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2007

Schäffer-Poeschel Verlag Stuttgart

Public Administration in Singapore: Maximizing efficiency and minimizing corruption

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Introduction: PAP government introduced major changes

The origins of the public bureaucracy in Singapore can be traced back to 1819 when, soon after founding the British Colony of Singapore, Stamford Raffles established a civil service nucleus of six officials.¹ In June 1959, Singapore attained self-governing status when the People's Action Party (PAP) assumed office after winning the general election in May. Since then, the PAP government has remained in power for more than 47 years, having been re-elected 11 times. The Singaporean political system was transformed from a competitive party system into a one-party dominant system when the PAP won all the 58 seats in Parliament (51 seats were uncontested) and captured 86,72% of the valid votes in the April 1968 general election.² In the most recent general election in May 2006, the PAP was re-elected for the 11th time after winning 81 of the 83 parliamentary seats and obtaining 66.6% of the valid votes.³

Public bureaucracy has played a major role in Singapore's national development. Since the PAP government first assumed power, it has devised and implemented some major changes which have proven highly effective and may offer interesting references for countries in Europe and elsewhere. These changes can be grouped under five themes:

- Emphasis on meritocracy,
- Ensuring clean government,
- Comprehensive administrative reform,
- Competitive pay for senior public officials,
- Reliance on policy diffusion.

1 J. Kathirithamby-Wells, «Early Singapore and the Inception of a British Administrative tradition in the Straits Settlements (1819-1832)», *Journal of the Malaysian Branch of the Royal Asiatic Society*, Vol. 42, Part 2 (December 1969), p. 49.

2 Singapore 1998: A Review of 1977 (Singapore: Ministry of Information and the Arts, 1998), p. 338, Appendix 6.

3 Zuraidah Ibrahim, «PM gets his strong mandate», *Sunday Times (Singapore)*, May 7, 2006, p. 1.

Emphasis on meritocracy: Efficient service over seniority

The PAP government's emphasis on meritocracy became very clear early on: After assuming power, it selectively retained competent expatriate senior civil servants and prematurely retired their incompetent colleagues. Together with a reduction in variable allowances, this policy resulted in a high turnover rate among senior expatriate civil servants. At the same time, seniority was de-emphasized as the basis for promotion, and competent local civil servants could move into more responsible positions regardless of their seniority.

In 1961, Prime Minister Lee Kuan Yew expressed these new principles very clearly when he said:

I am in favour of efficient service. The brighter chap goes up and I don't care how many years he has been in or he hasn't been in. If he's the best man for the job, put him there.⁴

This policy has remained in force until today and accounts for the relative youthfulness of many of the permanent secretaries. Lee's concern for meritocracy and the need to attract »the best and the brightest« to join the Singapore Civil Service (SCS) goes back to his experience as legal adviser for several trade unions in Singapore in the 1950s: He had no difficulty winning his legal cases against the British colonial government, as its lawyers were incompetent and poorly paid.

Lee also supported the Public Service Commission (PSC) in upholding the principle of meritocracy: By controlling the quality of personnel entering the SCS, the Commission focuses on »keeping the rascals out« and attracting »the best and brightest« for civil service jobs.⁵ The PSC was formed in 1951, but it was only in 1956 that a scholarship board was established to interview candidates for scholarships.⁶ In November 1993, Lee reiterated the importance of meritocracy in his keynote address to African leaders attending a conference in Singapore:

A strong political leadership needs a neutral, efficient, honest Civil Service. Officers must be recruited and promoted mainly on merit. ... Appointments, awards of scholarships must be made to the best candidates.⁷

4 Malay Mail (Singapore), July 9, 1961, quoted in Seah Chee Meow, »Bureaucratic Evolution and Political Change in an Emerging Nation: A Case Study of Singapore,« (Ph.D. thesis, Faculty of Economic and Social Studies, Victoria University of Manchester, 1971), p. 88.

5 Jon S.T. Quah, »The Public Service Commission in Singapore: An Evaluation of Its First 50 Years,« in Akira Nakamura (ed.), Public Reform, Policy Change, and New Public Management: From the Asia and Pacific Perspective (Tokyo: EROPA Local Government Center, 2004), pp. 81-82.

6 Seah, »Bureaucratic Evolution and Political Change in an Emerging Nation,« pp. 147-148.

7 Lee Kuan Yew, »Can Singapore's Experience be Relevant to Africa?« in Can Singapore's Experience be Relevant to Africa? (Singapore: Singapore International Foundation, 1994), p. 5.

In the same vein, Ezra F. Vogel has contended that »what is unusual in Singapore is not the prominence of meritocratic administrators, but the fact that the meritocracy extends upward to include virtually all political leaders.«⁸ Indeed, the first generation of political leaders in Singapore »believed in meritocracy not only for bureaucrats but also for politicians« as they were regarded to be »among the brightest of their generation,« having distinguished themselves academically and having »won competitive scholarships to study in England.«⁹ Vogel has coined the term »macho-meritocracy« to describe the broader notion of meritocracy in the Singapore context:

For the first generation of Singapore leaders, the pillar of good government was not a separation of powers but a strong central meritocracy. Good government is achieved by selecting outstanding undergraduates to go abroad to leading universities on state scholarships, and bonding them to ensure they will return and serve in Singapore. ... In Singapore, meritocracy is more than a procedure for selecting talent. It creates an aura of special awe for the top leaders and provides a basis for discrediting less meritocratic opposition almost regardless of the content of its arguments. This special awe enabled the first generation of meritocratic, impeccably honest heroes to establish what might be called a »macho-meritocracy.«¹⁰

Finally, in his recent study of the Economic Development Board (EDB), Edgar H. Schein indicated that one of the core assumptions of its cultural context was the existence of an incorruptible, competent civil service that »operated with an open and consistent set of rules that were vigorously enforced.«¹¹ According to him, »having the best and brightest in government is probably one of Singapore's major strengths in that they are potentially the most able to invent what the country needs to survive and grow and to overcome problems.«¹²

8 Ezra F. Vogel, »A Little Dragon Tamed,« in Kernal S. Sandhu and Paul Wheatley (eds.), Management of Success: The Moulding of Modern Singapore (Singapore: Institute of Southeast Asian Studies, 1989), p. 1052.

9 Ibid., pp. 1052-1053.

10 Ibid., p. 1053.

11 Edgar H. Schein, Strategic Pragmatism: The Culture of Singapore's Economic Development Board (Cambridge: The MIT Press, 1996), pp. 169-170.

12 Ibid., pp. 221-222.

Clean government: Minimising opportunities and incentives for corruption

When the PAP leaders assumed office in June 1959, they inherited a civil service that had been afflicted by corruption during the British colonial period. The rapid inflation during and after the Japanese Occupation (1942-1945), coupled with the fixed and low salaries earned by civil servants, made most of them vulnerable to corruption. In 1950 the Commissioner of Police reported that graft was prevalent in many government departments. In other words, corruption was a way of life for many civil servants in Singapore during the post-war period.¹³

Thus, an immediate task facing the newly elected PAP government in 1959 was to minimise, if not eliminate, corruption in general, and in the SCS in particular. This included the challenging mission of changing the public perception of corruption from a »low risk, high reward« to a »high risk, low reward« behaviour.¹⁴

As Lee Kuan Yew put it:

Our first goal in Singapore was to shape the government into an effective instrument of policy. This required strong, fair, and just leaders, who would have the moral strength to command the respect of the people. ... Responsibility for the people under their care required that luxurious living whilst our people were mired in poverty and backwardness was out. We ensured complete accountability and open separateness between personal assets and public funds. *Corruption, which we regarded as a cancer, had to be eradicated as soon as detected.*¹⁵

The PAP government's anti-corruption strategy was and is based on the insight that »attempts to eradicate corruption must be designed to minimize or remove the conditions of both the incentives and opportunities that make individual corrupt behaviour irresistible.«¹⁶ To do that, the government initially focused on strengthening the existing legislation, in order to reduce opportunities and increase penalties for corrupt behaviour, as it could not afford to raise civil servants' salaries. Accordingly, the Prevention of Corruption Ordinance, originally enacted in 1937, was amended and in 1960 replaced by the Prevention of Corruption Act (POCA),

13 Jon S.T. Quah, *Curbing Corruption in Asia: A Comparative Study of Six Countries* (Singapore: Eastern Universities Press, 2003), p. 110.

14 Jon S.T. Quah, »Controlling Corruption in City-States: A Comparative Study of Hong Kong and Singapore,« *Crime, Law and Social Change*, Vol. 22 (1995), p. 394.

15 Lee, »Can Singapore's Experience be Relevant to Africa?« p. 5, emphasis added.

16 Jon S.T. Quah, »Singapore's Experience in Curbing Corruption,« in Arnold J. Heidenheimer, Michael Johnston and Victor LeVine (eds.), *Political Corruption: A Handbook* (New Brunswick: Transaction Books, 1989), p. 842.

which was more comprehensive in scope: It gave the Corrupt Practices Investigation Bureau (CPIB) greater powers to arrest suspects, search arrested persons, and examine the bank accounts and other assets of civil servants under investigation. To ensure the POCA's continual effectiveness, the government keeps introducing whatever is necessary in terms of amendments (in 1963, 1966 and 1981) or new legislation (in 1989) to remove legal loopholes and deal with unanticipated problems.¹⁷

Only in the 1970s – long after it had achieved economic development – was the PAP government able to implement the second prong of its anti-corruption strategy: reducing the incentives for corruption by improving the salaries and working conditions in the SCS. On March 22, 1985, the then Prime Minister, Lee Kuan Yew, eloquently justified this approach to combating corruption when he explained in Parliament why the salaries of his cabinet ministers had to be raised. In his view the choice was a simple one: »Pay political leaders the top salaries that they deserve and get honest, clean government – or underpay them and risk the Third World disease of corruption.«¹⁸ As Singapore needed a corruption-free administration and an honest political leadership to preserve its most precious assets, Lee concluded that the best way of tackling corruption was »moving with the market,« which is »an honest, open, defensible and workable system« instead of hypocrisy, which results in duplicity and corruption.¹⁹

The comprehensive anti-corruption strategy has proven effective: According to the Corruption Perceptions Index (CPI) initiated by the Berlin-based Transparency International in 1995, Singapore was perceived as the least corrupt country in Asia, and ranked third on a worldwide scale. Apparently this perception has not changed, as Singapore has consistently ranked fifth in the world from 2002 to 2006.²⁰

17 Quah, »Controlling Corruption in City-States,« pp. 395-396.

18 »PM: Pay well or we pay for it,« *Straits Times* (Singapore), March 23, 1985, p. 1.

19 *Ibid.*, pp. 14-16.

20 Details of the CPI from 1995 to 2006 can be found on Transparency International's website <http://www.transparency.org>

Administrative reform: Changing structures, processes and attitudes

Administrative reform is defined as »a deliberate attempt to change both (a) the structure and procedures of the public bureaucracy and (b) the attitudes and behaviour of the public bureaucrats, in order to promote organizational effectiveness and attain national development goals.«²¹ When the PAP government assumed power in June 1959 it initiated an administrative reform which emphasized both of these aspects. Objectives were to reorganise the SCS, establish statutory boards, and change the »colonial mentality« of the civil servants and their insensitivity to the population's needs.²²

The timing was right – nearly 140 years of British rule had come to an end – and the PAP leaders had a positive basic attitude towards reform. Above all, however, they felt that the risk of not implementing a reform was greater than the risk of its implementation. Indeed, they were uncertain of their long-term survival and their ability to perform, if the status quo was maintained and civil servants were allowed to carry as before.²³ Moreover, they realised that they needed the civil servants' support to implement their programmes, and in order to get this support they first had to demonstrate that they were firmly in control.

The comprehensive reform initiated by the PAP government in 1959 comprised four aspects:

1. Structural reorganisation of the SCS which resulted in the creation of two new ministries, the Ministry of Culture and Ministry of National Development;
2. Dissolution of ineffective statutory boards like the Singapore Improvement Trust and the Singapore Harbour Board, and their replacement by the Housing and Development Board and the Port of Singapore Authority, respectively, to promote efficiency and effectiveness;
3. Reduction in the salaries of senior civil servants by discontinuing their variable allowances in order to promote economy; and
4. Establishment of the Political Study Centre to mould and change the attitudes of the civil servants.²⁴

21 Jon S.T. Quah, »Administrative Reform: A Conceptual Analysis,« *Philippine Journal of Public Administration*, Vol. 20, No. 1 (January 1976), p. 58, emphasis added.

22 Jon S.T. Quah, »Administrative Reform: Singapore Style,« *International Review of Administrative Sciences*, Vol. 57, No. 1 (1991), p. 86.

23 *Ibid.*, p. 88.

24 Jon S.T. Quah, »Administrative Reform and Development Administration in Singapore: A Comparative Study of the Singapore Improvement Trust and the Housing and Development Board,« (Ph.D. dissertation, Florida State University, 1975), pp. 345-346.

The creation of the Political Study Centre on August 15, 1959, was accompanied by a systematic campaign to change the values of civil servants. In his opening address, Prime Minister Lee Kuan Yew expressed his hope that the civil servants would change their »colonial mentality« once they were made aware of the problems facing the country. The Centre conducted a two-week part-time and non-residential political study course for senior civil servants. As observers noted, »there was a gradual transformation in the understanding and perception of the civil service of political matters and the issues which concerned the electorate and influenced Government policy.«²⁵

Competitive Pay for Senior Civil Servants: Preventing brain drain

According to the US-based Volker Commission, the commitment to performance in the public service depends on the government's ability to provide »adequate pay, recognition for jobs done, accessible training, and decent working conditions.«²⁶ And a 1993 World Bank study of *The East Asian Miracle* found that »the more favourably the total public sector compensation package compares to compensation in the private sector, the better the quality of the bureaucracy.«²⁷ Accordingly, »Singapore, which is widely perceived to have the region's most competent and upright bureaucracy, pays its bureaucrats best. The monthly base salary of a full minister in Singapore [in 1993] ranges from S\$22,100 to S\$27,825 (about US\$13,612 to US\$17,390), while a minister of state receives the equivalent of US\$5,625 to US\$7,688.«²⁸

Indeed, the PAP government has improved the pay and working conditions in the SCS since March 1972. Apart from the performance considerations outlined above, a further motive was to prevent the brain drain of senior civil servants to the private sector. To this end, all civil servants were provided with a 13th month non-pensionable allowance, similar to a bonus payment in the private sector; in addi-

25 George E. Bogaars, »Public Services,« in *Towards Tomorrow: Essays on Development and Social Transformation in Singapore* (Singapore: National Trades Union Congress, 1973), p. 80.

26 Paul Volcker, *Leadership for America: Rebuilding the Public Service* (Lexington: Lexington Books, 1990), p. 33.

27 *The East Asian Miracle: Economic Growth and Public Policy* (New York: Oxford University Press for the World Bank, 1993), p. 175.

28 *Ibid.*, p. 176.

tion, the salaries of senior civil servants were increased in 1973, 1979 and 1982 to minimise the gap between salaries in the public and private sectors.²⁹

A more substantial salary revision for the SCS was announced in Parliament in March 1989 by the Minister for Trade and Industry, Lee Hsien Loong, who reiterated that the government's philosophy was to »pay civil servants market rates for their abilities and responsibilities.« Accordingly, the government »will offer whatever salaries are necessary to attract and retain the talent that it needs.« He concluded his speech by promising that the government »will continue to carry out regular surveys of private sector salaries to stay competitive,« as competitiveness in this field »is absolutely essential to maintain the quality of public administration which Singaporeans have come to expect.«³⁰

In January 1994, the salaries of ministers and senior civil servants were increased again to keep pace with the private sector and to compensate for the reduction in their medical benefits. Nine months later, a White Paper on *Competitive Salaries for Competent and Honest Government* was presented to Parliament to justify the pegging of the salaries of ministers and senior civil servants to the average salaries of the top four earners in six private sector professions: accounting, banking, engineering, law, local manufacturing companies and multinational corporations. The White Paper recommended the introduction of formal salary benchmarks for ministers and senior civil servants, additional salary grades for political appointments, and annual salary reviews for the SCS. Indeed, the adoption of the long-term formula suggested in the White Paper has eliminated the need for justifying the salaries of ministers and senior bureaucrats »from scratch with each salary revision.«³¹

In June 2000, the salaries of ministers and senior civil servants were raised substantially with the addition of a performance-related component in their total wage package.³² As a consequence, the Prime Minister's revised monthly salary of S\$ 85,300 (US\$ 50,176) or revised annual salary of S\$ 1,94 million (US\$ 1.14 million) makes him the most highly paid political leader in the world. The Permanent Secretary's annual salary was increased to S\$1.01 million (US\$ 588,824).³³

29 Jon S.T. Quah, »Paying for the best and brightest: Rewards for High Public Office in Singapore,« in Christopher Hood and B. Guy Peters with Grace O.M. Lee (eds.), *Reward for High Public Office: Asian and Pacific Rim States* (London: Routledge, 2003), pp. 149-150.

30 Lee Hsien Loong, »Salary Revision for the Administrative, Professional, and Other Services,« Ministerial Statement in Parliament, Singapore, March 17, 1989.

31 Quah, »Paying for the best and brightest,« pp. 153-154.

32 Quah, *Curbing Corruption in Asia*, p. 122.

33 Straits Times, June 30, 2000, p. 53.

Overall, the PAP government's policy of ensuring that the pay for senior civil servants is competitive with the private sector has enabled the SCS to retain its talented personnel and maintain its quality service. As an International Labour Office expert put it, »the high salaries [in Singapore] send a clear signal to civil servants in particular, and society generally, that the Government values greatly and is prepared to pay very generously a few key bureaucrats for their services to the country.«³⁴

Reliance on policy diffusion: Adopting and adapting proven solutions

The final feature of public administration in Singapore is the PAP government's willingness to learn from the experiences of other countries. Instead of »reinventing the wheel,« PAP leaders and senior civil servants consider what has been done elsewhere and identify appropriate solutions for policy issues in Singapore, which will usually be adapted and modified to suit the local context.

This commitment to the »emulation and borrowing of policy ideas and solutions from other nations«³⁵ – otherwise known as policy diffusion – is not confined to the public bureaucracy alone. Rather, the impetus comes from the government itself. For instance, according to Edgar Schein, the EDB's commitment to learning and innovation can be attributed »to Lee Kuan Yew's and Dr Goh's«³⁶ willingness to learn from other countries and from various non-Singaporean advisers, and is most clearly demonstrated in the continuous changing and refining of social policy.«³⁷

The public bureaucracy's role in policy diffusion is to implement the decisions made by identifying alternative policy ideas and schemes tried out in other countries and discussing their relevance for the Singapore context. Stella Quah has found the process of policy diffusion – which she has described as »pragmatic acculturation« – to comprise three steps:

34 David C.E. Chew, »Economic Restructuring and Flexible Civil Service Pay in Singapore,« in Christopher Colclough (ed.), *Public-Sector Pay and Adjustment: Lessons from Five Countries* (London: Routledge, 1997), p. 37.

35 Howard M. Leichter, *A Comparative Approach to Policy Analysis: Health Care in Four Nations* (Cambridge: Cambridge University Press, 1979), p. 42.

36 Dr. Goh Keng Swee held several ministries and high-level offices in the state of Singapore, and is often referred to as »the Economic Architect of Singapore«

37 Schein, *Strategic Pragmatism*, p. 197.

- (1) After identifying the problem to be solved or the goal to be attained, a team of experts and officials go on a fact-finding tour of relevant technical centres and organisations around the world to learn how the same or similar problems have been solved;
- (2) Internationally recognised experts are invited to Singapore to give their professional opinions;
- (3) The final policy plan is the outcome of ideas selected from what has been learned about the problem, tailored to the specific needs of Singapore. If ideas and procedures used elsewhere are deemed unsuitable to the needs of Singapore, they are not taken.³⁸

During the initial post-independence period, Singapore looked towards small countries like Israel and Switzerland to provide inspiration for devising relevant public policies for defence and other areas. Subsequently, other countries were added to the list, including Germany (for technical education), the Netherlands (Schiphol Airport was the model for Changi International Airport) and Japan (for quality control circles and crime prevention). The basic idea is to adopt solutions which have worked elsewhere (with suitable modification) and to reject what has proven unsuccessful in other countries.

Policy diffusion remains an asset for Singapore so long as there is intelligent sifting of relevant ideas and solutions tested by policy-makers elsewhere, rather than blind acceptance or wholesale transplantation of foreign innovations in disregard of the local context.

Conclusion: Successful creation of an effective public service

The public bureaucracy has played an important role in Singapore's development during the past 47 years of PAP rule. The PAP government inherited what had been a corrupt and ineffective public bureaucracy during the British colonial period, and transformed it into an effective organisation by implementing the principle of meritocracy, comprehensive administrative reform, and a well-devised anti-corruption strategy. To prevent brain drain to the private sector and minimise the incentive for corruption, the PAP government began improving the salaries of civil servants

³⁸ Stella R. Quah, »Confucianism, Pragmatic Acculturation, Social Discipline, and Productivity: Notes from Singapore,« APO Productivity Journal, (Summer 1995), p. 55.

from 1972 until 1994, ultimately pegging them to the salaries of top earners in the private sector. Finally, the willingness of the SCS to learn from other countries has enabled it to identify relevant policy solutions and adapt them to be effective in the Singaporean situation.

Thus, although Singapore has had a one-party dominant system since 1968, the public bureaucracy has contributed to national development. Unlike in one-party systems elsewhere, senior civil servants in Singapore share the same vision and values as the political leaders. Together, both are responsible for having maintained the tradition of honest, pragmatic and effective government for the past 47 years.