



The War on Corruption: What Singapore Got Right

By Wanjala S. Nasong'o



Experts on the study of corruption distinguish between political corruption and bureaucratic corruption. Political corruption involves vote-rigging, registration of unqualified voters, falsification of voter registers and election results, selling and buying of votes, and wiretapping the phones of political opponents. All this is aimed at helping politicians capture and/or maintain political power. With particular reference to Kenya, political corruption also involves instigation of “ethnic” violence in opposition regions by incumbent political parties in order to scatter voters and minimise their turnout on election day.

Bureaucratic corruption, on the other hand, is used by political leaders and civil servants – the bureaucrats – to extract extralegal incomes for themselves, their relatives, and associates. This involves extraction of bribes and rents in the distribution of public goods and services, theft of public resources, embezzlement of funds from state coffers, nepotism, and the granting of patronage to cronies and relatives, illegal taxation by bureaucrats with benefits accruing to them and their associates, capricious and selective enforcement of state laws and statutes in order to generate benefits for the bureaucrat, and differential treatment of private enterprises with the expectation of kickbacks from the favourably treated enterprises.

There are four categories of bureaucratic corruption in the literature on the subject, according to

John Mukum Mbaku, an expert on the subject. The first is *cost-reducing corruption*, which involves actions by civil servants to reduce the regulation-induced costs of an enterprise below their normal rates. An example here is the illegal reduction of a private firm's tax obligations to the government and exemption of a business from compliance with certain rules and regulations. In this way, a firm's transaction costs are reduced and the finances thus saved are shared out between the bureaucrat and the firm owner.

The second type of corruption is *cost-enhancing corruption*. This occurs in situations where governments place controls on the prices of foodstuffs, which normally leads to hoarding and severe food shortages. Herein, civil servants who control government food stocks extract rents from potential consumers by charging them prices that approximate free market prices. Another way is the extraction of bribes by civil servants from entrepreneurs seeking for licences, including import/export, and investment licences. Yet another is where civil servants simply use the state's coercive power at their disposal to appropriate private property for their own use, for instance through illegal taxation. In Kenya, the public procurement domain is the arena in which cost-enhancing corruption has been most pervasive. This is the situation in which public officials extract rents from their control of the public procurement process. They do so by demanding kickbacks from tender awardees and by inflating the same and skimming off the excess.

The third type of corruption is *benefit-enhancing corruption*. Herein civil servants may permit more public benefits such as bursary funds to public schools, or development resources to a particular region, to accrue to an individual or group than is legally permitted. Recipients of such benefits then share them with the bureaucrat on the basis of a prearranged formula. This type of corruption is quite pervasive in Africa and many other developing societies because it is relatively easy to execute and not so easy to detect.

The fourth and final type of corruption is *benefit-reducing corruption*. This is where bureaucrats simply appropriate for their own private use public benefits that are intended for other private citizens. One example of this is a civil servant manager of a pension fund who can delay the transmission of retirement benefits to pensioners, deposit such funds in a high interest-earning bank account, and subsequently skim off the accrued earnings. This type of corruption is also very easy to undertake because of information asymmetries in much of Africa and elsewhere, with bureaucrats having more information about public benefits programmes than the ordinary citizens. In Kenya, the problem of employers, especially in the private sector and within state corporations, making statutory deductions from employees, such as pensions, health insurance, and income tax, which never reach their legitimate destinations is a perennial one.

The evolution of corruption in Kenya

The fact that corruption in Kenya has reached epidemic proportions is beyond question. In the 1960s and 1970s, bureaucratic corruption manifested itself in bureaucrats' demands for kickbacks valued at around 10 per cent of the total cost of a public tender, development project, or whatever goods or services were under procurement. By the 1980s and 1990s, the rates had escalated to around 40 per cent. In the current dispensation in Kenya, the rates have maxed out to 100 per cent! This is the situation where, for instance, a development project is conjured up, it is costed, awarded, and paid for, but nothing is done. The exemplification of this is the Kimwarer and Aror dams project scandal in which billions were paid out for nothing. Alternatively, public funds are simply withdrawn from bank accounts and directly pocketed by public officers, a most brazen form of corruption that was amplified by the investigative report on the financial shenanigans at Maasai Mara University.

In view of the pandemic levels corruption has reached in Kenya, a national conference on corruption was convened in January 2019 at the Bomas of Kenya. At the conference, President Uhuru Kenyatta

asserted that the government would relentlessly pursue high profile cases already in the courts and launch a crackdown to ensure all corrupt persons are held accountable.

“For the first time,” the President reiterated, “no person is beyond the reach of the long arm of the law no matter how powerful or influential they may perceive themselves to be.” He further revealed that all branches of government were working collaboratively to eliminate the vice. Since then, a big show has been made of demolishing properties constructed on road reserves, on riparian land, and on illegally-acquired public land. Finance Cabinet Secretary Henry Rotich and his Principal Secretary, Kamau Thugge, among others, were arrested and charged with eight counts of financial fraud. Additionally, four high county governors were arrested and charged with corruption. These include Samburu governor Moses Kasaine Lenolkulal, Busia governor Sospeter Odeke Ojaamong, Kiambu governor Ferdinand Ndung’u Waititu, and Nairobi Governor Mike Mbuvi Sonko.

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A lot of fuss has been made before about fighting corruption, right from the 1960s, yet the problem has only gotten worse over time. The question is, given the manner in which the war on corruption has been conducted in Kenya, can it be successful? What chance is there that the current war on corruption will be successful? What will it take to seriously reduce and eventually stamp out corruption in Kenya? Where did Kenya go wrong on matters corruption?

When the rain started beating Kenyans

To understand how Kenya went wrong on the corruption issue, one has to juxtapose it with Singapore. Both Kenya and Singapore were British colonies. Singapore gained independence in 1959 while Kenya gained independence in 1963. Both had the same bureaucratic institutional legacy from colonialism.

For four decades, Kenya’s politics was dominated by one party, the Kenya African National Union (KANU); similarly, the People’s Action Party has remained the ruling party in Singapore since independence. Yet whereas Singapore is consistently ranked the most corruption-free country in Asia and among the top ten cleanest in the world, Kenya is rated among the top corrupt countries in Africa and the world. What accounts for these two realities is squarely the difference between adherence to leadership integrity and good governance principles, and lack of adherence to the same.

When Jomo Kenyatta became Prime Minister of Kenya in 1963, delegations of goodwill trooped to his Gatundu home bearing gifts for him, which he enthusiastically accepted. The gift bearers sought to ensure favourable consideration of their future requests. Even before he was released from prison, efforts were made to make Kenyatta’s post-prison life comfortable: a house was constructed for him; and, as the late Jackson Angaine stated in an interview with [The Nation](#), “I mobilised the Ameru to contribute towards buying a Mercedes Benz car for Mzee Kenyatta shortly before his release in 1961.” This laid the foundation for favouritism, nepotism, and misuse of public office to serve private interests. The foundation for the appropriation of public office for self-enrichment was thus laid by Kenya’s founding president, Jomo Kenyatta, and it has gotten worse with each successive president.

A couple of years after Kenya’s independence, when Bildad Kaggia teamed up with Oginga Odinga

and a few other truly nationalist leaders to fight for the rights of the landless for social justice and equity, and for restructuring Kenya's colonial economy to work for the ordinary citizens, President Jomo Kenyatta publicly ridiculed him for failing to amass the kind of wealth that his former fellow political prisoners at Kapenguria had amassed for themselves: "We were together with Paul Ngei in prison. If you go to Ngei's home, he has planted a lot of coffee and other crops. What have you done for yourself? If you go to Kubai's home, he has a big house and has a nice shamba. Kaggia, what have you done for yourself? We were together with Kung'u Karumba in jail now he is running his own buses. What have you done for yourself?" Jomo Kenyatta boomed at Kaggia in disgust for refusing to use his position and ethnicity to accumulate wealth instead of teaming up with Odinga to oppose the acquisitive behavior of the new elite.

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Kaggia's response to this rebuke was emblematic of a true servant-leader with the highest sense of integrity and commitment to the general good. He calmly responded: "I was not elected to Parliament to acquire a large farm, a big house or a transport business. My constituents sleep in mud houses. They have no shambas and have no businesses. So, I am not ashamed to be associated with them. By the time they have these things, I will also be able to have them for myself."

Unfortunately for Kenya, as elsewhere in Africa and even beyond, such leaders of integrity have been rare. Indeed, the few extant ones were, at best, systematically marginalised from the centres of power and, at worst, silenced through assassination. For instance, when Josiah Mwangi Kariuki (popularly known as JM) incisively critiqued the government and declared that the manner in which the state was being used in Kenya would lead to a Kenya of ten millionaires and ten million beggars, he was assassinated and his body dumped in Ngong forest.

What Singapore did right

Just like Kenya's Kenyatta, when Lee Kuan Yew became the first Prime Minister of Singapore in June 1959, he received many gifts from well-wishers who, like their Kenyan counterparts, wanted to ensure favourable consideration for their future requests. However, Lee declined to accept these gifts in order to set an example for his political colleagues and all civil servants.

A former senior civil servant, Eddie Teo, revealed that public servants watched and followed the example of Lee and his colleagues and "were incorruptible because they were incorruptible". Eddie Teo and his colleagues were "motivated by the exemplary conduct set by our bosses" because "they lived simple, frugal and unostentatious lives" and the anti-corruption law was applied to everyone, regardless of position, by Singapore's Corrupt Practices Investigation Bureau (CPIB).

The country relies on two key laws to fight corruption: The Prevention of Corruption Act (PCA), and the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (CDSA). The PCA applies both to persons who give and those who receive bribes in both the public and private sectors. When applied, the CDSA confiscates ill-gotten gains from corrupt offenders, including direct benefits as well as profits made by individuals or companies from contracts awarded due to bribery. The two laws combine to make corruption a high-risk, low-reward activity in Singapore.

Furthermore, the Singapore Public Service is guided by a Code of Conduct, which sets out the high standards of behaviour expected of public officers based on principles of integrity, incorruptibility, and transparency. The Code of Conduct is enshrined in the Government Instruction Manual for public officers and provides that a public officer (a) cannot borrow money from any person who has official dealings with him; (b) cannot at any time have unsecured debts and liabilities that are more than three times his/her monthly salary; (c) cannot use any official information to further his/her private interest; (d) is required to declare his/her assets at his/her first appointment and do so annually thereafter; (e) cannot engage in trade or business or undertake any part-time employment without approval; and (f) cannot receive entertainment or presents in any form from members of the public.

In a nutshell, unlike Kenya, Singapore resolved from the very beginning to fight corruption as a matter of strategic imperative to ensure the rule of law, sustain a healthy state of governance, and facilitate economic and social development. Right from independence, the founding political leaders saw it as their onerous task to set good examples for public officers. They created, by personal example, a climate of honesty and integrity, and made it patently clear to public officers that corruption in any form would not be tolerated.

Perhaps the best exemplification of Singapore's zero tolerance of corruption is the fact that the anti-corruption law is applied to everyone equally, including top government and ruling party officials. Among top political leaders that have been prosecuted include the Minister for National Development, Tan Kia Gan, in 1966; the Minister of State, Wee Toon Boon, in 1975; the Member of Parliament and trade union leader, Phey Yew Kok, in 1979; and the Minister for National Development, Teh Cheang Wan, in 1986. The case of MP and trade union leader Phey Yew Kok is particularly illustrative of Singapore's unrelenting commitment to zero tolerance of corruption. Kok was charged with misappropriating \$100,000 trade union funds in 1979. He, however, fled to exile. When, at age 81, he returned to Singapore in 2015 after 35 years abroad, his case was re-opened by the CPIB and he was prosecuted on 34 charges involving more than \$450,000, almost five times the original \$100,000 he was accused of stealing from trade union funds in 1979. Kok pleaded guilty and was sentenced to five years in jail.

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Available evidence strongly indicates that the most important difference between a corrupt and corrupt-free state is the quality of their governance. A country's incidence of corruption is related to its quality of governance. Multiple studies conclude that countries with high corruption have a low quality of governance, those with medium corruption have fair governance, and those with low corruption have good governance.

Singapore has minimised corruption because of the People's Action Party (PAP) government's strong political will and the provision of adequate personnel, budget and operational independence to enable the CPIB to enforce the Prevention of Corruption Act (PCA) impartially, regardless of an offender's status, position, or political affiliation. Corruption offenders in Singapore are punished according to the law, without their jail sentences being suspended, or without being pardoned by the president. Consequently, corruption is perceived as a high risk, low reward activity in Singapore today because those persons convicted of corruption offences are punished according to the law.

As early as 1996, Singapore was ranked first among the 12 Asian countries in the Hong Kong-based Political and Economic Risk Consultancy's (PERC) corruption survey. The PERC attributed Singapore's top ranking to its strict and consistent enforcement of anti-corruption laws as corrupt officials, particularly high-ranking ones, are dealt with in Singapore with a severity rarely seen elsewhere. The country consistently ranks among the least corrupt in Transparency International's annual Corruption Perception Indices.

Lessons from Singapore

A number of lessons can be extracted from the Singaporean experience. The first, and perhaps the most critical one, is the importance of political will in the fight against corruption. For the war to succeed, a country's political leadership must be sincerely committed to the eradication of corruption. They must demonstrate exemplary conduct, adopt a modest lifestyle, and eschew indulging in corruption themselves. Anyone found guilty of corruption must be punished, regardless of his or her position or status in society. If the big fish are protected from being prosecuted for corruption, and only the small fish are caught or prosecuted, as is the case in Kenya, the anti-corruption strategy will lack credibility and is unlikely to make any difference.

The second lesson from Singapore is that to effectively combat corruption, incremental measures won't suffice. Instead, comprehensive anti-corruption measures must be employed. These include comprehensive anti-corruption laws and a non-corrupt and autonomous anti-corruption agency. The anti-corruption legislation must be comprehensive enough to prevent loopholes and must be periodically reviewed to introduce relevant amendments whenever required.

The third lesson is that the anti-corruption agency must itself be incorruptible. To ensure this, it must be controlled or supervised by an incorruptible leader. The agency must be staffed by honest and competent personnel. Overstaffing should be avoided and any staff member found guilty of corruption must be punished and dismissed from the civil service.

The fourth lesson from the Singaporean experience is that to reduce the opportunities for corruption in those government departments that are vulnerable to corrupt activities, such as customs, immigration, internal revenue, and traffic police, such departments should review their procedures periodically in order to reduce the opportunities for corruption.

The fifth lesson that the Singaporean experience teaches us is that the incentive for corruption among civil servants and political leaders can be reduced by ensuring that their salaries and fringe benefits are competitive with the private sector. The long-term consequences of low civil service salaries are unfavourable as talented civil servants will leave to join private companies for higher pay, while the less capable will remain and succumb to corruption to supplement their low salaries. However, governments might not be able to increase salaries unless there is economic growth and adequate financial resources. The basis for making civil service salaries competitive with the private sector is thus good governance and effective economic management that ensure sustained economic growth and development.

In short, Singapore's success in minimising corruption can be attributed to its dual strategy of reducing both the opportunities and incentives for corruption. Indeed, Singapore's experience in curbing corruption demonstrates that it is possible to minimise corruption if there is strong political will. Needless to say, the situation becomes hopeless if such political will is lacking, when political leaders and senior civil servants pay only lip service to implementing anti-corruption strategies in their countries. Unfortunately, this has been the case in Kenya where the anti-corruption war has been waged half-heartedly, where low-level corrupt individuals are prosecuted while those who perpetrate grand corruption are celebrated and cleared to run for top political offices, and where

even the half-hearted war is politically weaponised and applied selectively. It is thus no wonder that the scourge of corruption continues to grow in Kenya and constitutes perhaps the single most lethal threat to the future of the state.

Other successful strategies

Beyond the momentous experience of Singapore, evidence from elsewhere, such as the Doing Business Indicators, demonstrates that there is a high correlation between the incidence of corruption and the extent of bureaucratic red tape. This suggests the imperative need for cutting bureaucratic red tape by eliminating needless regulations while safeguarding the essential regulatory functions of the state. Some of the regulations on the books of many countries, such as those related to starting a new business, registering property, engaging in international trade, and a myriad other certifications and licences, are sometimes not only extremely burdensome but governments hardly ever pause to examine whether the purposes for which they were introduced are still relevant to the needs of the present. Such are the regulations that induce corruption and most simply need to be done away with.

Second, experience from elsewhere indicates that creating transparency and openness in government spending is another great strategy for minimising corruption. Subsidies, tax exemptions, public procurement of goods and services, soft credits, and extrabudgetary funds under the control of politicians constitute the various ways in which a government manages public resources. Governments collect taxes, tap the capital markets to raise money, receive foreign aid and develop mechanisms to allocate these resources to satisfy multiple needs. Some countries do this in ways that are relatively transparent and make efforts to ensure that resources will be used in the public interest. The more open and transparent the process, the less the opportunities for malfeasance and abuse. This calls for high levels of citizen literacy, and an active civil society with a culture of participation. A good example here is New Zealand, which remains consistently one of the top performers in Transparency International's Corruption Perception Index. New Zealand is a pioneer in creating transparent budget processes, having approved in 1994 the Fiscal Responsibility Act that provides a legal framework for transparent management of public resources.

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A third strategy recommended by experts, and which is based on the Singapore experience, involves deploying smart technology. As already noted above, one of the most fertile sources of corruption in the world is the purchasing activities of the state. Purchases of goods and services by the state can be sizeable in most countries - somewhere between 5 and 10 per cent of gross domestic product. Since the awarding of contracts involves a measure of bureaucratic discretion, and given that most countries have long histories of graft, kickbacks, and collusion in public procurement, an increasing number of countries have opted for procedures that guarantee adequate levels of openness, competition, a level playing field for suppliers, and fairly clear bidding procedures.

Singapore has achieved this by streamlining cumbersome administrative procedures and slashing red tape to provide an efficient and transparent civil service so that no one needs to bribe civil servants to get things done. A national ICT masterplan was set up in the 1980s, which is updated regularly to enable the government to exploit technology to benefit the country and to spur

economic growth. Through this, the government implemented e-services to enhance the accessibility and convenience of government services. Now thousands of government services are transacted online by Singaporeans in the comfort of their homes. With regard to public procurement, Singapore installed GeBIZ, an online procurement portal because of which, today, all government procurement is done online. The procurement specifications are posted online and are available to all prospective contractors, both national and international. Transparency and efficiency are enhanced, and opportunities for abuse and corruption are drastically reduced.

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Chile is another country that has deployed the latest technologies to create one of the world's most transparent public procurement systems in the world. ChileCompra was launched in 2003, and is a public electronic system for purchasing and hiring based on an Internet platform. It has earned a worldwide reputation for excellence, transparency, and efficiency. It serves companies, public organisations as well as individual citizens, and is by far the largest business-to-business site in the country, involving 850 purchasing organisations. In 2012 users completed 2.1 million purchases issuing invoices totaling US\$9.1 billion. It has also been a catalyst for the use of the Internet throughout the country.

In many of the measures discussed above, the underlying philosophy is one of eliminating the opportunity for corruption by changing incentives, by closing loopholes and eliminating misconceived rules that encourage corrupt behaviour.

But an approach that focuses solely on changing the rules and the incentives, accompanied by appropriately harsh punishment for violation of the rules, is likely to be far more effective if it is also supported by efforts to buttress the moral and ethical foundation of human behaviour. For the anti-corruption war to succeed, the Singapore example illustrates that it requires unrelenting political will on the part of the top political leadership and it must be waged comprehensively and without fear or favour. Otherwise, the manner in which the war against corruption has been conducted in Kenya amounts to mere window dressing; it is emblematic of the proverbial preaching of water while simultaneously partaking of wine.

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