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Local public governance and administration for results**Public service capacity-building for local-level development:
the Singapore Public Service — a case study****Note by the Secretariat**

By the present note the Secretariat transmits a paper written by Philip Yeo Liat Kok, member of the Committee of Experts on Public Administration, and Vernie Oliveiro, Researcher at the Centre for Governance and Leadership, Civil Service College, Singapore, in accordance with the proposed programme of work of the Economic and Social Council for 2012 and 2013 (E/2012/1) and the provisional agenda for the eleventh session of the Committee (E/C.16/2012/1). The views expressed and the content presented in the paper are those of the authors and do not imply any expression of opinion on the part of the United Nations.

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Report on public service capacity-building for local-level development: the Singapore Public Service — a case study

Summary

The present report covers six principles informing Singapore's approach to governance for the purpose of development. It focuses on how the Singapore Public Service, by putting together a framework for the nation's economic growth, sought to leverage its only resource, human capital. It ends with a brief consideration of the future challenges confronting the Public Service in Singapore.

I. Introduction

1. Singapore faced dire economic challenges at its birth as an independent State. The city-State lacked a hinterland it could exploit, and its historical role as an entrepôt was being threatened by its neighbours' nationalistic economic policies. The country needed to create jobs: 14 per cent of Singaporeans were jobless in 1961,¹ and Britain's plan to withdraw from its bases by 1971 imperilled the jobs of a fifth of the workforce.² Almost 20 per cent of households and a quarter of all individuals lived below the poverty line.³ Many lived in unsanitary urban slums.

2. Given those challenges, it is understandable that the foremost priority of the Singapore Public Service was to pursue economic growth for the nation. And the Public Service indubitably achieved its mission. Per capita income trebled between 1965 and 1977.⁴ By the mid-1970s, the problem of high unemployment had transformed into the challenge of full employment. Singapore is, today, globally renowned for being a wealthy city-State with an excellent public education system, efficient public transport, safe streets and a highly capable and honest bureaucracy.

3. The Singapore Public Service played a central role in the country's rapid economic growth. The present paper covers six principles informing the Public Service's approach to governance for the purpose of development. By putting together the framework for the nation's economic growth, the Public Service sought to leverage Singapore's only resource — human capital. The paper ends with a brief consideration of the future challenges confronting the Public Service in Singapore.

II. Key principles of governance for strong public administration

A. Pragmatism

4. One of the most important principles informing Singapore's approach to governance is pragmatism in the balancing of capitalist economic development, social harmony and security.⁵ The Public Service measures success not by its consistency within any particular ideological framework, but rather in the delivery of results to citizens.

5. This principle of pragmatism can be seen operating in Singapore's policy towards Islamic education. The secular state permits the operation of Islamic religious schools (madrasas) alongside the public education system. In 2003, Singapore exempted madrasa students from a compulsory education law that

¹ S. R. Nathan, President of Singapore, speech at the Economic Development Board fortieth anniversary dinner, 1 August 2001.

² Lawrence B. Krause, "Government as entrepreneur", in *Management of Success: the Moulding of Modern Singapore*, Kernial Singh Sandhu and Paul Wheatley, eds. (Singapore, Institute of Southeast Asian Studies, 1989).

³ W. G. Huff, *The Economic Growth of Singapore: Trade and Development in the Twentieth Century* (Cambridge, Cambridge University Press, 1994).

⁴ C. M. Turnbull, *A History of Modern Singapore: 1819-2005* (Singapore, National University of Singapore Press, 2009).

⁵ For more information on the ideological dimensions of Singapore-style pragmatism, see Kenneth Paul Tan, "The ideology of pragmatism: neo-liberal globalisation and political authoritarianism in Singapore", *Journal of Contemporary Asia*, vol. 42, No. 1 (February 2012).

required children to attend public schools for their primary education. However, concerned about the relatively poor academic performance of madrasa students, the State tied the continued operation of madrasas to their success in the annual Primary School Leaving Examination. This has led schools such as Madrasa Al Irsyad Al Islamiah to better integrate mathematics, science, social studies and English into their curriculum.⁶ While the State had created the exemption to the compulsory education law to maintain religious harmony, it was unwilling to compromise the long-term socio-economic advancement of Muslims in the population.

6. The pragmatism informing Singapore's public service can also be seen in the mix of market discipline and State intervention in public policy. In the late 1960s and 1970s, many developing countries subscribed to a view of the New International Economic Order, wherein suspicion of foreign direct investment (FDI) led States to expropriate the assets of multinational enterprises. Singapore, however, suffered from a weak base in technology and a shortage of entrepreneurs, and needed to develop its capabilities in export manufacturing quickly. It therefore chose to pursue FDI aggressively, using multiple measures such as tax incentives, improvements to technical education and the provision of land and facilities for industrial activity. Those efforts were enormously successful: while Britain supplied around 70 per cent of foreign investments in Singapore as at August 1965, Singapore's aggressive pursuit of FDI led the United States to become the source of nearly half of the capital invested in the country in 1972.⁷

7. The pro-market bent was, however, accompanied by decidedly State-based intervention in industrial policy. The development of Singapore's industrial infrastructure was accomplished in large part by public agencies. The Economic Development Board, which spearheaded Singapore's industrialization, established the Jurong Town Corporation to develop and manage industrial estates, and the Development Bank of Singapore to provide industrial capital. Those agencies transformed Jurong, previously a swampy marsh in the west of Singapore, into a modern industrial estate. They also reclaimed and amalgamated seven separate islands into Jurong Island to serve as the base for Singapore's petrochemical industry, and encouraged global companies such as Chevron, Exxon and Shell to locate operations in Singapore.

8. The State's involvement in the economy has not gone unquestioned. The need for institutions to become more efficient and competitive has led to the privatization of many State-owned enterprises and the opening of many sectors to competition. In the same vein, the drive for efficiency and value and the blend of State and market governance saw the corporatization of institutions providing public goods. Hence, the National University of Singapore and Nanyang Technological University were both made non-profit corporate entities in 2005. Responsible now to boards of trustees appointed by the Ministry of Education, the corporatized universities presently enjoy greater autonomy in formulating strategy, setting fees and managing their internal affairs.

⁶ Norimitsu Onishi, "In Singapore, a more progressive Islamic education", *New York Times*, 23 April 2009. Available from <http://www.nytimes.com/2009/04/23/world/asia/23singapore.html?pagewanted=all>. For more information on Islamic education and on the relationship between Islam and the State in Singapore, see Suzaina Kadir, "Islam, State and society in Singapore", *Inter-Asia Cultural Studies*, vol. 5, No. 3 (2004).

⁷ C. M. Turnbull, *A History of Modern Singapore: 1819-2005* (Singapore, National University of Singapore Press, 2009).

B. The avoidance of welfarism

9. Despite the early dominance of the State in the economy, the Singapore Public Service believes in eschewing a culture of dependency, believing the welfare state to be antithetical to the work ethic necessary for capitalist economic development. Public policy in Singapore therefore encourages individuals to rely on themselves and their families. Hence, the social security system of Singapore is founded upon the Central Provident Fund, a mandatory savings scheme funded by both employee wages and employer contributions, and from which Singaporeans may fund their retirement, education, health-care needs and housing purchases. Welfare, as it exists in Singapore, depends on the “many helping hands” approach, wherein the disadvantaged in society rely upon a network of community organizations, religious groups and charities.

10. In the provision of public goods, the public sector in Singapore has, in the same vein, utilized co-payments both to manage demand for public services and to remind citizens of the cost of provision. Hence, while tertiary education in Singapore is heavily subsidized, students must still pay for a small proportion of tuition and may do so using their own funds, Central Provident Fund accounts, financial aid grants, scholarships or loans. In the same vein, although Singapore has a vast network of public hospitals, it lacks a system of socialized, universal health insurance. Instead, patients may pay for their health care either out-of-pocket or through Medisave (which is funded through a percentage of patients’ wages), or they may use MediShield (an insurance programme which does not cross-subsidize across age or health risks). Only the very poor may make use of Medifund, which is funded through budget surpluses.

C. Constant re-evaluation

11. The Singapore Public Service’s strong aversion to welfare has, nevertheless, been vigorously challenged by developing realities, leading to a third key principle of governance — a willingness to constantly re-evaluate the purpose of policy and the relevance of institutions. Re-evaluation not only mitigates against the development of bureaucratic inertia and vested interests, but also ensures that public institutions and policies remain germane to the needs and interests of the Singapore public.

12. The above-mentioned aversion to welfarism did not prevent the introduction of Workfare in 2006. Workfare is a social assistance scheme that upholds the importance of a strong work ethic while recognizing that job insecurity and wage stagnation, especially in low-skilled jobs, are inevitable in a competitive and globalized economy. Rather than protecting affected workers from business upheavals, Workfare provides financial support from the public purse to low-paid workers and helps them to engage in training and upgrade their skills.⁸

13. Re-evaluation in the Public Service applies not just to policies but also to the operations and functions of organizations. Organizational review was included

⁸ For more information, see Koh Tsin Yen, “Workfare in Singapore”, in Jocelyne Bourgon, *A New Synthesis of Public Administration: Serving in the 21st Century* (Kingston, Ontario, McGill-Queens University Press, School of Policy Studies, 2011).

among the key values that the Singapore Public Service adopted for itself as the twenty-first century approached (PS21).⁹ Motivated by the desire to promote initiative, responsiveness and flexibility, the Public Service witnessed an increase in organizational autonomy during the mid-1990s. Hence, the Public Service Division devolved some human resource functions to various ministries, and the Ministry of Finance abandoned line item budgeting in favour of procedures that accord autonomy and flexibility to public agencies while setting strict accountability standards.¹⁰

14. A particularly successful example of organizational review can be seen in the Singapore Prison Service (SPS). In 1998, faced with prison overcrowding and staff shortages, the Prison Service adopted a new vision for the prison system. Rather than serving merely as a custodial institution, the Prison Service would now play a key role in the rehabilitation of ex-offenders, and thus in the overall security of Singaporean society. It therefore instituted changes to allow officers to get to know prisoners better, transforming them from mere jailers to disciplinarians and mentors. Staff morale was boosted, and rehabilitation programmes were tailored to prisoners' recidivism potential. The Prison Service initiated the Community Action for the Rehabilitation of Ex-Offenders (CARE) network, which comprised both public and social sector agencies to support and care for ex-offenders. Communities and employers were encouraged to give former prisoners a second chance. The results were an overwhelming success: Singapore's rate of recidivism dropped from 44.4 per cent in 1998 to 26.5 per cent in 2009.¹¹

D. Holistic approach to government

15. Just as the example of industrialization presented above illustrates, the Singapore Public Service has long stressed the importance of inter-agency cooperation and coordination to achieve common objectives. This approach allows the Public Service to comprehensively address complicated challenges. Far from simply involving the Economic Development Board, the Jurong Town Corporation and the Development Bank of Singapore, industrialization in Singapore also required the provision of public utilities, the education of a technically skilled workforce, urban planning services, proximate housing and the development of an efficient transport infrastructure.

16. The creation of an efficient transport infrastructure, for example, required coordination across various agencies. The bus system was rationalized, a mass rapid transit system was built and roads were constructed and expanded. Demand for road capacity was managed by means of the certificate of entitlement system, in which

⁹ Lim Siong Guan, Head of Civil Service, "PS21 — the strategic imperative", speech at the Civil Service College, Singapore, 2002, in Civil Service College, *In Time for the Future: Singapore's Heads of Civil Service on Change, Complexity and Networked Government* (Singapore, 2009).

¹⁰ Ibid., "Government that costs less", speech at the Fifth Global Forum on Reinventing Government, Mexico City, 3-7 November 2003, in Civil Service College, *In Time for the Future: Singapore's Heads of Civil Service on Change, Complexity and Networked Government* (Singapore, 2009).

¹¹ For more information, see Lena Leong, "The story of the Singapore Prison Service: from custodians of prisoners to captains of life", in Jocelyne Bourgon, *A New Synthesis of Public Administration: Serving in the 21st Century* (Kingston, Ontario, McGill-Queens University Press, School of Policy Studies, 2011).

individuals had to win a bid for the right to purchase a vehicle before they could do so. Singapore also introduced congestion charging, first via the area licensing scheme in 1975, which restricted entry into the city to vehicles with licences, and then through the electronic road pricing mechanism in 1998, which levies a variable charge on motorists for each entry into certain areas, depending on levels of congestion at particular times of the day. On top of those measures, urban planning, with the creation of new towns with clusters of housing, services and businesses, reduced commuters' need to utilize major island-wide road arteries.

E. Honesty

17. While the principles of governance discussed above contribute to the efficaciousness of the public institutions of Singapore, honesty in government arguably underpins not just performance but also the public trust in government. The excellent reputation for incorruptibility of the Singapore Public Service has been achieved in two main ways.

18. First, Singapore is extremely intolerant of corruption. The Corrupt Practices Investigation Bureau has a policy of pursuing all cases of corruption, no matter the sums or the prominence of the individuals involved; even senior civil servants and politicians have been brought to task. Singapore's intolerance of corruption is also manifest in the severe penalties attached to the crime. Besides imprisonment, offenders may also pay a fine equivalent to the amount of the bribe, and may lose assets for which they cannot adequately account. The prosecution of corruption is also facilitated by procedures that make it easier for prosecutors to acquire evidence.¹²

19. Second, the public sector's approach to governance reduces opportunities for corruption. Public officers, who are well remunerated to reduce the temptation of bribery, are held to high standards of probity. They must avoid conflicts between their official positions and private interests. They must refuse gifts given in connection with their work, declare and surrender the gifts or pay their value. They must sign an annual declaration of non-indebtedness in order to avoid acquiring compromising obligations. Finally, they must declare their personal and familial assets to make transparent any properties or investments acquired beyond their means. Rules also reduce the ability of officers to exercise arbitrary discretion. For example, the Housing and Development Board distributes apartments through a transparent and public balloting system, thus reducing the ability of individual officers to distribute them unfairly on favour.¹³

F. Development of human capital in the public sector

20. The heavy emphasis placed on honesty in government points to the final key principle of governance informing the work of the Singapore Public Service. As in all sectors in Singapore society, the Public Service places great store on the

¹² N. C. Saxena, *Virtuous Cycles: the Singapore Public Service and National Development* (Singapore, United Nations Development Programme, 2011).

¹³ For more information, see Jon S. T. Quah, "Public housing", in *Government and Politics of Singapore*, Jon S. T. Quah, Chan Heng Chee and Seah Chee Meow, eds. (Singapore, Oxford University Press, 1985).

development of human capital. After all, the efficiency and integrity of the Public Service is ultimately based on the quality of public servants. The development of human capital in the public sector rests upon two pillars.

21. First, recruitment and promotion within the Public Service is based on merit. The Public Service Commission and some public agencies recruit academically able students by awarding them scholarships for their tertiary education. The students are then bonded to serve their sponsoring organizations for a period of time. Some of them are subsequently selected to become administrative officers who, as leaders in the Public Service, have their leadership and management skills tested and nurtured. They are circulated among agencies to develop breadth of experience, and are gradually given greater responsibility to develop and test their skills. While all public officers are periodically assessed using a Currently Estimated Potential rating, promotion is only awarded on the basis of achievement.

22. Second, and in correlation with the first, great pains are taken to recruit and retain talent. The salaries of senior public servants are benchmarked to those in the private sector, ensuring that monetary reward becomes a non-issue as individuals consider careers in the public sector. Emphasis is also placed on fostering morale and promoting staff well-being. Mechanisms that allow officers to become change agents are seen not only as means to improve the efficiency of the public service, but also as ways to empower individuals and allow them a sense of ownership over their jobs. By fostering an ethic of continuous enterprise and learning, the Singapore Public Service hopes to move towards an organizational model that allows ideas and change to emerge from the bottom of hierarchies as well as from the top.

III. Future challenges for the Singapore Public Service

23. Development and globalization have changed Singaporean society in key ways. First, today the citizens of Singapore are better educated, have higher expectations of the Government and are more politically engaged than their predecessors. Second, Singapore is a more economically divided society. Income inequality in Singapore has worsened over the years: while the wealthiest 20 per cent of Singaporeans saw their incomes grow by 6-11 per cent between 2005 and 2007, the poorest 20 per cent saw their incomes grow by only 3-4 per cent.¹⁴ Third, Singapore is a much more global society. The influx of foreign workers has helped Singapore's economy while straining its infrastructure. At the same time, with the number of highly skilled Singaporeans living abroad increasing from 36,000 in 1990 to 143,000 in 2006, Singapore faces intensified global competition for talent.¹⁵

24. In the second half of the twentieth century, the Singapore Public Service distinguished itself in the efficient provision of basic services to citizens and the nurturing of institutions for development. While the principles set out in section II have served it well thus far, they may not suffice for the future. The Singapore Public Service must develop the capabilities to deal with an environment

¹⁴ Ishita Dhamani, "Income inequality in Singapore: causes, consequences and policy options", Monetary Authority of Singapore Essay Competition (May 2008), section 2.2. Available from http://www.mas.gov.sg/resource/eco_research/eco_education/Ess2007/uni_%201st_%20Ishita.pdf.

¹⁵ Michael Porter, Boon Siong Neo and Christian Ketels, *Remaking Singapore* (Boston, Harvard Business Publishing, 2009).

characterized by increasing complexity, uncertainty and rapid change.¹⁶ Those elements imply challenges to existing policies and approaches to governance.

25. The first set of challenges pertains to the ways in which the public sector can govern a more economically divided society. Insofar as meritocracy is a disguised preference for affluence that ignores unequally distributed advantages and disadvantages,¹⁷ then the Singapore Public Service might need to review its practice of recruiting strictly on the basis of merit. Strict meritocracy risks turning into reality the public perception of the administrative elite as an aloof, out-of-touch technocracy. In addition, the public service may need to revisit the regressive effects of tax policy. Lowering corporate and income tax rates while increasing the goods and services tax places additional financial burdens on poorer Singaporeans at a time of increased inequality. There may be a need to examine the imposition of the goods and services tax on certain classes of goods (for example, staple foods and necessities for child-rearing) as is the practice in other developed countries. On the whole, Singapore's public policy may need to adapt to deal with the social dislocations that arise from the nation's more globalized economy. Doing so will help the adversely affected as well as maintain popular support for a market-oriented economy.

26. Secondly, Singapore will have to determine how it can improve governance in a more complex environment. The Singapore Public Service, for all its achievements, cannot single-handedly address the myriad complex problems of the present and future. Hence, rather than simply relying on the private and social sectors to deal with problems that lie beyond the competency of the public sector, the Singapore Public Service will have to coordinate with businesses and civil society organizations to achieve common objectives for Singapore. It will also have to improve on its currently limited ability to recruit and retain talent from those other sectors.¹⁸ An additional related challenge lies in developing Public Sector leaders who not only enjoy breadth of experience but also depth of expertise. While administrators are rotated around various agencies to develop their talents and broaden their understanding of the public sector as a whole, that rotation comes at the cost of the detailed understanding of specificities. This practice is a problem in a world comprising complex systems where major consequences sometimes result from minor perturbations.¹⁹

27. The third set of challenges confront the question of how the public sector can manage multiple stakeholders in a less cohesive society. While the Government has called upon the citizens of Singapore to become engaged, they can be critically engaged only when they have meaningful (adequate and contextualized) information. Can the Singapore Public Service strike a new and improved balance between security and transparency? Additionally, the Singapore Public Service will have to carefully calibrate policy trade-offs between citizens and denizens — that is, foreigners who, while not being members of the polity as citizens or permanent

¹⁶ Aaron Maniam, "Preparing public officers for new modes of governance", *Ethos*, Issue 10 (October 2011).

¹⁷ For more information, see Kenneth Paul Tan, "Meritocracy and elitism in a global city: ideological shifts in Singapore", *International Political Science Review*, vol. 29, No. 1 (2008).

¹⁸ N. C. Saxena, *Virtuous Cycles: the Singapore Public Service and National Development* (Singapore, United Nations Development Programme, 2011).

¹⁹ Aaron Maniam, "Preparing public officers for new modes of governance", *Ethos*, Issue 10 (October 2011).

residents are, nevertheless, members of Singaporean society. In encouraging more highly educated Singaporeans to build their lives in Singapore, and in encouraging the denizens to take to heart Singapore's long-term interests, the Singapore Public Service needs to consider the means by which people can build effective rather than strictly utilitarian links with Singapore. In other words, Singapore's value proposition to the highly skilled and mobile global elite can no longer simply rest on the country's economic benefits.

IV. Conclusion

28. The ability of the Singapore Public Service to serve as a model for development is limited in two main ways. First, the status of Singapore as a city-State confers upon it both the constraints and opportunities of small size. Second, its highly technocratic bureaucracy has functioned alongside one-party dominance and, until recently, a depoliticized citizenry.²⁰ The ecology within which policymaking and implementation in the Singapore Public Service have occurred has therefore been favourable to its ability to act efficiently and effectively.

29. Nevertheless, the challenges Singapore faced as a developing nation were and are not unique. Similarly, the challenges of complexity, volatility and uncertainty brought about in large part by globalization are widely shared around the world. The Singapore Public Service has certainly built enduring institutions that, with recent and future reforms, will it is hoped, foster in Singaporean society the resilience it needs to adapt to the conditions of a highly globalized world. Having delivered on economic and institutional development, the challenge of the Singapore Public Service now lies in achieving effective Government while at the same time fostering the country's holistic social and political development.

²⁰ Chan Heng Chee, "Politics in an administrative State: where has the politics gone?", in *Understanding Singapore Society*, Jin Hui Ong, Chee Kiong Tong, Ern Ser Tan, eds. (Singapore: Times Academic Press, 1997).