

Public Administration and Public Governance in Singapore

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Abstract

In this article, it is argued that for studying contemporary changes in the nature of public administration, Singapore represents a useful and interesting country, especially because there is limited research and education on this case. It begins with a macro-level analysis of Singapore's state-centric governance, including the state formation, political system, politics-administration relation, and administrative scope. This is followed by a more micro-level analysis of recent reforms such as pro-market policy shifts, structural and functional changes, normative reorientations, and so on. The article also examines the implications of such reforms for state capacity, state-society relations, and the people. Although there are diverse outcomes and new challenges created by these reforms in administration and governance in Singapore, there are reasons for taking this country's experience seriously in the current context of severe economic crisis worldwide.

I. Introduction

Since the early 1980s, there have been significant changes in the nature of the state and its governance worldwide. These unprecedented changes or reforms are largely guided by the assumptions of state failure and market superiority, the objective of replacing the role of the state by non-state actors, and the agenda of transforming public governance based on market-oriented principles, policies, and standards (Clarke and Newman 1997; Haque, 2002a). The existing literature tends to characterize these paradigmatic changes often in terms of neoliberal ideology, new economic policy, and new public management (NPM). Despite the advocacy of such a market-driven perspective for several decades, the current global economic crisis – which demonstrates the severe vulnerability of the market system requiring massive rescue operation through state intervention – should

encourage scholars, experts, and practitioners to reexamine such a parochial perspective.

In studying these contemporary developments in governance and public sector management, East and Southeast Asian countries represent one of the most relevant and appropriate regions: because some of these countries are globally known for economic success stories achieved predominantly through a state-centric framework, and they have recently experienced severe financial crisis in the aftermath of their market-led reforms. Within the region, Singapore is an interesting case due to its widely known rapid development and highly competitive economic performance led by the state, which has also embraced market-driven reforms despite its well recognized public sector efficiency. It is useful to examine the Singapore case also because it is often cited by international agencies as an exemplar for developing countries to learn from its economic success, administrative efficiency, corruption control, electronic governance, and so on (Lam, 2000; Wirtz and Chung, 2001).

However, there is a relative lack of comprehensive education and in-depth studies in public governance and administration in Singapore. In terms of education in public administration, the number of institutions and the scope of academic degrees are quite limited. There are two institutions under the National University of Singapore (NUS) – including the Lee Kuan Yew (LKY) School of Public Policy and the Department of Political Science) – which respectively have a Master's degree program and a graduate major or specialization in public administration. The scope of mainstream course offerings in this field, however, is less adequate compared to similar academic schools and departments in the USA. Similar situation can be observed in the case of Minor in Public Administration at Nanyang Technological University (NTU). Although the Civil Service College is covers diverse components of public administration, it is mostly guided by need-based practical training rather than in-depth academic studies.

With regard to research and publications, the overall status is even weaker in terms of the number of scholars focusing directly on public administration in Singapore. For example, the LKY School has only a couple of faculty members dealing with topics related to public administration or public policy in Singapore, and their topics are also on very narrow policy issues such as social security, pension, and immigration. Similarly, at NTU, there is hardly any scholar working on mainstream public administration in this country except some limited research on the political dimension of policy-making. Some scholars affiliated with the Department of Political Science at NUS have been more actively engaged in studying some major topics in Singapore's public administration, including administrative reform, bureaucratic corruption, policy changes, local organizations, and so on. In terms of overall quality, most of the existing studies have often been quite descriptive, focusing more on micro-administrative matters and less on macro-level state and governance. These are also less focused on the newly emerging

framework of public governance and administration guided by recent market-driven principles, structures, and strategies.

This paper attempts to examine and analyze the formation and transition in the macro-level state and governance as well as the micro-level public administration in Singapore. More specifically, after a brief historical overview, it examines the formation and framework of the state and governance in Singapore (including state formation, political structure, state-market nexus, state-society relations, politics-administration linkage, and administrative apparatus); explicates the major domains of reforms in public administration (such as public policies, roles, structures, and organizations); and explains some contemporary challenges and future prospects related to public governance and administration in Singapore.

II. Formation of the State and Governance in Singapore

Singapore is a small city state with a geographical size of only 692.7 sq km and a population of 4,492,150 (World Factbook, 2007). It has been able to remain politically stable and harmonious society despite its multi-ethnic, multi-religious, and multi-lingual composition, including Chinese (76.8 percent), Malays (13.9 percent), and Indians (7.9 percent) in terms of ethnic background (World Factbook, 2007; Haque, 2004). In spite of such geographic limitation, heterogeneous population, lack of natural resources, and other constraints, Singapore has become one of the most developed city-states. Within a period of four decades, its per capita GDP (PPP) reached US\$49,900 (8th in the world) and the value of its foreign reserve and gold increased to US\$160 billion (8th in the world) (World Factbook, 2008), and these economic achievements have been based on the initiatives and efforts pursued largely by the state. This section examines the formation and framework of such state governance in terms its political system, its linkages with economy and society, and its administrative apparatus.

First, one of the major determinants of the nature of the state and governance in postcolonial countries is their long colonial history. In the case of Singapore, the British colonial rule, which lasted for 140 years (1819-1959), significantly shaped its politics, administration, and economic outlook (Lam, 2000). After emerging as an autonomous entity within Malaysia in 1963 and its separation from Malaysia in 1965, Singapore continued with the British colonial legacy in the formation of its overall governance. In particular, after gaining autonomy from the colonial rule, Singapore adopted the British system of parliamentary government led by the People's Action Party (PAP). The PAP has ruled the country since 1959 with an absolute majority of more than 90 percent of the elected parliamentary seats (currently 82 seats out of 84) (Lam, 2000; Wirtz and Chung, 2001). In line with the overall parliamentary model of governance, the

parliament in Singapore uses various standing committees to carry out its duties, including the House Committee, the Committee of Selection, the Public Accounts Committee, the Estimates Committee, and so on (Tay, 1999).

For the executive branch, the president (now elected directly by people for six years) is the ceremonial head of state who appoints the prime minister and other ministers from the majority party, appoints top officials like judges and advisory board members, and can exercise veto power over appointment of high-ranking civil servants (Wirtz and Chung, 2001; Cima and DeGlopper, 1989). However, the primary executive power lies with the prime minister and other cabinet ministers who are collectively responsible to the parliament (PWC Consulting, 2002). Currently, in addition to the prime minister, there are two deputy prime ministers, one senior minister, and other cabinet ministers in charge of ministries such as Education, Health, Community Development, Youth and Sports, Defense, Foreign Affairs, Home Affairs; Information, Communications and the Arts, Law, Manpower, Environment and Water Resources, National Development, Transport, and Trade and Industry.

One unique feature of Singapore's parliamentary government is that the PAP has ruled the country for four decades without any strong formidable opposition from other smaller and weaker political parties, including the Workers' Party, the Singapore Democratic Alliance, and the Singapore Democratic Party. As a result, despite the provision of multi-party elections, the political system has been characterized as the so-called one-party-dominant system found in other Asian countries like Malaysia and Japan (unlike the Western model of democracy with occasional changes in government), which may have ensured a stable political atmosphere needed for continuing specific economic policies and programs (Lee, 2001; Vasil, 2000; Chua, 1997).

Second, with regard to the linkages between the state, economy, and market, it is largely the state led by the ruling party, which has played a dominant role in the overall economic management of Singapore. As found in other postcolonial countries, the end of colonial rule and a relative absence of private entrepreneurs created the need for the post-colonial government in Singapore to be actively involved in almost all socioeconomic sectors, including housing, education, utilities, finance and banking, telecommunications, airlines, tourism, transport, and so on. The wider involvement of government became more imperative for Singapore after the separation from Malaysia in 1965 due to the challenge it faced to establish a viable sovereign state on such a small territory (without any natural resource) and pursue nation-building with such a small but heterogeneous population, which led to the creation of a series of state agencies, public enterprises, and planning institutions.

Although the period after decolonization saw the process of experimentation with the liberal democratic model as well as some facets of socialist ideology in Singapore, the government immediately embraced a more

pragmatic approach to economic development with the state as the dominant player in this development process (Vasil, 2000). In fact, survival, pragmatism, and rapid development became the major tenets of the state's policy priority and orientation (Lee, 2001; Kong, 2000). For Yeung (2000a), as a result of this emphasis on development based on the active involvement of government agencies and institutions, the state in Singapore is often interpreted as a developmental state. For instance, in the 1960s, the government established a series of state enterprises or statutory boards such as the Housing and Development Board (HDB), Economic Development Board (EDB), Public Utilities Board (PUB), Central Provident Fund (CPF), Jurong Town Corporation (JTC), Development Bank of Singapore (DBS), and Port of Singapore Authority (PSA) (Low and Haggard, 2000). In addition, in 1974, the government created Temasek Holdings Ltd. (THL) through which it could manage and invest in hundreds of Government-Linked Companies (GLCs). Such investment through THL expanded to major sectors like banking, telecommunications, technologies, airlines, technologies, power, port, and media; and by 2000, these GLCs came to account for 10 percent of Singapore's total output (Yeung, 2000a; Low and Haggard, 2000; LaMoshi, 2002).

Unlike other developmental states assisting the emergence of private investors and entrepreneurs, the unique feature of the state in Singapore is its greater emphasis on foreign multinational corporations (MNCs) and local GLCs rather than domestic private enterprises in pursuing economic development (Low, 2000). In recent years, however, this active involvement of the state has undergone certain changes. In discussing the major phases of state formation in Singapore, it is observed by Kong (2000) that the recent era has seen a greater emphasis on how to transform Singapore into a business hub, attract knowledge-intensive investment, and enhance the competitiveness of local companies to venture into the regional markets. All these initiatives necessitated a shift from state-centered to market-driven policies and strategies.

Third, in terms of the relationship between the people and public governance established through service delivery, despite the interventionist nature of the public sector in Singapore, the provisions for welfare services have been quite limited. However, on a closer examination, it is possible to identify some welfare-like provisions maintained by the government. In the case of housing, the government established the HDB in order to provide low-cost public housing to citizens – such state-provided housing now covers more than 86 percent of the population (Lee, 2001; Lam, 2000). In the health sector, the primary responsibility of health care lies with individuals and families in Singapore (unlike the typical welfare state), and the government is a “provider-of-the-last resort” (Low, 2001b). The government introduced the Medisave Scheme in 1984 to enable citizens to pay for their medical care (Khan, 2001, 11). In the education sector, the government tried to upgrade facilities in Chinese schools and promote

English education, and education became a central concern for the state as it put greater emphasis on the production of human resources (Lam, 2000, 401; Low 1998, 85). The state invested quite heavily in education in order to accelerate economic growth, and the budget allocation for the sector has remained considerably high (Khan, 2001, 6; Lam, 2000, 406).

In terms of social safety nets, the scope of service provisions has been limited. For instance, there is hardly any unemployment benefit for jobless people, and it is assumed that it is better to assist unemployed people to find jobs instead of providing them free unemployment benefits (Cheung, 2000, 4). However, there are certain indirect forms of welfare assistance in Singapore, including: (a) Public Assistance Scheme for the old or disabled citizens who are unable work and support themselves; (b) Short Term Financial Assistance for short-term help in difficult time; (c) Medifund for those who need help to pay medical bills; and (d) Back-to-work Child Care Scheme to pay for child care and children's education (Cheung, 2000, 5-7). However, the most established and widely practiced social security system is the Central Provident Fund (CPF) applicable to all citizens and permanent residents. The CPF system requires both the employers and employees in the public and private sectors to contribute specified percentages of salaries to the employees' CPF accounts, and about 50 percent of the population (citizens and permanent residents) in Singapore are such CPF account holders (Browning, 2000). The percentage of salaries contributed to such state-run personal CPF savings (which is the main source of financing housing, health care, and old-age security) may often change and vary between employees and employers depending on the government's policy shifts in response to the prevailing economic situation (Browning, 2000; Low, 2000).

Fourth, an important dimension of governance, more central to the theme of this chapter, is the framework of politics-administration relations as well as the nature of public administration in Singapore. In line with the parliamentary form of government discussed above, public bureaucracy in Singapore "is organized along Westminster lines as a career civil service subordinate and loyal to the government of the day and has been somewhat similarly rewarded for its loyalty" (Painter, 2004, 369). The origin of this model began during the colonial rule with the establishment of the Public Service Commission in 1959. The formation of this administrative system has been characterized by political neutrality, permanent tenure, centralized structure, loyalty-based attitude, and so on (Low and Haggard, 2000; Haque, 2002b).

However, the British legacy of the Administrative Service (which originated as the Malayan Civil Service) represents some degree of administrative elitism in the form of "mandarin" class (Bellows, 1985) with its considerable involvement in the policy-making process, especially in terms of its role in formulating and managing major development projects and directing economic development (Low, 2000; Jones, 2002). More importantly, since the 1980s, a

considerable number of political leaders (including prime ministers and other cabinet ministers) have entered politics with civil service or defense personnel backgrounds (Bellows, 1985, 61; Hamilton-Hart, 2000, 196). This trend is much less problematic than the politicization of public administration by recruiting civil servants based on political affiliation or connection. In this regard, the Singapore government has always emphasized the principle of meritocracy (focusing on qualification, performance, and potential) and the importance of efficiency and competitiveness in public service recruitment and promotion (Quah, 1996; Jones, 1999).

In terms of scope, the *public service* in Singapore encompasses the civil service, the legal service, the police force, and the armed forces; the *public sector* includes all ministries and statutory boards; and the *civil service* covers all ministries but excludes the armed forces, state-owned enterprises, and statutory boards (DBJ, 2001; PWC Consulting, 2002). In any case, currently there are 15 ministries (including prime minister's office) and 62 statutory boards in Singapore, which are essential units of overall public administration in Singapore. Although the country does not have elected and autonomous local government institutions that constitute a significant part of public administration in most countries, the government has created a series of "parapolitical" institutions (also known as "grassroots" organizations) since the 1970s – including the Community Centres, the Residents Committees, the Citizens Consultative Committees, the Town Councils, and the Community Development Councils. The main functions of these organizations, in general, are to provide feedback to the government, disseminate policy information, enhance racial harmony, and assist community development. The members and chairmen of these centres are appointed by the government, many of them are members of the ruling party, and some of them (especially the chairmen of the Town Councils and Community Development Councils) are parliamentary members from the ruling party. As a result, these organizations fall between the political and administrative realms of Singapore.

In terms of number, there were 114,500 public sector employees in 2002, including 63,300 in civil servants and 51,200 statutory board employees (PWC Consulting, 2002). According to the Singapore Department of Statistics (2008, 47), the total number of such government employees was 60,240 in 2002, which gradually increased to 62,792 in 2005 and to 65,832 in 2007. The civil service represents the British tradition of the prominence of the generalists belonging to the Administrative Service (Jones, 1999). The whole civil service is classified into four divisions: Division I includes the generalist administrative and professional grades; Division II covers the executive and supervisory grades; Division III comprises the clerical, technical and other support grades; and Division IV includes workers involved in manual or low-level routine work.

III. Public Administration in Singapore: Issues and Changes

As mentioned at the beginning, in recent years, there have been considerable changes in the nature of state governance and public administration based on certain market-oriented principles, structures, and standards. In Singapore, although the political domain has not undergone any considerable change (with regard to the form of government, one-party dominant system, and politics-administration relations), there have emerged some major reforms related to the macro-level government policies and public sector roles, indicating a reconfiguration of the state-economy-market linkages. More noticeable changes have occurred, however, in the public service itself, especially in its structure, management, finance, and so on.

First, compared to the relatively rigid control over economic management under the developmental state in earlier decades, recently, the government has pursued more market-friendly initiatives like deregulation, divestment, and liberalization, and allowed the private sector to participate in various sectors that were traditionally managed by the state (Haque, 2002b; Low, 2000). Based on the recognition of the current global and national atmosphere, the state began to show some signs of retreating from economic control by creating the Public Sector Divestment Committee (PSDC) in 1986 and privatizing certain GLCs (Low, 2000; Phua, 1991). The main agenda of the PSDC was to provide guidelines and time-frame for divestment, determine the related terms and conditions, and formulate programs for divesting state-managed companies. It planned in 1987 to divest about 600 companies and 40 statutory boards over a ten year period through methods such as deregulation, privatization, and liberalization (DBJ, 2003, 6). Some of the divested state enterprises include the DBS, National Iron and Steel Mills, Sugar Industry of Singapore, Singapore Textile Industries, Singapore Food Industries, Petroleum Corp of Singapore, the PSA, and Singapore Telecommunications (DBJ, 2003, 6). The government has also liberalized other sectors (e.g. finance, banking, and insurance industry) by allowing more foreign ownership and relaxing market restrictions (Low, 2000); and contracted out certain services for various enterprises like the HDB, the Land Transport Authority, and so on (DBJ, 2003).

However, it has been observed that compared to some other countries, the process of privatization and liberalization has been relatively slow and state-managed in Singapore since in certain instances, the privatized assets or shares have remained under the government control (Low and Haggard, 2000). For Low and Haggard (2000), through the major GLCs, the state has been able to retain its economic management, ownership, and control to a great extent. Despite this relatively slow pace of market-led reforms in Singapore, the initiatives toward divestment, deregulation, liberalization, and contracting out represent a

considerable shift from the earlier developmental-state model exercising greater regulation and control over the country's economic management.

Second, in line with the global shift in the role of the state in economy and society, Singapore has experienced certain major changes in the role played by the state. As discussed above, the state pursued a leading role in socioeconomic affairs through its various institutions, which encompassed major sectors such as sugar industry, textile, electricity, transport, housing, communication, and so on (Yeung, 2000a). Beyond the economic sphere, such a role also affected socio-political arenas such as trade unions and community or grassroots organizations (created and supervised by the government) (Low and Haggard, 2000). Although this expansive role of the state still continues, in line with the current international trend, the government has adopted some reform measures that indicate certain moderation or easing of such an interventionist role played by the state in this country. In any case, an early change in the state's economic role was reflected in the government's initiative to shift from its direct economic intervention based on rigid bureaucratic structure to a more indirect commercial form of organizations such as public corporations and companies (Lam, 2000, 404). Recently, the government has introduced the aforementioned promarket policies (divestment, deregulation, and liberalization) that also represent a gradual retreat of the state's economic role and the increasing role of local and foreign private investors in various sectors (Shameen, 2000).

In addition, since the early 1990s, the government has been interested to redefine the role of public bureaucracy as a facilitator of market forces rather than a regulator of business enterprises (Lam, 2000; Low, 2000). Although the state was usually business-friendly in the past despite its extensive intervention in various sectors discussed above, more recently, it has become quite proactive to enable the business sector to play a more leading role – the examples include the government's effort to ease business licenses, import and export procedures, corporate taxes, and so on (RBAP, 1999). This gradual move toward greater role played by the market forces has not been reversed even after the Asian financial crisis in the late 1990s, and the government has continued to emphasize the integration of its national economy with the global market (Lam, 2000). However, it is observed that the overall pace of withdrawing the interventionist role of the state has been relatively slow in Singapore. For Shameen (2000), Singapore needs to do more in terms of further privatization and deregulation of entities such as HDB, TV network, Singapore Power, and so on.

Third, certain reform measures adopted in Singapore have direct implications for its public service ethos. Since the early 1980s, the government has been trying to adopt an employee-centered public management, which has eventually culminated into the so-called PS21 (Public Service for the 21st Century) initiative introduced in 1995, which resonates other initiatives like Singapore 21 and Manpower 21 (Lee, 2001). However, PS21 represents a more

serious attempt on the part of the government to transform the way the public service functions and serves people – its main thrust is on institutional ethos such as innovation, well-being, quality, and customer service. There are four major specific components of PS21, including: (a) Staff Well-being (staff welfare, recognition, appreciation, and challenge); (b) ExCEL or Excellence through Continuous Enterprise and Learning (continuous improvement and teamwork to be realized through measures like the Work Improvement Teams); (c) Quality Service (to satisfy customers through Courtesy, Accessibility, Responsiveness, and Effectiveness); and (d) Organizational Review (i.e. organizational innovation, use of IT, connecting with citizens, and cutting red tape) (Lim, 2005).

The PS21 initiative is led by the Prime Minister's Office and the Central Steering Committee (members include the Permanent Secretaries of various ministries), and four functional committees corresponding to the above four functional components, including the Staff Wellbeing Committee, the ExCEL Committee, the Quality Service Committee, and the Organizational Review Committee. Each of these four committees has representatives from all ministries and is led by a Permanent Secretary. There are PS21 Offices at various hierarchical levels of all ministries and statutory boards. The principles of PS21 are repeatedly highlighted by the government, and it has implications for other structural and managerial reforms in the public sector.

Fourth, with regard to organizational structure and management, the government has corporatized and converted various departments and statutory boards into so-called autonomous agencies for greater managerial autonomy and operational flexibility, which can be observed in the cases of the Inland Revenue Authority of Singapore, Public Works Department, Land Transport Authority, Port of Singapore Authority, Changi International Airport Services, Singapore Power, Civil Aviation Authority, and so on (Tay, 1999; Haque, 2002b). In these corporatized autonomous entities, the top managers are assigned with considerable autonomy in financial, personnel, and other operational matters. It was mentioned by the minister of finance in his 1997 budget speech that the government had converted 102 ministry headquarters, departments, and statutory boards into autonomous agencies in 1997; and emphasized that almost the entire civil service and all state-funded statutory boards were to be operated as autonomous agencies based on this framework of autonomy and flexibility, which was needed to facilitate quick change and encourage efficiency and performance (Budget Speech 1997).

In particular, with regard to finance and budget, the government introduced the so-called Block Vote Budget Allocation System in 1989 that provided ministries with needed authority to manage their budgets. Under this system, once approved by the parliament, a ministry may exercise autonomy to manage the budget in terms of transferring funds between its programs (Jones, 1999). The government also adopted a computer-based information tool, known

as the Singapore Government Management Accounting System (SIGMA) in 1992, which helped practice a more detailed cost calculation of programs and activities, and thus, facilitated the realization of financial autonomy provided by the Block Vote Budget Allocation System (Jones, 1999). In 1994, the government took another step to introduce the Budgeting for Results initiative. It requires ministries to come up with precise performance targets (reflecting the costs and outputs or results of their intended activities and programs), and once the budget estimates are approved, they can enjoy procedural autonomy as long as they meet the performance targets (Low, 2001a; Jones, 1999). All these structural reform initiatives adopted recently in Singapore, represent some form of businesslike managerialism in its public service.

Fifth, in line with the above trend in organizational restructuring for more autonomy and flexibility, there has also emerged greater decentralization in public personnel management in Singapore, especially with regard to the transfer of certain recruitment and promotion authority from the Public Service Commission (PSC) to various ministries, departments, and statutory boards. In the past, the PSC was in overall charge of human resource planning, recruitment, and promotion for all public officials, which began to be shared with the Public Service Division (PSD) on policy ground, and then with the Education Service Commission (ESC) and the Police and Civil Defence Services Commission (PCDSC) on functional reason (the ESC and PCDSC were dissolved in 1998). However, a more significant change was adopted in 1995 when the government decided to create the so-called Personnel Boards at different levels with a view to devolve major personnel functions and responsibilities (e.g. appointments and promotions) from the PSC to these Personnel Boards. The main objective was to provide public managers more authority to manage their employees, although the PSC would remain in charge of Superscale officers (Grade D and above) as well as disciplinary matters such as demotion or dismissal (Tay, 1999).

The personnel matters related to all other public officials are now handled by the Personnel Boards, which are hierarchically arranged in the following order: (a) one Special Personnel Board (chaired by the Head of Civil Service with Permanent Secretary, Prime Minister's Office) in charge of Superscale officers up to E1 and timescale officers in the Administrative Service; (b) six Senior Personnel Boards (each chaired by a Permanent Secretary), each in charge of Division I officers from a group of ministries (except timescale officers in the Administrative Service); and (c) 24 Personnel Boards (at least one Board for each ministry, chaired by a Superscale officer in that ministry), each dealing with Division II, III and IV employees (Tay, 1999). In terms of the mode of public sector recruitment, there is a growing trend to offer contract-based appointment or fixed-term jobs rather than permanent tenure, and the government has been encouraging qualified business executives to join the public service even at some higher ranks (Lee, 2001; Haque, 2002b).

This trend of businesslike flexibility can also be noticed in recent compensation reform based on the corresponding private sector salaries. Based on the assumption that without adequate salaries for top political and administrative officials (in comparison with their business sector counterparts), there could be a worsening situation of brain-drain from the public sector to the private sector, the government adopted salary revisions based on private sector standards. A set of salary benchmarks was adopted for ministers and senior civil servants in 1994 by comparing their salaries to the corresponding salaries paid for the six private sector professions, including bankers, accountants, engineers, lawyers, local manufacturing companies, and multinational corporations (Tay, 1999). These salary revisions may be examined further to assess whether the public and private sectors are comparable.

IV. Major Impacts and Challenges

Since 1959, with the established mode of governance and administration in Singapore (encompassing the parliamentary form, the one-party dominant system, efficient and loyal bureaucracy, extensive state intervention, limited welfare provision, and so on), the country has done well in creating wealth, reducing poverty, expanding literacy, building infrastructure, maintaining racial stability, and developing a viable sovereign state, although there are critics who characterize such governance system as illiberal. However, the question worth exploring here is about the potential implications of recent reforms in governance, especially the recent adoption of market-driven policy options (divestment, deregulation, liberalization, contracting-out) and the state's tendency to replace its socioeconomic role with a greater role played by the private sector. First, in many countries, such reforms have allegedly created adverse impacts on the state's capacity due to the shrinking revenue sources, budget cut, and reduction in public employment. In the case of Singapore, however, such impacts are unlikely to be drastic, because the state still maintains considerable ownership and control through its numerous enterprises and government-linked companies.

Second, with regard to the consequences of contemporary reforms for citizens, there is a potential for some favorable outcomes due the growing emphasis on service quality and customer satisfaction, which is one of the main objectives of the PS21 initiative. To a certain extent, public administration in Singapore has been restructured or reinvented in order to make it more client-centered by motivating and training street-level bureaucrats in courtesy and service mentality, by restructuring and improving service counters to deal with customers' needs and queries, by providing incentives to employees based on customer feedback, and so on (Jones, 1999). However, not all citizens can qualify as customers or clients as there are low-income families whose incomes have not

improved (CPO, 2000, 7; 2001, 4), who cannot afford to purchase high-cost services, and who have not gained much from recent reforms and policy changes. For instance, in the health sector, there has been cutback on medical expenditure, especially after implementation of the Medisave Scheme in the early 1980s (Lee, 2001). According to Khan (2001, 11), the public spending on health (as a percentage of GDP) appears to have a “downward trend”, and the initiatives were taken by the government to privatize certain hospitals, which shifted the financial burden of health care to individuals, families, and employers.

Last, within the public service itself, the recent reforms in some other countries have raised concerns whether policies and reforms such as privatization, contracting out, and joint venture may create greater potential for bureaucratic corruption. In fact, in the aftermath of such reform initiatives, the incidence of corruption has worsened in many cases. However, in the case of Singapore, the anti-corruption measures and institutions have been so effective that it is ranked as one of the most corruption-free countries in the world. However, it is good to be more vigilant as the reform processes are often replete with uncertainties. Another concern emerging from these current changes in governance based of organizational disaggregation (e.g. autonomous agencies), use of multiple stakeholders (private, non-government, and foreign), and expansion of budget autonomy, is the potential barrier to the realization of public accountability due to the growing difficulty to coordinate, manage, and monitor these new structures and institutional arrangements. In this regard, the optimistic aspects of the Singapore case are its highly capable state to steer the situation and its relatively small public sector (due to small population) that is more easily manageable.

However, there are certain real and potential challenges to the current mode of governance and public administration in Singapore. First, in the political sphere of governance, there is growing realization that the earlier rationale for the expansion of the state’s role in the name of overcoming economic backwardness, building racial harmony and ensuring national survival, is difficult to justify in the contemporary context (Lee, 2001). In addition, since most citizens are now highly educated, well informed, and politically aware, they may expect the state and government to be less interventionist and more consultative (Lam, 2000, 416-418). In line with this changing context, the former Prime Minister Goh Chok Tong began with the pledge of practicing a “consultative and participatory” leadership style, and set up the Feedback Unit to facilitate consultation with selected citizens regarding political disagreements on various policy matters (Lee, 2001). This newly emerging political context characterized by higher public demands and expectations has certain implications for rethinking state control over various sectors or domains of society.

Second, on the economic front, as Singapore faced serious economic recession in the mid-1980s, allegedly caused by over-regulation and high service charges, the state began to recognize the negative impacts of economic intervention

and to identify alternative strategies with reduced control and regulation (Lam, 2000, 402-403, 416-418). The earlier economic success based on a leading role played by the state and its public sector, came under pressure due to such economic downturn or recession during this period. There was also external pressure from the world economic powers to enhance openness to the global markets through measures such as liberalization and deregulation, which often make the national economy vulnerable to the global business fluctuations (see Yeung, 2000b, 143). It is a challenge to reconcile between the established tradition of economic success based on an active interventionist role of the state on the one hand, and the adverse impact of such internal intervention as well as external pressure requiring the withdrawal of state control on the other.

V. Concluding Remarks and Prospects

In most countries, including Singapore, recent reforms in governance and public administration have been carried out based on the two major rationales or objectives, i.e. to enhance public sector efficiency and quality and to increase customer choice and satisfaction. After carrying out such significant reforms for so long, unfortunately, there have not been any comprehensive and objective assessment of whether they have indeed improved the levels of efficiency, quality, and satisfaction. It is imperative to pursue comprehensive studies to evaluate all major dimensions of reforms in terms of their rationales, claims, and actual outcomes.

Even without such a study and assessment, it is increasingly becoming clear that the whole generation of contemporary reinvention or reform in public governance and administration has often been based on prejudiced or ideologically charged assumption of market superiority and state failure. In this regard, one major source of lesson was the Asian economic crisis of the late 1990s followed by severe declines in the rates on economic growth (Yeung, 2000b, 146), which should remind us how things may go wrong in this globalized world, how careless policies and reforms may produce adverse unpredictable outcomes, how the economic disasters created by market forces may require policy reversal in favor of government intervention, and how the role of the state still remains critical. These lessons have become even more crucial in the current context of unprecedented economic recession worldwide, which is globally recognized as the most severe economic challenge since the Great Depression. In this regard, the tradition of Singapore's strong and capable state, interventionist governance, and efficient public administration cannot be easily dismissed.

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