VIRTUOUS CYCLES:
THE SINGAPORE PUBLIC SERVICE AND NATIONAL DEVELOPMENT

Dr N. C. Saxena

Spine: VIRTUOUS CYCLES: THE SINGAPORE PUBLIC SERVICE AND NATIONAL DEVELOPMENT — Dr N. C. Saxena

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MINISTRY OF FOREIGN AFFAIRS SINGAPORE

UNDP

Virtuous Cycles: The Singapore Public Service and National Development distills insights and derives lessons from Singapore's development that could be applied in different contexts. What are crucial and indispensable for success are committed and competent political leadership and bold national policies; strong institutions and an effective and clean bureaucracy; and most important, making people the centre of development and reform processes. This book is a must-read for political leaders, policymakers, and students of public policy.

Noeleen Heyzer, Under-Secretary-General of the United Nations and Executive Secretary of the Economic and Social Commission for Asia and the Pacific

Singapore's public service excellence and its multiplier effect on development are internationally recognised and acknowledged. This book analyses the features of Singapore's remarkable development achievements, amongst the most critical being a visionary leadership with a strong commitment to a 'developmentalist' agenda; a competent, efficient, clean civil service; and governance innovations coupled with bold policy reforms. It examines the policies, institutions, and systems behind Singapore's success in creating a public service that delivers high quality services such as housing, education and healthcare for its population, is resilient to crises, and is a key driver for economic growth and long term development. In this it provides valuable lessons to development practitioners, which go well beyond Singapore's unique development context. And it comes at a very opportune time, when the international community is searching for ways to improve governance and service delivery, and is looking for best practices in accelerating progress towards achieving the Millennium Development Goals by 2015.

Ajay Chhibber, UN Assistant Secretary-General, UNDP Assistant Administrator and Director for Asia and the Pacific

Political will and public service capabilities were the pillars that created the virtuous cycles for sustainable socio-economic development in Singapore. This book describes the public policies and institutions that translated Singapore's developmental vision into reality. Dr Saxena outlines principles and practices that would be invaluable for any country seeking to create such virtuous cycles of continuous national development.

Prof. Neo Boon-Siong, Nanyang Business School, Nanyang Technological University, Singapore, and lead author of *Dynamic Governance: Embedding Culture, Capabilities and Change in Singapore*

This UNDP commissioned book by Dr Saxena on Singapore demonstrates a strong, nay, indisputable, correlation between the choices that leaders make and the outcomes that their people get. Mindful of the uniqueness of each environment, the author offers a GPS that various countries might recalibrate and re-set to successfully navigate development's unchartered paths.

Prof. M J Balogun, Founding editor of the African Journal of Public Administration and Management, former Senior Adviser, UN Department of Economic and Social Affairs and author of *Headhunting for World Peace*

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FOREWORD

Good governance is one of the key challenges of our times – for both developing and developed countries. In a highly globalised world, governments are faced with increasingly complex and cross-cutting issues, such as economic volatility, adverse demographic trends and climate change. With a more educated and vocal citizenry, savvy in the use of social media, public servants are finding themselves under ever keener public scrutiny.

Against this backdrop, the provision of public services and infrastructure has taken on new dimensions. It is no longer sufficient for governments to formulate and implement policies in silos – the problems that face the public sector today require effective engagement of citizens, as well as an integrated and adaptable public service that is able to anticipate and rapidly respond to changes in the global environment. In this context, this book on Singapore's public service governance experience, commissioned by the United Nations Development Programme and jointly supported by the Civil Service College and the Ministry of Foreign Affairs, is timely.

Singapore has had a long history of cooperation with the UNDP. During the early years of our development, when we were confronted with pressing problems such as economic survival, inadequate infrastructure and poor social amenities, the UNDP provided Singapore with invaluable technical assistance. The sharing of developmental knowledge and expertise played a vital role in the development of fundamental national policies which have transformed Singapore from a small, struggling third world country with no natural resources, to a modern city-state.

Having benefited from technical assistance in our earlier years, Singapore has been sharing our developmental experience with friends from around the world since the 1960s. The establishment of the Singapore Cooperation Programme in 1992, to contribute to human resource capacity building and South-South development cooperation in a more coordinated manner, is testament to Singapore's commitment to this objective. With the publication of this book, together with UNDP, Singapore has indeed come full circle.

The Singapore Public Service has had, and will continue to have, its fair share of challenges. Some of the issues that we grapple with are not entirely dissimilar to those faced by other countries. We do not presume to have all the answers, but we hope that this book will be a meaningful contribution to the global conversation on how the public service can best serve the people.

Peter Ong
Head, Civil Service
Singapore

PREFACE

Singapore's exemplary public service cadre is regarded as one of the most disciplined bureaucracies in the world, because of its efficiency, low levels of corruption and a high standard of accountability to the government and the political leadership of the country. Its contribution since independence to the success of Singapore is widely recognised. This is particularly noteworthy because the economic success of Singapore has been and continues to be strongly driven by a government that is heavily involved in a number of key sectors, such as housing, education, and industrial policy.

"Virtuous Cycles: The Singapore Public Service and National Development" both addresses the issues which make Singapore's public service effective and seeks to explain why. What were and are the policy choices that Singapore made and continues to make, the institutional arrangements and incentives it has put in place, and the investment decisions that have allowed Singapore to become an island of excellence in the area of the management and delivery of public services? How has it created an enabling environment that empowers public service institutions to cope with and manage change? How has the capacity of the civil service been developed and enhanced to keep it at the cutting edge? And finally, and perhaps most importantly from the perspective of UNDP, what are the replicable lessons that developing and developed countries alike can learn from Singapore? This book also seeks to analyse how Singapore's government institutions have coped with change in the context of fast accelerating globalisation. This should enable an understanding of how Singapore's policies, institutions and incentives can be adapted to different country contexts. The book also elaborates on some of the challenges facing the Singapore Public Service going forward.

More specifically, the book examines the capacity development policies and interventions that Singapore put in place with respect to its public service institutions and the civil service, drawing lessons for both developing as well as developed countries. Based on a large number of interviews with academics, government officials (working in Ministries as well as Statutory Boards) and a review of secondary literature, this book highlights the lessons and best practices on governance and service delivery from Singapore's public service experience, and analyses the links and positive multipliers between

the quality of the country's public service and its national development, a subject which has generally remained relatively under-explored both analytically and in the public policy research literature. The Singapore experience suggests that there have been virtuous cycles between the public service and national development in multiple realms and this positive dynamic is likely to continue in the future if the challenges identified in the book are swiftly and effectively dealt with.

The experience of Singapore also reveals that political history, geographic location, party politics, macroeconomic considerations, adaptability of the civil service, and farsightedness of political leaders are critical factors in determining outcomes, the type of change, and the scope of reform initiatives. Countries concerned with improving governance would certainly benefit from closely studying the lessons from Singapore's public service experience. Provided there is political will, many of these reforms can be replicated in other developing and developed countries, even though their political and social context may be different. However, while other countries can learn from the Singapore experience, both the specific content and sequence of reforms will have to be determined by each country separately, taking into account its political, economic and social context and relative strengths and weaknesses.

The book is the result of a joint collaboration between UNDP's Country Office for Malaysia, Singapore and Brunei Darussalam and the Government of Singapore. It has also benefited from the support of the UNDP Bureau for Development Policy's Capacity Development Group at the UNDP Asia Pacific Regional Centre (APRC) in Bangkok, and the Special Unit for South-South Cooperation located in UNDP New York. Within the Government of Singapore, I would like to especially acknowledge the support of and thank the Civil Service College (CSC) and the Public Service Division (PSD) in the Prime Minister's Office, as well as the Singapore Cooperation Programme (SCP) in the Ministry of Foreign Affairs. I would also like to take this opportunity to especially thank the author Dr N. C. Saxena for this important contribution as well as the many other partners who collaborated with UNDP and the Government of Singapore on this important initiative. I am confident that the lessons learnt from Singapore's public service story

over the last four-and-a-half decades will be of enormous value and provide useful guidance and ideas for both policy design and implementation to policymakers and development practitioners around the world, including in Singapore itself.

Kamal Malhotra
Resident Representative
Malaysia, Singapore and Brunei Darussalam
United Nations Development Programme

ACKNOWLEDGEMENTS

ABBREVIATIONS

AAs	Autonomous Agencies
ACA	Anti-Corruption Agency
ACB	Anti-Corruption Branch
ADB	Asian Development Bank
AOs	Administrative Officers
CEP	Currently Estimated Potential
CPF	Central Provident Fund
CPIB	Corrupt Practices Investigation Bureau
CSC	Civil Service College
DSTA	Defence Science and Technology Agency
EDPA	Executive Diploma in Public Administration
EPTA	Expanded Programme of Technical Assistance
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GLCs	Government-linked companies
GNP	Gross National Product
HDB	Housing Development Board
HRM	Human Resource Management
ICT	Information & Communication Technology
IDA	Infocomm Development Authority
ILO	International Labour Organization
IMCs	Inter-Ministerial Committees
IPS	Institute of Policy Development
IT	Information technology

ITU	International Telecommunication Union
LKYSPP	Lee Kuan Yew School of Public Policy
LTA	Land Transport Authority
MCP	Malaya Communist Party
MICA	Ministry of Information, Communications and the Arts
MINDEF	Ministry of Defence
MNCs	Multinational Corporations
MOF	Ministry of Finance
MOH	Ministry of Health
MOM	Ministry of Manpower
MVC	Monthly Variable Component
NCP	National Computerisation Plan
NII	National Information Infrastructure
NPM	New Public Management
NPVP	Non-Pensionable Variable Payment
NUS	National University of Singapore
PA	People's Association
PAP	People's Action Party
PCA	Prevention of Corruption Act
PERC	Political and Economic Risk Consultancy
PMO	Prime Minister's Office
PPBS	Programme and Performance Budgeting System
PS21	Public Service 21
PSC	Public Service Commission
PSD	Public Service Division

PSWs	Policy Study Workgroups
RAS	Inland Revenue Authority of Singapore
REACH	Reaching Everyone for Active Citizenry
SARS	Severe Acute Respiratory Syndrome
SCP	Singapore Cooperation Programme
SCS	Singapore Civil Service
SIU	Service Improvement Unit
TCTP	Third Country Training Programme
THL	Temasek Holdings Ltd
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations International Development Organization
UNPAN	United Nations Public Administration Network
URA	Urban Redevelopment Authority
WBS	Workfare Bonus Scheme
WDR	World Development Report
WHO	World Health Organization
WIS	Workfare Income Supplement
WITs	Work Improvement Teams
WPOL	Work Permit Online Service

CONTENTS

INTRODUCTION

Modern Singapore, home to 4.3 million people, is a model of efficiency. It is envied for its prosperity, cleanliness, social order, great shopping, and world-class dining. Asia's Mr Clean is the kind of place anyone would want to live in - in other words, a home to the world ... Rules are predictable, and government officials are helpful, if somewhat officious. Simply stated, Singapore works.[1]

By all accounts, Singapore is a remarkable success story in the history of national governance. With one of the highest GDP per capita levels in the world today,[2] Singapore's highly globalised economy was ranked by the World Bank in 2009 as number one out of 183 economies in terms of ease of doing business.[3] Singapore was placed first for the efficiency of its goods and labour markets and second for its financial market sophistication. Singapore also has world-class infrastructure (ranked 4th),[4] leading the world in the quality of its roads, ports, and air transport facilities. BERI's 2007 Global Labour Force study rated Singapore as having the best workforce;[5] 75.8 per cent of the workforce has secondary education or higher. The quality of the education system in Singapore has received high marks, with Singaporean 4th graders ranking 1st on science and 2nd on mathematics in the international TIMSS assessment of education systems. Students at secondary level achieved similarly high rankings.

In terms of social amenities, Singapore's unique public housing system, which accommodates over 80 per cent of its population, is world-renowned, and won recognition from the United Nations Public Service Award in 2008 for its Home Ownership Programme among many other accolades. Singapore also enjoys one of the most successful healthcare systems in the world, in terms of both efficiency in financing and achievement in community health. The annual health expenditure for Singapore is less than half that of many first world countries, even though its citizens enjoy comparable healthy life expectancies, low infant mortality rates and good service levels for most

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1   Quah, 2010, p.2.

2   US$36,537 according to the World Bank in 2009.

3   World Bank 2009 – compared to Hong Kong (4th), Japan (15th) and China (89th).

4   Ibid.

5   Porter et al., 2009.

forms of healthcare treatment, including public health. The World Health Organization ranked Singapore 6th out of 191 countries on overall health system performance in 2000; PERC ranked Singapore 3rd best in the world for overall healthcare and the country best prepared to deal with a major medical crisis in Asia. Its healthcare infrastructure was ranked 3rd out of 55 countries by the World Competitiveness Yearbook in 2007.

The tremendous social progress and economic success of Singapore over its four decades since Independence has been strongly driven by a government which was heavily involved in every area of national development, operating through effective and highly competent public institutions which are deemed to be among the least corrupt in the world.[6]

Today, the Singapore Public Service is widely regarded as one of the most disciplined bureaucracies in the world, with a high standard of efficiency and accountability. It is also considered to be a key contributor to the success of Singapore since independence. According to the World Economic Forum's "Global Competitiveness Report 2009-10", Singapore's public institutions ranked as the best in the world;[7] at a time when confidence in governments in many countries has diminished, Singapore's public service has grown from strength to strength. The effectiveness of Singapore's Government has also been confirmed by Singapore's consistently high ranking by the World Bank,[8] which defines government effectiveness as "the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government's commitment to policies".[9]

This book addresses what makes Singapore's Government effective and why. What are the policy choices that Singapore has made, the institutional arrangements it has put in place, and the key policy decisions that have

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6   Singapore ranks 4th in control of corruption, only behind Denmark, Finland and New Zealand in 2007 (Bernardo 2008).

7   Out of 133 countries studied. Accessed at http://www.weforum.org/documents/gcr0809/index. html. Singapore was consistently ranked first for the competence of its public officials from 1999 to 2003 by *The Global Competitiveness Report*.

8   According to the World Bank (2009), government effectiveness in Singapore was very high from 1996 to 2008 and ranged from 98.1-percentile rank in 2002 to 100 percentile rank in 1998, 2000, 2007, and 2008. From: *Doing Business 2010 Singapore*, The International Bank for Reconstruction and Development/ The World Bank, 2009.

9   Kaufmann et al., 2004.

allowed Singapore to be an island of excellence in the area of public sector management and public service delivery? How has it created an enabling environment that empowers public service institutions to cope with and manage change? How has the capacity of the civil service been continuously developed to stay at the cutting edge? And finally, what are the lessons that other countries can learn from Singapore?

This book seeks to examine the fundamental challenges governments must confront; how public sector institutions may go about approaching these challenges, what principles for governance have proven to be effective, and how they may be successfully applied in a range of different contexts. In this sense, the book tries to reconcile the stereotypical image of government institutions as slow, bureaucratic and rigid, with the dynamic example of Singapore's public service, with its energetic, entrepreneurial and effective solutions to significant national challenges.

Based on a large number of interviews with academics and government officials (working in Ministries as well as Statutory Boards) and a review of secondary literature, this book highlights the lessons and best practices on governance and service delivery from Singapore's public service experience, and analyses the connection between the quality of civil service and national development, a subject which has not been sufficiently examined. The experience of Singapore reveals that political history, geographic location, party politics, macroeconomic considerations, adaptability of the civil service, and farsightedness of leaders are critical factors in determining the outcomes, nature of change, and extent of reform initiatives. Other countries interested in improving governance could certainly benefit from studying the success of reforms in Singapore, as – given political will – many of these approaches are highly replicable in other countries, including even those with a different sociopolitical context, if reform measures are taken in the right spirit and proper sequence.

The literature identifies three factors as the key reasons for the "Singapore miracle": visionary and development minded national leadership; a coalition of capable, credible and coordinating national institutions; and an efficient, motivated and honest civil service. This book touches upon all three factors, but focuses on the third one, especially the organisation, management and evolution of the civil service.

The chapters in this book will document how the capacities of the public service and public institutions of Singapore were conceived, structured and continuously developed. They then became critical nodes for policy design, implementation, development and management which have led to the transformation of Singapore from a poor third-world country to a mature industrialised first world nation in a single generation.

Chapter 1

The Formative Years

> " *Because the domestic private sector has been relatively weak, the development of a powerful and effective public sector has been the apparatus through which national development goals could best be pursued.* "

CHAPTER 1
THE FORMATIVE YEARS

1.1 Brief History

When the island of Singapore came under the jurisdiction of the British East India Company in 1819, it consisted of little more than a fishing village of about 1,000 inhabitants.[10] From 1826 to 1867, Singapore was governed together with the two Malayan trading ports of Penang and Malacca which together comprised the Straits Settlements, from the British East India Company headquarters in India. In 1867, the British needed a better location than fever-ridden Hong Kong to station their troops in Asia; the Straits Settlements were made a crown colony, and the British appointed a governor, supported by executive and legislative councils. By that time, Singapore had surpassed the other Straits Settlements in importance, and grown to become a bustling seaport with 86,000 inhabitants.

British influence increased in the region following the opening of the Suez Canal in 1869 and steamships became the major form of ocean transport, bringing still greater maritime activity to Singapore. Subsequently, and well into the twentieth century, Singapore became a major point of disembarkation for hundreds of thousands of labourers brought in from China, India, the Dutch East Indies, and the Malay Archipelago. The worldwide demand for tin and rubber brought economic opportunities to Singapore during this period.

When the Federation of Malaya was established in 1948 as a move towards self-rule, Singapore retained its status as a separate crown colony. The same year, the Malaya Communist Party (MCP), which was fairly well established in the region, launched an insurrection in Malaya and Singapore, and the British declared a State of Emergency that was to continue until 1960. However, strikes and student demonstrations organised by the MCP throughout the 1950s continued to arouse fears of a communist takeover in Malaya. In 1956, organisations that were considered pro-Communist were banned by the colonial government, which resulted in sit-ins and

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10   Historical accounts and archaeological findings indicate that the island had been the site of a series of significant trading settlements since at least the 14th century, under various regional powers.

protests against the authorities. Riots[11] started and quickly spread across the city, leaving 13 dead and 127 injured: the worst violence that Singapore experienced during this period. A Communist revolution was regarded as the greatest threat to Singapore in the period leading up to independence.

In 1953, a British commission recommended partial internal self-government for Singapore, prompting the emergence of several political parties in 1954, including the Labour Front, led by David Marshall, who called for immediate independence and merger with Malaya, and the People's Action Party (PAP) under the leadership of Lee Kuan Yew, a Cambridge-educated lawyer. The PAP also campaigned for an end to colonialism and a merger with Malaya. In 1957, Malaya was granted independence, and the next year the British Parliament elevated the status of Singapore from colony to state and provided for new local elections.

The PAP swept the elections held in May 1959, and Lee Kuan Yew became Singapore's first prime minister. The PAP's strongest opponents were communists operating in both legal and illegal organisations. The most prominent of its political rivals was the Barisan Sosialis (Socialist Front), a left-wing party that retained a great deal of public support in the 1960s and early 1970s. There were also fears that communist elements within the PAP would seize control of the government, but moderates led by Lee were to hold sway. In 1962, Singaporean voters approved the PAP's merger plan with Malaya, and on September 16, 1963, Singapore joined the new Federation of Malaysia.

From the beginning, Singapore's position within Malaysia was tumultuous. Political differences proved fractious and ultimately irreconcilable. The leadership of Singapore regarded multiracialism and meritocracy as critical principles, while the Malaysian ruling elite favoured affirmative action for the Malay community, who were accorded preferred status as the indigenous people of the region.

The new federation was based on an uneasy alliance between Malays and ethnic Chinese. As a state, Singapore did not achieve the economic progress it had hoped for, and political tensions escalated between Chinese-

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11 Although there have been no riots after 1964, social cohesion and racial harmony in multiethnic Singapore remains a sensitive issue (Lin 2010).

dominated Singapore and Malay-dominated Kuala Lumpur, the capital of Malaysia. There were communal-based riots between the Chinese and Malay communities in 1963 and 1964. In the end, the merger was to fail. Fearing greater Singaporean dominance of the federation and further violence between the Muslim and Chinese communities, the Government of Malaysia decided in 1965 to separate Singapore from the fledgling federation, and Singapore became a sovereign, independent nation on August 9, 1965.

1.2 Singapore as Developmental State: Early Challenges

The term "developmental state" refers to a political economy with an "overwhelming emphasis on national economic development based on state ownership and economic control" (Haque 2004), and was historically first applied by observers to Japan, post-World War II Republic of Korea and Taiwan, Province of China. The state in such instances has played a direct and dominant strategic role in steering a country out of poverty, backwardness or the devastations of war. These states had effectively mobilised human and physical resources, including developmental aid, in such a way as to generate economic competitiveness and growth in key strategic industries despite the lack of comparative advantage or even natural disadvantages. The continuing ability to promote and sustain socioeconomic development became the yardstick by which the respective governments established their credibility and legitimacy with the masses.

The ruling Government of Singapore established its legitimacy in a similar manner. Theirs was the task of survival against the odds, of being an 'unnatural' nation-state,[12] having to build on a very modest economy based on entrepot trade without the benefit of any natural resources except its people, with the threat of communism and communalist tensions looming large. Under those circumstances, the PAP leaders had to pursue a pragmatic (rather than ideologically determined) course in political and economic strategy.

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12 "Singapore society was a synthetic creation, born not of the natural evolution of human settlement but artificially by the exigencies of a colonial economy that needed migrant labour. British administrative policies kept the Chinese, Malays and Indians apart in separate enclaves where they had different and virtually disconnected lives. They held different worldviews, closer to their countries of origin than the territory of their domicile" (Tan 2009).

From the earliest days of independence, the young Government of Singapore was occupied with the basic challenge of national subsistence and survival, which depended on being able to provide basic education, health, housing, and livelihood to its people. Stung by the failure of the merger upon which it had built its initial political platform, amid a tense domestic and geopolitical climate which included racial tensions, widespread unemployment, illiteracy, poverty, a housing shortage and Communist encroachment, the PAP government believed its legitimacy to continue to govern was to be proven by developing Singapore into an economically prosperous and politically stable entity, despite the odds.[13] To do this, it became necessary as a strategy to expand, rather than limit, the role of government so that it could play an effective role in establishing security, development and inclusive growth as the only means by which the fragile, tiny and infant nation could survive.

During the first decade of its inception, PAP propagated a largely socialist agenda, consistent with its position on the island's integration with Malaya, because a non-communal party could gain support from Malays in the lower income group only on a platform of socialism. But the context changed in 1965 when Singapore was separated from Malaysia. It made socialism irrelevant and the national focus shifted to economic growth. By following a developmentalist agenda of also providing employment, housing, education and healthcare, the PAP was able to placate and contain the pro-communist sympathies within the party and the population at the time.[14]

Creating jobs became an even greater priority in 1967 when the British naval and armed forces decided to completely withdraw from the island. This was unsettling news, given the dramatic implications for the island nation's security and economy. At the time, British expenditure on their several military bases accounted for 18 per cent of Singaporean GDP and 20 per cent of employment (Porter et al. 2009).[15] The government called for new elections, seeking a new mandate to proceed. Because the PAP won all 58 parliamentary seats, the government was able to pass tighter labour legislation which helped to overcome the nation's reputation for frequent labour disputes and strikes. Former British naval base workers were

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13   See Yeo et al., 2005, p. 3.

14   See: Vasil, Raj. *Governing Singapore: democracy and national development.* Singapore: Mandarin Paperbacks, Reed International, 1992.

15   Porter, Michael, et al. *Remaking Singapore.* Harvard Business School, 2009.

retrained to work in what became the Sembawang Shipyard, eventually a major shipbuilding and ship repair centre. By the 1970s, Singapore had become a world leader in shipping, air transport, and oil refining.

Throughout the 1960s and 70s the Government of Singapore perceived extreme left wing politics and re-emergence of communalist forces (given that racial tensions were partly the cause of social violence and Singapore's subsequent expulsion from Malaysia) as the main threats to the fragile nation. The city-state's small geographical size and lack of natural resources were other major sources of concern, particularly given the loss of its traditional economic hinterland after its expulsion from Malaysia. However, since Singapore lacked a powerful class of landlords, an entrenched aristocratic class, or a military, its leaders had an extraordinary opportunity to focus on developmental strategies without any serious political opposition. A heavily immigrant population, which valued diligence and economic advancement over adversarial politics, provided further conducive social conditions for growth and broader development. Furthermore, Singapore had inherited from the colonial era the sound infrastructure and administrative apparatus necessary for facilitating trade and investment.

Lacking natural resources and without a viable domestic market to spur domestic industrial production, Singapore resorted to wooing multinational corporations (MNCs) to locate their operations in the city-state, in order to establish a manufacturing base that was sizeable, efficient, technologically advanced and relevant to world markets.

What did a nascent Singapore have to offer foreign capital? Its government pledged "harmonious labour relations, tax waivers for multinational corporations, and the state's provision of industrial infrastructure".[16]

> "By the 1960s and 70s, Singapore had successfully pitched itself as a choice investment location for multinational corporations. The overriding considerations for these companies in choosing Singapore were: (1) there was favourable quality of labour-to-cost ratio and the predictability of industrial relations and wage

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16 Pereira, AA "Whither the developmental state? Explaining Singapore's continued developmentalism." *Third World Quarterly* 29(6), 2008: 1189-1203, p. 1191.

determination; (2) there was the provision of adequate industrial, communications and business infrastructure; and (3) the Singapore Government had been active and entrepreneurial in prospecting for foreign investors. These factors suggest the centrality of the role of the state and the bureaucracy in engendering industrial development in Singapore."

(Koh 1997)[17]

The new Government of Singapore envisioned an industrial island that would be the choice location for the mass production of low-cost goods. It was an unconventional, high-risk gambit at the time, but it paid off handsomely for Singapore. This industrialisation strategy led to job opportunities for the poorly educated labour force that was growing rapidly due to high birth rates and immigration. The government had demonstrated its extraordinary ability to understand the needs of the world economy's larger players, and to mobilise its scarce resources to meet those needs. It took visionary thinking, daring, meticulous planning and relentless application.

Given that many of Singapore's political leaders, including then-Prime Minister Lee Kuan Yew, entered politics on socialist platforms, this strategy of wooing foreign private sector investment might seem anomalous. Indeed, the MNCs which were gladly welcomed by the Singapore Government had been shunned as predatory and exploitative by many other emerging economies of the day. The reality was that the Singapore leadership's prevailing vision of socialism at the time was based instead on the efficacy of a strong, centralised state as a tool for pursuing national goals, through the accumulation and guided deployment of capital to achieve rapid development in specific areas. At the same time, the Government was also strengthening its mechanisms for intervening in economic development through the creation of government-linked corporations. The PAP Government of Singapore's early history emphasised state planning and control, but not state ownership, and did not seek to nationalise enterprises. Indeed private capital and enterprise were encouraged to help develop trade and commerce.

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17   Koh, Gillian. "Bureaucratic rationality in an evolving developmental state: Challenges to governance in Singapore. *Asian Journal of Political Science*, Vol. 5 Issue 2, 1997, 117.

Observers have argued that the PAP government's approach, since Independence, has been to employ elements of socialism as:

> *"primarily a means of organising society to industralise and bring prosperity in the shortest possible time.… The litmus test for any government policy is 'Does it work?' This in a nutshell embodies the pragmatic governance approach of the PAP government."[18]*

This pragmatic developmental mindset, that had stood Singapore in good stead since its sovereign beginnings, continues to inform the nature of government in the city-state even today.[19]

In addition to basic economic survival, Singapore's ruling elite also had to seriously consider issues of education and national defence. Education would foster economic development and also enable the government to groom citizens from a young age for the sociopolitical needs of a young, multi-ethnic city-state. Compulsory national service (conscripted military service) for males served to quickly build up a credible defence force, facilitate social bonding, and inculcate patriotism in a small vulnerable island nation.

Since the turbulent years between World War II and the 1960s nearly every national problem had been framed as a potential mortal crisis to the Singaporean state: Communism, oppositional politics, race relations,[20] and scarce resources. As a vulnerable country quite dependent on its credibility as a stable industrial and commercial safe haven in Asia, Singapore could ill afford political instability and racial disharmony; that it has dealt with potentially disruptive forces with a stern hand has led to criticism that the Government shows little concern for human rights. It is worth pointing out however that adopting crises as a national rallying cry does not in itself bring about political legitimacy; crises badly managed can still topple governments. Instead, what is clear in the case of Singapore is that government legitimacy has been the outcome of sustained, successful management of the

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18 Yeo et al. 2005, p. 10.

19 Ibid.

20 The British Empire left behind several small multiracial colonies in all corners of the world, including Guyana, Cyprus, Sri Lanka, Singapore and Fiji. Only one has experienced continuous ethnic harmony since independence: Singapore.

myriad challenges that the country has faced throughout the decades since its independence (Ortmann 2008).[21] The extraordinary track record of the Singapore Government in addressing the key challenges of its nationhood: by providing living amenities and infrastructure, eliminating crime and corruption, promoting economic growth, and creating stability, has won it the legitimacy to continue to rule amongst the majority of the island state's population.

Despite the provision for multiparty elections, the PAP has dominated elections since Singapore's independence, representing a foil to traditional examples of western-styled liberal democracy (which might well have seen several changes of government in the same time period). This situation, despite criticisms of lack of democratic space and the difficulty for opposition political parties to survive and grow, has provided a stable political context which has allowed a willing ruling government to pursue long-term oriented and pragmatic economic outcomes, without the need of engaging in ideological contestation. In the unique context of Singapore, because the domestic private sector has been relatively weak,[22] the state and its bureaucracy has been the leading actor in enhancing economic growth, generating employment, fostering industrialisation, financing private investment, building infrastructure, and delivering various services.[23] The development of a powerful and effective public sector in Singapore can therefore be seen in this context, as the apparatus through which national developmental goals could best be pursued. The public sector remains a strong and key player in the domestic economy.[24]

Modern states require a good governance framework, efficient public goods and services and a competitive environment for non-state actors.

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21 Ortmann, 2008.

22 Outside of banking and property, the strong domestic private sector participation that is such a distinctive feature in Japan, Republic of Korea, Taiwan, Province of China, and Hong Kong, China, is much less evident in Singapore (Lim 2009).

23 Lee, Eliza W.Y. "Public Sector Reform and the Changing State Form: Comparing Hong Kong and Singapore." Paper prepared for the 97th Annual Meeting of the American Political Science Association, San Francisco, August 30 – September 2, 2001. And Low, Linda and Haggard, Stephen. "State, Politics and Business in Singapore." *Working Paper Series*, Singapore: Department of Business Policy, National University of Singapore, May 2000.

24 While the Republic of Korea and Taiwan, Province of China, have reduced the state's role in their economies in recent decades, Singapore's economy continues to be firmly state directed even as it continues to diversify into high value services, with a heavy reliance on an imported workforce (Lim 2009).

The public service in Singapore has played a critical role in all these areas: in terms of policy design, implementation and monitoring. There is no doubt that the prime movers of the Singapore miracle were the visionary and transformational leaders who first led the nation. However, the major institutional vehicle to deliver national outcomes was the powerful civil service that prepared development plans, coordinated their implementation, and delivered public services efficiently.

According to Goh Chok Tong, who was Prime Minister from 1990 to 2004, good governance in Singapore is built on three interrelated factors: accountability and transparency, long-term social orientation, and social justice. Policies are designed for the long-term good, not what will please the population in the short term. This requires strong leadership with a vision and clear direction for the country. The watchwords for policy are flexibility and adaptability in pragmatic anticipation of change. Government is held as a trusteeship rather than an agency of special interest. Good governance is not only about policy. It is also dependent on the implementation of that policy. For that, a powerful, honest, and efficient civil service is critical.

We will explore the pivotal role of the public service in Singapore and how it became the focus of continuous reform and improvement in subsequent chapters.

Singapore's Early Development: The Role of the UNDP[25]

One of the first acts of the new Government of Singapore when it attained self-rule in 1959 was to request advice from the United Nations Expanded Programme of Technical Assistance (EPTA), which would later become the UNDP, on developing an economic plan for Singapore. Dr Albert Winsemius, a Dutch economist, led a United Nations team of experts in the first industrial survey mission

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25 Based on "One Partnership in Development: UNDP and Singapore" by Chow Kit Boey, Chew Moh Leen, and Elizabeth Su, UN 1989, Singapore and UNDP Resident Representative for Malaysia, Singapore and Brunei Darussalam Kamal Malhotra's speech at UNAS 40th Anniversary Celebration, November 24, 2010.

to Singapore in 1960. His first impressions were not optimistic: at that time, Singapore had just attained self-government and was facing high unemployment, a growing population, labour unrest and political tension. It also became clear that successful economic development for Singapore would require foreign investment. To do so, the government would need to reassure potential foreign investors that Singapore would be a safe and stable place to invest.

Dr Winsemius's project report[26] would form the blueprint for Singapore's industrialisation programme and would influence subsequent development in many sectors of the economy. Presenting a 10-year development plan to transform Singapore from an entrepot trade port into a centre of manufacturing and industrialisation, Dr Winsemius's first emphasis was creating jobs and attracting foreign investment. The report proposed as a first step a crash programme to create a large number of jobs quickly, in areas such as textiles (production of shirts and pyjamas), shipbreaking, building materials and small industries. Plans were laid out for industrial development in the areas of shipbuilding and repairing, metals and engineering, chemicals, and electrical equipment and appliances. The report also recommended the establishment of an Economic Development Board (EDB) to implement the 10-year industrialisation programme.

In 1963, a further UN mission laid the foundations for the UNDP project entitled Assistance in Urban Renewal and Development. The project laid out the requirements for the physical development of Singapore with a short-term and a longer term plan for land-use and transportation development over several decades. Dr Winsemius further encouraged the large-scale public housing programme, believing that it would help support the burgeoning population, as well as bolster the country's image and attract investors.

Dr Winsemius continued to advise the Singapore Government from 1961 to 1984. During his term as Chief Economic Advisor, Dr

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26 The UN industrialisation survey mission presented its full report – "A Proposed Industrialisation Programme for Singapore" – to the Government in June of 1961.

Winsemius worked closely with Lee Kuan Yew, Goh Keng Swee and later with Goh Chok Tong. He was influential in helping to persuade major companies such as Philips, Royal Dutch Shell and Esso to set up operations in Singapore. He also proposed that Singapore could be developed as a financial centre, as well as an international centre for air traffic and sea transport. Over the next twenty years, these predictions proved to be sound.

In the decades following Singapore's self-government, UNDP, in cooperation with other UN agencies such as the FAO, ILO, ITU, UNESCO, UNIDO UNCTAD, WHO, ADB and the World Bank, would provide technical expertise in almost every economic sector: agriculture and fisheries, manufacturing, transportation and communications, education, health and government. These assistance programmes were focused on Singapore's priority areas of development, particularly transport and communications, labour, management and development in the first country programme (1973-75). Subsequent assistance programmes targeted specific areas within certain sectors, the upgrading of technologies in selected industries, moving on to the development of manpower in education, vocational training and public administration in the fourth country programme (1982-84).

Confronted with labour shortages from 1973-84, (excluding the brief recessionary period of 1974-75 brought on by the 1973 oil crisis), the Singapore Government opted to prioritise the development of domestic human resources through education, training and industrial upgrading towards more skill-intensive activities. Aligned with this orientation, UNDP assistance was targeted at manpower development and technology upgrading. Just over half of UNDP funds of US$2.5 million for the fifth country programme were allocated to manpower development while almost 45 per cent went to the industry sector. UNDP also provided assistance to the Vocational and Industrial Training Board, helped in the expansion of the Singapore Polytechnic, and supported a number of manpower-related projects together with UNESCO and ILO.

Although the overall number of projects in each programme declined

from 29 in the first country programme (1973-75) to 16 in the fourth country programme (1982-84), the value of UNDP inputs rose from US$4.5 million to US$6 million over the same period. Cost sharing, which began in 1973, grew rapidly, and proportionately more projects received larger amounts of Government inputs than UNDP inputs. These were largely focused on training of labour in particular skills, training of trainers, improvement of working conditions, and productivity.

UNDP assistance to Singapore, in terms of project costs, increased from US$0.3 million in 1966 to US$2.5 million in 1972 and declined to US$1.9 million in 1984. The number of experts assigned to Singapore also peaked in 1972, at 104. By 1985, UNDP had provided the services of 744 experts to departments across the Government and more than $27 million in project resources to the Government. The administration in Singapore engaged the services of 744 experts and was awarded 2,029 fellowships over this 35-year period (1950 – 1985).

As Singapore developed, it in turn provided 66 experts and offered 653 fellowships to the UNDP system during the same period, with its voluntary contributions to UNDP projects totalling US$3.23 million by 1985, demonstrating that the process of assistance and development can be a virtuous and constructive cycle.

Chapter 2

Key National Policies

> " *The success of Singapore calls into question the ideology that effective participation in a globalised economy is best achieved by restricting state involvement in economic affairs.* "

CHAPTER 2
KEY NATIONAL POLICIES

Any discussion of what makes Singapore's approach to governance successful has to take into account its origins in the difficult years of Independence: its practitioners had to learn quickly on the job in response to pressing national challenges in a climate of crisis, with unique limitations and few natural advantages, with neither the luxury of historical precedents nor long centuries of intellectual debate and social experimentation to suggest solutions.

The philosophy adopted by the ruling government and their supporting bureaucracy was one of relentless and rational pragmatism, coupled with a can-do sense of purpose, and a diligent, honest work ethic. On the advice of Economic Advisor Albert Winsemius, the UNDP and other international bodies, the new government formulated a series of sweeping and often unconventional policy solutions to the most pressing developmental challenges of the Independence era: the economy and employment, investment and savings, housing, education and basic healthcare. The basic framework of these key national policies remains today, though the policies themselves have been modified over time to meet the evolving needs of Singapore's dramatic transformation from third world to first. Yet it is possible to see common underpinnings in Singapore's national system: fact-based pragmatism instead of theory-based doctrine; sustainable self-reliance and co-payment instead of state-sponsored welfarism or handouts; investment in long-term development instead of pandering to short-term demands; making the most of limited resources; due reward proportionate to effort; discipline; a focus on community rather than individual priorities.

2.1 Economic Strategies and Interventions

Singapore today exhibits many of the traits of a true free-market economy: very few tariffs, no foreign exchange controls, few restrictions on private enterprise or investment, and no limits on profit remittances or capital repatriation. However, the government has always played – and continues

to play – a pervasive role in managing the economy.[27] While the Singapore Government's economic policies have varied according to the exigencies of the times, it has pursued a largely state-directed model of economic development. To a large degree this has been a natural extension of its early years of independence, where targeted development based on a carefully selected range of industrial activities – with the guidance and assistance of UNDP and other advisors – was instrumental in laying the foundation for a viable, export-oriented economy despite very limited initial national resources.[28]

In order to intervene strategically in the economy, the Singapore Government set up or expanded the scope of government-linked companies in the 1960s and 1970s, as a means of focusing investments and entrepreneurial energy in key industrial sectors.[29] With the incorporation of the government-owned investment company Temasek Holdings in 1974, the Ministry of Finance was able to divest its portfolio of holdings in local companies. As the economy evolved, the government further eased its level of direct control, while still coordinating GLC activities to ensure that they continue to be in sync with national priorities. Government interventions, while extensive, have been purposeful without being inflexible.[30] Today, Singapore's GLCs account for a significant proportion of the economy and cover a truly diverse spectrum of activities from banking, to airlines, to printing and publishing: including entities which are now major regional or international players in their sector, such as Singapore Airlines and the Development Bank of Singapore.

A strong spirit of collaboration and mutual gain between the public and private sectors in Singapore has been integral to Singapore's rapid economic development over the past four decades. It has also greatly facilitated the formulation and implementation of public policy, particularly policies that have a significant impact on the private sector and labour. By pursuing a more integrated and collaborative balance between state and market, the state in Singapore has managed to maintain a constructive presence "in" (as

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27 See Milne and Mauzy, 1990.

28 Today, several strategic sectors including telecommunications, postal, media, transport and parts of banking still continue to enjoy special economic protections, such as exemption from competition law (Porter 2009).

29 See Cheung, 2005, p. 139.

30 Observers have noted that key individuals often hold multiple interrelated directorships in Singapore's GLCs, which help to enhance coordination and state control (Hamilton-Hart 2000).

opposed to "over") the market, allowing efficiency in achieving state-directed priorities without undue distortion of market forces.[31] The Government in Singapore has been able to balance its role as regulator, policymaker, industry player and buyer – a tricky task which frequently leads to market inefficiencies, political conflict and even instability in other countries. As a result, the government enjoys a strong institutional legitimacy in Singapore.

Singapore's state-directed role in economic development has been successful largely because of the government's collaborative relationship with key stakeholders – labour unions, foreign business interests, and the citizenry. It has also managed to establish a unique social compact with citizens in which it is able to offer a range of basic services, including housing and healthcare, at affordable rates, without having to sustain the broad (and expensive) welfare provisions seen in many other countries.

2.2 Central Provident Fund[32]

CPF as safety net

The Central Provident Fund (CPF) has become a cornerstone of social and economic policy in Singapore, affecting the life of every working resident. Legislated in 1955, it was designed to provide post-retirement security through a fully-funded compulsory savings system. Its design reflects Singapore's basic socioeconomic philosophy of self-reliance with support from family structures, thrift, a strong work ethic with positive incentives for employment, and non-inflationary economic growth. Upon retirement, individuals receive benefits drawn from their own personal accounts – built up through the mandatory contribution of a percentage of wages every month over the course of their working life – instead of drawing from a national pension fund.[33]   At the end of 2009, the CPF held S$166.8 billion in members' balances.

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31   A good example is land use in land-scarce Singapore, which is guided by the Urban Redevelopment Authority through the Concept Plan and Master Plan. A competitive bidding system is used to allocate state land to the private sector. These land leases, which typically run for 99 years or less, direct private real estate development toward state-determined priorities such as the financial district, new private housing and renewal of specific industrial estates, but allow the market to determine the specifics of development, pricing and use.

32   Based on Tan (2004).

CPF accounts earn interest rates that are often superior to those offered by market instruments such as fixed deposits. In addition, adjustments to CPF contribution rates (which consist of two components, contributed by employees and employers respectively)[34] appear to have been used as a macro-economic tool – since it is tantamount to a market-wide wage adjustment – for instance to improve competitiveness by reducing labour costs, although the adjustment is not always downwards to reduce wage costs. Overall CPF contribution rates have also been raised in years of strong economic growth. During the 1970s to 1984, CPF contribution rates were increased nearly every year till they reached a peak of 50 per cent. Such measures have helped to curb inflation by reducing disposable income while at the same time increasing savings. During the Asian Financial Crisis in the late 90s, CPF contribution rates were as low as 30 per cent. During the 2008-2010 downturn, which was caused by a slump in global demand rather than a decline in wage competitiveness, the Government opted to implement a Jobs Credit Scheme[35] (in effect subsidising employers to retain employees on the payroll) instead of cutting CPF rates.

CPF in support of social policies

Since its inception, the CPF has also been used to achieve other social objectives such as home-ownership, healthcare, and income support, by allowing members (i.e. working Singaporeans) to draw on a portion of their accounts before retirement for sanctioned purposes: including mortgage payments, medical care, and even investment in a variety of approved financial instruments under the CPF Investment Scheme.

Several important national policies have been tied to the CPF system. The 1968 Public Housing Scheme which liberalised the use of CPF funds for

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33 A recent improvement made to enhance Singaporean's retirement adequacy was the introduction of a national annuity scheme called "CPF LIFE" in September 2009. CPF LIFE provides a lifelong income for Singaporeans and mitigates the longevity risk.

34 In 2003 the 40 per cent long-term target contribution rate was replaced by a flexible range of 30-36 per cent to allow for more responsiveness to volatile economic conditions. Between September 2010 and September 2011, the employer contribution rate is gradually stepped up to 16 per cent, bringing the overall contribution rate to 36 per cent.

35 http://www.iras.gov.sg/irashome/jobscaredit.aspx

mortgage payments helped working class families purchase subsidised public apartments, making a generation of Singaporeans homeowners for the first time. The Medisave and MediShield insurance schemes provide for the use of CPF funds to help cover individual and family healthcare costs and are an important component of Singapore's healthcare system. Another significant development in recent times was the introduction, in 2006, of the Workfare Bonus Scheme (WBS) which provided a cash bonus in order to encourage older, low wage Singaporean workers to stay productively employed. Following the success of WBS, the Workfare was institutionalised in 2007 as the "fourth pillar" of Singapore's social security system, under a new Workfare Income Supplement (WIS) scheme. In 2010, enhancements were made to the scheme to increase payouts as well as expand the eligibility criteria. Unlike unemployment or welfare benefits elsewhere, Workfare is contingent on work, age eligibility, and means-testing. With the enhancements, a 45-year-old employee earning an average monthly income of $400 would qualify for $960 in WIS payouts, of which $275 will be paid in cash with the remaining $685 into his CPF account.

The CPF system has grown to become a robust institution and a key pillar of social provision in Singapore. Due to its capacity to allow for fairly nuanced and responsive adjustments to wage and cost competitiveness without unduly affecting overall demand, the CPF system has contributed to Singapore's resilience in economically challenging times, and continues to have a profound influence on the economic behaviour of workers and employers. One key concern, given increasingly volatile economic conditions and low national fertility, is how the CPF can help to fulfil its original purpose of safeguarding the future financial security of an increasingly ageing Singaporean population, as individual needs and costs upon retirement increase, at the same time as families and the additional support they might provide continue to shrink.

2.3 Housing and Development Board (HDB)

Homes for the nation

The Housing and Development Board (HDB) was established in 1960 to provide low-cost public housing, at a time when a large number of people were still living in unhygienic, potentially hazardous slums and crowded

squatter settlements packed in the city centres.[36] Due to post-war rent controls, landlords had no incentives to maintain their properties and allowed them to sink into disrepair, while their chief tenants benefited by sub-dividing cubicles in order to accommodate a growing number of sub-tenants in order to collect rent. Such conditions further bred health, crime and fire hazards (UNPAN 2009). Taking over from its predecessor, the Singapore Improvement Trust, the HDB was able to build large numbers of high-quality apartments, with access to generous government capital and sweeping powers granted by the Land Acquisition Act. Having a sole agency in charge of public housing enabled more effective resource planning, procurement and allocation (of land, materials and manpower) with massive economies of scale as well as a total approach to estate planning and management. Its success has also been attributed to its autonomy to act as a building corporation: training its own construction workers and engineers; developing its own quarries and brick factory; and entering into partnerships and contracts with suppliers of construction materials. Critically, it was able to award building contracts and allocate apartments to the public in a fair and equitable manner.[37] Before the growth of export-oriented industry, housing construction was also the main source of employment and training for workers in the 1960s and 1970s. Political support, legislated authority and strong government support in the form of political and financial commitment, helped put Singapore's public housing programme on the right track to housing the nation.

The construction of new housing estates for rental and sale (on 99-year leases) at market-subsidised prices was widely welcomed by the population. In less than three years 21,000 flats were built and by 1965 there were 54,000 apartments, exceeding the target of the HDB's First Five-Year Building Programme by 4,000 units. At the height of the programme, the HDB was building a new flat every eight minutes. Today, about 86 per cent of Singaporeans live in the HDB's public flats (compared with only nine per cent in 1960). Generous housing subsidies are given to households buying their first flats as well as to lower income households. The HDB has not only been credited with the eradication of dismal pre-Independence living

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36   Barbara Leitch Lepoer, ed. *Singapore: A Country Study*. Washington: GPO for the Library of Congress, 1989. http://countrystudies.us/singapore/47.htm

37   The Singapore Improvement Trust's failure to provide low-cost public housing was partly due to the corruption of senior expatriate officers and local junior officers in contracts procedure, planning and development control, and the allocation of housing units (Quah 1995).

conditions but also with Singapore's achievement of the highest proportion of home-ownership (92 per cent) in the world (WDR 2009). Since 1990, the government has also embarked on upgrading programmes to refurbish older housing estates. Upgraded flats are enlarged with such facilities as an additional toilet, a balcony, or even a utility room. The amenities and environment in the surrounding neighbourhood are also enhanced. To date, around 370,000 families have benefited from nearly S$30,000 worth of improvements to each flat.

Social benefits

Apart from resolving the basic issue of providing adequate, sanitary and affordable living conditions for the general population, Singapore's public housing programme has also been regarded as an important instrument in maintaining social cohesion and stability – for instance, by helping to break up the ethnic enclaves that had characterised colonial Singapore. HDB policy is that the ethnic distribution of households in apartment blocks has to reflect the proportion of each ethnic group in the national population. The HDB programme has also been regarded as a means by which home ownership could provide Singaporeans with a material stake in the country's economic success.

Contrary to the image of public housing (in many countries) as low quality, unsafe, dilapidated and last-resort places to live, Singapore's HDB flats are relatively high quality living environments. By providing adequate and quality housing at affordable prices to most Singaporeans, the PAP government delivered a highly visible socioeconomic benefit that won public support and laid the groundwork for its continuing electoral success and political legitimacy.

2.4 Education Policies and Manpower Planning[38]

Education policy during the early decades

Immediately after Independence in the 1960s, Singapore's key national

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38 Based on Neo and Chen (2007), Tan and Phang (2005), and Lee et al. (2008).

priority was to create jobs. To support this drive, primary education for all Singaporeans was expanded and subsidised in order to equip a young labour force with the basic knowledge needed to support the new labour-intensive industries being set up in Singapore. The rapid construction of schools and recruitment of teachers also contributed to employment. In the 1960s the main objective was to ensure that every child had a place in school. Education was regarded as an important means of achieving economic progress and social mobility for the fledgling nation. All students followed a similar education structure — drawn largely from the British education system and adapted for local conditions, with a strong vocational rather than intellectual slant, a bilingual requirement, and English – the global language of industry, science and commerce – as the medium of instruction.

Education in the 1970s became more specialised, with a focus on supporting industrial restructuring. A review of the education system later in the 1970s however, noted that the prevailing drive towards universal primary education and high enrolment in secondary schools was not matched by a commensurate improvement in the quality of education or in the professionalism of teachers. Dropout rates were high and there was significant wastage. The economy at this time was also severely short of skilled labour. Worker productivity and competitiveness was low, partly as a result of industries being heavily dependent on foreign inputs of technology and expertise. It then became critical for state planners to dramatically improve the quality of education in Singapore, in order to meet the advancing needs of a rapidly evolving economy and population.

First set of education reforms (1980-1995)

Following the recommendations of the Goh Keng Swee Report on Education, the system was significantly overhauled in 1979. Streaming was introduced as a way to sort students into classes which reflected their academic and language aptitudes as demonstrated in examination results. The intention was for brighter students to advance to more challenging and specialised school programmes, while students who were less academically able would have the option of learning trade skills in vocational institutions, rather than drop out of school entirely and enter the workforce with limited skills. The education system was also reviewed to enable all students to acquire the technical knowledge and skills required as a result of rapid industrialisation.

The management of schools, teachers and the curriculum was centralised in the Ministry of Education, which ensured that all policies and programmes followed consistent standards and procedures. There was relatively limited flexibility for teachers and principals in school to vary educational approaches. Examinations became a priority for many parents and schools, since they determined which stream a pupil would be placed in, with implications for their future career potential. The range of subjects taught in schools narrowed, at the expense of qualitative subjects (such as the arts) deemed difficult to perform well in at examinations. Social and psychological pressure on students to do well in examinations increased. Across the education system however, attrition rates indeed declined and examination performance improved.

Education reforms after 1995

A confluence of factors led to a further review of the educational system in the latter half of the 1990s. Singapore's restructuring and transition to a knowledge-based economy meant that higher order capabilities for creativity, innovation and adaptability were called upon – intellectual traits that the centralised, standards-based education system of the past few decades was not well suited to nurturing. According to one analysis, this was due to several factors:

> *"The lack of entrepreneurship and innovation was starkly obvious when contrasted with beacons of the new economy such as Silicon Valley. Educational concerns were one of the main causes of emigration. The ministry also experienced difficulties in recruiting the qualified teachers needed, and class sizes remained large by Western standards."*

(Neo and Chen 2007)[39]

A mismatch between too rigid an education system and rapidly changing economic needs could lead (as evinced in several other countries with generous educational intakes) to a new and potentially destabilising underclass of the educated unemployed, trained in skills which were no longer in market

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39 Neo and Chen, p. 21.

demand.[40] Education in Singapore therefore had to prepare students not only for jobs which were currently in vogue, but for broader employability in jobs and industries that might become available in future.

Following a sweeping review of the education system in light of new priorities in an increasingly sophisticated domestic and global environment, comprehensive reforms in school management processes, systems and structures paved the way for major changes in educational policies regarding curriculum, pedagogy and the way schools were structured and managed. The rigidity of the earlier streaming system was relaxed, allowing alternative pathways through the education system. Schools were given much greater autonomy to tailor their educational package in order to cultivate the personal and holistic competencies of students as well as to cultivate learning, thinking and other life skills, instead of emphasising content acquisition alone. "Teach Less, Learn More" was the catchphrase of this reform effort. Major investments were also made in the newly significant information technologies, which were incorporated into the broad review of pedagogy which reached towards a more student-centric model of education.

Today, Singaporean youth enjoy over 12 mean years of schooling, implying that on average all Singaporeans complete some form of post-secondary education. In 2003, it was made mandatory for all children to undergo at least ten years of schooling. Education remains highly subsidised and constitutes the second largest item of government expenditure (after defence).

Manpower planning and continuing education

Singapore's overall educational and training needs are strategically planned in order to balance projected demand from industry to the supply of trained manpower from universities, polytechnics and other institutes of post-secondary education as well as the continuing education and training system. This ensures that mismatches between training and employment opportunities are minimised and students are equipped with industry-relevant skills. Planning is coordinated by the National Manpower Council (NMC), chaired by the Minister for Manpower, with representatives

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40   Neo and Chen, p. 20.

from Ministry of Education, Ministry of Trade and Industry and other government agencies. The NMC draws up annual planning parameters for the number and distribution of graduates from Singapore's post-secondary education institutions and the continuing education and training system, with flexible targets for broad categories and an emphasis on science and technology manpower, regarded as critical for Singapore's continued economic competitiveness.

In recognition of the need to constantly learn new skills as technology develops and economic opportunities shift, continuing education and training for the workforce has become an important national priority. The Singapore Workforce Development Agency was established in 2003 specifically to enhance vocational skills and develop "a comprehensive, market-driven and performance-based adult continuing education and training framework". Particular attention is given to growth sectors, such as aerospace, allied healthcare, adult training, community and social services, digital media, finance, precision engineering, information and communications technology (ICT), tourism and hospitality. A new Institute for Adult Learning was also established to develop trainer capability and conduct applied research into adult training for enhanced training quality and effectiveness.

As part of a drive towards Singapore's next wave of value-creating and innovation-based economic activities, the government has also increased the availability of R&D facilities and supporting infrastructure (including well-defined intellectual property laws, venture capital provisions and changes to immigration policies, and streamlining of administrative regulations). Schools have also been tasked with enriching their curricula to inculcate a stronger entrepreneurial and innovation-ready culture in Singaporeans from a young age.

2.5 Singapore's Healthcare System

Singapore's healthcare system is funded primarily by private rather than public expenditure – in 2002, only 33 per cent of total health expenditure[41]

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41 It is noteworthy that government expenditure on healthcare more than doubled from $520 million in 1990 to $1.2 billion in 2000. Much of the government's direct distributions were given to CPF-related medical benefit accounts such as Medisave and MediShield, which particularly benefited elderly Singaporeans.

was financed by the Government from tax revenue.[42]   The overall philosophy that Singapore has adopted towards healthcare is that of household self-reliance and individual responsibility for healthy living and medical expenses. At the same time, the state provides good infrastructure, sanitation and safe water supplies, as well as affordable basic healthcare through a system of subsidised medical services at public hospitals and clinics. Additional assistance is also available for disadvantaged and lower-income groups. This philosophy reduces the public burden which can lead to unsustainably high levels of public expenditures on healthcare. It ensures that healthcare services can be sustained at affordable levels for all. Consequently, healthcare expenditure in Singapore is a relatively small proportion of overall wealth: in 2005, Singapore spent about S$7.6 billion or 3.8 per cent of GDP on healthcare. Out of this, the Government expended S$1.8 billion or 0.9 per cent of GDP on health services.

Primary healthcare in Singapore is delivered through a network of 18 outpatient government polyclinics and some 2,000 private medical practitioner's clinics.[43] Private practitioners provide 80 per cent of primary healthcare services while government polyclinics provide the remaining 20 per cent. Each polyclinic is an affordable subsidised one-stop health centre, providing outpatient medical care, follow-up of patients discharged from hospitals, immunisation, health screening and education, investigative facilities and pharmacy services. Public hospitals provide 80 per cent of the more costly hospital care with the remaining 20 per cent provided by private hospital care. While doctor-to-patient ratios are high,[44] the proliferation of day surgery and other medical advances means that the need for patients to incur lengthy and expensive hospital stays has also been on the decline.

In 1984, government hospitals moved towards corporatisation: collecting fees for services, relying less on government subsidies, competing for business, seeking efficiency gains and improving service, balancing budgets and relying in part on revenue from full-fee paying private patients to help defray the cost of subsidised patients.

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42   This is balanced against Singapore's low individual tax environment (2 per cent to 28 per cent for individuals and 26 per cent for companies) compared to other countries which generally need to draw higher taxation revenue to fund public health expenditure.

43   www.moh.gov.sg/mohcorp/hcsystem.aspx.

44   The doctor-to-patient ratio was 1: 652 in 2007, according to Barr (2008).

Financing

To assist individuals in meeting their component of personal medical expenses, the Government has established a 3M framework of Medisave, MediShield and Medifund that combines individual responsibility with government support to provide a safety net supporting the healthcare needs of all Singaporeans:

Government subsidies – The Government provides healthcare subsidies of up to 80 per cent (funded through taxation) in the primary, acute and step-down sectors, available to all Singaporeans.

Medisave – Medisave is a compulsory medical savings scheme with funds available to meet the patient's or his immediate family's co-paid share of hospitalisation, day surgery and outpatient expenses. Medisave is pegged to Central Provident Fund (CPF) contributions: a portion of an employee's CPF contribution, amounting to around 7 per cent to 9 per cent of wages (depending on age) is credited to the individual's Medisave account.

MediShield – MediShield functions as a national insurance scheme to help cover the cost of medical expenses from major or prolonged illnesses that are not covered by Medisave. The private insurance market has also been free to offer policies similar to Medishield, so individuals now have a choice of choosing between public or private options. Premiums for Medishield (or private insurance alternatives) can be paid from an individual's Medisave account.[45]

Medifund – Medifund is an endowment fund set up by the Singapore Government to help those in financial hardship with their medical expenses. The scheme, which is means-tested, is intended as a safety net for those who cannot afford the subsidised charges for hospital or specialist out-patient treatment, after allowing for any Medisave or MediShield funds.

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45 Medisave covers about 85 per cent of the population; MediShield covers about 89 per cent of the population. It initially covered members to age 75, but this was increased to 80 in 2001 and then to 85 in 2005 (Barr 2008).

ElderShield – An extension of the 3M system, ElderShield is a private insurance scheme designed to help fund future medical expenses incurred in the event of severe disability, particularly at advanced ages.

Direct payments – As a matter of principle, individuals will still need to pay for part of their medical expenses directly, even after receiving reimbursements from Medisave, MediShield or private health insurance. These amounts generally consist of insurance deductibles, co-payments (under Medisave or MediShield) or the cost of over-the-counter prescription drugs not covered by private health insurance.

Singapore's healthcare system tries to strike a balance between self-reliance and market-driven pricing mechanisms – which enable it to sustain a high quality of medical professionalism, facilities and treatment, while catering to the legitimate need for citizens at all levels of income to have access to medical treatment, with subsidies, infrastructure, competition and a wide variety of options. With MediShield and Medifund, there is also some assurance that Singaporeans will be able to meet the cost of catastrophic and unexpected ailments. As a result, it has managed to develop one of the most cost-effective and high quality healthcare systems in the world despite relatively little annual public sector expenditure, unlike many state-funded or fully privatised healthcare regimes where either the public burden or private costs are extremely high. Healthcare is a prime example of how Singapore's pragmatic approach to tackling basic issues of governance has yielded better results than conventional wisdom might suggest.

2.6 Conclusion

In Singapore, the infrastructure necessary to provide housing, healthcare and education are largely developed and funded by the state, but individuals and families pay for their use according to their means and needs. Social security takes the form of the Central Provident Fund, which is a form of compulsory individual savings, yet managed by the state (enjoying high interest rates) in a way that invests the country's savings in developments with significant economies of scale and long term gains. The CPF system, along with direct and indirect subsidies, is also the lynchpin for state support towards housing, education, healthcare, and retirement at the level of families and households.

Singapore has had some important industrialisation policy successes. The government's highly interventionist approach and active, targeted involvement in the economy for over four decades has been one of the reasons for Singapore's remarkable economic development. The evidence suggests that Singapore's government-linked companies – indicative of the Government's broad involvement in the domestic economy – are amongst the most efficient and well managed state-owned enterprises in the world, in part due to their market orientation and competent management.[46]

While it has been widely held that private sector enterprises are more efficient than their public sector counterparts (a reason often cited for large scale privatisation efforts in many countries), Singapore's example suggests that this need not be the case. The success of Singapore calls into question the ideology that effective participation in a globalised economy is best achieved by restricting state involvement in economic affairs. It is clear that prudent, competent and selective state intervention can be an effective route to economic development and has the advantage of marshalling resources on the necessary scale to particular sectors.

A key factor in Singapore's successful approach towards tackling its developmental challenges has been the competence and pragmatic mind-set of its public service and political leadership. This led the fledgling government to adopt bold national policies which often went against the conventional wisdom of the day, but which have proven their value over time. However, innovative and effective policies are not the only reason for Singapore's successful public service governance: a critical aspect of its results-oriented pragmatism has been the clear awareness that good policies must be followed through with effective execution by a competent public service. In addition, in order for these policy ideas to bear fruit, strong public institutions dedicated to their effective implementation also had to be conceived, nurtured and sustained.

The story of Singapore's public service governance is therefore not just a matter of competent political leadership and bold national policies; much of its success should be attributed both to the public service's long years of hard work in building a clean, competent and effective bureaucracy with the capacity to make a decisive difference in addressing formidable

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46 Yeo et al., 2005.

national challenges as well as to the creation of strong and effective public institutions. The history, organisation and defining traits of the public service and public institutions for which Singapore is renowned, are the subject of the next chapter.

Chapter 3

Building Institutions for Clean and Effective Governance

> 66 *Policymaking in Singapore has therefore been approached as a serious and sustainable technical enterprise, based on rational considerations rather than political expediency.* 99

CHAPTER 3
BUILDING INSTITUTIONS FOR CLEAN AND EFFECTIVE GOVERNANCE

The transitional period from a colony to an independent nation is often a time of conflict between entrenched senior officials (who have often imbibed the values and practices of the old order) and the newly ascendant political elite. Yet bureaucrats at the time of Singapore's self-rule in 1959 were cautious of what they regarded as left-wing elements in the newly elected ruling party, and advocated a conscious stance of political neutrality, even as the civil service itself came under criticism for being insensitive to popular aspirations and broader social needs, from education and employment to housing and healthcare.[47] It was evident to the new nation that the public service was the only institution with the apparatus to translate political aspirations into viable policies and concrete results. In the formative years of Singapore's independence, a mutual accommodation and collaboration between the political leadership and the civil service bureaucracy had to be forged.

3.1 Aligning the Bureaucracy with Developmental Goals

The earliest attempts by the new government to transform the civil service into an institution best suited to deliver on their bold national objectives focused on two aspects of administration. The first was to align and commit the civil service hierarchy to shared goals of national development as defined by the political leadership. The PAP government did not appreciate political neutrality; instead it expected the civil service to be aligned to its vision, and to carry out its agenda of creating jobs, building homes and setting up schools for the people. From the very beginning the leadership in Singapore conceived the civil service as a positive force, and believed that economic growth would be ineffective without institutional ability to implement

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47   Vasil, 1992, p. 136. See also Chapter 2.

ambitious national plans.[48] Dr Goh Keng Swee,[49] one of the acknowledged founding fathers of modern Singapore, was convinced that the fundamental problems with many developing countries stem from inappropriate social and political institutions (Goh 1983). The new government's other task was therefore to improve the institutions of the public sector, by eliminating corruption, restructuring its organisation, and establishing benchmarks for advancement and performance based on ability, proven merit and results, rather than seniority per se.

The task of alignment was a vital one: without the buy-in of the bureaucracy, the newly elected political leadership would have had the mandate but not the leverage necessary to effect change. Whereas the civil servants in the colonial era saw their role as administering rules and enforcing controls, the PAP government's emphasis was on a concerted public service serving the people by developing the economy and building up the country.   Dr Goh Keng Swee, then the Deputy Prime Minister, argued that:

> *"the civil servant can hardly hope to be an effective administrator if he is unaware of the political milieu in which he must operate or if he is unsympathetic to the long term objectives which the government sets out to achieve."*

<div align="right">(Chua 2010)[50]</div>

The new government began to encourage participation by civil servants in mass civic projects such as cleaning up waterfront areas during the weekends: it was a strategy to get them better acquainted with the political leadership, and to prepare them, psychologically, to get their hands dirty in the difficult groundwork of nation building. A Complaints Bureau was established, allowing citizens to make complaints against civil servants, which raised standards of courtesy and efficiency in service, but also provided insights on the needs of citizens when interacting with the government. A Political

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48 Goh, Keng Swee. "Public Administration and Economic Development in Less Developed Countries," Harry G. Johnson Memorial Lecture No. 4, Trade Policy Research Centre, London, 1983.

49 Goh occupied several ministerial portfolios, moving from defence to finance, from education to central banking, in the course of his career.

50 Chua, Mui Hoong. *Pioneers Once More, The Singapore Public Service 1959-2009*. Singapore: Straits Times Press, 2010, p. 46-47.

Study Centre was set up with the expressed purpose of re-educating the established bureaucracy, as it was felt that their working values, a legacy of the colonial era, were "irrelevant, if not dysfunctional, in the context of mass politics" (Seah 1971: 86).[51]

The Political Study Centre[52] conducted part-time and non-residential courses for senior civil servants in order to increase their awareness of the local contextual constraints and persuade them of the ruling government's agenda. Opening the centre, then-Prime Minister Lee Kuan Yew observed:

> *"whether an administration functions efficiently and smoothly in the interests of the people as a whole or in the interests of a small section of the people, depends upon the policies of the Ministers. But it is your responsibility to make sure that there is an efficient civil service … We the elected Ministers have to work through you and with you to translate our plans and policies into reality. You should give of your best in the service of our people. It is in our interest to show that under the system of one-man-one-vote there can be an honest and efficient government which works through an efficient administration in the interests of the people."[53]*

That the senior PAP leaders and the senior civil servants hailed from similar backgrounds (both groups were dominated by English-educated middle class men) and did not fundamentally disagree on desired social outcomes was a boon to achieving the alignment of vision and purpose that the ruling government sought. It contributed to the cultivation of an elite consensus at the pinnacle of Singapore's establishment, with major decisions being made by a relatively small elite but highly competent group of individuals, based on the idea of good and effective implementation of government policies. This view was best expressed in 1971 by Lee Kuan Yew:

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51 Seah, Chee Meow. Singapore politics, 1945-63: the myth of the "Leftward Drift". Singapore: South Seas Society, 1971.

52 The Political Study Centre conducted courses until 1969, when it was closed down as it was deemed to have achieved its purpose.

53 Quoted in Quah 2010, p. 134.

"The main burden of present planning and implementation rests on the shoulders of some 300 key persons. They include key men in the PAP, MPs, cadres who mobilise mass support and explain the need for policies even when they are temporarily inconvenient or against sectional interests. Outstanding men in civil service, the police, the armed forces, chairmen of statutory boards and their top administrators – they have worked the details of policies set by the government and seen to their implementation. These people come from poor and middle-class homes. They come from different language schools. Singapore is a meritocracy. Together they are a close knit and coordinated hard core. If all the 300 were to crash in one Jumbo jet, then Singapore will disintegrate."[54]

This profound alignment of the bureaucracy's mindset and structure with the ruling government's agenda could not, and did not occur overnight. It was also facilitated by the PAP's electoral success, which has returned them to government uninterrupted since Independence. Significantly, this also meant that the key members of the original PAP government were able not only to shepherd the fledgling nation through the difficult years of independence, but also into decades of growth and eventual prosperity. They did so with remarkable political integrity and unity; never allowing a personality cult to be built up around them.[55] The Cabinet was and continues to be constituted of persons who had been successful in their careers before they joined politics, who could bring proven management and leadership expertise to the business of government.

Policymaking in Singapore has therefore been approached as a serious and sustainable technical enterprise, based on rational considerations rather than political expediency. Long term economic interests dominate over short term populist or sectarian benefits. The work of government has been undertaken by a highly educated leadership which has been described as homogeneous, internally cohesive, and effective in executing its plans (Ortmann 2008).[56] The PAP government has promoted meritocracy

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54 Bell, 2000, p. 257.

55 This may be contrasted with other Asian democracies where politics is often undertaken as a profession in itself and where divisions and political strife within a party are common.

56 Ortmann, Stephan. "Explaining Non-Transitions: The Strategic Behavior of Political Groups in Singapore and Hong Kong." Inaugural-Dissertation Tag der mündllic hen Prüfung: 15 Feb 2008.

and a technocratic approach to government, since it considers that the problems faced by modern societies are technical and complicated in nature, requiring specialised knowledge for effective policymaking.[57]   A proficient and energetic elite made up of professionals and specialists selected on qualifications and merit, instead of popularity, therefore, is what the PAP believes Singapore needs to survive and prosper.[58]   The civil service would serve as the Government's primary mechanism for initiating, formulating, and implementing policies, and of institution-building for development and growth (Tan 2008).   This shared emphasis on competence and merit would also extend to all areas of activity: in Singapore, talent flows seamlessly between the public and private sectors; directorships on government-linked companies and public sector boards consist of diverse groups of both leading professionals and senior public servants.   The best civil servants have also been encouraged to go into politics. In the words of S. Rajaratnam:

> *"… after the first two elections the PAP became really an administration. It was no longer a party. And the civil service became a part of that."*
>
> (Vasil 1992)[59]

Today, public bureaucracy in Singapore is organised along Westminster lines as a career civil service, with a strong emphasis on discipline, efficiency, rationality, and capacity. While the literature suggests that public institutions in general are more effective when independent of the particular political party in power, Singapore has benefited from close relations between government and the civil service as well as from the country's stable political establishment. The public servant in Singapore can apply his or her energies unequivocally to the task at hand, formulating or implementing pragmatic and non-political interventionist policies toward the national good.

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57   A preference for technocrats as opposed to traditional political mobilisers for recruitment to the top echelons of the ruling party has been a distinct feature of Singapore's political economy (Chong 2007).

58   Vogel (1989: 1052-3), describing Singapore as 'a macho-meritocracy' portrays Singapore's public sector leaders as "combining the articulate English-debating style with the confidence of the Chinese mandarin and the raw energy and wit of the street-smart, local Chinese trader", in contrast to an often more self-effacing style adopted by other Asian administrators.

59   Vasil, 1992, pp. 145-146.

Having brought the civil service around to its agenda and philosophy of governance within the first decade of self-government, the ruling party sought also to shape the bureaucracy into an institution better structured to implement its ambitious agenda of nation building. It would appoint senior positions based on ability rather than seniority, assess and reward performance based on results, establish competitive salaries and recruit public servants from among the best in the country, establish prudent and properly accounted budgetary mechanisms, and establish frameworks to continually improve public administration, management, productivity and efficiency and service.

But first, the corrosive problem of public corruption had to be resolved.

3.2 Elimination of Corruption from Public Life: Addressing the Corrosion of the Moral Authority to Lead

Today, the Singapore Public Service is regarded as one of the least corrupt in the world, but at the time of Singapore's independence, corruption in Singapore was rife in most government departments, although the senior levels were relatively free of it.[60] Corruption had become endemic under colonial rule, and became particularly pronounced during the post-war period. Rampant inflation as a result of the Japanese Occupation contributed to widespread corruption among civil servants who were ill paid and poorly supervised.

The Anti-Corruption Branch (ACB), set up by the colonial government, had failed to reduce corruption: it had limited powers and inadequate manpower; and being a part of the police force it was also unable to deal impartially with widespread police corruption. It is telling that the PAP government won power in 1959 on a strong anti-corruption platform. Its political leaders had strong personal aversions to graft from any quarter; divesting themselves of financial and commercial ties, they took it upon themselves to set a good example for clean public office:

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60   Quah, 1995.

"When the PAP government took office in 1959, we set out to have a clean administration. We were sickened by the greed, corruption and decadence of many Asian leaders. … We had a deep sense of mission to establish a clean and effective government. When we took the oath of office at the ceremony in the city council chamber in June 1959, we all wore white shirts and white slacks to symbolise purity and honesty in our personal behaviour and our public life. … We made sure from the day we took office in June 1959 that every dollar in revenue would be properly accounted for and would reach the beneficiaries at the grass roots as one dollar, without being siphoned off along the way."

(Lee Kuan Yew 2000)[61]

The new government at once initiated a comprehensive anti-corruption strategy. As a first priority, efforts were focused on strengthening existing legislation and enforcement, and increased the penalty for corrupt behaviour – only long after corruption had been brought under control would the public service be in a position to reduce incentives for corruption by improving salaries and working conditions. The ineffective ACB was replaced by the Corrupt Practices Investigation Bureau (CPIB) which was placed under the direct supervision of the Prime Minister's office, with a Director and assistants personally appointed by the President, under the independent Singapore Government. The law was revamped to give more powers to the Bureau and punishments for corruption offences were enhanced. In February 1960, then Minister for Home Affairs, Mr Ong Pang Boon said in the Legislative Assembly:

"The Government is deeply conscious that a government cannot survive no matter how good its aims and intentions are, if corruption exists in its ranks and its public service on which it depends to provide the efficient and effective administrative machinery to translate its policies into action……. Therefore this government is determined to take all possible steps to see that all legislative and administrative measures are taken to reduce the

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61 Lee, Kuan Yew, *From Third World to First: The Singapore Story 1965-2000*, Singapore: Times Media Pte Ltd, 2000, pp. 182-184.

opportunities of corruption, to make its detection easier and to deter and punish severely those who are susceptible to it and who engage in it shamelessly."[62]

Anti-corruption legislation

The Prevention of Corruption Act (PCA) of June 1960 sought to tackle sources of corruption directly, and remedied significant loopholes in existing regulation, targeting both those who offer as well as those who receive bribes. The definition of graft was clarified to include not only cash but any exchange of value. Public officers would have to justify the gift or receipt of any form of gratification: graft would otherwise be presumed. The CPIB was granted sweeping powers of search, investigation, detention and seizure in cases of suspected corruption.[63]

Penalties for corruption in Singapore are deterrent and heavy: Any person convicted of a corruption offence can be fined up to S$100,000 or sentenced to imprisonment of up to seven years or both, if the offence relates to a government contract or involves a Member of Parliament or a member of a public body. Convicted persons will be ordered by the court to pay the amount of bribes accepted as penalty. Furthermore, the Corruption (Confiscation of Benefits) Act of 1989, empowers the court to confiscate the property and pecuniary resources which a convicted person cannot satisfactorily account for.

Later reviews broadened the scope of anti-corruption legislation, including the following:

- Empowering the court to order offenders to pay a penalty equal to the amount of bribe received apart from punishment in the form of fines and/or imprisonment term.

- Rendering it unnecessary to prove that a person who accepted a bribe was in the position to carry out the required favour.

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62 CPIB, 2006, from http://app.cpib.gov.sg/cpib_new/user/default.aspx?pgID=101

63 Quah, 1978, pp. 11-13.

- Empowering investigators to order public officers under investigation to furnish sworn statements specifying properties belonging to them, their spouses and children.

- Empowering the public prosecutor to obtain information from the comptroller of income tax.

- Empowering the court to admit wealth disproportionate to income as corroborative evidence.

- Empowering the removal of the accomplice rule which views evidence of accomplice as unworthy of credit, unless corroborated.

- Rendering it a legal obligation to provide information required by investigators of the bureau.

- Rendering Singapore citizens to be liable for punishment for corrupt offences committed outside Singapore and to be dealt with as if the offences had been committed in Singapore.

- Creating a new seizable offence of knowingly giving false or misleading information.

(CPIB 2009)[64]

Delivering a verdict on a corruption punishment appeal case in 2002, former Chief Justice Yong Pung How articulates the gravity with which corruption and its implications continue to be regarded in Singapore (CPIB 2009):

> *"I had no doubt that a more severe punishment was warranted to emphasise the courts' as well as society's disapproval and abhorrence of his actions which not only had the effect of bringing the public service of which he was an integral part into disrepute, but also gravely injures the impartial workings of our criminal justice system. To lightly condone the offence in the present case would no doubt undermine the efficacy of our public service as a*

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64   CPIB, 2009, from http://app.cpib.gov.sg/cpib_new/user/default.aspx?pgID=165

(CPIB 2009)

At present, over 95 per cent of corruption cases brought before the court lead to convictions; of all cases, public officers account for only 10 per cent, and the rest are private persons.[65] Furthermore, the courts do not hesitate to mete out deterrent sentences, especially for corrupt public officers who will usually serve custodial sentences and be stripped of their appointments.

CPIB: An overview

The efficacy of Singapore's anti-corruption efforts is a result of unrelenting political will, credible legislation, prudent administrative regulations, and effective institutions able to enforce the fight against corruption. In this regard, the Corrupt Practices Investigation Bureau (CPIB) has played an important role in maintaining the integrity (and therefore the moral authority) of the public service.

Originally established in 1952 as an independent body responsible for the investigation and prevention of corruption in Singapore, the effectiveness of the CPIB was greatly enhanced by political and legislative support after Independence, and given jurisdiction over all forms of corrupt practices including those which occur in the private sector: given that the activities of public and private sectors are frequently intertwined and not always easy to differentiate. CPIB's priority however, is in keeping the public sector corruption-free. It does so by:

1. receiving and investigating complaints concerning corruption in the public and private sectors;

2. investigating malpractices and misconduct by public officers; and

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65   CPIB, 2009, from http://app.cpib.gov.sg/cpib_new/user/default.aspx?pgID=165

3. reviewing the practices and procedures in the public service to minimise opportunities for corrupt practices.[66]

These functions are performed by three branches: the Operations and Operations Support Branch, which is the largest one and responsible for corruption investigations; the Staff Unit which formulates corruption prevention strategies including reviewing projects and providing public education and talks; and the Administration Branch which provides administrative support to the other two branches and is responsible for the financial and personnel administration of CPIB.

Since 1952, the CPIB has grown from a small team of five officers to its current strength of 88 officers in 2009. The CPIB's budget was S$1 million in 1978; in 2009 it was S$17 million.

All cases surfaced to the Bureau are carefully reviewed to sieve out *bona fide* complaints from frivolous or malicious allegations. However, the CPIB adopts a policy of zero tolerance and will take action on all genuine cases of corruption, regardless of the amount involved "from S$2 to S$13.85 million".[67] Indeed, Singapore's CPIB has "enhanced its credibility by pursuing allegations of corruption at the highest level of government" (Tan 1999: 64):

> *"In 1975, a Minister of State, Wee Toon Boon, was found guilty of accepting bribes from a property developer and was sentenced to four and a half years of imprisonment. In 1979, a Member of Parliament from the ruling People's Action Party and prominent trade unionist, Phey Yew Kok, was prosecuted for criminal breach of trust and other offences, but he jumped bail and fled to another country. In 1986, Teh Cheang Wan, the Minister for National Development, was investigated for accepting bribes from two property developers. However, he committed suicide before he could be charged in court. In 1993, Yeo Seng Teck, the Chief Executive Officer of the Trade Development Board, was sentenced to four years' jail for corruption, cheating and forgery. In 1995 the*

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66 CPIB, 2001, from http://app.cpib.gov.sg/cpib_new/user/default.aspx?pgID=61
67 CPIB, 2003.

Deputy Chief Executive of the Public Utilities Board (PUB), Choy Hon Tim was sentenced to 14 years imprisonment for accepting bribes from PUB contractors."

<div align="right">(Tan 1999: 64-65)</div>

Over the years, the CPIB has not hesitated to investigate allegations of corruption against political leaders and senior civil servants. Nor has there been evidence of anti-corruption powers being abused for political motives. This impartiality, effectiveness and independence have earned CPIB much credibility as an institution in Singapore and abroad.

Good public service governance; prevention is better than cure

Sound public service governance, administration and management are effective safeguards against corruption. This was highlighted in 1973, in an article in the South China Post:

"Singapore's approach to the problem of corruption is, we are told, simply one of efficiency in administration. The theory is that there is no room for corruption which thrives much better in an inefficient administration in which there are plenty of loopholes for it to flourish unnoticed and unchecked, where there is scope of hoodwinking and beating the system. An efficient administration can only be run by people who are turned on by and, good at, efficiency; people who are thereby content rather than discontent, fulfilled rather than frustrated, dedicated rather than disloyal, satisfied rather than dissatisfied, uncorrupt rather than corrupt. By giving people their self-respect and enough money in their pockets - by restoring to them, if you like, their dignity and its corresponding integrity of purpose - they are more likely to regard corruption as beneath them and less likely to abandon their public and private consciences; less likely to sell their soul to the devil."[68]

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68 From http://app.cpib.gov.sg/cpib_new/user/default.aspx?pgID=165

Within the public service, administrative measures have been taken to reduce the chances of officers getting involved in corruption and wrongdoing. These include:

- **Removing loopholes** and other opportunities for corruption.

- **Streamlining administrative procedures** and slashing red tape to close loopholes and reduce inefficiency which may encourage corruption (for instance, bribes to shortcut procedures).

- **Reminders** to government officers and contractors about the harsh penalties for improper or corrupt conduct.

- **Declarations of non-indebtedness** – Every public officer is required to declare annually that he is free from pecuniary embarrassment. An indebted public officer could easily place himself under obligation and be exploited. He is also more likely to succumb to corruption.

- **Declarations of assets and investments** – Every public officer is required to declare, when he is first appointed and subsequently annually, his properties and investments in companies, including those of his spouse and dependent children. This helps to identify officers who appear to have assets beyond their apparent means (which could be due to improper conduct). Officers who have stakes in private companies could also be asked to divest ownership to prevent possible conflicts of interest.

- **Non-acceptance of gifts** – Public officers are not permitted to receive any present in money or in kind from those whom they have official dealings with. They are also not permitted to accept any entertainment that will place them under any real or apparent obligation. Gifts received in the course of official duties (such as from foreign dignitaries) have to be declared and surrendered or the equivalent value paid for.

- **Educational** – Regular talks are given to public officers, especially those in the law enforcement agencies, on risks and regulations related to corruption, as well as provisions and safeguards

encoded in the Government Instruction Manuals.

Administrative safeguards also include close scrutiny of government expenditures by the Auditor-General's Department and the Public Accounts Committee of Parliament, and supervision of public spending by the Ministry of Finance.

Disciplinary measures are also laid out in Government procedures. A public officer found to be corrupt may be charged in court if there is enough evidence to do so, or he may be dealt with through departmental disciplinary procedures if there is insufficient evidence for court prosecution. Internal disciplinary actions may result in dismissal from service, reduction in rank, stoppage or deferment of salary increment, a fine or reprimand, and retirement in the public interest.

Singapore's experience has demonstrated that the key ingredient to an effective anti-corruption strategy is foremost a strong social will and political commitment to clean and effective governance. Conversely without this determination, no strategy, legislation, institution nor investment will suffice. As Chua Cher Yak, a former CPIB Director points out:

> *"It is far easier to have a good, clean government administering a good, clean system than it is for a good anti-corruption agency to clean up a corrupt government and a crooked system. In the latter case, the result is almost predictable: the anti-corruption agency is likely to come off second best. Clearly most governments will possess enough fire power to overwhelm even the most intense, well-meaning anti-corruption agency."*

(CPIB 2002)

Nevertheless, it is worth noting that Singapore's good economic performance over the years has allowed its public servants to be paid well; apart from ensuring that the civil service can attract its fair share of competence, keeping civil service pay competitive with the market has also helped to reduce the basic incentive for corrupt practices (notwithstanding the fact that corruption had been addressed and resolved long before salaries were raised). Competitive salaries motivate honest and effective performance from public officers, resulting in greater economic and social progress – a

virtuous cycle of development that is at the heart of Singapore's success.

3.3 Structure and Organisation of the Public Service

Overview

The public service is Singapore's single largest employer, accounting for about 115,000 employees, or four per cent of the country's workforce. Public agencies and their employees fall into two distinct categories: the regular Ministries and their employees, constituting the Singapore Civil Service (SCS), which focuses on policy formulation and regulation, while Statutory Boards (SBs) are mostly involved with operational, service delivery and market functions. These statutory boards and related public enterprises may also be involved in active projects particularly to do with economic development; they are granted special administrative powers by legislation, and, (relative to Ministries which have to observe civil service standards) have more flexibility in their recruitment, budgeting and other policies, in order to better respond to the conditions of their areas of operations. Several Organs of State (including the Auditor-General's Office and the Public Service Commission) do not fall under the executive structure of the public service but carry out administrative functions independently, as spelt out in the Constitution.

Under the direction of the political leadership, the SCS, as the executive arm of government, formulates public policies and programmes in the key areas of administration for any country: security and defence, international relations, finance, education, health, trade and industry, national infrastructure, and social and community services. The civil service has burgeoned over time, reflecting the significant role the bureaucracy has played in national development: It expanded from only 25,000 posts in 1960, to 63,012 established civil service posts in 1974, an increase of 143 per cent. Since then, the civil service headcount has stabilised at around 67,000, of which the three Ministries of education, health, and home affairs (including police, fire, and customs and immigration officers) employ 62 per cent. The civil service numbers are complemented by Statutory Board employees, who

number around 51,000.[69]   The size of the Singapore Public Service has plateaued, reflecting a substantial (but not bloated) administrative capacity for governance. In practice, both the Civil Service and Statutory Boards work closely together to develop and deliver public goods. The general term "public servants" and the term "public service" in this book refers collectively to employees in mainstream ministries and their related departments (i.e. civil servants), as well as those working in statutory boards.

The structure of Singapore's Government, with its Parliament, cabinet, courts, functional ministries and boards, is based on the British model of administration and, like many of its peers in the Commonwealth, reflects Singapore's colonial heritage adapted to the independent country's conditions and needs.   The areas of administration in the public service can be broadly categorised into the following sectors: **Economic, Social, Security & External Relations,** and **Government Administration, Corporate Development and Strategic Planning**.

The institutions that constitute the Singapore Government are listed in Annex A.

Civil Service staff structure

There are four general hierarchical divisions (Division I-IV) in the civil service, with senior public officers appointed to superscale and staff grades. Division I officers undertake executive, professional or managerial duties, such as policy formulation and staff supervision, and generally consist of tertiary degree-holders. Mid-level Divisions II and III officers perform management and operations support roles, or may be involved in frontline service delivery. Division IV employees include manual- and semi-skilled workers. There is some mobility between the divisions, particularly if employees gain further qualifications or skills training. There is gender equality in the civil service, in principle and in practice: some 54 per cent of employees in the civil service overall are women.

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69   Statutory Boards accounted for about 27,000 employees in 1969. This grew to around 51,000 in 1979 and has stabilised since.

There has been a steady rise in the number of Division I officers over time, reflecting a steady improvement in the education level of public sector manpower. Comprising just 5 per cent of the civil service workforce in 1970, Div I officers accounted for over 50 per cent of the manpower strength by 2006:

Table 1: Civil Service Strength by Divisional Status 1970-2006

Year	Division I		Division II		Division III		Division IV		Total
	No.	%	No.	%	No.	%	No.	%	No.
1970	2,873	5.3	14,808	27.3	16,076	29.7	20,438	37.7	54,195
1975	4,415	7.5	17,542	29.8	20,277	34.5	16,543	28.2	58,777
1980	7,796	11.0	23,051	32.4	24,892	35.0	15,342	21.6	71,081
1985	10,158	14.6	22,915	32.9	22,369	32.1	14,188	20.4	69,630
1990	12,348	19.5	21,095	33.3	20,150	31.8	9,799	15.4	63,392
1995	16,654	28.3	18,081	30.7	17,426	29.6	6,715	10.6	58,876
2000	24,400	38.5	18,939	29.9	14,993	23.7	4,984	7.9	63,316
2004	28,638	46.6	16,086	27.0	12,250	19.9	4,020	6.5	61,516
2006	32,412	50.2	16,668	25.8	11,582	17.9	3,875	6.0	64,537
2008	35359	52.1	19098	28.2	9536	14.1	3921	5.6	67814

Figures cover only manpower in ministries, government department and organs of state and not the statutory boards.
Source: Neo and Chen, 2007 & Quah, 2010

Major occupation groups in the civil service[70] (excluding the Administrative Service) include:

Executive / Graduate Position

- Management Executive (MX) (Policy and Strategy, Corporate Development, Operational Management or Service Delivery)

- Accountant / Finance & Audit Executive

- Information Communications & Public Affairs Executive

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70 From http://www.careers.gov.sg/Careers/Major+Occupation+Groups/

- Foreign Service Officer

- Senior Uniformed Service Officer (Civil Defence, Immigrations & Checkpoint, Narcotics, Police & Prison Officer)

- Teacher

Non-Executive Positions

- Management Support Officer

- Operation Support Officer

- Junior Uniformed Service Officer (Civil Defence, Immigrations & Checkpoint, Narcotics, Police & Prison Officer)

The Administrative Service

A core group of about 250 officers, the Administrative Service, constitute the leadership echelon of the Singapore Civil Service, among whose ranks are the Permanent Secretaries and Deputy Secretaries at the pinnacle of the bureaucratic hierarchy in each Ministry. Suitable officers are appointed to the Administrative Service rather than attached to any particular ministry (as is the case in Japan). During the course of their careers they move from one public sector agency to another on tours of duty (including statutory boards and other public bodies where appropriate); this job rotation is considered essential in building up the all-rounded competence, generalist perspective and management skills necessary for high level policymaking and leadership positions. It also enables Administrative Officers to be evaluated in different job contexts in order to determine their suitability for senior positions.

The Public Service Division

The Public Service Division (PSD), established within the Ministry of Finance in 1983 but transferred to the Prime Minister's office in 1994 as a Ministry-level agency in its own right, manages overall personnel policy for the public service – an important point of leverage, given the heavily

competence and human resource-driven administration in Singapore. Its mandate includes public service leadership development, capacity and capability development, and the promotion of whole-of-government coordination in strategy and implementation. PSD ensures that suitable human resource practices and capacity development efforts are in place to support whole-of-government initiatives. It manages the Administrative Service, and places, grooms and develops this corps of top public service leaders across the whole public service. It also fosters leadership capabilities at all levels as an important component of ensuring the successful implementation of policies on the ground. PSD works closely with other public agencies to determine their talent needs and develop leadership capabilities in the professional services. High potential officers across all schemes of service are groomed and exposed to work beyond their own agencies, such as in statutory boards and in government-linked companies.

PSD also plays a critical developmental role across the public service, by promoting best practices in public administration and ensuring that public officers remain relevant and up to date in the skills they need for their work. It also identifies, coordinates research on, and proposes solutions to long-term strategic issues of interest to Singapore, and their implications for governance. It is one of the key agencies which develops and coordinates processes and platforms for whole-of-government policy discourse, including transformational initiatives that cut across the public service.

Appointment, promotion, discipline, and the Public Service Commission

The Public Service Commission (PSC) was set up in 1951 'to meet the staffing requirements of the Government in accordance with the merit principle', with the authority to appoint, confirm, promote, transfer, dismiss, pension, and impose disciplinary control over public officers. The Commission, consisting of a chairman and between 5 to 14 members, is appointed by the President, on the advice of the Prime Minister. Members of the Commission are drawn from respected persons in senior positions from every sector of Singapore society – individuals with "extensive experience in

assessing character, capabilities and performance".[71]

Personnel management in the early civil service was highly procedural. Recruitment of all public sector personnel was carried out centrally via the PSC. It also administered and awarded top-tier undergraduate scholarships, which were and continue to be an important recruitment mechanism for talent in Singapore's public service.

The centralisation of promotions however resulted in a situation where personnel decisions were made centrally by staff with little direct knowledge of the specific service area in which the public officer worked. For instance, in education, principals had little say in teachers' promotions, although they worked together on a daily basis. This meant that personnel management could not be responsive to operational needs on the ground, and hindered attempts to recruit, retain and promote the best officers in a timely manner. There were knock-on effects for the efficiency and effectiveness of the public service at the operational level.

Since January 1995, however, the government has delegated authority for many personnel functions such as appointments and promotions of almost all civil servants, except the top ones, from the PSC to a system of Personnel Boards, with the PSC retaining the power to appoint Administrative Officers as well as the management of all Superscale officers of Grade D and above (including those who are Statutory Board CEOs). Three levels of personnel authority – the Special Personnel Board, the Senior Personnel Boards and Personnel Boards – cater to different levels of civil servants. This is to give civil service line managers greater authority over the management of their officers, and to allow speedier decisions on recruitment and promotion. However, the PSC has also retained the authority to discipline civil servants, leading to a reduction in rank or dismissal.

Recruitment

Public service employment carries high prestige in Singapore, and there is considerable competition for positions within the civil service or the statutory

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71   As opposed to the practice in many developing countries of making appointments on the basis of political loyalty or patronage, instead of professional and public credibility (Neo and Chen 2007).

boards. In a system which clearly echoes both the Chinese Confucian bureaucracy and the British civil service, the public service recruits from among Singapore's most academically able young people. Civil servants are appointed without discrimination by creed, ethnic group or gender; selection is meritocratic: the best and most suitable candidates are recruited, with education qualifications, job fit and suitability for public service considered the main criteria for recruitment. The Statutory Boards are permitted to hire foreigners, except for security-sensitive jobs. Promotion and tenure are based on an officer's potential for greater responsibilities and demonstrated performance.

The majority of public service recruits are tested for long-term careers. However, contract employment is increasingly being offered to new entrants to the civil service. It gives ministries greater flexibility in managing their manpower needs and allows them to assess the suitability of new officers for a long-term career with the organisation. Some may be brought in to work on specific projects within a certain timeline. Others may possess specialised skills which the civil service requires for a certain period and hence are brought in for a fixed term.

Once appointed, all civil servants have to prove themselves through performance on the job. They are promoted based on their contributions, not their qualifications (since performance depends on more than academic aptitude, and those with better academic results may not always perform better on the job). Individual capacity for problem-solving is actively cultivated through challenging "stretch" assignments both to sharpen necessary competencies and to identify those with an aptitude for greater responsibilities. Officers who reach the top rungs of the civil service have not only been identified as having the aptitude, qualifications and potential to hold high office, but a proven track record of active contributions to the public service.

The scholarship system in Singapore

To compete in Singapore's tight labour market for the best candidates for office, the public service offers attractive undergraduate scholarships to candidates who do well in the Cambridge General

Certificate of Education Advanced Level ('A' Level) examinations and show an aptitude for public service. Traditionally, the Public Service Commission has played a central role in selecting candidates for prestigious scholarships, although some of this responsibility has been taken up by the delegated Personnel Boards.

Government scholarships sponsor these outstanding young men and women for studies at distinguished universities at home and abroad.[72] Once they graduate, these scholars are bonded to work in the civil service for a fixed number of years. They are deployed across the public service, depending on the terms of their scholarship. Returned scholars who may be suitable for the Administrative Service are deployed through a four-year Management Associates Programme to be assessed for the Administrative Service. Other scholars are tied to specific government bodies (such as teachers in the case of MOE scholarships).

In 2009, 16 of the 20 permanent secretaries had been government scholars; a strong indication of the efficacy of the scholarship system in spotting suitable talent for the public service. However, as PSC Chairman Eddie Teo has pointed out, it also suggests that the personnel system is "flexible enough to allow for those with talent to be developed and rise to the top even if they did not start out as scholars".[73]

Promotions and salaries: incentives that drive performance

Promotion decisions in the civil service are based on the outcomes of an annual staff appraisal process, in which an officer and his or her supervisor meet to discuss work assignments and training plans for the year, as well as to assess the officer's performance and achievements in the period under

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72　The system is very similar to that of Japan, introduced in the Meiji era when a few bright students were dispatched to Western countries to acquire expert knowledge, and then return to serve their country with a much broader, international perspective (Iwasaki 2003).

73　Address by Eddie Teo, Chairman, Public Service Commission, at the Singapore Seminar 2009 in London on 31 Oct 09.

review. A confidential staff report by the supervisor is also made, indicating the officer's overall performance, character, potential and recommendation for promotion. Officers are given an overall performance rating each year, measured by how far he/she has met or exceeded the expectations of his/her substantive grade. The ratings range from A (when an officer far exceeds requirements in all areas of his work and makes contributions beyond his immediate responsibilities) to E (when he/she is unable to meet the requirements of his work).

Officers are also assigned a 'Currently Estimated Potential' (CEP) by their respective Ministries, which then determine the speed and trajectory of the officer's career, taking into account the norm for persons of similar potential. CEP (introduced in the 1980s) refers to the highest level of responsibility that an officer is expected of being capable of undertaking eventually, which determines his/her long-term promotional prospects and career track. The CEP not only influences how far an officer can go, but how quickly he/she may advance up the career ladder, with higher potential officers being promoted more quickly if they demonstrate performance consistent with or exceeding these high expectations. As a result of this approach, the best officers can rise up to be Permanent Secretaries in their forties. More rapid promotions, complemented by a fixed term appointment policy introduced in 2000 for senior officers, have ensured both parity and constant rejuvenation even at the highest levels of the civil service hierarchy.

Officers are ranked to ensure that assessments are equitable and fair, since it serves to moderate differences in standards between various supervisors and takes into consideration factors such as quality of work, output, organisational ability, knowledge and application, reaction under stress, teamwork and sense of responsibility, relative to others across the entire organisation.

Principles governing civil service wages

Singapore's approach to public sector compensation is quite distinct from those of many other countries. One key difference is the principle of paying public servants competitive wages. As Singapore's largest employer, the public sector's compensation approach has had to reflect market conditions and take into account national objectives. It has also needed to adapt to the

changing desires and aspirations of a younger, more educated and more demanding workforce. According to Neo and Chen (2007), public sector compensation rests on five core principles:

(i) Paying competitive rates commensurate with abilities and performance

The public sector recognises that good administration is premised on good people and that it needs to pay market rates to retain talent. Annual salary reviews are carried out, particularly for the professional services, with comparisons based on equivalent job markets or equivalent qualifications. Civil service pay rises usually follow strong economic growth, as was the case in year 2006 when strong wage growth in the private sector resulted in an increase in public sector attrition rates.

(ii) Paying flexible wage packages

Salary packages of civil servants now have a fixed and variable component, with the latter forming about 40 per cent of annual compensation. Having a greater flexible component has enabled the public sector to reward staff according to the performance of the economy without locking in large wage increases. In 2006, two days after the economic growth forecast for the year was revised upwards from between 6.5 to 7.5 per cent to between 7.5 to 8 per cent, the public sector announced a bumper bonus for all its officers of 2.7 months, a significant increase from the 2.15-month bonus for 2005 when economic growth had been less robust.

(iii) Performance-driven pay

The performance bonus system was introduced to senior civil servants in 1989 and extended to all officers in year 2000. This strong link between pay and ability enables the system to differentiate between outstanding, average and under-performing staff, reinforcing the meritocratic ethos.

(iv) Recognising potential

Good graduate officers are eligible for merit increments. As opposed to the previous fixed increment system, the ability to pay merit or variable increments allows good performers to be rewarded with higher increments. While the quantum of the performance bonus is determined only by the officer's performance, increments are

determined by the performance and potential of the officer as well as prevailing market conditions. High performing, high potential officers can thus receive much higher increments, helping them to ascend the career ladder at a much faster rate. This is in recognition of the fact that good young officers are no longer content to wait a long time to be promoted and face the prospect of peaking in their careers just before retirement.

(v) Paying clean wages

Public sector salary packages translate as many benefits as possible into cash. This reduces the number of hidden perks and increases transparency and accountability.

By 1986 the government had by and large ceased to appoint civil servants on pensionable terms. The main exception is the Administrative Service. The rest contribute to the Central Provident Fund, discussed in chapter 2.2.

The public sector compensation framework is clearly merit-based. The strong performance and potential-driven elements ensure that talented individuals rise quickly through the ranks, to reach their peak in their mid to late 30s. This has been part of a concerted strategy to reward and retain its top talent, which has been a key challenge since the 1970s.

(Neo and Chen 2007)[74]

A history of public sector salary revisions

After self-rule in 1959, the allowances of civil servants were drastically cut in order to contain the budget deficit. Division I officers were the hardest hit by these measures, since they lost all their allowances, amounting to 35 per cent of their base salaries. As the budgetary situation improved, the Government restored the allowances in 1961.

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74 Neo and Chen, 2007, pp. 363-365.

Salaries improved only in 1972 with the payment of a 13th month salary in December.[75]

While public sector salaries remained relatively low during the first decade of independence, this did not hinder the elected government's drive to eliminate corruption, build strong public institutions and pursue development. By 1968, Singapore's economy was growing at a healthy pace, and a report on public sector salaries was able to recommend pay rises of more than 25 per cent for most of the civil servants. However, the Government did not implement this recommendation until 1973 on two grounds: It was held that the economy, while growing, could not yet support a major salary revision; and the private sector was not considered a competitor for talent until the late 1960s. With this increase of 25 per cent in 1973, the gap in salaries with the private sector was somewhat reduced.[76]

Between 1959 and 1972, the per capita Gross National Product (GNP) had more than doubled, a civil service 'brain drain' to the private sector had started to develop, and the PAP government had been overwhelmingly re-elected for the third time. The government thus had the mandate and the means to make public sector salaries more competitive, reflecting the pragmatic realities of a growing economy while at the same time recognising Singapore's continuing need for a competent bureaucracy. Since 1973, there has been a trend of regular pay increases for top public officeholders with the growth of the economy. A 1981 survey found that private sector graduates earned 42 per cent more on average than those in the public sector. Not surprisingly, resignations were frequent.[77] In April 1982, the Government revised the salaries of those in the Administrative Service and other professional services to redress the wide disparity in pay between graduates in the public and private

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75 Quah, Jon S.T. "Good Governance, Accountability and Administrative Reform in Singapore," *American Journal of Chinese Studies*, Vol. 15, No. 1 (April 2008): 17-34.

76 Quah, Jon S.T. "The Public Policy-Making Process in Singapore," *Asian Journal of Public Administration*, Vol. 6, No. 2 (December 1984): 108-126, 296.

77 From 1978 to 1981, 8 superscale officers and 67 from the junior timescale ranks of the Admin officers left the Service (Chua Mui Hoong 2010).

sectors, and to minimise the brain drain of senior bureaucrats to the private sector.[78] In March 1989, then Minister for Trade and Industry, Lee Hsien Loong, recommending a substantial salary increase for the SCS, indicated that:

"As a fundamental philosophy, the Government will pay civil servants market rates for their abilities and responsibilities. It will offer whatever salaries are necessary to attract and retain the talent that it needs. … the Government can afford to do so, and this is only being fair to the officers concerned."[79]

As a result of the 1989 salary increase, senior civil servants in Singapore earned salaries that were high by international benchmarks.[80] Further revisions have been made to keep pace with the private sector and to compensate for a reduction in medical benefits.[81] As of 2008, the annual salary of a Senior Permanent Secretary is over S$1.9 million a year, reflecting the rapid economic growth Singapore has experienced in recent decades, resulting in high private sector wages, and consequently public sector salaries, which are pegged to the prevailing market in order to maintain the public sector's competitiveness for the best available domestic talent. The salaries of senior civil servants are pegged at two-thirds the median salaries of the top 48 earners in six professions: Accounting, banking, engineering, law, local manufacturing firms and multinational corporations.[82] Nevertheless, it remains clear that the high quality of Singapore's public service is not due to generous compensation or employment terms, but is instead the outcome of conscious policies and strategies,

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78 Quah, 1984, pp. 296-297.

79 Quah, 2008.

80 The basic monthly salary for the top administrative grade (Staff Grade V) was S$32,425 (or US$20,140) compared to the top monthly salary of US$7,224 for GS-18, the highest salary scale for the United States Federal Service (Quah 1995).

81 There were revisions in 1993, 2000 (where refinements were made to the benchmarks) and 2007. The salaries of senior public servants vary with economic performance, and may be cut during a downturn, as was the case in 2009. For an overview of the current salaries of key appointment holders, see http://app.psd.gov.sg/data/Press%20release%20-%2013%20Dec%2007.pdf, accessed on 27 June 2010.

82 http://app.psd.gov.sg/data/2009%20year-end%20payment.pdf

decades before economic conditions made it possible for the public sector to offer competitive salaries.

Performance incentives

Performance incentives (usually monetary) in the civil service strengthen the meritocratic correlation between performance and reward, providing recognition to staff that have done a good job and encourage them and others to continue to put in their best efforts.

The public sector introduced a flexi-wage system in July 1988, separating an officer's salary into several components: a Basic Wage, a Non-Pensionable Variable Payment (NPVP), a Monthly variable component (MVC), a 13th month non-pensionable annual allowance, and a Mid-year / year-end variable component. The move established a wage framework that would be more responsive to uncertain and volatile market conditions. In times of poor economic performance, the bonus, the MVC and 13th month annual allowance may be reduced or withheld, without affecting basic wages. Annual adjustments to the basic wage are conservative, while one-off special bonuses can be expected during times of good national economic performance. These wage reforms removed the rigidities inherent in the traditional wage system and linked wages to economic growth and productivity, ensuring that wages would not outrun productivity gains. It makes the wage system more flexible and provides an adequate link between public sector wages and economic growth and productivity gains.

Performance bonuses for senior officers were introduced in 1989, giving qualifying officers up to three months' worth of salary as a bonus for good performance well beyond the requirements of their grade. Under this scheme, officers who perform well during the year can receive an additional salary of up to three months. The rationale for this scheme was the need to strengthen the link between performance and pay, and to recognise and reward those who performed well beyond the requirements of their grade. Performance bonuses of up to two months were extended to Division I officers from 1996, following a salary review benchmarked to the private sector. The government preferred to enhance salaries through performance-related annual payments rather than a flat increase in wages, in order to further correlate pay with

performance.

The importance of associating pay with performance was underlined by Deputy Prime Minister Lee in 1996:

> *"We evaluate on performance. It does no good nor is there any reason why we should want to give somebody a birth right for the rest of his career just because he has gone to a good university ... If you are good, you get promoted. If you are not good, you may have a very fine qualification from a good university but it will not get you very far."[83]*

Institutional principles for success

The Singapore Government recognised from the beginning the vital importance of a country's public institutions in achieving national goals. Consequently, they adopted a conscious and stringent policy to align the public service with their developmental agenda, worked tirelessly to root out corruption from the old colonial system, and then actively worked to build a new meritocratic bureaucracy, seeking to cultivate and nurture the civil service, provide them challenging assignments, inspire them to show results, and thus ensure that best talents are nurtured to drive the country forward.[84]   Public sector governance in Singapore has been guided by several important principles:

First, the Government has articulated, legislated and enforced zero-tolerance towards corruption in the public sector, and politicians have demonstrated ethical leadership by example.   Successful and public prosecution of cases against public officials has bolstered the credibility of and support for the government's anti-corruption drive.

Second, the Government adopts rational, meritocratic and market-based (rather than populist or politically motivated) approaches, continuously reviewing the country's social, political and economic needs in relation to global trends, formulating policy and operational responses to national

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83   Jones, 2002, pp. 85.

84   Bernardo, 2008.

challenges, and drawing from the best talents and minds across all sectors in the country.

Third, the Government, through the Public Service Commission and Personnel Boards, has played a very active role in identifying, nurturing and grooming qualified and promising young talent for civil service positions, particularly at the critical leadership levels, ensuring a regular flow of competent individuals through the service to keep the public sector at high levels of performance.

Fourth, public servants in Singapore receive market-competitive salaries, complemented by merit-based personnel appraisal and advancement, as well as performance-based incentives which support performance management in the civil service. Civil service compensation is pegged to national economic performance, ensuring that the bureaucracy has a direct stake in the wellbeing of the country as a whole, and is proportionately rewarded for national success.

Finally, both the political leadership and the public service, attuned from Independence to the needs of the nation, are deeply conscious of the need for renewal and reform as the domestic and global environment evolves. Undertaking a process of continuous improvements, several important institutional reforms have been undertaken to transform the public sector: improving productivity and organisational efficiency, enhancing its capacity for foresight, promoting staff wellbeing, employee engagement and delivering quality service through technology and a citizen-oriented mindset. These capacity enhancing policy initiatives are described in the next few chapters.[85]

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85   Chapters 4 to 7.

Photographs

Aid from Friends:

Dutch conomist Dr Albert Winsemius (fourth from the left) led a seven-man team of United Nations (UN) technical experts to Singapore to evaluate and advise on the country's potential for industrial expansion in 1960.

Next Step Forward:

In 1961, with the help of the United Nations Development Programme (UNDP) and the International Labour Organization (ILO), the Light Industries Services was established within the Economic Development Board (EDB) to help small manufacturers modernise and expand. This followed the UN experts' recommendation to expand beyond the entrepot trade that Singapore was heavily dependent on.

Rapid industrialisation:

While foreign experts from UNDP and other UN agencies imparted technical know-how to their Singapore counterparts through site visits (top) and workshops (middle bottom), Singapore embarked on an intensive and rapid industrialisation programme. Special emphasis was placed in areas such as shipbuilding and repair (right), and development of port facilities (left).

Source: UN Photo / MB

Country in transition:
Top picture shows a meeting of the Timber Committee of the Light Industries Services which was set up to modernise and develop the timber industry of Singapore. Bottom picture shows draughtsmen working on Singapore's Urban Renewal Programme – a plan assisted by UN planners and urban renewal experts to transform the facade of Singapore with demolition of decaying buildings and upgrading of infrastructure.

Homes for the nation:

As Singapore progresses, public housing conditions improve. The old kampong villages and shop houses in the past were replaced by Housing Development Board (HDB) flats in the 1960s and the quality of housing has continuously improved. Singaporeans today enjoy better town planning and professionally-designed apartments such as those at Pinnacle@Duxton (bottom picture).

A Clean Public Service:

The Corrupt Practices Investigation Bureau (headquarters above) is an independent body responsible for the investigation and prevention of corruption in both the public and private sectors. It helps to keep the public service corruption-free.

From Third World to First:

Singapore's continuing development and progress are reflected in its changing city skyline. The Marina Bay in the centre of the picture also serves as Singapore's latest reservoir, providing drinking water for its population.

Source: Ministry of Information, Communications and the Arts

Source: Ministry of Information, Communications and the Arts/Darren Soh

Success Formula:

For Singapore to remain competitive, it needs to develop its only resource –
its people. Through education and training, Singaporeans are continuously
equipped with necessary skills to cope with the ever-changing economy, to
keep Singapore relevant on the international stage.

Source: REACH

Citizens with a voice:
As the citizenry becomes more educated, the government has become more consultative.

In the picture above, Minister for National Development, Mr Mah Bow Tan (left), and Reaching Everyone for Active Citizenry @ Home (REACH) Chairman, Dr Amy Khor (right) speak to citizens in a dialogue session (bottom picture).

Source: Singapore Cooperation Programme

Coming full circle:

Singapore was fortunate to have received assistance from its UN, UNDP and other friends during its formative years. It recognises the importance of such technical assistance and is happy to extend human capacity building programmes to friends from around the world.

Source: Singapore Cooperation Programme

Joining Hands, Making Friends:

Besides helping countries build their human resource capacity, the Singapore Cooperation Programme unites participants from different regions of the world to forge memorable and long-lasting friendships.

Chapter 4

From Survival To Success:

Public Sector Capacity
Development and Reform

> 66 *A paradigm shift in governance from 'mandate' to 'collaborate', from 'my turf, my responsibility' to 'let's work together', and from 'service delivery' to 'value creation'.* 99

CHAPTER 4

FROM SURVIVAL TO SUCCESS: PUBLIC SECTOR CAPACITY DEVELOPMENT AND REFORM

4.1 Drivers of Change and General Reforms

Public services worldwide have undergone a remarkable revolution. Borrowing management approaches and performance tools from the private sector, public agencies in many countries, have learnt how to operate as leaner, more responsive and more service-oriented outfits. The information and communications (infocomm) revolution of the past decade was a godsend in a period of transition in public service delivery: it has provided the technical means to deliver a wide range of services quickly, efficiently and conveniently, and unlocked the potential of deep but often unwieldy government databases, resources and processes. Conventional public sector traits – such as ubiquitous reach and relevance, information wealth, security, resilience and intrinsic credibility – have been demonstrated as vital strengths in a newly connected world. Even after the dot.com bust, government websites and online services continue to thrive – indeed, much more is now being asked of public services by increasingly informed and net-savvy citizens and businesses.[86]

The new public management

In the late 1970s and early 1980s, public sectors around the world began to undergo a significant transformation. Driven by trends towards market-based efficiencies, new technologies and management models, as well as a public call for more responsive and accountable public services, governments began to move away from state-directed intervention, adopting market norms for public service delivery, applying business principles to their operations, and paying new attention to customer choice and satisfaction.[87] Many public sectors embarked on sweeping market-driven reforms:

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86   Editorial, Ethos Issue 4, April 2008 (Civil Service College).

87   Haque, 2004.

privatisation, deregulation, liberalisation, corporatisation, outsourcing, subsidy withdrawal, and budget cuts were introduced in both developed and developing countries. In general, the movement saw the disaggregation of ministries, departments, and agencies into executive agencies with greater autonomy, and the delegation to these autonomous agencies of financial and managerial authority for formulating and implementing programmes based on final results or outcomes, rather than inputs and processes.[88]

In the context of this business-oriented transformation of governance and bureaucracy (a philosophy often referred to as the New Public Management), Singapore's experience is instructive. It was one of the countries which most enthusiastically embraced these market-informed changes in governance – as evinced by its personnel and financial devolution, organisational reforms and sector-wide change movements of the past two decades. However, there is a key difference. While many countries adopted these market-based public sector reforms because of alleged inefficiency of bureaucratic management (relative to commercial business discipline) the Singapore Government already had a comparatively efficient and well-managed public sector. Moreover, whereas developing countries agreed to privatisation, deregulation and other restructuring of the public sector as a result of heavy public or external debt, Singapore (being free of external debt) faced no such direct pressure to adopt these market reforms. Consequently, privatisation has not been a priority or widespread in Singapore's adoption of market-informed public sector reforms; instead it has opted for 'corporatisation' of selected public utilities to introduce business management practices while still retaining public ownership.

Moving from the operating assumptions of the earlier bureaucratic model (with its assumptions of impartiality and impersonality, hierarchical channels of communication, and structural and procedural rigidity) towards more sophisticated frameworks informed by business practices, Singapore began embarking on several reform trajectories in the 1990s. First, it began to delegate certain service delivery functions, retaining key regulatory and policymaking responsibilities at the Ministry level, while allowing operational agencies more leeway to deliver services directly and more effectively to the public. For instance, the Inland Revenue Department was reconstituted into the Inland Revenue Authority of Singapore in 1992, with greater

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88 Haque, 2003.

autonomy to offer competitive terms of employment, adopt customised facilities, and specialist staff training. The Ministry of Health corporatised most of its hospitals. Singapore Telecoms was corporatised in 1993 and radio and television services are now delivered by a corporatised entity, Mediacorp. In 1995, the Public Utilities Board corporatised its electricity and gas functions. In 1997, the Port of Singapore was corporatised. Most state-owned enterprises are now required to operate on a for-profit basis under the laws that govern private operations, and are no longer managed by civil servants. Many routine administrative functions (from grass-cutting, transport, office maintenance to printing and IT support) in the public sector have also been privatised (to take advantage of better economies of scale and service provision enjoyed by external providers).[89] In terms of public sector governance, personnel functions were devolved from a central authority to Personnel Boards better able to cater to the specific needs of their Ministry and core functions (as outlined in Chapter 3). There were also new opportunities for business-sector executives to join the public service at any level, depending on their abilities and qualifications (Haque 2003; Tay 1999).

Globalisation and its challenges

As observed in earlier chapters, Singapore's approach to governance and state intervention has been pragmatic, efficiency-driven and responsive to broader market movements in trade and industry from the start. Its liberalisation and deregulation is an extension of this approach. Responding to an increasingly well-educated and sophisticated populace, and an increasingly globalised economic playing field, the public service would itself become more efficient by adopting market discipline and best practices from the business world.[90] This was given further momentum in the 1990s by a new agenda to transform Singapore's economy from one that was heavily manufacturing and export driven into one that was more knowledge-based and centred around services. By the 1990s, sectors traditionally reserved for government-linked bodies (such as telecommunications, power and healthcare) were opened up to competition. Other sectors (such as banking

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89 Turner, 2002.

90 Haque, 2004.

and law) liberalised entry for foreign players.[91] Restrictions on what individuals could do with their Central Provident Fund (CPF) savings were relaxed, encouraging the private use of these savings for investment and wealth accumulation.

This shift in national economic orientation called for a fundamental change in the political and bureaucratic management of Singapore to allow greater flexibility and responsiveness in operation and regulation, based on transparency, autonomy, free market mechanisms and other conditions necessary for business innovation and growth, without compromising basic principles of prudence and discipline in governance.[92] The bureaucracy would have to be ready to operate in a very different domestic and global environment than the early decades of Singapore's independence.

Although the public sector remains a dominant actor in the economy, there has been a significant shift in its stance: from a regulator and provider of services to a facilitator and convenor of business and other activities in the country,[93] ensuring a favourable environment (in terms of infrastructure, the rule of law, tax regime, licensing and other supporting amenities).

Singapore in a globalised world

Singapore was one of the first economies to attract foreign direct investment as a means of economic growth. However, it now faces stiff competition in the global playing field, not least from much bigger economies such as India and China which dominate the sectors of low-cost export manufacturing that once sustained Singapore's industrial sectors. Although Singapore has moved up the value chain towards higher value-added services, it remains highly dependent on foreign investors and markets, as well as accelerating transnational

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91 Foreign firms were allowed to borrow Singapore dollars for projects abroad. The 40 per cent limit on foreign ownership of local banks was also lifted, enabling them to completely acquire local banks.

92 Bhaskaran, Manu, "Transforming the Engines of Growth," in Welsh et al., *Impressions of the Goh Chok Tong Years in Singapore*, Singapore: NUS Press, 2009: 201-219.

93 Low, 2000.

business cycles, which limit the ability of state agencies to effectively intervene in its highly open economy.

Recognising this challenging reality, the Singapore Government has introduced further incentives to ensure Singapore's relevance in the global economy, including investments in advanced infrastructure, lower income taxes, liberal employment terms for foreigners, and the liberalisation of major sectors of the economy, from finance to telecommunications and law. These measures allow Singapore to remain attractive to global markets and investors (Low 2000).

Globalisation and the information revolution have also put pressure on the public service to be more outward-oriented, more market savvy and also much faster in responding to issues raised by business as well as its citizenry. It has had to move from fixed ways of doing things – towards more diversity and less red tape. As the economy and its players needed to become more nimble, innovative and entrepreneurial in a volatile global business environment, the public sector had to support it with much more responsive services, regulations and facilities. All of which allow people greater choices in government services and give public officers more leeway to make empowered decisions that would benefit the public in a timely manner.[94]

As Singapore had to change with the times, so too did its public service, given its leading role and central importance in ensuring the nation's well-being.

Three important features of administrative reforms in Singapore should be highlighted. First, both institutional and attitudinal aspects of reforms are emphasised. Second, the goals are clearly articulated as a means of better achieving national development priorities. And third, Singapore has adopted a pragmatic approach to reform by relying on improving organisational capabilities and reducing organisational workload and by pursuing both

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94 Chua, 2010.

comprehensive and incremental reform strategies.[95]   Lee and Haque[96] further argue that key elements of the New Public Management (NPM) model such as flexibility, performance and results are in line with Singapore's 'trustee model of democracy', which "justifies entrusting wide discretionary power in the hands of political and administrative authority in return for good results".

4.2 Financial and Budgetary Reforms

Line-item budgeting: the historical model

For decades after its independence in 1965, the Singapore Government used line-item budgeting as its standard budgeting model. Under this approach, public organisations requested for a budget expressed in terms of the types and quantities of goods and services to be purchased (known as 'line items' or 'objects'). Public organisations had to keep expenditure within the amounts approved for each item. It was a system that enforced strict discipline on where and how monies should be spent; control over all uses of public funds was heavily centralised in the Ministry of Finance (MOF). It was a system which encouraged prudence and was adequate for allocating scarce resources when the scope of governmental activities was relatively small, but it had several limitations. First, this rigid approach made it difficult for public organisations to adjust to rapidly changing priorities and circumstances, or the creation of new public services for which there was no good precedent for costs. Second, as there was no correlation between 'things to be bought' and 'things to be done', it was difficult to evaluate budget proposals for their relevance or efficacy in relation to desired public outcomes. Third, it was also not the practice to evaluate if those desired outcomes had been met or whether they had been achieved in the most cost-effective manner: new budgets were simply based on previous budgets adjusted for incremental growth and inflation. There was no clear accountability between budgets and performance.

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95   Quah, 2010.

96   Lee and Haque, 2006, p. 614.

Reforms: block budgets and autonomous agencies

Major reforms sought to address the above concerns. Singapore's budgeting framework moved from the bottom-up line-item format to a top-down system structured around budget ceilings on spending.[97]   Each Ministry sets a spending ceiling for the next 5 years, which is derived through a zero-based approach, whereby the Ministry's line item expenditure patterns and needs are used to determine a baseline budget.   Until the next 5-yearly review, the baseline budget will grow in proportion with the smoothened GDP growth rate, which means that each Ministry's annual spending ceiling is automatically adjusted to economic conditions. Within this ceiling, MOF empowers Ministries to make spending decisions based on their respective strategic outcomes and priorities. Ministries can borrow, with interest, in one year against allocations in subsequent years (up to 10 per cent) or to rollover funds from one year to subsequent years (maximum carry-forward is three years). They are also able to tap on budget savings they had set aside during the past three years. Hence, the 5-year spending ceiling provides certainty, predictability and fiscal discipline for funding in the medium term, while allowing for some degree of flexibility in adjusting annual nominal budgets through the allowance for carry forwards, advances and rollovers.

While block budgets provide Ministries with a great deal of autonomy, this decentralised approach to budget management is balanced by accountability measures such as budget feedback mechanisms to ensure that resources are allocated efficiently and used effectively. Key performance indicators are developed and monitored by Ministries to support whole-of-government outcomes developed jointly by MOF and line Ministries. Performance information is used mainly by the relevant Ministries in assessing strategy, though the MOF does use the information when evaluating each Ministry's block budget and medium term funding needs.

Block budgeting produces strong incentives for Ministries to reduce waste and improve their processes, and imbues public agencies with more confidence to make investments for the future. It transforms the nature of dialogue between the MOF and the ministries — from short-term oriented haggling over detailed budget allocations to longer-range discussions about medium-term strategic priorities and outcomes.

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97 See Chhabra, 2008, http://www.instituteforgovernment.org.uk/pdfs/casestudy_singapore.pdf

The intention is not to directly link funding with performance and results indicators, but to engage Ministries in reviewing results attained and to improve the quality of measures employed as well as the strategies and initiatives proposed to address under-performing areas. A mechanistic link between results and budgets is not effective since multiple factors can impact the attainment of a desired result, and in some cases the indicators used may not be sufficiently robust. For this reason, performance discussions with Ministries focus on longer term trends rather than specific year over year changes, and emphasise the improvement in the quality of measures (such as moving from output to outcome measures) and the consideration of stretch targets where appropriate.

The Ministry of Finance monitors the performance of the agencies to facilitate accountability in terms of what the ministry has set out to achieve in its plans and budgets. The indicators in the budget book are one aspect that facilitates such monitoring. Separately, statutory boards publish annual reports which are tabled in parliament. In an effort to strengthen a results-oriented culture and facilitate Cabinet oversight, the government introduced Ministry Report Cards in 2006. The report cards are brief, two page documents completed on a standard template that form the basis for budget dialogues between the MOF and Ministries, including explanations if targets have not been met and the consideration of stretch targets where further improvement seems possible. But the budgets are not linked to the results in the report cards.

These two key reforms, by placing greater emphasis on change management and service excellence coupled with the relevant financial management reform, have resulted in almost the entire civil service being managed as Autonomous Agencies (AAs). Each AA is provided with greater financial and personnel management autonomy and flexibility to respond to changes. Line organisations can decide on how resources are deployed. Their permanent secretaries are given maximum flexibility in personnel and financial matters within the agreed budget, but are subject to a higher level of accountability. Organisations thus became more aware of the importance on focusing on public outcomes and how best to achieve optimal results given the resources at hand.

4.3 PS21 and Future-oriented Reform

Public Service for the 21st century

In the 1990s, it became clear that the global landscape had become increasingly dynamic and uncertain. Globalisation, rapid technological progress, as well as demographic and geopolitical shifts meant that the pace of change would accelerate rather than reach equilibrium. Recognising that the public service would have to be far-sighted, proactive and anticipatory in an era of continuous change, the public service launched a comprehensive sector-wide movement to prepare itself for this fundamental change in mindset towards its mission and activities. This was the impetus for the movement known as PS21 – Public Service for the 21st Century.

Launched in May 1995, PS21 was about cultivating a new outlook and way of approaching public service – one in which the instinct is to welcome, anticipate and bring about change. The concept was revolutionary: it rejected the notion that the government bureaucracy could only be a conservative impediment to positive change. It asked the Public Service to be proactive rather than reactive; to question the future instead of being complacent about the present; and to be continually prepared, and to be "in time for the future", i.e., before the need for change became an urgent crisis. To do so, the Public Service would have to harness the creativity and commitment of its people, and become leaner, more responsive, and more service oriented. Its ambitions were expressed as two basic objectives:

1. To nurture an attitude of service excellence in meeting the needs of the public with high standards of quality, courtesy and responsiveness.

2. To foster an environment which induces and welcomes continuous change for greater efficiency and effectiveness by employing modern management tools and techniques while paying attention to morale and welfare of public officers.[98]

At its launch, PS21 was organised as four functional areas, reflecting the following general aspirations for public service reform:

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98 Tay, 1999.

- **Staff Well-being** – looking after, energising and engaging staff so that they feel valued for their contributions, as well as prepared and committed to do their best work.

- **Excellence through Continuous Enterprise and Learning (ExCEL)** – empowering officers to continually learn and expand their capacities, and to contribute ideas that could improve processes or service delivery within their sphere of work. ExCEL incorporated earlier efforts (since the 1980s) to promote productivity, staff suggestions (SSS) and work improvement teams (WITS)[99] throughout the Public Service.

- **Organisational Review** – Structural and strategic innovations, including the streamlining of procedures, cutting red-tape, and applying information technology and management tools to dramatically transform public service.

- **Quality Service** – A commitment to deliver efficient, effective, relevant and courteous service to the public (as well as to fellow public officers who rely on collaboration to perform their duties well). The earlier Service Improvement Unit (see box story) was incorporated into this aspect of PS21. Among other achievements, this led to public agencies publishing service standards, including waiting and response times.

The PS21 movement was initially driven by the Committee of Permanent Secretaries (serving as the PS21 Central Steering Committee), with high level Functional Committees to promote each of the functional areas service-wide as well as at the level of individual ministries. The central Functional Committees initially served as platforms to collect data and share best practices, in addition to driving specific aspects of change under their charge. A PS21 Office situated in PSD served as a coordinating secretariat for PS21 efforts across the public service.

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99 WITs were modeled heavily after the Quality Circles established in Japanese firms in the 1960s through the work of Dr Edward Deming, an expert in quality control and management techniques. Quality Management approaches and techniques (including staff suggestions and work teams empowered with basic but effective analytical tools) were regarded as an important source of productivity and efficiency gains in the private sector. WITs and Staff Suggestions were hence an adaptation of a proven management best practice to the public sector context. Modest rewards and public recognition were offered for staff suggestions or innovations which resulted in cost savings or service improvements.

In the 15 years since its launch, the PS21 movement has achieved much in fulfilling its two original objectives and gone beyond them. The development of the C.A.R.E (Courtesy, Accessibility, Responsiveness and Effectiveness) framework, service pledges and service standards as well as the Quality Service Manager System has significantly enhanced service quality. In the area of organisational excellence, there has been a steady growth in the number of public agencies that have adopted nationally benchmarked organisational excellence frameworks based on the Singapore Quality Award and the People Developer Standard.

The PS21 movement has also taken on many issues beyond service excellence, staff welfare and staff improvement, such as cutting bureaucracy and red tape, actively promoting high-value-adding innovation and enterprise, an economy drive, and promoting citizen engagement initiatives, as both the public service as well as the residents and businesses it serves grew in sophistication.

Nevertheless, to overcome a perception that an inflexible approach to WITS and SSS was becoming the main focus of the PS21 change effort,[100] at a time when agencies were pursuing more nuanced performance and change regimes, the implementation approach to the PS21 movement was reviewed. In 2008, the thrust of PS21 was crystallised into three key messages, encompassing its intended values and attitudes towards change:

- PS21 is about change and improvement (*what PS21 is about*);

- Every officer is an agent of change (*everyone should be involved*);

- PS21 builds a public service that is worthy of Singapore (*what it hopes to achieve*).

The PS21 committees were streamlined, and PS21 was repositioned as "a people-centred mass movement that encourages public officers to embrace change in their work in order to keep the public service at the leading edge". Instead of centrally directed change initiatives, public agencies

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100 There was a common reductive tendency to associate PS21 only with WITS and SSS quantitative targets and statistics and simplistic thinking tools, rather than with an empowering attitudinal shift in public sector behaviour.

were given more autonomy in how they implemented and promoted PS21 ideals. Quantitative indicators of progress (such as WITS/SSS contribution numbers) were replaced by more qualitative reports on efforts towards innovation and other improved public service outcomes. Organisational Development (OD) practitioners were recognised as an important new capacity for coordinating organisational reform efforts in their respective agencies, and platforms were established for them to share best practices (e.g. a PS21 Forum in 2009 and focus group discussions). More recently, there were efforts to link agency-specific initiatives to the larger PS21 movement, combining traditional media (posters, email blasts, etc.) with new social media tools, such as videos, online competitions, a blog and micro-website as a means to engage the broader public service in the cultural change advocated by the PS21 ethos.

Service Improvement Unit (SIU)

The Service Improvement Unit was set up in April 1991 under the Prime Minister's Office with the mandate to monitor, audit and assess the quality of service provided by public agencies to the people. Its task was to identify problem areas and make recommendations to improve service quality. The SIU also sought to foster a greater sense of common ownership and collective responsibility for the public good among Singaporeans, by providing an avenue for citizens to come forward and actively participate in improving the standards of public service through their ideas and suggestions.

During its first few years, the SIU's strategy focused on five aspects. The first was to increase bureaucratic efficiency and effectiveness by requesting ministries and statutory boards to review their rules and regulations and remove any found to be stifling, intrusive or obsolete. The second concern was to advocate staff training to enable civil servants to give better service. Third, the SIU promoted the use of information technology and automation to reduce administrative paperwork. Fourth, ministries and statutory boards were encouraged to "assess their quality of service (such as through the use of service audits and customer exit interviews), develop performance-monitoring systems

and set targets for improvement".[101]

In addition, the SIU collated and made known service improvements introduced by government bodies (such as the provision of more one-stop services, better facilities and more easily accessible information) by issuing reports on the level and quality of service in these organisations. In response to the SIU's mandate to monitor the performance and service quality of the public bureaucracy so that standards are not eroded, many departments and statutory boards have developed systems to monitor service levels using such indicators as waiting time, time taken for approvals and the number of unanswered calls.

Finally, the SIU monitored the feedback received from the public by analysing the nature of requests, complaints and suggestions received by public agencies. The public organisations that received the most feedback included: the Housing and Development Board, the Public Works Department, the Civil Aviation Authority of Singapore, the Mass Rapid Transit Corporation and the Police.

The SIU was assisted in the performance of its duties by 93 Quality Service Managers (QSMs). To ensure that these QSMs had the authority to make decisions in their organisations based on feedback gathered by the SIU, they were appointed from among senior executives (usually a Deputy Secretary or equivalent appointee) in their respective Ministries and Statutory Boards.

A Political Supervisory Committee oversaw and directed the work of the SIU. It was chaired by a Minister, and included 6 to 7 Members of Parliament. In addition, senior civil servants holding key appointments would be in attendance. The SIU was supported by a secretariat originally set up within the Ministry of Finance; this unit was transferred in 1993 to the Public Service Division (PSD) to place greater emphasis on training and development in cultivating a customer service-oriented mindset among public officers. In 1995,

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101 Quah, 1995, p. 341.

the role of the SIU secretariat was absorbed by the PS21 Office in PSD. SIU as a distinct body has ceased to exist, and its task of promoting service quality in the public sector is now part of the on-going PS21 framework.

4.4 Towards a More Responsive Public Service

While the identification of national challenges, the setting of the national agenda and the formulation of policy tend to be driven from the top, the implementation of public policy places the bureaucracy in direct contact with the stakeholders – citizens, businesses and visitors – that they support and serve. Despite its international acclaim for efficiency and professionalism the Singapore Public Service has sometimes come under criticism for being inflexible and opaque in the application of procedures.[102] A recent Political and Economic Risk Consultancy report qualified its praise of Singapore's bureaucracy thus: "Singapore's civil service has a reputation for professionalism and efficiency. It is not particularly flexible but can be counted on to do its job by the book." It also observes that, "during normal times, when the system is not stress-tested, it operates very well. However, during difficult times – or when mistakes are made that reflect badly on the system – there is a tendency among bureaucrats to circle the wagons in ways that lack transparency and make accountability difficult."[103] Others, including some of Singapore's own parliamentarians, have observed that because the emphasis has been on being clean and efficient, anything that is within the norm and in the box can be processed with little difficulty or delay. "However, if a proposal or a query is out of the box, its gets lost in the wilderness or unnecessarily delayed. So there has been limited room for creativity and mistakes. People, on the other hand, are creative and act out of the box from time to time. So when met with the clinically correct bureaucracy that fails to treat them like creative and emotional human

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102 According to the news article "The Singapore Civil Servant: Loved Abroad, Hated At Home," (*The New Paper*, 23 March 2007), the civil service is regarded by some citizens as 'efficient but arrogant, clean but cold, and professional but rigid'.

103 *The Straits Times*, June 3 2009.

beings, they can be frustrated."[104]

Despite these criticisms, it is clear that the public service's shortcomings in responsiveness are not a result of a stereotypical uncaring, malicious bureaucracy but instead are the outcome of a system that values due diligence, impartiality and incorruptibility, perhaps erring on the side of caution. From the start, Singapore's Government has been willing to take unpopular measures if they are considered to be in the long-term interests of the country – and their political legitimacy and credibility have been built up over decades of honest service and sound judgement.

Nevertheless, the Public Service began to cultivate a service oriented mindset in line with PS21 and other service improvement initiatives. Public agencies quickly developed means by which to respond more quickly and transparently to feedback from their customers. They also began to proactively consult stakeholders, whose views could help refine and improve policy implementation. These new approaches have proven invaluable as issues relevant to governance become increasingly complex and interrelated, requiring the cooperation and goodwill of stakeholders to accomplish.

Both formal (institutionalised) and informal channels of communication have been in place for several decades.[105] The Government's Feedback Unit in the Ministry of Community Development was set up in 1985 to gather valuable feedback from a diverse range of public views related to issues of governance. There have also been a series of advisory and consultative committees in past decades to determine the direction Singapore should take in key areas such as educational and economic reform.

The Service Improvement Unit (SIU) was set up in 1991 to actively seek views on how public service delivery and procedure might be further improved. Furthermore, under PS21, customers of public agencies have been encouraged to lodge a complaint if performance standards have not been achieved, or to provide other feedback on service provision.[106] Toll

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104 *The New Paper*, 23 March 2007.

105 Singapore's various advisory committees and the Feedback Unit serve functions that in many countries are provided by political parties. In Singapore these para-political institutions were presented as apolitical, inclusive, and community oriented bodies, headed by people motivated by a selfless desire for public service.

106 Turner, 2002.

free hotlines linked to Quality Service Managers were provided to give the public direct channels for redress.

Public consultation

Public consultation prior to policy implementation is in fact not new to Singapore. Since the early eighties, public agencies had begun to engage the public in obtaining feedback on their plans and proposals. For instance, the Urban Redevelopment Authority (URA), from as early as 1982, has had technical seminars and exhibitions for their concept plans to solicit public comments and ideas. Before promulgating new guidelines, its drafts have also been circulated to professional bodies such as the Singapore Institute of Architects for views. To arrive at their 1991 Concept Plan, the URA began organising focus groups chaired by professionals from the private sector. The Singapore Police Force's community policing programme, from 1983, involved key community leaders who were routinely consulted and advised on evolving security trends in their neighbourhood.

More recently, the "Reaching Everyone for Active Citizenry @ Home" (REACH) website (http://www.reach.gov.sg) has offered a series of online channels including discussion forums, online chats, blogs and emails, in order to gather public feedback as well as facilitate discussion on government policies.[107] The website encourages citizens to exchange information and perspectives with Government, and gives them a sense of involvement in shaping national issues and concerns. REACH organises small scale focus group discussions, midscale dialogues as well as large-scale forums to gather views from different sectors. Policy Study Workgroups (PSWs) were launched in 2007 to look into specific key issues and challenges facing Singapore – currently Health, Manpower and Integration are the focus. They aim to propose new policies and ways to enhance existing policies to meet the identified challenges ahead. REACH also organises eTownhall discussions (using its online chat facility), during major feedback milestones in the calendar (such as before and after the Budget Speech, and after the National Day Rally), to allow citizens to have real-time discussions with politicians on pertinent issues, thus making the Government more accessible to Singaporeans, strengthening citizen engagement and facilitating greater

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107 Quah, 2010, p. 158.

two-way communication between the government and the people.

4.5 Use of Information Technology in Modernising Administration

The Singapore Government was one of the earliest in the world to deploy information technology in the delivery of government services. Today Singaporeans obtain information and bid for certificates to register a vehicle, file their taxes, download forms to file for bankruptcy, register a marriage, baby, car or a pet, apply for a passport, housing or utilities, check their central provident fund accounts or their child's school registration status, online. e-Government systems have led to rapid and convenient delivery of services, a massive reduction in paperwork and red tape while improving the standardisation of processes, greater efficiency in information management and retrieval, and effective search, and cost savings for citizens, businesses and public agencies. In its 22 June 2000 edition, the Economist magazine remarked, "When it comes to e-Government, there is nothing to match Singapore". In the annual survey by consultancy firm Accenture, Singapore retained its position as having the second best e-Government service in the world after Canada for four consecutive years since 2004. In the 2007 Accenture e-Government leadership report, Singapore was ranked number 1.[108]

Singapore's e-Government framework: an overview

This 'one-stop, non-stop' conception of e-Government services had its origins in Singapore's National Computerisation Plan (NCP) of 1980, which focused on creating a pool of IT professionals that would support the nascent IT industry. As part of its effort to increase awareness of IT in government and help create a critical mass of usage and demand, an ambitious civil service computerisation programme was put in place as early as 1982. From the late 1980s, government functions were being increasingly supported by IT-based systems in the backoffice, helping to streamline data-collection and management (such as the OSCARs system for one-stop

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108 *The Economist*, 22 June 2000.

reporting of address changes to government departments, and the TradeNet platform which supports the vital trading and logistics sector).

By the 1990s, Singapore had developed a thriving IT industry, and established a National Information Infrastructure (NII). The merger of the Telecommunication Authority of Singapore and the National Computer Board to form the Infocomm Development Authority of Singapore (IDA) on 1 December 1999 added impetus to the move towards ever more sophisticated information and communication (ICT) applications in every sector, including the Government. As the Chief Information Officer for the Singapore Government and a key partner of the Singapore Ministry of Finance in e-Government planning and development, IDA is responsible for government-wide ICT master-planning, project-management and implementation of various ICT systems and capabilities for the Government. IDA, in its capacity as the Government's Chief Information Office, defines and oversees ICT policies and standards, guidelines and procedures for the public sector, and manages the security of critical ICT infrastructure. It oversees an Infocomm Education Programme, which equips public service employees with relevant competencies to take advantage of the potential of ICT capabilities in enhancing public services. This is supported by a Technology Experimentation Programme which promotes the innovative use of ICT in improving public service delivery, as well as targeted grants by IDA to promote the use of technologies in gap areas of governance, such as knowledge management. In addition, IDA provides technological advice to the various Ministries and Statutory Boards of the Singapore Government and helps them in the adoption of ICT for their business needs, while ensuring compliance with the service-wide standards and pan-government technical infrastructure it develops and maintains. By leveraging on modular components centrally developed by IDA, many new e-Government services can be rapidly deployed. At the same time, individual agencies also commission and design their own systems according to their unique service needs.

By 2002 the entire island was wired up for high speed broadband connectivity to enable advanced IT applications in virtually every home, office and school. Having prepared the ground for an IT-literate culture through extensive government-led IT literacy, technical assistance and

public education drives,[109] Singapore was able to ramp up the development of e-Government services rapidly from the 1990s, with a relatively high take-up rate. IRAS introduced e-Filing of individual income tax in 1998 – 60,946 individuals filed their taxes electronically in 1998. By 2003, 68 per cent of tax returns were being filed online; this increased to a record 94 per cent in 2010, reflecting the growing public acceptance and sophistication of e-Government transactions.[110] From 2000, there was a conscious effort to quickly build up a critical mass of services and get as many citizens acquainted with online transactions as possible. By 2005, 95 per cent of suitable public services were delivered electronically, as part of a PS21-related drive to proactively reap the productivity gains from e-Government. These included some wholly new online service packages, which had no simple analogous paper processes: BizFile (one-stop online business registration), GeBiz (online government procurement marketplace), and a G-2-B portal (www.business.gov.sg) which serves as the first entry point to a full suite of integrated information and services, presented according to business life cycle, and targeted at local and international businesses.

For resident users in Singapore, the establishment of a single, secure, nation-wide authentication framework, the SingPass, enabled access to a wide range of government e-services tied to an individual's unique identity and data. Another innovation of Singapore's e-Government approach was the streamlined configuration and presentation of government services from a user's (rather than a bureaucratic and procedural) point of view (for an example, see the eCitizen portal case study). Contrary to conventional anxieties about impersonal computerised service delivery, Singapore's ICT-enabled public services have been more rather than less personalised to the needs of individual users, without compromising security, efficiency, accountability or due process.

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109 Singapore adopted innovative ways to educate and encourage the public to use e-services. Subsidised IT literacy courses were held during school holidays for the general public and senior persons. Discounts and prizes were given for using online government services. Under the PC reuse scheme, refurbished old PCs donated by government departments which had upgraded their IT facilities were provided to low income families. Needy families were also given subsidies to buy personal computers. The IT Literacy Programme of 2001 trained some 350,000 Singaporeans in basic computer and internet skills. Public institutions such as libraries provide low cost or free internet access (see http://www.ida.gov.sg/News%20 and%20Events/20061129093755.aspx?getPagetype=21).

110 Accessed at http://www.iras.gov.sg/irasHome/page04.aspx?id=10408

The eCitizen portal (www.ecitizen.gov.sg)

Set up in 1999, the eCitizen portal brings together over 1600 separate government services and related information into a single site, organised in a citizen-centric (rather than agency-oriented) manner, according to important life milestones (e.g. Marriage, Education, Employment).

This vertical and horizontal integration of services enables Singaporeans to transact with the public services they need at any time without having to visit government offices in person. This innovative approach to integrated, citizen-oriented e-Government won the 2002 Stockholm Challenge award. The portal received an average of 2.3 million page views per month in 2009.

Subsequent iterations of eCitizen allow users to personalise its features (including useful reminder alerts) according to their preferences. This one-stop e-Government portal was further enhanced by the SingPass personal authentication framework in 2003, which allows secure, identity-based online transactions with almost all government services that require personal authentication: more than 260 e-services from 58 agencies. As of 2009, there were 2.7 million SingPass users accounting for over 30 million transactions.

Work Permit Online

The Ministry of Manpower (MOM)'s Work Permit Online service (WPOL) is a sophisticated e-service for Singapore businesses who wish to hire foreign manpower, with a processing capacity, integrated features and service standards that are unsurpassed globally. In order to achieve dramatic improvements in transaction time, over 50 rules, procedures and requirements were reviewed in the development process, and back-end integration between agencies ensured that the application process was as automated and streamlined as possible.

The resulting system improvements led to faster processing times despite record transaction volumes[111] and with no increase in staffing levels. Employers using WPOL enjoy processing standards that are the best in the world. Its features are:

- 95 per cent of applications are processed by the next working day;

- Renewals are processed within one day, cancellations within 15 minutes;

- The number of actual trips to MOM have been reduced from four to one; and

- Number of documents to be submitted has been reduced from 23 to seven.

For its achievements, the WPOL service was awarded the 2006 UN Public Service Award for improving transparency, accountability, and responsiveness in the public service. MOM was one of only three government organisations worldwide, and the only one in the Asia-Pacific region, to receive the award.

The Unique Entity Number (UEN)

In the past, private entities (businesses, companies, societies and trade unions) had to use different identifiers to interact with various government agencies. At least 20 identifiers would be issued by 17 government agencies for more than 30 entity-types.

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111 Ganesan, 2009: "Singapore hosted some 1.2 million foreigners, including 757,000 work-permit holders and another 143,000 employment-pass holders."

With the Unique Entity Number (UEN) system implemented in 2009 (supported by a unified, government managed database), all 420,000 entities registered in Singapore only need to remember one number – their UEN – when dealing with any of 84 government agencies.

Singapore is the first country in the world to implement a common identification number format for all entities registered in the country. UEN won the Connected Government category of the 2009 Government Technology Awards, which recognises excellence in inter-agency workflow.

The data-rich environment enabled by ICT has had other benefits not always evident in the frontlines of public service delivery. Some transactions may not even need to be undertaken if the information required from users is already within the government or business sphere of control (such as identity, address, educational qualifications, marital status and other relatively static data that might have required laborious form-filling in the past). The best way to streamline a procedure is often to eliminate it. For instance, the Inland Revenue Authority's "No-Filing Service" (NFS), implemented on a pilot basis in 2007, enables qualifying taxpayers, who have a straightforward income position automatically reported to IRAS by their employers, to forgo the need to file their tax returns (unless their personal income or tax relief status has changed). IRAS has extended NFS to more taxpayers over the years as more employers join the auto-inclusion scheme, and some 533,000 taxpayers benefited from NFS in 2010.

The extensive computerisation of the civil service and rapid nation-wide adoption of ICT has also enhanced intra-government collaboration, coordination and exchange of necessary information with benefits for national outcomes that may not be directly measurable. This potentially enriches the quality and depth of information government can draw upon for policymaking (e.g. consolidated and timely socioeconomic data), but it can also have remarkable benefits, especially during a national crisis. During the SARS outbreak in 2003, MOH was able to coordinate with MINDEF and DSTA to develop an immediate ICT-based command and control solution to monitor the crisis and coordinate response efforts within hours, including

a case management system with contact tracing, epidemiology, disease control, frontline operations, and even the provision of leave of absence from work for those in quarantine. The structural fluidity and coherence of the Singaporean Civil Service played a crucial part in facilitating the level of inter-agency collaboration necessary for this whole-of-government effort to succeed in curbing the spread of SARS, to the benefit of the nation.

ICT and a new paradigm of government efficiency and service delivery[112]

The early phase of the public sector's ICT adoption emphasised internal efficiency; transforming public agencies from labour-intensive to capital-intensive organisations through the automation of routine work processes and paper work reduction. These strategic objectives were guided by the priorities of the time, to standardise and automate routine processes.

In the second phase, the focus shifted to developing assets and competencies to revolutionise the nature of public service delivery. Electronic transactions made possible by maturing internet technology were used to provide services to citizens and businesses anytime, anywhere, improving the efficiency and responsiveness of government agencies to customers without a corresponding increase in resources consumed. However, these initial e-services did not change the fundamental approach to public service delivery; with some exceptions, they were largely electronic equivalents of existing counter or form-based services already provided by the respective agencies (Mai et al. 2008).

The third phase saw a transformative convergence of services, horizontally integrated across different public organisations to provide seamless, one-stop services to customers. The eCitizen Portal, the revamped Singapore Government Online Portal, which integrates three separate channels for the government, citizens and private firms; and the launch of integrated portals such as the Ministry of Defence NS portal, clearly illustrate the drive towards integrated, end-to-end services that provide a common and user-friendly interface to customers while integrating key pools of data in the

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112 For an overview of how Singapore's operating philosophy of Governance has evolved in correlation with its strategic ICT initiatives, see Tan et al. (2008).

background to enable innovative new combinations of services.

The paradigm shift towards customer-centricity reflects the evolution of a new philosophy of governance that has evolved from the New Public Management paradigm, but is empowered by new technologies available on the market. Indeed, given the newness of ICT as a business phenomenon, it is an opportunity for the public sector to lead rather than follow the private sector in harnessing its potential to serve users and businesses and to unlock step improvements in productivity and efficiency gains within the public service. Nevertheless, the consensus is clear that Singapore has made efforts to achieve true service integration, through the redesign of business process and flow-through for related public services across different agencies.[113]

Finally, the most recent phase of ICT development has moved beyond improving service quality to enhancing collaboration and engagement between the public, private and people sectors. To this end, community building tools that provide channels for feedback and citizen engagement are being tested in initiatives such as the REACH Portal, to promote active participation in the process of policymaking and dialogue on national issues. The emergence and the rapid acceptance of Web 2.0 technologies have enabled the Government to formulate plans to leverage ICT for increasing citizen participation, moving e-Government towards e-Governance processes. It is a significant step towards a dynamic mode of governance which may address the relative paucity of political pluralism and social engagement for which Singapore has frequently been criticised.[114]

Singapore's public sector has made outstanding efforts through its ICT initiatives to reduce if not eliminate the rigid boundaries between active agents, and achieve much more synergy between stakeholders within and outside government. It represents the realisation of a paradigm shift in governance from 'mandate' to 'collaborate', from 'my turf, my responsibility' to 'let's work together', and from 'service delivery' to 'value creation'. As Sin (2005) puts it:

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113 Wong, 2008.

114 Neo and Chen, 2007.

Singapore's success as a leading purveyor of effective e-Government is more than just enabling government services with technology. It also involves a monumental effort to reform the public service, which entails significant structural and operational changes. Over the last twenty years, the government's progressive and meticulously crafted national ICT programmes have established a strong foundation to transform the public service, coupled with a holistic e-Government framework that addresses not only technology but also management, process, governance, and social and cultural issues to deliver accessible, integrated, and value adding e-services to its constituents (Sin 2005).[115]

4.6 Capacity development, training and learning

Given Singapore's constraints, the Singapore Civil Service has always had to depend on the integrity and competence of its staff in order to meet the challenges that the public service has had to face. Moving into the future, public services around the world will have to deal with increasing social, economic and other critical demands, ever more complex and cross-boundary challenges and an accelerating pace of change. This is the reason that Singapore's PS21 movement has placed a significant emphasis on staff development, empowerment and continuous learning.

The Singapore Public Service has established a policy that all employees are entitled to and should undergo at least 100 hours of sponsored training a year – avoiding the tendency of staff or employers to neglect their developmental needs due to exigencies of service. Notably, training budgets are assigned to departments and agencies, and not to the training institutions. This gives government departments the autonomy to select their sources of training and hence be in a position to demand relevant and quality programmes from vendors. Training institutions in the government sector are therefore subject to the market discipline of having to compete with private sector providers for the business of government agencies who seek training.

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115 http://belfercenter.ksg.harvard.edu/files/yokesin.pdf, p. 4.

Civil Service College

To design, develop and deliver impactful training to the public service, the Civil Service College (CSC) – which traces its history to the Staff Training Institute established in 1971[116] – was restructured as a Statutory Board on 1 October 2001. It brought together several existing institutions within the Public Service Division that had been responsible for the capacity development of public officers at different phases of their careers – including the Institute of Public Administration and Management (IPAM) and the Institute of Policy Development (IPD) which supports senior leadership development in the public service. CSC's new status as a statutory board gave it greater autonomy and operational flexibility to better meet the needs of the public service in a fast-changing knowledge-based economy.

As the heart of learning excellence and development, CSC plays a central role in forging shared values and ethos, building core competencies and nurturing leadership capacity in the Singapore Public Service. Through its training programmes, consultancy and advisory services, and research and development activities, the college helps to maintain a high level of competence in Singapore's corps of public officers. CSC also plays an important networking role by bringing together officers from diverse backgrounds across the public service for training events, seminars and other forums where they have the opportunity to exchange views, build shared ethos and perspectives, creating a rich environment for dialogue, knowledge sharing and learning. Through its research, programmes and services, CSC also contributes to building strategic intellectual and operational capacity in governance, leadership, public administration and management. Arguing that "the establishment of the Civil Service College is a step towards the greater professionalization of the civil service", Koh has suggested that CSC:

> *provides opportunities for networking between the higher bureaucracy and the elites of the policy communities in the private sector in a 'think tank' environment. It has an expressive function where tradition is preserved and identity is built, and*

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116 For a history of civil service training institutions in Singapore, see http://www.cscollege.gov.sg/page.asp?id=151

corporate bonding can take place among officers enhancing 'non-bureaucratic elements of bureaucracy', informal modes of 'organic solidarity' among the senior offices. Finally, it has a visibility function, which builds the outward image of the public service, indicates what the members of the public service do, and will serve to attract people to join the public service at a time when the competition for talent with the private sector is severe.[117]

Neo and Chen have also outlined the CSC's role within the public sector:

1. To develop among civil servants an understanding of the key factors which were the cornerstones of Singapore's continued survival and success. These fundamentals were to be debated and internalised and from time to time, changed to fit changing circumstances, so that civil servants shared the same goals and values;

2. To build a value system, a sense of esprit de corps, camaraderie and a sense of tradition among senior civil servants, so that they would have a shared spirit of service to the nation, competence, dedication and integrity, such that the public should continue to expect this of them;

3. To bring officers up-to-date with the latest ideas, thinking and trends in a world of rapid change;

4. To work together with the private sector to continue to make Singapore successful.[118]

Training programmes

Government agencies are responsible for the training of their staff and are provided with funds for this purpose. They are also required to develop annual individual training road maps (in consultation between officers and

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117 Koh, 1997, p. 127.

118 Neo and Chen, 2007, pp. 356-357.

their supervisors) for every employee, with guidance on the types of training they should undertake, appropriate to their current career development. These road maps are developed as part of the annual work review and appraisal process.

Training and development programmes may be conducted in-house by the agencies themselves, or sourced from an external institution such as the CSC or external vendors. In practice, ministries are expected to organise their own specialised functional training while the CSC specialises in training for core public service functions and policy areas. External vendors are more frequently tapped for specialised expertise, often related to new initiatives or new technologies and methodologies, such as from the private sector. Since 1996, the civil service has introduced modular training for different core functional areas, e.g., in human resource management, in financial management and information management as a more structured means of approaching the task of developing relevant competencies in its public officers. Certain specialised areas of expertise may also be given particular emphasis. For instance, the Centre for Public Economics was set up in collaboration with the Ministry of Trade and Industry to advance economic thinking and analysis as an important competency in public policymaking. In 2009, the Centre launched its "Economics for Policymakers Programme" for public officers, to help them appreciate the economic principles that underpin Singapore's policies, and to provide policymakers with practitioner-oriented, policy-relevant economics training in a systematic way. Other Centres of Excellence advance the public sector's capacity on issues such as leadership and governance, organisational development, and strategic foresight.

Special attention is also given to leadership development and training, particularly for the Administrative Service corps. A number of competencies are recognised as important in developing management and leadership capacity: the capacity to be flexible and agile; an ability to develop an analysis of the macro/global situation and its relationship to micro/local conditions; and being able to generate a variety of solutions and possibilities in diverse situations, are viewed as fundamental. Public sector leaders must also understand the socioeconomic and political contexts in which they operate and consider how best to formulate policy interventions that are effective, efficient, sustainable and politically viable. Leadership also requires the capacity to communicate, motivate, and manage change in order to achieve organisational effectiveness and national outcomes. These relational

competencies are becoming particularly important in the new context, where the public sector no longer has all the leverage necessary to effect change at the national level, and has to work in collaboration and negotiation with other stakeholders in the country. Managing performance, and especially the self-reflective ability to assess one's own performance as a public service leader, is an important management and leadership skill that needs to consciously develop.

This complex set of leadership competencies are addressed in part by a schedule of special milestone programmes which are conducted for senior officers at specific stages of their career. They include the Foundation Course for entry level Administrative Officers; the Senior Management Programme and the Leadership Development Programme. In 2009, a new milestone programme, known as BEACON, was developed to raise the self-awareness of newly-appointed Management Associates by giving them a better understanding of their personal strengths as well as areas that could benefit from further development.[119]

Thinking about the future: managing complexity in governance

Singapore recognises the need for decision makers to anticipate change and prepare for the future. Scenario planning is now a key part of the Government's strategic planning process, and has proven useful in surfacing otherwise hidden assumptions and mental models about the world. More importantly, the scenario planning process has helped to inculcate an "anticipatory" mind-set in civil servants by getting them to raise "what if" questions on the issues that they deal with. The Risk Assessment and Horizon Scanning programme (RAHS), launched in 2004 as a complementary capability to scenario planning, is being used to examine complex issues in which cause and effect are not easily discerned; it also serves as a shared platform for analysts from different agencies to collaborate on perspective-sharing, modelling and research.

The skill-sets needed for long-term policy planning are different from those needed to deal with more immediate volatility and crisis. Recognising the

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119 Peter Ho, 2010.

importance of futures thinking and contingency planning, a "Centre for Strategic Futures" (CSF) was established within PSD in 2010. Over time, together with the Strategic Policy Office and supported by RAHS, the CSF will become a central node for futures-related work in the Singapore Government, complementing the work of agencies' strategic planning and/or futures units. It will work towards promoting whole-of-government thinking on the key strategic issues of the day. It will support the development of capabilities within the Singapore Government in futures methodologies through its core functions.

The Civil Service College plays an important and complementary role to the CSF, by developing a suite of seminars, programmes and courses to help civil servants develop the competencies and instincts to tackle uncertainties and manage complexity. Case study discussions are also used, where senior officers who have handled crises are often invited to share their experience with course participants. While the CSF will play a role in the cultivation of the Government's preparedness for the future, every ministry will also need to build up its individual capability. To facilitate this, a "Strategic Futures Network" has been established to be made up of Deputy Secretaries from each Ministry. The Network will play a catalytic role in promoting futures work within the civil service, and by expanding the reach of the CSF into ministries and agencies. The Network will have a key role in establishing a common vocabulary for strategic planning, and nurturing the habit of whole-of-government thinking in addressing future challenges.

Chapter **5**

Challenges Facing the Singapore Public Service

66 *An increasingly complex operating environment means that...coordinated and synergistic whole-of-government policies will become ever more crucial.* **99**

CHAPTER 5
CHALLENGES FACING THE SINGAPORE PUBLIC SERVICE

Has Singapore solved the challenge of creating an efficient bureaucracy and a stable society? If one looks at public outcomes and the fact that first-world Singapore continues to demonstrate the growth rates of an emerging economy in the first decade of the 21st Century, one might be tempted to answer: Yes. But the Singapore Public Service has always acknowledged the reality that policies need to continually evolve, and systems must adapt to deal with changing external and internal circumstances. In 1985, Minister Tony Tan pointed out that good and able administrators should "try to develop a sense of when a government policy should be modified or reversed because it is no longer appropriate or is having adverse effects different from those which had been anticipated" (Leong 2003). The same point was picked up by then-Deputy Prime Minister Lee Hsien Loong in 1997: "It is indeed necessary to fine-tune policies... but it is still more important to review the overall framework of the policies from time to time, and decide when fundamental changes have become necessary."

The Singapore Public Service itself is not exempt from this imperative and reforms within the government and bureaucracies have been pursued over the years. On-going initiatives such as PS21 reflect the public service's continuous efforts to identify and correct strategic, policy-level and organisational shortcomings. In recent years, policymakers have developed a greater awareness of several key challenges facing the public service. These include:

1. Employing, training and retaining public service leaders and officers with the right skill sets and aptitude;

2. Engaging and catering to the changing needs and rising aspirations of the population;

3. Meritocracy, income inequality, and the role of the state;

4. Dealing with increasingly uncertain, complex and cross-cutting policy issues.

5.1 Employing, Training and Retaining Public Service Leaders and Officers with the Right Skill Sets and Aptitude

A number of competencies are required in developing public service management and leadership. Amongst these are the capacity to be flexible and agile; ability to analyse the macro/global situation and its relationship to micro/local conditions; and to generate a variety of solutions in diverse situations. Public service leaders must also understand the socioeconomic and political contexts in which they operate and the relationships with the diverse multilateral and global governance landscape, in order to enhance international competitiveness. Leaders also require the capacity to inspire, motivate, and manage change, as well as the foresight to formulate new perspectives on governance, leadership and organisational effectiveness. As the Singapore Government embarks upon more sophisticated initiatives and long-term public-private partnerships, it will correspondingly require a range of officers with more extensive and specialised skill sets such as contract negotiation, performance contracting, brand management and advanced financial regulation. It may hence be timely for the Singapore Public Service to re-examine its human resource management, remuneration and training frameworks, to ensure that it is well-poised to attract and retain the talent and skills necessary to effectively design and implement policies in a more demanding environment.

The economic and social transformation of Singapore in the last 30 years has influenced major adjustments within the public service. Sustained economic development has created lucrative career opportunities in the private sector. In recent years, the emergence of knowledge-based enterprises specialising in such niche areas as bio-technology, agro-technology, petrochemicals, microelectronics, software engineering, business consultancy, and banking and financial services, has led to an even greater demand for trained professionals. This is exacerbated by a large exodus of highly educated Singaporeans to other countries in recent years. On the proportion of graduate migrants to total population, Singapore is one of the highest in the region, at 1.24 per cent. In absolute numbers, in year 2000, 67,560 Singaporeans took residence in OECD countries with 50,019 of them being university-educated, that is 74 per cent of its emigrants into the OECD

countries have had tertiary education (The Star May 16, 2010[120]). Keen competition for talent has presented challenges for attracting and retaining talent within the Public Service.

Some have further argued that there is a need for greater diversification in the public sector. Neo and Chen have observed that relatively few senior public officers in Singapore have extensive work experience in the private or social sectors; the small numbers with such expertise have to adapt to the working culture of the civil service. Consequently, they have a limited impact on shaping mind-sets in the public sector as a whole. Experts and consultants are sometimes recruited by Ministries and statutory boards for specific projects, but their short-term assignments are not conducive for the accumulation of institutional expertise and experience within the public service. There may be the risk that a public service elite which is highly competent but relatively homogenous (in terms of experience, expertise and outlook) may be less agile in adapting to new challenges in the future.

Speaking to government scholars at the Singapore Seminar in London in October 2009, Public Service Commission Chairman Eddie Teo further alluded to the importance of the right attitude and mind-set required of government scholars. He reminded them not "to look down on non-scholars because… many non-scholars have deeper knowledge and more wisdom." They should instead learn the ropes and be humble by starting from the bottom with operational jobs as the outcome of policymaking is not only the result of their own brilliance but the combined effort of their team (Teo 2009). He emphasised that "the system must allow non-scholars to also rise to the top, in case they are late bloomers, or we miss them out in the earlier selection process for another reason".

This comment resonates with the views of a number of other experts. A relatively small number of career civil servants, many of whom embarked on public service careers after winning competitive, bonded government scholarships, play a leading role in setting policy within their ministries and statutory boards. The over-dependence on a relatively small number of public service administrators, who may be spread thin because of their multiple roles and responsibilities, exposes a vulnerability of the Singapore Public Service. Neo and Chen suggests that a certain intellectual arrogance

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120 http://thestar.com.my/news/story.asp?file=/2010/5/16/nation/6273783&sec=nation

persists among some of the public service elite who speak frequently of the need to 'explain and sell government policies'.[121] Quah (2008) attributes the high turnover of public servants in Singapore to the accelerated promotion of scholars "at the expense of non-scholars". Quah further asserts that if intellectual arrogance or low morale are indeed endemic among public officers, there will be serious repercussions for the performance of the public service in the long run if such issues are not resolved (Quah 2010).

These are challenges that public service human resource management processes will need to address.

5.2 Engaging and Catering to the Changing Needs and Rising Aspirations of the Population

While Singapore's record in providing good administration is excellent, the process of policy formulation and decision making has been highly centralised and relatively opaque to the public at large. The need for decisive, informed action in the early years of national development has been at the expense of broader public participation in the policymaking process.[122] Rapid economic growth and relative social stability since the 1980s have reduced the danger of existential threats to the state; on the other hand, the population in Singapore has also become more educated, informed, and demanding; they expect a more consultative and less interventionist mode of governance (Lee 2001). Both the decreasing necessity for state intervention and increasing public demand for a greater voice in policymaking[123] have led to the emergence of a more consultative style of governance and an increase in the level of transparency, accountability and openness to the public.

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121 Neo and Chen, 2007, pp. 449-450.

122 Although Singapore was ranked as the world's first in Accenture's 2007 report on Excellence in Customer Service, a recent UN eGovernment Survey (released in January 2008) rated Singapore unfavourably due to, amongst other things, poor showing in the e-participation index of the citizens in public policy discussions and formulation process.

123 There is evidence that public demands are generally for better service delivery or policy changes and not fundamental political reform. In an opinion survey done just before Lee Hsien Loong took over as the Prime Minister, 450 respondents when asked about what they think should be the top three priorities for the new leadership listed "ensuring good jobs; lowering the cost of living; and maintaining a safe and secure Singapore". To "loosen up politically and giving people more freedom" consistently scored less than 10 per cent and remains the lowest priority for most Singaporeans surveyed (Yeo 2005).

The public service must remain responsive to changing needs, aspirations and circumstances of Singaporeans over time. In 2005, Permanent Secretary (Prime Minister's Office) Eddie Teo noted that with "a more demanding and vocal public, public servants ought to expect more complaints than before, and we will have to establish a new balance which acknowledges the quality of our public service while recognising its shortcomings and the need to constantly improve." Likewise, a more globalised world with rapid information-sharing, as well as the move towards a knowledge-based economy driven by innovation, point to the need for a more outward-oriented, flexible and responsive public service. This requires a new public service mind-set. The public service has moved away from fixed parameters – or fixed ways of doing things – to allow for more diversity and autonomy both within and beyond the government. Across the entire spectrum of government activities, the key word is now diversity: allowing people greater choices in government services, and giving more leeway to public officers to make decisions (Chua 2010).

Nevertheless, there is some scepticism that public consultations merely seek endorsement for fait accompli decisions taken by the government, instead of seeking genuine feedback.[124] On the other hand, civil servants contend that such consultations and the views they surface have to be viewed in the context of prevailing conditions, priorities and limitations. Examples have also been given where public feedback led to important changes in policy.[125] To effectively engage the public and meet its rising expectations, the public service will need to work to dispel any public perceptions of elitism or high-handedness. A citizenry which feels that it has had a say in the development of policies that impact them is more likely to comply with and contribute to the success of policies that are implemented.

A more holistic approach to governance

According to Barr (2006), the legitimacy of the Singaporean government is predicated on the idea of a meritocratic technocracy. While this suggests that the public service places great focus on rigorous policy design and

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124 Neo and Chen, 2007.

125 For instance, the amount of subsidy for healthcare for different income groups was modified substantially after several rounds of town hall meetings, and the Health Minister also participated in many of them.

effective implementation, there is a constant need to prevent the growth or perception of intellectual elitism which could give rise to the public image that policymakers are not responsive to feedback. Edgar H. Schein refers to this as the "danger of elitism" (Schein 1996, p. 219). He highlights the "tendency to become arrogant and the danger that one becomes blind to one's own areas of incompetence." He asserts that "the real danger of elitism" is that "the members of the elite get caught up in their own mental models to such a degree that they cease to observe accurately what is going on around them" (Schein 1996, pp. 220-221). Echoing Schein, Neo & Chen caution that "intellectual elitism that is closed to alternative views and resistant to expressions of contrary opinion creates systemic blind spots for the public sector policy elites" (Neo and Chen 2007, p. 452), particularly if they have become too accustomed to positive feedback on their past performance.

Independent Singapore's early leaders institutionalised systems in which honesty, integrity and meritocracy are valued and emphasised, and in which "each generation of leaders has the duty to recruit the people of integrity, ability and commitment as their successors".[126] This process has managed to sustain a high quality of political and public service leadership for the past four decades. But in an increasingly complex world, there can no longer be a monopoly on wisdom, nor is there a guarantee that a benign state of public affairs will persist forever. Former Permanent Secretary of Foreign Affairs and Permanent Representative to the United Nations Kishore Mahbubani has cautioned that Singapore could also one day experience failures of governance. In a 2009 commentary, he warned:

> *It is wildly implausible that Singapore will experience any kind of political instability any time in the near future. We have developed a robust system that is responsive to the public mood and delivers the goods. In all likelihood, the plausible future is the one that Singapore will enjoy. "But the wildly implausible may also occur".*[127]

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126 Rodan, 2009, p. 192.

127 Kishore Mahbubani, "Can Singapore Fail?" *The Straits Times,* 25 March 2009.

The best way of preparing for good governance, Mahbubani argued, was for the population to rely less on the government and more on non-state players to find solutions. Indeed, as early as 1991, Minister for Trade and Industry Brigadier General George Yeo had compared the state to a banyan tree, which has left no space for other independent groups to develop. Yeo argued that the tree had to be "judiciously pruned" in order to allow independent groups to emerge. He added that in order for the nation to become more resilient, Singaporeans needed to do more things for themselves and be less reliant on the state.

While Singapore has been remarkably pragmatic in its public policies and administration, rather than ideologically driven, an increasingly complex operating environment means that the Public Service will need to take into account a broader range of views, inputs and information, including those that may usefully challenge past wisdom or prevailing orthodoxies. It would further have to allow space for constructive non-state players to flourish. It is heartening to note that the younger generation in Singapore is generally believed to be more savvy, informed, and prepared to be critical of government policies. This can be taken as a positive sign of a more confident citizenry better prepared and willing to be self-reliant and step up to the common good in constructive ways. By providing various feedback platforms the Government has attempted to provide spaces for public discussion of national issues and directions. It is hoped that civic discourse and a more active citizenry will emerge and mature over time.

5.3 Meritocracy, Income Inequality, and the Role of the State

The adoption of pro-market policies and an export-oriented economic development strategy contributed to Singapore's emergence as one of Asia's richest countries (on a per capita GDP basis) in the 1980s and 1990s. However, several trends have since converged to raise the level of income inequality in Singapore. The first is increasing external economic volatility, which for Singapore arguably intensified since the 1997-8 Asian Financial Crisis when, according to government statistics, the wages of lower-skilled workers fell by about one-third (Au 2006). Despite economic recovery, the income gap continued to widen as Singapore's past advantage in manufacturing was eroded by China and other lower-cost countries in the

region. In 2000, Prime Minister Lee Hsien Loong noted that the income gap had widened as highly mobile professionals and well-qualified Singaporeans compete for and command First-World salaries, while less mobile unskilled and semi-skilled Singaporeans have to compete with lower-wage workers from less developed countries. The General Household Survey revealed that the top 20 per cent of Singapore's households in 2005 earned 31 times that of the bottom 20 per cent. Over the past five years, about 20 per cent of Singapore's households have suffered from declining incomes. Income distribution, which had been relatively stable from 1990 to 1998, widened after 1999. As an indicator of income disparity, the Gini coefficient among employed households for each of the years from 2000 to 2006 were 0.442, 0.455, 0.455, 0.458, 0.463, 0.468, and 0.472 (Tan 2008). Following this, the 2008-9 global Financial Crisis exposed fundamental systemic weaknesses in the world banking system and economy. Singapore, being an open and trade-dependent economy, was impacted by the resulting seizure of credit markets and plunge in global demand for electronics and manufactured goods.

Faced with significant external economic volatility and growing income inequality, the key question is not whether the Singapore government should intervene in markets, but rather how this should be done sensibly and effectively, and based on sound economic thinking. The objective of such interventions is to minimise market failure, mitigate growing income inequality and encourage inclusive growth, without distorting the effective operation of price signals and competitive markets to allocate resources efficiently and smoothly. Accordingly, there has been an increasing recognition within the government of the need to redefine the public sector's and the public service's role in the economy, and to build institutional capabilities to allow the government to effectively enable, regulate, stabilise and legitimise the operation of markets in Singapore.

The Government responded to the economic recession in the early 1980s through a gradual privatisation and deregulation process that reduced government intervention in the economy. However, the 1997-8 Financial Crisis and the 2001 dot-com crash demonstrated that ad hoc measures to face these economic crises were insufficient, and a more fundamental change within government was needed to encourage reforms and, if necessary, even to break taboos (Bhaskaran 2009). Following the global Financial Crisis, the Government launched the Economic Strategies Committee in 2009 – comprising a mix of Government representatives, members of the labour

movement, private sector leaders and academics – to review Singapore's long term economic strategies. The Economic Strategies Committee (ESC) report recommended a range of policies to enhance innovation, productivity and skills as the key drivers of Singapore's future growth.

Singapore's emphasis on meritocracy and work-based reward has several advantages. Merit-based selection is usually coupled with the principle of non-discrimination: selection must be regardless of race, religion, gender, sexuality, age, or class differences. Meritocracy promotes competitiveness which can yield high performance amongst public officers. However, often, underrepresented groups (such as the poor or ethnic minorities) may be disadvantaged because they lack the environment and opportunities to develop their talents (Tan 2008). Likewise, the emphasis on meritocracy and self-reliance must be tempered with the realisation that success often depends on factors other than individual merit, such as inheritance, marriage ties, social connections, cultural capital, opportunities arising from developments in the economy, and plain luck (McNamee and Miller 2004). It may obscure how institutions such as the education system can reproduce and reinforce class stratification and how people can be systematically and indirectly excluded from mainstream society, economy, and politics because of their race, gender, sexuality, age, and class (Tan 2008).

An initial advantage often leads to long-term cumulative advantages as more privileged groups are better placed to benefit from the resources and education they have access to. In fact, some commentators (Barr 2006) contend that there are systemic ethnic and gender biases operating in Singapore society in addition to those that exist against the poor and vulnerable. Apart from government scholarships, supporting measures (such as bursaries) from community-based groups do attempt to narrow such opportunity gaps across society. However, there is a limit to what can be done with scholarships and bursaries targeted at promising individuals. More could be done by the Government to recognise and address such broader systemic issues during policy formulation. It should ensure greater equality of opportunity, a more level playing field, as well as broader representation – in order to avoid the danger of unchecked social stratification as economic inequalities widen.

In December 2010, Prime Minister Lee noted that Singapore would "always maintain prudence and discipline", but continue to enhance its existing social safety nets. The introduction of the Workfare Income Supplement (WIS) scheme in 2007, and its subsequent enhancements, adds a key pillar

to Singapore's social security framework to provide support for low-wage workers. Coupled with the introduction of the Workfare Training Support Scheme (WTS), Workfare serves to supplement the incomes and Central Provident Fund (CPF)savings of low-wage workers, while continuing to encourage employment and skills upgrading. This is laudable, but there is a limit to how much workers can step up or change their professions at that late stage. More may need to be done to ensure that the benefits of economic growth do trickle down to most citizens and their families. The role of the Public Service in developing and implementing such strategies will be crucial and central in order to mitigate the volatile extremes of a changing economic environment in the short term, as well as to ensure that all Singaporeans will have the means to compete, thrive and progress in future.

5.4 Dealing with Increasingly Uncertain, Complex and Cross-cutting Policy Issues

As a small city-state intricately linked with an increasingly globalised world, the Singapore Public Service will in the future need to deal with greater complexity in governance. Apart from long-term challenges such as national security, climate change and population issues that cut across traditional Ministry and agency boundaries, policies need to address the possibility of low-probability but high-impact events (known in the literature as "black swans"), like the 9/11 terrorist attacks and the SARS epidemic. This suggests that it will not be possible for any government to correctly anticipate and prevent all major crises, all the time. Therefore, it is necessary for Singapore to go beyond its existing strengths in optimisation and efficiency, to develop capabilities to manage and respond to shocks and unforeseen events, and to enhance institutional resilience within the Public Service itself.

Given the importance of risk management skills and the ability to deal with unexpected events, the focus of public service reform has gradually shifted from enhancing the performance and efficiency of the bureaucracy to an entrepreneurial and risk tolerant role. This shift aims to prepare the public service to meet what one senior bureaucrat called 'the known and unknown challenges' in the present and the future.

Recognising the need for greater policy coordination on complex issues, the government has established national agencies headed by Permanent

Secretaries and situated within the Prime Minister's Office (PMO). These include the National Climate Change Secretariat, the National Population and Talent Division, National Research Foundation, and National Security Coordination Secretariat. Inter-Ministerial Committees (IMCs) have also been established to coordinate policies on cross-agency issues such as export controls, population ageing and sustainable development, drawing together representatives from a spectrum of relevant public sector agencies. However, there are still obstacles to be overcome as members of such committees continue to receive their mandates from their parent organisations, with their own traditional priorities.

Nevertheless, coordinated and synergistic whole-of-government policies and implementation will become ever more crucial to achieving complex national outcomes. The success of countries will depend not on the strength of any one aspect of public policy, but on the synergistic whole in concerted action. For a small, vulnerable country such as Singapore, this is both a challenge and an opportunity.

Chapter 6

Lessons for Other Countries

> " *A good public service is necessary but not sufficient for good governance; a bad public service is sufficient but not necessary for bad governance.* "

CHAPTER 6
LESSONS FOR OTHER COUNTRIES

6.1 Singapore's Success: Creating Conditions for Public Service Excellence

Notwithstanding the challenges and areas for improvement identified and discussed in Chapter 5 and elsewhere in this book, Singapore has been demonstrably successful in building an efficient and effective civil service – one that has consistently provided the highest quality of public services. Building on this success, it has also achieved much in its adoption and application of different reform strategies in key areas such as public accountability, administrative management and control, human resource development, organisational change and service delivery, despite considerable challenges and constraints. How has it managed to do so?

In the final analysis, the sustained high quality of Singapore's public service is the result of its ability to fully capitalise on its human resources, through the successful implementation of a few key management approaches:

- **Integrity,** as demonstrated by an intolerance for corruption enforced by strong anti-corruption measures;

- **Meritocracy,** as expressed through the selective recruitment of the 'best and brightest' talent in the country without extraneous favour or prejudice;

- **Results-orientation,** such that the promotion and pay of civil servants are tied to their performance and contribution towards public outcomes;

- **A fair share of talent for the public service,** where competitive salaries and other measures help to ensure the retention of competent and honest people in the civil service in a growing economy.

While these management policies promote individual excellence at the level of public officers, attention has also been given to systemic reforms in order to maximise institutional outcomes, by:

- **Assigning operational authority** to delegated Boards and autonomous agencies, while retaining the power of regulatory oversight and policy direction within central agencies;

- **Budgetary reforms** to maximise the public sector value proposition;

- Instilling **a culture of ownership, pride and continuous improvement** in the public service, through on-going training as well as reform movements such as PS21;

- **Measuring and rewarding organisational performance**, with incentives and awards for innovative practices;

- **Continuous innovation,** such as the use of information technology, to engender greater efficiency, citizen satisfaction, timely information flows and transparency;

- **A culture of leadership by example**, which transmits strong values and principles of good governance socially rather than formally throughout the public sector.

Many of these management strategies are administrative in scope yet can be far-reaching in their implications and outcome at the national level. They are highly replicable in other countries at varying levels of development, including those with different political and social contexts.

6.2 Culture, Institutions and Systems that Work

It is worth noting that the performance of any organisation, including the public service, is deeply influenced by its **operating culture**, which in turn is often set in place and shaped by the beliefs, values and assumptions of its founders. Independent Singapore's early generation of leaders, including such figures as Lee Kuan Yew, Goh Keng Swee, and S. Rajaratnam held strong beliefs about the need to build up an effective civil service – based on integrity, meritocracy and results – in order to facilitate economic growth and social development. Over time these founding values have been internalised by the civil service, and have stood as guiding principles for its policies

and programmes. Today, many public servants in Singapore continue to demonstrate a profound sense of duty and idealism in their work:

"What motivates our officers and makes the public service uniquely satisfying? I would posit that it is the idea of public service. It provides public officers with a strong sense of purpose and mission, and fires them with passion: passion to make our country better, passion to achieve something larger than themselves. This is what sustains our officers, especially when the work can sometimes be difficult, unglamorous or under-appreciated, or when the journey is hard, uncharted and unanticipated."

DPM Teo Chee Hean
Chua (2010) p.9

Such values cannot be taught in a classroom, but are picked up by association, habit and example; they are best transmitted by those who live those values and influence others – in other words, by supervisors, managers and leaders in an organisation. Strong, competent and honest leadership engenders, inspires and motivates similar positive behaviour across the public service.

Singapore's public service culture is also intricately related to the **state of its relations between state and the people**. As a democracy, Singapore has seen the predominance, in its short history, of a single political party, the People's Action Party. While this does have its shortcomings, it has permitted a competent government to be far more involved with the rigours of administration than with political wrangling – it has allowed the government to focus its energies on managing Singapore well. The success of the political culture that has developed in Singapore – regarded by some observers as paternalistic and deferential – may perhaps be attributed to some extent to Asian tendencies of respect and trust towards legitimate authority. The population of Singapore just two generations ago consisted largely of hardworking, pragmatic and rugged immigrants – who were less interested in political identification with the state than with economic development and well-being: such values could well have contributed to the ethos of the public service in present-day Singapore. In turn, the Singapore Government derives its legitimacy from the economic and social success of the country and its people; not from pursuing any specific political agenda. No other elected government can afford to announce, as Singapore's PAP does, that it will "do what is right, not what is popular".

Any well-performing organisation – and in particular the public service – requires **strong systems of control** and **effective means of managing performance**. The former is necessary to root out and prevent corruption and ensure accountability for the exercise of delegated authority and the use of public funds. This due diligence is expressed and enforced through sound monitoring, audit and compliance regimes that reduce the risk of mismanagement, whether by commission or omission. Incidents of non-compliance must be verifiable and addressed by appropriate remedies and sanctions. Performance management systems, on the other hand, help in achieving better results and improving decision-making at all levels. The purpose of performance measurement and management systems is to accelerate the learning necessary for better results.[128] Flexibility, delegation, and discretion at the operational level may be required in order to facilitate the change necessary in attitudes, processes and policies for improved performance.

Without a strong regime of control in the public service, strategies such as decentralisation and delegated autonomy – or for that matter any substantive structural reform – may well create opportunities for favouritism and nepotism. Before any administration introduces radical reforms, it should therefore first have in place solid administrative capacities for monitoring and measuring outcomes, motivation of staff, audit, and for assessing and improving managerial competence.

Good systems are not built in a day. The Singapore Civil Service has taken a **comprehensive approach to development**, over a **long period of time**, in order to become sustainably competent. Over three decades, it dealt with the three most important obstacles to the provision of quality public service: Corruption (by implementing anti-corruption measures and paying competitive salaries), incompetence (by selecting the best and brightest and paying them well) and inefficiency (by introducing institutional reforms to sustain high productivity).

The **sequence of reforms** matters as well. In the case of Singapore, the crucial first step was to minimise bureaucratic corruption by introducing and implementing comprehensive and impartial anti-corruption measures, so that the provision of public services would not be dependent on a person's

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128 Bourgon, 2010.

ability to bribe the officials concerned. Equally important was the installation of a meritocratic system of personnel management so that bureaucrats are recruited and promoted on the basis of competence and achievement, and not patronage and networking (as is often still the practice in many countries). Were talented officers not identified, nurtured and motivated by competitive pay, fair advancement and a conducive work environment, they would most likely have left the service for greener pastures (in the private sector or even other countries) – a loss that a small country can hardly afford.

In Singapore, the creation of the Service Improvement Unit in April 1991, followed by the ambitious PS21 movement in 1995 marked a new phase in public service management, where **end-user experience** – i.e., the views, perceptions and service received by the citizens and business customers that constitute the public – was explicitly factored into assessments of the quality of service provided by the Singapore Public Service. Suggestions, both internal and external, on how to improve public services provided were actively encouraged and, where feasible, readily taken up by public agencies. These outcome-oriented reforms in public service delivery and procedures – at heart a **mind-set change** rather than a structural overhaul – are laudable, effective and highly replicable across different contexts. This shift in operating culture has the advantage of being relatively inexpensive to implement, and boosts morale as well as a sense of constructive purpose among civil servants; naturally, palpable improvements in service delivery would also attract public support.

Again, the Singapore experience suggests that reforms need to be appropriately prioritised and sequenced. The Singapore Government only started to decentralise human resource functions and create autonomous agencies after other basic criteria (including audit compliance regimes and a positive and honest civil service work ethic) were in place; as a result, devolution of authority has not led to favouritism, nepotism or corruption – which is certainly not the experience of many developing nations and even some developed economies when it comes to decentralisation or privatisation of human resource and other public service functions. The reasons for this disparity are varied: some administrations were short on institutional capacity or appropriate expertise. Others lacked effective control and accountability mechanisms, or had an inadequate focus on outcomes. In some administrations, there might also have been the lack of will on the part of policymakers and senior civil servants to delegate real authority to objective agencies. The people to whom power is thus delegated

could potentially abuse the power they receive. Civil service organisations with newly acquired human resource functions could go their own way, at odds with national priorities, and so on.

As governments increasingly delegate power to a wider spread of agents, an understanding of how this process works has become more important than ever before. One very common error is to delegate authority to act without also having in place adequate standards and policies for guidance, or adequate audit and oversight mechanisms to ensure compliance with policies. This would seem so elementary to due diligence that it would hardly bear repetition, but the frequency of aberration in real-world practice is too high to ignore.

6.3 High Impact Public Service Reforms

What can other countries interested in improving their public service governance learn from Singapore's experience? It has often been argued that the specific conditions of each country's political economy are of paramount importance, as civil service matters cannot be isolated from a country's unique set of circumstances. However, there is also merit in considering that civil service administration and reform enjoy a certain degree of independence from market conditions, and represent a fundamental lever of change for a country. It may be sound strategy, for instance, to begin with capacity development measures in order to improve the basic performance of the administration and thus provide politicians with viable options other than to resort to populist quick-fixes or sectarian rhetoric. Once the capacity of the administration improves and it starts delivering results, the nature of politics may well change, leading to a virtuous cycle of development and social progress.

In the area of public service reform, governments face many critical challenges. They must enhance the productivity of the civil service and make certain that each employee is performing socially relevant tasks. They must ensure the long-term financial viability of the public service, and must enforce procedures for rewarding and promoting merit, disciplining malfunction and misconduct, in order to strengthen accountability and performance. It may become necessary to restructure the bureaucracy so that it performs its core public functions while at the same time develops

new ways of providing critical economic and social services, whether directly or indirectly, as the country's operating environment changes. A new work culture may have to be cultivated at all levels of staff. Innovation and performance need to be encouraged and rewarded, and steps should be taken to ensure effective supervision and control over public officers.

It may not be feasible to emulate *in toto* Singapore's comprehensive reform strategy because of the city-state's unique historical, geographical, economic, demographic and political context. Yet there may be many low-hanging fruits that can be picked. A few successful well-implemented reforms can lead to a demand for more reforms; success reduces scepticism and resistance towards improvement. Again, it is strategically important to sequence change – for instance, by beginning with the most achievable and impactful reforms.

This examination of the Singapore Public Service has uncovered several reforms that could well be replicated in other countries, and which are likely to result in significant capacity gains for the public service, improving delivery of services and governance.

Minimising corruption

Singapore's strategy of minimising corruption followed the classic recommendations of the economic analysis of corruption (Fritzen 2006): raise the potential costs and lower the potential benefits of engaging in corrupt activities. Three important steps taken in Singapore include: Creation of a strong legal foundation for a broad definition of corruption (including the intention to be corrupt) with high penalties for those convicted; the establishment of the Corrupt Practices Investigation Bureau located within the Prime Minister's office with a clear mandate to investigate malpractice; a substantial increase in salaries for civil servants to reduce the financial incentive for corruption.

However, it is worth pointing out that corruption in Singapore was largely controlled by the end of the 1970s, whereas the substantial improvement of salaries and working conditions in the civil service came later, in the 1980s, and was at least in part directed at preventing a brain drain to the burgeoning private sector. In other words, corruption was brought under control well before salaries were increased. This suggests that the level of success achieved

by Singapore in controlling corruption can be replicated even in countries that are not able to pay very high salaries to government staff. What is needed is the honesty and competence of the political leadership to fight corruption by building up and empowering an anti-corruption institution such as the CPIB, and in cultivating a climate where strong punitive measures against corrupt practices can be introduced and enforced.

What can other countries concerned with minimising corruption learn from Singapore's experience? Some lessons have been highlighted (Quah 2008):

1. The political leadership must be sincerely committed to the eradication of corruption. They must demonstrate exemplary conduct, adopt a clean lifestyle, and avoid indulging in corruption themselves. Anyone found guilty of corruption must be punished, regardless of his/her position or status in society. If the 'big fish' (those of high status, or the wealthy or well known) are exempt from prosecution for corruption, and only the 'small fish' (lower-ranking offenders) are caught or punished, anti-corruption measures will lack credibility and are unlikely to succeed.

2. To combat corruption effectively, comprehensive anti-corruption measures must be employed; incremental measures will not suffice. An effective anti-corruption strategy consists of comprehensive anti-corruption laws and a non-corrupt and autonomous anti-corruption agency. The anti-corruption legislation must be comprehensive to prevent loopholes and must be periodically reviewed to introduce relevant amendments whenever required. When top political leaders can stand by their principles of integrity, public servants down the line will be empowered to tackle corruption cases with confidence and support.

3. The anti-corruption agency must itself be incorruptible. To ensure this, it must be controlled or supervised by an incorruptible political leader. The agency must be staffed by honest and competent personnel. Any staff member found guilty of corruption must be punished and dismissed from the civil service.

4. The anti-corruption agency must be removed from police

jurisdiction as soon as possible as its location within the police might prevent it from functioning effectively, especially in cases where there is widespread police corruption.

5. To reduce the opportunities for corruption in those government departments which are vulnerable to corrupt activities (e.g. customs, immigration, internal revenue, and traffic police), such departments should review their procedures periodically in order to reduce opportunities for corruption.

6. The incentive for corruption among civil servants and political leaders can be reduced by ensuring that their salaries and fringe benefits are competitive with the private sector. However, governments might not be able to increase salaries unless there is economic growth and adequate financial resources. The long term consequences of low civil service salaries are unfavourable as talented civil servants will leave to join private companies for higher pay, while the less capable will remain and may succumb to corruption to supplement their low salaries. However, pay reform has to be viewed in the wider context of public service reform.

Singapore's success in minimising corruption can be attributed to its dual strategy of reducing both opportunities and incentives for corruption. Its experience demonstrates that it is indeed possible to minimise corruption if there is a strong political commitment to do so, even without generous government coffers. The real challenge for governments is to ensure that political leaders and senior civil servants go beyond rhetoric and follow through with anti-corruption strategies in their respective countries.

People matter: recognising, rewarding and motivating competence

Belonging to the civil service is a source of pride and prestige in Singapore. The Government has consciously followed a stringent policy to cultivate and nurture the civil service, provide officers with challenging assignments, inspiring them to show results, and thus ensuring that best talents are nurtured to drive the country forward. Several initiatives, such as widespread use of service standards, work improvement teams, performance

measurement systems linked to incentives and awards for innovative practices, and measures to enhance feedback from the consumers of public services, have instilled a culture of efficiency and customer service amongst Singapore's frontline civil servants. Such reforms could be implemented in other countries also, as a means to improving motivation of public servants.

While performance pay schemes on the scale and complexity of Singapore's may not be appropriate for all countries, meaningful performance incentives (both monetary and non-monetary) should certainly be applied. The career advancement system should reward performance and penalise (or correct) under-performance. Nothing demoralises good public servants and destroys performance more than undue favouritism and unmerited patronage in recruitment and promotion. Informed, candid and equitable performance assessment is the cornerstone of any incentive system.

In addition, non-monetary incentives can be very important, especially among the professional ranks. These may include more challenging tasks, influential assignments, public recognition, and training opportunities abroad, among other things. In any case, the Singapore Public Service also recognises that only when civil servants feel physically, psychologically and financially healthy, as well as sufficiently recognised, motivated and challenged, can they give of their best. One of the objectives behind service-wide reforms in Singapore such as PS21 is to keep motivation of the public servants high by making work more meaningful, providing stretch opportunities, encouraging open and effective communication, and developing team work and positive attitudes. It is recognised that officers will be committed to their jobs and enthusiastic about doing them well if they feel engaged, valued and appreciated. Staff excellence is promoted, and their contributions are judged fairly, which encourages them to develop to their fullest potential. In achieving camaraderie and excellent human relations, seniors are encouraged to promote well-being of not only their staff but also their families, through healthy community activities. In Singapore, the Staff Wellbeing aspect of PS21 reforms has led to many schemes to assist civil servants and their families in their daily and recreational needs, such as through discount schemes and activities promoting healthy lifestyles. These are opportunities to boost staff morale and motivation that are relatively low-cost and which can easily be replicated in other countries.

Furthermore, Singapore makes it a point to recognise sterling officers who have made significant contributions to public service delivery and

good governance every year. While exceptional civil servants who achieve outstanding results despite difficult conditions certainly exist in many developing countries, their performance often goes unsung. Giving wider recognition to these positive role models is an important way to cultivate further positive behaviour in the rest of the service.

In many countries norms and rules of work discipline are either lax or poorly enforced; ineptitude or wrongdoing goes unpunished, or there may be strong disincentives to take bold, constructive decisions that may be risky. The reality is that little can be done to change organisational culture overnight. Nevertheless, it is possible to put in place incentives for good performance within the system. Here, the magnitude of the reward or the severity of the penalty matters less than their certainty, swiftness and fair and uniform application. A rise in individual accountability must be accompanied by commensurate rewards and consequences for non-performance (on-the-job training, rather than penalties, may be the right response). The weight of evidence from experiences across the globe shows that the lack of credible consequences for non-compliance degrades serious attempts to reform and enforce accountability into mere bureaucratic formalities.

In order for accountability to be possible, fairness and equity in recruitment and advancement policies are a must. The objectives and values of the organisation should be clearly and unequivocally spelt out (avoiding fashionable but ambiguous platitudes), and should be made transparent to and established among new recruits and junior staff. Minimum acceptable standard of performance or service delivery should be publicly stipulated and enforced transparently. There should be a strong and consistent flow of resources, encouragement and guidance from the senior mentors consistent with these objectives and values. Problem-solving should be pragmatic, fact-based, and junior staff should have an opportunity to suggest constructive changes. A major part of the work of civil servants is problem-solving. Problem-solving is both a skill as well as a habit. A vibrant organisation does not wait for a crisis to show that it is good at solving problems. Individual capacity for problem-solving is developed through challenging jobs that are assigned by the organisation to enable officers to test, hone and grow their capabilities. Such assignments sharpen leadership abilities, and when people at the top lead by example, managers down below too are inspired and internalise appropriate values. There should be team work and sharing of responsibility. The sincere judgement of junior members should be respected and honest mistakes taken as learning experiences. There should be

a sense of order and protocol, yet a high rate of innovation. There should be performance yardsticks in order to spur achievement and growth. Mediocrity should be shunned; those who choose not to grow or develop should get dropped by the wayside.

The stability of tenure is a key factor influencing the success of the aforementioned systems. In Singapore, officers at the middle and senior positions spend several years in a single post. It is quite normal for a Permanent Secretary to occupy a post for six to eight years, thus providing continuity of leadership. This acts as an incentive for appointment holders to do their best and to demonstrate that outcomes improved during their tenure. Long-term stability has systemic advantages. On the contrary, many other public services often lack an institutional memory that can absorb, sustain and build upon long term change given changing tenures or political patronage. Frequent transfers and limited tenures can play havoc with public sector organisations. The institution of transfers is often abused by both civil servants and politicians – the former in seeking prime postings, and the latter for a variety of legitimate as well as questionable reasons. Political executives may prefer that favourable postings go to their supporters instead of the best candidates. This can result in a high degree of centralisation at the level of the state government and little accountability, with a consequent erosion of credibility down the hierarchy, which in turn erodes the morale and standing of the organisation.

There are two other consequences to uncertainty that arise from tenure that is not mandated or merit-based. The incumbent is not sure of how long he will stay as political winds change. This has an adverse effect on his attention to detail, his capacity to master the situation and his confidence that his judgement will be respected. Unsure or unwilling to make difficult but necessary decisions, he opts for the tried and tested, or to second guess the preferences of his political masters. He may ignore, neglect or discard worthwhile changes made by his predecessor. His staff may assume that reforms will not stick and avoid the commitment necessary to effect long term change.

It is in this context that it is crucial and critical to remove uncertainty and imbue the officers with a certain security of tenure in every post, assuming it is merited by proven competence. Stable tenures will motivate senior officers to provide credible leadership and improve organisational performance. A healthy personnel tenure policy should reduce the overall

incidence of transfers; eliminate the emergence of a 'transfer industry' or politicised transfers. Appointments and tenures should be seen as fair, merit-based, objective, and leading to long term career development. Important appointments and transfers might be overseen by a credible statutory body with sufficient mandate and independent representation from eminent citizens free from political loyalties – as Singapore has done with the Public Service Commission. These requirements might be made law, to free the process from subsequent political interference. For instance, a stability index could be calculated for important posts, such as Permanent Secretaries or Heads of field offices. An average of at least three to five years for each post could be fixed by law, so that on balance overall tenures in the civil service are of sufficient length to ensure overall stability and continuity in the service. Requests for transfers might then be required to indicate how the service average would be affected by the transfer in question.

Sustainable systems: decentralisation to autonomous agencies (AAs)

Centralisation and decentralisation are not "either-or" conditions. In most countries an appropriate balance of centralisation and decentralisation is essential to the effective and efficient functioning of government. Not all functions can or should be financed and managed in a decentralised fashion. Even when national governments decentralise responsibilities, they often retain important policy and supervisory roles. Central ministries have vital roles in promoting and sustaining decentralised public service operations by developing appropriate and effective national policies and regulations. These will aid in strengthening local institutional capacity to assume responsibility for new functions. They must create or maintain "enabling conditions" that allow local units of administration to become effective and take on more responsibilities with the passage of time.

Singapore's approach to decentralisation in the public sector was to create Autonomous Agencies and then transferring almost all authority for recruitment, promotion and expenditure to them. They are given a block budget, and are held accountable for mandated outcomes.

In many countries however, institutions are created at the local level without an appropriate corresponding transfer of authority and responsibilities. In most cases, provincial governments are reluctant to release their authority to

the district and village councils. In order to make decentralisation effective, a province that has delegated functions and staff to lower level elected bodies ought to be given correspondingly increased financial allocations by the central authorities.

In large countries decentralisation may reduce the imbalance between the centre and the regions, but, in the absence of appropriate accountability norms, it may increase the disparity between the richer and the poorer regions. For instance, the concern of some administrations is that in the absence of transparency and accountability at the local level, decentralisation could bring about corruption and the rise of "little kings" in the regions. Some of the unintended effects can include corruption at the local level, the emergence of fiefdoms, and the degradation of services formerly delivered by the central government.

Drawing on the experiences of decentralisation in Singapore and elsewhere, several basic strategies could help strengthen local government responsiveness, accountability, and effectiveness:

- Creation of opportunities for citizens to express views on and priorities for local services.

- Creation of means for citizens and the media to gain access to public meetings, records, and information.

- Support for participatory procedures allowing citizen input on decisions regarding resource allocation and planning.

- The development and use of procedures for citizen input on major local government decisions – annual budgets, land use, and construction.

- Build trust between local officials and citizens. Channels for citizen-civil servant communication need to be created which will improve decision making, reduce opportunities for corruption, and build consensus on critical community issues.

- Promote partnerships among local governments, civil society organisations, the private sector, and other groups.

Financing results: outcome monitoring and budgetary reforms

In many countries, operational staff report only on performed activities but are not involved in impact assessment, or in qualitative monitoring. The concept of stakeholder monitoring is not well understood, especially in developing countries; there are few indicators for assessing public participation or awareness, and emphasis is placed on initial or current expenditures and immediate budget balances. When money has been allocated for a particular activity in a particular area, it is presumed that the work in question has been adequately done and its aims achieved, without necessarily verifying that this is so.

While it is important that fiscal accountability be observed, it should not be allowed to overshadow technical and resource monitoring and assessments of whether desired outcomes have in fact been achieved. There is often great pressure on field staff in the public sector to account for funds utilised, rather than for public results and impact achieved – because these are harder to monitor or measure. Ironically, the use of public financial resources – surely a vital instrument of governance – can become divorced from the actual aims of governance.

To address these tendencies, the Finance Ministry in Singapore introduced the Programme and Performance Budgeting System in 1978 to encourage cluster spending, in which Ministries had the flexibility to allocate funds for different items and approve projects up to specified spending caps without referring every line item to the Finance Ministry. Performance discussions with Ministries could then focus on longer term trends rather than specific year-on-year changes; improvements could then be made in the quality of measures (such as moving from output to outcome indicators) and the implementation of stretch targets where appropriate. The essential purpose of these budgetary reforms was to make managers in Singapore more aware of and invested in the actual results of their public programmes (in terms of quantity, quality and social impact), while ensuring more efficient use of resources.[129]

Many countries practice ex-ante rather than ex-post control of expenditure by line agencies through the institution of Financial Advisors/Controllers or

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129 Jones, 2001.

the Ministry of Finance, instead of the outcome-linked financial system that Singapore observes. Performance budgeting for reporting of outputs and outcomes tend to be divorced from the preparation of financial reports and future budgets. Given departmental allocations, operational efficiency and effectiveness depends on accountability. This encompasses:

- Establishing individual and collective responsibility for delivery of defined service outputs;

- Personnel policies linked to performance, measured by indicators tied to prescribed service delivery standards, preset targets and defined outcomes;

- Independent internal and external, financial and performance auditing with mechanisms for effective corrective or disciplinary action based on audit findings;

- "Customer" satisfaction surveys;

- Transparency, through publication of programme performance reports;

- Feedback mechanisms to elicit client feedback on the quality of services provided.

Setting service standards

The institutional framework for establishing and monitoring performance in service delivery may be poor in many public sector administrations. There may be weak service standards, few or no sanctions for poor performance, or a lack of mechanisms by which client feedback can be taken into future programme development. This makes it difficult to establish clear and actionable lines of accountability for the public service, and can hinder reform efforts.

In Singapore, all agencies that have substantive dealings with the public set and publish service performance standards. Such service charters empower the public in their dealings with service providers, and establish

clear guidelines for public service levels to which the public is entitled. It is important, however, that such charters be developed in consultation with major stakeholders and be widely disseminated in order for them to be credible and well known. Public agencies might well select pilot institutions which would draw up service charters for specific activities under their mandate. These charters might be initiated by first identifying those activities which impact the most number of people or which take up the greatest share of resources allocated to improving related outcomes.

In Singapore many offices have been renovated with a view to provide ample space to the customers to feel welcome. The receptionists have received specific training in order to come across as warm, helpful and polite to the public. Such steps may appear cosmetic, but in fact have a profound impact on employee morale as well as client perception of public service delivery and credibility. Working in a poor environment adversely affects the efficiency, productivity and morale of staff. Adequate maintenance budgets can make a difference; agency leaders should compete with each other to excel in maintenance of service delivery premises.

Drawing from Singapore's service delivery experience, public agencies may find it productive to adopt the following measures:

- Introduction of a service charter for each office that has a public interface, clarifying public entitlement to timely and effective delivery of public services. The charter should clearly define the standard for the services being rendered. It will also specify the remedial mechanisms available to the citizen, which should be available, credible, and followed through.

- After promulgating these service charters the departments should ensure that the necessary structural, process and mindset changes have also been introduced in every aspect of the functioning of the department and at every level to conform to the standards demanded by these charters.

Other service improvement measures that have been found effective:

- Employees, including senior officials wearing name tags while on duty to encourage accountability for service provided to the public.

- Computerised attendance systems or waiting times to ensure prompt attendance and service.

- Periodical exit polls of government offices that deal frequently with the public. Some of the questions could be: How long did it take to have his work attended to? Did the client receive courteous and helpful treatment? Was there a demand for any additional payment not stipulated in the official guidelines?

- Channels of communication and contact between the public and senior officials so that grievances at all levels of governance can be directly and quickly redressed.

Accountability: audits, public transparency and feedback sessions

Accountability is a prerequisite for improving public service performance, and information is the key to accountability. In many countries, and particularly in former British colonies, there is a strong institution – usually expressed as a Comptroller and Auditor General's (CAG) Office or similar – whose mandate is monitoring and ensuring public accountability. Frequently however, CAG reports are not fully utilised to effect constructive policy changes. It would be good practice for all Departments and Ministries to publish in their Annual Reports the follow up actions taken based on their respective CAG's findings for the last two years.

Beyond relying solely on audit reports, governments should also proactively conduct external audits of some of their main spending departments, which could be certified by a panel of credible, knowledgeable and objective persons representing the spectrum of stakeholders. Such external social audits would supplement the regular internal audit process and are more likely to provide fresh leads for further investigation or improvement. This will enable public agencies to understand their performance as perceived by their stakeholders at large and subsequently help them draw up policies and plans that will improve the real-world impact of public service performance.

Governments should also objectively assess the experience of the people that service providers are intended to serve. In Singapore, public perception surveys take a measure of public service delivery as perceived by households,

communities, and the civil service itself. Social audit tools, already in use by national and international agencies, will help to further promote accountability, equity, effectiveness, and value for money. Furthermore, once citizens know that their views matter, and are taken into account in formulating policies, their confidence in the integrity of the service will increase.

An important learning point from the Singapore experience is in improving accountability of the civil service for results. Priorities for enhancing both internal and external civil service accountability should include improved information systems and accountability for outcomes; better audit; face-to-face meetings with consumers and user groups; publishing budget summaries in a form accessible to the public; a stronger performance evaluation system; scrutiny and active use of quarterly and annual reports; and selective co-opting of private sector expertise to encourage fresh ideas from outside the public sector.

One way to help encourage accountability is to hold public forums on matters pertaining to the work handled by each agency. Town hall meetings are quite common in Singapore as a means to collect feedback on policy issues. Citizens are thus empowered to constructively demand accountability through greater access to relevant information. Other countries too can learn from this, and involve community and social workers on the ground for more productive results. The reviews conducted could also form the basis for time-bound changes and improvements which can be closely monitored as relevant indicators for social outcomes, which can otherwise be difficult to assess.

e-Government

Any strategy of public sector reform and modernisation should include e-Government measures, for several reasons. Conventional administrative reforms in the developing world have had a mixed record. One major challenge has been in mobilising the political and administrative will necessary to implement them. Vested interests are able to block many reforms and make it difficult to assess or follow through with the few that do get adopted. As a result, many ambitious reforms proposed in official reports are seldom acted on. Time and money are wasted on exercises that produce no impact on the ground. Today, technology can be used to leapfrog many of these barriers,

without having to wait for more complex structural or social changes to take place.

First and foremost, information and communication technologies have advanced rapidly in terms of depth, ease-of-use and cost effectiveness, to the point where e-Government applications are within the reach of developing countries or administrations with budgetary constraints.

Second, technology can quickly introduce greater transparency, impose discipline in terms of response times and efficiency, facilitate systematic monitoring, and make available (as well as protect) data in ways that standard administrative systems cannot. Information technology can also make the citizen-state interface much more convenient, greatly enhance accessibility of public services while reducing transaction costs and hence increase public satisfaction with government transactions.

Compared to other more complex administrative reforms, e-Government initiatives may also seem less risky and therefore more viably implemented. These e-Government applications may look simple and limited in scope, yet they may have far reaching implications for the operating culture and performance of governments. Such technologies are easier to implement today than many other types of administrative reforms, and there is sufficient working experience available in their application to public service contexts. Ten years ago, it was difficult to find many experts interested in e-Government applications in the developing world. Today, there is not only interest in the subject among private and public sector professionals, but also active involvement in several experiments in a number of countries. It is now possible to review and assess the potential areas for effective deployment and scaling up in the field of e-Governance across a broad range of developmental contexts. While the ground is being prepared to address more difficult and intractable administrative reforms, e-Government measures can demonstrate "quick wins".

What gains can governments expect from e-Government? Singapore, with 81 per cent of households enjoying broadband internet access, is at the forefront of public sector applications and its experience has been instructive. It has used new technologies to streamline and speed up its interactions with, and services to, the public in almost all sectors of activity. It has also used IT in a big way in improving the internal management of its systems with respect to funds, personnel and assets. Information technology

has also enhanced the breadth, depth, and speed of information sharing within, across and beyond the public sector. In Singapore's experience, the benefits of employing e-Governance measures are diverse and deep:

- It improves government's overall productivity.

- It promotes greater transparency and public accountability.

- It simplifies and speeds up the delivery of a wide range of public services.

- It improves service quality and thus increases citizen satisfaction.

- It aids dissemination of information and empowers both citizens and civil servants to make better decisions.

- It can make government seamless, and integrate departmental activities.

Singapore's success as a leading practitioner of effective e-Government, however, has been about much more than just enabling government services with technology. It has also involved a monumental effort to reform the way the Public Service approaches service delivery, which entails significant structural and operational changes. Over the past twenty years, the government's progressive and meticulously crafted national ICT programmes have established a strong foundation to transform the Public Service. This coupled with a holistic e-Government framework addresses not only the technology but also management, process, governance, and social and cultural issues to deliver accessible, integrated, and value adding e-services to its constituents. Other countries with less capable administrative capacity will therefore not be able to take full advantage of the technological possibilities that ICT offers. It seems inevitable, however, that the convenience and success of IT-enabled public service applications will put pressure on governments to follow through with the deeper administrative reforms necessary for efficient and effective programme delivery.

6.4 Singapore May be Distinct, but its Success can be Replicated

It must be noted that Singapore's unique situation is evidently very different from many other countries. In deploying talented personnel to meet the needs of the public sector and an expanding economy, Singapore has one distinct advantage: Its small geographical size and compactness (facilitated by an excellent communications infrastructure and its historically important location for trade) has led to lower transaction costs associated with administration, allowed for efficient planning, cohesive decision making, and channelling of information, and deployment of personnel within and between the government and private sectors.[130] It is certainly clear, however, that Singapore has managed to cultivate a virtuous cycle, through which bureaucratic development (and resources required for continuing reform, such as civil service pay increases and technological applications) have contributed to, and in turn been supported by, Singapore's remarkable economic ascent.[131] It is also likely that the persistence of a policy orientation based on market disciplines and a managerialist approach to public service governance, has been necessitated by Singapore's economic integration with and openness to world trade.[132]

Some of Singapore's approaches to sustaining quality in the public service may not be easy to replicate elsewhere, because of the high economic and political costs they may incur. It is expensive to pay civil servants high salaries, just as it is difficult to minimise corruption or to introduce a meritocratic system without widespread political support. What Singapore's experience shows is that a strong government with a long tenure of office and sustained economic growth can indeed create the conditions necessary for building and sustaining a quality public service despite adverse starting conditions, in a manner which can pay handsome dividends for the success of the country and its polity in the long term.

Political conditions elsewhere are notably different, and while Singapore has much to offer both developed and developing countries in terms of a palette of effective public service reform strategies and approaches, the relevant

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130 Lee et al., 2008.

131 Fritzen, 2006.

132 Quah, 2001.

sequence in which they should be applied would have to be determined by the specific context of each country.

Needless to say, comprehensive reforms need strong political and administrative will from the top to succeed, in the absence of which they are all but grand theories on paper. Accountability has to be cultivated; it can be policed but cannot be induced by fiat or decree. It is the result of a complex combination of calibrated incentives, of transparency in processes and decision making, and of checks and balances at various levels of government.   Both political leaders and senior civil servants have to put their weight behind reforms, and walk the talk of holding their organisations, subordinates and themselves accountable for constructive change.

In Singapore, the political leadership has also been cognisant of changes in the domestic as well as international environment and policies have often been adjusted to meet the needs of a changing world. Pressure both from a more affluent, educated and savvy citizenry, as well as the demands of the new globalised economy, have meant that Singapore has to evolve towards more knowledge-based activities, higher value-added services, and innovation.   To stay relevant to the needs of a changing society, the public service must adapt to these new priorities as well.

The experience of Singapore demonstrates that political history, geographic location, party politics, macroeconomic considerations, adaptability of the civil service, and foresight of public sector leadership are critical factors in determining the outcomes, types of change, and extent of reform initiatives.[133] Other countries concerned with improving governance would certainly benefit from studying the success of reforms in Singapore, but they would also do well to remember that:

> *"Bureaucratic models are not packages ready for export or import; they provide illustrations of options and styles for consideration in their separate parts, and for adaptation before acceptance in a different context"*
>
> (Sayre 1967:354)

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133 Samaratunge et al., 2008.

A good public service is necessary but not sufficient for good governance; a bad public service is sufficient but not necessary for bad governance. While a dilapidated public service has been a key factor contributing to the dire economic situation in many countries, strong public service institutions are among several reasons why in Asian economies such as Singapore and the Republic of Korea, heavily directive central governments have co-existed with excellent economic performance.[134] Could it then be argued that the direct link between highly centralised government and economic decline, so evident in some countries, does not apply to Asian countries largely because of their strong public services, with a powerful commitment to sound economic management, basic education, housing, healthcare, and infrastructure?

While greater responsiveness and efficiency can legitimately be demanded of public administration in Singapore, its public service clearly cannot be considered a problem; indeed it has been, rather, an important part of Singapore's successful national development. Of course, regimes that seek to exploit national assets for their own benefit (which by definition place low priority on efficiency and development) would tend to prefer a pliable and unskilled public service since public employees would then become dependent on the regime's discretionary largesse, and are forced to turn to corruption, or become the regime's accomplices.[135] Naturally, such regimes would be uninterested in strong public sector institutions; indeed public service reform would be unlikely to take hold in such situations. In all other cases, Singapore's experience in successfully building and then evolving its Public Service over time demonstrates that public service development is possible and worthwhile, albeit difficult, complex, and time-consuming. It is clear that Singapore's experience has many valuable lessons to offer to any administration seriously interested in achieving better governance.

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134 Schiavo-Campo et al., 1997.

135 Ibid.

Coming Full Circle:

The Singapore Cooperation Programme

COMING FULL CIRCLE:
THE SINGAPORE COOPERATION PROGRAMME

Introduction

When independence was thrust upon Singapore in August 1965, the country found itself with pressing problems such as high unemployment, housing shortages, inadequate infrastructure, poor social amenities and an underdeveloped education system. Singapore was fortunate then to receive strong support, advice and technical assistance from developed countries such as Japan and Germany, international organisations such as the United Nations Development Programme, and development experts like the Dutch economist Albert Winsemius. With their assistance, Singapore was able to transform itself from a third world country into a modern city-state that is recognised for its economic success, good governance, and strong and effective public institutions.

Having benefited from technical assistance, Singapore recognises the importance of institutional and human resource capacity building in a nation's development. Since the 1960s, Singapore has been sharing its developmental experience with countries around the world – in the Asia Pacific, Africa, Middle East, Eastern Europe and Latin America. Today, this sharing is largely done through the Singapore Cooperation Programme administered by the Singapore Ministry of Foreign Affairs.

The Singapore Cooperation Programme (SCP)

The SCP believes in the wisdom of the old saying: "Give a man a fish, you will only feed him for a day. Teach a man to fish and you will feed him for life." True to this spirit, the SCP has to date provided training to more than 70,000 officials from about 170 countries. The number of participants continues to grow each year.

Through courses, seminars, workshops and study visits, SCP participants are introduced to Singapore's key development areas, including public governance and administration, trade and economic development,

SCP Participants (Cumulative)
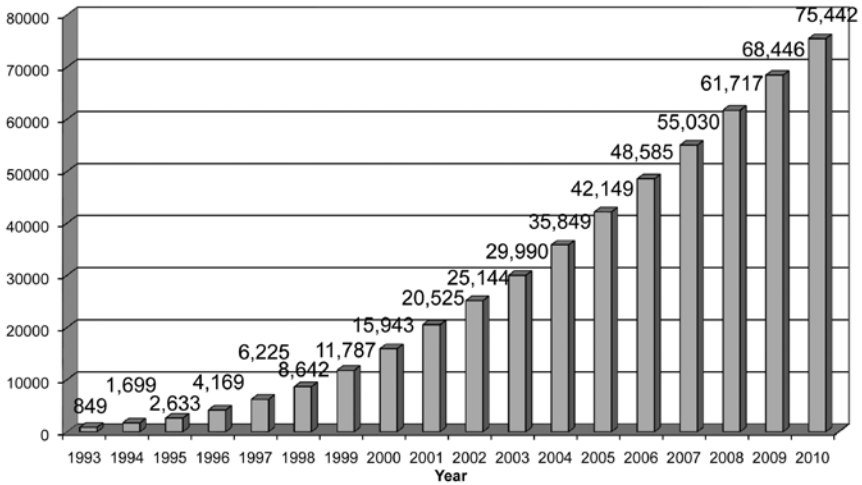
environment and urban planning, civil aviation, land transport, port management, education, healthcare, and information and communication technology. Programmes in public governance and administration constitute an important aspect of SCP's activities.

> *"It is an important avenue through which other countries can learn from Singapore's economic development experience. It is unique...in the sense that it focuses on developing capacity or skills for managing economies rather than conventional financial assistance to developing countries."*
>
> Godlove Stephen Mbisse, Senior Economist, Ministry of Finance & Economic Affairs, United Republic of Tanzania, who attended the course "Economic Development Experience of Singapore" from 9 – 21 Nov 2009

For instance, the course "Public Governance and Administration" offers an overview of Singapore's approach to governance and policymaking. "Effective Financial Governance" and "Productivity Management for Government Officials" highlight reforms pertaining to government finance and productivity management respectively, showcasing Singapore's unique economic value-added approach to measuring and enhancing public sector performance.

Singapore also shares its innovations that add value to the public services. For instance, courses such as the "Use of Information Technology in Public Administration" explain how IT can increase public service's connectivity and productivity on a whole-of-government basis. "Climate Change and Sustainable Energy Management" and "Executive Course in Disaster Management" demonstrate future-oriented measures that governments can undertake to prepare for both foreseeable crises and unforeseeable emergencies.

> *"It gives developing countries like ours the opportunity to learn & experience the Singapore model of Government. The knowledge and skills gained can be applied in shaping a far more efficient & effective governance in my country."*
>
> Tashi Peljor, Human Resource Officer, Ministry of Foreign Affairs, Kingdom of Bhutan, who attended the course "Public Governance and Administration in Singapore" from 7 – 11 September 2009

Over the years, SCP programmes are constantly reviewed, changed or modified to ensure they meet the changing and specific needs of recipient countries. Programmes are either offered directly on a government-to-government basis (Bilateral Programmes) or in partnership with a developed country or organisation (Third Country Training Programmes).

Bilateral Programmes

Bilateral Programmes are South-South cooperation initiatives offered directly to developing countries on a government-to-government basis. The training schemes under this category include (i) Singapore Cooperation Programme Training Award, (ii) Small Island Developing States Technical Cooperation Programme, (iii) Initiative for ASEAN Integration.

Singapore Cooperation Programme Training Award (SCPTA) and Small Island Developing States Technical Cooperation Programme (SIDSTEC)

SCPTA and SIDSTEC are complementary sponsorship programmes under which SCP assistance is made available to participants. The SIDSTEC is made available to all Small Island Developing States, while the SCPTA is offered to all other developing countries. Under these two frameworks, participants from 170 countries have benefited from training in Singapore.

The SIDSTEC was launched in 1999 at the United Nations General Assembly 22nd Special Session as an initial five-year programme for development of Small Island Developing States. Training fields covered areas of direct relevance to island states such as urban development and environmental management, which were closely aligned to the 1994 Barbados Programme of Action. Singapore extended the programme indefinitely in 2005, and participants from the Small Island Developing States could now benefit from training in a more diverse range of fields like public administration, customs modernisation and climate change.

The Initiative for ASEAN Integration (IAI)

As a founding member of the Association of Southeast Asian Nations (ASEAN), Singapore is committed to the integration of the four newer member countries (Cambodia, Laos, Myanmar and Vietnam) into ASEAN. At the Fourth ASEAN Informal Summit in November 2000, Singapore Prime Minister Goh Chok Tong launched the 'Initiative for ASEAN Integration' and pledged a variety of human resource development programmes towards this objective. Over the years, Singapore has contributed no less than S$120 million to affirm its continued commitment to the IAI .

As a tangible form of support for the IAI, Singapore established one training centre each in Phnom Penh (Cambodia), Vientiane (Laos), Yangon (Myanmar) and Hanoi (Vietnam). Through these centres, Singapore has trained more than 33,000 officials through programmes specifically aligned to the developmental needs of the four countries, including the programmes on the English language, information technology, public governance and administration, finance and trade, and hospitality and tourism.

Third Country Training Programmes (TCTP)

Third Country Training Programmes are triangular cooperation frameworks under which Singapore collaborates with developed countries, international organisations and non-governmental organisations to provide technical assistance to developing countries. This mode of collaboration harnesses the joint experience and expertise of both Singapore and its partners, thus providing greater breadth and depth in knowledge to the participants. Singapore has close to 40 international partners.

The UNDP is one of Singapore's long-standing partners under the TCTP framework. Since the start of collaboration in 1992 under the Singapore-UNDP Technical Cooperation among Developing Countries, about 1200 government officials from 86 developing countries have benefited from 89 joint training programmes. As an example, in June 2007, Singapore and the UNDP hosted a high level study visit for African officials as part of the UNDP's flagship project, Southern Africa Capacity Initiative to facilitate a transformative process of development for the African countries.

Scholarships

Apart from providing short training programmes, the SCP also offers undergraduate scholarships, called the Singapore Scholarship, to candidates from the ASEAN countries. The Singapore Scholarship was initiated in 1998 at the 6th ASEAN Summit during the Asian Financial Crisis, to provide an opportunity for bright, young students in ASEAN to receive a university education, and to be equipped with relevant skills and knowledge to contribute towards the development of their home countries upon graduation. To date, a total of 550 Scholarships have been awarded to deserving young men and women from the ASEAN countries.

Conclusion

As a responsible member of the international community, Singapore believes in sharing its development experience with its friends from around the world, through human resource capacity building programmes. Even if the

Singapore experience cannot be transplanted wholesale to the participants' countries because of economic, administrative, cultural, operational and other differences, some aspects could be adopted or adapted to suit the specific needs and circumstances of their countries.

In working with the UNDP, other UN agencies and other international partners, Singapore is helping to promote good governance and development around the world, through the sharing of its own experience. At the same time, Singapore continues to learn from other countries, to remain effective and relevant in today's fast-changing global landscape. Singapore has indeed come full circle, playing a role in contributing to a global virtuous cycle of good governance, development, progress, and stability for the benefit of all.

Annex A

The Singapore Government:

Ministries, Statutory Boards and Organs of State

ANNEX A
THE SINGAPORE GOVERNMENT: MINISTRIES, STATUTORY BOARDS AND ORGANS OF STATE

Ministries

Ministry of Community Development, Youth And Sports (MCYS)

Ministry of Defence (MINDEF)

Ministry of Education (MOE)

Ministry of Finance (MOF)

Ministry of Foreign Affairs (MFA)

Ministry of Health (MOH)

Ministry of Home Affairs (MHA)

Ministry of Information, Communications and the Arts (MICA)

Ministry of Law (MINLAW)

Ministry of Manpower (MOM)

Ministry of National Development (MND)

Ministry of the Environment and Water Resources (MEWR)

Ministry of Trade and Industry (MTI)

Ministry of Transport (MOT)

Prime Minister's Office (PMO)

Statutory Boards

Accounting and Corporate Regulatory Authority (ACRA)

Agency for Science, Technology and Research (A*STAR)

Agri-Food & Veterinary Authority of Singapore (AVA)

Board of Architects (BOA)

Building and Construction Authority (BCA)

Casino Regulatory Authority (CRA)

Central Provident Fund Board (CPFB)

Civil Aviation Authority of Singapore (CAAS)

Civil Service College (CSC)

Competition Commission of Singapore (CCS)

Council for Estate Agencies (CEA)

Council for Private Education (CPE)

Defence Science & Technology Agency (DSTA)

Economic Development Board (EDB)

Energy Market Authority (EMA)

Health Promotion Board (HPB)

Health Sciences Authority (HSA)

Hindu Endowments Board (HEB)

Hotels Licensing Board (HLB)

Housing and Development Board (HDB)

Infocomm Development Authority of Singapore (IDA)

Inland Revenue Authority of Singapore (IRAS)

Institute of Southeast Asian Studies (ISEAS)

Institute of Technical Education (ITE)

Intellectual Property Office of Singapore (IPOS)

International Enterprise Singapore (IE)

JTC Corporation (JTC)

Land Transport Authority (LTA)

Majlis Ugama Islam Singapura (MUIS)

Maritime and Port Authority of Singapore (MPA)

Media Development Authority (MDA)

Monetary Authority of Singapore (MAS)

Nanyang Polytechnic (NYP)

National Arts Council (NAC)

National Council of Social Service (NCSS)

National Environment Agency (NEA)

National Heritage Board (NHB)

National Library Board (NLB)

National Parks Board (NPARKS)

Ngee Ann Polytechnic (NP)

People's Association (PA)

Professional Engineers Board, Singapore (PEB)

PUB, The National Water Agency (PUB)

Public Transport Council (PTC)

Republic Polytechnic (RP)

Science Centre Board (SCB)

Sentosa Development Corporation (SDC)

Singapore Corporation of Rehabilitative Enterprises (SCORE)

Singapore Dental Council (SDC)

Singapore Examinations and Assessment Board (SEAB)

Singapore Labour Foundation (SLF)

Singapore Land Authority (SLA)

Singapore Medical Council (SMC)

Singapore Nursing Board (SNB)

Singapore Pharmacy Council (SPC)

Singapore Polytechnic (SP)

Singapore Sports Council (SSC)

Singapore Tourism Board (STB)

Singapore Workforce Development Agency (WDA)

SPRING Singapore (SPRING)

TCM Practitioners Board (TCMPB)

Temasek Polytechnic (TP)

Tote Board (SINGAPORE TOTALISATOR BOARD)

Urban Redevelopment Authority (URA)

Organs of State

Attorney-General's Chambers (AGC)

Auditor-General's Office (AGO)

Istana (ISTANA)

Judiciary, Industrial Arbitration Court (IAC)

Judiciary, Subordinate Courts (SUBCT)

Judiciary, Supreme Court (SUPCOURT)

Parliament of Singapore (PH)

Public Service Commission (PSC)

The Cabinet (CAB)

The Singapore Civil Service by sectoral focus areas:

Singapore Civil Service[136]			
Economic	**Social**	**Security**	**Government Administration/ Corporate Development/ Strategic Planning**
- Develop Singapore into a leading global city of talent, enterprise and innovation where residents enjoy a vibrant and sustainable living	- Build a connected, cohesive and resilient society and a gracious community - Mould the future leaders of our nation	- Make Singapore a safe and secure home - Promote Singapore's interest through effective diplomacy in the international arena	- Put structures in place for a first-class public service and a high-performance Government
Ministry of the Environment and Water Resources	Ministry of Community Development, Youth and Sports	Ministry of Defence	Ministry of Finance
Ministry of Law	Ministry of Education	Ministry of Foreign Affairs	Prime Minister's Office
Ministry of Manpower	Ministry of Health	Ministry of Home Affairs	Public Service Division
Ministry of National Development	Ministry of Information, Communications and the Arts		
Ministry of Trade and Industry			
Ministry of Transport			

136 Adapted from http://www.adminservice.gov.sg/SCS/ and http://www.careers.gov.sg/Careers/What+We+Do/

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