Ask: NUS Economists

A more equal voting system needed in greying Singapore

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Can economic theory shed light on how we can improve our voting system?

As Winston Churchill once put it, democracy is the worst form of government, except for all the others. Singapore’s voting system is far from perfect and can be improved. This was highlighted by President Tony Tan in his opening address to the Republic’s 13th Parliament earlier this year, and efforts to review one aspect of Singapore’s electoral system — the elected presidency — are ongoing. But looking ahead, what is perhaps more important than fine-tuning the elected presidency is to have a voting system that in a fast-greying population, as this ageing phenomenon comes with significant political implications.

Economic theory can help put things into perspective. The median voter theorem predicts that under a majority rule voting system, the policy outcome preferred by the median voter, or “middle” voter in the electorate, will always prevail. The intuition behind the theorem is that an inclusive politician who looks after the needs of more than 50 per cent of the voters will win in an election against another who appeals to a narrower segment. Reassuringly, this implies that whatever the flaws of majority voting may be, it promotes the middle way and discourages extremism in politics.

Is this what happens in practice? Strictly speaking, no. In our electoral system, the median voter is not the median citizen. Today, Singaporeans under 21 years old have no voting rights. This could generate systematic discrimination against the younger population, if policy preferences differ across age groups. And this seems to be the case: A survey conducted by researcher Bridgett Welsh during the 2011 General Election showed that elderly voters (aged 70 years and above) and younger voters (aged 21 to 26 years) diverge on the importance of issues such as healthcare and job competition.

In fact, youth disenchantment is a growing problem around the world. The governments of many ageing countries today find themselves grappling with a perplexing intergenerational divide in their societies. As the growing older population commands more political clout, the youth are increasingly frustrated by their inability to influence policies. In the United Kingdom, British voters were heavily split on the recent European Union membership referendum based on age, with youth preferring to remain in the EU while the older voters were more inclined to leave.

Closer to home, the 2014 protests for democracy in Hong Kong were also said to have exposed a profound generational divide in the city. While young students, dissatisfied by rising housing costs, pushed for more political voice, many in the older generation who were able to cash in on real estate regarded the youth as ignorant, for pursuing political ideals at the expense of economic stability.

In Japan, too, as Prime Minister Lee Hsien Loong discussed in a Facebook post in 2014, the young and elderly are embroiled in a generational conflict whereby the young are unhappy to pay for social spending on the elderly, while the elderly see the young as selfish and ungrateful.

What makes a future intergenerational conflict particularly worrisome for Singapore is the speed at which our society is ageing. According to population.sg, Singapore will become an aged society (defined as one which has 14 per cent or more of its population aged 65 and above) in 2033. If the projection is correct, it would have taken Singapore only 19 years to double the proportion of our population aged 65 and above from 7 per cent to 14 per cent, a change which took France 115 years to realise.

By 2030, the proportion of Singapore citizens aged 65 and above will constitute more than a quarter of the population. There will be only 2.1 working-age citizens for each elderly citizen, a drastic decline from the dependency ratio of 8.4 in 2000. As the median voter ages, political parties may be incentivised to pander to the elderly at the expense of the young. How can we address the problem? One solution is to lower the voting age. But there is a limit to how low the minimum voting age can go — studies have shown that human brains are fully developed at 28 and it is unrealistic to expect very young children to vote rationally.

An alternative approach, first proposed by French demographer Paul Demeny, is to give parents proxy votes on behalf of their children. The central tenet of this argument is that parents care about their children, and will use their proxy votes in the interest of their children.

A 2009 study by Dr Reiko Aoki and Dr Rheha Vaitliahant, two economists from Kyushu University and University of Auckland respectively, has shown that Demeny voting is a potential solution to bring more balance to the voting system and even support higher fertility in Japan.

The basic idea of Demeny voting should not be unfamiliar to Singaporeans. In 1994, Mr Lee Kuan Yew suggested giving two votes to citizens aged 35 to 60, married with children. At the time, his suggestion was not well-received as it was seen to violate the principle of one-person-one-vote. This is not an issue under Demeny voting, in which the parent will act only as a custodian for the proxy vote. More research is required with regard to whether the idea would be suitable for Singapore. Demeny voting or not, it is a good time for us to think about our top-sider structure before it becomes too late.

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