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Subject: (Embargoed) Speech by Eddie Teo, 31 Mar 2000, 10am.

**EMBARGOED UNTIL AFTER DELIVERY AT 10.00AM ON 31 MARCH 2000**

Chief Reporter/News Editor

**PRESS STATEMENT**

**PRESENTATION BY PS(PMO) TO THE ETHICAL LEADERSHIP FORUM 2000 IN HONGKONG**

Mr Eddie Teo, Permanent Secretary (Prime Minister's Office) will be one of the keynote speakers at the Ethical Leadership Forum 2000 held in Hong Kong from 30-31 March 2000.

The Forum is organised by the Independent Commission Against Corruption (ICAC) and the Civil Service Bureau of the Government of the Hong Kong Special Administrative Region. The 2-day Forum consists of speeches and workshops by leaders in the Hong Kong public and private sectors and speakers from USA, UK, Japan and Singapore.

The objectives are

- Examine the current global concerns and future needs with a view to assessing how ethical management could address the challenges faced by leaders in the new millennium;
- Enhance business and public sector leaders' awareness of, and commitment to, ethical practices in the conduct of business and delivery of public services;
- Inject impetus, through local and overseas participation and publicity, to the promotion of ethics in Hong Kong.

The speech by Mr Eddie Teo is attached for your publication. Please note that it is embargoed until after delivery on 31 March 2000.

Issued by: Joyce Chia (Ms)  
Prime Minister's Office  
Public Service Division

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National Archives of Singapore

**“Can the Civil Service Stay Honest and Succeed in the Twenty-  
First Century?”**

**(Presentation on The Singapore Experience in Ethical  
Management in the Public Sector by Mr. Eddie Teo,  
Permanent Secretary (Prime Minister’s Office), Singapore to  
the Ethical Leadership Forum 2000 in Hong Kong, 31 March  
2000)**

Thank you for inviting me to address this Conference. Singapore’s past achievements can be attributed to its having a strong government and an honest and efficient civil service. The Government has been a regulator and guardian, ensuring that when rules were broken, whoever broke the rules would face the consequences. The Corrupt Practices Investigation Bureau (CPIB) was established under the Prime Minister so that it stayed independent and favoured no particular government agency. No businessman could escape the law if he was caught committing fraud. No civil servant or politician was spared if he was found putting his hand into the official till. The law was not just for show, it was rigorously implemented. Civil servants knew that they had not only to observe the law, but had to be seen to do so. Propriety was the cardinal quality expected of a civil servant and this meant strictly obeying the rules. The conventional wisdom was that if rules were followed, things would work and investors would come to Singapore to do business because good governance meant certainty in the cost of doing business and assurance of legal redress of any wrongdoing.

In Singapore, nobody argues that a certain level of corruption should be permissible for cultural or economic reasons. Instead of a culture of high tolerance for gift-taking, it is assumed that accepting a gift puts a civil servant at risk and makes him vulnerable to corruption. Any civil servant who deems it rude not to accept a gift from a foreigner must declare the gift and pay for it if he wants to keep it. The onus is put on the civil servant or politician to prove his innocence if he is found to have unexplainable wealth. No one doubts that looking after one’s family should not mean that one can make illicit use of public funds to keep relatives comfortable. The economic argument, i.e. that a small bribe to move things along is helpful to commerce, is totally unacceptable in Singapore. But we believe in paying a civil servant enough to prevent him from accepting bribes to supplement his income.

As the last century drew to a close, however, it became apparent that doing things the way we have always done them would not be sufficient if

Singapore is to continue to succeed in this present century. The speed at which the internet enables business to be done means that the private sector now will move at an exponentially faster rate than the public sector, if the latter does not change. In this new knowledge-based world, the speed at which things change means that wealth is made (and unmade) far more quickly than could have been imagined before. The public and businessmen have always complained about the bureaucracy, any bureaucracy - being slow, rigid and indecisive. At today's pace in doing business, they will find a Civil Service which is concerned solely with regulation even more obstructionist. Certainty and predictability are still important but the public now expects more. Civil servants are now expected to be flexible, innovative, and to take risks and not be afraid to make mistakes, provided it is for the right reasons. They are asked to facilitate, not regulate, business and to imbibe the entrepreneurial spirit. If Silicon Valley is to be brought into the Civil Service, and made to work, clearly the Civil Service must change. However, not every practice nor every value from Silicon Valley is relevant to, useful or even good, for the Civil Service. The question is: how, in what ways and to what extent should the Civil Service change? And will the changes have an impact on governance, and if so, how? Will greater empowerment make the civil servant more vulnerable to corruption? Will a more flexible application of the rules lead to breaking, or at least, bending, them? And if rules can be bent, will they not eventually break?

### National Integrity System

When my predecessor, Mr. Lim Siong Guan - spoke to a similar conference here in Hong Kong in 1998, he outlined seven components in what he termed as Singapore's National Integrity System. I propose to examine these components to see if any one of them has changed since then or will need to change to meet future challenges.

First, **strong political will and example of political leaders**. The PAP government came to power in 1959 conscious that it had to demonstrate that it was different from past governments and as disciplined and dedicated as its Communist opponents. But unlike other governments, the PAP's efforts to combat corruption were pursued earnestly and sustained over time. After thirty-five years in power, incorruptibility continues to be a cardinal principle which guides the Government today. The political leadership realizes that it will have no moral authority to take action against errant citizens if it does not lead by example. It knows that corruption will eventually erode the legitimacy of any government. Any corrupt politician, at whatever level, will be investigated and prosecuted.

Second, the **Public Service Ethos**. Good governance and the value of incorruptibility are taught in our Civil Service training institute. Among the learning journeys in a young Administrative Officer's course is one to the CPIB Headquarters. Not very subtle, but quite effective. Every civil servant knows that corruption by government officers is not tolerated and deemed an abuse of his position as custodian of public resources and funds. He knows that the government operates on the basis of meritocracy and shuns nepotism and cronyism. Meritocracy means that every one who is recruited into the civil service gets in on the basis of his own merit and not through connections. And he rises in the service because he has worked hard and proven his talent. **While the Government wants the Civil Service to be less regulatory and rigid, and more open and flexible, there is no suggestion that it wants to see a more relaxed attitude towards corruption.** The recent Asian economic crisis has shown that government administrations were a major institutional weakness which contributed to the mismanagement of the economy and commercial disaster. Even in the private sector, corrupt companies ran into serious trouble, as was evident in some Japanese banks and South Korean chaebols. But honesty and efficiency will not be enough. The government wants civil servants to learn from the private sector so that a more outstanding civil service can bring about the extra performance required of the Singapore economy and society in a faster-changing and more highly competitive world. In doing so, government must have enough confidence and trust in civil servants to believe that greater interaction between the public and private sectors will not necessarily lead to contamination of their values. The civil servant can no longer insulate himself physically from temptation but must rely more on his own moral values and the Public Service Ethos to guide him. When the civil servant is encouraged to get to know private sector people better, he will have to exercise his own judgement to avoid situations which might compromise his integrity or lead to a conflict of interests. However, we cannot claim or hope to eradicate corruption in Singapore because the temptation is always there, as evident from recent reports of police officers receiving bribes.

Some civil servants are confused because they do not quite understand what is expected of them when they are asked to be "more entrepreneurial". They are not being asked to make money because it is not the business of government to make money. They are being asked to be innovative so that a new spirit of enterprise can be injected into the Civil Service to support Singapore's transition to a knowledge-based economy. **The public service can become more and more like the private sector, but the two should never**

**become the same.** Civil servants who want to make a great deal of money and become very wealthy should have the courage to leave the Civil Service and become businessmen. If they stay, we can promise that they will be comfortable, and for some, even well-off, but they will never make it to Fortune magazine's top 100 list or even Forbes' top 400 list of the wealthiest people. The challenge for the future is to develop civil service values which are different from commercial values, appropriate to an organisation whose bottom line is not always tangible or materialistic. In the new global environment, the enterprising and able can seek, and some will attain, incredible fortunes as private entrepreneurs of startup companies or senior management of multinational companies. We may want to offer similarly high salaries in order to attract and retain such officers in the Civil Service, but **something will be lost if a country is administered by civil servants whose driving motivation is money and who are dreaming about and chasing after stock options and not what is good for the nation.**

Third, **less opportunities and incentives for corruption.** Studies on the subject have pointed to the finding that corruption is more likely when government officials have more discretion over the operation of business or lives of citizenry, other things being equal. Singapore may seem to be an exception to this finding because government has always played a key role in economic affairs, and yet corruption is not rampant. Worse still, we are now encouraging our civil servants to take more initiatives and exercise greater discretion in the application of our rules. A closer look, however, shows that in Singapore, other things are **not** equal. Government involvement in the economy may have provided more opportunities to the civil servant to be corrupt, but given the climate of intolerance of corruption, our stringent laws and the Public Service Ethos, he has not seized them. It also helps if rules are clear and simple so that the public is not at the mercy of the official with the power to interpret them and will know what to expect out of government. If civil servants exercise flexibility in applying rules, it is to assist the public and not for personal gain.

Fourth, **changing the way government does its business.** Streamlining operations, cutting red tape, continuously improving upon public service delivery make the government more efficient and effective, and this will in turn mean that there is no need for the public to bribe civil servants to get faster or better service. There is no need to pay what in some countries is called "speed money" and economists refer to as "rent".

Fifth, **enhanced likelihood of detection**. This is a form of insurance, just in case our trust in some government officers is misguided. Some writers have made the point that the CPIB - and in your case, the Independent Commission Against Corruption or ICAC - have legal powers that many countries would be hesitant to allow. One writer states that in Singapore, the mere mention that the CPIB is investigating an officer is enough "to cause fear and trembling". It is good that the CPIB should command respect, but it is **not** good that it should cause fear. Everyone should know that the CPIB is there and that it is effective, but if you have nothing to hide, you should not fear the CPIB. It is vital that the CPIB be run by capable and honest officers if that fine distinction between respect and fear is to be retained. And like the rest of the Civil Service, the CPIB has to continue to innovate and improve its skills, keeping in tandem with rising levels of sophistication among criminals in this hi-tech age. You need a smart cop to catch a smart crook.

Sixth, **swift and severe punishment**. The high penalties in our laws are meant to deter would-be offenders and to indicate to them that corruption is just not worth the risk. Heavy fines and long jail sentences are supplemented by public shaming of the guilty. The latter measure is particularly effective in a society like Singapore where family ties are still strong and would-be offenders are deterred by the knowledge that whatever they do would bring disgrace not only on themselves but also their family members.

Finally, **strong public support**. The media, in publicizing corruption cases, keeps the public informed about the government's relentless pursuit of a clean and corruption-free Singapore. The public's confidence that the corrupt will be caught and justice will be done is only possible if it believes that the CPIB is impartial and can deal fairly, thoroughly and in strict confidence, when a member of the public lodges a complaint with the CPIB. The public must be assured that the CPIB does not leak, and that complainants will not be threatened or harassed. We can afford to keep the CPIB small only because there is confidence that the public will report cases of corruption when they occur and that extensive but costly policing is unnecessary. The CPIB investigates all allegations but acts only when there is clear evidence and to prevent abuse by the public, frivolous or mischievous complainants will find the law rebounding on them. A more educated, vocal and active public - the kind of public we desire under our Singapore 21 vision - will keep both the Civil Service and the CPIB in check.

## The Future Civil Service

The Civil Service we need for the future would have the following qualities:

- It is a civil service that works closely with the private and people sectors, to facilitate rather than regulate business, and to help build an active citizenry, while remaining conscious of the public good and the long term national interest.
- It is a civil service that is forward-looking, comfortable with and welcomes change, and sees uncertainty as a challenge and change as an opportunity rather than a threat.
- It is a civil service that enjoys the trust and respect of the public because it has a good feel of people's aspirations and problems and takes these into account when it formulates and implements government policy.
- It is a civil service with a sense of service and mission, one that believes it is doing something worthwhile and making a difference in contributing to the national good and Singapore's future.
- Finally, it is a civil service that the people have faith in because it upholds high standards of fairness and impartiality and does not tolerate corruption, nepotism or cronyism within its ranks.

What are we doing to bring about such a civil service? Five years ago, the Civil Service initiated the PS21 - or Public Service in the Twenty First Century - reform in order to instill future-oriented attitudes among civil servants, inculcate instincts for service excellence and encourage initiative. We like to believe that PS21 helped the government to some extent in overcoming the recent economic crisis. If PS21 did not enable civil servants to anticipate the crisis - for not many analysts did - it at least made civil servants more mentally prepared for change and uncertainties. The crisis emphasized the need for the Civil Service to be able to move nimbly and swiftly, together with the other sectors of society, to ensure that the right economic policies are implemented with minimal disruption, even if they are painful. The relatively minimal impact that the economic crisis had on Singapore is a result of our policy of keeping Singapore clean. As with Hong Kong, where there is also honest and efficient government that upholds the rule of law and has strong commitment to free markets, investors were able to differentiate between the Singapore system from those where the rule of law does not always work the way it is supposed to. The crisis should also put to rest arguments among some academics that corruption is helpful to economic development, given the revelations of the extent of the economic, social and security damage caused to a country by cronyism, collusion and nepotism.



Last year saw the launching of Singapore 21, which is a vision of the Singapore our citizens would like to have. The Civil Service is aligning itself closely with this vision, which envisages greater consultation with the public and the fostering of active citizens. A more active citizenry - a key tenet in the Singapore 21 vision - will help keep civil servants honest.

This year, we have introduced the "Enterprise Challenge" to nurture and foster new ideas from civil servants and members of the public on how to improve the public service. We will establish a separate channel within the government hierarchy for all officers to contribute ideas which will be nurtured into proposals to be evaluated by a panel comprising non-government people. In this way, we hope to bring the entrepreneurial spirit into the Public Service, where ideas will circulate freely and bureaucratic controls are minimized. "Enterprise Challenge" is meant to produce radical innovations and ideas that challenge convention. It will demonstrate to our civil servants that ideas and proposals - even those that may at first seem wild and far-fetched - are welcome and will not be suppressed by middle-level and top managers. Being over fifty, I would not go so far as to say that only young people have new ideas, but I would agree that the tendency of senior and middle management in many organizations - particularly in government departments - is to opt for the tried and tested. It is safer and less risky. Officers are rewarded for efficiency and results, never for having tried and failed. We therefore believe that a system has to be established to circumvent this tendency so that innovation, creativity, continuous improvement and a spirit of enterprise can thrive in the Civil Service.

### Conclusion

As we try to match private sector pay and build up civil service values, our hope is that beyond a certain comfort level, the civil servant will be motivated by a sense of purpose and mission. Given the Public Service Ethos of service to the nation, dishonesty is also a betrayal of our fellow Singaporeans. We will still need to enforce the law strictly as there will always be corruption in any society, even in Singapore. But with political will and the right balance of incentives and deterrence, we can reduce corruption while inculcating a new mindset in the Civil Service to better prepare Singapore for the future.

There is no pillow as soft as a clear conscience. French Proverb