work for Singapore

2. Singapore's political system follows the British model of Parliamentary democracy, but we have evolved it over time, in response to changing needs and our own circumstances

a. In 1963 when we joined Malaysia, we amended the Constitution so that an MP who resigns or is expelled from his party will lose his seat

i. This prevents MPs switching sides in Parliament

ii. Shields us from the unstable politics common in many legislatures

b. In 1984, we introduced the Non-Constituency MPs (NCMPs)

i. Ensure minimum representation of opposition in Parliament

c. In 1988, we introduced Group Representation Constituencies (GRCs)

i. Guarantee a minimum representation from minorities

ii. Thus ensure that composition of Parliament will always be multi-racial

d. In 1990, we provided for Nominated MPs (NMPs)

i. Bring alternative views and constructive dissent

e. In 1991, we created the elected President, with custodial powers over reserves and key appointments

f. In 2001, we provided for overseas voting

g. All these changes have kept our political system well adapted to our needs, and given our people easy access to the ministers and officers in government through their MPs

3. As the world changes, and Singapore society continues to evolve, so must our democratic institutions

a. We are moving beyond providing for the basic survival needs of citizens

b. We face more complex policy choices, and need more creative ideas for social and economic development

c. Singaporeans want national issues to be more fully debated, and want to participate in this discussion

4. Therefore we should improve our political system to encourage a wider range of views in Parliament, including opposition and non-government views

a. Some of the changes to our system over the years have been for this purpose, in particular the NCMP and NMP schemes

b. We should do more

c. Many benefits

i. Generate more robust debate

ii. Improve policy formulation

iii. Expose PAP MPs to the cut and thrust of the debate

iv. Demonstrate what the opposition can and cannot do

d. Most importantly, changes will keep Parliament in synch with the concerns and aspirations of Singaporeans, and strengthen its role as the key democratic institution where important national issues are deliberated and decided

5. But make changes carefully

a. Goal is to improve on a system that is already working well but can be further improved

b. Must not jettison lessons that we have learnt at great cost, as to what really works in Singapore

c. Or create a system that produces weak governments, just to placate those desiring a stronger opposition in Parliament

i. Singapore must have a strong and capable government, with a clear mandate from the people and the ability to act decisively to protect and advance our interests

ii. We cannot afford a government that is ineffective, indecisive, or paralysed by internal disagreements

d. We seek a system that works well for Singaporeans, and delivers good governance and competent leadership

e. Not a system which sounds good in theory, but is unsuited to our conditions and unworkable in practice

f. This is what sets us apart from many other countries

6. Our political system is based on the first-past-the-post principle

a. We have kept this basic principle, despite modifications and refinements

b. It tends to produce decisive majorities, which enables the winning party to govern effectively

7. Alternative is proportional representation (PR)

a. This would certainly increase representation of alternate views and opposition parties in Parliament

b. But PR systems tend to produce weak governments, based on shifting coalitions of different parties

i. Israel is the most extreme example of PR. Its politics is characterised by weak coalition governments, with small extremist parties wielding a disproportionate influence

c. In Singapore's specific context of a multi-racial, multi-religious society in dynamic, unpredictable environment, PR would ruin us

i. Singapore needs strong national leadership, and cannot afford to have a system which produces weak, coalition governments

ii. PR would encourage political parties to form based on race or religion, or even cause-related issues, and to push stridently for the narrow interests of their group, at the expense of other groups

(1) This would polarise and divide our society

d. Even a hybrid PR system proposed by Mr Siew Kum Hoong would still have the same tendency

i. e.g. New Zealand, which changed from a first-past-the-post system to a hybrid PR system, now regularly has coalition governments

ii. In the previous New Zealand government, the coalition was so diverse that to balance the wide range of incompatible views in the coalition, the PM Helen Clark had to appoint two ministers from her coalition partners as Ministers outside Cabinet, bound by collective responsibility only on the matters in their portfolios

e. Hence we have always rejected proportional representation as being unsuitable for Singapore

8. So best to refine our present first-past-the-post system further, to fit the changing needs of society

a. Propose further changes in three areas – NCMPs, NMPs and GRCs/SMCs

INCREASE NUMBER OF NCMPs

9. NCMP scheme introduced in 1984

a. Currently, Constitution provides for up to 6 NCMPs

b. Parliamentary Elections (PE) Act prescribes minimum of 3 opposition members in Parliament, although President can specify a higher number, up to 6, before Nomination Day

c. So if fewer than 3 opposition candidates are returned as elected MPs, the losing opposition candidates who poll the highest percentage of votes will be declared NCMPs to bring the total to 3

10. History of NCMP scheme

a. In 1984, one NCMP seat was offered to Mr M P D Nair of the Workers' Party in Jalan Kayu constituency

i. The Workers' Party rejected seat on his behalf

- b. In 1988, Dr Lee Siew Choh of WP occupied the NCMP seat**
- c. Followed by Mr JB Jeyaretnam of WP in 1991 (despite insisting in 1984 that he would never accept a non-constituency seat)**
- d. Then Mr Steve Chia of SDA in 2001**
- e. Most recently Ms Sylvia Lim of WP in 2006**

11. NCMPs have made their contribution to the national debate

- a. Expressed opposition views in Parliament**
- b. Let Singaporeans compare policies and programmes of the Government and opposition**
- c. And evaluate the performances of parties and MPs through the continuing debates in Parliament, not just during the short period of a GE**

12. NCMP scheme has achieved its purpose and become accepted by the public

- a. However, given that there are 84 elected MPs, instead of a minimum of just 3 opposition MPs, we should increase this to a minimum of 9 opposition MPs (including NCMPs), equal to the number of NMPs**

13. We will amend the Constitution to change the current maximum number of NCMPs that Parliament can legislate from 6 to 9

- a. We will also amend the PE Act to increase the minimum number of opposition MPs plus NCMPs in Parliament to 9**
- b. The actual number of NCMPs will thus be 9 minus the number of opposition MPs directly elected to Parliament**
- c. There will therefore be no need for the President to specify a number before Nomination Day**

14. Hence whatever the election outcome, opposition members, directly elected and NCMPs, will form at least one-tenth of the directly elected members of Parliament with constituencies (presently 84)

15. Also propose to amend PE Act to set a cap of 2 NCMPs to come from any one GRC

a. This will spread out the NCMPs more evenly

b. Make them more representative of those who have voted for the opposition nationwide in a general election

c. Also clearly distinguish between winning and losing teams in a GRC

d. Should not have an outcome where the entire losing team enters Parliament as NCMPs, and enjoys almost equal status as the winners

16. e.g. if we had done this before the 2006 GE, outcome would have been (Slide):

a. 2 opposition MPs elected (Mr Chiam See Tong and Mr Low Thia Khiang)

b. 7 more would have come in as NCMPs

i. 2 from Aljunied GRC (WP, Ms Sylvia Lim + 1)

ii. 1 from Chua Chu Kang (SDA, Mr Steve Chia)

iii. 2 from East Coast GRC (WP)

iv. 1 from Joo Chiat (WP, Dr Tan Bin Seng)

v. 1 from Nee Soon Central (WP, Mr Lian Chin Way)

IMPROVE NMP SCHEME

17. NMP scheme started in 1990

a. Constitution initially provided for up to 6 NMPs

b. Amended in 1997 to provide for up to 9 NMPs

18. Scheme has worked well

a. NMPs represent non-partisan, alternative views in Parliament

b. NMPs have made effective contributions and raised the quality of debate in Parliament

19. The NMP scheme should be a permanent part of our political system

a. However, presently each Parliament is required to pass a motion resolving that there shall be NMPs for that term of Parliament

b. This was a safeguard introduced when the NMP scheme was new, because we could not be certain how the scheme would work

c. After 20 years, this is no longer an issue

d. We will do away with the motion on the NMP scheme in each Parliament, so we will always automatically have NMPs in Parliament, as Dr Loo Choon Yong suggested

e. This will also require amending the Constitution

20. Also propose to fine-tune scheme to broaden representation of various interest groups

a. NMPs are chosen by a Special Select Committee of Parliament

b. Committee formally invites nominations from six groups: business and industry, the professions, labour movement, social and community organisations, media, arts and sports, and tertiary education institutions

c. Should broaden reach to invite nominations from one additional group: the people sector

i. Could be those in environmental movement, young activists, new citizens, and community and grassroots leaders

d. This will give civil society a voice in Parliament and encourage civil society to grow and mature further

SMALLER GRCS/MORE SMCS

21. Present electoral system to have most MPs elected in GRCs, with a limited number of SMCs, is sound

a. GRCs

i. Ensure multi-racial representation in Parliament

ii. Encourage political parties to appeal to all races with moderate policies, and not to one race or other with chauvinist, extremist policies

iii. Put a premium on parties which can field credible teams, and so demonstrate that they are fit not just to become MPs but to form the government

b. SMCs

i. Always have some number of SMCs to keep entry barriers low

ii. Give adequate opportunity for smaller parties and independent candidates to contest

22. GRCs should continue to be main basis of our Parliamentary system

a. But should refine size and number of GRCs and SMCs

23. Rules specified under the Constitution and the PE Act

a. GRCs can have between 3 and 6 MPs

b. There must be a minimum of 8 SMCs

24. In practice, currently

a. There are nine GRCs with 5 members, and five 6-member GRCs

b. There are 9 SMCs

25. We should fine-tune the implementation of the GRC and SMC scheme, in the light of our experience

a. No need to amend Constitution or the PE Act

i. These specify the basic framework for the scheme

ii. Within these limits, the Electoral Boundaries Review Committee (EBRC) has flexibility to work out specific sizes and configurations of constituencies to match the population distribution

b. Can effect the refinements by making them explicit in the Terms of Reference to the EBRC, when I appoint the committee

26. There are advantages to having bigger rather than smaller GRCs

a. They enable stronger, multi-racial teams, including MPs with different backgrounds and skills, to serve voters more comprehensively

i. e.g. pooling resources to provide economies of scale to run Town Councils more efficiently

b. They require any challenger also to field a strong team and offer a serious alternative

c. So they encourage responsible and credible political parties to emerge

27. However, also some downsides to bigger GRCs

a. Harder for voters to identify with whole GRC or whole team of MPs

b. Each MP has to look after his own ward, hence not easy for him or her to get to know voters in all the other wards

28. In the light of our experience, concluded that on balance smaller (less than 6-member) GRCs have the edge over large (6-member) GRCs

a. Hence we should have more smaller GRCs, and fewer 6-member ones

b. Should not rule out 6-member GRCs entirely, as sometimes the configuration of constituencies makes this the most practical option

29. When the EBRC is next appointed, its Terms of Reference will state that it should create GRCs such that:

a. There will be fewer 6-member GRCs

b. The average size of GRCs will be smaller

i. The present average is 5.4

ii. The new average should not exceed 5

c. This guidance will achieve our objective of having smaller GRCs, while giving the Committee the flexibility to do its work properly

30. SMCs – useful to maintain a limited number of SMCs

- a. However, over the years the number of voters has increased**
- b. The number of elected MPs has also gradually increased, and may rise further as voter numbers increase**
- c. We should increase the number of SMCs to keep pace with the increase of elected MPs**
- d. At present there are 9 SMCs**
- e. The Terms of Reference of the EBRC will state that it should create at least 12 SMCs**

31. Changes to smaller GRCs and more SMCs may or may not result in more seats being contested or more opposition MPs elected

- a. That is not their purpose**
- b. Ultimately, it is up to opposition parties to field candidates to contest elections, and up to voters to decide who they want to represent them in Parliament**
- c. Purpose of changes is to make the GRC scheme work better, to strengthen the link between voters and their MPs**
- d. Voters have a strong incentive to vote for candidates who will do the best job of looking after their estates, representing them in Parliament, and forming a government to run the country**
- e. MPs have a strong incentive to do their best in these three responsibilities, and will work hard to serve their voters well, individually and as GRC teams, and so win their support**

CONCLUSION

32. Overall, changes to NCMP, NMP and GRC/SMC schemes will result in a more balanced system

- a. With at least 12 SMCs, fewer 6-member GRCs and a range of smaller GRCs**
- b. Each Parliament will have at least 9 opposition members and 9 NMPs**

- c. So there will be at least 18 MPs who are not from ruling party
- d. This is about one-fifth of the House

33. The change in the composition of Parliament will affect the dynamics in the House between the government and the opposition parties

- a. MPs on both sides will have to learn how to operate in this environment
- b. Government MPs have to become sharper at defending their positions, accepting constructive criticisms, and scoring points off the opposition
- c. Opposition MPs and NCMPs will surely want to score points too, but must also understand that while they may be in the opposition, they must uphold the political system and our institutions, and their loyalty must be to Singapore

34. Changes are not to entrench one party, nor to deliberately result in weakened governments

- a. They update our political system so that it reflects better the aspirations of Singaporeans
- b. They provide adequate voice for diverse views in Parliament, including non-partisan views and views of those who voted for the opposition
- c. But ensure that the government which is elected has a clear mandate to govern in the interests of Singapore
- d. So our political system will continue to serve Singapore well, now and into the future

35. Making these changes now, mid-term, not because I am about to call elections

- a. But so that we can discuss and settle this in a calm atmosphere, and make the changes in ample time before the next elections
- b. These changes are not just for the 2011 GE, but also for the long term strength and stability of our system

36. Finally, whatever political system we have, it will only work well if the electorate votes wisely

- a. In full knowledge that if they vote for frivolous or fickle reasons, it will mean a setback to our economy and our future**
- b. Else we will not have honest leaders to run the system and govern the country**
- c. Voters have to see the parties and candidates for who they are, and make decisions in line with their true interests**
- d. If the PAP is serving them well, then they should vote for the PAP**
- e. If it is letting them down, then they should vote against it**
- f. That way, we make sure we always have the best team to serve Singa-pore well**

37. To do that, we also need good leaders

- a. No system works by itself**
- b. Honest, able and committed men and women must come forward to contest elections and serve Singapore**
- c. Make sure that system works properly, and when it needs improving make changes to address the problems**
- d. I have a good team in place now**
- e. But my most critical job is to find and nurture such men and women to be the next generation of leaders**
- f. Only then can we secure our future and improve our lives and the lives of our children**