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Of Government, Innovation and the Social Sector: An Interview with Ngiam Tong Dow

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Of GOVERNMENT, INNOVATION and the SOCIAL SECTOR

An Interview with Ngiam Tong Dow

Photo source: Lim Sin Thai, The Straits Times

With homelessness and unemployment looming large in the 1960s, the pioneer public service team turned the situation around within a span of 10 years. Veteran civil servant Ngiam Tong Dow shares his insights from the days of coming nose-to-nose with social breakdown – a time when creative resourcefulness was the only option. Retired and with the benefit of hindsight, he shares with *Social Space* his thoughts on innovation, government and the way forward for the social sector.

SS: *Would you consider the Singapore government a creative one?*

NTD: I have seen creativeness in government. I can give you two examples. Decades ago, Dr Goh Keng Swee faced the challenge of raising revenue. How did the man do it? He decided to put a tax on public utilities. It was brilliant. These were services that people could not do without, and yet the tax was small enough for people not to feel the pinch. It was innovative revenue generation and this has continued to this day. Another example is the Certificate of Entitlement (COE). This was then PM Lee Kuan Yew's idea. It is quite a feat to create money out of nothing. It is only a piece of paper but the revenues are substantial. At the same time, we solved the problem of the number of cars on the road which of course, was the main objective. So, the government can be very innovative when it is faced with challenges.

On the social front, the idea of partnering with the private sector to run childcare centres is an example of social innovation, indeed social entrepreneurship. There was then a pressing social need to provide affordable childcare centres for working parents. The finance ministry was expected to provide the resources to make this happen, but the government simply could not set up and run more than a few childcare centres on its own. We had to be innovative. We realised that we didn't have to do it all by ourselves. If we involved the private sector, there would be many takers for the subsidies we were providing to set up private childcare centres. Programme subsidy is not a dirty word. It can create the multiplier effect that a social initiative needs. We were creative about the whole process and were not limited to regulatory constraints. We worked our way around the limitations to achieve the desired outcome.

At the end of the day, the government should be honest, identify a problem and explore the best way of making a solution work. It should not try to

do everything by itself, if either the private or the civil sector can help to do it. On the other hand, nowadays I see a trend of government officials depending excessively on external 'consultants' whenever it faces an issue. It is not wise to outsource this task too excessively to consultants. Innovation has always been in our government and it should continue to innovate, and I hope that this ability won't be lost over time.

SS: *Do you foresee this creative spirit in the government continuing to exist, especially so in uncertain social circumstances where roots of the problems are multiple and interconnected?*

NTD: Yes, as long as the leadership realises that where the current is swift, it would be wise to use the spontaneity that exists in society rather than try to either do everything itself, or over-regulate what other people are doing. The government should identify needs in society and facilitate the emergence of solutions from many sources.

SS: *Are you referring to spontaneity in civil society?*

NTD: The social sector is spontaneous and flexible. If the social sector does what it does well, the state should leave it alone. Of course there should not be fraud, but beyond that, the sector should be left alone to do good well.

Let me illustrate with an example. In the past, there was a Tiong Bahru coffee shop that used to be abuzz with singing birds in cages, brought by their owners – old men who were there for their morning coffee. It was a nice, lively scene. In 1997, the Singapore Tourist Promotion Board (STPB) and Tiong Bahru residents wrote in to the town council about the space looking crowded and run-down. In response, well-meaning Members of Parliament (MPs) of that constituency came in to build structures and renovated the area under a S\$60,000 spruce-up plan. After a major redevelopment of the area in 2002, you know what happened? The old men stopped going there because the atmosphere was just not the same anymore. The new slick surroundings and the new structure that was built for men to hang the bird cages just did not resonate with them. So my point is, if something spontaneous is doing well, leave well alone and don't interfere, even though it is with good intentions.

SS: *You are saying we need less management and more 'chaos' for innovation to happen?*

NTD: The social sector is in a unique position to embrace chaos. The only thing they should not commit is fraud. If I have one message for the government, it is to not take that spontaneity away. The social sector is by nature a chaotic sector but it can be harnessed. Over-regulation need not be the modus operandi. In line with their role, the government tends to sanitise, organise and streamline sector activities. Each ministry regulates according to their Key Performance Indicators (KPIs).

I can share with you an example during my time in the Ministry of Finance (MOF). It was

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decided by the then Land Office, now known as the Singapore Land Authority (SLA), that the price of state land be pegged at its potential market value and that charities that were occupying public buildings should be paying the market rate in rent. Why should this be so if the government is in a position to facilitate the good work done by the charities? To get around this issue, the MOF paid out subsidies to then Ministry of Community Development of Singapore (MCDS), which were then returned to MOF as rental revenue – out one pocket and back into another. It was more of a book-keeping exercise to work around the rigidity of the system.

Recently, I got to know of charities that now need to pay market rate rentals for public buildings. These charities should not be spending time and resources just raising funds to pay rents to the SLA. Yet, because of this unflinching principle that one cannot subsidise land use, charities are distracted from their real

In Singapore, when the plan is a circle and you want to implement a square, it is less work simply to turn down the proposal rather than think of how to make it work, figuratively to ‘square a circle’. Yet in Hong Kong, if you seek to square this circle, the regulator will sit down with you and seek to make it possible. We should learn from these positive examples.

mission of helping and caring for the poor and disadvantaged.

SS: *But you can't have your cake and eat it too. How can the government provide support and still let civil society do things its own way without regulation? Surely with government support comes the obligation to allow government some control?*

NTD: And this is where I am reminded of my late mentor, Hon Sui Sen. I learnt a lot from him. Back then, I was an overzealous civil servant, scrutinising numbers and questioning programmes. Hon Sui Sen's advice to me was simple: “Please leave well alone.” If something is working well, don't muck around with it. If a clock is ticking well, don't dismantle it and see if you can make it tick better.

SS: *It has been quoted of a senior civil servant who once said: “What the government does not choose to support and fund, nobody in society should even be doing.” Would you agree with this sentiment?*

NTD: I totally disagree with this. I don't know who might have said this, but it sounds very defensive, afraid of facing any criticism that the government didn't think of everything and someone else has an idea that is valuable. My advice for the social sector is not to take any notice of this. Even as a public officer, I would never advocate this. As a public sector actor, if I had not addressed an issue as well as another sector actor, then I should jolly well leave him to do it and not discourage him in the process. I should also not come in with regulations to control something I didn't even think of in the first place.

Let me share with you a story told to me by a friend in the hotel industry. He was comparing Singapore and Hong Kong in their approach to town planning. If we look at the political-legal context of these two countries, there is little difference – both ride on a legacy of British

laws and regulations. Yet, there is a difference in approach. For instance, in Hong Kong, when the government has a land use plan and has an idea of what building it wants in a space, if a developer says he has a different proposal, the civil servants will sit down and discuss with him on whether they can make the plan work for both parties. In Singapore, the answer would be a simple ‘no’. In analogical terms, when the plan is a circle and you want to implement a square, it is less work simply to turn down the proposal rather than think of how to make it work, figuratively to ‘square a circle’. Yet in Hong Kong, if you seek to square this circle, the regulator will sit down with you and seek to make it possible. We should learn from these positive examples.

SS: *So what is the ideal relationship between government and civil society?*

NTD: Government facilitates and mobilises the altruistic intentions of people into action. Let me start with my own positioning of the social sector. Firstly, the social sector should do what the government and the private sector cannot do. The social sector is in a unique position and it should find a niche that the government or private sector is not addressing. And I don't mean to refer to the social sector as an afterthought. Secondly, during the discussions called ‘The Next Lap’ some years ago, the late Dr Tay Eng Soon wrote a paper on the social sector and he mentioned the need for more than one helping hand. That is how the concept of ‘many helping hands’ arose. Thirdly, the social sector should help people at the point where they need help the most.

As NUS pro-chancellor, I am involved in the University's Annual Giving Programme, part of which funds bursaries for poor students. In this capacity, I hear stories of students from poor families who go to school without breakfast and without money for tuckshop food. What amazes me is that in contemporary times,

this is still happening. Cases of dysfunctional families do exist and they do not provide a good environment for the young to develop. We need to address this issue as a pressing need for the future. Now, the government and the civic sector can do something about it. We can set up boarding schools where dormitories, proper food and supervision can be provided for the poor kids who are possibly in the bottom 10% of the population. Their contributions back to society will far outweigh the investment we put into them. While government revenue is available for this, we need people with the empathy and dedication to see it through. This is where volunteers come in. Volunteers' time is far more valuable than to just spend it on fundraising. Of course, altruism can be expressed through giving some of our wealth to the poor. In this area of need, I would suggest that a charitable mission set up dormitories for children from dysfunctional families with full funding support from the government.

SS: *Can't the social sector do it on its own, without depending on government money?*

NTD: Yes it can, but the volunteer's time should not be expended just on raising funds. The state can and should help with the funds. I refer back to the example of the MOF and the Ministry of Social Affairs during my time when there was a need for childcare. The government invited the private sector to partner the Ministry of Social Affairs and it has worked. The government should use funding in an intelligent way.

SS: *Thus far, we have seen government innovation being motivated by the need to survive and by sheer economic pragmatism. Could the government have unwittingly imparted a sense of calculativeness in the social sector and in turn, muted the heart element that is so necessary in social innovation?*

NTD: I am concerned about finding this balance between the head and the heart. I recall then Deputy Prime Minister (DPM) S. Rajaratnam saying that 'Singaporeans know the price of everything and the value of nothing'. It rings true today. But I must say that doing things with a heart does not mean merely giving money to charity. I firmly believe in the wise saying about giving a man a fishing rod instead of a fish so that you equip him with the tool to succeed. I particularly recall a time when I was walking around the streets of Bangkok with Dr Goh.

I had seen a beggar by the roadside and had wanted to give him a coin when the Minister stopped me. "Why not?" I asked. Dr Goh told me that the beggar should have thought more about his choices in life that led to his current predicament of begging. If the outcome of my giving was to encourage more begging, then I would have to rethink my notion of compassion.

Coming from this reasoned understanding of compassion, I am still concerned about our perceived philosophy of hard-headedness minus the heart and its effect on our citizens. The decision-making principle of whether it is economic or uneconomic to help does not sit too comfortably with some people. Take for instance the issue of kidney dialysis – why can't we have government funds to support the running of dialysis centres? Currently, dialysis centres are run by charities. Now, kidney failure is a terminal disease. Except in a few cases where it is a bridge to kidney transplant, there is no prospect of patients ever becoming fully active and productive. If the government refuses to pay for their dialysis, it may be efficient and economic, but it is not very humane.

Another example is the F1 Race. I had expressed my disagreement that we should spend millions on what is essentially a sports event, when at the same time, we are so parsimonious in giving a higher living allowance to the destitute. The Minister-in-Charge was angry with me for saying this and to be fair, I think his rationale is that we mustn't encourage a dependency syndrome. While economic prudence is definitely needed in government budget management, I am concerned about the sense of proportion in meting out this harsh economic rationale.

SS: *Any last observations to share?*

NTD: The solution to a social problem can come from various sources. It need not start from any particular sector or individual. The most important thing is initiative, honesty and a sense of ownership over the issue. And where this happens, it is best for our government to facilitate and support these efforts to allow them to achieve their full potential. As our country develops and more of our young become highly-educated, my wish is for the leadership to stay in touch with the ground and our roots. ❖

Ngiam Tong Dow

is a former permanent secretary of the Ministry of Finance and the Prime Minister's Office of the Government of Singapore. He has also served as permanent secretary of the Ministry of Trade and Industry, the Ministry National Development and the Ministry of Communications. He was also the chairman of the Singapore Economic Development Board and the Development Bank of Singapore.