

Context: Preserving Our Fundamentals

Singapore's approach to governance is shaped by its unique circumstances—its small size, lack of resources, geographical location and multi-cultural make-up. With its economy highly dependent on the outside world, Singapore is also vulnerable to shifts in the international environment. These circumstances dictate certain governance imperatives. For instance, Singapore has to be better organised than others. It must differentiate itself to survive. This entails a clean and honest government, an efficient civil service, and a closely-knit society that is hardworking and disciplined. Singapore must also maximise its international space to compensate for its small size and location. This entails taking an active interest in global affairs, engaging those who are friendly towards it, and standing up for what it believes in. These imperatives lead to four broad principles of governance summarised as: Leadership is Key; Reward for Work, Work for Reward; A Stake for Everyone, Opportunities for All and Anticipate Change, Stay Relevant. These principles of governance form the cornerstone of Singapore's fundamental philosophy of government and governing.

This article is based on a report on "Principles of Governance" produced this year by a team of Administrative Officers led by Andrew Tan.

Introduction

Over the years, Singapore has been lauded for its successful transformation from a small outpost of the British Empire into a modern metropolis with a per capita income that is the envy of other developing countries. This

outcome was not a given. Four decades ago, Singapore was a basket-case in the region. But fortuitous circumstances, dynamic leadership and a hardworking population willing to make sacrifices helped Singapore overcome the odds and make the grade. Good governance has been a key factor of this success.¹ What is remarkable is that Singapore's model of governance is not based on dogma, but pragmatic considerations driven by our unique circumstances and history.

Singapore's Uniqueness

What is unique about Singapore? Our uniqueness does not stem from our ability to transform ourselves in the physical sense but from our knack of turning our constraints into advantages. Take for instance, our small size. It is both a weakness and strength. The lack of a hinterland means that it is difficult for us to be self-sufficient in many aspects. To survive, we have to plug ourselves into the global economy and "arbitrage" on the inefficiencies of others. Yet being small has its advantages. It forces us to look for innovative ways to overcome our limitations and enables us to adapt more quickly to changes.

The same can be said for our geographical location. Historically, Singapore has been at the cross-roads of international trade and commerce. This has enabled us to develop extensive linkages with Europe, India, China and America. It would have been easy for us to become more European, Indian, Chinese or American. But we are situated in Southeast Asia, a predominantly Muslim region, where the sensitivities of our neighbours have to be taken into account. As Keith Holyoake, former prime minister of New Zealand aptly puts it, New Zealand was "the odd man out" of the region, whereas Singapore was "the odd man in".

¹ Governance in the Singapore context is defined as "the manner in which the Government, working together with other stakeholders in society, exercises its authority and influence in promoting the collective welfare of society and the long-term interests of the nation".

Respecting regional sensitivities does not mean that we defer to the wishes of others. We have our own viewpoints and our own interests to protect. We have sought to preserve our own distinct identity, values and beliefs as a nation. By standing up for what we believe in, we have established a credible reputation and an international standing that is disproportionate to our size. However, we must still come to terms with our size. We must remember that we are too small to influence the course of events. Rather than resist the forces of change, our survival hinges upon our ability to ride on world currents—leveraging on global trends to our advantage.

Our uniqueness as a country also stems from the close bonds between the government and the people. Forged at a time when Singapore's survival was at stake, this has enabled the country to weather tough times where difficult adjustments and sacrifices have to be made. Two cases in point are the support for the wage cuts by firms and their workers during the SARS outbreak and the wage restructuring for firms facing difficult conditions, with ministers and civil servants taking the lead. Indeed, few countries can respond so quickly to structural changes to the economy, at least not without workers or the unions up in arms. This is an advantage unique to Singapore. So long as the government can demonstrate to Singaporeans that it works in the best interests of the nation, that it will remain clean and non-corrupt, raise living standards and promote a pro-business environment for businesses to flourish, this close partnership will remain strong.

Will Singapore Continue To Thrive?

Looking ahead, the signposts are unclear. Will Singapore continue to thrive? The last decade has witnessed several discontinuities in our development, such as the Asian Financial Crisis, SARS and the threat of terrorism. Each has threatened us in some way. Our operating environment is also now more complex in a world of instantaneous communication, satellite TV and the Internet. Our approach to governance must reflect timely and robust responses to these challenges. Today, many issues span across several agencies and there is a need to be more coordinated in our approach.

Economic competition has also intensified. Our traditional competitive advantages are being challenged by neighbouring countries, many of whom are catching up, some by copying us. New

entrants to the world economy, like China and India, with a much wider resource base and lower costs, are also forcing economies like ours to move up the value chain. We will have to work hard to attract foreign companies to relocate their high-end operations here. We must also find ways to generate new ideas rather than copy what others do. This will require greater innovation and experimentation, more local entrepreneurship, greater appetite for risk, as well as a change in attitudes towards success and failure.

In addition, the New Economy is not without its challenges. Widening income disparities, particularly between knowledge workers and non-knowledge workers, could lead to new divisions in society. Attitudes are also changing among the young, with many displaying more liberal values and attitudes. An increasing number of young Singaporeans are also pursuing non-traditional paths to success. Managing this "new" breed of Singaporeans will be more challenging as many are well-travelled and exposed to the outside world. Certainly, all this will add to the diversity of our society, particularly with the influx of foreign talent. These changes enrich our social tapestry, but also result in higher expectations of the Government and the way that Singapore is governed. It also reopens the debate on social cohesion and casts our multi-racial fault lines into sharper relief. Hence, more attention must be given to preserving our core values as well as to instilling a greater sense of identity and belonging.

Arising from these changes, the government must constantly review its role to ensure it remains relevant. In the areas of promoting economic growth, maintaining social stability and protecting our security, the government's roles are unlikely to change dramatically. In fact, given the new challenges ahead, they will become more important. From being a traditional service provider, the government will become more of a facilitator and catalyst. To remain in touch with the people, the government will have to put its ear closer to the ground and be receptive to new ideas while upholding good leadership and pragmatism as key essentials. More choices and flexibility given by government is what Singaporeans will look for.

Governance Imperatives

Nevertheless, Singapore's constraints impose certain imperatives of governance. They are essential "must-haves" to enable us to

compete in the new environment. Some of these imperatives are immutable, such as the need to maintain a clean and honest government, but others may change over the course of time. The imperatives are:

- Good leadership to protect our national interests;
- High standards of government;
- Optimization of our limited resources;
- Ingenuity, not conventional wisdom;
- Large international space;
- Continuous adaptation;
- Preservation of core values and distinctive identity;
- Sense of belonging or rootedness as a young nation; and
- Continuous review of government's role to ensure it remains relevant

Principles of Governance

Taken together, the imperatives determine our Principles of Governance which are defined as:

"Guiding statements that reflect our fundamental philosophy of government and form the basis of public policy formulation in the various spheres of government. They encompass the organizing principles of government, as well as the principles of governing".

These four principles are:

Leadership is Key

- Eschew corruption
- Do what is right, not what is popular
- Be pragmatic
- Provide long-term vision

Reward for Work, Work for Reward

- Self-reliance, not welfare
- Meritocracy for best use of talent

A Stake for Everyone, Opportunities for All

- Singapore a global city and choice home
- Promote collective responsibility
- Beyond physical stakes
- Preserve core values and interests

Anticipate Change, Stay Relevant

- Stay nimble and flexible

- Be better organized than competitors
- Exploit opportunities even in adversity
- Turn constraints into advantages

Good Government, Strong & Cohesive Society

Effective leadership, marked by a clean and honest government, underpins all good governance. Our leaders must not only paint a shared vision of a better tomorrow but must be able to mobilise efforts towards this end. They must have the courage to take unpopular measures, rather than do what is popular. At the heart of sound leadership must be men and women of tested ability and integrity who are prepared to act in the national interest rather than their own. But good leadership only at the top is not enough. It must cascade downwards. Our public sector leaders must also be ready to take bold decisions, calculated risks and even go against conventional wisdom, re-examining assumptions, and discarding what is no longer valid.

But no government can succeed in nation-building without the support of the people. Good leadership must therefore be accompanied by strong public support. Here is where the government must forge a social compact with the people. Only when Singaporeans believe they have a stake in the country, see that their future is in Singapore and know that their potential will be maximised in Singapore, will they be prepared to make the necessary sacrifices. Our social compact therefore seeks to balance two ends of a scale. On one hand, we promote a self-reliant society where every individual is rewarded on the basis of his or her own effort and merit. On the other hand, we promote collective responsibility given that each person's future is intertwined with that of his fellow countrymen. And we ensure there are ample opportunities for all.

Leveraging on Trends, Seizing Opportunities

Singapore achieved First World standards in less than two generations. We cannot be complacent but must continually seek ways to leverage on worldwide trends and opportunities, and even crises that come our way, to our best advantage. For example, when the Asian Financial Crisis struck, we did not roll back our liberalisation of our financial markets as others did. Instead, we pressed on. Likewise, when SARS struck, our tourism industry suffered badly. But

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we made up for this in other areas. The way we handled the crisis with openness and transparency won us kudos from foreign investors and travelers alike.

Change is the Only Constant

These principles of governance have brought us where we are. In a way they act as a useful reference point linking our past to the

future. However, we cannot allow ourselves to be bound inflexibly by them. While some principles are so fundamental to our existence that we change them at our own peril, others can and will change. We must be prepared to do so. As we embark on a new phase of Singapore’s development, perhaps the right question to ask is not, “What can’t be done?” but rather, “What can be done—and how can we do it better?” ■