

## Editor's Note

A Canadian report on regulation notes, "Regulation in the broadest sense is equated with governing." It goes on to argue that regulation is one of the key tools governments use to bring about public policy objectives such as protecting the health, safety and socio-economic well-being of citizens.

At a macro-level, regulation plays an important role in determining whether the markets operate efficiently and fairly. In a globalised environment where companies and investors can move their operations and funds to the country of their choice, good regulation can now be a significant competitive advantage.

But regulation is not solely of interest to governments and big businesses. It affects the everyday life of citizens. In Singapore, for example, the Agri-Food and Veterinary Authority sees to the safety of Singaporeans' food supplies. The Building and Construction Authority draws up the guidelines which ensure that flats, houses and offices are structurally sound. The Land Transport Authority ensures that vehicles are fit to be on the roads.

With such far-reaching and broad impact, regulation is not the business of regulators alone, but that of every civil servant. However, despite the fact that regulation is such a vital element of government, the average civil servant tends to treat it a bit like the air we breathe. It is all around us; it is essential; and yet we rarely pause to consider it.

In this issue, Chan Lai Fung, Singapore's Permanent Secretary for Law and Chairman of the Smart Regulation Committee, tells us how her committee seeks to raise the level of awareness and understanding of regulation across the Singapore Public Service. She explains that 'smart regulation' entails more than just simplifying or reducing regulation. It is about having the right level and the appropriate type of regulation for each set of circumstances and objectives. Beyond this, it is also about keeping the interests of businesses and citizens in mind and managing, rather than eliminating, all the risks involved.

One regulator that has made risk management a core principle of its regulatory approach is the Monetary Authority of Singapore (MAS). When it conducted a review of the financial sector in 1997, it made a fundamental shift away from one-size-fits-all prescriptive regulation towards a more risk-focused supervisory approach. MAS explains what it means in practice to be risk-focused, stakeholder reliant, disclosure-based and business-friendly.

Another leading regulator, the Infocomm Development Authority of Singapore (IDA), shares its experiences in economic regulation. For the liberalisation of the telecom sector in Singapore, IDA had to break new ground and develop its own regulatory framework. IDA shows how effective regulation requires a sound framework with regulatory principles, processes and practice complementing one another.

Finally, Malcolm Sparrow, Professor of the Practice of Public Management at Harvard University, offers an academic's perspective of what regulatory practitioners actually do. He emphasises risk control, the craft of regulation and the lessons about regulation that one industry can learn from another.

We hope this issue reiterates the importance of regulation for the public service, highlights key issues that public servants should take into account, and provides insight into the developments in the regulatory field that are beginning to take place.