

**Lecture on “The Principles of Good Governance”**  
by  
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In the development of a country, one of the most important factors is good governance. With good governance, a country, whether big or small, whether it has a large or small resource endowment, wherever it is located, can succeed. Without good governance, a country with abundant natural resources will not succeed. For example, if size and resources were decisive, Nigeria should be one of the most successful and richest countries in the world. In fact, the most successful countries in Africa are two small countries. In East Africa, it is Botswana, which is clean, well-governed and is, in its economic performance, an Asian Tiger. A World Bank study shows that Botswana has achieved an eight per cent growth rate annually over thirty years. In West Africa, Cape Verde is made up of a group of small islands with no natural resources. However, according to the World Bank and donor countries, it is the best performing West African country. In both cases, the critical factor is good governance. They have good leaders, clean governments and empowered peoples.

Good governance is a concept which, in my view, has helped Singapore to overcome many of its intrinsic challenges since it began its journey towards self-government in 1959 and independence in 1965. Singapore was a poor country and had a low per capita income. It was thought by many people that an independent Singapore would not be viable.

The first principle of good governance is **the principle of meritocracy**. It has no meaning if the people are not educated. If only a small number of people are educated and the rest are not, then meritocracy is an empty concept. Those who are educated and belong to the privileged class would do well while the rest would not. The number one priority of the Government of Singapore is education. Every child in Singapore is entitled to a good education. There are no barriers to upward mobility in Singapore. You are judged by your ability and by your performance. Race, religion, class, family are irrelevant.

The second principle of good governance is **the principle of racial and religious harmony**. Many multi-ethnic countries in the world have floundered because they are not able to maintain racial and religious harmony. Singapore is a secular state. There are many religions in the country. On certain State occasions, the ten major religions would be represented by one person each. Each representative would say a prayer or a blessing. Such occasions are a powerful symbol of religious harmony and unity. Furthermore, Singapore's Maintenance of Religious Harmony Act limits the freedom of speech in order to prohibit attacks on any religion. Buddhism and Hinduism are tolerant of other religions. However, monotheist religions are less tolerant because they believe passionately in their own religions. They believe that theirs is the only true religion. In the USA and some Western European countries, one can denigrate a religion and be protected by freedom of speech. Thus, Islam is not protected from being demonized in Europe. People can make fun of the Prophet and Islam, and the freedom of speech and freedom of the press would protect them. However, Singapore does not allow it. The Ministry of Home Affairs could issue a restraining order or prosecute those who violate the Maintenance of Religious Harmony Act. Freedom of speech must be expressed in a responsible way. Maintaining racial and religious harmony is viewed as more important than the freedom of speech and freedom of the press.

The third principle of good governance is a **clean government**. How did Singapore succeed in its fight against corruption? Let me share two lessons with you. First, there cannot be clean government and corruption cannot be erased if the top leadership is not clean. Second, the leader's commitment to cleaning up corruption must be absolute. He must not make any exception. He has to be ruthless and he must never bend the rules. Singapore has a zero-tolerance policy against corruption. Ministers have been sent to jail for corruption. Senior civil servants have also been jailed for similar offences.

The fourth principle of good governance is **the rule of law**. There was a World Bank study which analyzed the different factors influencing the prospect of countries in development. Of all factors, it ranked the rule of law as number one. Why is the rule of law so important? It is important for both domestic and external reasons. If political leaders wish to earn the trust of the people, one of the ways in which they can do it is to have a fair justice system in place. This would give ordinary people confidence that, if they should ever go to court, they would be treated no differently than the powerful and rich people. There is only one law in Singapore, which does not distinguish between the rich and the poor or between the powerful and the powerless. The rule of law is therefore very important domestically.

Externally, if a country wants to be a financial centre or a favourite destination of foreign direct investment, it needs to provide investors and depositors with the confidence that their money is safe, that someone cannot cheat on them and get away with it, and that justice will not be denied. The rule of law is therefore very important both in terms of the country's economic competitiveness and in terms of building a bond of trust between the government and the people.

The fifth principle of good governance is **inclusiveness**. We compete in the world's market economy which rewards people differently in accordance with their ability, talent and education. At the moment, the Gini coefficient (a measure of inequality of income or wealth) is becoming progressively worse in Asia and we have become more unequal than America. Paradoxically, the two communist countries in Asia, China and Vietnam, are even more unequal than the rest of us. Social equity is important. If an economy prospers, but the Gini coefficient is bad, the median income is low and the disparity of wealth is large, the society will not be cohesive and social harmony will be threatened. The philosophy of inclusive growth is therefore important. We need to build social equity into our growth strategy. Singapore is very "socialist", even though it refuses to be called a welfare State. The government subsidizes education, housing, healthcare and public transportation. It has now introduced the "Workfare". For those who work, but have low income, the government gives a supplement to top up the monthly salary. About 30% of our workforce benefits from "Workfare". The true nature of Singapore's social-economic system is, therefore, a mixture of capitalism and socialism. Harmony would not be possible in Singapore given the growing disparity of wealth and income if the element of social equity is not built into the system.

The sixth and final principle of good governance is **care for the environment**. Former Prime Minister Lee Kuan Yew was one of the world's first green politicians. Since he came to power, he had a vision of creating a garden city in Singapore and started the process of cleaning the river and stopping people from throwing litter on the streets. He started a campaign to plant trees. He turned down investments which would pollute the environment. A clean environment is important as it provides a wholesome environment in which people can live. Singapore gives its people a relatively high environmental quality of life, which also makes a good impression when investors look at the country and see how green and clean it is. Singapore is now trying to move from a garden city to a city in a garden. Singapore is also seeking to be a leading global city and a liveable city.

## Session on Questions and Answers

*Question 1: It was in the news that some corrupted leaders deposited money in the bank in Singapore. How can Singapore help eradicate corruption in other countries by not accepting the deposit of corrupted money?*

Answer:

Singapore cannot eradicate corruption in other countries. A Singapore bank cannot know where the deposited money comes from and whether it is tainted. If the authorities in Singapore have information and, following investigation, it finds that the money is tainted, it would close the account because Singapore does not want the reputation of being a centre for money-laundering.

OECD and G7 have taken up the issue of financial centres in the world. There have been accusations by the West that some financial centres, such as like Hong Kong and Singapore, allow tainted money to be deposited and laundered. There was a confrontation between France and China at the G20 Summit in London, which was resolved by mediation by the USA. As a result, Hong Kong is off the list of suspected centres. Singapore has also been taken off the grey list.

*Question 2: Singaporean people have given strong support to their government against corruption. Does the society also give social sanction and, when there is a case of corruption, put pressure on the case? Is it also a key to the support to the government?*

Answer:

In Singapore, the people support the government's policy of rooting out corrupting. In this respect, there is a consensus between the people and the government. The people do not defend popular individuals, who have done much for society, if they are found to be corrupt.

*Question3: What is your view on democracy?*

Answer:

Democracy is a better form of government than all the alternatives. However, democracy does not guarantee good governance and does not solve all problems. A democratic government can be a corrupt government. Some democracies are incompetent. Election does not guarantee a

competent government. People may elect incompetent persons or a group of people who are interested only in enriching themselves and have no vision for the country and no commitment to the people. So, while I believe in democracy, I am also very aware of its shortcomings. It is not a panacea. It is, however, the least bad form of government, as Churchill once said.

*Question 4: Singapore is different from China although both are pragmatic. Singapore started from a very new, young and small nation. China should be considered as being in transition. The ultimate aims are sustainable prosperity and social equity. Democracy is a means, not an end in itself. However, it could be better if democracy is in place in order to ensure that everything is on track towards the ultimate goal. Without democracy, there is no guarantee that we are on track. How can we make sure that good leadership and good governance remain in the future?*

Answer:

I agree with the sentiment behind the question. It is true that democracy does not guarantee a good government. However, it gives the people the right to throw out bad governments. Without democracy, a people may suffer years and decades of oppression and bad government and have no recourse for a peaceful change.

*Question 5: To educate people is to provide good examples. There was a recent poll in Thailand that the people could accept a corrupt leader if he was effective. Could you elaborate further about good leadership and clean government?*

Answer:

I do not like the idea that we should accept corruption if a corrupted leader or government can still deliver the goods. My opposition to corruption is absolute and unconditional. We should never rationalize corruption and try to justify it.

*Question 6: What is your idea on moral and ethical standards for individuals for corruption prevention and promotion of anti-corruption?*

Answer:

Honesty and integrity should be made a national value. If honesty and integrity become core values of a nation, the people will stand up against corruption and corrupt rulers. We also need institutions to enforce such

values. The institutions must not become politicized. No one should be above the law. I think one of the best ways to test a country's reputation for honesty is the taxi driver's test. If you leave something valuable in a taxi, will you get it back? I am happy to say that taxi drivers in Singapore are among the most honest in the world.

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