Why Singapore works: five secrets of Singapore’s success

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Abstract

Purpose – The purpose of this paper is to explain why Singapore is a success story today despite the fact that its prospects for survival were dim when it became independent in August 1965.

Design/methodology/approach – This paper describes the changes in Singapore’s policy context from 1959 to 2016, analyses the five factors responsible for its success and concludes with advice for policy makers interested in implementing Singapore-style reforms to solve similar problems in their countries.

Findings – Singapore’s success can be attributed to these five factors: the pragmatic leadership of the late Lee Kuan Yew and his successors; an effective public bureaucracy; effective control of corruption; reliance on the “best and brightest” citizens through investment in education and competitive compensation; and learning from other countries.

Originality/value – This paper will be useful to those scholars and policy makers interested in learning from Singapore’s success in solving its problems.

Keywords Singapore, Corruption, Education, Policy diffusion, Lee Kuan Yew, Pragmatic leadership, Effective public bureaucracy, Competitive compensation

Paper type Research paper

Explaining Singapore’s success

Singapore is the smallest of […] Asia’s four “Little Dragons” […] but in many ways it is the most successful. Singapore is Asia’s dream country. […] Singapore’s success says a great deal about how a country with virtually no natural resources can create economic advantages with influence far beyond its region. […] But it certainly is an example of an extraordinarily successful small country in a big world (Naisbitt, 1994, pp. 252, 254).

When Singapore was founded by Stamford Raffles in January 1819, it was a small fishing village inhabited by a thousand Malay fishermen and a few Chinese farmers (Turnbull, 1977, p. 5). Its transformation from a small fishing village in the early nineteenth century to a modern and prosperous city-state today is an incredible story of from rags to riches. Singapore’s gross domestic product (GDP) per capita has increased by 56 times from $1,310 (US$428) in 1960 to $73,167 (US$52,962) in 2016 (Department of Statistics, 2017, p. 66; 2018). When Singapore was forced to leave the Federation of Malaysia and became independent in August 1965, Prime Minister Lee Kuan Yew was concerned about Singapore’s survival. In his memoirs, Lee (2000) wrote:

We had been asked to leave Malaysia and go our own way with no signposts to our next destination. We faced tremendous odds with an improbable chance of survival. […] On that 9th day of August 1965, I started out with great trepidation on a journey along an unmarked road to an unknown destination (pp. 19, 25).

Fortunately for Singaporeans, Lee’s fears were unfounded as Singapore has not only survived but has been transformed from a Third World country to a First World country.
during the past 53 years. The tremendous changes in Singapore’s policy context from 1959 to 2016 are shown in Table I. First, Singapore’s land area has increased by 137.7 km² from 581.5 km² in 1959 to 719.2 km² in 2016 as a result of land reclamation efforts. Second, as a consequence of its liberal immigration policy, Singapore’s population has increased by 3.6 times from 1.58 to 5.61m during the same period. Third, the most phenomenal manifestation of Singapore’s transformation from a poor Third World country to an affluent First World nation during 1960–2016 is that its GDP per capita has increased by 56 times from S$1,310 to S$73,167. Fourth, Singapore’s official foreign reserves have grown by 310 times from S$1,151m in 1963 to S$356,253.9m in 2016.

The lives of Singaporeans have also improved as reflected in the drastic decline in the unemployment rate from 14 per cent to 2.1 per cent during 1959–2016. Furthermore, the proportion of the population living in public housing has also increased from 9 per cent in 1960 to 82 per cent in 2016. Government expenditure on education has also risen by 200 times from S$63.39m in 1959 to S$12,660m in 2016. The heavy investment by the People’s Action Party (PAP) government on education during the past 57 years has reaped dividends as reflected in Singapore’s top ranking among 76 countries on the Organisation for Economic Cooperation and Development’s study on the provision of comprehensive education (Teng, 2015, p. A1). Finally, as a result of the effectiveness of the Corrupt Practices Investigation Bureau (CPIB) in enforcing the Prevention of Corruption Act (POCA) impartially, corruption has been minimised in Singapore, which is the least corrupt Asian country according to Transparency International’s Corruption Perceptions Index (CPI) in 2016 and 2017.

The following five sections in this paper will be devoted to analysing the secrets of Singapore’s success, beginning with the important legacy of Lee Kuan Yew’s pragmatic leadership. The concluding section advises policy makers in other countries on the relevance and applicability of Singapore’s secrets of success to the solution of their problems.

### Pragmatic leadership: Lee Kuan Yew’s legacy

Prime Minister Goh Chok Tong revealed the secret of Singapore’s success in his address to PAP cadres on 15 November 1992:

> During the recent Non-Aligned Meeting in Jakarta, the Nepalese Prime Minister asked me for the secret of Singapore’s success. I smiled and replied, “Lee Kuan Yew.” I went on to explain that I meant it as a short form to encapsulate the principles, values and determination with which he governed and built Singapore (Goh, 1992, p. 15).

<table>
<thead>
<tr>
<th>Indicator</th>
<th>1959</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land area (km²)</td>
<td>581.5</td>
<td>719.2</td>
<td>+137.7 (×1.2)</td>
</tr>
<tr>
<td>Population (in millions)</td>
<td>1.58</td>
<td>5.61</td>
<td>+4.03 (×3.6)</td>
</tr>
<tr>
<td>GDP per capita (US$)</td>
<td>428</td>
<td>526</td>
<td>+198 (×2.6)</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>14</td>
<td>2.1</td>
<td>−11.9</td>
</tr>
<tr>
<td>Official foreign reserves (in millions)</td>
<td>1151</td>
<td>356,253.9</td>
<td>+355,102.9 (×310)</td>
</tr>
<tr>
<td>Government expenditure on education (in millions)</td>
<td>63.39</td>
<td>12,660</td>
<td>+12,596.6 (×200)</td>
</tr>
<tr>
<td>Population living in public housing (%)</td>
<td>9</td>
<td>82</td>
<td>+73 (×9.1)</td>
</tr>
<tr>
<td>Extent of corruption</td>
<td>High</td>
<td>Low</td>
<td>Minimised</td>
</tr>
</tbody>
</table>

**Table I.** Changes in Singapore’s policy context, 1959–2016

**Notes:** a1960 figure; b1963 figure; cSingapore was ranked seventh among 176 countries on the CPI in 2016 with a score of 84 (Transparency International, 2017)

**Sources:** Department of Statistics (1983, pp. 4, 7, 118, 172, 248; 2017, pp. 11, 45, 66, 144, 217, 296; 2018); Chan (2002, p. 15)
In the same speech, Goh (1992, p. 15) concluded that meritocracy was the key to Singapore’s success because the “practice of meritocracy in the civil service, in politics, in business and in schools” enabled Singaporeans “to achieve excellence and to compete against others”.

In his memoirs, Lee Kuan Yew (2000, pp. 735-736) emphasised the importance of good leadership when he wrote:

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. [...] The single decisive factor that made for Singapore’s development was the ability of its ministers and the high quality of the civil servants who supported them.

Indeed, leaders matter because of their role in “stretching” the constraints of “geography and natural resources, institutional legacies and international location” (Samuels, 2003, pp. 1-2). Applying Richard Samuels’ concept of political leadership, Lee and his colleagues have succeeded in stretching those constraints facing them and transformed Singapore to First World status by 2000, 41 years after assuming office in June 1959.

In addition to his belief in the importance of having good leaders, Lee was also a pragmatic leader. In November 1993, Lee advised visiting African leaders to adopt a pragmatic approach in formulating economic policy rather than a dogmatic stance. Instead of following the then-politically correct approach of being anti-American and anti-multinational corporations (MNCs) in the 1960s and 1970s, Lee and Singapore went against the grain and “assiduously courted MNCs” because “they had the technology, know-how, techniques, expertise and the markets” and “it was a fast way of learning on the job working for them and with them”. This strategy of relying on the MNCs paid off as “they have been a powerful factor in Singapore’s growth”. Lee (1994, p. 13) concluded that Singapore succeeded because it “rejected conventional wisdom when it did not accord with rational analysis and its own experience”.

After assuming office in June 1959, the PAP government decided on a strategy of industrialisation to deal with Singapore’s declining entrepôt trade, high unemployment and absence of natural resources. Accordingly, it invited a United Nations mission led by a Dutch economist, Albert Winsemius, to formulate an industrialisation programme for Singapore. The Winsemius team recommended a crash programme to reduce unemployment and a ten-year programme to attract foreign investment to Singapore with appropriate incentives (Quah, 1998, p. 106). Winsemius advised Lee that the two preconditions for Singapore’s success in industrialisation were:

Number one is: get rid of the Communists; how you get rid of them does not interest me as an economist, but get them out of the government, get them out of the unions, get them off the streets. How you do it, is your job. Number two is: let [the statue of Stamford] Raffles [who founded Singapore] stand where he stands today; say publicly that you accept the heavy ties with the West because you will very much need them in your economic programme (quoted in Drysdale, 1984, p. 252).

As a rational and pragmatic leader, Lee took Winsemius’ advice seriously, neutralised the communist threat and attracted many MNCs from the USA, Europe and Japan to Singapore. After Winsemius’ death in December 1996, Lee acknowledged Singapore’s debt as he had learnt from Winsemius a great deal about the operations of European and American companies and how he and his colleagues could attract them to invest in Singapore (Lee, 1996, p. 32). Singapore succeeded in developing its economy because Lee implemented the sound economic policies recommended by Winsemius.

In 1998, Lee described himself as “pragmatic” because he was “prepared to look at the problem and say, all right, what is the best way to solve it that will produce the maximum happiness and well-being for the maximum number of people” (quoted in Han et al., 1998, p. 130).
In his July 2009 interview with American journalist, Tom Plate, Lee elaborated on his pragmatic approach to solving problems:

I do not work on a theory. Instead I ask: what will make this work? If, after a series of such solutions, I find that a certain approach worked, then I try to find out what was the principle behind the solution. [...] What is my guiding principle? Presented with the difficulty or major problem or an assessment of conflicting facts, I review what alternatives I have if my proposed solution doesn’t work. I choose a solution which offers a higher probability of success, but if it fails, I have some other way. Never a dead end (quoted in Plate, 2010, pp. 46-47).

In short, Singapore has adopted a pragmatic approach to policy formulation which entails “a willingness to introduce new policies or modify existing ones as circumstances dictate, regardless of ideological principle” (Jones, 2016, p. 316).

A good piano playing good music: an effective public bureaucracy

Sir Kenneth Stowe, a former Permanent Secretary of the UK’s Department of Health and Social Security (1981–1987), has described “the efficient and well-tuned public service” as a “good piano” which should not “play bad music” by not “serving ends which are wrong by ministerial design or incompetence” (Stowe, 1996, pp. 89-90). The second secret of Singapore’s success is that it has an effective public bureaucracy that plays good music, to use Stowe’s analogy. The public bureaucracy in Singapore consists of 16 ministries and 64 statutory boards (Republic of Singapore, 2018) and has grown from 127,279 to 144,980 employees during 2010–2016, as shown in Table II.

The World Bank defines “government effectiveness” as “the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government’s commitment to policies” (Kaufmann et al., 2004, p. 3). Table III shows that Singapore has performed well consistently on the World Bank’s governance indicator of government effectiveness as its score ranges from 1.85 in 2002 to 2.43 in 2008. It has attained 100 percentile ranking for these ten years: 1996, 1998, 2000, 2007, 2008, 2009, 2010, 2014, 2015 and 2016.

Thus, it is not surprising that Singapore is ranked first for government effectiveness in 2016 as shown in Table IV. A comparative analysis of the role of the public bureaucracy in policy implementation in five ASEAN countries has confirmed that Singapore is the most effective because of its favourable policy context and its effective public bureaucracy. The emphasis on meritocracy and training in Singapore’s public bureaucracy has resulted in a high level of competence of the personnel in implementing policies (Jones, 2016, p. 319). Conversely, Indonesia is the least effective because of its unfavourable policy context and its ineffective public bureaucracy. Malaysia, Vietnam and the Philippines occupy intermediate positions between Singapore and Indonesia and are ranked second, third and fourth, respectively, depending on the nature of their policy contexts and the levels of effectiveness of their public bureaucracies (Quah, 2016a, p. 72).

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees in ministries</th>
<th>Employees in statutory boards</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>75,836 (59.6%)</td>
<td>51,443 (40.4%)</td>
<td>127,279</td>
</tr>
<tr>
<td>2011</td>
<td>77,540 (59.1%)</td>
<td>53,688 (40.9%)</td>
<td>131,228</td>
</tr>
<tr>
<td>2012</td>
<td>80,210 (59.0%)</td>
<td>55,817 (41.0%)</td>
<td>136,027</td>
</tr>
<tr>
<td>2013</td>
<td>81,508 (58.8%)</td>
<td>57,212 (41.2%)</td>
<td>138,720</td>
</tr>
<tr>
<td>2014</td>
<td>82,291 (58.4%)</td>
<td>58,574 (41.6%)</td>
<td>140,865</td>
</tr>
<tr>
<td>2015</td>
<td>83,713 (58.5%)</td>
<td>59,470 (41.5%)</td>
<td>143,183</td>
</tr>
<tr>
<td>2016</td>
<td>84,393 (58.2%)</td>
<td>60,587 (41.8%)</td>
<td>144,980</td>
</tr>
</tbody>
</table>

Table II. Growth of Singapore’s public bureaucracy, 2010–2016

Source: Department of Statistics (2017, p. 51)
Corruption was a serious problem in Singapore during the British colonial period because of the government’s lack of political will and the ineffective Anti-Corruption Branch (ACB), which had only 17 personnel to deal with both corruption and non-corruption-related activities.
functions and was handicapped in tackling police corruption because it was located within the Criminal Investigation Department of the Singapore Police Force (SPF) (Quah, 2007, pp. 14-15). The problem of corruption deteriorated during the Japanese Occupation (February 1942 to August 1945) as civil servants could not survive on their low wages because of the high inflation rate and the scarcity of food and other commodities forced many people to trade in the black market. The Japanese Occupation’s worst legacy was “the corruption of public and private integrity: flourishing gambling dens and brothels, both legalised by the Japanese, the resurgence of opium smoking, universal profiteering and bribery” (Turnbull, 1977, p. 225).

As conditions did not improve during the post-war period, corruption was rampant among civil servants because their low salaries, high inflation and inadequate supervision by their superiors provided them with ample opportunities for corruption with a low probability of being caught (Quah, 1982, pp. 161-162). The PAP leaders’ exposure of the acceptance of S$701,593.47 by the Minister for Education, Chew Swee Kee, from foreign donors during their campaign for the 30 May 1959 general election enabled them to capture 43 of the 51 seats and obtain 53.4 per cent of the votes cast (Quah, 2015b, p. 380). After assuming office in June 1959, Lee Kuan Yew explained in his memoirs why he and his colleagues were determined to keep Singapore free from corruption:

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 our public life. […] We made sure from the day we took office in June 1959 that every dollar in revenue would be properly accounted for and would reach the beneficiaries at the grass roots as one dollar, without being siphoned off along the way. So from the very beginning we gave special attention to the areas where discretionary powers had been exploited for personal gain and sharpened the instruments that could prevent, detect or deter such practices (Lee, 2000, pp. 182-184).

As corruption was endemic in Singapore when the PAP leaders assumed office, they learned from the mistakes made by the British colonial government in curbing corruption and showed their political will by enacting the POCA on 17 June 1960 to replace the ineffective Prevention of Corruption Ordinance (POCO) and to strengthen the CPIB by providing it with more legal powers, personnel and funding. The British colonial government’s most serious error was to make the ACB, which was part of the SPF, responsible for corruption control with the enactment of the POCO in December 1937 even though the 1879 and 1886 Commissions of Inquiry had confirmed the prevalence of police corruption in Singapore (Quah, 2007, pp. 9, 14, 16). The British authorities failed to observe the “golden rule” that “the police cannot and should not be responsible for investigating their deviance and crimes” (Punch, 2009, p. 245).

The folly of making the ACB responsible for curbing corruption was only realised by the British colonial government in October 1951 when three police detectives and some senior police officers were implicated in the Opium Hijacking scandal involving the robbery of 1,800 pounds of opium worth S$400,000 (US$133,333) (Tan, 1999, p. 59). It corrected the first mistake by replacing the ACB with the CPIB in September 1952 as a Type A anti-corruption agency (ACA) dedicated to combating corruption. However, it made a second mistake by not providing the CPIB with adequate legal powers, budget and personnel to perform its functions effectively. The POCO did not provide CPIB officers with adequate enforcement powers and the CPIB was ineffective because its reliance on 13 seconded personnel from the SPF hindered the investigation of police officers accused of corruption offences (Quah, 2017, p. 266).

Unlike the British colonial government’s weak political will in combating corruption, the PAP leaders realised from the outset the critical importance of political will by enhancing
the CPIB’s legal powers and providing it with the required personnel and budget to perform its functions effectively. The substantial growth in the CPIB’s budget and personnel from 2010 to 2015 is shown in Table V and reflected in the increase of its per capita expenditure from US$2.88 in 2010 to US$4.55 in 2015. The CPIB’s staff-population ratio has also improved from 1:56,408 to 1:26,109 during the same period.

Apart from its adequate legal powers, budget and personnel, the CPIB is an effective Type A ACA for four reasons. First, even though the CPIB comes under the jurisdiction of the Prime Minister’s Office, it has operational autonomy because the prime minister and other political leaders do not interfere in its daily operations and its director reports to the secretary of the cabinet. Furthermore, the CPIB’s director can obtain the elected president’s consent to investigate allegations of corruption against ministers, members of parliament and senior civil servants if the prime minister withholds his consent (Quah, 2007, pp. 40-41).

Second, the CPIB adopts a “total approach to enforcement” and deals with both major and minor cases of public and private sector corruption, regardless of the amount, rank or status of the persons under investigation. The same processes and procedures apply to everyone being investigated, including ministers and chief executive officers of major companies. Both bribe-givers and bribe-takers are equally culpable according to the POCA (Soh, 2008, pp. 1-2).

Third, the CPIB’s effectiveness is also the result of its efforts to enhance the capabilities of its officers by sending them for training programmes on management and professional topics in Singapore and other countries. In July 2004, the CPIB created a Computer Forensics Unit to improve the investigative and evidence-gathering skills of its officers by providing them with the knowledge of forensic accounting to enable them to trace ill-gotten assets and retrieve incriminating evidence from seized computers and mobile telephones. The CPIB has also conducted joint operations with the Commercial Affairs Department and the Immigration and Checkpoints Authority to develop networks and partnerships with other public agencies in Singapore (Soh, 2008, pp. 3-4).

Finally, the most important reason for the CPIB’s success is its impartial enforcement of the POCA as anyone found guilty of a corruption offence is punished regardless of his or her position, status or political affiliation. The CPIB has investigated five PAP leaders and eight senior civil servants in Singapore without fear or favour from 1966 to 2014. In November 1986, the Minister for National Development, Teh Cheang Wan, was accused of accepting S$1m in bribes from two property developers. He was investigated and interrogated by CPIB officers but he committed suicide one month later before he could be charged in court. In July 2013, Edwin Yeo, the CPIB’s Assistant Director, was charged with misappropriating US$1.41m from 2008 to 2012. He was found guilty of criminal breach of trust and forgery and sentenced to ten years imprisonment on 20 February 2014 (Quah, 2015a, pp. 77, 80-81).

The CPIB’s effectiveness is confirmed by its 100 per cent conviction rate and the CPIB Public Perceptions Survey’s finding that 89 per cent of the 1,011 respondents had rated Singapore positively on its anti-corruption efforts in 2016 (CPIB, 2017, pp. 7, 9).

<table>
<thead>
<tr>
<th>CPIB</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>90</td>
<td>123</td>
<td>138</td>
<td>156</td>
<td>205</td>
<td>212</td>
</tr>
<tr>
<td>Singapore population</td>
<td>5,076,732</td>
<td>5,183,688</td>
<td>5,312,437</td>
<td>5,399,162</td>
<td>5,499,724</td>
<td>5,535,002</td>
</tr>
<tr>
<td>Staff-population ratio</td>
<td>1:56,408</td>
<td>1:42,144</td>
<td>1:38,496</td>
<td>1:34,610</td>
<td>1:26,682</td>
<td>1:26,109</td>
</tr>
</tbody>
</table>

**Sources:** Compiled and calculated by the author from the CPIB’s budget and personnel in Republic of Singapore (2010/2017) and Singapore’s population in Department of Statistics (2017, p. 11)
Its effectiveness is also reflected in Singapore’s sixth ranking among 180 countries with a score of 84 on the CPI in 2017 (Transparency International, 2018) and its consistently good performance on the other five indicators of the perceived extent of corruption in Table VI. The sixth indicator, “Public Trust in Politicians”, is included as an indirect indicator because “corruption influences the level of trust” and citizens living in those countries where corruption is widespread would have low trust in their politicians (Rose-Ackerman and Palifka, 2016, p. 259).

Nurturing the “best and brightest”: education and competitive compensation

If we underpay men of quality as ministers, we cannot expect them to stay long in office earning a fraction of what they could outside. [...] Underpaid ministers and public officials have ruined many governments in Asia (Lee, 2000, p. 193).

Education is the key to the long-term future of the population in Singapore which has no natural resources. Former Prime Minister Goh Chok Tong observed in March 1997 that Singapore was “blessed” by its lack of natural resources because it was forced to develop its only resource: its people (Chua, 1997, p. 1). In other words, Singapore has compensated for its absence of natural resources by investing heavily in education to enhance the skills of its population and to attract the “best and brightest” Singaporeans to join and remain in the public bureaucracy and government by its policies of meritocracy and paying these citizens competitive salaries.

The PAP government views education as “a national investment” and has increased government expenditure on education by about 200 times from S$63.39m in 1959 to S$12,660m in 2016. Consequently, the enrolment in all educational institutions in Singapore has grown from 352,952 students in 1960 to 651,655 students in 2016, and the literacy rate has also improved from 72.2 per cent in 1970 to 97.0 per cent in 2016 (Department of Statistics, 1983, pp. 231, 248, 249; 2017, pp. 281, 296, 299). Singapore’s intensive investment in education and training during the past 57 years has certainly enhanced the quality of its population as reflected in the excellent performance of its students in many international assessments.

In 1997, the Third International Mathematics and Science Study (TIMSS), which compared the scores of 13-year-olds in mathematics and science tests in 41 countries, ranked Singapore first in both subjects with scores of 643 and 607, respectively, which were significantly higher than the international average score of 500 (Economist, 1997, p. 21). In 2015, Singapore students not only retained their top position in both subjects in the TIMSS assessment but also topped the Program for International Student Assessment of 65 countries in mathematics, reading and science literacy skills, and, as mentioned earlier, the OECD’s global school rankings in 76 countries (Goodwin et al., 2017, pp. 1-2).

Singapore was a poor country when the PAP government assumed office in June 1959 and inherited a huge budget deficit because the previous Labour Front government had spent S$200m. Accordingly, it removed the cost of living allowance for 6,000 middle and

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Singapore’s performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corruption Perceptions Index</td>
<td>6th/180 (84/100)</td>
</tr>
<tr>
<td>Diversion of Public Funds</td>
<td>4th/137 (6.2/7)</td>
</tr>
<tr>
<td>Irregular Payments and Bribes</td>
<td>3rd/137 (6.7/7)</td>
</tr>
<tr>
<td>Organised Crime</td>
<td>5th/137 (6.4)</td>
</tr>
<tr>
<td>Ethical Behaviour of Firms</td>
<td>3rd/137 (6.2)</td>
</tr>
<tr>
<td>Public Trust in Politicians</td>
<td>1st/137 (6.4)</td>
</tr>
</tbody>
</table>

Sources: Transparency International (2018, p. 2) and Schwab (2017, p. 263)
senior civil servants and saved S$10m. In 1968, the Harvey Report on public sector salaries recommended salary increases for senior civil servants in the Superscale Grades C to G. The government did not accept this recommendation because it could not afford a major salary revision and the private sector was not viewed as a serious competitor for talented personnel (Quah, 2015b, p. 383).

However, the improvement in Singapore’s economy in the 1970s resulted in higher private sector salaries, which led to an exodus of talented senior civil servants to more lucrative jobs in the private sector. In February 1972, the National Wages Council was established to advise the government on wage polices and, one month later, it recommended that all public sector employees be paid a 13th-month non-pensionable allowance comparable to the bonus in the private sector. The salaries of senior civil servants were increased substantially in 1973 and 1979 to reduce the gap with the private sector. A 1981 survey of 30,197 graduates in Singapore conducted by the Internal Revenue Department found that graduates in the private sector jobs earned, on the average, 42 per cent more than their counterparts working in the public sector. Consequently, it was not surprising that eight superscale and 67 timescale administrative officers had resigned from the civil service for better-paid private sector jobs. The government responded by revising the salaries of senior civil servants in 1982, 1988, 1989 and 1994 to reduce the gap with private sector salaries and to minimise their outflow to the private sector (Quah, 2010, pp. 104-110).

On 17 March 1989, Lee Hsien Loong, the Minister for Trade and Industry, recommended a hefty salary increase for senior civil servants because the low salaries and slow promotion in the Administrative Service had contributed to its low recruitment and high resignation rates. He stressed that as the government’s fundamental philosophy was to “pay civil servants market rates for their abilities and responsibilities”, it “will offer whatever salaries are necessary to attract and retain the talent that it needs”. He concluded his speech in Parliament by reiterating that “paying civil servants adequate salaries is absolutely essential to maintain the quality of public administration” in Singapore (Quah, 2010, pp. 107-108).

To justify the government’s practice of matching public sector salaries with private sector salaries, a White Paper on “Competitive Salaries for Competent and Honest Government” was presented to Parliament on 21 October 1994 to justify the pegging of the salaries of ministers and senior civil servants to the average salaries of the top four earners in the six private sector professions of accounting, banking, engineering, law, local manufacturing companies and MNCs. The adoption of the long-term formula suggested in the White Paper removed the need to justify the salaries of ministers and senior civil servants “from scratch with each salary revision”, and also ensured the building of “an efficient public service and a competent and honest political leadership, which have been vital for Singapore’s prosperity and success” (Republic of Singapore, 1994, pp. 7-12, 18).

In December 2007, the Public Service Division (PSD) announced that the salaries of ministers and senior civil servants would be increased from 4 to 21 per cent from January 2008. On 24 November 2008, the PSD indicated that their salaries would be decreased by 19 per cent in 2009 because of the economic recession. Consequently, the president’s annual salary was reduced from S$3.87m to S$3.14m and the prime minister’s annual salary was also reduced from S$3.76m to S$3.04m from 2008 to 2009 (Quah, 2010, p. 116). However, the economy recovered in 2010 and the salaries of ministers and senior civil servants were revised upwards. Even though the PAP won 81 of the 87 parliamentary seats in the May 2011 general election, the percentage of votes captured declined to 60.1 from 66.6 per cent in the May 2006 general election.

As the high salaries of political appointments were a controversial issue during the campaign for the 7 May 2011 general election, Prime Minister Lee Hsien Loong
appointed on 21 May a committee to “review the basis and level of salaries for the President, Prime Minister, political appointment holders and MPs [Members of Parliament] to ensure that the salary framework will remain relevant for the future”. The Committee submitted its report to Prime Minister Lee on 30 December 2011 and the government accepted all its recommendations and implemented the revised salaries from 21 May 2011 (Republic of Singapore, 2012, pp. i-ii). Table VII shows the substantial reduction in the annual salaries of key political appointments from 2010 to 2011, ranging from S$1,627,000 for the president to S$103,700 for the minister of state.

In December 2017, an independent committee formed by the PAP government a few months earlier to review ministerial salaries recommended wage increases for key political appointments as their salaries had not risen since 2011 to keep pace with salary increases in Singapore’s private sector. For example, as the annual salary of an entry-level minister (MR4) is benchmarked to 60 per cent of the median income of the top 1,000 earners in Singapore, the committee recommended increasing his annual salary from S$1.1m to S$1.2m. During the debate on the 2018 budget for ministries on 1 March 2018, Deputy Prime Minister Teo Chee Hean did not accept the committee’s recommendations and explained that the government would not be increasing ministerial salaries because the committee had confirmed that the current salary structure was still relevant and sound (Seow, 2018, p. A4). As the salaries of Singapore’s ministers and senior civil servants are already the highest in the world, any further salary increase would be unpopular among Singaporeans and politically costly for the PAP government.

Edgar Schein (1996, pp. 221-222) attributed Singapore’s success to its incorruptible and competent civil service as “having the best and brightest” citizens in government is probably one of Singapore’s major strengths in that they are potentially the most able to invent what the country needs to survive and grow”. Indeed, the PAP government’s policy of paying competitive salaries to attract the “best and brightest” Singaporeans to join the public bureaucracy has been successful as reflected in Singapore’s consistently high scores and percentile rankings on the World Bank’s governance indicator on government effectiveness as shown in Table III.

**Learning from other countries: the importance of policy diffusion**

The object of looking abroad is not to copy but to learn under what circumstances and to what extent programmes effective elsewhere may also work here. Moreover, the failures of other governments offer lessons about what not to do at far less political cost than making the same mistakes yourself (Rose, 2005, p. 1).

<table>
<thead>
<tr>
<th>Position</th>
<th>Annual salary 2010</th>
<th>Annual salary 2011</th>
<th>Reduction in salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>S$3,167,000</td>
<td>S$1,540,000</td>
<td>−S$1,627,000</td>
</tr>
<tr>
<td>Prime minister</td>
<td>S$3,072,200</td>
<td>S$2,200,000</td>
<td>−S$872,200</td>
</tr>
<tr>
<td>Deputy prime minister</td>
<td>S$2,437,500</td>
<td>S$1,870,000</td>
<td>−S$567,500</td>
</tr>
<tr>
<td>Minister (MR1)</td>
<td>S$2,368,500</td>
<td>S$1,760,000</td>
<td>−S$608,500</td>
</tr>
<tr>
<td>Minister (MR2)</td>
<td>S$2,145,700</td>
<td>S$1,540,000</td>
<td>−S$605,700</td>
</tr>
<tr>
<td>Minister (MR3)</td>
<td>S$1,959,700</td>
<td>S$1,320,000</td>
<td>−S$639,700</td>
</tr>
<tr>
<td>Minister (MR4)</td>
<td>S$1,583,900</td>
<td>S$1,100,000</td>
<td>−S$483,900</td>
</tr>
<tr>
<td>Senior minister of state</td>
<td>S$1,251,200</td>
<td>S$935,000</td>
<td>−S$316,200</td>
</tr>
<tr>
<td>Minister of state</td>
<td>S$873,700</td>
<td>S$770,000</td>
<td>−S$103,700</td>
</tr>
</tbody>
</table>

**Table VII.** Annual salaries of Singapore’s key political appointments, 2010–2011

**Notes:** The average exchange rates were: US$1 = S$1.3635 in 2010 and US$1 = S$1.2579 in 2011 (Department of Statistics, 2017, p. 217)

**Source:** Republic of Singapore (2012, pp. 32-37)
An important strength of the PAP government is its willingness to learn from the experiences of other countries by not repeating the mistakes they have made in solving their problems. Thus, instead of “reinventing the wheel”, which is unnecessary and expensive, the PAP leaders and senior civil servants would consider what has been done in other countries and the private sector to identify suitable solutions for resolving policy problems in Singapore. The policy solutions selected would usually be adapted and modified to suit Singapore’s context. For example, the government examined the Japanese and French civil services and the Shell Company’s system of performance appraisal as part of its efforts to improve personnel management in Singapore’s public bureaucracy (Quah, 2010, pp. 79-81). Lee Kuan Yew revealed in his memoirs that he had consulted corporate leaders of MNCs on how they recruited and promoted senior personnel and adopted the Shell Company’s performance appraisal system for Singapore’s public bureaucracy in 1983 “after trying out the [Shell] system and finding it practical and reliable” (Lee, 2000, pp. 740-741).

The reliance on “policy diffusion” or the “emulation and borrowing of policy ideas and solutions from other nations” (Leichter, 1979, p. 42) is an important strategy adopted by the PAP government to deal with problems. The three steps in the process of “pragmatic acculturation” are: problem identification and sending a team of experts and officials on a fact-finding tour of relevant technical centres and organisations in other countries to learn how the same problems are solved; invitation of internationally renowned experts to Singapore to give their professional opinions; and formulation of the policy plan from the ideas selected from what has been learned about the problem and tailored to the specific needs of Singapore. If the ideas and procedures used elsewhere are unsuitable for Singapore’s needs, they are not adopted (Quah, 1995, p. 55). Singapore’s Changi Airport, which is recognised as one of the best airports in the world today, provides a good illustration of pragmatic acculturation as a team of officials was sent initially to several countries to examine the best and worst airports with the aim of building an airport which would be better than Netherlands’ Schiphol Airport (considered the best airport then) and avoiding the problems faced by New York’s Kennedy Airport or Heathrow Airport in Britain.

During the early years after independence, Singapore looked towards such small nations as Israel and Switzerland as role models for inspiration to formulate relevant public policies for defence and other areas. Later, other countries like West Germany (for technical education), the Netherlands (Changi Airport was modelled after Schiphol Airport) and Japan (for quality control circles and crime prevention) were added to the list. The important lesson in these learning experiences is the adoption by Singapore of ideas which have worked elsewhere (with suitable modification to consider Singapore’s context if necessary) as well as the rejection of unsuccessful schemes in other countries.

As a young nation, Singapore has learnt from other countries by avoiding similar mistakes in solving their problems. The best example of this is the PAP government’s decision to reject welfare state policies in Singapore because of the problems plaguing Western European countries and the USA, which have adopted such policies. In June 1976, Goh Keng Swee, the Deputy Prime Minister and Minister of Defence, rejected the adoption of welfare state policies in Singapore because of these negative consequences:

But nothing is for free in this world and the end result of indiscriminate welfare state policies is bankruptcy. [...] In several West European countries, unemployment benefits have been so generous that some workers are better off unemployed! The money to pay for welfare state expenditure must come either from taxes or from the printing press. Increasing taxes, which mainly affects the rich, reduces the amount of money available for investment, thereby slowing down economic growth. Printing paper money to avoid unpleasant tax increases merely results in more inflation (Goh, 1977, p. 166).
Considering the limitations of the welfare state in Western Europe and the USA, the PAP government views social welfare as a consumption good and is concerned that “government provision of social welfare” would result in “an unhealthy dependence on the state and sap individual initiative and enterprise, thereby also undermining growth”. China, Jamaica and Sri Lanka have abandoned their welfare policies as “guaranteed social welfare” is expensive and inappropriate for developing countries. Consequently, the PAP government’s policy is “to reduce welfare to the minimum” and restrict it to “only those who are handicapped or old” (Lim, 1989, pp. 172, 187).

In short, policy diffusion remains an asset for Singapore so long as there is intelligent sifting of relevant policy ideas and solutions tested elsewhere by the policy makers without blind acceptance and wholesale transplantation of foreign innovations without modification to suit the local context.

**Applicability of Singapore’s experience for other countries**

[…] while it is difficult if not impossible to transfer public administration Singapore-style in toto to other Asian countries, it is nevertheless possible for these countries to emulate and adapt some features of public administration Singapore-style to suit their own needs, provided that their political leaders, civil servants, and population are prepared to make the necessary changes (Quah, 2010, p. 255).

Having identified and analysed the five secrets of Singapore’s success, the question that remains is whether policy makers in other countries could learn from Singapore’s experience to solve similar problems in their countries. After his first visit to Singapore on 12-14 November 1978, Deng Xiaoping “found orderly Singapore an appealing model for reform” and sent many Chinese officials to Singapore to “learn about city planning, public management, and controlling corruption” (Vogel, 2011, p. 291). Consequently, 400 delegations of mayors, governors and party secretaries from China visited Singapore on study missions following Deng’s visit (Asiaweek, 1994, p. 24).

Policy makers in other countries who are interested in applying Singapore’s secrets of success to solve their problems must consider three important aspects. First, they must recognise the significant contextual differences between Singapore, which is an affluent, politically stable city-state with a small land area and population, and their countries, which have lower GDP per capita and larger territories and populations. The relevance of Singapore’s approach would depend on the extent to which the policy contexts in other countries approximate Singapore’s policy context. Indeed, the contextual differences would make it difficult for larger countries like China and India with huge populations to adopt in toto Singapore-style solutions to their problems.

In assessing the utility of Singapore as a potential model for China, Lee Kuan Yew cautioned that:

Yes—but there are over one hundred metropolitan areas in China that have a population of Singapore’s size or greater. The Singapore model may work if you can devote all your resources to it—but I don’t know if even the Chinese with all their resources, all their cleverness, and all their determination can do it a hundred times (quoted in Burstein and de Keijzer, 1998, p. 171).

During his second visit to Singapore in 1980, Deng himself acknowledged the burden of China’s huge population and vast territory when he lamented that: “If I had only Shanghai, I too might be able to change Shanghai as quickly [as Singapore]. But I have the whole of China!” (quoted in Lee, 2000, pp. 667-668).

In discussing the applicability of Singapore’s policy models for reform in urban China, Robert Pease (1996, pp. 27-28, 148) wisely acknowledged that:

The successful policy of country A [Singapore] cannot simply be replanted in the soil of struggling target country B [China]. Instead careful attention must be directed to the wider policy
contexts involved as well as to the feasibility of policy transfer. [...] Policies, like garden plants, cannot simply be plucked from one environment to be replanted in another. There are questions of soil type, rainfall, and sunlight just as there are questions of government capacity, efficiency and integrity.

The second consideration for those policy makers interested in applying Singapore’s secrets of success to solving their domestic problems is whether they have the political will to allocate the necessary resources and mobilise the required support from various stakeholders to implement Singapore-style policies effectively in their countries. Apart from their contextual differences with Singapore, other countries might lack these prerequisites for the PAP government’s effectiveness in policy implementation, namely, political stability; a strong parliamentary majority; economic affluence; a low level of corruption; rule of law; and an effective public bureaucracy.

For example, it would be too expensive economically and politically for many countries to pay competitive public sector salaries to attract the “best and brightest” citizens to join the public bureaucracy and government and to motivate and retain them. In his 2000 National Day Rally speech, Prime Minister Goh Chok Tong emphasised the need to ensure good government in Singapore by “recruiting good people for government and paying them properly”. However, Goh (2000) admitted that many western leaders informed him privately that while they “envied our system of Ministers’ pay”, they added that “if they tried to implement it in their own countries, they would be booted out” (p. 44).

China is ranked 77th among 180 countries with a score of 41 on the CPI in 2017 (Transparency International, 2018, p. 2). This means that corruption remains a serious problem in China in spite of President Xi Jinping’s five-year-old campaign to curb corruption among the “tigers” and “flies”, which is ineffective because of its failure to address the causes of corruption, the selective enforcement of the anti-corruption laws by the Central Commission for Discipline Inspection (CCDI), and the reliance of the Chinese Communist Party (CCP) leaders on corruption as a weapon against their political opponents (Quah, 2015c, pp. 84-87).

In August 2014, Wang Qishan, Secretary of the CCDI, observed that: “China should learn from the Hong Kong or Singapore model for tackling corruption as both have independent anti-corruption bodies, unlike China which relies on the party investigating itself” (Wang, 2014). As China is a communist state with political power monopolised by the CCP, it is unrealistic to expect the CCP to introduce the necessary reforms to enhance the effectiveness of its anti-corruption strategy by establishing a single independent ACA like the CPIB and provide it with the required personnel and budget to enforce the anti-corruption laws impartially against corrupt offenders, regardless of their status, position or political affiliation and to avoid using corruption as a weapon against political foes (Quah, 2016b, p. 208).

Learning from Singapore’s experience, China will only succeed in minimising corruption if the CCP leaders are willing to introduce checks on their power and if they introduce reforms to address the causes of corruption. However, barring unforeseen circumstances, it is highly unlikely that President Xi Jinping and his colleagues would be willing to pay the exorbitant price required for curbing corruption in China because the implementation of the necessary anti-corruption reforms could lead to the CCP’s demise (Quah, 2016b, p. 209). In short, do policy makers elsewhere have the political will to pay the high political and economic costs of implementing Singapore-style policy reforms in their countries?

The final consideration is that policy makers in other countries must realise that there is no “quick fix” or magic bullet for solving their difficult problems overnight by simply adopting Singapore-style solutions without considering the political will, preconditions for success and the high political and economic costs of these solutions. When Albert
Winsemius retired as Singapore’s Chief Economic Adviser in 1984, he admitted that he did not believe in the Singapore miracle because:

There was never a Singapore miracle. It was simply hard-headed policy. […] Because governments which dare to face a situation, analyse it and take measures without compromise are rather scarce in this world. […] If it happened in other countries, it might be a miracle. But what happened in Singapore was not a miracle. It was policy (quoted in Mukherjee, 2015, pp. 33, 47).

As mentioned above, Singapore policy makers have not hesitated to learn from other countries’ experiences to formulate relevant policies with appropriate modifications for the local context. However, when Singapore faces problems which other countries cannot solve, the PAP leaders initiate innovative solutions to solve these problems. As the British colonial government failed to solve the serious housing shortage and widespread corruption, the PAP government initiated innovative solutions to tackle these two problems after assuming office in June 1959 (Quah, 2011, p. 122). In February 1960, the Housing and Development Board (HDB) was established as a statutory board to solve the housing shortage by providing low-cost public housing for Singaporeans. In June 1960, the POCA was enacted to strengthen the CPIB’s effectiveness in combating corruption.

The HDB’s effective public housing programme has resulted in the building of 1,129,236 flats from its inception in February 1960 to December 2016 and increasing the proportion of the population living in public housing in Singapore from 9 to 82 per cent during this period (Department of Statistics, 2017, pp. 134, 144). As discussed in the fourth section above, the CPIB’s effectiveness in minimising corruption is reflected in Table VI, which depicts Singapore’s good performance on six corruption indicators in 2017. Thus, housing and corruption are no longer serious problems in Singapore today because of the effective and innovative strategies adopted by the HDB and CPIB, respectively, to solve these problems.

In the final analysis, bearing in mind the contextual differences and the preconditions for Singapore’s success, policy makers in other countries must have the political will and be prepared to pay the high political and economic price for implementing Singapore-style reforms with appropriate modifications to solve their problems.

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