

ADMISSION OF ADVOCATES AND SOLICITORS
CHIEF JUSTICE'S ADDRESS

SATURDAY, 24 MAY 2003

It is my pleasure to preside over these proceedings this morning. I begin by congratulating all of you on your admission as advocates and solicitors of the Supreme Court of Singapore. I also extend my congratulations to your parents, who must be feeling as proud as each of you on this happy occasion. It is they who have been your most steadfast supporters over the years, and it is their support and counsel that have been instrumental in turning you into the successful young women and men we have before us today.

2. The total number of persons being admitted to the Bar this morning is 168. Prior to the proceedings this morning, the number of advocates and solicitors in Singapore holding practising certificates for this year stood at 3,198. With your admission, that figure will rise to 3,366. You will therefore provide a timely boost to the number of practising lawyers in Singapore.

The Singapore Legal Profession in Uncertain Times

3. Much has been said about the globalization of the business world and its effects. In the United States and the United Kingdom, law firms have responded to the brave new world of globalization by expanding globally. In a consolidation that mirrors those that have swept other service industries, including banking and accounting, US and UK law firms are accelerating their growth and geographic reach with cross-country and intercontinental mergers. Traditional limitations on the geographic scope of such law firms are rapidly falling away.

4. The transformation of legal services from local to global, if managed effectively, should – in theory at least, provide a competitive advantage to both Singapore law firms and, more important, the clients they serve. In order to maintain and if possible, grow their market share, Singapore firms must develop the capacity to offer their clients local access to legal solutions in multiple jurisdictions and across scores of practice areas. The firms that succeed in this enterprise will be those that offer lawyers a competitive service platform that enables them to offer clients a wide array of resources to meet their legal needs. Not only does this benefit local businesses, it would also serve as an important economic sector hedge and a source of stability for lawyers in downward economic cycles.

5. That is the vision. The reality – and the challenges, are somewhat different. For the first time in history, the legal profession in Singapore is simultaneously confronted with not one or even a few, but multiple crises. The threat of a global economic downturn, caused by a combination of the war in Iraq and the outbreak around the world of the

disease Severe Acute Respiratory Syndrome (SARS), has adversely affected the business of the profession. Together with the abolition of scale fees for real property transactions and the slashing of fees in general, this has led to the unprecedented situation of some lawyers being “given the boot” and keener competition for a slice of the shrinking business pie among those that remain. The situation is not likely to improve with the entry into the market of foreign lawyers when the World Trade Organization fully liberalises the services sector, and the Free Trade Agreement between Singapore and the US is eventually approved by the US Congress. In short, the changes are not merely cyclical but structural, and are taking place at a more fundamental level.

6. By way of illustration, SARS may be causing the worst economic crisis in Southeast Asia since the wave of bank failures and currency devaluations that swept the region over five years ago. It was recently reported in *The Straits Times* that, in a shock downgrading of China’s economic outlook, a Beijing University think tank and investment bank Goldman Sachs had predicted that the continuing spread of the SARS virus may slow the country’s growth to 6% this year – the slowest pace since 1990. The real magnitude of the ultimate economic impact will depend on the duration of the crisis: a prolonged threat to public health will disrupt industrial production and stifle foreign trade and investment. That eventuality does not bode well for the rest of East Asia because of China’s growing importance as a key export market for its neighbours (exports to China, including Hong Kong, from eight East Asian economies – Indonesia, Malaysia, Singapore, South Korea, Taiwan, Thailand, the Philippines and Vietnam – rose 35% in 2002). In turn, the sustainability of East Asia’s exports to China will also depend on whether the main driver is private consumption or demand from Chinese exporters selling to the US and other markets. The truism, as we have all heard in one form or another, is that it is the very openness of Singapore’s economy that renders it so vulnerable.

The Challenges and the Response: Forging Ahead

7. It is thus not surprising that for these and other reasons, the legal profession has for four successive years, beginning from 1999, lost more members than it has gained. This year, there was a net loss of 306 lawyers. A census of the profession jointly conducted by the Ministry of Law and the Department of Statistics released in March this year confirmed anecdotal evidence that many young lawyers with less than seven years’ experience had ceased practice, citing as reasons the heavy workload and long hours, an overly stressful and demanding environment, and remuneration that was not commensurate with the workload and stress. Of these, 14% had firm intentions to return to practice while 30% said they would not, and the remaining 56% were undecided. Those that did not rule out returning to practice cited less stress, a better working environment and better pay as conditions for their return. The survey also found that 18% of the respondents regretted reading law, 34% had a preference for another area of law if the opportunity arose, and 74% would consider a stint with an overseas firm.

8. One view of this trend is that it is but an unavoidable consequence of the period of restructuring and adaptation that the profession is undergoing, as painful and necessary as

the process might be. Then there is the further truism that the trend is also a manifestation of the expanding range of choices coupled with greater mobility afforded by globalization. We need not therefore be overly concerned with the exodus of talent, if indeed it can be called that. Nonetheless, certain measures to retain talented lawyers and remain competitive should be considered and, if found suitable, implemented by law firms. Essentially, these measures acknowledge the call for more flexibility on several fronts in order to accommodate the needs of different individuals, not only as a defensive move to placate and retain good lawyers but also in recognition of the economic and cultural advantage to firms of flexibility. Such measures include flexible hour policies, alternative work locations, cross-discipline training, valuing diverse skills and hiring contract lawyers under the proposed de-linked practising certificate scheme.

A Case for the Flexible Firm: A Win-Win Solution in Uncertain Times

9. The legal profession has acquired a reputation for being a stodgy creature, clinging to traditional ways long after other professions have abandoned them. There is some truth in that. But the increasing demands for a better worklife balance cannot be ignored. Hours are probably the most frequent, and most often contentious, means of flexibility. We are only now seeing the beginning of a change in the way we perceive that balance, and the acceptance of flexibility policies seems inevitable. Although it is commonly believed that flexible hour arrangements hurt a firm economically, recent studies have made a business case for flexibility actually being to a firm's economic advantage when firms look at the cost side as well as the revenue calculations. The point is that turnover is so costly that being able to retain trained and talented professionals has a greater positive impact on the bottom line than requiring full time work from everyone. This holds true over the long term in both boom and soft economies. With regard to alternative work locations, again, flexibility in permitting part time telecommuting or providing work spaces in places outside the firm's usual offices is a viable alternative to the traditional model in which everyone is required to work in the same place. In reality, in any event, even without an official flexibility policy, lawyers routinely work in airports, airplanes, clients' offices, at home on nights and weekends, and in other places – because they have to. Where creative work should be done is a matter where it can be done most productively.

10. Another way to increase flexibility is cross-discipline training. Lawyers who have some flexibility as to the areas of practice they concentrate in will find it easier to negotiate peaks and valleys. In an economic down cycle, for instance, redeploying transactional lawyers to areas such as litigation can mitigate the pressure to reduce staffing levels. Cross-disciplinary lawyers are more likely to be found in smaller rather than larger firms, where there tends to be narrow specialization, but routine cross-discipline training as a matter of policy is a benefit to both firms and lawyers. Firms will have greater flexibility at all times, and lawyers will see multidimensional expertise as an investment in them by their firms and a way to maintain and even enhance their marketability. Lawyers will also gain the ability to take a broader view of clients' problems, which will leave firms better prepared to serve their clients at any time. In similar vein, law firms and other organizations need to give greater weight to the value of

skills that are not ordinarily taught in law schools, such as strategic business thinking, interpersonal skills, training, mentoring, project management and firm business management. These are crucial skills and a form of diversity that are presently neglected, and the challenge is to change the management's way of thinking about what skills clients value and what attributes and skills are required to operate a successful professional business.

11. Last but not least, allowing lawyers to be temporarily engaged by a firm makes good sense in terms of economic and quality advantage. The firm maintains the flexibility to expand and contract, closely tracking workload demands without a long-term commitment to hefty overheads in the form of salaries and benefits. In addition, experienced contract or freelance lawyers are valuable when special expertise is needed for a sustained period, and it neither exists within the firm nor warrants the permanent hiring of a lawyer of that level of experience and practice focus. Whether or not the idea will be sufficiently attractive to induce those who have left the Bar to return remains to be seen, but it is certainly worth serious consideration, subject of course to issues such as accountability, ethics and insurance being sorted out.

12. The sum total of the foregoing is a truly flexible firm ready and able to change quickly in reaction to external circumstances such as the changing needs of the marketplace, and the needs and values of the workforce. Other fields, industries and professions have been adapting for some time. Law firms are not immune, and will need to become more flexible in order to retain their talent, motivate lawyers to want to do their best work and compete.

13. But lawyers, too, need to do the new math. They must learn to come to terms with the widespread acceptance of information technology tools, or lose out to the competition. In April last year, the Supreme Court was conferred the prestigious National Infocomm Award 2002, the highest industry accolade for outstanding organizations that have developed infocomm technology and effectively harnessed it in their businesses. We have successfully pushed the frontiers of technology with the Electronic Litigation System, the world's first comprehensive and integrated paperless system for the entire litigation and judicial process. Today, documents in all civil matters commenced in the High Court are filed electronically, and documents in criminal cases will follow suit by the middle of this year. The use of information technology has not been a one-off undertaking, and a host of innovations in various areas have been introduced to facilitate the efficient and economical administration of justice in accordance with the rule of law. This year, for example, we began using the Blumice videophone in the Supreme Court, a "plug and play" device that works exactly like a conventional telephone, and that has made the application of video conferencing in court hearings simple and convenient. The Supreme Court has also tapped on advanced broadband wireless technology to launch internet hotspots in the Supreme Court. These hotspots (located in areas that see a high volume of traffic, such as the Supreme Court library and the Registrars' corridors) allow lawyers and members of the public to access the internet, office networks, the Electronic Filing System and LawNet.

14. In the final analysis, paying more than lip service to change and adaptation means developing the flexibility to take on new and different opportunities, whether this be going into new areas of work (such as the life sciences and biotechnology), implementing new ideas or simply offering better services. Law is not a dilettante's game – as we are all aware, a legal career requires years of specialized schooling, dedication and commitment. I urge all of you, as new members of the Bar, to think carefully now not only about what legal services Singapore will need in the future and the kinds of legal work you would like to do, but more critically, what your personal and professional aspirations are and how they may (or may not) be fulfilled by a life in the law.

15. Finally, let us not forget that your first and foremost duty as members of this profession is to uphold the time-honoured principles of honesty, integrity and professionalism. I refer in particular to the well-publicized occasions on which several rogue lawyers displayed less than the required standards of probity and trustworthiness by helping themselves to their clients' money. Four were convicted of criminal breach of trust involving a total sum of more than \$640,000, while four have disappeared and are still missing (three with more than \$1 million and one with at least \$5.6 million). It is to be expected that the incidence of crime, even white-collar crimes such as cheating and criminal breach of trust, will increase during an economic downturn. What is surprising and disappointing, however, is that advocates and solicitors who find themselves in financial difficulties, have succumbed to temptation. To those to whom more has been given, more is expected. Such lawyers are morally bankrupt and a disgrace to the profession, and should be dealt with in such a manner as to make it clear that such conduct will not be condoned. I hope that none of you will choose to take that path in life.

16. On that note, once again, my warmest congratulations and best wishes in all your future endeavours.