

# Lee Kuan Yew's role in minimising corruption in Singapore

Minimising  
corruption in  
Singapore

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## Abstract

**Purpose** – This paper analyses the role of Lee Kuan Yew, Singapore's first prime minister from June 1959 to November 1990, in minimising corruption by implementing a zero-tolerance policy toward corruption in Singapore.

**Design/methodology/approach** – This paper is based on the analysis of Lee's beliefs and the policies he introduced to curb corruption in Singapore.

**Findings** – Lee's disdain for corruption and his beliefs in meritocracy and the importance of good leadership shaped his commitment to a zero-tolerance policy against corruption, which was enforced impartially and sustained in Singapore for the past 62 years.

**Originality/value** – This analysis of how Lee transformed Singapore into one of the least corrupt countries in the world would be of interest to policy-makers, practitioners and scholars concerned with minimising corruption in their own countries.

**Keywords** Lee Kuan Yew, Corrupt Practices Investigation Bureau, Corruption, Cultural practices, Political will and capacity, Singapore

**Paper type** Research paper

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*My experience of developments in Asia has led me to conclude that we need good men to have good government. However good the system of government, bad leaders will bring harm to their people.*

Lee Kuan Yew (2000, p. 735)

## Introduction

Singapore's spectacular economic transformation from a Third World country in 1959 with a GDP per capita of US\$400 to a First World nation today with a GDP per capita of US\$59,798 in 2020 (World Bank, 2022) has been attributed mainly to the efforts of Lee Kuan Yew, who was the first prime minister from June 1959 until November 1990. Apart from Singapore's rapid economic development, Singapore has also succeeded in minimising corruption as it was ranked fourth globally with Norway and Sweden with a score of 85 on Transparency International's Corruption Perceptions Index (CPI) in 2021. Singapore has been consistently ranked as the least corrupt Asian country on the CPI from 1995-2021 (Transparency International, 2022, p. 2).

When Barbara Garson visited the Caltex oil refinery in Singapore probably in the late 1990s, she asked the director of the expansion project, Jack Bradie, why Caltex built their refinery in Singapore instead of Thailand, which had a larger population. Apart from its

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excellent infrastructure, Singapore's comparative advantage over Thailand was that even though it had tough environmental standards, there was no need to bribe officials for obtaining the necessary permits. Bradie explained why Singapore was chosen by Caltex and shared the secret of Singapore's success: "What happened in Singapore is Lee Kuan Yew . . . If they see any corruption they come down on it hard. It's not a cultural thing; it's a national decision that comes from the top!" (Garson, 2001, pp. 138-139).

This paper contends that Singapore's success in curbing corruption is the result of Lee's commitment to implementing a zero-tolerance policy toward corruption. It begins by showing that corruption was rampant during the British colonial period, especially during the Japanese Occupation and the British Military Administration (BMA). The Chew Swee Kee scandal resulted in the defeat of the Singapore People's Alliance (SPA) by the People's Action Party (PAP) in the May 1959 general election and reaffirmed Lee's unequivocal stand against corruption. The article then shifts its focus to the implementation of Lee's zero-tolerance policy toward corruption with the enactment of the Prevention of Corruption Act (PCA), the allocation of adequate resources to the Corrupt Practices Investigation Bureau (CPIB), paying competitive salaries for the "best and brightest", and the punishment of corruption offenders.

### **Police corruption during the colonial period**

Police corruption was widespread in Singapore during the colonial period because of the weak political will and ineffective anti-corruption measures initiated by the government. Corruption was made illegal with the enactment of the Penal Code of the Straits Settlements of Malacca, Penang and Singapore in 1871. The British colonial government ignored the findings of systemic police corruption in Singapore of the 1879 and 1889 Commissions of Inquiry and did nothing for the next 66 years after the Penal Code was enacted until the first anti-corruption law, the Prevention of Corruption Ordinance (PCO), was passed in December 1937 (Quah, 2011, pp. 216-217).

The British colonial government made two serious mistakes in tackling the problem of corruption. First, even though police corruption was rampant, the enactment of the PCO made the Anti-Corruption Branch (ACB) of the Criminal Investigation Department (CID) of the Singapore Police Force (SPF) responsible for combating corruption. However, the ACB was ineffective because it was a Type B anti-corruption agency (ACA) that performed both anti-corruption and other functions, including the control of secret societies, gambling promoters, commercial crime, and anti-vice and narcotics traffickers (Colony of Singapore, 1952, p. 31). As the CID's primary objective was to detect and solve serious crimes like murder and kidnapping, the lower priority given to combating corruption was reflected in the ACB's limited staff of 17 personnel, which was considered to be inadequate for fighting corruption by Elizabeth Choy in her speech to the Second Legislative Council on 20 February 1952 (Quah, 2011, p. 217).

The "golden rule" for preventing police corruption is that the police should not be "responsible for investigating their deviance and crimes" (Punch, 2009, p. 245). Police corruption was rampant in colonial Singapore because of the low salaries and unfavourable working conditions of policemen, ample opportunities for corruption, and the low risk of detection and punishment (Quah, 2011, pp. 212-215). The ACB's Achilles' heel was that, as part of the CID, its personnel faced a conflict of interest and were unable to investigate impartially corruption complaints against police officers. The British colonial government violated the "golden rule" when it made the ACB responsible for combating corruption. It only realised this mistake after the Opium Hijacking scandal involving some robbers, including three police detectives, robbed a shipment of 1,800 pounds of opium worth S\$400,000 (US\$133,333) on 27 October 1951 (*Straits Times*, 1952, p. 5).

The Opium Hijacking scandal resulted in the formation of the CPIB in September 1952. The government appointed a team led by a senior ACB officer to investigate the scandal. The ACB team found that some police officers were implicated in the protection racket with both the robbers and importers of the opium. However, the government was dissatisfied with the ACB team's prosecution of only two senior police officers and appointed a special team in May 1952 to review the ACB's investigations. The special team completed its inquiry in September 1952 and the government replaced the ineffective ACB with the special team, which became the CPIB during the same month (Quah, 2011, p. 209).

Unlike the ACB, the CPIB is a Type A ACA dedicated exclusively to curbing corruption only and is independent of the CID and SPF. This means that the government rectified its first mistake by replacing the ACB with the CPIB which is outside police jurisdiction. However, the government continued to make the second mistake by not providing the CPIB with sufficient legal powers and resources during its first eight years. The CPIB began operating in October 1952 with 22 personnel during its first three months (CPIB, 2012, p. 18). The CPIB was a paper tiger during its first eight years because of its weak legal powers and limited resources.

### **The Japanese Occupation bred corruption**

During the Japanese Occupation, guild associations were established to control the supply of essential materials for the army's needs, but in practice, these associations "produced a government-protected black market, controlled at the top by a handful of Japanese businessmen, and operated by local entrepreneurs" (Turnbull, 1977, p. 202). This monopolistic situation "encouraged unscrupulous businessmen to turn to bribery and other methods to get supplies" (Lee, 2005, p. 159).

To cope with the rising inflation, poorly paid civil servants held two jobs or resorted to black marketing, which provided many opportunities for earning extra income. The low value of the Japanese military currency combined with their low salaries forced many civil servants to accept bribes or moonlight to prevent their families from starving (Yoong, 1972, p. 55). Doctors, lawyers and teachers participated in the black market by "selling their old clothes and shoes or whatever that could fetch high prices" (Wong, 2009, p. 37). Shortages in food and other commodities forced many people to trade on the black market because they acted as brokers between buyers and sellers and earned commissions from these transactions to supplement their poor wages (Pitt and Leong, 2009, p. 194).

The black market "became a publicly accepted institution" because people relied on it to obtain bus and cinema tickets, clothing coupons and newspapers. Furthermore, as the black market depended on recommendations and commissions, "resourcefulness, a good ear, contacts, bargaining power and the ability to network in both buyers' and sellers' circles" were important skills for success (Wong, 2009, p. 38). Thus, trading in the black market became a way of life as "everyone was surviving on some sort of black marketing". Corruption and nepotism thrived as "everyone resorted to connections, friends, and relatives" (Lee, 2005, p. 142). Corruption was thus a coping strategy adopted by poorly paid civil servants to meet the rising cost of living. Those civil servants serving the public expected to be paid generously for their services. Consequently, those departments issuing food licences, distillery licences, coffee-shop licences, gambling licences and prostitute licences became rich by accepting bribes from those applying for these licences.

In short, the most important legacy of the Japanese Occupation was that it bred corruption. Lee Gek Boi (2005, p. 205) observed that "bribery worked wonders" as "gifts and money smoothed the way" from the ordinary soldier to the general. Prostitution, gambling and opium smoking were institutionalized. The shortages of commodities created the black market which fostered a culture of thievery to maintain it. She concluded that "it would take years to undo the corruption and address the social evils that Japanese military occupation

bred in Singapore". Sharing this negative assessment, [Turnbull \(1977, p. 225\)](#) contended that the Japanese Occupation's worst legacy was "the corruption of public and private integrity" which was manifested in the "flourishing gambling dens and brothels, both legalized by the Japanese, the resurgence of opium smoking, universal profiteering and bribery".

### **The Black Market Administration**

After the Japanese surrender in August 1945, the BMA was established in September to prepare for the restoration of civilian government. Conditions deteriorated during the post-war period and corruption was widespread among civil servants as a result of their low wages, inflation, and inadequate supervision by their superior officers, thus providing them with ample opportunities for corruption with a low probability of being caught. The BMA itself succumbed to corruption even though its senior officials were "honest men of high calibre," because their junior colleagues were unscrupulous and corrupt ([Turnbull, 1977, p. 225](#)).

Graft followed the deployment of British and Commonwealth troops and "military stores and 'rehabilitation' goods disappeared en route to Malaya, or were landed in the wrong place; in the docks, goods vanished, invoices never appeared, or when they did, charges were paid three times over" ([Bayly and Harper, 2008, pp. 108-109](#)). During the BMA, "goods sold on the black market also came from the military camps, and included cigarettes and liquor, canned food, corned beef and mutton that were meant to be supplies for troops" ([Wong, 2009, p. 37](#)). Not surprisingly, the BMA officers' mess in Singapore was reported to be filled with missing military supplies and goods.

As the BMA was inadequately staffed, there was a tremendous strain on its officers because they had to cope with "insufficient transport, poor living conditions" and the "inefficiency of their local subordinates" ([Gilmour, 1950, p. 140](#)). Consequently, the BMA was described pejoratively as the "Black Market Administration" because of its arbitrary requisition of private property, gross mismanagement of the distribution of rice, financial inefficiency, and "scandalous corruption" ([Turnbull, 1977, p. 225](#)). Indeed, British prestige plummeted within a few months by the "corruption and looting propensities of the occupying" BMA ([Gilmour, 1973, p. 6](#)).

Thus, within seven months, the BMA or "Black Market Administration" "destroyed the goodwill which existed at the time of the liberation and brought British prestige in Singapore to a lower point than in February 1942" ([Turnbull, 1977, p. 225](#)).

### **The Chew Swee Kee scandal**

In his memoirs, Lee admitted that he and his colleagues had "grave reservations" about competing in the May 1959 general election because they were "unprepared and not sufficiently organised" to confront the communists after winning the election. However, the Chew Swee Kee scandal changed their minds because they wanted to prevent the corrupt government of Chief Minister Lim Yew Hock from being re-elected for fear that it would corrupt the still honest civil servants ([Lee, 2000, pp. 182-183](#)). In November 1958, Chew joined the SPA when it was formed by Lim and remained as the Minister of Education until his resignation in March 1959.

The PAP launched its campaign for the May 1959 general election on 16 February at a pre-election rally at Hong Lim Green during which its chairman Toh Chin Chye alleged that the "income tax investigation into a half-million dollar account at the [First] National City Bank of New York in the name of a minister was quite quickly and properly choked off because this money, being a political gift, was not liable to income tax" ([Morgan, 1959, p. 1](#)). Two days later, Lee gave notice of a motion in the Legislative Assembly in which he named

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Chew as the minister with the bank account and called for a Commission of Inquiry (Morgan, 1959, p. 1). Chew resigned as Minister of Education and from the Legislative Assembly on 4 March.

On 5 March, Lee alleged in the Legislative Assembly that Chew had (1) received S\$300,000 in 1957 for his party to finance the City Council elections; (2) received another S\$500,000 in 1958 for the same political purposes; and (3) paid S\$30,000 for a house at No. 12 Worthing Road in Serangoon Gardens Estate in Singapore (*Straits Times*, 1959, p. 1). A Commission of Inquiry was appointed by Governor William Goode on 2 April 1959 chaired by Justice Murray Buttrose to investigate whether Chew had S\$500,000 in his bank account as alleged and the circumstances which led to the leaking of confidential information from the Income Tax Department. The Commission submitted its report on 25 May 1959 and found that S\$519,083.96 (US\$170,000) was deposited in Chew's bank account on 30 October 1957 and a second deposit of S\$182,509.51 (US\$60,000) was made on 24 April 1958 in the same account. The total sum of S\$701,593.47 (US\$230,000) was a political gift and not subject to income tax (Colony of Singapore, 1959, pp 1-3, 10).

The Commission also found that Chew had used the funds to (1) purchase a house in Ipoh in the name of his wife for S\$51,000; (2) invest S\$250,000 in the Perak Mining Enterprise Ltd in the name of Chong Lian Joo, a trusted SPA member; and (3) invest S\$30,000 in the International Mining Ltd in Ipoh also in Chong's name (Colony of Singapore, 1959, p. 4). The PAP capitalized on the Commission's finding that Chew had used part of the political gift of S\$701,593.47 for his party, the SPA, for his private purposes to demonstrate that the SPA was corrupt and incompetent during its campaign for the general election on 30 May 1959. Ong (1975, p. 65) indicated that the "PAP grabbed every opportunity in the Legislative Assembly, the press and rallies to propagate that the Chew affair 'proved' that the SPA government was incurably corrupt and had sold Singapore to foreigners for a few thousand dollars".

The Chew scandal had exposed the SPA as being "corrupted to the core" and the PAP's ability to present its image as "a clean, sincere, and competent party to the masses" convinced the "fence-sitters to cast their votes for the PAP" (Ong, 1975, pp. 69-70). The publication of the Commission's Report on 25 May, five days before the general election, was disadvantageous for the SPA because it reminded the voters that Chew had misappropriated the foreign funds given to the SPA for his private benefit. Consequently, it was not surprising that the PAP won a landslide victory by capturing 43 of the 51 seats in the Legislative Assembly with 53.4 per cent of the total votes. In contrast, the SPA won only four of the 39 contested seats and 20.4 per cent of the total votes (Ong, 1975, pp. 80-81).

### Singapore's cultural practices and corruption

Singapore was a small fishing village inhabited by 120 Malays and 30 Chinese when Stamford Raffles landed on the island on 28 January 1819. The population grew rapidly from the vast influx of immigrants from other Asian countries and reached 10,683 in January 1824 (Saw, 1991, pp. 219, 221). In June 2021, Singapore had a population of 5,453.6 million persons (Department of Statistics, 2021). The population is multi-racial and 74.3 per cent of the resident population of 3,994,283 in June 2018 are Chinese, 13.4 per cent are Malays, 9 per cent are Indians, and others constitute the remaining 3.2 per cent (Department of Statistics, 2019, p. 13).

Gift-giving is an important social tradition among all the ethnic groups in Singapore. Among the majority Chinese, gift-giving is observed during the Lunar New Year or Spring festival when children receive *ang pous* (small red envelopes containing money) from their grandparents, parents and other married relatives. This practice is also extended during this period to postmen, delivery persons, and garbage collectors, who are given *ang pous* by the

public in appreciation for their services (Quah, 2011, p. 216). Similarly, the Malays and Indians also exchange gifts during the *Eid al Fitri* and *Diwali* festivals, respectively.

The rampant corruption during the Japanese Occupation was manifested in the black market and the population's reliance on *guanxi* or connections to get things done. Since *guanxi* is contextual, the giving of a gift can be considered as an accepted part of the culture of gift-giving, instrumental, or as a bribe, depending on the context. When Lee became Singapore's first prime minister in June 1959, he was showered with gifts from well-wishers who wanted to ensure favourable consideration for their future requests. However, he refused those gifts to set an example for his colleagues, civil servants and all Singaporeans to emulate. During a dialogue session with students from the National University of Singapore Lee Kuan Yew School of Public Policy in November 2006, he referred to corruption in China and said: "You start with gifts, the designer shirt and whatever. So they say, well, 'Let's share. If I give you these services, how much is it worth?' So now it has become systemic." To prevent corruption in Singapore, when a civil servant receives a gift, its value must be assessed and he or she pays for the gift, or the gift is auctioned off (Lee, 2006, p. H3).

Unlike other Asian countries, gift-giving has not contributed to bribery in Singapore because of the strict enforcement of the regulations prohibiting the acceptance of gifts by civil servants and political leaders. Section 2 (a) of the PCA defines corruption explicitly in terms of five forms of gratification, including "money or any gift, loan, fee, reward, commission, valuable security, or other property or interest in property of any description, whether movable or immovable". Section 5 indicates that those found guilty can be fined S\$100,000 and/or imprisoned for five years. Section 23 states that evidence is not admissible in court to show that the gratification received is a customary practice. This section is important because it prevents the culture of corruption from developing by not permitting the custom of gift-giving such as the giving of *ang pous* during the Lunar New Year. Furthermore, *Instruction Manual 2* includes a section on "Staff Conduct and Discipline" which contains regulations forbidding civil servants and their families from receiving gifts or entertainment from members of the public (Quah, 2011, pp. 219-220).

Gesteland (1999, pp. 95-96) observes that countries afflicted by rampant corruption are: (1) relationship-focused and emphasize the importance of personal contacts; (2) strongly hierarchical with wide status differences and lower-ranking officials being reluctant to make decisions; and (3) polychronic, with a relaxed approach toward punctuality, schedules and deadlines. During the Japanese Occupation, Singapore had a relationship-focused culture as many persons relied on the black market and resorted to using *guanxi*, bribery and nepotism for their survival. However, contemporary Singapore does not have a relationship-focused culture because its rapid economic growth, improvement in living standards, emphasis on meritocracy, efficiency in the delivery of public services, and the impartial enforcement of the PCA ensure that its citizens no longer rely on the black market, *guanxi*, bribery and nepotism to get things done.

Singapore's polychronic business culture in the 1960s was transformed into a moderately monochronic business culture 30 years later. Accordingly, visiting business persons are advised not to give gifts to government officials, who are known for their honesty and efficiency, or to be surprised that they would insist on paying for their share for lunch (Gesteland, 1999, pp. 56, 164). Unlike Japan and South Korea, which emphasize seniority and status differences, some aspects of Singaporean society are hierarchical but upward mobility channels are far more open than in many other countries because of the PAP government's emphasis on meritocracy in recruiting and promoting civil servants and its substantial investment in education to enhance upward social mobility by providing scholarships or bursaries to students from low-income backgrounds to improve themselves.

In short, Singapore today does not share the three cultural values exhibited by corrupt countries. Why is corruption no longer a way of life in Singapore today when it was widespread

during the British colonial period, especially during the Japanese Occupation and the notorious BMA? This article contends that Lee Kuan Yew's personal incorruptibility and his unwavering commitment to a zero-tolerance policy toward corruption in Singapore are mainly responsible for making corruption no longer a way of life in Singapore today. Nevertheless, as indicated in the opening paragraph of this paper, Singapore's success in minimising corruption would not have been possible without its impressive economic growth during 1959-2020.

### Lee's zero-tolerance policy toward corruption

Lee explained in his memoirs why he and his colleagues were determined to keep Singapore free from corruption after assuming office in June 1959:

We were sickened by the greed, corruption and decadence of many Asian leaders. . . . We had a deep sense of mission to establish a clean and effective government. When we took the oath of office . . . in June 1959, we all wore white shirts and white slacks to symbolise purity and honesty in our personal behaviour and public life (Lee, 2000, pp. 182-183).

Apart from inheriting a huge budget deficit from the Lim Yew Hock government, the PAP also had to deal with the legacy of corruption left by the Japanese Occupation, the BMA and during the postwar period. Corruption was a way of life then and perceived by many Singaporeans to be a low risk, high reward activity because of the low probability of detecting and punishing corruption offenders. Consequently, the PAP government's challenging mission was to minimise corruption and change the public perception of corruption to a high risk, low reward activity (Quah, 2011, p. 218).

Lee's policy of zero-tolerance toward corruption is reflected in the enactment of the PCA, the allocation of adequate budget and personnel to the CPIB, paying competitive salaries to ministers and senior civil servants to prevent corruption and retaining them in the government, and the punishment of all corruption offenders, regardless of their position, status or political affiliation.

### Prevention of Corruption Act

As the British colonial government's incremental anti-corruption strategy was ineffective in minimising corruption in Singapore, Lee avoided making the same mistakes and implemented a comprehensive anti-corruption strategy instead. The PAP government could not afford to increase the salaries of civil servants because of the budget deficit and poor economic conditions. Accordingly, it began by enacting the PCA in June 1960 to replace the ineffective PCO and strengthen the CPIB.

The PCA has three features which rectified the PCO's weaknesses and gave the CPIB a new lease of life. The British colonial government replaced the ineffective ACB with the CPIB in September 1952 but did not provide it with adequate legal powers, budget and personnel during the CPIB's first eight years. The PCA's first feature is its broader scope, with 32 sections in contrast to the PCO's 12 sections. Second, corruption is explicitly defined in terms of the various forms of gratification in section 2, which also identifies the CPIB and its Director. Third, and most importantly, the PCA gives the CPIB more powers, including powers of arrest without a court warrant and search of arrested persons (section 15), ability to investigate the bank and other accounts of suspects (section 18) and a civil servant's banker's book and those of his wife, child, or agent, if necessary (section 20).

Section 13 (1) empowers the court to impose a financial penalty on the offender equal to the amount of gratification received to deter him from committing other offences. Section 22 enables police and CPIB officers to enter any suspected place and search, seize and detain incriminating documents under a warrant of arrest issued by a magistrate or the CPIB's

Director. Section 24 is the most important asset for CPIB officers in investigating corruption cases because it requires accused persons to account for their “pecuniary resources or property” that are disproportionate to their known sources of income (Quah, 2011, pp. 219-220).

To ensure the PCA’s continued effectiveness, the PAP government has amended it whenever necessary to deal with unanticipated problems or to plug legal loopholes. In 1963, the PCA was amended to include section 35 to give CPIB officers the power to require the attendance of witnesses. The PCA was also amended in 1966 to ensure that, according to section 37, Singapore citizens working for Singapore embassies and government agencies abroad would be prosecuted for corrupt offences committed outside Singapore and would be dealt with as if such offences had occurred within Singapore. In 1989, the PCA was amended again to increase its deterrent effect by increasing the fine for corruption offences by ten times to S\$100,000 (Quah, 2011, pp. 220-221).

### **Enhancing CPIB’s budget and personnel**

The CPIB was a paper tiger during 1952-1959 because the British colonial government did not provide it with sufficient legal powers, budget and personnel. To complement the strengthening of the CPIB’s legal powers by the PCA, the PAP government’s strong political will and capacity is reflected in the growth of the CPIB’s budget and personnel from S\$1,024,470 (US\$474,245) and 61 personnel in 1978 to S\$48,877,500 (US\$35,418,478) and 234 personnel in 2020 (Quah, 2011, p. 223; Republic of Singapore, 2021, p. 357). The CPIB has grown by nearly 11 times from its original small staff of 22 personnel in 1952 to 234 personnel in 2020. Similarly, its budget has increased by almost 48 times from 1978-2020.

In terms of combating corruption, the two indicators of the PAP government’s political will and capacity are: (1) the CPIB’s per capita expenditure, or the CPIB’s annual budget in US\$, divided by the country’s population for the same year; and (2) the CPIB’s staff-population ratio, or the ratio of the country’s population to the number of CPIB personnel for the same year. The strong political will and capacity of the PAP government in curbing corruption is reflected in the CPIB’s high per capita expenditure and favourable staff-population ratio from 2007-2020. Table 1 shows that the CPIB’s per capita expenditure has increased by almost three times from US\$2.11 in 2007 to US\$6.23 in 2020. Similarly, its staff-population ratio has also improved from 1:58,828 to 1:24,298 for the same period.

### **Competitive salaries for the “best and brightest”**

The British colonial government introduced meritocracy to Singapore with the establishment of the Public Service Commission (PSC) in January 1951 to insulate appointments, promotions and discipline in the Singapore Civil Service (SCS) and to accelerate its localisation (Quah, 2010, p. 74). Lee’s concern for meritocracy and the need to attract the “best and brightest” citizens to join the SCS is the result of his experience as the legal adviser for several trade unions in Singapore in the 1950s before entering politics. He easily won his legal cases against the incompetent and poorly paid lawyers of the British colonial government. Hence, he supported the PSC’s role of controlling the quality of persons entering the SCS by “keeping the rascals out” and attracting “the best and brightest” candidates. Furthermore, promotion is not based on seniority but on merit and regardless of the person’s age. The 1994 White Paper on *Competitive Salaries for Competent and Honest Government* recommended faster promotion for promising civil servants and an officer could become a Deputy Secretary at about 32 years and a Permanent Secretary at about 40 years (Quah, 2010, p. 114).

On 28 April 1971, Lee highlighted the critical importance of meritocracy in selecting Singapore’s leaders because “the main burden of present planning and implementation rests



**Table 1.**  
The CPIB's per capita  
expenditure and staff-  
population ratio,  
2007-2020

Year	Per capita expenditure	Staff-population ratio
2007	US\$2.11	1:58,828
2008	US\$2.22	1:56,163
2009	US\$2.32	1:55,418
2010	US\$2.90	1:56,408
2011	US\$3.64	1:42,146
2012	US\$3.82	1:38,493
2013	US\$4.34	1:34,609
2014	US\$5.36	1:26,682
2015	US\$4.55	1:26,108
2016	US\$4.89	1:26,700
2017	US\$5.36	1:25,862
2018	US\$6.07	1:25,399
2019	US\$6.17	1:24,374
2020	US\$6.23	1:24,298

**Source:** Compiled by the author from the data on the CPIB's budget and personnel provided in [Republic of Singapore \(2007-2021\)](#)

on the shoulders of some 300 persons". As Singapore is a meritocracy, these "outstanding men in the civil service, the police, the armed forces, chairmen of statutory boards and their top administrators" have "risen to the top by their own merit, hard work and high performance". To emphasise their critical role, Lee warned that "if all the 300 were to crash in one jumbo jet, then Singapore will disintegrate" (Lee, 1998, p. 315).

The PAP government could not afford to increase the salaries of the civil servants from June 1959 to 1971 because of the budget deficit it inherited from the previous government and unfavourable economic conditions. Salaries were only increased in 1972 with the payment of the 13<sup>th</sup> month salary to reduce the salary gap in the public and private sectors to minimise the outflow of civil servants to the private sector. A 1981 comparison of the employment and earnings of 30,197 graduates in Singapore in 1980 found that graduates in the private sector earned, on average, 42 per cent more than those in the public sector. Figures provided by the PSC confirmed that eight superscale and 67 timescale administrative officers had resigned from the SCS during 1978-1981 for more lucrative jobs in the private sector. Consequently, the salaries of senior civil servants were increased in April 1982 to reduce the salary gap between graduates in the public and private sectors and to minimise their departure for the private sector (Quah, 2010, pp. 104-106).

Apart from competing with the private sector for talent, the second reason for paying senior civil servants and ministers competitive salaries in Singapore is to reduce the incentive for corruption by constantly improving their salaries and working conditions. On 22 March 1985, Lee explained in parliament why the salaries of cabinet ministers had to be increased. He contended that political leaders should be paid the top salaries that they deserved in order to ensure a clean and honest government. If they were underpaid, they would succumb to temptation and indulge in corrupt behaviour. Lee began his speech by asking this question: "How is Singapore to preserve its most precious assets?" His frank answer to this question deserves to be quoted at length:

An administration that is completely corruption-free. A political leadership that can be subject to the closest scrutiny because it sets the highest standards. It is not easy, because if we lose this, then our reason for our existence, our *raison d'être* . . . will disappear. Why does this island survive? Why does it attract banks, computer software, financial services, information services, manufacturing, in preference to so many countries better endowed with natural resources, manpower, and markets?

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Any traveller knows that, because from the moment you hit the airport to the time you get into the taxi, you travel on the road, you know the difference, whether a place works on rules or it bends the rules. . . . How do you ensure that a fortuitous, purely accidental group of men who came in 1959 and after 26 years in office . . . have remained stainless? . . . Every member knows that there is no easy money on the take. That's the way we are. Nobody believes that we spent money to get into this House. . . . I'm one of the best paid and probably one of the poorest of the Third World prime ministers. . . . There are ways and ways of doing things. And I'm suggesting that our way, moving with the market, is an honest, open, defensible and workable system. You abandon this for hypocrisy, you'll end up with duplicity and corruption. Take your choice (Lee, 1985, pp. 1, 14-15).

### **Punishment of corruption offenders**

The final component of Lee's zero-tolerance policy toward corruption is the punishment of those persons found guilty of corruption offences, regardless of their position, status or political affiliation. In 1979, Lee identified six lessons, including the important lesson of staying clean and dismissing the venal, after serving 20 years in government (Lee, 1979, p. 38). The CPIB has enforced the PCA impartially and investigated five PAP leaders for corruption offences from 1966 to 2016. The most senior PAP leader was Teh Cheang Wan, the Minister for National Development, who was investigated by the CPIB in November 1986 for accepting bribes of S\$1 million from two property developers. The CPIB completed its investigations on 10 December 1986 but then he committed suicide on 14 December before he could be charged in court (Quah, 2020, p. 89).

The other notable case was Phey Yew Kok, a prominent trade unionist and PAP member of parliament for Boon Teck constituency. He was accused in May 1979 of a criminal breach of trust involving S\$101,000. He jumped bail in January 1980 and escaped to Thailand and remained a fugitive until his surrender at the Singapore Embassy in Bangkok in June 2015. Even though Phey was 81 years old, he was sentenced to five years' imprisonment in January 2016 (Seow, 2016, p. A1). He was released in October 2018 after spending a year in home detention. Phey's conviction and imprisonment after being a fugitive abroad for 35 years reflect the consistency and strength of Singapore's zero-tolerance policy toward corruption.

The CPIB and the Commercial Affairs Department (CAD) investigated nine senior civil servants in Singapore for corruption offences from 1991 to 2020. In 1995, Choy Hon Tim, deputy chief executive (operations) of the Public Utilities Board, was accused of accepting bribes of S\$13.85 million from contractors. He was found guilty and sentenced to 14 years' imprisonment and ordered to return the S\$13.85 million. The other important case was the conviction of Edwin Yeo, the CPIB's assistant director, who was found guilty of misappropriating S\$1.76 million during 2008-2012, and sentenced to 10 years' jail in February 2014. To prevent a conflict of interest, the CAD investigated Yeo's offences in July 2013 and his conviction in February 2014 shows that there was no cover-up of Yeo's scandal and that anyone found guilty is punished according to the law, regardless of his or her position, status or political affiliation (Quah, 2020, pp. 93, 97).

In 1996, Singapore was ranked first among 12 Asian countries in the Political and Economic Risk Consultancy (PERC) corruption survey. PERC attributed Singapore's achievement to these factors:

All countries have laws aimed at fighting corruption, but very few governments apply such laws as strictly and consistently as Singapore. Several factors account for the ability of the Singapore government to run a corruption-free administration and ensure high standards of probity in the private sector. The first, and possibly the most important has been the determination of the political leadership to make it so. Whatever else the critics might say about the PAP leadership, few seriously doubt the integrity of personalities such as Lee Kuan Yew and . . . Goh [Keng Swee]. Corrupt officials, particularly high-ranking ones, are dealt with in Singapore with a severity rarely seen elsewhere (*Straits Times*, 1996, p. 3).

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In sum, unlike the political leaders in some Asian countries, Lee has not used the CPIB as a weapon against his political opponents. The CPIB after 1960 is no longer a paper tiger because of its legal powers and adequate resources allocated to it during the past 62 years. Rather, the CPIB acts instead as an independent watchdog that enforces the PCA impartially, without fear or favour, or political interference.

## Conclusion

Political leaders play an important role in combating corruption as “the principal people who can change a culture of corruption if they wish to do so are politicians” because “they make the laws and allocate the funds that enable the laws to be enforced” (Senior, 2006, pp. 184-185). In Singapore’s case, Lee Kuan Yew played a critical role in minimising corruption by learning from the mistakes of the British colonial government. His policy of zero-tolerance toward corruption was implemented with the enactment of the PCA in June 1960 to enhance the CPIB’s legal powers, which was supplemented by the allocation of adequate budget and personnel to enable it to combat corruption effectively. Competitive salaries were paid to senior civil servants and ministers after 1972 to prevent them from joining the private sector and to reduce their incentive to be corrupt. Those persons found guilty of corruption offences are punished according to the law, without regard for their position, status or political affiliation, to serve as a deterrent.

Huntington (2000, p. xvi) attributed Singapore’s status as one of the least corrupt countries in the world to Lee Kuan Yew, “who was determined to make Singapore as uncorrupt as possible and succeeded”. However, he was doubtful “how uncorrupt Singapore will remain after Lee Kuan Yew is no longer there”. Lee died from pneumonia at the age of 91 on 23 March 2015. Two years before his death, Lee (2013, p. 300) observed that his “greatest satisfaction in life” was that he had spent years “gathering support, mustering the will to make this place meritocratic, corruption-free and equal for all races – and that it will endure beyond me, as it has”. Indeed, Singapore remains “the one corruption-free spot in a region where corruption is endemic”.

Fortunately, Huntington’s fears about the continued effectiveness of Lee’s corruption-free policy after his death are unfounded because Singapore has remained the least corrupt Asian country on the CPI from 2016-2021. Lee’s remarkable record in transforming Singapore from a Third World to a First World nation by 2000 through his pragmatic but incorrupt leadership has to be acknowledged. Lee appears to be the exception to Brown’s (2014, p. 362) argument that strong leaders who dominate their colleagues and the policy-making process are not the most successful and admirable. After Lee’s death in March 2015, many leaders in Singapore and abroad recognised his “unwavering dedication” to Singapore. Heng Swee Keat (2015, p. 42), Lee’s principal private secretary from 1997-2000, revealed that Lee “eats, lives and breathes Singapore” and “spends every waking moment thinking about how Singapore can continue to be successful”. Unlike Brown, Bueno de Mesquita and Smith (2011, p. 158) have recognised the contributions of Lee and China’s Deng Xiaoping as the world’s “two greatest icons” among authoritarian leaders who were incorrupt and eschewed a lavish lifestyle.

During the CPIB’s 60<sup>th</sup> anniversary celebrations in September 2012, Prime Minister Lee Hsien Loong reaffirmed his government’s commitment to a zero-tolerance policy for corruption as “incorruptibility has become ingrained in the Singaporean psyche and culture”. Furthermore, “political leaders must continue to set high standards of honesty and integrity” and Singaporeans must continue to reject corruption because “this reflects the society we want to live in, and the values we hold ourselves to” (Lee, 2012, p. A23).

In the final analysis, Singapore succeeded in minimising corruption mainly through Lee Kuan Yew’s herculean efforts in transforming corruption as a way of life to corruption as a fact

of life by making corruption a high-risk, low reward activity by punishing impartially those found guilty of corruption offences, regardless of their position, status, or political affiliation. Whether other Asian countries can emulate successfully Singapore's effective anti-corruption recipe would depend mainly on whether their political leaders have the strong political will and capacity to implement the necessary reforms to address the causes of corruption.

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