

## Being Bold in Policy-Making is more Critical than Before

**Peter Ho**

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AS the world becomes increasingly complex, the traditional tools of governance will not be enough, says former Head of Civil Service Peter Ho. In an interview with Institute of Policy Studies (IPS) research assistant Fern Yu, Mr Ho also spoke about the challenge of managing Singapore's success and why Singapore's civil servants must be able to keep up with the pace of change.

Having been appointed IPS' 2016/17 S R Nathan Fellow for the Study of Singapore, Mr Ho is due to give a series of lectures in the coming weeks that will touch on the themes of complexity, governance and positioning Singapore for the future. Below is Ms Yu's interview with Mr Ho, who is currently the senior adviser to the Centre for Strategic Futures and chairs various government-linked agencies.

**Q: A lot of your current work focuses on complexity and preparing for the future. Of all the issues facing the Government today, what is it about complexity that you find so interesting?**

**Peter Ho (PH):** I stumbled upon complexity because I had been encouraged by a colleague to visit the Santa Fe Institute, which is the place where complexity science started. This was in the 1990s and I was so intimidated by the reputation of both the institute, as well as many of their alumni (including Nobel Prize winners), that I backed off from the visit.

But over time, I began to gain a better understanding of complexity, and to appreciate its relevance to governance. The complexity of our operating environment is increasing at an accelerating rate, because of the pace of urbanisation, globalisation and a new factor that didn't exist even 15 years ago: Social media.

Complexity helps to explain why we will always be surprised, why we are surprised and why we often get things wrong when we make projections.

In a complex world, things often don't follow the predicted trajectory. As the complexity of the world increases, the traditional tools of governance and the way we organise governments will not be enough. New tools will be needed to deal with the increasing levels of complexity.

And risk management is going to be a much more important aspect of good governance.

**Q: What are some of the "traditional tools" of governance that may not be so useful in this era of complexity?**

**PH:** It's not that traditional tools are no longer important; tools like cost-benefit analysis are still relevant. But cost-benefit analysis in a complex environment, in and of itself, may not provide you with the complete answer. Cost-benefit analysis is quite linear, and traditional tools don't help you get your arms completely around complex problems.

**Q: You have over 30 years of experience in the civil service and continue to advise many agencies. How has the civil service changed since you first started out?**

**PH:** In many ways, it hasn't really changed because the basic values that drive the civil service — integrity, service and excellence — haven't really changed either.

But what has changed are things like these: We've moved up Maslow's hierarchy, so the expectations of people whom the Government supports and serves have changed in tandem with the progress that Singapore has made over the years.

People have more complex needs, including needs of self-actualisation and transcendence, that are much more difficult for governments to address.

The other thing I think has changed a lot compared with the early years is that, today, Singapore is a First World country, and a successful one at that. Governing such a place is very different from governing a Third World country.

In the early years, as long as you made the right decisions and plucked the low-hanging fruits of policy, things would move forward.

Now, it's very different. There is a lot more at stake. You have to strike a balance between how much you want to go forward, how much risk you're prepared to take and your stomach for change. I think this is the real challenge of managing success.

**Q: What about the different generations of civil servants you've met — what are the similarities and differences?**

**PH:** It's a bit hard to say what the difference is. The young generation is the young generation. They were born into a different era with completely different life experiences from my generation, just as my generation is totally different from the generation before us.

To this generation, I would say, what must remain the same is that you must remember that your job is not to just follow the rules.

Your job is to find ways to improve Singapore's position and the lot of Singaporeans in a period of accelerating change and uncertainty. Of course, you're not going to be criticised for following the rules, but if you want to lift the quality of your policies and plans, and raise the level of good governance practised in Singapore, then it cannot be just about saying: "I followed the rules."

Instead, it should be that "I tried to make things better".

The basic misconception some younger civil servants may have is that what worked well in the past will be what propels you into the future successfully. Our civil servants must be able to keep up with the pace of change.

You have to ask yourself if the rules, plans and policies still serve the purpose for which they were designed, or if we need to change them in order to do things better.

**Q: You said governing First World countries is very different from governing a Third World country. Having experienced both, can you shed some insight on how governance in Singapore has changed?**

**PH:** If you look back at the environment of the 1970s and 1980s, when we were moving rapidly out of being an emerging economy and on track to becoming a First World country, there were a lot of things to be done.

At that time, you either had to just do things as prescribed in the rule book, or you had to be prepared to make bold decisions for which there were no precedents.

Luckily for Singapore, we had a whole generation of civil servants and government leaders who felt that they were empowered to make such bold decisions, and they did — without, by the way, compromising on the basic requirements of running government in a proper way.

Today, of course, you still want that spark — that ability to think boldly about the future. But the big challenge now is, how much risk are you prepared to take?

These are serious risks because we've achieved so much, that a bad miscalculation can mean losing it all. The stakes are much higher.

Yet, the imperative of being bold and trying things out is in some ways even more critical now because you're competing at the top.

You always have to find something new that will give you a lead over the competition — it's very cut-throat and difficult at the top.

**Q: You're used to speaking to civil servants. This time you'll be speaking to a broader public: Students and people from different walks of life, who have come to hear your ideas. What do you want them to take away from the lectures?**

**PH:** The first thing I hope they will take away from my lectures is that they will understand that our environment is a fast-changing and complex one.

The second point is that there are no easy answers. It's very easy to criticise from the side, but it's not easy at all to find the right answers.

This leads to the third point, which is that every major decision and every major policy are not an exercise to find the right answers. They are always an exercise in making the right judgment — not a hard right or hard wrong — but a balanced one that serves the best interests of the majority and the country.

You cannot make everybody happy. Also, judgments always have to be revisited now and then — to go back to my point that things are changing. What seems to be sensible now may in a few years' time no longer be sensible. You have to be prepared to constantly change.

Those are the things I hope they will take away from this series of lectures. But they may not get it in the first lecture, so they may have to stick through all four lectures before these points come through.

**Q: You worry a lot about the future of Singapore. How do you relax?**

**PH:** I'm actually a very relaxed person. The only thing that's making me very stressed is preparing these lectures. I can relax anytime, including by reading books.

**This piece was first published on the IPS website. Mr Ho's first IPS-Nathan Lecture, "Hunting Black Swans and Taming Black Elephants: Governance in a Complex World", will take place on April 5 at the National University of Singapore Society's Kent Ridge Guild House.**