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ROYAL INSTITUTE FOR GOVERNANCE AND STRATEGIC STUDIES

Ninth Anniversary Lecture Series

(Summary of presentations and discussions)

December 2022

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Introduction

Commemorating its ninth anniversary on 10th October 2022, the Royal Institute for Governance and Strategic Studies (RIGSS) organised a week-long anniversary lecture series on the theme “Nation-Building: Lessons from Singapore’s Success”. The lecture series revolved around the book ‘50 Secrets of Singapore’s Success’, edited by Ambassador Tommy Koh, Singapore’s Ambassador-at-Large. The lecture series concluded with a special RIGSS Friday Forum lecture and discussion session with Ambassador Tommy Koh. All lectures were held virtually.

Singapore’s remarkable success story, developing from a third world to first in just a few decades, is a feat Bhutan aspires to achieve. This lecture series was aimed to help our leaders, policymakers, public servants and the nation at large to learn and draw inspiration from Singapore’s achievements and the factors that drove such successes. Against the backdrop of the major transformative reforms that Bhutan is currently undertaking, especially in the public service, education and economic/financial sectors, the lecture series was of special relevance and importance.

RIGSS is pleased to publish this summary of the important lessons and deliberations from the four lectures. They were transcribed, paraphrased and edited as appropriate for conciseness and clarity. We hope the readers find the publication useful as a reference and a guide.

I. Strengthening Law & Order and Homeland Security

Speaker: Mr Khoo Boon Hui

Date: 10th Oct 2022

1. Speaker Introduction

Boon Hui is an internationally-regarded expert in law enforcement and cybersecurity who has led a distinguished, highly-decorated career fighting crime for more than 40 years. He served as Senior Deputy Secretary of Singapore's Home Affairs Ministry and was for 12 years the Police Commissioner of Singapore from 1997 to 2010 and President of INTERPOL from 2008 to 2012. He has chaired major international fora, including three of the very first US-Singapore homeland security dialogues, the biennial Milipol APAC security conference and moderated the 2022 Inaugural FATF-INTERPOL Roundtable Engagement.

He remains active in INTERPOL, chairing its Governance Working group, and holds advisory and board positions in financial services, fintech, security, technology, cybersecurity and philanthropy. He was a Commissioner on the Global Commission on the Stability of Cyberspace and is currently a board member of the Global Cyber Alliance and an advisor to the CyberPeace Institute. He is also a Senior Fellow of Singapore's Civil Service College, an Honorary Fellow of St John's College, Oxford, and a Justice of Peace.

In recognition of his contributions to public service and safety, Mr Khoo has been decorated with high national honours from Singapore, Australia, Brunei, France, Indonesia, Malaysia, Thailand and The Vatican. He was educated at Oxford, Harvard and Wharton and is married with two children.

2. Presentation Summary

2.1 Building Resilience

- Building resilience and thinking about the future has been one of the key principles of success for Singapore.
- Governments need to plan and invest for disruption, adapt, endure and rebound quickly for a 'better normal'.
- Governments need to shift from intense and reactive responses to greater continuity and management through ongoing disruption (responses have to be very intense and reactive such as the severe lockdowns imposed during the pandemic)
- *Resilient Operations*: Delivering services without interruption, which requires secure infrastructure. For example, providing services and solutions digitally, from and to any location.
- *Resilient Society*: Building resilient societies requires government support to embrace a dynamic and modern approach to regulation, legislation, budget, etc., by creating the conditions for a resilient economy, public health system, critical industries and infrastructure, travel and borders and education.

2.2 Cybercrime is Escalating

- Public safety and law & order are being digitally disrupted (fuelled by the rampant use of social media, where rumours and misinformation can be spread very easily)
- Cybercrime in Singapore exceeds physical crime by a factor of 3:2
- People are safe on the streets in Singapore but may not be safe at home because cyber criminals can enter their lives through their mobile phones and computers.

2.3 Principles for a Safer Singapore

- a) **Vigilance:** Vigilance is knowing what our challenges are and keeping track of them, and not letting our guard down.
 - The Singapore Police Force (SPF) changed their image from one of just reacting to crimes to community policing. We successfully won the trust of the public by meeting the people at home and engaging the public in ordinary circumstances and not just during criminal investigations.
 - In the 1990s, we learnt that homeland security was also important; hence we changed the roles of Maritime policing from that of preventing crime to border security. They were responsible for ensuring that no one entered the country undetected or smuggled in restricted items like explosives and firearms. In the early part of this century, we had a threat of terrorism, but due to our very strong coastal security, we were able to ensure no illegal firearms and explosives were smuggled into Singapore.
 - When COVID struck, due to our strong border security, we were able to prevent illegal entry of infected people and, therefore, successfully protected our public health system. This is an example where vigilance paid off.
 - After the 9/11 tragedy, we adopted the New York Police scheme of deploying special forces for everyday policing, so it becomes part of regular policing to deter terrorists; we also use police cameras to aid in policing.
 - In the airports, we have joint patrols with the armed force to make people used to the fact that even though officers very rarely use firearms, we have the capability to take care of and preserve the confidence of people.
- b) **Collaboration:** The power of collective plans and actions.
 - Organised crime groups and cyber criminals operate across multiple borders; in fact, many of the scams today are occurring in countries which host foreigners. People who scam are themselves victims of scams; they are people who have been tricked into coming into the country and forced to commit scams upon threat of their own lives.
- c) **Transformational Leadership:** Governments should develop leaders for the future as it sets the basis for how organisations can keep growing and do well in the future.
 - It is not enough to have a strategic plan. To get the strategy done properly, you need to think of the organisational culture and how that can be transformed so that everyone works towards a common goal.

- Organisational culture is like an iceberg; above the surface are all the things you learn in business schools, like values, rules, vision, policies, strategy, process, and technology, but actually, below the surface lies the more important aspects that may affect the behaviour of people like beliefs, perceptions, assumptions, unwritten rules, relationships, common practice and symbols.
- *Leadership*: The process of influencing people to achieve a goal, inspiring their commitment to maximising their efforts and improving the organisation.
- *Leadership Aspiration*: Doing the right thing at the right time in the right way with the right motive to produce the right results. Having a genuine desire to serve, including enabling your staff to come to work happy every day.
- When I became the commissioner of SPF, we wanted to transform the organisation, so we had multiple dialogue sessions, both top-down and bottom-up, to talk about our aspirations. We also discussed topics like what needed to be done to get involved in the community and co-creating the future to get a shared meaning and vision. We wanted to ensure that the police were feared by those inclined to crime and disorder but at the same time united with the community and our people, as they are our most valuable assets.
- Originally the motto of the police force was a *force for the nation*. What this means is that the police will work towards the success of Singapore. However, our constables and officers on the ground wanted to take this further and work towards inspiring the world. They wanted to portray SPF as the best police force in the world to the visitors; therefore, we added *inspiration to the world* as an additional motto. Twelve years after leaving the police force, I am seeing this motto come true because we have produced many police leaders who are now high-ranking officials in the government. One of our deputy Prime Ministers was a police officer, and so were a number of our ministers, state mayors, members of parliament, head of the civil service and heads of many intelligent services etc. Such a scenario is a testament to the fact that the SPF developed good officers and leaders who went on to serve the nation.
- Strategy, organisation development and good quality relationships are crucial to become a successful organisation. If you have a good quality of relationships, you will have good quality collective thinking, which will lead to good planning, which will further lead to good actions and quality results and thus have a virtuous circle.
- *Collective Thinking*: The SPF has forums where a leadership group of 30 or so people would gather together to have generative dialogues as an alternative to command meetings where we would frame perspectives that would lead to good corporate planning and resource allocation.
- To build leadership capabilities, we need to develop the organisation so all of us become organisational stewards (we leave the organisation better than it was before we entered) and to do so, we need to have effective, collaborative and cohesive teams and also develop leaders who are agile, relational and ethical.
- *Leadership- Skills for Change*: Implementing change is always difficult; people say there is not enough time and help. Even when we succeed, there is a need to sustain transformation, and there is always fear and anxiety because there are some people who truly believe you and some

who are just pretending to follow you. There are also limits to growth because things will start diffusing over time, so you will have to rethink your strategy and purpose.

- d) **We need to stand firm** in the moves that we want to implement and not be discouraged by our mistakes.
- It is not mistakes that define you but your values.
 - In leadership, you have to be humble, brave and thoughtful.
 - Many high-potential young people derailed because they failed to learn from their mistakes, change and grow. Some were over-reliant on strengths that became weaknesses when circumstances changed; others failed to address some crucial deficiencies that became accentuated when their roles expanded.

3. Questions & Answers

1. As a police commissioner, you were known for promoting a collaborative approach and hence transforming the organisation from a top-down directive culture to one fostering collective leadership and open communication at all levels. In a uniformed organisation like the police force, which is usually seen to be more of a top-down establishment, how difficult was it to break away from the norm and to go out of your way to seek collaboration both in terms of organisation building as well as working together for a common cause?

In the book *50 Secrets of Singapore's Success*, we talk about how Singapore changed the image of SPF by adapting the *koban* (small neighbourhood police outpost/stations) system of the Japanese. The whole idea came not from the Ministry of Home Affairs but the Ministry of Finance because they were worried about the plans of the police to expand the number of divisions and police stations from eight to 15, which also meant doubling the resources in terms of land and equipment. So the ministry recommended establishing three major police stations along various small neighbourhood police forces or *kobans* all over Singapore. The restructuring of the SPF became a topic of debate in the late 70s, and that was when the founding Prime Minister, Mr Lee Kwan Yew, intervened. He suggested having a Japanese study team to advise on the Japanese system and, consequently, a British study team to look at the recommendations of the Japanese team. Ultimately, we decided to have six police stations with multiple neighbourhood police force *kobans*.

It was not just about transforming the physical organisation of the SPF but also about changing the image that the public had of the force, from being an organisation which just responded to complaints and caught criminals to one whom the public trusted. The force had to gain the trust of the public to seek their cooperation in terms of sharing information that the police don't have and thereby also assist in catching criminals. That was when the strategy of a new philosophy of community policing superseded the structural plan of the number of police stations, the number of posts and the amount of increment. As an upper-middle-ranking officer, when I was tasked with implementing this strategy, I learnt that the concept of community policing was not new, it was being embraced and talked about by many countries but somehow, it stalled to be the main core of policing. Community police in

countries like the US were not considered real police; people called them the public relations police since their role was just to make the public happy.

To implement this new strategy, we needed to start by changing the organisational culture and ensuring that the officers understood that their role was not just to enforce the law but also to serve the members of the public. So, we got our officers to go to the community to find out about problems in the community. For instance, if the lighting was found to be an issue, we took it up with the Ministry of Public Works or the Housing Development Board and warranted that the problem was solved. However, to implement this collaborative policing outside, it was important to adopt such a system within the organisation. Our officers submitted that for them to work collaboratively with the public, the environment within our organisation should also transform. They suggested that the hierarchy in the system should be eliminated to foster open communication among the officers where the superiors ask their subordinates about their work, their aspirations and their problems. That was when I realised that to be collaborative with the public, you have to set an example within your organisation, and then you align the culture and thinking so that police officers don't have to face situations where they get bullied within their organisation and yet outside, have to learn to be collaborative.

At the same time, in some circumstances, we have to take decisive actions and to do so, we have to ensure that our officers are able not just to follow the rules but also know the reasons and principles behind the rules. For instance, they should understand when and why they fire a weapon, and after doing so, they shouldn't be afraid of facing the consequences, such as an enquiry of why they discharged a round or of being criticised. By teaching our officers the principles behind the rules, we make them confident and ready to face emergencies. We let them undergo simulations of various circumstances so they know exactly what is expected of them in such situations. Further, their simulation exercises are recorded and critiqued amongst themselves so they learn how to act decisively. For example, in a high jacking scandal in 1991-92, the negotiating officer handling the case said that his job was easier than the simulation. Such feedback shows undergoing good training, simulations and doctrines makes it easier for the officers to do their job well as they have already been familiarised with similar instances.

Lastly, as decision-makers, it is crucial to have a team who knows our weaknesses so that collaboratively as a leadership team, we can cover each other's blind spots. When you have a very authoritative command structure, no one wants to correct you when you are heading in the wrong direction and hence end up making bad decisions at critical moments. As a police commissioner, I often used to seek feedback from my officers and deliberate on ways to address various issues.

2. The Royal Bhutan Police wants to make no exception to our youth coming in conflict with the law; what is the best move to deter our youth from crimes?

It depends on the type of crime and the situation of the youth in the country. Where Singapore is concerned, there are certain things where we have drawn very strong red lines, one of which is drugs. From our experience of having multiple generations of a family affected due to drug addiction, we had to take a very strict stance against drug abuse.

In terms of crime, we have more or less tackled the problem of gangs because we learnt that if youths are not properly guided, they tend to fall into bad company. In the past, youth gangs have led to the so-called pseudo-secret societies where they adopt certain rituals from movies and TV shows, and because they are young and misguided, they tend to cause a lot of problems. In today's context, many of these physical crimes dropped tremendously.

When I joined the police in 1977, we had 3000 burglaries a year, and today if we look at the statistics, the rate has dropped to about 150. And that is because we have got our education programmes going and the members of the public have collaborated to catch criminals who are in the midst of committing crimes. We also leverage technology such as artificial intelligence (AI) in criminal investigations. For instance, an issue known as up-skirt photos seems to be a problem among young men and some mature men these days, men use their mobile phones to take pictures of ladies. The SPF used AI to develop a system to identify up-skirt photos by downloading all the images from the culprit's phone. If a police officer were to do it manually, it would be very tedious and hectic to go through all the photos as some may have thousands of photos. But with the AI system in place, the culpability of the person is easily and quickly ascertained. Further, by publicising such cases, we try to deter crime. Though such approaches may seem very trivial, it shows how we are very careful to stem such things when it is still in the formational year.

3. Can you please elaborate on Singapore's experience in terms of border security, border management and border control mechanisms; particularly on some of the key challenges, initiatives and mechanisms that were put in place to make these systems more robust, perhaps by leveraging ICT and your thoughts on what Bhutan could do in our context where we have a highly porous and open border.

During the 70s-90s, we had a lot of illegal immigrants due to the economic conditions of our neighbours. People came in through the beaches and unauthorised landing points, and we also faced issues of overstay. One of the key principles was to ensure that we collected good intelligence; we had to build an intelligence network among the various foreign communities in Singapore. You have to start within your own country where you have the most information; we tried to gather as much information about how these people come in and where they gather and based on that, we tried to stop those pull factors.

There were two prominent pull factors or challenges we faced when tackling illegal immigrants. Firstly, though Singapore was considered a city-state, we had dense forests where people could hide and live without being detected by the residents and police. So, we had to train our officers on how to go through this dense vegetation and track people hiding inside. For that, we used our Gurkha officers, who had very good instincts and were very disciplined and could hide in the forests.

The other aspect would be the construction sites, where they would house the foreign workers. These foreign workers would help each other by allowing their friends to hide illegally and stay inside. To address this, we imposed penalties on the owners of those sites to hold them responsible for any illegal immigrant residing in their construction sites. To deter such instances, the owners employed guards to prevent people from hiding inside. Later, we moved the workers to dormitories and imposed strict control.

Going to the border security, because we are an island, we had to increase our coastal security not only through patrols but through electro-optical radar sensors and we built fences around uninhabited areas, especially around the forested areas where the vegetation would go right to the sea. More importantly, we worked collaboratively with the customs and immigration people to have joint operations to check on known places where foreigners would gather to have food or for entertainment to detect illegal immigrants. We also imposed severe punishments on those leaders of syndicates that traffic such people, some of whom were very inhumane; they would dump people on the shore and expect them to swim ashore. We also worked with our neighbours to disable and catch these syndicate leaders, who were usually foreigners very well known in the neighbouring countries. In the past, we had instances where people from China through Indochina, Thailand and Malaysia would come to Singapore. However, with our strict measures, we were able to stem this issue.

In summary, intelligence is important; clean up whatever you know in your own country and then catch some of these people because many of the illegal immigrants are facilitated by organised crime syndicates. That being said, strengthening the borders, especially for a landlocked country, would be very expensive.

4. When it comes to law and order and security, collaboration among different agencies is very critical. How do you establish that network inside; what kind of structures, mechanisms and programmes do you have to ensure that all the related agencies are on the same page and are working towards the same goal when it comes to border management or measures to reduce crime? What kind of internal arrangements do you have to promote that kind of whole-of-government approach to these important goals?

When I was in charge of the planning division, I still vividly recall that interdepartmental rivalry and bad blood was a major stumbling block. We had difficult people who objected to the plans of other departments, just refusing to cooperate. It took some time for the Ministry of Home Affairs to get

people together, and it underwent somewhat the same process as what SPF did to get the people to understand that we are all working towards the same goal. Honestly, how we got the symbolic things up was primarily because of the recruitment process. In the past, various departments would be recruiting their officers on their own, often discouraging applicants to join other departments. A recruitment agency highlighted this issue and said that such a culture of sending mixed messages was just squandering the resources of the ministry and suggested hiring people as a Home Team.

The term Home Team became a symbolic representation of what we all aspired to. So today, many of our organisations always talk about the Home Team, and we also built structures to strengthen the culture; instead of having a police academy or the prison academy, we have a Home Team Academy with different wings. By having people train within a common establishment and facility, they get to understand each other better and we always include the Home Team aspect in most of our middle-management and higher-management training courses. In Singapore, the minister and civil servants always stress the concept of the Home Team so much so that it has become synonymous with all the homeland security agencies. It is not like the department of Homeland security in the US, where everyone is put together with the hope that they will work together. We had to put a lot of effort into building the culture and strengthening it by having joint exercises and joint deployments.

Today even for the assessment of the technology that we acquire in the ministry, we have a Home Team organisation that does it for all the departments in the ministry. In the past, each one would acquire their own IT system because it was too time-consuming to wait for everyone. But today, in a way there is a top-down directive that you can't do that. For any IT system that a department wants to implement, they have to go through this Home Team organisation that will evaluate it and see whether any synergies among the departments and cost-effectiveness can be achieved by combining and tweaking the system. Overall, achieving collaboration among organisations is not easy, it requires a change of culture through structural transformation, joint operations and proper planning.

5. How did Singapore address the issue of youth gangs which is also an evolving issue in Bhutan?

In the past, we were worried some of the youth in schools would be involved in gangs, so we appointed the discipline masters in schools as volunteer police officers and entitled them to the powers of the police and also connected them to the police force. These discipline masters were given the liberty to call on the police if they felt that certain things were not going right in their respective schools, hence taking care of discipline in schools.

On the streets, at one time, we had a lot of boys' clubs that the police set up to take care of boys and even girls later who didn't have facilities where they could socialise safely. Though these clubs were disbanded after a few years, later on, a lot of volunteer organisations came up with student care centres where students could hang out and engage meaningfully after-school.

In Singapore, we also have National Service; Singaporean males over the age of 18 have to join the military, civil discipline and the police, where some form of discipline is imposed, and they learn about values and how to serve the nation. In Singapore, to deter people on the streets from doing nothing, every child must enter an education system. Those who are good in academics go to academic schools, and those who fail in academics go into training institutes where they learn and are trained in a certain field; everyone learns a skill which they can later use in their adult lives. In each of those institutions, you find meaningful ways of ensuring they are engaged and there is sufficient deterrence to make sure they don't go about unsupervised and go into forming gangs. We also look at this issue from a whole-of-government approach, where we try to determine what each organisation and the government can contribute to such national issues.

6. How do you draw the line between policing for public and state security versus being perceived as a police state or as infringing on rights?

Everyone thinks that Singapore must have a lot of secret police and surveillance and other ways of knowing what is happening because they don't see the presence of police on the streets. Some countries do have a lot of plainclothes policemen, but in Singapore's case, it is very difficult for the police force and intelligence agencies to keep secrets because of the National Service, where we have people who are serving at the age of 17-20 and are part of the police force. We also have many volunteers who are lawyers, teachers, and from other professional backgrounds and are part of the police; so, we cannot operate very secretive police in such circumstances.

Nowadays, social media usage is on the rise, and everything is out in the open, so we also have to be very open with what we do. When mistakes are made, the people and organisations involved are all subject to enquiry or at least the ministers will come up with statements to make sure people are held accountable. It always makes sense to be open, and if there are certain things that people think infringe on their liberties, our politicians have always debated this in the parliament and have at least made public statements about it. We don't hesitate to do certain things which, in some countries, people think infringe on human rights because, in Singapore, we also think about community rights, which if put to the votes, we are quite certain our community and public will support us.

This is how we treat such cases, but, of course, the line will shift over time. Recently we had a change in the law regarding the homosexual Act. We have always had a section which came from the Indian Penal Code where homosexual acts were not allowed because of religious sensitivities from the Muslim and Christian communities in Singapore. But recently, the government motioned to have this removed. Previously the position was that this Act would remain, but the government will not prosecute. However, that deterred a lot of foreigners from working in Singapore because they did not want to settle in a country where their relationship with someone of the same sex was punishable by law though they were given assurance of no prosecution. So, the government amended that, but considering the strong stance the Singaporean community has on heterosexual marriage, the

government assured everyone that same-sex marriage will still not be allowed in Singapore.

7. Please elaborate more on how Singapore overcame or dealt with challenges related to youth and drugs from an education, advocacy and accessibility perspective.

I have some reservations here because certain things have changed since I left the police force, but if we look at the basic principles, firstly, we try to look at the supply side and ensure that supply is restricted. This can be achieved through collaboration with other countries, especially with countries where drugs are manufactured and transit countries. This is key because if you can restrict the supply, that will definitely raise the cost of drugs and hence deter people from indulging in them. And this also involves working closely with foreign agencies. Secondly, we have rehabilitative programmes where anyone caught consuming drugs will be put in rehabilitation centres where they have to go through cold-turkey treatments. The programme also includes counselling and halfway houses since they need constant supervision, and even after release, they are required to go to the police station for regular testing to make sure that they don't revert to drug consumption. And, of course, children are educated right from school. We also have stringent regulations against those television programmes that promote drug consumption.

The challenge that we face now is that many countries have given up on fighting drugs. For soft drugs like marijuana, some countries have allowed for liberalisation stating its medical benefits. Still, everyone knows that people don't just consume them for medical reasons but for pleasure as well. For example, the US recently legalised the use of cannabis, thereby pardoning people convicted of marijuana use and similarly, Thailand also allows medicinal cannabis and marijuana to be sold. Such liberal laws in other countries pose challenges because our people may start to question the strict regulations imposed in our country.

The other issue is that few countries also allow for the supervised consumption of drugs. We have to be mindful of the tragic consequences that may occur due to such regulations. For instance, in Vancouver, it was very sad to witness people injecting heroin directly into their eyeballs because there were no veins left in their bodies. Additionally, though the government gives these people a certain allowance, they sometimes get robbed of their allowances before reaching the drug centres posing additional social challenges.

8. In today's world, we are also dealing with a lot of non-traditional security threats, particularly from the perspective of cybercrimes and related issues. In terms of your work in the Global Commission on the Stability of Cyberspace (GCSC), please share your thoughts on internet anonymity and its challenges to national security. What can small states do?

At the GCSC, we had delegates from all around the world to deliberate on cybersecurity. However, we realised that the matter is very complicated as so many actors are involved in cyberspace. There are hacktivists who are individuals who hack just to make their point, cyber criminals who are looking for easy means to make money, and organised crime groups who have learnt that this is the best way to make money without being caught. There are also experts who are willing to do cybercrime or cyber penetration as a service, and most importantly, there are also state forces who use cyber as a means of securing their country. So, it is very difficult to ascertain the identity of a perpetrator, especially in cyberspace.

Additionally, there are also so many rules and norms regarding cyberspace. Hence, GCSC decided to put up some norms with the hopes that states would at least follow these. We were primarily trying to communicate the protection of the core of the Internet as we have witnessed, in many conflicts, countries usually try to disrupt the internet services of their opponents. In general, there are two schools of thought when it comes to the Internet; one believes that the internet is a common platform where everyone should be allowed and free to talk with anonymity and the other believes that it has to be properly guarded and monitored. To further understand the work of GCSC, please read the GCSC report on [Advancing Cyber Stability](#).

9. Is there a more intelligent and compassionate way to deal with crime and criminals today instead of the usual brutal and cold-hearted mechanisms? At the end of the day, along with safety, what is equally important for a nation is nurturing the national conscience of kindness, compassion and happiness. Ultimately, what we want is a kind and compassionate nation while also ensuring safety and security.

Singapore has harsh laws because we believe that the effect of crime will be tremendous, and a lot more people will suffer if we don't try to deter it in the first place. At the same time, with an exception to the death penalty, in all our other punishments, we always give chance to the perpetrator after conviction to re-appeal. The motto of the Singapore Prison Service is to become the *Captains of Lives*, which means they want to guide those people under their care to live normal lives. Additionally, bringing down the recidivism rate is one of their Key Performance Indicators (KPIs). The recidivism rate in Singapore has dropped tremendously because of all the systems that we have implemented to help convicted persons rehabilitate. Some of our rehabilitation programmes include the yellow ribbon programme, where we train people and give them opportunities to go back into society through halfway homes and home detention schemes.

As a justice of the peace, I have the right to enter any prison with fellow justice of peace volunteers without advance notice to examine the situation inside the prison and, if need be, also interview prisoners who may want to raise any issue against their treatment. Such measures ensure the proper treatment of people inside the prisons in Singapore. For our anti-terrorism law, we have a programme to rehabilitate people who have committed acts of terrorism or were planning to do so. With the exception of a few cases, most people get convicted only after a trial. Additionally, the cases are reviewed by a committee of highly qualified lawyers, and if they are incarcerated, they always have the chance to be released if they have shown themselves to have renounced their beliefs. Such people receive religious counselling, and the government has initiatives to look after their family members because we believe that we can't expect someone in a detention centre to be amenable to rehab if they have to worry about their family's well-being. Where most other countries aim to incarcerate people without a chance of rehabilitation, Singapore is one of the few countries that look after the welfare of convicts and gives second chances to them.

The system is still harsh, meaning there are deterrence measures to crime but how it is implemented is different. In Singapore, we believe that human beings are our most precious resource, and we must make the best use of everyone, whether they are drug addicts, criminals or terrorists. It is difficult to get the balance, but once your community agrees on what the red lines are, you find ways of doing things humanely.

II. Factors Behind Singapore's Economic Achievements

Speaker: Dr Tan Khee Giap

Date: 11th Oct 2022

1. Speaker Introduction

Tan Khee Giap is currently the Chairman of the Singapore National Committee for Pacific Economic Cooperation (SINCPEC). Upon graduating with a PhD from the University of East Anglia, England, in 1987 under the Overseas Research Scheme awarded by the Committee of Vice-Chancellors and Principals of the Universities of the United Kingdom, he joined the banking sector as a treasury manager and served as secretary to the Assets and Liabilities Committee for three years, thereafter he taught at the Department of Economics and Statistics, National University of Singapore, 1990-1993. Dr Tan joined Nanyang Technological University in 1993 and was Associate Dean of the Graduate Studies Office, from 2007- 2009. He was an Associate Professor at the Lee Kuan Yew School of Public Policy (LKYSPP), National University of Singapore (NUS) from 2009 to 2022 and Co-Director of the Asia Competitiveness Institute (ACI) at LKYSPP, NUS from 2011 to 2020.

Dr Tan has consulted extensively with the various government ministries, statutory boards and government-linked companies of the Singapore government including the Ministry of Finance, Ministry of Trade & Industry, Ministry of Manpower, Housing & Development Board, Civil Aviation Authority of Singapore, Singapore Tourism Board, Trade Development Board, Maritime Port Authority, Ministry of Information, Culture & Arts, Economic Development Board, Ministry of National Development, Media Development Authority, Ministry of Environment and Water Resources, Singapore Design Council, Ministry of Community Development, Youth & Sports, Singapore Press Holdings, Yayasan Mendaki, StarHub, CapitaLand and Great Eastern Life. He has also served as a consultant to international agencies such as the Asian Development Bank, Asian Development Bank Institute, United Nations Industrial Development Group, World Bank Group, World Gold Council, ASEAN Secretariat, Central Policy Unit of Hong Kong, Kerzner International, Las Vegas Sands and Marina Bay Sands and Suzhou Industrial Park Authority.

Dr Tan is the lead author of more than 20 books, serving as a journal editor and has published widely in international refereed journals. He is the associate editor of the journal *Review of Pacific Basin Financial Markets and Policies (US)* and is on the editorial advisory board of the journal *Competitiveness Review (UK)*. His current research interests include the Cost of Living and Purchasing Power Index for the World's 105 Cities, the Global Liveable Cities Index, the Ease of Doing Business Index and competitiveness analysis on sub-national economies of China, India, Indonesia and the Association of Southeast Asian Nations,

Dr Tan was Deputy President of the Singapore Economic Society, in 2004. He served in the 2002 Economic Review Committee (ERC), served as Chairman of the Task Force on Portable Medical Benefits (PMB), served as the Deputy Chairman of the IPS Forum for Economic Restructuring (IFER) in 2003 and served as a member of the Resource Panel of the Government Parliamentary

Committee for Transport and Government Parliamentary Committee for Finance and Trade & Industry and Government Parliamentary Committee for Defence and Foreign Affairs since 2007. Dr Tan is currently an Independent Director of the publicly listed Boustead Singapore Limited, Lian Beng Group Ltd, Ascent Bridge Limited (formerly known as AEI Corporation Ltd.), and non-publicly listed BreadTalk Group Pte. Ltd. He is also the Senior Business Advisor to G.H.Y. Culture & Media (Singapore) Pte. Ltd. He was also the Senior Business Advisor to United Overseas Bank Limited, Singapore and Independent Director at the state-owned Chengdu Rural Commercial Bank Co., Ltd, China.

2. Presentation Summary

2.1 As a “little red dot”: Is Singapore a small state?

- The late Minister Mentor Lee Kuan Yew repeatedly reminded the Singaporeans as follows: “No one owes us a living, and the survival of Singapore hinges on how we, collectively as one united people, constantly re-make Singapore to make ourselves relevant to the rest of the world by staying three steps ahead of our competitors”.
- The development of Singapore as a cosmopolitan city will never stop as it is being continually upgraded to live up to the changing times. For example, in an ambitious plan, Jurong, a suburban city in Singapore will be redeveloped and rebranded as the Jurong Lake District
- It is important to make correct public policy decisions to reap long-term economic and social dividends. For example, Marina Bay Sands is one of the success stories of making a correct public policy.

2.2 Comparing 2019 nominal GDP and nominal GDP per capita amongst selected world economies with five decades of economic development for Singapore, Malaysia and Hong Kong

- According to the International Monetary Fund (IMF), Singapore ranks ninth in position when it comes to GDP per capita amongst selected world economies.
- It is important for Singapore to stay at least three steps ahead of its competitors like Malaysia and Hong Kong.

2.3 International report cards on Singapore: Performance amongst 105 global cities in terms of cost of living, wages, purchasing power and liveability

- Singapore ranks number one as the world’s most competitive digital economy, the top destination for foreign direct investment for emerging East Asia and the Pacific region, and the overall least risky country for investment. And, ranks second as the top contributor to foreign direct investment for the emerging East Asia and Pacific region.
- In terms of purchasing power for ordinary residents, Singapore is ranked first in Asia and 16th globally amongst the world’s 105 cities, a steady improvement since 2012.
- Two prime factors are critical for the successful development of any economy: An effective leadership supported by an efficient civil service and a sustainable budgetary process that is capable of financing strategic economic policies and social development initiatives.

- It is very important for countries like Bhutan to monitor the cost of living, wages, purchasing power and liveability.

2.4 Singapore as a highly open cosmopolitan city-state: Deviation from the textbook case and confronting rapid economic restructuring

- Singapore is a country with two economies: The international economy and the domestic economy.
- There are three social classes in Singapore, the wealthy privileged class (1 %), professionals, managers, executives and technicians- the middle class (84 %) and the economic-socio underclass (15 percent).
- When a country has a strong middle class, the country will be stable, therefore, the objective of any government should be to create a big and stable middle class.
- Economic development of Singapore in brief from 1960s to 2020s and beyond and Gross Domestic Product (GDP) growth at stages of economic development:

Year	Growth Percentage Per Annum	Stages of Economic Development (Phases)
1965-1986	8.6	Labour-intensive production
1987-1997	9.3	Capital-intensive investment
1998-2008	4.6	Innovation-based technology
2009-2020	3.9	Productivity value-added
2021-2030	3.0	New digitised-transformation

- The six fundamental questions that the leaders, civil servants and people must ask as the economy of the country develops are:
 - What should be the role of the government in ensuring an inclusive society since leaving to market forces tends to result in worsening income disparity and stagnated upward social mobility?
 - Since no one owes us a living, how can we stay united to make our country relevant in the tumultuous global environment?
 - How could we best defend our country against our neighbours and amongst global players?
 - Identify aspirations and expectations of our country cutting across all age groups.
 - How effective civil servants can formulate, manage, articulate and communicate public policies to the public at large?

- vi. What is the appropriate role of public institutions at different phases of our country's economic development?
- The government should play critical roles as an economic facilitator, social equaliser and political stabiliser.
- The government should enable free trade and competition to work by:
 - Providing technological, physical and soft infrastructure in anticipation of demand.
 - Providing affordable and efficient public services by ensuring the presence of public goods versus private goods, social goods and merit goods.
 - Facilitating trade and investment with healthy competition where a level playing field between small and medium enterprises (SMEs) and multinational corporations (MNCs) exists.
 - Assisting to reduce the pain of structural transformation: industrial restructuring, market diversification and obsolescence of jobs.
 - Providing an overall conducive macroeconomic environment with greater ease for doing business, operating under minimum regulations and rules.
 - Ensuring upward social mobility for the mass majority and a broad-based middle class which would contribute to political stability.
 - Matching human resource management with economic development.
- Singapore's longer-term national policy is to cultivate high-tech indigenous talents and attract foreign talents to maintain Singapore's international competitiveness in the era of globalisation and rapid technological progress.

2.5 Recognising and checking the size of three sibling elephants in the room (Singapore) that needs to be kept in check by the government:

- Worsening income and wealth disparity, unaffordable but essential public services and fine balancing between indigenous and foreign manpower in an open economy
- Such can be undertaken through innovative public policies, and if needed, sometimes even designing explicit rules and regulations of engagements to contain them. A useful policy platform is through the annual budgeting process as for most countries.
- To be "popularly received" by the public, the government can promise heavy subsidies to fund the provision of essential public services, resorting to an inward-looking strategy to please electorates in the shorter term through a blanket cut on foreign manpower inflows, employment reservation and affirmative actions for the indigenous workforce.
- In the longer term, such a short-sighted inward-looking mindset could restrict the growth of the economy, destroy the creation of better-remunerated value-added jobs and would turn away potential foreign direct investment, portfolio investment and other investments as defined by the International Monetary Fund (IMF). Most of all, Singapore's core competence as the third most competitive global financial hub after London and New York would also be undermined.

2.6 Potential disruptive changes and challenges ahead for Singapore: Transform or risk a new normal of prolonged low and slow growth

- Unsustainable “Red Ocean Strategy”: Being inward-looking, cutting government expenditures and raising revenues through taxation
- Building an inclusive society through the Blue Ocean Strategy: Being innovation-driven, deepening manpower skill-set and enhancing regional connectivity
- We need pragmatic and risk-taking leadership, not governed by popularity but by courage to lead from the front. Having a period of robust economic growth is the best way to ensure sufficient resources and hence the government’s commitment to an even more inclusive society, upward social mobility and greater integration of our people amongst the unique Singapore society of multi-ethnicity, religion and language.
- It is important to build strong digital capabilities in the country.
- Help small and medium enterprises (SMEs) adopt digital technologies
- Build deep capabilities in data analytics and cybersecurity
- Harness data as an asset
- The 2017 Committee for Future Economy (CFE) Report outlined seven broad strategies:
 - Deepen and diversify our international connections
 - Acquire and utilise deep skills
 - Strengthen enterprise capabilities to innovate and scale up
 - Build strong digital capabilities
 - Develop a vibrant and connected city of opportunity
 - Develop and implement Industry Transformation Maps (ITMs)
 - Partner with each other to enable innovation and growth

2.7 Longer-term strategic development for Singapore based on core competence and pragmatic consideration to stay relevant

- In building an inclusive society, family solidarity constitutes the Singaporean core. Multi-racial, multi-cultural and multi-religious settings are social bedrocks of the cosmopolitan city-state
- To transform Singapore into a vibrant financial centre, regional business headquarters and family offices of Asia
- To Transform Singapore into a digitalised, innovation fintech and cryptocurrencies hub of Asia
- Making Singapore the infrastructure development, investment and financing hub for the Belt and Road Initiative

2.8 Building a cosmopolitan, globalised, inclusive and sustainable economy: Five basic principles for public policy formulation and implementation

- Pragmatism in public policy formulation by not relying on textbook cases is the hallmark of Singapore’s unique and innovative policy initiatives

- Reinforcing Singapore's strategic location as a hub for international trade and services and projecting Singapore as a cosmopolitan city-state was the top priority during the early days of nation-building and continues to be so
- A strict zero tolerance for corruption, from financial rewards to exchanging power for favours
- Ensuring an inclusive society through the principle of promoting workfare instead of welfare is fundamental to Singapore's public policy formulation
- Preserving the democratic system which allows for checks and balances

2.9 Effective public policy communication and operational efficiency: Challenges in addressing blind spots

- Challenges within the government:
 - Group thinkers among civil servants
 - Costs of raising alternative views
 - Ability to innovate and think out of the box
 - Leaders emerging from a heterogeneous social economic background
- Challenges from citizens, public at large:
 - Inward-looking with narrow personal interests
 - Reluctant to venture abroad and risk-averse
 - Lacking competitiveness for being mono-lingual and mono-cultural
 - Increasing preference for welfare and demand handouts

2.10 Economic, social and political changes post COVID-19 and post GE 2020: coping with the new normal under the 4G leadership

- Identifying new sources of growth during shifting economic landscapes, rapid digitalisation and technological advancement.
- Building a comprehensive social safety net for indigenous blue-collar workers, poor retired seniors and social economic underclass citizens.
- Investing, protecting and not preserving jobs for the indigenous white-collar workforce
- Building a new binding social contract for ensuring an inclusive and compassionate Singapore society amid tumultuous global environments

2.11 How could Singapore avoid having to choose a side between China and the USA?

- Singapore is obliged to support and synergise the regional economic development of Asian neighbours.
- Singapore is committed to zero tolerance for corruption in the government and transparency of corporate governance.
- Singapore supports peaceful geo-political stability and freedom of navigation in the Asian region.
- Singapore is a strong supporter of globalisation with inclusive growth and would defend rule-based global trading and investment.

3. Questions and Answers

1. You seem to advocate political stability through single-party democracy, how does that conform to the norms of democracy and political choices?

I am not advocating for a one-party system, but a system with a dominant party and an opposition to check on it. I would consider this an ideal system as it will allow policy continuity with minimum disruption. We can have a two-party system for checks and balances but not where there is equal distribution such as the ones in countries like the US and the UK where precious time is wasted in debates. For big countries, they can waste time but for small countries, I rather want to see a stable government with long continuity to make sure public policies are implemented. Very often, public policies would not show their effect in five years; for example, we took over 19 years to establish the Marina Bay Sands Integrated Resort. If we had a two-party system, we would not have achieved such success as parties can have conflicting views and hence stagnate the implementation of policies. If you have a strong government that can drive the direction, you can have checks and balances from the opposition but still have continuity in policy implementation.

2. What role did Singapore's strategic location, culture, tradition, civil servants and leadership play in achieving overall national economic development goals?

In the early stage of Singapore's development, we didn't have too many able civil servants to lead development but as Singapore became more educated, we needed the civil service to consist of people who didn't just implement but could think. As we develop and as people become more educated, the kind of people in the civil service and their roles also change. Civil servants now, as they are more educated, should be integrated and made part of the policy-making processes. They must also be good at articulating and communicating public policy and not just formulating good public policy; they must be able to convince the people and explain public policies to ordinary citizens. In Singapore, as we became more developed, we transformed the role of civil servants from just taking instructions from their superiors to being part of the formulation of policy, to later being able to explain policy through different media outlets. The nature of civil servants' changes as the developmental stage changes for a country.

3. Please elaborate on how Singapore created a big, stable middle class to overcome income disparity.

As the economy and GDP of a country grow, the country must have a mechanism to share this growth equally among all citizens. The Singapore government under the People's Action Party (PAP) achieved three public policies that contributed to the growth and stability of the middle class. Firstly, the government through forced savings in the Central Provident Fund (CPF) ensured that people could afford to buy public houses built by the Housing & Development Board (HDB). More than 80 per

cent of Singaporeans now own their apartments and the value of these houses appreciated from SGD 30,000 in the 70s to over a million today. Secondly, the government believed in education as a social equaliser and thus through bursaries and scholarships, the government made sure that all Singaporeans had access to education irrespective of their affordability. And lastly, the government also ensured free access to quality healthcare. Additionally, public transport such as buses and Mass Rapid Transit (MRT) are also very important to support the middle class.

4. How can Bhutan, being a land-locked country, make itself relevant to the world considering its economy, technological know-how and resources?

Over the last 20 years, Bhutan has become less landlocked than it used to be. You are physically landlocked but now with the internet and technology, you can be known by people more easily. By opening up the country through air connectivity, tourism, technology and the internet, you have more interaction with people. Overseas education is also one way to overcome the landlocked nature.

5. What role did tourism play in Singapore's development journey starting from its initial phase in the 1960s to the present day?

From the year 2000 onwards, we wanted to get tourists to get to Singapore because the middle-class population in countries around Southeast Asia like China, Korea and Japan was growing. Hence, we decided to promote Singapore as a shopping hub to attract the middle-class population in Asia. For Bhutan, a hospitality industry with green tourism, spiritual tourism and perhaps organic agriculture tourism can be adopted. You should have tourism where you offer services to countries like Singapore. Your natural resources, your location and your religion are your biggest assets, so you have to think about how to make an ecosystem so that you have a tourism industry that is consistent with your religion and in harmony with the environment.

It is also important to have long-term planning; not just a piecemeal but a master plan for tourism ought to be drawn by looking at the market that you want. Bhutan, as a small country with the advantage of your land, must go for high-value tourism and not mass tourism. You don't want to have mass tourist arrival, you want to be selective of not necessarily the richest but those who are willing to pay for green, spiritual, organic agriculture tourism with a hospitality industry where a five-star hotel is not the tallest building but the most eco-friendly. And for this, you need a strong and stable government.

6. What can Bhutan do to retain the talent pool by preventing those from leaving the country and going abroad?

In the past, there were so many people from Guangdong who moved to Hong Kong, risking their lives by swimming in the shark-infested ocean. Such a situation was representative of the worsening economic structure of Guangdong. To stop people from going to Hong Kong, the government had to give them meaningful and well-remunerated jobs in Guangdong and now people don't migrate to Hong Kong because it has become more developed than Hong Kong. If Bhutan is facing a labour shortage, you need to analyse if the people who are leaving Bhutan are blue-collar or white-collar professionals. If it's a blue-collar job, it means they are getting higher pay overseas. If it's white-collar, you must develop job opportunities for bright Bhutanese to be in white-collar jobs. However, if you can't retain both white and blue-collar professionals, it means your economy failed to deliver the aspirations of the Bhutanese and hence they are leaving. In Singapore, we attracted so many Malaysians to come to Singapore because we were able to deliver more than what our people aspired for, so much so that we had more jobs than our people so we had to bring in foreigners to fill the gap.

People, be it white-collar or blue-collar professionals leaving the country, represents a structural problem and hence you must think of ways to retain local people because if given an option, most people don't want to work overseas. The government must monitor the cost of living, purchasing power, public services and public housing so that they don't have to work overseas just to be able to afford a house in Bhutan. This is the scenario in countries like Bangladesh, India, Pakistan, Philippines and Indonesia, where local people go to Singapore and work for wages much lower than that of Singaporeans but are content because they are much well off than people who don't work abroad and hence have the advantage of being able to purchase houses and land locally.

7. How can the government intervene to control or manage the cost of living?

Singapore's cost of living in terms of expatriate cost ranks top five in the world, but in terms of the cost of living for ordinary residents, we rank 51 in over 100 cities. People often question how the cost of living for an expatriate is so high but that for residents is low. This is the work of the government. If you notice in Singapore, in every 5-10 blocks of public housing, we have hawker centres and we allow the perfect combination of hawker centres so if one raises the price too high, people go to the other centres. By having more competition in the hawker centres built by the government at a subsidised rate, we make the cost of living, at least food for ordinary Singaporeans cheaper. For expatriates, they eat in restaurants or food courts where the price is much more expensive. We have public housing near the centres so the transportation cost is low. Unlike in many European centres where you have to take public transport to go to the nearest restaurants. When housing is next to food centres and there is healthy competition between the hawker centres, you keep the cost of living low.

For utilities like water and electricity, there is no point in subsidising, so we charge the market rate but for the poorest 20 per cent, the government provides subsidies or rebates on their utility. This is how the government in Singapore intervenes to ensure that the cost of living is affordable. However, to do so, governments must have money; a government that is on the verge of bankruptcy or is surviving on debt cannot control the cost of living as they won't have the resources to cushion the poor. However, the responsibility to lower the cost of living also falls on the individuals– you must make informed decisions such that your cost-of-living commensurate with your ability to earn. Managing the cost of living is two sides of a coin, on one side, we need governments that can afford to help those of the lowest 20 per cent and on the other, we need the middle-class population to live according to their means. Instead of just asking what the government can do to bring the cost of living down, you should also think about what the people can do, they need to control their aspirations and expectations.

8. How did Singapore manage the politico-administrative dynamics so that the tension between the political leaders and the bureaucrats becomes a creative one for Singapore to achieve what it aspires to achieve?

Middle or senior-rank civil servants in Singapore is always sent abroad for their second degree so that their exposure from overseas can help them see things differently. For instance, from my experience of studying in England, I learnt that a welfare state is bad because I witnessed how the government in London became bankrupt. So civil servants must be exposed to the culture overseas, if not for degrees, then for short-term courses so they gain the ability to see things from a different perspective. Additionally, civil servants need to be paid reasonably well so that they become willing to come back to the country and work for the government, like the saying, *if you pay peanuts, you get monkeys*. So in that sense, since Singaporean civil servants are paid quite well, they are forced to be innovative and make good policies otherwise they risk losing their jobs. You cannot have poorly paid civil servants who have not seen the world, whose mindset and experiences are only limited to that of their country.

Additionally, if you have a political fluctuation where the opposition party is strong in one term and weak in another, your media houses play a very important role in contributing to such fluctuation in popular votes. In Singapore, the media is not controlled but is guided in which irresponsible remarks on social media platforms are asked to be recalled or charged. We take such measures because ordinary people depend on these platforms for information and if these new media platforms are a free-for-all, it contributes to chaotic situations in the country. Nowadays, people can't differentiate fake news from real news, so we need very good leaders who can be stabilisers and provide long-term views to convince people to see through good policies from bad.

Our founding Prime Minister Lee Kwan Yew said that if a government is in-and-out of power, you can't fix it; hence not favourable for progressive and stable development whether socially, economically or politically. Singapore's successful development shows that having a strong middle-

class population and a one-party government for a long time is very important. In places like Taiwan, democracy was thrust upon the people so fast that they reacted to the democracy they were not ready for, hence chaos erupted. Today, Singapore is more democratic and more open than in the past but the speed of transition was slow. We have witnessed instances where countries opened up to democracy very quickly and the result was disastrous. They end up with a two-party system who are not responsible and do not think long-term.

9. How did Singapore draw the line between the state economy and the development of the private sector?

When the laureate Milton Friedman visited Singapore in 1985, he remarked that government-linked companies or State-owned Enterprises (SoEs) cannot do better than the private sector. And our Deputy Prime Minister then, Goh Keng Swee, disagreed with that. For example, Singapore Airlines, and DBS bank among many others, are doing very well despite being government-linked companies, he said. To this, Milton Friedman said that the government-linked companies in Singapore are doing well because Prime Minister Lee Kuan Yew and Deputy Prime Minister Goh Keng Swee are leading the country and that in their absence the government-linked companies or SoEs will be corrupt, inefficient and operate at a loss. However, the government-linked companies continue to succeed in Singapore even after almost a decade of the passing away of Lee Kuan Yew and Goh Keng Swee. So, it is not true that SoEs are worse and the private sector is better. It is more about management. SoEs have the advantage of putting the government's resources together and to good use. For example, Singapore Airlines is doing very well because of Changi Airport, which has been supported and designed by the government for the company. SoEs can also prove critical to the country during difficult times like war to facilitate the necessary operations. So, the question is not about which one is better, the private or the government-owned companies. It is more about the people who run these companies— are they professional, are they corrupt, is there nepotism in practice, etc. So, when one says that private companies are better than SoEs, this is a typical example of a textbook case. However, Singapore has proven to be an exception as SoEs only continue to soar higher due to good leadership. It is therefore imperative that we remain open-minded when it comes to the SoEs and private sector development as we can have a mix of both for the development of the country.

III. Learning from Singapore's Success in Combating Corruption - Lessons for Bhutan

Speaker: Professor Jon S.T. Quah

Date: 12th Oct 2022

1. Speaker Introduction

Professor Jon Quah is an Anti-Corruption Consultant based in Singapore and an Honorary Adviser of the Hong Kong Public Administration Association. He was a Professor of Political Science at the National University of Singapore (NUS) until his retirement in June 2007 after 35 years of service. He was a member of INTERPOL's Standing Committee on Ethical Matters from September 2015 to September 2021 and Vice-President of the Asian Association for Public Administration (AAPA) from January 2010 to January 2012.

He received his Bachelor of Social Science (Honours) in June 1969 and Master of Social Science in Political Science in March 1971 from the University of Singapore and PhD in Political Science majoring in Public Administration from the Florida State University in June 1975 on a Fulbright-Hays scholarship. His visiting appointments included scholarly work at the University of Hawai'i at Manoa, Harvard University, University of California at Berkeley, Stanford University, Australian National University, and Shih Hsin University in Taiwan.

He began doing research on corruption and governance in Asian countries in 1977 and has served as a consultant to Transparency International, the United Nations Development Programme (UNDP), the United Nations Department of Economic and Social Affairs, and the World Bank. To date, he has done research on corruption in 20 Asian countries and published extensively on this topic, with several of his books and papers winning notable accolades at the Emerald Literati Network Awards. Among many such recognitions, his 2018 article, "Why Singapore Works: Five Secrets of Singapore's Success," won the Outstanding Paper Award at the Emerald Literati Network Awards for Excellence in 2019 and has been downloaded 111,393 times.

2. Presentation Summary

2.1 Introduction

- Singapore's approach towards curbing corruption - Zero tolerance for corruption:
 - One of the lessons our late Prime Minister Lee Kuan Yew identified after being Prime Minister for 20 years was to "stay clean, dismiss the venal".
 - This is very important and I think it is one major reason why Singapore has succeeded. We do not tolerate corruption. There's zero tolerance for corruption in Singapore.
 - Anyone who is found guilty of corruption, no matter their status, position, or profession is punished. In Singapore, we absolutely do not pardon people charged with corruption.

2.2 Performance of Bhutan and Singapore on Two Corruption Indicators, 2020-2021

- The table on “Performance of Bhutan and Singapore on Two Corruption Indicators, 2012-2021” shows how Bhutan and Singapore have performed on the Corruption Perception Index (CPI) and the World Bank’s Control of Corruption indicator from 2012 to 2021:
 - “Corruption Perception Index” and “Control of Corruption” are the most useful and most commonly cited indicators and both Bhutan and Singapore have done well on these indicators.
 - For CPI, Bhutan’s score improved from 63 in 2012 to 68 in 2021. Meanwhile, Singapore has more or less maintained an average score of 85 over the years.
 - For the Control of Corruption scale, Bhutan improved from 79.15 per cent in 2012 to 90.38 in 2021, and Singapore has been in the high 90’s all along.
 - Bhutan is a top performer in the South Asian region and it is an outlier among the eight countries.

2.3 Explaining Singapore’s Success in Curbing Corruption

- a) Learning from the British colonial government’s mistakes of making the police in charge of investigating corruption when the enforcement body itself was heavily corrupt, and then replacing the Anti-Corruption branch of the police with a weak Corrupt Practices Investigation Bureau (CPIB) in September 1952
 - The strategic empowerment of the CPIB by the Singaporean government after the People’s Action Party (PAP) assumed power in 1959, equipping them with adequate legal powers and resources, enabled them to carry out their investigations fairly and without any constraints or conflicts of interest.
- b) The PAP government’s strong political will in curbing corruption
 - The enactment of the Prevention of Corruption Act (PCA) in June 1960 enhanced the CPIB’s legal powers.
 - An analysis of the budget allocation to and the number of personnel in the CPIB from 2012 to 2020 shows a 74.52 per cent increase in budget and 69.57 per cent increase in personnel.
 - A similar comparison also shows a visible improvement in CPIB’s per capita expenditure and staff-population ratio for the last nine years.
- c) The CPIB is an effective *independent watchdog* that enforces the PCA impartially
 - There are three possible roles an Anti-Corruption Agency (ACA) can play: an *independent watchdog*, an *attack dog*, or a *paper tiger*:
 - An independent watchdog is the most desirable role and the most effective in combating corruption because the ACA carries out its functions freely and fairly outside the influence of any kind of authority. Singapore’s CPIB, Hong Kong’s ICAC, Bhutan’s ACC are a few examples of independent watchdogs.
 - An attack dog is one where the ACA is politicised and used by those in power to attack their opponents. Examples include Bangladesh’s ACC, Cambodia’s ACU, China’s CCDI, India’s CBI, Myanmar’s ACC, Pakistan’s NAB and Vietnam’s GI.

- A paper tiger is also an undesirable role as the ACA has no actual legal powers and is thus unable to perform its duties. Some examples are Afghanistan's HOOAC, India's CBI, Philippines' OMB, South Korea's ACRC and Taiwan's AAC.

2.4 Contextual differences between Bhutan and Singapore

- A comparative analysis of Bhutan and Singapore based on six indicators (land area, population, colonial legacy, GDP per capita, political system and total governance percentile rank of 2021) shows the contextual difference between the two countries.
- Bhutan is 53 times larger than Singapore but its population is one-seventh of Singapore's.
- Singapore's GDP per capita is 24 times larger than Bhutan's.

2.5 Two problems faced by ACC in Bhutan:

- a) High turnover and number of vacancies
 - ACC meets only 58% of its established strength
 - Some of the reasons for ACC's low recruitment and high attrition rates include:
 - Heavy workload and high-performance pressure;
 - Demand for high behavioural standards;
 - Perceived inequalities;
 - Weak corporate culture;
 - More favourable career opportunities elsewhere (ACC, Annual Report 2014, pp. 39-40).
- b) Huge backlog of corruption cases
 - ACC conducted two reviews of the 555 back-log complaints and dropped 390 complaints, thus reducing the number of backlog cases to 165 in 2016 (Annual Report 2016, p. 49).
 - The number of backlog cases was further reduced to 96 in 2020 (Annual Report 2020-2021, p. 46). Needless to say, the Bhutan ACC's staff shortage has hindered its ability to resolve these backlog cases expeditiously.

2.6 Two important causes of corruption:

- a) Low salaries are an important cause of corruption
 - How do you expect civil servants to be honest if you pay them starvation wages?
- b) Red tape increases opportunities for corruption
 - Bhutan is 81st in the 'Ease of doing business' rank while Singapore is 2nd.
 - Other indicators like 'Starting a business' 'Getting construction permit' and 'Registering property' ranks show the vast difference between Bhutan and Singapore in terms of high red-tapism in the Bhutanese bureaucracy compared to that of Singapore's.
 - Red tape remains a problem in Bhutan because as of 2019, it takes 77 days to register a property and 150 days to obtain a construction permit.
 - All the procedures make it difficult for businessmen to get permits, and licences, so they bribe to expedite their process.

- Bhutan can improve by streamlining its procedures and using e-governance to reduce the long number of days to get permits.

2.7 Lessons for Bhutan

- To improve Bhutan's CPI score from an average of 66 to above 70, the Anti-Corruption Commission (ACC) must increase its effectiveness by attracting and retaining personnel to minimise its vacancies and reduce its backlog in investigating corruption cases.
- The Royal Government of Bhutan (RGoB) must continue to provide the ACC with adequate budget and personnel and initiate reforms to address the causes of corruption.
- The RGoB must initiate reforms to address the two causes of corruption: the low wages of civil servants and the problem of red tape. Implementing reforms to improve the low salaries of the civil servants and to reduce red tape in the civil service will help to reduce the extent of public sector corruption in Bhutan.

2.8 Conclusion

- Bhutan has performed well in curbing corruption because the RGoB has shown strong political will in providing the ACC with adequate resources. The ACC should maintain its status as an independent watchdog and never become an attack dog or a paper tiger.
 - The RGoB must avoid making the mistake of using the ACC as an attack dog against its political opponents.
 - To avoid becoming a paper tiger, the ACC must overcome its staff shortage by attracting and retaining personnel so that it can reduce its backlog of corruption cases.
 - The RGoB must improve the salaries of civil servants and reduce red tape in the civil service.

3. Questions & Answers

1. What advice would you give in ensuring that in the uptake of anti-corruption measures, there is ownership by the citizens without misplaced compassion? Could you share with us your insights on how zero tolerance for corruption became both the cause as well as the consequence in Singapore as you highlighted in your talk?

In Singapore's case, I think a very important reason why we succeeded in fighting corruption is the example shown by our late Prime Minister Lee Kuan Yew. When Lee Kuan Yew became Prime Minister in June 1959 at the age of 35, he received a lot of gifts because everyone wanted to buy his favour but he firmly refused them and even instructed the civil service to introduce legislation to prevent civil servants from accepting gifts. Therefore, I think leading by example is very important.

Secondly, the rich and famous are not above the law if they are found guilty of corruption. In Singapore, when a big shot is accused of corruption, his photograph appears on the front page of The Straits Times and all other newspapers. Anyone who is found guilty of corruption has to be penalised.

If you pardon corrupt people, you are only encouraging corruption. In Singapore, if you're found guilty by the court, you're punished. There is no second chance.

For example, when the Deputy CEO of the Utilities Board stole 14 million Singapore dollars, he was caught and jailed. He had to pay a fine and the bribe he took. A piece of shocking news was when a senior CPIB officer was caught embezzling over one million dollars from CPIB. He was caught and jailed for 10 years. So, even if CPIB officers are found guilty, there is no exemption.

Singapore has been able to succeed because we are not corrupt. In the 1990s, Caltex was deciding whether to choose Thailand or Singapore to put the refinery. They chose Singapore because of its clean government. We have a very good record for foreign investment because you don't have to cater for bribes in your budget for investing in Singapore.

Anti-corruption agencies must be trusted by the people. When reporting a corruption complaint, people must have the faith that the agency will investigate it carefully and fairly, and if there's enough evidence, they would punish those found guilty. So, you must build trust. Over the years, in Hong Kong and Singapore, the number of anonymous complaints has dropped. The number of signed complaints has gone up because people trust the ICAC in Hong Kong, and people trust the CPIB in Singapore. I also think that people in Bhutan trust the ACC - that's why you have many complaints.

2. Retaining senior and experienced investigation officers is a pertinent challenge for ACC, Bhutan. How do we retain the best professionals in the investigation?

I think, as Chairperson, you have to interview staff who resign, to find out why they are leaving. People leave for different reasons depending on their age and different stages of their career. Money might be only one factor and there would certainly be other reasons. It might be good to be proactive and have a constant discussion with your staff. Don't wait until problems arise.

In the 1970s, CPIB had a very serious problem of resignation, which was a reflection of the problems facing the civil service as a whole because salaries were low. Since we were trying to improve our economy, the government couldn't afford to raise salaries. When they did a survey, they found that many people left the civil service after 5 years for better prospects in the private sector or abroad. The private sector salaries were much higher than civil service salaries so the government was forced to raise salaries incrementally over the years. Now the salaries in the civil service are very high - probably the highest in the world. In some cases, civil servants receive higher salaries than in the private sector.

The point is salary is important but it is only one factor. You must send your officers for training to the FBI or other relevant agencies. It is very important that you help them do their job by giving them the necessary skills and expertise. Proper training is important because criminals are very smart nowadays; they have all these high-tech new techniques. Another important point is to build in them

the passion to stay on the job and this honour of fighting corruption at the ACC as a Bhutanese citizen. Therefore, you have to not only give them the expertise and adequate working conditions, but also build the environment at ACC where they feel encouraged and excited to do their best for their country. I suggest there is no way out except to have constant dialogue with your senior officers, especially during your annual review. This is where you can have very calm, frank, confidential conversations with one another. Ask them what the problems are, and what can be done to improve the situation at ACC so that the officers will want to stay. No organisation is perfect, including the CPIB.

In a way, it is very important that when you recruit staff, try to recruit people not just based on qualifications but based on their motivation (even though it is difficult to assess people's motivation to work hard or be an effective and efficient officer). Also, all those people who've done well must be rewarded, not just in terms of money, but in terms of recognition such as the 'best employee at work' so that there are these extrinsic rewards to improve their attachment to the organisation.

Have a constant dialogue with them to find out what's wrong, what can be done, what are the strengths of the organisation, and what are the weaknesses. You must rectify the weaknesses because if you don't, then it will get worse. And also, it's very important to have staff who are not afraid to speak out. You have to have people who are brave enough, and concerned enough to tell you the truth.

3. What more do you recommend for a nation like Bhutan with its small economy to be one of the most effective independent watchdogs in the region?

I think the hallmark of an independent watchdog is that you must never be used by the government as its attack dog. This is a very important measure. So far, Bhutan has done well; Bhutan hasn't made this mistake like many other governments. For example, in Bangladesh, whichever party comes into power, uses the ACC against the opposition and when they change the government, the ACC is used again against the other party. I wrote an article recently about how it is difficult to fight corruption in Bangladesh because the standard procedure for the ACC in Bangladesh is to attack the opponents of the current regime.

The other thing you must avoid is never becoming a paper tiger. And here I use South Korea as an example. Although South Korea's public relations is very good, its corruption is a very serious problem. South Korea's KICAC was set up in 2002. The plan was to set it up as a replica of the Hong Kong ICAC but the police, the prosecution department, and many other people objected because they did not want a strong KICAC. So KICAC was set up as a toothless ACA without the ability to investigate corruption cases. This is the only ACA in the world which cannot investigate corruption cases but outsource the function to other agencies. Then to make matters worse, in 2008, President Lee Myung-bak merged KICAC with the Ombudsman and the Administrative Appeals Commission to form the Anti-Corruption and Civil Rights Commission in 2008. The ACRC is a paper tiger that

cannot investigate corruption cases. That's why they set up another ACA last year, the Corruption Investigation Office. So, my advice to ACC in Bhutan is to never be a paper tiger or an attack dog. As long as you do that, the government must continue to give ACC enough resources so that it doesn't have to cut staff. Again, ACC must improve its staff shortage, so that it can remain an independent watchdog.

4. You have quoted Professor Nikos Passas that "You cannot fight corruption on an empty stomach," which I understood to mean that corruption is more susceptible amongst lower income groups but we also have cases among wealthy people. I would like to hear your comments on that.

Professor Passas focuses more on petty corruption or corruption at the low level. But apart from petty corruption, there is also grand corruption, corruption by senior people who earn much higher salaries, which is caused by greed. If you want to fight corruption, you must focus both on petty and grand corruption. It is easier to fight petty corruption but it is very important to fight grand corruption too. In my view, both petty and grand corruption offences must be investigated and punished if they are found guilty.

5. You mentioned the salaries and how low salaries make civil servants vulnerable to corrupt practices. For a country to raise civil servants' salaries to dissociate them from corrupt practices would depend on the economic situation of the country. So, what can we do to ensure that public servants do not engage in corruption because of the difference they have to bear between the salary and the expense?

To pay high salaries is very expensive. In Singapore's case, when the People's Action Party (PAP) came to power, they had a huge budget deficit caused by the previous government so they had to cut salaries and cost of living allowances of senior civil servants to save 10 million dollars. So, from 1959 to 1971, salaries were not increased at all. After 1971 the government saw many civil servants leaving the civil service after five years of service because the private sector was paying higher salaries than the civil service. Fortunately, by 1971, the economy had improved so the government was forced to increase the salary.

If the salary gap between the civil service and private sector is very high, it will lead to an outflow of civil servants. During the years when salary was not increased in Singapore, it was very important for the anti-corruption laws to be enforced. So, from 1959 to 1971 when the salaries were not increased, the CPIB enforced the laws impartially. Anybody who was found doing corruption was punished irrespective of status and position.

ACC is doing a good job of enforcing the law and my suggestion is as the Bhutan economy improves, increase the salaries of civil servants including that of ACC.

6. You highlighted two issues we need to address to combat corruption: low wages of civil servants and red tape. For a resource-constrained country like Bhutan, it's always a challenge that as much as you want to pay your civil servants, the government also has very limited funds in its exchequer. When salaries increase it is in a way incremental - 20-25 per cent - and the inflation catches up. In the end, you might find yourself worse off after a nominal increment. As you said civil servants need to be paid well so that they are less prone to corruption but then it is the civil servants, particularly the bureaucratic machinery as the engine of the government, who need to work hard and catch up so that the government makes more money and fulfils its pledges for economic and other development. Then we have issues of attrition with good civil servants leaving for the private sector or leaving abroad for greener pastures. I am wondering if Singapore had gone through a situation like this when it was a developing country and what were some of the key measures that the Singapore government took to address complex issues like this?

When Lee Kuan Yew became Prime Minister in June 1959, there was a salary cut because the previous government had overspent the budget. So, the government cut the cost-of-living allowance for senior civil servants to reduce the budget deficit. But then the CPIB enforced the anti-corruption laws impartially. This is very important. ACAs must enforce the law especially when salaries are low. Very often, this is not the case. While increasing salaries is expensive, whenever the economy improves in Bhutan, this improvement must be reflected in the salaries and working conditions in the civil service. For example, in Singapore, the police were the most corrupt agency during the colonial period because the salaries were very low especially the local police officers compared to expatriates. Over the years, we have improved the salaries of the police so now the police people are very clean and no longer corrupt but it took a long time. So, the point is that when you want to improve salaries, it is expensive and you have to improve the economy. So, in Singapore's case, salaries improved when the economy improved. Increasingly improving the salaries not only combats corruption but also attracts the best and brightest to the civil service. The way to improve the economy is to encourage FDI in the country. In Bhutan's case, you might need a task force to see how to improve the economy, and how to improve opportunities for foreign investment as the way to improve the economy because at the end of the day, if you don't make any changes, your salaries will be very static and you will lose people. All the countries are competing to attract talented people.

7. Many corruption cases are not investigated for lack of formal reports. Is taking up the case without receiving a complaint about being an attack dog? How should we deal with it? Perhaps this comes from the fact that in the past, the investigation of ACC has relied on complaints being filed, there have been proactive investigations as well but it was less than 10 per cent of

the total investigations. But now as a part of our reform process we are trying to break this stagnation at 68 (we've stayed at TICPI 68 for the last four years). We see that proactive investigation is perhaps something we have to strengthen. I would like to hear your views on proactive investigations.

This is always a difficult part when you rely on complaints whether it is anonymous or signed complaints. Signed complaints are better because you can interview the complainer for more details. CPIB prefers signed complaints but of course, they still entertain anonymous complaints. But for complaints to be investigated there has to be sufficient details of the person's offence so it is very difficult to proceed. In Singapore's case, to prevent malicious complaints, if we see that the complaint is malicious the person can be punished accordingly. So, we assume that those who make complaints are sincere.

Proactive complaints, before you begin to investigate there has to be some sort of evidence that there is some corruption. South Korea rewards people for whistleblowing but I don't think it is very successful. The point is that if there are whistle-blowers, they must be protected and must be treated fairly because the record of whistle-blowing is not very good; in fact, it is very dangerous to be a whistle-blower. Proactive complaints are good if you have intelligence networks in your country, and if you have people you can contact to seek information. In Singapore, CPIB is well trusted and so people know that if they see something wrong, they report it to CPIB and if it is valid CPIB will take action. Newspapers always announce so and so are arrested so people will know. Also, if a CPIB official is found guilty there is no cover, there is a lot of publicity so people know that even CPIB officers are not exempted from prosecution and you're punished according to the law.

8. Given your wide experience and the research that you have done over a long period, do you personally see a time in Singapore when a CPIB won't be necessary? When your systems would be so in-built, society would be so in-built, would the education system reach that level where a CPIB won't be necessary?

Unfortunately, no. I think as long as there are human beings there would be some who want to test the system. Agencies like CPIB and ACC will have to continue their work. Corrupt individuals evolve, become smarter and try all sorts of ways to beat the system because they want to benefit personally.

In Singapore, there are lots of scams and people willingly give their personal information and get robbed of thousands of millions of dollars. It is going on every day, even though people are educated and our National Crime Prevention Council is doing a good job telling people to avoid these scams.

Fighting corruption is a continuous work in progress and the agencies have to improve the system because corrupt individuals are very smart people.

The global trend now is that private sector corruption is increasing so ACC might have to concentrate on this trend to see what are the causes of corruption in the private sector.

9. What would you recommend to improve the rate of service delivery to curb corruption?

Red tape refers to excessive procedures. For example, in South Korea many years ago it required 44 permits to get a building licence for a factory and it took years so if you didn't want to wait that long, you bribed the inspector to get the permit. The red tape gives corrupt bureaucrats the excuse to accept bribes to cut red tape. South Korea has improved now using an online system. In the Philippines and Indonesia, it takes a month to get a driver's licence, so the fixers (corrupt individuals) loiter around the departments asking those queuing up to pay a fee and these fixers will arrange with the officials to give the licence almost straight away.

So, if you improve the delivery of services, especially online, you cut down the reasons for bureaucrats to accept bribes. Public services should be free and should be delivered as quickly as possible.

I noticed from the annual report that in Bhutan, corruption in the local government is much higher than in the central government. Perhaps, you have to look at why that is happening and what can be done to reduce the corruption in the local government.

10. In Bhutan, power corruption is the most prevalent. How can we deal with power corruption?

(Moderator - I think what is being referred to is an abuse of function, the national integrity assessment also shows that abuse of function is the highest category of corrupt offences. Even the highest number of complaints that we receive are about abuse of function. I look forward to hearing your response to it.)

Assuming that the complaints are valid you have to try and see what is the cause of this abuse of power. The only way to tackle this is for the people involved to complain and provide details so that these individuals, if they have abused power, must be made accountable. However, it is difficult to be a whistle-blower requires a lot of courage. So very often, people are afraid to report the abuse of power so this thing continues. The point about the abuse of power - it is very difficult to fight unless there is sufficient information - unless you know the person involved, and what he or she does that is abusive, so that the misconduct can be avoided. I have seen the chart showing abuse of function is the highest but there are not enough details in the annual report about this abuse of function. So maybe in terms of research, you want to analyse all these cases reported to see whether there are any common features or not: Where can you find the most abuse of function, by percentage, department, and agency? I don't know about Bhutan but from my research, I suspect the police department is one of those. In Indonesia, there are two types of departments, one is called the wet agencies and the other

dry agencies. Wet agencies mean you have a lot of opportunities for corruption - police, immigration, and customs. I suspect the abuse of function will probably be prevalent in wet agencies.

11. How important is the decentralisation of power and governance for combating corruption?

Decentralisation is important for big countries. However, since Singapore is a small island, the question of decentralisation isn't important. Bhutan of course is much larger than Singapore. It is good to have branch offices so that it will be easier for people who want to make complaints from other districts outside Thimphu. Even the Hong Kong ICAC, despite Hong Kong being small, has branch offices. When you are decentralised, the central agency in the central government must be able to ensure that the same standards apply to the branch offices in terms of investigation and all other procedures in fighting corruption.

12. In CPIB as well as in many other successful Anti-Corruption Agencies, there is that three-pronged approach to fighting corruption - prevention, education and investigation, but if due to the resource crunches of a developing country, you had to prioritise, what would you go for? Prevention, education or investigation?

All three are important. But in CPIB's case, initially, the CPIB focused on investigation and prevention because they didn't have much staff for education. Later on, education became much more important. I think Bhutan has got all three - you have investigation, prevention, and education. This is very important because you have to have these three problem strategies to fight corruption; just different emphasis here. Right now, I think, in your case, the focus is on investigation, and less so on prevention and education. Over time, as your staffing improves, you can then give equal emphasis. In Singapore's case now, I've told the Director of CPIB, they should increase the emphasis on education and create a Public Relations Department. I think there is no substitute for the emphasis on the three because you cannot just investigate and prevent, and not educate. At the end of the day, the citizens at large are your clientele because citizens must realise that corruption is bad news for the country and they must help and collaborate with the ACC to help fight corruption. Because if corrupt individuals win, as seen in many countries, then you all suffer.

IV. Nation Building- Lessons from Singapore's Success

Speaker: Ambassador Tommy Koh

Date: 14th Oct 2022

1. Speaker Introduction

Tommy Koh is currently an Emeritus Professor of Law at NUS; Ambassador-At-Large at the Ministry of Foreign Affairs; and Chairman of the International Advisory Panel of the Centre for International Law at the NUS.

He has served as Dean of the Faculty of Law of NUS, Singapore's Permanent Representative to the United Nations in New York, Ambassador to the United States of America, High Commissioner to Canada and Ambassador to Mexico. He was President of the Third UN Conference on the Law of the Sea. He was also the Chairman of the Preparatory Committee and the Main Committee of the UN Conference on Environment and Development (Earth Summit). He was the UN Secretary General's Special Envoy to Russia, Estonia, Latvia and Lithuania. He was the founding Chairman of the National Arts Council, founding Executive Director of the Asia-Europe Foundation and former Chairman of the National Heritage Board. He was Singapore's Chief Negotiator in negotiating an agreement to establish diplomatic relations between Singapore and China. He was also Singapore's Chief Negotiator for the US-Singapore Free Trade Agreement. He acted as Singapore's Agent in two legal disputes with Malaysia. He has chaired two dispute panels for the WTO. He is the Co-Chairman of the China-Singapore Forum and the Japan-Singapore Symposium.

Professor Koh has received awards from the Governments of Singapore, Chile, Finland, France, Japan, Netherlands, Spain and the United States. Professor Koh received the Champion of the Earth Award from UNEP and the inaugural President's Award for the Environment from Singapore. He was conferred with honorary doctoral degrees in law by Yale and Monash Universities. Harvard University conferred on him the Great Negotiator Award in 2014.

2. Presentation Summary

It is a great pleasure to have this conversation with you in Bhutan and I wish I were with you physically. I recall with great pleasure my visit to Bhutan in the year 2000. I had gone to Bhutan as a special envoy of my then Prime Minister Mr. Goh Chok Tong and my mandate was to see the King and ask for his support for Singapore's candidature to be a non-permanent member of the Security Council. I had a very successful and happy trip to Bhutan and His Majesty received me with great kindness.

I want to tell you about how this book "50 Secrets of Singapore's Success" came to be edited. The Mexican Embassy in Singapore told me that there were 27 Mexican students in town on a study visit and asked whether I could meet them for an hour. And I said, "Of course, I would be happy to meet them." We had wide ranging conversations about our challenges and successes. At the end of the

hour, one student asked me, “Professor, what is the secret of Singapore’s Success?” I said, “It is not one secret but many secrets.” She said, “Please write a book”. I didn't think it was possible to write a book so I decided on the next best thing which is to edit the book. The challenge was to sit down and ask myself what are the 50 most important success stories. So I had a list which I reduced to 50 and then I had to find 50 friends who were willing to write an essay each for me. I gave them three months to do it so I got the book done in six months and the book has been very successful.

What I want to do this morning is to talk about what I consider the most important success stories.

1. *Economy*: The first and the most important success story is the economic success of how Singapore went from per capita USD 500 to over USD 58,000 today, which is more than 100 times increase since the country became independent in 1965. It is not only about high economic growth and high per capita income but also full employment. In many countries, there is unemployment, especially among young people but in Singapore, there is full employment. In fact, there is a huge shortage of workers; in Singapore, there are 3.5 million Singaporean citizens and 2 million foreigners living and working in the country.
2. *Good Schools*: Education is very important, not only in the life and career of the individual but also as a nation, so having good schools is a very important success story. Over time, Singapore has had good primary and secondary schools, and at the tertiary level, there are three streams. Those who are technically inclined go to the Institute of Technical Education or polytechnic. For those who want a more academic career, there are about five universities. Thus, having a good education system is very important.
3. *Housing*: In a city like Singapore which is very crowded and that inherited from the British a huge housing deficit, overcoming the housing shortage and building affordable housing for the people was very important. What is quite unusual about Singapore is that 80 per cent of the people live in housing that they own but which was built for them by the government. So, solving the housing problem is the third most important success story.
4. *Universal and Affordable Health Care*: The government plays an important role in making available universal and affordable health care. In every part of Singapore, there are poly-clinics, which are run by the government and give the people affordable health care at a highly subsidised cost. There are also community hospitals and various other health institutions. The bottom line is that a country needs a healthy population and to have healthy people, a good and affordable healthcare system is a must.
5. *Safe and Liveable City*: While the role of police in maintaining safety in Singapore is crucial, people working on the environment are equally important for the city to be both safe and liveable. Giving people a high-quality environment with clean air and water is important.
6. *Good Public Transport System*: In a congested city like Singapore, it is important to build a good and affordable public transport system to discourage people from owning a car.
7. *Low Corruption* is the next important success story.
8. *Strong Rule of Law*: The next success story is the strong rule of law in Singapore. Making the rule of law in the world is also an important advocacy of Singapore diplomacy. Singapore

speaks up for the rule of law in the world and speaks against the countries that violate the rule of law.

9. *Effective Diplomacy*: Singapore has been able to work closely with its nine regional partners and build a successful regional organisation called ASEAN because of its effective diplomacy. ASEAN has succeeded in maintaining peace in Southeast Asia, integrated the 10 economies into a single economy, and is friendly with all the major powers. Every year, when the ASEAN countries meet, the major countries of the world are also invited to join and they accept the invitation because ASEAN is a successful and credible regional organisation.
- I would describe the Singapore model as capitalism with socialist characteristics in that the economy has a free market with a vibrant private sector but the state provides benefits like public housing, good schools, affordable health care, and public transport. Unlike in America or European countries, the government plays a strong interventionist role in Singapore.
 - I don't want you to think that we have no problems because we do have problems. And I want to leave you with what I consider our four most important challenges:
 1. Growing inequality: This is not unique to Singapore and is true almost everywhere in the world that as you become prosperous, you become increasingly divided between rich and poor. Singapore has not yet been able to solve the challenge of inequality.
 2. The contradiction between being a country and being a global city: Singapore is one of the world's global cities - very open to the world and welcoming of foreigners to live and work in Singapore. However, there is a contradiction between being a global city and being a country.
 3. The balance between local and foreign: There are 3.5 million Singaporean citizens and 2 million foreigners living and working in Singapore. The country is very open to foreign talent; foreigners are welcome to not only work in Singapore but also to hold very senior positions. This sometimes creates certain friction between the aspirations of the locals and being open to global talent.
 4. Foreign policy: We live in a part of the world which has become a very important theatre of contest for influence between the United States and China. In Singapore, you experience the intense rivalry between the US and China, between China and Japan, and between China and India. The challenge for Singaporean diplomats is to maintain neutrality and be on good terms with all the major powers without taking sides in their disputes. This is increasingly difficult because Singapore is under pressure from the major powers to take one side against the other, which the country tries to refrain from doing. However, as the rivalry becomes more intense, the pressure on Singapore gets greater and it becomes increasingly difficult to remain neutral and on very friendly terms with all the major powers.

I will stop here and I am happy to take questions.

3. Questions and Answers

1. What was the role of the private sector in the economic development of Singapore or was the process solely government-led?

Before explaining Singapore's economic model, to give a brief history about Singapore, it was ruled by the British for close to 150 years. Under the British, Singapore became a major port in the world. Being a major port also attracted a vibrant service industry and international trade but these sectors alone did not create enough jobs. Thus, when Singapore became independent there was a large number of unemployed people, and the government had to decide how to create jobs and a more diversified economy. Realising that trade and shipping were not enough, the government created a manufacturing sector.

Since the wages were very low in the beginning, Singapore attracted multinational corporations to come and open factories, and use the relatively cheap labour available to manufacture for the world. While at first Singapore depended on the world's multinational corporations, it realised that it should also create its own local companies and not rely on foreign companies alone. Over time, the private sector has become more vibrant and played a more important role. Today the state sector has shrunk and the private sector has expanded, but the state still plays a very important role in the economy. The state is trying to privatise most things; they privatised Singapore Airlines, and the shipping line, but the state still has shares in many companies in Singapore.

The government recognises that the private sector is the engine of growth and we must encourage the growth of the private sector. They are the people who have the capital and the entrepreneurial spirit to start businesses, and we encourage them. So, Singapore has now become one of the favourite start-up capitals in the world. The country encourages young people from all over the world to come to Singapore and start their businesses. There is a lot of venture capital available, and the government makes available loans on very favourable terms to help these young people start their businesses. And many of these small businesses have now become unicorns (with a value of over 1 billion dollars), which is very good and this is the future of Singapore. Singapore wants young people in the private sector to start businesses, especially in new technology, and I consider them the future of Singapore.

2. Bhutan and Singapore are very different because of our geographical locations as Bhutan is landlocked and Singapore has access to the sea. Is there any advice that you could give for a small landlocked country? What are the opportunities we can take given that we have two large neighbours?

Bhutan should look to Europe for inspiration. Europe has some small but very successful landlocked countries, particularly Switzerland and Luxembourg. The experiences of Switzerland and Luxembourg show that being landlocked need not be a handicap that you can't overcome. Today Luxembourg ranks as the richest in the world by per capita income and Switzerland ranks number two. One lesson

to learn from Switzerland is to be on very good terms with all your neighbours so that you have access to the market, and access through their territory to the seaports. Being small doesn't mean that you have to be isolated or poor. My new book "The Small States in a Big World: Size is Not Destiny" is a collection of essays by very successful small countries, not just in Europe but all over the world.

3. When Singapore is technologically and economically very advanced, why are Singaporean researchers not up to the level to win a Nobel Prize?

In my view, winning a Nobel Prize is not so important. What is more important is having a world-class education system, a competitive economy, and providing your citizens with a very high quality of life. One of the small countries I admire is the country in the Caribbean called Saint Lucia, which has a population even smaller than Bhutan. It has won two Nobel Prizes in Economics and Literature. So winning a Nobel prize is sometimes like winning a lottery. What I am more proud of in Singapore is that the National University of Singapore (NUS) has recently been ranked number 19 in the world. And the NUS Law School has been ranked one of the top 10 law schools in the world, and that is more important.

4. Currently, Bhutanese spend more than 30-40 per cent of their salary on house rent. How should Bhutan go about making housing affordable? How did Singapore solve this issue?

The People's Action Party (PAP) believed that the government should provide universal affordable housing and established a statutory board called the Housing and Development Board (HDB). In the beginning, they built very basic housing for poor people. Over time, 80 per cent of the people in Singapore live in housing that they own but was built for them by the government. Maybe the Bhutanese government should consider setting up its HDB to build and sell affordable housing to the people.

5. What are the causes of inequality in Singapore and what are the interventions placed by the government to fill in the gap?

Inequality is inherent in a capitalist system because it awards capital more than it awards labour. The capitalist system awards people who are talented and highly educated - the achievers. The system pays more to the "brain worker" - white collar people and it tends to underpay people who work with their hands and people who work with their hearts (people who work with their hearts are teachers, nurses, social workers, etc). This is the nature of the capitalist system. However, Switzerland is a good example of how good governments can overcome these inherent defects. Switzerland is a capitalist government but the Gini coefficient is very low. Switzerland doesn't have a minimum wage but it pays the hand workers and the heart workers much better than Singapore. Secondly, it taxes the rich more heavily

than Singapore and transfers some of the taxes from the rich to the poor. Switzerland probably has more generous welfare than Singapore. Singapore does not provide unemployment benefits because there is full employment. It does not pay pensions to old people so many old people live in poverty because those who have retired and do not have enough savings live in poverty. So Singapore has charities that cook and bring meals every day to poor people. So, I would say, on equality do not learn from Singapore, learn from Switzerland.

6. In the diplomatic field, you are well known for being the Chair of the Conference on the Law of the Sea. From your experience as Chair of these conferences, what were some of the strategies you used as a representative of a small state to ensure its success?

The UN entrusted me with the Chairmanship of two major conferences: The Law of the Sea and ten years later, the Earth Summit. It is very challenging to chair a major international conference because you try to keep everybody in the plenary informed but at the same time you have to choreograph negotiations to try to resolve all the outstanding problems. Based on my experience, I wrote an essay on how to chair international conferences successfully where I tried to distil some of the lessons, I learned myself.

7. You mentioned Singapore's relations with China as one of its challenges. So, what are Singapore's strategies in dealing with China including the rivalry between China and other great powers? How does Singapore deal with this?

Every country must choose a foreign policy that suits its strategic needs and calculations. In the case of Singapore, we decided to be on very good terms with all the major powers in the world. We have a very good and substantive relationship with the U.S. and this relationship is anchored on a number of things, one of which is the U.S-Singapore Free Trade Agreement that I helped to negotiate as the chief negotiator. Another anchor of the relationship is the MoU signed by Lee Kuan Yew and Vice-President Dan Quayle at a time when the Americans were expelled from the airbase in the Philippines, Clark and the naval base, Subic. We didn't want Americans to leave the region because we considered them helping to maintain peace and security in the region. So, we signed an MoU with the U.S. to give them access to our air and naval bases. We generally try to be helpful to them. When President Biden announced a new economic initiative called "Indo-Pacific Economic Framework", although it is not as good as the Trans-Pacific Partnership (TPP), we immediately supported them and we're helping them to make it successful.

Our relationship with China is more complicated. During the Mao era, our relationship with China was not good because China, under Mao, was subverting our security, supporting the communist movement and the communist guerrillas in Thailand and Malaysia. When Mao died and Deng Xiaoping took over, he completely changed the nature of China's relationship with Southeast Asia. It

became a new chapter of good relations between China and Southeast Asia. Singapore was one of the first countries to support Xiaoping's policy of Openness and Reform. We not only supported them by words but by deeds. Our legendary Finance Minister Dr Goh Keng Swee became an adviser to China's Special Economic Zone. Over time, Singapore trained more than a hundred thousand Chinese officials in various areas such as city management, high technology, airport, etc. by customising courses for them. We have become China's largest investor and China is the only country where we have three government-led major projects (industrial park, eco-city, connectivity). There is a bilateral joint council co-chaired by the Chinese Vice Premier and Singapore's Deputy Prime Minister. So, our relationship with China is very close and substantive but still time-to-time we have problems with them. They don't like the fact that we are close to America, the fact that we still send our soldiers to train in Taiwan but when I negotiated with China in 1990 to establish a formal diplomatic relation with them, one of the conditions of our recognising them was that we can continue to send our soldiers to train in Taiwan and they conceded to me. And I'm holding them to the agreement we signed in 1990.

We are also very close to Japan and India. We have free trade agreements with both Japan and India. With India, we recently instituted the India-Singapore Ministerial Round table consisting of ministers on each side. Singapore is the second largest investor in India after Mauritius. Singapore is also close to Japan. Singapore even took the initiative to tell the Japanese that they should be more active in projecting their soft power and we helped them to build in Singapore, a Japan Creative Centre. So, the bottom line is Singapore has very good relations with all the major powers and our agenda is to be relevant and useful to each of them but not to take sides in their quarrels.

8. Given your long diplomatic experience would you have any advice for me as an ambassador of a small country in a large country like Australia?

You may represent a small country but you must maintain your dignity and you must never allow a bigger country to bully you. This is my advice to all young diplomats. Because you are from a small country there is a natural tendency for a bigger country to bully you or disrespect you. You must stand firm and defend your national interest. You can overcome this asymmetrical relationship by behaving on your part with a signal to the other side that you may be a big country and I am a small country, but this is a negotiation between two equals.

When I was negotiating the free trade agreement with America, at our first meeting in Washington DC, which was open to the media I said to the Americans, "We want a free trade agreement with the Americans but the agreement must be fair and balanced. And if you make unreasonable demands to Singapore, we will walk away from this negotiation."

9. How did Singapore improve its quality of education? Is free education the way forward for making the education system translate to producers of skilled personnel? Would you say that English is important and will remain so for the next century?

English will remain the most important international language but it is important to encourage your young people to learn many languages. So, in Singapore, it is compulsory that in addition to English you must learn your mother tongue (Mandarin, Malay, Tamil, etc.). Allow students to learn to speak other languages like Japanese, French and German. When they learn these languages, very often, they are given scholarships to study in those countries at the tertiary level. And it is good for us to have these connections. It is good for Singapore to have people who studied in China, Japan, U.S., France, Germany and others because these are valuable connections that we make.

To build successful schools, first, you must have the culture. In Singapore as in many parts of Southeast Asia, the culture is respect for education. All parents, whether rich or poor, want their children to do well in school. They know that doing well in school is a passport to success. So, the culture in Singapore is conducive to learning. We make sure that all schools in Singapore are good schools. There are some elite schools but we make sure that all our neighbourhood schools are good. So even if you don't get into an elite school, you are sure of a quality education. We do that by paying our teachers very well. This is really the secret of our success in education. Most countries do not pay their teachers well. Look at America, they pay their teachers so poorly that they don't get high-quality people to join their education system or stay there for life. And the schools are not conducive to learning, and students are not interested in learning. In Singapore, students are very serious and want to learn and we have good teachers. We have a world-class teacher training college called the National Institute of Education (NIE). Good teacher training, paying teachers well, attracting good people into the education service and staying in education were some of the ways Singapore improved its quality of education.

10. How did Singapore achieve strong growth in science and technological institutes? What were the roles of these institutes in the economic growth of Singapore?

One of our important breakthroughs was to depart from the British system. We inherited from the British an education system skewed to academic learning because unfortunately, in Britain there is a class divide and the upper class looks down on the labouring class. When I went to Cambridge University, no one in Cambridge wanted to be in the manufacturing industry. They all wanted to be white-collar workers.

So, we decided the education system we inherited from the British was no good and we had to change the system. So, what we did was allow students with different kinds of intelligence and gifts to do well in institutions that are conducive to their learning. So, for students who are not eligible to go to university, they have two other options. We have a wonderful polytechnic with high-quality teachers

and excellent infrastructure. Graduates of our polytechnics get good jobs and they are much sought after by the private sector. So over time prejudice against blue-collar jobs became eroded because people who went to polytechnic have done well in life. But some students don't even qualify for the polytechnic and instead of treating them as discards, people with no hope in life, we revamped the vocational institutes into world-class technical education institutes with high-quality infrastructure, campuses and good teachers. So, the secret is whether you go to an institute of technical education, a polytechnic or a university, you are learning in a conducive environment with high morale, believing that when you graduate, you will get a good job.

Now we are going to take one step further, which is difficult to do. We are trying to learn from Germany and Switzerland and say doing well at university is not good enough, you must be ready for work. Learning from Germany and Switzerland, we are introducing work and study programmes. You work part-time while you are studying so that when you graduate, you are ready for the industry, which is one of the strengths of the German and Swiss education systems. It is very different from the British. We are very pragmatic people. We have gone from the British model to our model and now we are trying to learn from Germany and Switzerland and include their models into our education system.

11. On Industrial policy, if you could share your views on countries like Bhutan which are in the early stages of development where we rush towards import substitution industries when we already have an IT and space industry scenario? So here we often believe that it is more important to substitute rather than get into the export-led industry.

When we started industrialisation in the early phase, the policy was import substitution. But we soon realised this was a dead end. Our market is so small. We wanted companies who not just catered to our protective Singapore market, we wanted to export to the world and compete with the world. So, we removed all the tariff barriers and have a tariff-free open economy. In the beginning, because the private sector didn't have the experience, the government had to take a lead in starting all kinds of industries, even hotels. When we first opened up, we didn't have five-star hotels in Singapore so the government built a five-star hotel. And then it divested when there was no longer a need for the government to get involved. So, the government played a hand in setting up a multinational steel industry. Later on, we divested and now it is owned by TATA. So, at the beginning of our industrialisation process, the state had to play a big part. But gradually as the private sector grew the state withdrew and divested. My advice is import substitution is a dead-end road, don't go down this road.

12. In terms of migrant labour, for a country like Bhutan where our population is less than 800,000 in terms of the critical mass required for development, what kind of a policy would you recommend?

Bhutan's need for migrant labour would not be as big as Singapore's need because we have a very big industrial sector. We are the world's third largest financial centre and we don't have enough workers for our factories and we don't have enough top talent to run our financial centre. So we have no choice but to import workers for factories, build our homes, and repair our ships. To be the world's number three financial centre means that you need top financial talent from around the world and we have many high-powered capable people in our financial industry. But as I said, it creates a problem to create a balance between local and foreign and if you bring in too many foreigners into your banking industry, the locals will feel they have been discriminated against. But Bhutan's needs are different from Singapore's needs because you don't have a big industrial sector, and you don't need to bring in a large number of workers for your factories or shipyards as we do. In Singapore, 1.5 million foreigners are on contract so when the contract expires, they are not allowed to live in Singapore; they have to go back to their country. Only half a million foreigners working in Singapore are granted permanent residency status. The majority are on contract and have to go back to their country when their contracts expire.

13. People generally tend to move to greener pastures. Did Singapore ever face a brain-drain issue? If so, how did it overcome the issue?

In the early days of nation-building, we all felt we had a duty to go home. We must take part in this great nation-building project. Although I was offered a job by the UN, I declined. America offered me teaching positions in Boston and Hawaii, but I declined because I felt I have a duty to my country to go back and help. But now that Singapore has done well, young people don't feel this. So, if they are highly educated and their talent spotted, many young Singaporeans are working in London, New York, Australia and in many advanced countries. And you can't stop it. But the happy news is for every Singaporean we lose, we get more than two foreigners who want to live and work in Singapore and many of them want to settle here because they like the opportunities and lifestyle in Singapore. And don't make the mistake of treating those who go abroad to work as traitors. For a long time, the Singapore government made the mistake of treating them as traitors. In the 1980s, we changed our policy. We realised that they are a resource of Singapore, and we keep in touch with all the Singaporean communities in advanced countries and encourage them to come home, visit Singapore, encourage them to establish links between their industries and Singaporean industries, and between their companies and Singapore companies. And we treat them as an asset, as a resource rather than as traitors.

But you should balance this by having a proactive policy of attracting talented people in the world to come and work in Bhutan as we do. Be open to foreign talents but of course, manage the numbers to

compensate for the loss of talent. Bhutan is a very attractive place to live in, there will be many young people in the world, especially in the creative industries who would love to be in Bhutan so welcome them. Make them part of your family.

14. Bhutan could relate to two challenges of Singapore which are widening income gap and balancing foreign versus local expertise. I don't think Singapore has any poverty line or minimum daily wages. So how do you measure people below a certain level of income or what is the minimum income below which you label them as poor?

The Singapore government doesn't have a poverty line and never used the word “poor” or “poverty” to describe people at the bottom of the pyramid; they are called low-income families. If we take international practice and draw the poverty line, I would say about 30 per cent of the Singaporean population would be below the poverty line. Because we don't have a poverty line, we call them low-income. I have been advocating a minimum wage in Singapore and the government rejected this. Because they are free market fundamentalists, the free market determines wages but there is market failure. Because we have 1.5 million workers from other countries competing with our workers, this depresses wages at the lower end of our economy. Because of the market failure, you need to do something to raise wages at the bottom of our pyramid. The government introduced progressive wages and supplements for low-income families provided that they are working. If you are working and your income is low, the government pays cash to your provident fund (PF).

The current deputy Prime Minister is concerned about inequality. He often talks about his vision that Singapore should not just benefit the top people, prosperity in Singapore should benefit everybody. So, I think when he becomes Prime Minister, he will raise the wages of the people at the bottom. My vision and campaign agenda are to give a living wage, a wage enough for the worker and the family to live in dignity.

15. What would be the ratio of native Singaporeans who belong to the low-income bracket and those who are doing very well?

People from the 1960s and 1970s, who did not have the opportunity to go to university many of them have done well in business. Some of the richest people in Singapore only went to high school and many of them are philanthropists giving scholarships to universities. And not all the rich people in Singapore are foreigners. We have one of the world's highest concentrations of millionaires in Singapore. So, there is a balance between rich foreigners and local people.

16. Is there anything that Singapore shouldn't have done?

One of the mistakes was the two-child policy. In the beginning, we were producing too many children and the government was alarmed that we don't have enough jobs. But over time as more women are educated and have good jobs, they don't want to be baby factories. So now we have one of the lowest birth rates in the world.

17. How do the interest rates of financial institutions affect the economy and private sector development? What can the government do to make it more effective? Bhutan has high-interest rates almost 9 -11 per cent. How should Bhutan plan to realise favourable interest rates?

In the case of Singapore, the Monetary Authority of Singapore (MAS) manages the monetary system. It is again very open to the world. We allow the Singapore dollar to float against a basket of currencies. It is not pegged to the US dollar but pegged to the currencies of our major trading partners. Interest rates are never allowed to go so high. For the last ten years, it was very low because we were following the Americans and the world was flooded with liquidity. Now because of high inflation in America, there are increasing interest rates but the interest rate in Singapore is still very low; it is below 2-3 per cent. So, we never had high-interest rates and we keep inflation low. We never allow inflation to rise too high because that will affect interest rates. I don't know how you manage your inflation but inflation in Singapore is usually below 2 per cent although for this year, it is coming close to 4 per cent.

18. Do you think joining the WTO would be helpful for Bhutan?

I can't tell whether to join the WTO or not because it will depend on what your aspirations are; if you want to be in the international trading system. Singapore depends on trading. Our external trading is three times the size of our GDP. We survive by trading so for Singapore WTO is critical. So, when Trump attacked the WTO, we had to defend it, and prevent him from doing damage to the WTO. Because our domestic market is so small, our policy is to expand our economic space, and our strategy is to negotiate free trade agreements with all the major economies in the world. We are connected to their economies with FDIs; we have FDIs with USA, China, Japan, Australia, New Zealand, and the EU. We are very promiscuous in our trade policy. The only FDI which has cost us political problems is the FDI with India because India has a surplus of brain workers and one of the objectives is to create opportunities for Indian professionals to work abroad. So, in the FDI with India, there is a provision allowing Indian companies in India to transfer people from India to their branches in Singapore. It is a good thing to have, and we allow Indian companies the flexibility to move people from India to their branches in Singapore. However, when this movement became too big and conspicuous, it again created problems with the local people. Local people asked why there are so

many Indians in the IT industry and financial services. Are they not taking jobs from the local people? Although we explain it is an intra-company transfer, people are not satisfied. Of all the FDIs we have in the world only one created a political problem.

But if Bhutan wants to enjoy good trade relations with the world, join the WTO and on a very selective basis, negotiate free trade agreements with its neighbours.

19. Singapore can attract FDI unlike most countries in the sub-continent including Bhutan. How is Singapore able to achieve that?

We can achieve that because we welcome foreign investment. We treat foreign investors on equal terms with local investors. We have a very strong rule of law so foreign investors know that in case of a dispute they will get a fair hearing in a court. We have an independent judiciary and the judges are not prejudiced against foreigners.

The most important thing is FDI makes a lot of money in Singapore. One study by the US Department of Commerce shows that of all US investments in the world the investment that earned the highest return is ASEAN. That is why ASEAN is a very popular destination for foreign investors. The other secret why Singapore is so attractive to foreign investors is that we have a very good legal regime protecting intellectual property rights. For advanced countries, intellectual property rights are as important as material goods. So, when I was negotiating the free trade agreement with America, America insisted that we must upgrade our legal regime protecting intellectual property rights to the same level as Americans. Americans have more investments in Singapore than they do in China, Japan and India combined.

20. In the remarkable story of economic success in terms of the Productivity Capacity Index (PCI) with full employment, what were the foremost drivers of that success during the initial years?

Because the port and trade were not generating enough new jobs, the government decided we have to industrialise. When that took off, there were many jobs created in the manufacturing industry. So, unlike many other advanced countries, Singapore was determined not to allow our manufacturing sector to go down. We feel that it is very important for an economy to have a strong manufacturing sector.

Annexure

Annexure 1: Strengthening Law & Order and Homeland Security: Lessons from Singapore

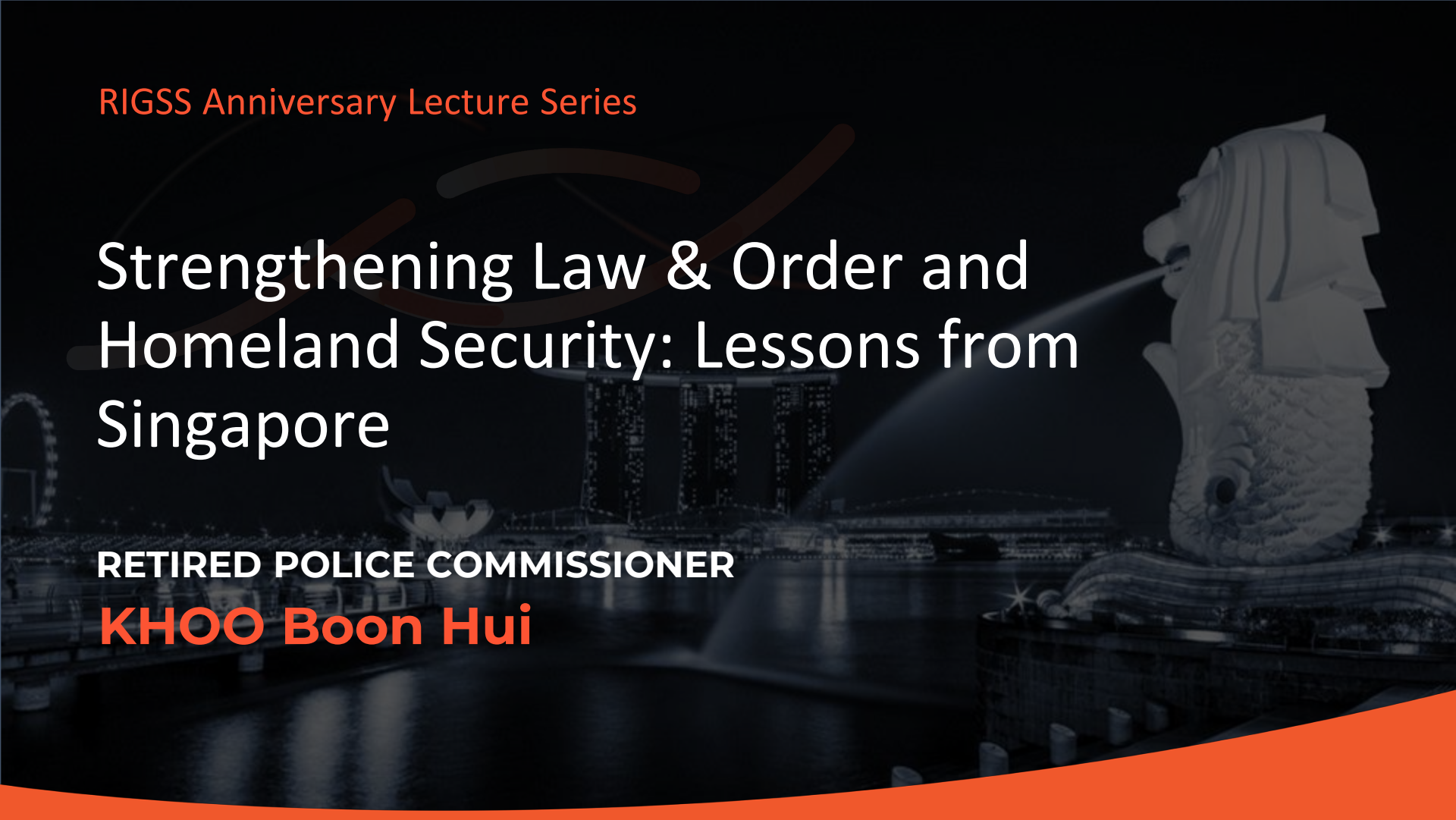
Annexure 2: Learning from Singapore's Success in Combating Corruption: Lessons for Bhutan

RIGSS Anniversary Lecture Series

Strengthening Law & Order and Homeland Security: Lessons from Singapore

RETIRED POLICE COMMISSIONER

KHOO Boon Hui



Career in Public Service

**COMMISSIONER OF THE SINGAPORE POLICE
FORCE 1997 to 2010**

PRESIDENT OF INTERPOL 2008 to 2012

**SR DEPUTY SECRETARY - MINISTRY OF
HOME AFFAIRS 2010 to 2012**

SENIOR FELLOW - CIVIL SERVICE COLLEGE

**COMMISSIONER - THE GLOBAL COMMISSION
FOR THE STABILITY OF CYBERSPACE**

**DIRECTOR - CYBERPEACE INSTITUTE &
GLOBAL CYBER ALLIANCE**





**THIS IS NOT ABOUT
A VIRUS ITS ABOUT
GOVERNMENT
TOTAL CONTROL
OF THE PEOPLE**

**Public Safety and Law &
Order – Digitally Disrupted**

Cybercrime is Escalating

THE STRAITS TIMES

Victims in Singapore lost at least \$633.3 million to scams last year, the police said on Wednesday in releasing the crime figures for 2021.



Personal information of nearly 80,000 MyRepublic customers accessed after data storage breach.



Ransomware rises 54%
Cases affect SMEs from sectors such as manufacturing and IT.



Some 65% of organisations in Singapore have experienced at least six cybersecurity incidents in the past year, but just 49% are able to respond to threats within a day, compared to an average of 70% across 11 global markets.

Leadership: Building Resilience

Resilient Organisations are those that “**plan and invest for disruption**, and can **adapt, endure, and rebound** quickly in a way that enables them to not only succeed in its aftermath, but also to **lead the way to a ‘better normal.’**”

Governments face more intense public scrutiny, given the **critical services they provide**. A holistic approach can support a fundamental shift in how governments respond to change: from more intense and reactive responses to greater continuity and management through ongoing disruption, so governments may better advance their broad agendas.

Governments may consider focusing on resilience with two lenses:

- **Resilient operations:** The ability to **deliver services without interruption**—during a crisis and in a dynamic context—requires **secure infrastructure**. Governments face the need to **provide services and solutions digitally**, from and to any location.
- **Resilient society:** A resilient society is supported by governments that embrace a dynamic and **modern approach to regulation, legislation, budget investment**, etc. These unique levers available to governments can help create the conditions for a **resilient economy, public health system, critical industries and infrastructure, travel and borders, and education**. Governments also play a key role in providing critical services, including to **vulnerable populations**—making equity and inclusion extremely important during moments of crisis. What’s more, by effectively **using big data**, governments can develop more precise **policy intervention to support marginalised groups and communities**.

PRINCIPLES FOR A SAFER SINGAPORE:

- VIGILANCE
- COLLABORATION
- TRANSFORMATIONAL LEADERSHIP





VIGILANCE
NOT LETTING OUR GUARD DOWN



COASTAL SECURITY

POLICE COAST GUARD SURVEILLANCE AND
INTERCEPTION



PRESERVING CONFIDENCE



Who Do You Trust?

- **Reader Digest Asia's Trust Poll**
- It is not in the persona of the individual but of what he can do for the organisation and contribute to the organisation



"In fourth place, Khoo Boon Hui, the former Commissioner of the Singapore Police Force and current president of Interpol, has been credited for helping Singapore maintain low crime rates."

Taken from <http://www.rdasia.com/who-do-you-trust?page=2>



COLLABORATION

THE POWER OF COLLECTIVE PLANS & ACTIONS



Organised Crime Groups and Cyber Criminals operating across Multiple Borders

INTERPOL

COLLABORATION
CONTINUES



Home / Technology / Security



🕒 SEPTEMBER 30, 2014

New Interpol complex in Singapore to boost fight against cyber crime



New INTERPOL Global Complex for Innovation (IGCI), pictured in Singapore, ...



TRANSFORMATIONAL LEADERSHIP

DEVELOP LEADERS FOR THE FUTURE



“

**CULTURE EATS STRATEGY FOR
BREAKFAST**

PETER DRUCKER

Organisational Culture



Personal Experience Leadership and Values

- Value Relationships
- Value Collective Thinking
- Build the Leadership Pipeline
- Focus on Collaborative Leadership



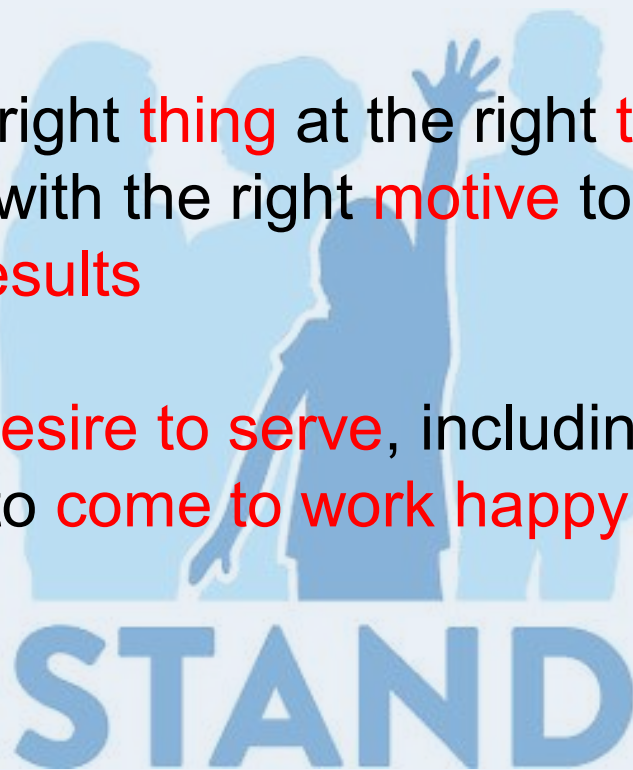
Definition of Leadership

The process of influencing people to **achieve** a goal, inspiring their commitment to **maximise** their efforts, and improving the organisation

What do I Stand for or Aspire towards as a Leader?

Doing the right **thing** at the right **time** in the
right **way**, with the right **motive** to produce
the right **results**

Genuine **desire to serve**, including enabling
your staff to **come to work happy** everyday



STAND

SPF Experience - Transformation Journey

Dialogue sessions
top-down and bottom up
→ Enrolment



Process of Co-Creating
a New Future, Shared
Meaning, Shared Vision

**Feared by those inclined to
crime and disorder**



United with the community

**Our people are our
most valued assets**

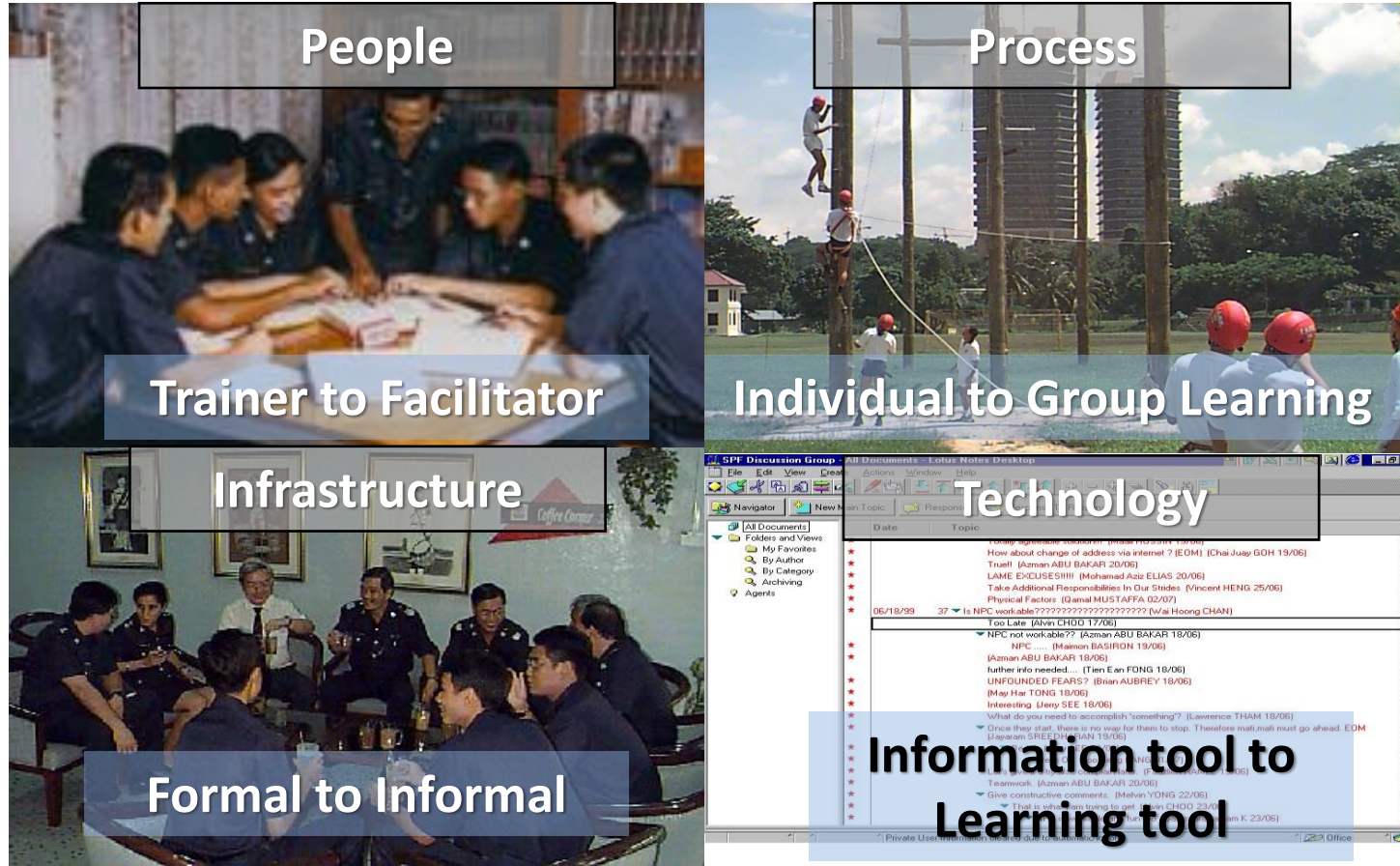


***Police Force → Force for the Nation
An Inspiration to the World***

Enabling Structures



Value Quality of Relationships



Value Collective Thinking

Leadership Group Forum as a Platform for Learning as you Act:

Generative Dialogue



Framing Perspectives



Corporate Planning

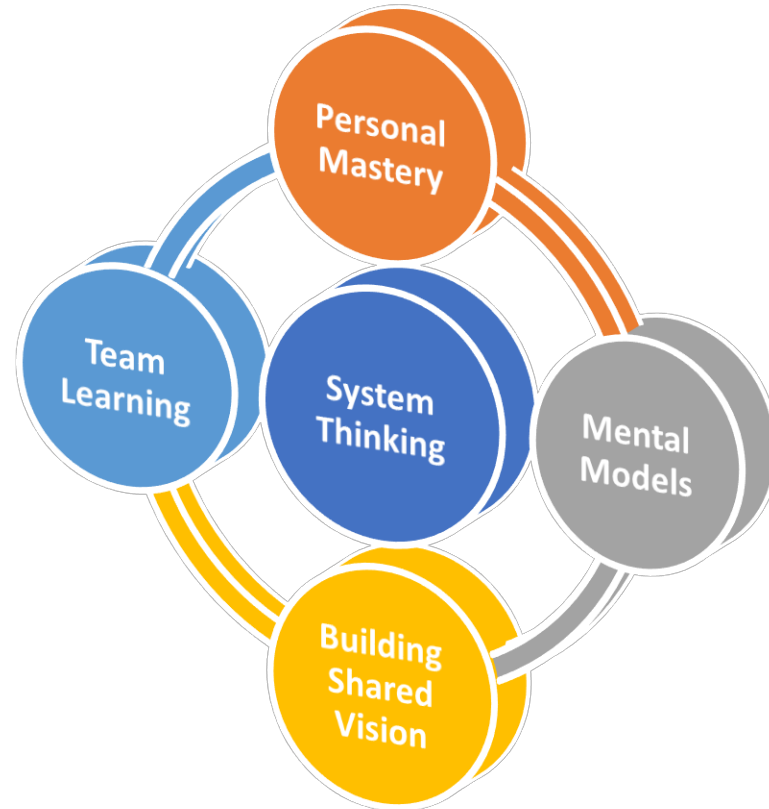
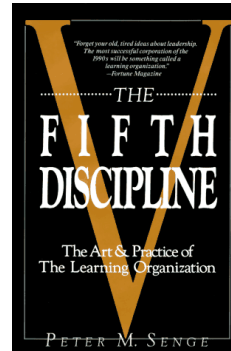


Resource Allocation



Leadership: Learning Systems

To build organisations with “Learning Systems” capable of continuing transformation to respond to changing pressures.



Leadership: Singapore Police Journey

"Over the past decade, I've been fascinated to see a small number of public-sector organizations around the world embrace learning tools and principles in service of the same need for continual learning and adaptation. None have been more diligent in the effort than the Singapore Police Force (SPF)."

by Peter Senge on pp. 278 from The Fifth Discipline



AAR during an operation.

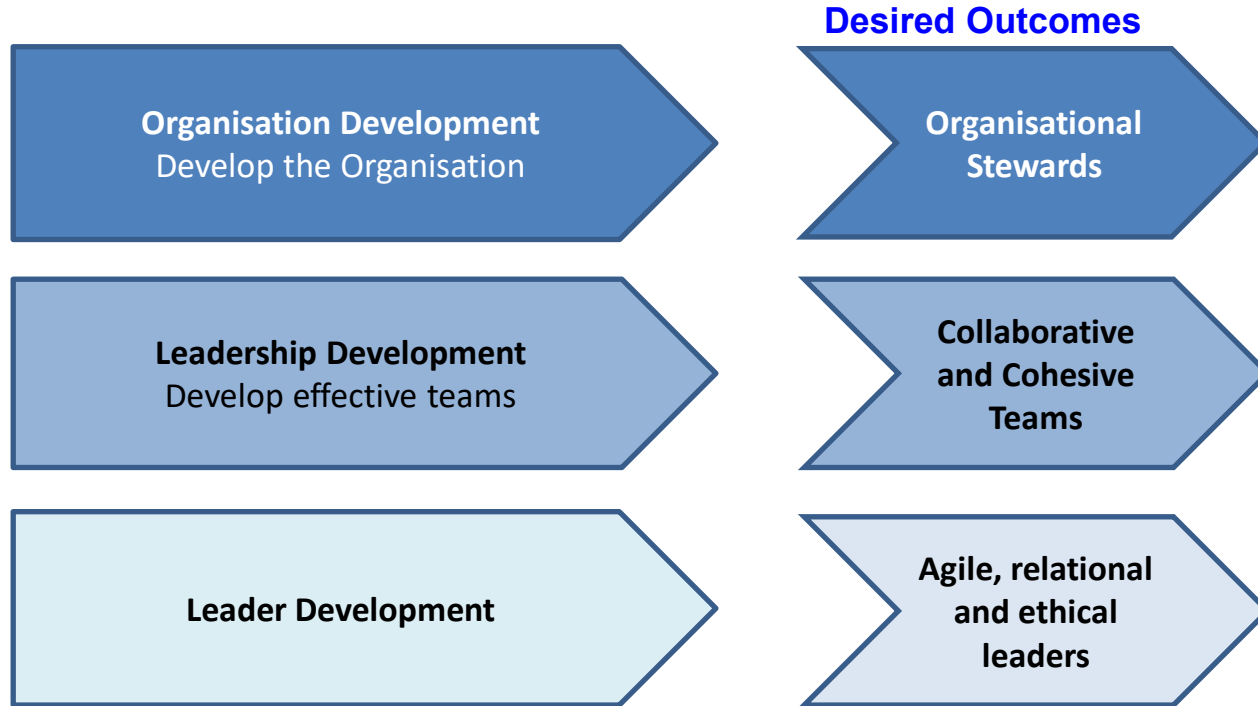


Collective thinking in Leadership Group Forums.

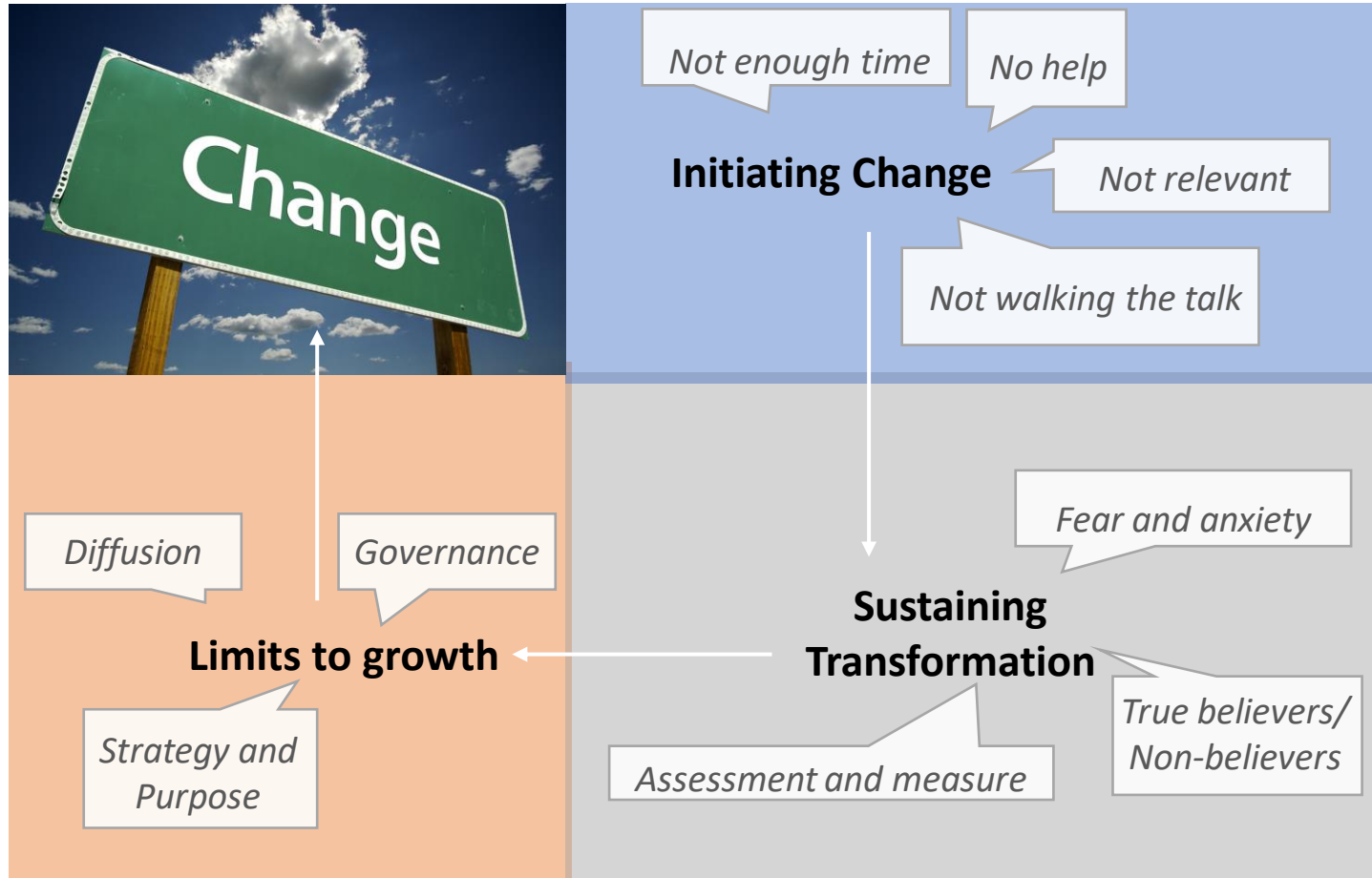


Instilling values.

Leadership: Building Capabilities



Leadership: Skills for Change



Leadership: Anticipating the Future through Foresight



Leadership: Resilience through Total Defence



GOVERNING IN A COMPLEX WORLD

LESSONS FROM COVID-19



- ① Policy
- ② Excess

REGULAR TESTING

✓
Vaccination-

ROBUSTNESS



Home Recovery Programme



Robustness over Resilience

PUBLIC TRUST

Updating on situation, explaining rationale, providing reassurance, rallying the people

FLEXIBILITY

Halls and hotels → community care facilities

- Hard Infrastructure
- Hybrid work ↔ changing thoughts on work life balance

- Hard Infrastructure
- Hybrid work ↔ chan

- Hybrid work ↔ changing thoughts on work life balance

19 September 2022 @ Civil Service College, Singapore.

Leadership in an Increasingly Complex World



Leadership: Courage to Walk the Talk

THE STRAITS TIMES

S'porean tourist in S. Africa bitten by lion cub

A SINGAPORE tourist in South Africa ended up with 60 stitches to her face after a one-year-old lion attacked her when she posed for pictures with the animal.

South African newspaper Beeld reported that Ms Madelein Querk, 28, suffered bites on the left side of her face, which left four deep cuts of between 4cm and 8cm long. She also sustained bruises on her left arm and leg in the incident on Sunday.

Ms Querk's husband attempted to distract the lion by hitting it with his camera before staff at the Tshukudu game lodge intervened.

The newspaper report did not say if she was carrying the cub but noted that the couple were in South Africa for a holiday and were slated to return home that day.

She was treated at the Nelspruit Mediclinic and is believed to have returned to Singapore yesterday.

The couple were among a group of tourists who visited the game lodge near Hoedspruit where they posed for pictures with lion cubs.

The lodge is described on its website as a private wildlife reserve on 5,000ha of unspoilt bushveld close to Hoedspruit in Limpopo province.

The website says the lodge is renowned for rehabilitating orphaned animals.

Contacted yesterday, game lodge manager Eric Gander said he had just flown in from Johannesburg and would find out more from staff about what had happened.

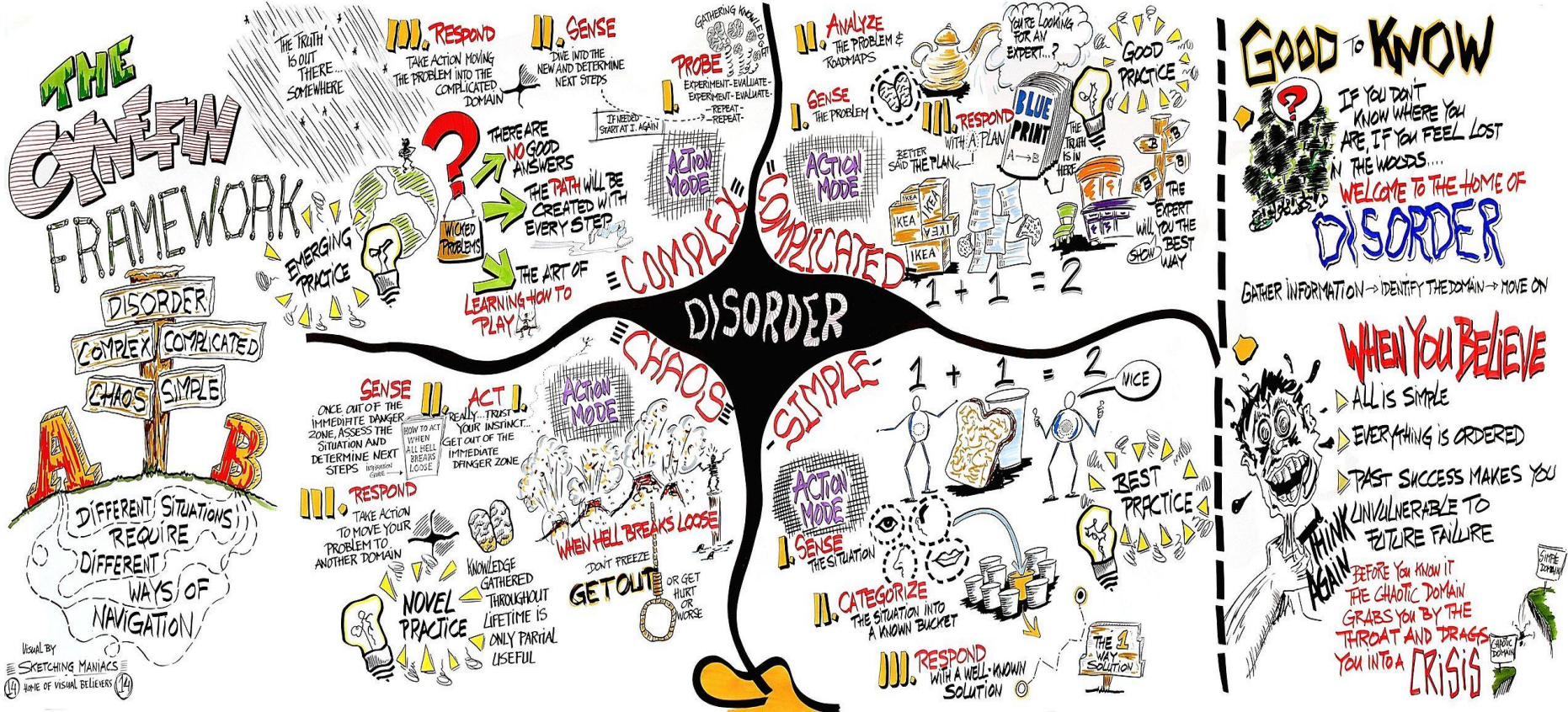
He added that the incident was a first for the lodge which has 30 years of history behind it.

JALELAH ABU BAKER



Zimbabwe 2009

Leadership: Framework for Decision Making



Leadership: Personal Reflections

Be Nimble yet Steadfast - Challenge Magazine 18 Aug Khoo Boon Hui

Senior Deputy Secretary (Development), Ministry of Home Affairs; Director, Institute of Leadership and Organisation Development and Senior Fellow, Civil Service College

DEAR YOUNG OFFICER,

Our Public Service and the world at large have evolved beyond recognition since I was a young officer like you some 40 years ago when I first joined the Service. Today's challenges and opportunities are not those of a decade ago, nor will they remain the same a few years from now. Hence we need to be fast in responding to change.

The Singapore Police Force used to rely upon a top-down, command-and-control management approach. While such a traditional leadership style has its merits, we have realised that the strength of any organisation lies in its people, and its preparedness to engage staff as partners to co-create success. That is why when I became Commissioner in 1997, we embraced collective leadership and practised transparent and open communication at all levels.

When I took on the role of President of INTERPOL in 2008, I thought the same concepts of openness and transparency would put me in good stead in guiding the organisation. However, as an international organisation with numerous stakeholders, these basic tenets were often inadequate, handicapped in part by cultural and language differences.

Such experiences showed me that change is constant – there is no one-size-fits-all strategy to managing people, organisations and work challenges. Instead, explore better ways of doing things and come up with creative solutions. Be mindful, however, that many ideas have been previously considered and not all the reasons for decisions made have been or can be recorded.

Stand firm

In the midst of making bold moves, there will be times when mistakes are made, or changes introduced are slow to produce results. To that, I urge you to push on, and hold fast to your values; not just your own, but your organisation's, the Public Service's and Singapore's. Through my years of policing experiences, I have learnt to live by a core set of values which remind me to be self-disciplined, have respect for others, uphold integrity, commit selflessly to our Public Service, engage with others, and have compassion.

Mistakes will not define you, but your values will.

It is easier to make decisions when you have deeply held values that will steadfastly guide you at the crossroads of your life. Only then will you be able to do the right thing at the right time in the right way, and with the right motive to produce the right results.

On leadership

As you advance in your career and take on greater leadership roles, I encourage you to be...

Humble – The best ideas do not always come from the top. Listen to your peers and subordinates.

Brave – Have the intellectual courage to speak your mind even when talking to your superiors.

Thoughtful – Instil in your team members a sense of self-worth. Engage and involve them, and develop processes and platforms for them to create value for the organisation and themselves. Be a leader and a team player by taking ownership for both the team's triumphs and failures.

Also, to lead well, you need to regularly examine the moral implications and effects of your actions on others, and understand the values that drive you.

Many high-potential young leaders have derailed because they had failed to learn from mistakes, change and grow. Some were over-reliant on strengths that became weaknesses when circumstances changed. Others failed to address some crucial deficiencies that became accentuated when their roles expanded. To remain effective in your leadership, you have to be keenly aware of what strengths you bring to your leadership and where your limitations lie, and to continuously challenge yourself so as to expand your own capacity to lead well.

It is your fresh mind, enthusiasm, optimism about what is possible, and commitment to the core values of our profession that will bring our Public Service forward.

Fly towards the centre; keep up with your neighbour; stay with those who fall behind; do not bump into others; finish the journey



Conclusion: Leadership Imperatives

Transform Organisations to Deal with the Future

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Learning from Singapore's Success in Combating Corruption: Lessons for Bhutan

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**Presentation to participants attending the Royal Institute
for Governance and Strategic Studies' 9th Anniversary
Lecture Series in Bhutan via Zoom from Singapore
on Wednesday, 12 October 2022**

OUTLINE OF PRESENTATION

- 1. Performance of Bhutan and Singapore on Two Corruption Indicators, 2012-2021**
- 2. Explaining Singapore's Success in Curbing Corruption**
- 3. Contextual Differences between Bhutan & Singapore**
- 4. Lessons for Bhutan**
- 5. Conclusion**
- 6. Suggestions for Further Reading**

“Stay clean, dismiss the venal.”

**Lee Kuan Yew, Prime Minister of Singapore
(1959-1990)**

Source: Lee Kuan Yew, “What of the Past is Relevant to the Future?” in *People’s Action Party 1954-1979: Petir 25th Anniversary Issue* (Singapore: PAP Central Executive Committee, 1979), p. 38.

Table 1: Performance of Bhutan and Singapore on Two Corruption Indicators, 2012-2021

Year	Corruption Perceptions Index		Control of Corruption	
	Bhutan	Singapore	Bhutan	Singapore
2012	33 rd (63)	5 th (87)	0.95 (79.15)	2.12 (97.16)
2013	31 st (63)	5 th (86)	0.91 (79.15)	2.07 (96.68)
2014	30 th (65)	7 th (84)	1.31 (88.46)	2.07 (96.15)
2015	27 th (65)	7 th (85)	1.03 (81.73)	2.09 (96.63)
2016	27 th (65)	7 th (84)	1.14 (82.69)	2.08 (97.12)
2017	26 th (67)	6 th (84)	1.57 (91.83)	2.13 (97.60)
2018	25 th (68)	3 rd (85)	1.64 (91.83)	2.17 (98.56)
2019	25 th (68)	4 th (85)	1.62 (91.83)	2.16 (99.04)
2020	24 th (68)	3 rd (85)	1.66 (93.75)	2.15 (99.04)
2021	25 th (68)	4 th (85)	1.55 (90.38)	2.17 (98.56)
Average	66	85	NA	NA

Sources: <https://info.worldbank.org/governance/wgi/Home/Reports>; Transparency International, Corruption Perceptions Index, 2012-2021.

Bhutan is the **top performer** in the South Asian region

Table 2: South Asian Countries' Performance on CPI, 2021

Country	CPI Rank and Score*
Bhutan	25 th (68)
India	85 th (40)
Maldives	85 th (40)
Sri Lanka	102 nd (37)
Nepal	117 th (33)
Pakistan	140 th (28)
Bangladesh	147 th (26)
Afghanistan	174 th (16)

}→28

Source: *Corruption Perceptions Index 2021* (Berlin: Transparency International, 2022), pp. 2-3.

*The CPI in 2021 ranks 180 countries on a scale of 0 (highly corrupt) to 100 (very clean).

Explaining Singapore's Success in Combating Corruption

1. Learning from the British colonial government's mistakes

- ❑ First mistake: Making the **Police responsible for curbing corruption** when police corruption was widespread.

This mistake became obvious with the **Opium Hijacking scandal** of 27 October 1951, when three police detectives were caught for stealing 1,800 pounds of opium worth S\$400,000 (US\$133,333).

Consequently, the Anti-Corruption Branch of the Police was replaced with the Corrupt Practices Investigation Bureau (CPIB) in September 1952.

❑ **Second mistake**: Failing to provide the CPIB with adequate legal powers and resources during 1952-1959. Consequently, CPIB officers faced two problems in investigating corruption cases:

- (1) They found it difficult to collect evidence and this hampered their investigations.
- (2) As many CPIB officers were **seconded police officers**, they were reluctant to investigate corruption cases involving fellow police officers because of the conflict of interest involved.

In short, the CPIB was a **paper tiger** during 1952-1959.

2. The PAP government's **strong political will** in curbing corruption.

The People's Action Party (PAP) government assumed power in Singapore in June 1959 after winning the May 1959 general election. Its strong political will in curbing corruption is reflected in:

- ❑ The enactment of the **Prevention of Corruption Act (PCA)** in June 1960 enhanced the CPIB's legal powers.
- ❑ The provision of **adequate budget and personnel** to enable the **CPIB** to perform its functions effectively. See Tables 3 and 4 below.

Table 3: CPIB's Budget and Personnel, 2012-2020

Year	Budget	Personnel
2012	US\$20.29 million	138
2013	US\$23.39 million	156
2014	US\$29.33 million	205
2015	US\$25.24 million	212
2016	US\$27.39 million	210
2017	US\$30.10 million	217
2018	US\$34.23 million	222
2019	US\$36.17 million	234
2020	US\$35.41 million	234

Source: Compiled from the data on the CPIB's budget and personnel from 2012-2020 in Republic of Singapore, *Singapore Budget 2012-2020: Annex to the Expenditure Estimates* (Singapore: Budget Division, Ministry of Finance, 2012-2020).

Table 4: CPIB's Per Capita Expenditure and Staff-Population Ratio, 2012-2020

Year	Per Capita Expenditure	Staff-Population Ratio
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	1:25,682
2018	US\$6.07	1:25,399
2019	US\$6.17	1:24,374
2020	US\$6.23	1:24,298

Source: Compiled from the data on the CPIB's budget and personnel from 2012-2020 in Republic of Singapore, *Singapore Budget 2012-2020: Annex to the Expenditure Estimates* (Singapore: Budget Division, Ministry of Finance, 2012-2020).

3. The CPIB is an effective **independent watchdog** that enforces the PCA impartially.

□ It is a **Type A anti-corruption agency**, dedicated to the performance of these functions:

- (1) Receiving and investigating corruption complaints from the public and private sectors;
- (2) Investigating malpractices and misconduct by public officers; and
- (3) Preventing corruption by examining the practices and procedures in the public service to minimise opportunities for corruption.

- ❑ The CPIB has adopted a **total approach** to enforcement that focuses on:
 - Both **big and small cases** of public and private sector corruption, regardless of the amount, rank and status of the persons being investigated;
 - **Same processes and procedures** apply to those being investigated, including ministers and CEOs of companies;
 - **Bribe-givers and bribe-takers** as they are equally culpable according to the PCA;
 - **Singapore citizens** working in Singapore embassies and agencies **abroad** could be prosecuted for corruption offences committed in other countries (PCA, section 37);
 - **Other offences** uncovered in investigating the corruption offences would be referred to police and other agencies.

- ❑ The CPIB enforces the PCA impartially, regardless of the status, position or political affiliation of those persons being investigated.
- The Prime Minister and Ministers have not interfered in the CPIB's daily operations;
- The CPIB has investigated 5 PAP leaders from 1966-2016 and 8 senior civil servants from 1991-2020;
- As no opposition leader or party member has been investigated by the CPIB, it is not an attack dog;
- 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.

Table 5: Contextual Differences between Bhutan and Singapore

Indicator	Bhutan	Singapore	Comparison
Land area (2020)	38,140 sq. km	718 sq. km	X 53
Population (2021)	779,900	5,453,570	X 7
Colonial legacy	Not colonised	British	NA
GDP per capita	US\$3,000 (2020)	US\$72,794 (2021)	X 24
Political system	Constitutional monarchy	Parliamentary democracy	NA
Total governance percentile rank (2021)	417.4	535.4	+118

Source: Data obtained from the World Bank and Worldwide Governance Indicators.

- ❑ Bhutan is 53 times larger than Singapore but its population is one-seventh of Singapore's.
- ❑ Singapore's GDP per capita is 24 times larger than Bhutan's.

Lessons for Bhutan

Bhutan's CPI score has improved from 63 in 2012 to 68 in 2021. It is the fourth least corrupt Asian country in 2021 after Singapore, Hong Kong SAR, and Japan.

How can Bhutan improve its CPI score from an average of 66 to above 70? The short answer is: the Anti-Corruption Commission (ACC) must increase its effectiveness by attracting and retaining personnel to minimise its vacancies and to reduce its backlog in investigating corruption cases.

The Royal Government of Bhutan (RGOB) must continue to provide the ACC with adequate budget and personnel and initiate reforms to address the causes of corruption.

Bhutan ACC's Two Problems

1. High turnover and number of vacancies

Table 6: Vacancies in Five Asian ACAs in 2016

ACA	Establishment	Actual strength	Vacancies
Hong Kong ICAC	1,457	1,369 (94%)	88 (6%)
Bangladesh ACC	1,264	960 (76%)	304 (24%)
Bhutan ACC	147	85 (58%)	62 (42%)
Philippines OMB	2,179	1,239 (57%)	940 (43%)
Sri Lanka CIABOC	374	163 (44%)	211 (56%)

Sources: Compiled from data provided in Annual Reports of the five ACAs.

Bhutan ACC's 42% of vacancies in 2016 are the result of its high attrition rate of 16.2% in 2010 and 2014.

Table 7: Vacancies in Bhutan ACC, 2016-2020

Year	Establishment	Actual strength	Vacancies
2016	147	85	62 (42%)
2017	147	96	51 (35%)
2018	150	106	44 (29%)
2019	152	118	34 (22%)
2020	152	128	24 (16%)

Sources: Bhutan ACC, *Annual Report 2019*, p. 9; and Bhutan ACC, *Annual Report 2020-2021*, p. 72.

Table 7 shows that the number of vacancies in the Bhutan ACC has been reduced from 62 (42%) in 2016 to 24 (16%) in 2020. Nevertheless, the chronic problem of attracting and retaining personnel must be addressed to reduce the ACC's staff shortage.

Reasons for Bhutan ACC's low recruitment and high attrition rates:

- ☐ Heavy workload and high performance pressure;
 - ☐ Demand for high behavioural standards;
 - ☐ Perceived inequalities;
 - ☐ Weak corporate culture;
 - ☐ More favourable career opportunities elsewhere.
- (Source: Bhutan ACC, *Annual Report 2014*, pp. 39-40).

Consequently, the Bhutan ACC's staff shortage has increased the workload of its personnel, especially the managers, and undermined its effectiveness in curbing corruption.

2. Bhutan ACC's huge backlog of corruption cases.

Table 8: Bhutan ACC's Investigation of Corruption Complaints, 2006-2015

Year	Complaints received	Pursuable complaints	Cases assigned for investigation	No. of backlog cases
2006	498	47	9 (19%)	38
2007	791	97	20 (21%)	77
2008	366	36	21 (58%)	15
2009	418	77	20 (26%)	57
2010	375	45	15 (33%)	30
2011	458	148	13 (11%)	135
2012	415	108	14 (13%)	94
2013	393	56	12 (21%)	44
2014	336	47	13 (28%)	34
2015	283	42	11 (26%)	31
Total	4,333	703 (100%)	148 (21%)	555 (79%)

Sources: Bhutan ACC, *Annual Report 2015*, p. 18; Bhutan ACC, *Annual Report 2016*, p. 49.

The Bhutan ACC conducted two reviews of the 555 backlog complaints and dropped 390 complaints, thus reducing the number of backlog cases to 165 in 2016 (*Annual Report 2016*, p. 49).

The number of backlog cases was further reduced to 96 in 2020 (*Annual Report 2020-2021*, p. 46). Needless to say, the Bhutan ACC's staff shortage has hindered its ability to resolve these backlog cases expeditiously.

Low salaries is an important cause of corruption

“In the countryside, one out of three judges does not have an apartment. Consequently, some judges live in their office, which is clearly not desirable and does not enhance the status of the judiciary.”

Stephanie McPhail

Source: Stephanie McPhail, *Developing Mongolia's Legal Framework: A Needs Analysis* (Manila: Asian Development Bank, 1995), p. 45.

“You cannot fight corruption on an empty stomach. You cannot fight corruption when salaries are below real living standards.”

Professor Nikos Passas

Source: Nikos Passas, “Fighting Corruption: Corruption and Greek Crisis; Origins and Exit,” TEDxAcademy presentation in Athens on 26 September 2015. Available on YouTube.

“For civil servants with low salaries, corruption becomes a coping strategy to compensate for economic hardship.”

Samira Lindner, “Salary top-ups and their impact on corruption,” *U4 Expert Answer*, No. 398, 17 December 2013, p. 2.

“If a police officer in India earns 20,000 rupees a month (US\$295) but has a cost structure of US\$400 a month, he is going to be susceptible to corruption, regardless of what the laws dictate.”

Clayton M. Christensen, Efosa Ojomo and Karen Dillon, *The Prosperity Paradox: How Innovation Can Lift Nations Out of Poverty* (New York: Harper-Collins Publishers, 2019), p. 209.

Table 9: Salary Scale of Bhutanese Civil Servants, 2019

Position Level	Minimum Salary	Maximum Salary
Cabinet Secretary	Nu 84,180 (US\$1,022)	Nu 92,605 (US\$1,125)
Government Secretary	Nu 73,845	Nu 81,245
EX/ES-1	Nu 62,220	Nu 80,895
EX/ES-2	Nu 52,195	Nu 67,870
EX/ES-3	Nu 44,120	Nu 57,395
P1	Nu 36,570	Nu 47,595
P2/SS1	Nu 32,300	Nu 42,050
P5/SS4	Nu 20,645	Nu 26,870
S1	Nu 19,970	Nu 25,970
S5	Nu 13,575	Nu 17,700
O1	Nu 13,300	Nu 17,350
O4	Nu 10,550 (US\$128)	Nu 13,775 (US\$167)

Source: Pay Revision Act of Bhutan, 2019, pp. 7-8. Exchange rate: 1 Nu = 0.012 US\$.

Red tape increases opportunities for corruption

Table 10: Ease of Doing Business Rank of Bhutan and Singapore, 2019

Indicator	Bhutan	Singapore	Difference
Ease of doing business rank	81 st	2 nd	+79
Starting a business rank	91 st	3 rd	+88
<i>No. of procedures</i>	8	2	+6
<i>No. of days</i>	12	1.5	+10.5
Getting construction permit rank	88 th	8 th	+80
<i>No. of procedures</i>	21	10	+11
<i>No. of days</i>	150	41	+109
Registering property rank	54 th	21 st	+33
<i>No. of procedures</i>	3	6	+3
<i>No. of days</i>	77	4.5	+72.5

Source: *Doing Business 2019: Training for Reform* (Washington, D.C.: World Bank, 2019), pp. 158, 202.

Red tape remains a problem in Bhutan because it takes 77 days to register a property and 150 days to obtain a construction permit in 2019.

The RGOB must initiate reforms to address these two causes of corruption: the low wages of civil servants and the problem of red tape.

The current monthly salaries of civil servants range from US\$128 for O4 level to US\$1,125 for a Cabinet Secretary.

Implementing reforms to improve the low salaries of the civil servants and to reduce red tape in the civil service will help to reduce the extent of public sector corruption in Bhutan.

Conclusion

“Corruption is a hard nut to crack.”

Bertram I. Spector, *Curbing Corruption: Practical Strategies for Sustaining Change* (London: Routledge, 2022), p. 3.

“Anti-corruption reform is a marathon, not a sprint.”

Millennium Challenge Corporation, “Building public integrity through positive incentives: MCC’s role in the fight against corruption,” (Washington, D.C., Working Paper, 2007), p. 8.

Table 11: Per Capita Expenditures and Staff-Population Ratios of Four Asian Anti-Corruption Agencies in 2016

ACA	Budget (millions)	Personnel	Per capita expenditure	Staff-population ratio
Hong Kong ICAC	US\$130.50	1,369	US\$17.77	1:5,366
Singapore CPIB	US\$27.39	210	US\$4.89	1:26,700
Bhutan ACC	US\$1.37	85	US\$1.71	1:9,385
Bangladesh ACC	US\$10.40	960	US\$0.64	1:169,741

Source: Compiled from data on the budgets and personnel of the four ACAs provided in their annual reports and budgets of the four countries.

Table 12: Per Capita Expenditures and Staff-Population Ratios of Bhutan ACC and Singapore CPIB, 2020

ACA	Budget (millions)	Personnel	Per capita Expenditure	Staff-population ratio
Bhutan ACC	US\$1.63	128	US\$2.09	1:6,093
Singapore CPIB	US\$35.41	234	US\$6.23	1:24,298

Source: Compiled from data on the budgets and personnel of the two ACAs provided in their annual reports and budgets of the four countries.

- ❑ Bhutan ACC's per capita expenditure has increased from US\$ 1.71 in 2016 to US\$2.09 in 2020.
- ❑ Bhutan ACC's staff-population has also improved from 1:9,385 in 2016 to 1:6,093 in 2020.

In sum, Bhutan has performed well in curbing corruption because the RGOB has shown **strong political will** in providing the ACC with adequate resources.

- ❑ The ACC is a **Type A ACA** and **independent watchdog** that enforces the anti-corruption laws impartially without political interference.
- ❑ The RGOB must **avoid** making the mistake of **using** the ACC as **an attack dog** against its political opponents.
- ❑ To **avoid becoming a paper tiger**, the ACC must overcome its staff shortage by attracting and retaining personnel so that it can reduce its backlog of corruption cases.
- ❑ The RGOB must **improve the salaries of civil servants** and **reduce red tape** in the civil service.

Table 13: Three Roles of Anti-Corruption Agencies

Role of Anti-Corruption Agency	Examples
Independent watchdog (desirable; maintain)	Singapore's CPIB Hong Kong's ICAC <u>Bhutan's ACC</u> Indonesia's KPK
Attack dog (undesirable; avoid making this mistake)	Bangladesh's ACC Cambodia's ACU China's CCDI India's CBI Myanmar's ACC Pakistan's NAB Vietnam's GI
Paper tiger (undesirable; avoid making this mistake)	Afghanistan's HOOAC India's CBI Philippines' OMB South Korea's ACRC Taiwan's AAC

The Last Word: Punish Corruption Offenders

“We will never tolerate corruption and we will not accept any slackening. Anyone who breaks the rules will be caught and punished – no cover-ups, no matter how senior the officer or how embarrassing it may be. It is far better to suffer the embarrassment and keep the system clean, than to pretend that nothing went wrong and let the rot spread. ... And part of the solution has to be that if you do it, we will catch you and and punish you.”

Lee Hsien Loong, “Incorruptibility ingrained in S’porean psyche,” *Straits Times*, 19 September 2012, p. A23.

Suggestions for Further Reading

1. Jon S.T. Quah, “Singapore’s Effective Anti-Corruption Recipe: Lessons for Other Countries,” in Adam Graycar (ed.), *Handbook on Corruption, Ethics and Integrity in Public Administration* (Cheltenham: Edward Elgar, 2020), Chapter 25, pp. 360-376.
2. Jon S.T. Quah, “Breaking the Cycle of Failure in Combating Corruption in Asian Countries,” *Public Administration and Policy*, 24 (2) (2021): 125-138.
3. Jon S.T. Quah, *Combating Asian Corruption: Enhancing the Effectiveness of Anti-Corruption Agencies* (Baltimore: Carey School of Law, University of Maryland, 2017). Available at: <https://digitalcommons.law.umaryland.edu/mscas/vol2017/iss2/1/>
4. Jon S.T. Quah, “Why Singapore Works: Five Secrets of Singapore’s Success,” *Public Administration and Policy*, 21 (1) (2018): 5-21. Available at: <https://www.emerald.com/insight/content/doi/10.1108/PAP-06-2018-002/full/html>.