



INNOVATIONS FOR SUCCESSFUL SOCIETIES

Innovations for Successful Societies Oral History Project

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DEVLIN: Today is July 23, 2009. I'm here in Singapore with Kishore Mahbubani, dean of the Lee Kuan Yew School of Public Policy. Professor Mahbubani, thank you for joining me.

MAHBUBANI: *My pleasure.*

DEVLIN: I was wondering if we could start with me asking you to share your views on the role of the initial leadership group here in Singapore, how they've shaped the country's development, what role they've played.

MAHBUBANI: *I think it is clear Singapore would not be where it is today without the exceptional set of founding leaders we had. I'll just mention three, Lee Kuan Yew, Goh Keng Swee, and (Sinnathamby) Rajaratnam, but there were others you know, Toh Chin Chye, Yong Nyuk Lin, Eddie Barker, later on the finance minister, his name, I'm drawing a blank, Hon Sui Sen was very good. But anyway, what is amazing about these leaders was their determination and their drive. They knew that Singapore was in a tough spot. They knew that Singapore had very few options, and so they were extremely realistic, very grounded, very down to earth and looked for simple pragmatic solutions to any problem. They didn't bring any ideology to the table at all. So even though they came in as left wing socialist government they realized from day one that they needed to get foreign direct investment.*

So Dr. Goh Keng Swee instructed his staff, find me a factory to open every day. So even if it is a small coffee-making factory or zinc roof factory, he didn't care. He said just take me to the factory. I want people to see I'm opening factories, give people hope that economic development is taking place.

So whatever they decided to put in place, a kind of investment management regime that basically provided one-stop shopping for investors. If you had any problems, you need workers, you needed to get more flexible tax relief and everything, all that was taken care of in one shot. But I think when they started off, none of them even dreamt that Singapore would be as successful as it is today. So it shows you basically—what Singapore shows is that if you put the right policies in place at the very beginning, you plant the right seeds, you get a very powerful tree that comes forty years later.

DEVLIN: So looking back now, you've mentioned the economic policies and the focus on foreign direct investment. Are there other policies that strike you as really crucial in that initial period that set the stage for subsequent developments?

MAHBUBANI: *I think, they're not necessarily in order of priority, but the economic development policies were critical. The multiracial policies were very critical. They made sure that all ethnic groups were treated equally. As a correlation to that, they had a policy in meritocracy, which means that they didn't care what race you were, if you're good they tried to train and develop you.*

The defense policy was critical because you had to make sure that Singapore was safe and not vulnerable to attacks and so on and so forth. Also the—let's see, economics, multiracial, meritocracy, defense, and education. They put an incredible amount of emphasis on education. That's why, I keep raising the point, ours is the best public education system in the world today. Not necessarily private education, public education system.

DEVLIN: Now with each of these priorities there are obviously resource commitments. Obviously the situation then was very different to the situation now in terms of

available resources so sacrifices had to be made. I was wondering, do you have a sense of what those hard bargains were? Obviously, I imagine there were a lot of things the government wanted to do but there were things that had to be—that fell by the wayside.

MAHBUBANI: I think for a start, as you know, one thing the government was realistic about was public finances. They always believed you cannot spend more than you earn. That's also why they also had a policy of zero subsidies for any industry because they realized that Singapore doesn't have oil resources to subsidize inefficient industries. I remember very early on, early 1970s, Singapore, there was a German investment. If I'm not mistaken it was the camera company, Leica; I may be mistaken. It was a German camera company, they invested in Singapore. So 300 engineers were trained, sent for training to Germany. They came back, they set up a factory and all that. Then after a couple of years discovered they couldn't compete with the Japanese, so the factory was shut down and the 300 engineers were deployed elsewhere. They didn't think, "Oh, we trained 300 engineers in Germany, we've got to keep on supporting it." They just shut it down. They were quite brutal in that sense.

They also believed in—as you know they had a very tough-minded view on strikes. They believed that strikes, the British disease of strikes would kill Singapore because if you allowed the strikes to continue there would be no foreign investment. So they worked very hard to create a tripartite partnership with employers, workers and the companies on wage policy. Over time, this policy worked. The reason why this policy worked was that every year the workers would get increasing wages. So as long as they were getting increasing wages the workers are happy to go along.

DEVLIN: So if overall economic development facilitated that tripartite understanding you mentioned there were other aspects of policy that were, to use your word, brutal. I know that was pragmatic, harsh, hard political sells. But what about the leadership allowed them to carry the public along with them on that?

MAHBUBANI: I think one is results. I remember, when I grew up as a child in Singapore in the 1950s and early 1960s, there was poverty, there was unemployment, there were riots. In front of my house there would be gangster fights and I would see one gangster chasing another gangster with a broken beer bottle with blood streaming from their bodies. So it was a rough and tough third-world city in some ways. Then suddenly you had law and order, economic growth, jobs.

I grew up in a relatively poor neighborhood. In that poor neighborhood many were unemployed. But those my age and above, all of a sudden started getting jobs. I mean, they didn't go to university but they got jobs and they were, they began to lead much more comfortable lives. So once you—when you see improvement in your life, you support the government.

The government also was, good word is brutal, very often was brutally honest with the population. They didn't try to sugarcoat or soften the messages in any way. They said, we only have hard choices in Singapore and we must be ready to make hard choices, we have no soft options. So the population was in a sense educated into the realities of Singapore.

DEVLIN: Part of the turbulence of the 1950s was this multiracial composition of the island that you mentioned earlier. Could you speak a little bit more about the challenge Singapore faces in terms of coming together as a nation, both on the island itself and in terms of the regional aspects that complicated this significantly?

MAHBUBANI: *On the island itself, there had been ethnic riots in Singapore within the Malays and Chinese. In many cases, you see the Chinese are a majority in Singapore but a minority in Malaysia and Indonesia and because they are a minority in Malaysia and Indonesia, basically the Chinese populations in Malaysia and Indonesia have to be very careful politically in what they say and what they do and so on and so forth. So the Chinese in Singapore could see what was happening across in Malaysia and Indonesia and so realized that they were much better off in Singapore. At the same time, frankly, the government wisely decided that you want to make the Malay population feel that they are also part of Singapore, too.*

They worked very hard to integrate the Malay population in the success of Singapore. In a large part this is, by the way, it is not wholesale work but retail work. It is what you do on the ground, constituency by constituency, mosque by mosque that makes a big difference. For example, the government encouraged the setting up of various self-help units for the Chinese, for the Indians, for the Malays and supported them. So every group felt they were part of Singapore's growth story.

DEVLIN: As I understand it, the majority of the leadership, and this is of course reflective of the society as a whole were ethnic Chinese and also British educated. Ethnic Chinese was a core. How did they deal with this issue of a multiracial society coming from the majority ethnic population? How did they try to bridge that gap? The role of individual leaders, say like Lee Kuan Yew?

MAHBUBANI: *I think they led by example. For a start in the cabinet—I mean there were various things Singapore did. They learned a lesson for example from Sri Lanka. All the ethnic fighting in Sri Lanka began when Sri Lanka, as you know, abolished the Tamil language and made Sinhalese the sole national language. Ceylon was a great hope of Asia. In Singapore they say, OK, let's have four official languages. So on your income tax forms you get in English, Mandarin, Malay, Tamil. There are four official languages on radio and you can learn your language in school. So there is no suppression of language at all. In the pledge that Rajaratnam wrote, the foreign minister who was another very brave man, he emphasized the need for all races to be part of Singapore family.*

Once you do that you tell everybody you're all equal. There's no discrimination at all of any kind. It creates a sense of commitment. Plus, you see, people saw in schools, in every sector, that if you were good, it didn't matter what race you were from. They saw Malays succeeding. They saw Indians succeeding. They said, "OK, we all have equal options, equal opportunities."

DEVLIN: Now you mentioned meritocracy, this issue of meritocracy and the integrity of the public sector here in Singapore is something that has really defined the story, but that, looking back at the colonial legacy, that was never a preordained result, there was no reason why Singapore had to emerge as this shining paradigm. Can you talk a little bit about what made that possible?

MAHBUBANI: *I think again the great advantage of the first generation leaders is that they read a lot, they read a lot of books. I was amazed how many books Dr. Goh Keng Swee read. For example, whenever Dr. Goh Keng Swee was put in charge of an organization, the first thing he does, he says, "Find me the best books on this area." So he began to study why organizations succeed. So he came across—he said, "Why has Shell Company become a very successful company?" So he went and investigated. Then he discovered the reason why Shell Company succeeded*

is because they had a policy of recruiting the best and then even after recruiting the best, you assume not everybody is equal.

So you try to identify within five years of employment who is on the fast track and put them on the fast track and get them to the top as fast as possible, those on the medium track and slow track. So you had—there were mathematical formulas for doing this. So Singapore basically copied the Shell formula. Shell for example said you should be promoted on the basis of your current estimated potential, CEP. So that if you joined at the age of 25 or 22 and then they say OK, by 30 they know that you are going to be a CEO (chief economic officer), they don't wait until you are 60. They make you CEO at 45.

So the attitude of Dr. Goh Keng Swee was a very pragmatic one. He said to us, he says, "Whatever problem Singapore faces, somebody somewhere has solved that problem, go find that solution." So he didn't believe that you had to reinvent the wheel in Singapore. All you have to do is study best practices and copy them. So Singapore is the best copycat nation in the world.

DEVLIN: Now there is an element again of brutality to this, this fast tracking people. You yourself have lengthy experience in the foreign service in that regard. But every time you fast track someone there are a lot of people they're jumping over. So Singapore is aggressively meritocratic I guess you could say. How do you manage the divisive tensions that can result from that process?

MAHBUBANI: *Oh yes, there are tensions, but the critical thing is that when you select people that are the best, eventually they perform. Because if they don't perform and they do badly and you keep on rewarding them, then there is trouble. What they—to give you an example, there is a force bell curve of the people in the admin service so the top 10% get promoted very fast. Then the ones in the middle get promoted at a relatively slow pace, but the bottom 5% or 10% are then told to leave. So people can see that if you join an exclusive service, it's great. You go up if you perform; but if you don't perform you're thrown out. Then people say maybe I don't want to be part of that. That's again part of being brutal. They actually would remove people who are not performing.*

DEVLIN: Now a lot of Singapore's public service talent has been drawn from academia or academic backgrounds over the years.

MAHBUBANI: *I mean they've gone to good universities and got good degrees, but they're not academics.*

DEVLIN: They're not academics?

MAHBUBANI: *No, in fact, very few. In fact, there was a phase when the government experimented with academics and recruited a lot of Ph.D.s and then discovered they were too academic for government. The whole academic experiment failed.*

DEVLIN: Looking at it from the outside, there are obviously some extreme advantages to what I guess you could call vertical integration of staffing of civil service, you get them—you identify merit at a very young age and then you fast track it. But it would seem that there are relatively few opportunities to bring accomplished people in at higher levels, at later levels. Is that something that you had encountered? Was that possible in your experience?

MAHBUBANI: *Actually the government tried. They brought in a couple—in fact the Singapore Administrative Service tried to bring in people at the higher level. They brought in*

someone who was recruited from a bank in New York whom I met and they recruited someone from a company, an entrepreneur, but they didn't survive very long. Every organization has got its own corporate culture. You've got to understand in—the Singapore civil service it is very dynamic, but in some ways it is also very conservative. The values are very conservative. You're not supposed to be showy, flashy if you're a civil servant. You're supposed to maintain a low profile and things like that. So that is part of the corporate culture. People perform well, but you don't flaunt it.

So people coming from the outside don't understand the particular mix of the corporate culture, of the organizations. But that's why they open windows in other ways. You know that if you look at all the leading organizations in which the government has major shareholding, take Singapore Airlines, the most successful airlines in the world. For the chairmanship they'll bring in people from the outside, from the private sector like Koh Boon Hwee, like Stephen Lee. Or take the DBS (Development Bank of Singapore) Bank, again Koh Boon Hwee came in and did that. Before that they got others from outside. Take the NOL (Neptune Orient Lines) shipping company; they got a businessman to come in from outside to run it. So they made sure they brought in people at that level to get fresh ideas and perspectives.

DEVLIN: So in one topic of conversation that this corporate culture comes up a lot is when you discuss integrity, the integrity of the service. It would seem from some conversations I've had that there is no real structure, no plan for instilling that. It is a socialization. if you will. that comes on. Could you—I know these topics are inherently amorphous, but what is this process of socialization? What is important in the development of that core?

MAHBUBANI: *I think it is a couple of things, one is leadership by example. I mean you could see that Lee Kuan Yew, Goh Keng Swee, Rajaratnam were not interested whatsoever in putting money in their own pockets. They were only interested in helping Singapore. So when your leaders are not corrupt it makes a big difference. You know you're not supposed to be corrupt.*

Second, the punishment for those who were corrupt was very brutal. So they—for example, as you know, in very early years a minister of state, like a deputy minister, was invited by a friend of his to go on holiday and he said, "Oh, I have no money." The businessman said, "I'll pay for you. I'll take you." So he and his family went on holiday with the businessman. Then when he came back he was arrested, charged, went to court and went to jail. Not for—he didn't take a bribe to do something wrong. He just accepted a gift and he's not supposed to accept. You can't even accept gifts, let alone bribes. Then the message gets out loud and clear.

DEVLIN: One part of the Singapore story is the sustainability. The trajectory has been nearly linear, not completely but it has gone from strength to strength.

MAHBUBANI: *It is amazing. I make the outrageous claim that Singapore is the most successful society in human history in terms of how it has transformed a society in all dimensions in one generation.*

DEVLIN: Now the easy explanation for that is that it is a one-party state and everything can be attributed to that because it takes the pressure off the politicians, takes the pressure off the civil servants. Is that fair? Is there more to it? Is there something—?

MAHBUBANI: Well, you see, in the Western model, you either have multiparty states or one-party states, and all one-party states are the same. One thing you discover in the real world is that there are one-party states and there are one-party states. There are corrupt, self-serving, ruthless, authoritarian one-party states. There are also very honest one-party states that try and put the interests of the society first. There are one-party states that are closed and therefore controlled by a small mafia. And there are one-party states that are open to getting talent from everywhere possible.

The reason, for example, why the Chinese Communist Party is doing so well nowadays is that it is looking for talent wherever possible. In Singapore's case the government has always tried to adopt an inclusive approach. So including people—I can give you several examples. There are people like Ambassador Tommy Koh, who was very critical of the government when he was young. They said, "OK, why don't you come inside and find out what it's like?" There is Ambassador Chan Heng Chee, our ambassador in Washington, DC. She was very critical of the government before. Then she became an ambassador and she understood how the government worked.

Then there is Minister of Finance Tharman Shanmugaratnam. When he was in university also wrote articles very critical of the government. Again they said, "Come in, work in the government, see what it is like." There is Ho Kwon Ping, and by the way, Tharman Shanmugaratnam was already charged by the government. Went to court, and despite that is now a minister.

DEVLIN: The Secrets Act, right?

MAHBUBANI: Official Secrets Act. There is Ho Kwon Ping, who was detained, was a political detainee for two weeks and now he is chairman of the Singapore Management University. So this policy of including everybody is, I think, a very wise policy.

DEVLIN: Again pragmatic.

MAHBUBANI: Yes, very pragmatic. So you're giving everyone a stake in decision-making and saying, "OK, if you think things can be run better, fine, try. We'll give it to you." And if you did better, all the more power to you.

DEVLIN: It is this idea that there are one-party states and then there are one-party states, that goes to the heart, you could argue it goes to the heart of why Singapore is not referred to more often as a developmental model, because there are various aspects of it that for whatever reason people deem disqualify it. What would you say deserves to be focused on for countries that are trying to emulate Singapore's success that find themselves at certain points that Singapore has been at in the past? What are the key concepts? I don't want to get quite down to policy level, but what should be taken from the Singapore story?

MAHBUBANI: Two things. One is the reason why the western commentators haven't understood Singapore. I've written about this several times. Please quote me. The reason why the Western mind doesn't understand Singapore is because the Western mind has become a closed mind. The Western mind assumes that there is only one route to development in history, that you have to copy the West to succeed, and if you don't copy the West you cannot succeed. So when you don't copy the West and you succeed, then you haven't succeeded.

The shame thing is that there are some aspects of the West we all copy. In my book I speak about the seven pillars of Western wisdom that explain why Asia is

succeeding. I think frankly, I ask all Asian societies to copy the seven pillars of Western wisdom. But in the case of Singapore, what is to take away from Singapore? I gave a lecture in the Lee Kuan Yew School of Public Policy on the principle of governance in Singapore. I boiled it down, I say, if you want to understand the speed of Singapore's development, remember the acronym MPH which normally stands for miles per hour, which is a measure of speed. So in the case of Singapore MPH stands for, number one, meritocracy; number two, pragmatism; and number three, honesty. I say that any state in the world that implements MPH brutally will succeed, without exception. The hardest one is honesty.

DEVLIN: The most brutal one is honesty.

MAHBUBANI: Yes.

DEVLIN: Professor, thank you very much for taking the time today.

MAHBUBANI: Thank you.