

Is There A New Role For Government?

By Lim Siong Guan

At the opening of Parliament this year, the President said that the way forward for Singapore was to be a land of opportunity for all who call Singapore home. The theme *Singapore is Opportunity* has been quietly gathering steam since it was raised during then DPM Lee's Budget Speech last year. At an Administrative Officers' Forum and subsequently at the Ministry of National Development's corporate planning retreat, Head of the Civil Service, Lim Siong Guan spoke about what opportunity means and what the public sector needs to do. He argued that providing hope and opportunity had been part of Singapore's initial strategy for survival and nation-building, forged in the early days of independence. However a renewed vision of *Singapore is Opportunity* is needed to sustain and inspire a more mature nation. In order to realise this vision, old paradigms, which may curtail the range of policy options created and considered, will have to be dismantled. The public sector will also have to learn to be more customer-oriented, to regulate lightly and to manage risk rather than avoid it. *Ethos* is pleased to present an edited version of his remarks.

Introduction

What is the role of government? To ensure peace? Security? Jobs? Education? Healthcare? Homes? Welfare? The traditional view is that government must provide safety and security through the Police, the Armed Forces and foreign policy, and justice by punishing the guilty and protecting the innocent. Beyond these roles, everything else is negotiable and is a reflection of a country's culture, environment and leadership.

One critical element, often unrecognized because it is silently expected and assumed, is that governments are charged with fostering a sense of nationhood, that purposefulness that goes beyond the individual. Any society that hopes to endure must become, as sociologists put it, 'a community of memory and hope'.

It so happens that the first two letters of that Hope and Memory form the word HOME. **HOME = HOpe + MEmory**. Hope without Memory does not draw a nation together; it will be each one on his own. Memory without Hope is a formula for the past, not a drive into the future. Government must build both Hope and Memory—Hope, so it makes sense to stick around; Memory, so it feels good to stick around.

Singapore's First Model for Success

Hope through opportunity is what our first generation of political leadership sought to provide for Singaporeans. When we were separated from Malaysia in 1965, the government's duty was to create a livelihood for two million Singaporeans and to give them a future of hope. For the independence generation, opportunity meant jobs for a basic livelihood, decent housing, and education for their children to create hope for their future.

Conventional wisdom at the time was that developing countries should rely on import substitution strategies. Countries should erect trade barriers and nurture their own infant industries. MNCs were out of favour: many newly independent countries saw them as neo-colonialist exploiters of cheap land, labour and raw materials. For Singapore, a limited domestic market meant that import substitution was not a viable strategy. MNCs were the fastest way to

create jobs, penetrate overseas markets, and bring in western and Japanese technologies. MNCs represented hope. They would bring employment, teach our hardworking workers technical skills, and transfer management know-how. It was a blend of the best of East (work hard, learn fast, follow instructions) and West (markets, know-how, technology, capital).

So unlike other emerging economies, we opened our doors fully to MNC investments. We dismantled import barriers, re-oriented our industries towards serving world markets, and overhauled our labour relations, replacing the old, adversarial style of labour management with a tripartite relationship based on trust and confidence. We rewrote the rules in order to create job opportunities for our people. There was indeed only one simple rule—change every rule which stands in the way of jobs.

We developed our own model of Singapore as a land of opportunity. Our socio-economic policies fit neither the capitalist nor the socialist paradigm. Instead, what characterised our approach was pragmatism and an openness to change and innovation. We exercised great creativity and entrepreneurship in making it possible for investors to operate successfully despite our lack of natural hinterland. (e.g. EDB's "one-stop-shop" for investors, as otherwise foreign companies would get lost in the maze of multiple government departments and give up).

There was an 'easy' congruence between what the people looked for and what the government could deliver: jobs for the people, education for the children and a home they could own.

The Expectations of a Post-Independence Generation

By and large the expectations of a post-independence generation can no longer be met simply by the government delivering economic goodies to the individual.

First, our operating environment has changed. The export-led, MNC-driven model of economic development is no longer unique to Singapore in the post-Cold War context. Almost all developing countries in the world are liberalizing their markets and aggressively luring foreign investments. Our neighbours have caught up. Newly-emerging

economies like China and India, with strong domestic consumption potential and competitive cost structures, will draw many MNCs away from Singapore and absorb the lion's share of investments. These trends beg the question as to whether our current model of economic development is still viable.

Second, we face the challenges that developed economies are already facing—there is growth and dynamism in some of the cutting-edge industries, but stagnation and low levels of job creation in the traditional manufacturing sector. This new economic landscape, characterised by divergent output and employment paths, demands new policy responses from us.

Third, the post-independence generation of Singaporeans is highly-educated and mobile. The world is their oyster. The opportunities that Singapore provided in education, housing, health and employment are now considered basic prerequisites, not benefits or privileges of citizenship. Singaporeans see it as their right to achieve economic success through meritocracy and hard work—they question why, if they have the qualifications, they should be out of a job. Our social compact has also evolved—citizens are no longer willing to trade off their personal freedoms and aspirations for a top-down government approach that delivers economic benefits.

The generation after independence is one that does not know poverty. A culture of entitlement has slowly taken over from a culture of opportunity; a culture of "the customer is king" is growing stronger without a concomitant culture of "the citizen is contributor".

The congruence of interests between the people and the government has been replaced by dissonance. There is structural unemployment. The people ask, "Why doesn't education result in the same job opportunities and pay as for earlier cohorts?" The government says you must look after yourself.

For all these reasons, the notion of Singapore as a land of opportunity has somewhat diminished in recent years. Feedback from different groups of Singaporeans suggests that Singapore is regarded as a place where success has been too

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narrowly defined, with limited space for our people to explore and pursue individual notions of opportunity.

The formula probably started to break down when the Berlin Wall came down in 1989, but this was not fully recognized. Changes have been made at an accelerating (though possibly still slow) pace from when Mr Goh Chok Tong became Prime Minister in 1990 – there has been more consultation, a gentler approach and the provision of more choices (e.g. independent schools, autonomous schools, the Sports School, Speakers' Corner, etc). Even the civil service itself has been transforming: from controller and regulator, to facilitator and nurturer, and now to convenor and aggregator. (We are doing some things in this regard, but still not talking about it much, probably because we are not recognizing it fully yet.)

But a new formula is necessary to tie the emerging ideas together and to re-establish the relationship between government and the people based on the government delivering Hope to the People. We need a new strategic paradigm to replace "East plus West" as the winning economic formula, and a new social compact on what the government will do and what the individual will do. The new strategic perspective must be robust enough to force us to question policies and strategies which are coming under strain today, to bring us new insights and enlightenment, and to cause us to challenge and re-form mental models.

A New Formula: Singapore is Opportunity

The formula being proposed is: *Singapore is Opportunity* – or, as some prefer it, Singapore as the Land of Opportunity. It is based on the idea that hope for the people today is best understood in terms of opportunity: opportunity

for the individual to be the best that he or she can be, and opportunity for businesses to succeed in every way they can.

Singapore is Opportunity was first mentioned by Prime Minister Lee Hsien Loong last year, when he delivered his Budget Speech as Deputy Prime Minister and Minister for Finance. He said,

"Singapore is what it is today because it has been a land of opportunity for enterprising people from all over Asia. Our attractions are unique. We are at the crossroads of East and West, a modern, cosmopolitan city connected to the world of finance and business, yet rooted in the ancient cultures of our forebears. We offer a vibrant economy where people can earn a good living, a stable society where they can raise strong families, and opportunities for all to build a brighter future. And now with Asia on the rise, we must remake Singapore as a land of opportunity."

To the casual reader, it looks like an innocuous paragraph in a long budget speech. But it contains a deep idea, not yet fully developed even today; it contains the seed of renewal, remaking, re-awakening and reinforcing that sense of optimism and opportunity which drove Singapore in its early years.

It is rediscovering a spirit, a state of mind, a commitment that perhaps has been "lost", or "gone to sleep", if I could exaggerate it somewhat. If you don't believe this spirit of hope and opportunity has been "lost" in many ways, try the following: Ask any person in the street, whether a local street or one overseas, ask any business, whether Singapore or foreign, what three words

they would use to describe Singapore. Would “opportunity” be one of them? Then ask them what three words they would use to describe the United States. What three words would they choose? Freedom? Democracy? Wouldn’t “opportunity” certainly be one of them?

Rather than acquiesce or accept that opportunity is no longer something special about Singapore, we must try to re-perceive and re-create the concept of opportunity. We must make sense of how the notion of opportunity has changed, what it means to different groups of people and businesses, and what we must do to restore hope and confidence in Singapore’s future.

What is Opportunity?

Opportunity is whatever it may mean for the individual contemplating his future or the business looking for profit. Several points about this are worth noting:

- Opportunity is what the individual imagines.
- Some think opportunity is where there already are many successful people. Others think opportunity is where there are no or few successful people.
- The definition for the risk taker is different from the definition for the risk averse.
- The definition for the learner is different from the definition for the practitioner.
- The definition for the fun seeker is different from the definition for the serious worker.
- A place can be a great place for learning, but the best place to succeed could be where there is no leader around (yet).
- Perception is not the same as substance, but perception is what is real to the individual.

The conclusion: People think with their hearts; so we need to feel with our minds.

The fundamental purpose of government to help our nation survive and prosper has not changed. What needs changing is how we achieve this. In many ways, our concept of opportunity in the past has been rather narrow and limited. Yes, we ensured educational opportunity for practically every Singapore child. But for a long time, our

education system did not encourage or recognise the value of diversity. Nor did our society provide multiple routes to achievement and success. So if you were not academically inclined, you found that your future was rather constrained. In general, Singaporeans were quite resigned to the paths determined for them by our education system.

But this is no longer so, nor acceptable, for the Singaporean today. True opportunity—true meritocracy—is about creating your own future, rather than have that set for you by others. In a full meritocracy, where people create their own opportunities and pursue them with passion and vigour, we can expect to find talent, ability and drive emerging in the most unexpected places.

Asking Different Questions: Opportunity for Whom?

We mounted an exercise recently involving almost 100 officers from the Administrative Service and the Ministry of Finance to develop thoughts on what *Singapore is Opportunity* should mean in terms of government thinking. Exercises in the past on new ideas for government had tended to be run in a very agency-centric way. We asked each ministry to list out what would be good to do. Invariably the list came out in answer to questions like “What would be nice to do?” or “What can Singapore afford to do?” or “What can we do today without upsetting anyone or making another agency unhappy?” But this time the exercise was run with the purpose of answering the question: “What can Singapore *not* afford *not* to do?”

The teams were told to ask questions like: Who are the people and businesses in Singapore who you believe feel disenchanting with, and disengaged from, Singapore, and whom you feel the government should reach out to and re-engage? Why is there this sense of separation? What should be done for them to see that Singapore is Opportunity for them too?

The teams were also asked to address the question: Who are the people and businesses overseas you believe should be attracted to Singapore? Students, tourists, sick people, poor but high-IQ people, whatever. Ask yourself: Do

they think Singapore represents opportunity for them? Opportunity to learn, to have fun, to get a good job, to settle down, to make profits, to spread out into the region? If they do not see Singapore as opportunity today, why not? Because they have never heard of Singapore, because they do not know what is possible in Singapore, or why else?

The teams were specifically asked to look at things from the viewpoint of the target groups, not from the viewpoint of agencies. Given the limitations of time, the teams focused their discussions on the following stakeholder groups:

- The 'average educated' or 'non-elite' Singaporeans
- Overseas Singaporeans
- The working poor and economically vulnerable
- Internationally-mobile, talented Singaporeans
- Young Singaporeans (13-25 years old)
- Entrepreneurs, small businesses and operators in the informal economy
- High potential economic migrants
- Families (especially those with young children)
- Ethnic minorities in Singapore
- Able older Singaporeans
- High net worth foreigners

We could have formed other teams, but this was deemed good enough to get a comprehensive handle on the subject.

The teams were told to go down to the ground—to speak to the people in the stakeholder groups themselves, and not to depend on the interpretations of government agencies or the works of academics, even though these could be useful as background material.

The team looking at the working poor, for example, initially had a difficult time figuring out how to get to talk to the working poor—who are they, where are they, what language or dialect do they speak, will they speak out? This need to go down to the ground to see and hear for yourself is so essential, and so frequently overlooked by policy writers who see their job

simply as clearing proposals with ministers and the Cabinet, without necessarily having a real feel for the ground.

Ask "Why?" Five Times

A good way for thinking through the subject is to ask "Why?" five times. What do I mean by this? An example: Why did you turn down this application? Because the rule said so. Why did the rule say so? Because Cabinet had decided so. Why did Cabinet decide so? Because we recommended this to Cabinet. Why did you recommend this to Cabinet? Did you notice we asked three 'whys' without learning anything?

This reminds me of an ongoing discussion the Pro-Enterprise Panel is having with the National Environment Agency. Why can't home kitchens be allowed? Because we can't inspect them whenever we want to. Why can't you inspect them whenever you want to? Because they may not open the door immediately when we knock on it? Why won't they open the door immediately? Because they may be trying to evade inspection. Why can't we set the condition that they must open the door anytime you knock, or you will remove the licence? Because they won't like us to knock on their door anytime we like. Why can't you set that as a condition? Because they won't like it. Why do the English authorities allow home kitchens? We did not know about it, perhaps English houses are different. Why can't we set the rules for home kitchens same as them? We will think about it.

Seven 'whys' and we now agree to re-examine, so I hope you understand that when I say ask "Why?" five times, I do not necessarily mean five in an exact mathematical sense. Don't get me wrong. NEA may be right after all. But we should take the approach of setting conditions so people can decide whether they want to proceed with it, rather than decide straight off not to allow it. Entrepreneurism is not, in its essence, about venture capital and IT and biotech and nanotech. It is about the spirit of trying and learning by doing and of failure leading to success and little successes leading to bigger and higher successes.

I know making the change may not be easy and is far from straightforward. But let us start being

One Mental Model: Full Employment

We in the government behave as we do, and develop policies as we have, because of certain assumptions we make, mental models which we consciously or unconsciously hold. Take for example our long-standing assumption of full employment which has under-girded many of our policies. In a full employment economy, we don't need extensive social safety nets, because it is perhaps fair to assume that if you are not working, you either don't need to work or you don't want to work. Either way, the government doesn't need to, or should not, support you.

But if we accept that the full employment paradigm is no longer an accurate representation of our economy, then we will adjust our mental model to one that takes into account structural unemployment, under-employment, and cyclical unemployment. And we will naturally start thinking about instruments of social policy which still encourage work but provide a stronger social safety net.

While it would make sense to stretch out the implementation of these new support structures, the starting point is to recognize at a strategic level that our social safety nets need to be restructured for a different economy. Otherwise the unemployed, the under-employed and the working poor will turn negative, and be disengaged, sour citizens.

If we accept that we will no longer be able to sustain full employment, that there will be surplus labour which industry will not want or does not need, that periods between jobs would become longer—and longer than retrenchment benefits can sustain the retrenched—then we will have to allow individuals other means of supporting themselves, keeping them occupied and hopeful.

I am not saying that the full employment paradigm has ceased to be useful; I am only asking whether we are so caught up in today's policies and practices that we are not even conscious about the assumptions we are making. Are we prepared to fundamentally question current approaches and to jettison those no longer relevant or valid for the future? Can we, if we do not deliberate on the mental models which underlie our ideas and ideals?

willing to think again. As Albert Einstein said, "The difficulty is not to think, but to think *again*."

Guidelines for Planning

Some thoughts then on how we should be thinking again:

Be prepared to question core assumptions and mental models. Listen to what people are thinking. If you seek out only those who agree with you, you may as well not waste your time. In a committee of yes-men, we only require the chairman. Go to the ground, seek out those who are likely to have differing views, earnestly desire to hear from them, ask, listen, suspend judgment.

Adopt a customer-centric rather than an agency-centric approach. We must start with the citizen and the customer in mind, see things from his point of view, and leverage on our collective

resources to deliver public services seamlessly. Understand the impact of rules on businesses. Keep processes simple. Make things easy.

Opt for a lighter regulatory touch. If all possible objections must first be overcome, nothing will ever be attempted! Be open to fresh ideas and new business models even if they do not fall within the boundaries of existing rules. Being pro-enterprise doesn't mean blindly slashing rules—set the conditions and see if there are any takers. But always bear in mind that while each agency may impose a few rules on an activity, collectively these rules create layers of regulatory impediments that hinder enterprise.

Replace risk aversion with a risk management approach. The disadvantages of change often loom larger than its advantages, because we tend to imagine mishaps better than we are willing to imagine things going great. Can we be more

adventurous in the face of an innovative idea, think in terms of “Why not?”, and spend the time working out how to manage the risk rather than to kill the idea? One problem, of course, is that the agency which benefits from the risk-taking is often not the agency which takes the risk (e.g. allowing in visitors who might end up overstaying as illegal immigrants means a risk taken by the Immigration and Checkpoint Authority but a benefit gleaned by the Singapore Tourism Board). We must be prepared to think “whole of government” rather than “bits of government”.

Conclusion

What I have tried to do is to explain the strategic context for embarking on the exercise to search out what we can do and ought to do to make *Singapore is Opportunity* real for all. This is something critical, and something we need to handle with a sense of much urgency.

Too often we wait for someone else to do things, maybe in New York or London or KL or Bangkok or Hong Kong or Shanghai, and then lament we are too late, or we have to think of something different, and then enter into another cycle trying to find someone else who has tried it. Too often we find ourselves playing catch up and copycat. The spirit of adventure and of risk-taking is subdued. I remember a quotation by Dr Goh Keng Swee which, at one time, was plastered all over the SAF—“The only way to avoid making mistakes is to do nothing, and that, in the final analysis, will be the ultimate mistake.”

So let me go back to the title of my talk: Is there a new role for government? My answer is a clear ‘No!’ Successful government has always been about creating hope and opportunity for the people. But what hope and opportunity are changes with the times, and can only be understood by looking at things from the standpoint of the people—or, more correctly, the standpoint of different groups of people—and not from the standpoint of ministries and statutory boards.

Singapore is Opportunity is not a cute theme, but a strategic paradigm for building hope for all. It is important not only because of the economic edge it gives us by building new businesses, welcoming diversity and enterprise and attracting

foreigners, but also because of its role in building Singapore. The opportunity to be the best they can be is what gives Singaporeans hope; it is what roots them here and bonds them emotionally to Singapore. Seeing Singapore as Opportunity drives excellence in all that we do, but more than that, it is what holds us together as a people, what connects us as citizens, and ultimately, what sustains us as a nation. ■