Tharman's Presidency Bid: A cautious PAP backs a heavyweight candidate for the upcoming election

June 9, 2023

Singapore's Senior Minister Tharman Shanmugaratnam announced his Presidency bid on Thursday (June 8), setting the stage for a likely victory at the Presidential Election (PE) expected to take place in August or early September. The establishment is clearly viewing the PE as a high-stakes contest, opting to endorse Mr. Tharman even as others were considered – notably incumbent president Halimah Yacob and Temasek chairman Lim Boon Heng. Mr. Tharman is among only a handful of People's Action Party (PAP)-linked candidates that can hold sway over even the most ardent of anti-establishment supporters.

While the role of President is ostensibly non-partisan, his bid reflects the PAP leadership's uncertainty about the fourth-generation (4G) leadership team's ability to navigate the international and domestic policy environment without the stewardship of the old guard. Regardless, the government will aim to leverage Mr. Tharman's popularity to boost the party's prospects ahead of the next general election, due by November 2025 but widely expected to be called earlier.

Mr. Tharman's stature greatly raises the prospect of a second, successive walkover at the PE. Potential alternative candidates are re-evaluating their chances against what is undeniably a formidable PAP-backed candidate. While not entirely within even the PAP's control, a walkover will stoke accusations that the PAP prevented a meaningful contest by unexpectedly backing the hugely popular Mr. Tharman for the presidency.

At the same time, the decision to back Mr. Tharman – who had previously been ruled out by the PAP for the PM position on the basis that Singaporeans are not ready for a non-Chinese PM – is a calculated move that will undeniably have mixed results. While the establishment may see it as an opportunity to quell frequent calls for Mr. Tharman to be elevated to PM amid the leadership transition, others will be disappointed with the perceived sidelining of a veteran statesman with a strong international following to a ceremonial position with no executive powers.

If PE 2023 goes to the polls and Mr. Tharman is able to win the popular vote in an open contest, the premise of the reserved presidency for minority candidates — introduced in the last PE — will be questioned. Any attempt by the establishment to claim progressive bona fides by backing a minority-race candidate is outweighed by Mr. Tharman's political brand, which rests far more on his intellectual chops than race. There will also be lingering unhappiness over why President Halimah, a former Speaker of Parliament, was not encouraged to seek a second term in an open election – a move that some will argue could be the true marker of Singapore's ability to look past race and gender in the political sphere.

More broadly, the latest announcement also has implications for the PAP's ongoing leadership transition and strategy for the next general election, beginning with an upcoming Cabinet reshuffle. Mr. Tharman's departure from the Cabinet in July opens up room for the 4G leaders to take on expanded appointments, perhaps earlier than expected. It also presents PM-designate Lawrence Wong more space to shape the composition of his leadership team. Party sources have recently indicated that the planned handover from PM Lee Hsien Loong to Deputy Prime Minister (DPM) Lawrence Wong is increasingly likely to take place before the next general election.

There will also be movements in Mr. Tharman's Jurong GRC stronghold, which the opposition – particularly the Progress Singapore Party – is eyeing. One possibility is for National Development Minister Desmond Lee in neighboring West Coast GRC to return to Jurong, where he previously served two terms, given that West Coast is currently helmed by two ministers.

If elected, Mr. Tharman would be able to lend his voice to address polarizing or controversial developments as a respected intellectual and social progressive. Given the depth of his economic and financial expertise, he would also be seen as a President who commands the authority to make independent decisions on the use of fiscal reserves, which will further enable the PAP government to withstand scrutiny from the opposition on fiscal matters. While he may occasionally stray from the establishment line by advocating for social changes or throwing his weight behind overlooked causes, Mr. Tharman is unlikely to contradict the government on fundamental policy ideologies like fiscal conservatism.

The window for the Presidential Election officially opens next week, after which more potential candidates may throw their hat into the ring. In the weeks that follow, the answer as to whether the 2023 PE will be contested, or contentious, will then become clearer.

Confidential - This report is intended for clients and close contacts of the firm, and is not attributable.