

■ THE BOTTOM LINE

Why should businessmen support public policy education?

By **Kishore Mahbubani**

BUSINESSMEN support business schools. This is perfectly normal since most MBA graduates go on to work for businesses. But why should businessmen support Public Policy Schools? What would they gain from providing such support?

The simple answer is that they will gain a lot. No business – except corrupt business ventures – can survive and do well in countries in chaos. Instead, businesses survive and do well in countries with good governance. Since the goal of Public Policy Schools is to deliver good governance, there is a strategic reason for businesses to support these institutions.

The link between good business and good governance was highlighted by the father of modern economics: Adam Smith. He said, “The object of the public works and institutions ... is to facilitate commerce in general.” He also added very wisely, “After the public institutions and public works necessary for the defence of the society, and for the administration of justice ... the other works and institutions of this kind are chiefly those for facilitating the commerce of the society, and those for promoting the instruction of the people.”

Anyone who wants practical proof that good

governance is good for business should look no further than Singapore. The World Bank’s Ease of Doing Business Index 2016 ranked Singapore as the easiest place in the world to conduct business for the 10th consecutive year. The report said, “The economies performing best in the Doing Business rankings therefore are not those with no regulation but those whose governments have managed to create rules that facilitate interactions in the marketplace without needlessly hindering the development of the private sector... Economies that rank well on the ease of doing business also score well on such measures as the Global Competitiveness Index and Transparency International’s Corruption Perceptions Index.”

It is no secret that Singapore is one of the best-governed, if not the best-governed, society in the world. However, it is a well-kept secret that the Singapore Cabinet probably has the highest proportion of Public Policy graduates of any Cabinet in the world. Eight out of the 20 Cabinet ministers are graduates of public policy schools. It could be hard to find another country with such a high proportion.

One of the Cabinet members who graduated from a Public Policy School is the Prime Minister, Lee Hsien Loong. At the very beginning of a

special message that he crafted for the Lee Kuan Yew School of Public Policy (LKY School), he says, “People often fail to see the need for training in the craft of government.” He added, “In fact, good public policy education is critical to better governance. To serve well, you must indeed have the right values and motives, the first of which must be to protect and further the interests of the people. But this in itself is not enough. You also need to grasp the issues to make correct decisions, or at least to propose sound solutions. The range of knowledge for government is wide. It encompasses business and economics – not just how firms and industries operate, but how to build new competitive capabilities for the nation, and create jobs and prosperity for the people. It extends to social issues like education, health care, and housing, as well as foreign policy and security matters. No single public officer or political leader can master all of these issues, but even a generalist needs to be familiar with at least some of them, to make a useful contribution.”

Singapore has consistently believed that good governance is essential to foster a good business environment. Against this backdrop, it was very wise for corporates such as CapitaLand, OCBC Bank, Olam International, EnGro

Corporation and Equation Corp to offer scholarships for students to pursue their interest in public policy at LKY School. Olam, for instance, sponsors scholarships for students of sub-Saharan Africa nationalities. When these students graduate and return home, they will help to improve governance in their countries using the skills and knowledge they learned at LKYSPP. In addition, having lived in Singapore, they would have experienced at first hand the results of good governance. If they carry this “virus” of good governance back to their countries and spread it around, the benefits will be felt both by the businesses in the country and by the ordinary citizens also.

When businesses like these support public policy education, they are not just supporting business interests, but are concurrently and more importantly contributing to a higher ethical goal as they help develop better societies which benefit all citizens, especially the citizens who suffer the most from bad governance. In short, in promoting good governance, businesses enable themselves to transcend boundaries, while also helping nations to transcend theirs, to the benefit of all.

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