

Preparing For The Future

By Peter Ho

How can the Government prepare for the future in an environment that is becoming increasingly complex and unpredictable and which holds fundamental surprises that change the world in basic ways? Singapore's past success rested largely on good decisions and strategic bets by a few key risk-takers. However, in the future, no single person or organisation will have all the necessary expertise and knowledge to tackle problems alone. Singapore's best bet lies in having the Government adopt a cross-agency, networked approach that harnesses diverse views. At the same time it must retain its ability to work as one in time of crisis. Peter Ho addresses these challenging issues of networked government.

This article is an adaptation of the opening remarks by Mr Peter Ho, Head of the Civil Service, at the inaugural Strategic Perspectives Conference (SPC) on 30 Aug 2005, at the Civil Service College.

Introduction

Preparing for the future is perhaps the most hazardous duty in Government. It is impossible to predict the future, except by using epithets like "the only certainty is change", or, "the future is uncertain and unpredictable." In the 1980s, Bill Gates declared that everyone needed only 640 kilobytes of memory space. Today, few programmes can even start up with less than 64 megabytes of memory.

Fundamental Surprise

We cannot discount fundamental surprise. We were surprised by SARS. We were surprised by its epidemiology. We were unprepared for it. But we should have been prepared. It was not a fundamental surprise,

because we knew that the risk of a highly infectious epidemic existed.

Scenario planning is an important tool that helps us to anticipate the future, and so better prepare for it. Our scenarios in the 1990s repeatedly surfaced concerns about the post-Soeharto period. So we were not totally surprised when Soeharto fell in 1998.

But there is also fundamental surprise, surprise that changes the whole world in basic and unanticipated ways.

Let us turn back to September 11th, 2001. The world changed that day. It was not a slight, imperceptible change of course. Instead, the terrorist attacks against the World Trade Center and the Pentagon on that fateful day demonstrated how a single event on a single day was able to disrupt the global balance in a fundamental way. That was a fundamental surprise.

Technology has also been responsible for many of the fundamental surprises of the last century. The internet was a fundamental surprise. Its effects have been profound and global. It has changed the way we live. But its impact could not have been foreseen by the researchers in the US Advanced Research Projects Agency which developed the forerunner of the internet, ARPAnet, part of an effort to find a communications system that could survive a nuclear war. Nor was its impact foreseen when the US Congress, in an exceptional gesture of generosity, legislated to make the technology of the internet freely available. Two, among many decisions along the way, resulted in fundamental change to the world that we live in.

Making Strategic Bets

If we had been in charge of Singapore 40 years ago, would we have made the same momentous decisions that Mr Lee Kuan Yew

and his Cabinet took that brought us down this path?

That is a rhetorical question, of course, and is unanswerable. We live in a complex world in which people interact with each other, and with the environment. These interactions produce results and effects that are impossible to predict. It is possible with the wisdom of hindsight to reconstruct the combination of decisions, good luck and unexpected events that created the Singapore of today. But even armed with foreknowledge on 9th August 1965, it would have been impossible to construct an exact copy of the Singapore that we know today.

When our computerisation drive started in the 1980s, the internet and the worldwide web was perhaps a decade into the future. In those days, computerisation meant word processing and automating manual data processing. That was itself a huge leap of faith. I remember that if any of us wanted a word processor, we had to give up two clerical posts in exchange.

Mr Howe Yoon Chong was a risk-taker of his generation. He pushed to build the Port of Singapore Authority's first container terminal at a time when containers had yet to establish a dominant position in shipping. He also decided that computers were going to be the wave of the future. He gave Philip Yeo, another risk-taker, *carte blanche* to drive Singapore's computerisation effort. The rest, as they say, is history.

Who will make such strategic bets in the future? Who will be our bureaucratic entrepreneurs? We cannot clone Howe Yoon Chong or Philip Yeo. Even if we could, it is unlikely that their clones would be able to provide solutions for a different day and age.

The Lifespan of Successful Nations

My friend, Dick Foster, author of the book *Creative Destruction*, told me not too long ago that 75% of the S&P 500 in 15 years will be companies whose names we do not know today. This assertion was based on empirical study of companies on the S&P 500 over many decades.

I suspect that the same rule can be applied to nations. If you look at our region 50 years ago, the three countries rated most likely to succeed

were Ceylon, Burma and the Philippines. Why? Because, among other things, they all had highly-educated populations, spoke English, and enjoyed a burgeoning commercial life. Well, since then, Ceylon became Sri Lanka, but more importantly fell victim to racial politics. Burma also underwent a name change to become Myanmar, but again more importantly, Ne Win took it down the Burmese road to socialism, which was another way of saying that Ne Win decided to isolate his country from the outside world. You will be able to draw your own conclusions about the Philippines.

Going forward, what will it take to ensure that we do not take the wrong turn in the path, and end up in a political *cul de sac* like these three countries? Some of you would have read *Romance of the Three Kingdoms*. I read it in the English translation because I did not take my second language studies seriously. The novel begins with a most elegant statement of an empirical truth, that "empires wax and wane, states cleave asunder and coalesce."

Lam Chuan Leong once observed to me that in history, successful nations only last for about three centuries. I think that is very approximately correct. The British Empire lasted for about three centuries, from Queen Elizabeth to Queen Victoria, and began to decline after the First World War. The Venetian empire lasted also about three hundred years. The Roman Empire lasted perhaps four to five centuries before it fell to the Visigoths.

Beating the Odds: Betting on Diversity

Can we beat the odds? We must certainly try. With only 40 years as a nation, we are barely out of childhood. But we have already succeeded beyond the wildest dreams of our founding fathers. As Minister Mentor said, "The best is yet to be."

But to be the best, to beat the odds, we must first recognise the challenges. Our Government is today widely acknowledged for its excellence and its ability to produce results. The question is whether we will still be able to consistently make the right decisions going forward? Is it wise for us to depend on a few people making the right bets and taking the right decisions?

Can we in fact plan for a future that is uncertain and unpredictable, in an operating environment

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that is fast-changing and more likely than not to produce fundamental surprise? Can we be optimally organised for the future, if we are already optimised for dealing with the present?

I would argue that diversity is our best guarantee for survival and success in a complex, uncertain and unpredictable environment. People see things differently. So do countries, and so do organisations. We may look at the same set of facts, but we will reach completely different conclusions.

In the Ministry of Foreign Affairs, my people are exasperated when other ministries and agencies cannot see things their way. In bilateral and multilateral meetings, we cannot understand why our counterparts are unable to see what is blindingly obvious to us.

If everyone looks at the problem and comes up with the same answer, then we will be in trouble. We do need people who will look at a problem and decide that there is a different way to deal with it. There is a place in the Civil Service for mavericks and I expect that our officers will know when to speak up and disagree.

But diversity is not just about having mavericks in our midst. There is also organisational diversity.

Networked Government

Over the past five to 10 years, Government has become more decentralised with many agencies with greater autonomy. We also have an increasingly important web of horizontal linkages, with the Temasek-Linked Companies, and with a growing number of civic organisations.

How can we manage this diversity so that on the one hand we can come together in a crisis and

act as one, and on the other hand, produce a diversity of views that will give us more choices going forward without creating decision paralysis as each agency defends its turf and its point of view?

The world that the Government operates in today is too complex and too fast-changing for the people at the top to have the full expertise and all the answers to call all the shots. Operating in such an environment means that we must be able to look beyond narrow perspectives. This means that the Government must be able to operate in a cross-agency, networked mode, in addition to the traditional vertical, stove-pipe mode.

In this regard, our approach in dealing with the threat of transnational terrorism is instructive. The traditional approach, of delineating the boundaries between ministries and agencies, so that each is responsible for a particular area, clearly would not work. No ministry or government agency would have the full range of competencies or capabilities to deal with this threat. Furthermore, the resources needed to deal with terrorism reside in many agencies.

But rather than go the American way and create our own Department of Homeland Security, we decided that a better way would be to strengthen coordination and integration among government agencies involved in national security. Instead of tearing down and building up, we decided that we should leverage on the diverse strengths of existing agencies through a networked approach. This means coordinating the counter-terrorism efforts of the line agencies and ministries, while integrating strategy at the whole-of-government level.

This was why the National Security Co-ordination Secretariat was set up in the Prime Minister's Office. This approach means that there is only a

small but active centre, with the capacity to drive the strategic national agenda in counter-terrorism, but which does not overly interfere with the accountabilities of each ministry and agency. It is an approach that I suspect will be applied to other long-term national strategic challenges like population issues that need to be managed and strategised at a whole-of-government level.

Networked government strikes a balance between strength and stability of the formal vertical government structure, and the diversity from different perspectives and solutions across a more decentralised public sector. We want to have flexibility and innovation, but also coordination and coherence. This will, over time, make us a more resilient public service.

Networked government depends critically on people at all levels understanding how their roles fit in with the larger national aims and objectives. Our agencies must have a strong sense and understanding of the challenges that the nation faces, and the directions that the nation must move in, going forward. Then we depend on the good sense of each agency to ensure that its own plans and policies are aligned with the national imperatives.

To this end, we need to change how people think about working with each other, and about placing greater emphasis on national rather than agency interests. We need an environment that encourages the spontaneous horizontal flow of information, knowledge and best practices.

Developing Strategic Perspectives

We can achieve this if we can get the public sector leadership to come together regularly to discuss strategic imperatives and challenges. The object is not so much to agree on everything, but to develop at least a shared understanding of the challenges ahead. This way, when each of us acts, we act knowing what the broader and longer-term national strategic context is. Even if we do not get everything right, the collective wisdom of each and every agency acting within this broad strategic context at least gets us moving in the right direction.

It is in this context that the Strategic Perspectives Conference was conceptualised. The SPC series will have succeeded if it contributes over time to

building a strong community of Public Sector Leaders with a common sense of purpose based on a shared understanding not just of challenges, but also of possibilities. Individual agencies can then go about their work responsively and responsibly, each of them contributing to the overall national outcomes. We would then have a public sector that is pro-active and networked, but also resilient because of diversity in approaches and solutions. ■