


ABDILLAH NOH | NADIA H. YASHAIYA

ISSUES IN
**PUBLIC
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IN MALAYSIA

An Institutional Analysis

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Chapter 1

Explaining the Malaysian Civil Service: Of Institutions, Governance and Change

Introduction

The early months of the year 2020 proved to be a challenging and significant one for Malaysia. In the last week of February 2020, the country saw political turbulence when the coalition government, *Pakatan Harapan*, that swept into power in May 2018 collapsed after one of its coalition partners decided to break away. The collapse of political power was unprecedented in Malaysian political history. Undoubtedly there were many who feared that for a plural and ethnically fragmented country that had never experienced uninterrupted rule for 62 years, Malaysia would be unprepared for such an abrupt end to political power and spiral into chaos. To calm markets, an interim prime minister was put to charge until a new government was formed.

Adding to the political crisis was a looming global public health crisis — the coronavirus pandemic. Despite the political vacuum, Malaysia announced an economic stimulus package to address the looming health crisis. But unlike in the past, where the minister tabled the proposal in parliament, this time the interim prime minister announced an emergency economic package flanked by top officers of the civil service. In his address, the interim prime minister admitted that the country's top

bureaucrats had a huge hand in designing the economic stimulus package given the absence of a Finance Minister.

A few days after a new prime minister was installed, the country announced that it was going for a lockdown given the rising cases of coronavirus infection. The Movement Control Order (MCO) was swiftly put into place with two agencies, National Security Council (MKN) and the Crisis Preparedness and Response Centre (CPRC) piloting the lockdown. Officers, particularly, those from the Ministry of Health — doctors, nurses and all other medical officers — demonstrated a high degree of professionalism, displaying careful planning and leadership in combatting the spread of the disease. To restore confidence, daily briefings were held by the Ministry of Health to update the public on the latest number of infections and mortality. The daily press briefing was led by the Director-General from the Health ministry and not the Health Minister. The calm and collected manner in which he delivered his press briefing won the Director-General of Health many praises so much so that the top health-care civil servant was named one of the top three leading doctors in fighting the pandemic along with the USA's Anthony Fauci and New Zealand's Ashley Bloomfield.

Many would have thought that the collapse of a newly installed government 22 months after winning the election and the rapid rise in the number of coronavirus infection cases would send Malaysia into political, social and economic turbulence, especially considering Malaysia's highly plural and fragmented society. It did not help that for about 2 weeks the bureaucracy was on autopilot. The smooth power transition and more importantly, the effortless manner in which the bureaucracy went about its task took many by surprise. Despite having to work with unprecedented back-to-back crises, the Malaysian bureaucracy, particularly the Ministry of Health, demonstrated plenty of depth, competence and commitment to maintaining and serving the public good. The lockdown exercise was well coordinated and a success. Anchored by the MKN, which was established in 1971, and the CPRC, which was formed in 2005, the bureaucracy conducted a well-coordinated exercise involving multiple actors — the healthcare personnel, the police, the military, voluntary corp as well as other non-governmental agencies — that saw it curbing the rate of coronavirus infection. After 2 months of lockdown, Malaysia saw a

commendable drop in the number of active infection cases and a high recovery rate. In fact, on July 1, 2020, Malaysia reported zero COVID-19 infection in the community, 4 months after the lockdown (Malaymail, 2020).

If anything, the back-to-back crisis in the early months of 2020 tested the strength and resolve of Malaysia's institutions and displayed the side of the bureaucracy rarely seen. It spoke of the extent of institutional capacity and institutional learning that the civil service has built over the years. Though there were obvious glitches, the ability of the bureaucracy to maintain the public good during moments of crisis warrants a closer examination of the Malaysian civil service.

There are however various assessments of the Malaysian bureaucracy over the years. The Malaysian bureaucracy is labelled a “political bureaucracy” given the close nexus between bureaucrats and political elites (Cheung & Scott, 2003). Puthuchery (1978) describes that the Malaysian civil service “has a highly political style of administration” and she predicted that the “civil service will become even more politicised in the future with the close identification of Malay officers with the New Economic Policy (NEP)” (Puthuchery, 1978, p. 117). The bureaucracy has also been seen as incapable of change given the highly centralised and controlled nature of the service (Berman, 2011). There are also those who pointed out to a bureaucracy that is suffering from issues of persistent corruption, constant underinvestment in human resource and years of de-emphasising on issues relating to efficiency that has led to persistent underperformance (Siddiquee, 2013).

The above assessments somewhat contradicted the yearly surveys conducted by international organisations when it comes to the macro performance of the Malaysian bureaucracy. The World Bank's Ease of Doing Business Report ranked Malaysia 15th among 190 economies in 2019; Malaysia was ranked second among ASEAN countries after Singapore (World Bank, 2018). The metrics used in the ranking report — like the ease of starting a business, construction permits, securing electricity and registering property — saw Malaysia improving on all counts and making a steady climb since its lowest ranking of 25 in 2007. In 2019, the global competitiveness report also ranked Malaysia as 27th most competitive economies in the world, much lower than its ranking of 19 in 2007 (Schwab,

2019). On public-sector performance — which is an aggregate of indicators like “burden of government regulation”, “efficiency of the legal framework in settling disputes” and “e-government participation” — Malaysia scored 8 among 141 economies which the report suggests is a strong indication of the public sector’s ability to chart future growth (Schwab, 2019).

The wide variances in assessing the bureaucracy require that we apply new tools in appraising the Malaysian bureaucracy for a more complete picture of the quality of the Malaysian civil service. This is the objective of this book. This book takes the view that appraising public service is as much about examining the practices of the civil service based on rational ideas of modern bureaucratic principles as it is about examining the institutional quality of the bureaucracy that is related to the social, political, cultural, historical context that modern-day bureaucracy operates (Mahoney & Thelen, 2010). In highlighting the nature and aspects of Malaysia’s public policy and administration, this book takes the position that the bureaucracy, as an institution, should be viewed as a product that is much influenced by historical, social, economic and political processes stretched over long periods. Accordingly, this book uses a particular tool of analysis — an institutional analysis — to explain the quality of the Malaysian bureaucracy, address the many issues and challenges confronting the civil service and describe the nature and typology of institutional change in the bureaucracy.

Why Institutions and the Institutional Approach?

This book adopts the institutional approach to discuss issues confronting the Malaysian bureaucracy for two reasons. The first is to introduce the “institutional turn” in examining the Malaysian civil service. The purpose is to bring back the “centrality of political values, collective choice and organisation” (Peters, 2019, p. 31) in the analysis on public policy and administration. It is not that there is no shortage of works on Malaysia’s public policy and administration, but thus far most works apply the rational legal perspective or employ the new public management perspective when discussing the various issues confronting the bureaucracy. While such rational choice or behavioural perspectives rightly focus on

individual agency in explaining the change, there is now increasing interest in the institutionalist perspective, one that takes the view that as much as individuals are atomistic agents, they are at the same time embedded in relationship with other individuals. Hence, even though actors are capable of making decisions based on utility-maximising principles, such decisions cannot fully be untied from their attachment to multiple organisations and organisational norms (Peters, 2019). Institutionalism believes that while the individual agency is important, the choices that individuals make are also conditioned by their membership in the institution; individual action and decision are affected “by the values expressed by the institutions to which they belong” (Peters, 2019, p. 51). In employing this new perspective to examine the various issues confronting the civil service, this book hopes to add more dimensions to the discussions on the Malaysian public service and hopefully provide a more comprehensive picture of the Malaysian bureaucracy and the issue it faces.

The second reason to embark on this project is to make for comparative public policy and administration. This book will highlight that the character of the Malaysian civil service or the manner in which the bureaucracy decides and implements policies is very much context-dependent. Comparative works on public policy suggest that no policy can give symmetrical outcomes across countries and such differences in outcomes are the result of states’ particular character that is tied to their historical, political, social, cultural and economic characteristics. Policies can turn out differently because policy actors can be highly reflexive in their behaviour toward policies. For instance, when deciding on a particular policy, actors can make various calculations on the best policy options based on “what they are currently doing”, “what happened the last time” or “what their opponent seems likely to do next” (Pollitt & Bouckaert, 2011). The context-dependent nature of comparative works view that the social world is not repetitive, regular or highly predictable and because of all that qualities, societies are too complex and dynamic to allow for a “nomothetic” or “hypo-deductive” approach (Pollitt & Bouckaert, 2009, p. 13). Institutional analysis on public policy forces us to rethink conventional wisdom on the nature of bureaucracy and the need to be cognisant of the importance of context.

But what are institutions? There are many definitions of the term. North (1990) defines institutions as a formal or informal set of ideas and structures that facilitate or constraint how societal actors behave economically, socially and politically. Streeck and Thelen (2005) refer institutions to the social regime, one that spells out rules that stipulate expected behaviour and rule out behaviour that is deemed undesirable and unenforceable by the society that one is embedded in. March and Olsen (1983) see institutions as one that subscribes to the “logic of appropriateness”. Put in another way, institutions distinguish between appropriate and inappropriate, “right” and “wrong”, “possible” and “impossible” actions, thereby “organising behaviour into predictable and reliable patterns.” An important point to note is that institutions are legitimate and/or appropriate because society largely endorses the expectations spelt out by such institutions.

We adopt an eclectic approach to the definitions of institutions. It takes North’s (1990) rational choice concerns that norms, formal and informal ideas and structures do exact costs — transactional costs — on individuals and organisations. We also take into consideration March and Olsen’s (1989) normative concern on the “logic of appropriateness” that different institutions operate on a different logic of appropriateness based on many considerations. We will deliberate the significance of these definitions in the chapters to come. It is also good to mention at the outset that while this book adopts an institutional analysis, it does not make irrelevant or discount the works on behaviouralism and rational choice that see individuals as autonomous agents capable of making utility-maximising decisions. While we agree that issues of bureaucratic inertia, turf guarding, corruption and overall performance inefficiency can be due to individual agency, we must also not rule out the possibility of the role of institutions in structuring individual behaviour when making policy choices. Policy actors — though potentially autonomous in their action — are not completely devoid of the influence of formal or informal structures, norms and values that facilitate or constraint actions. While a behaviouralist or a rationalist might see the agency as important in influencing an individual’s decision, an institutionalist would argue that we should also include “political values, collective choice and organisation” are equally central to individual decisions (Peters, 2019, p. 30). As March and Olsen’s (1989)

“logic of appropriateness” suggests, individuals might take “appropriate” behaviour, but such behaviour “will be intentional but not wilful” (March & Olsen, 1989, p. 61). Attitudes like bureaucratic inertia, turf guarding, silo thinking or even corruption, for example, are as much about individual’s decision to maximise utility as they are about the actors’ reconciliation of the “logic of appropriateness” which, in this case, refers to the prevalence of dominant values. In examining the civil service like Malaysia, we need to appreciate not only the formal stated rules but also normative factors that can affect individual behaviour and decision which can be attributed to the institutions’ historical, political, cultural or socio-economic development (Peters, 2019, p. 12).

But as much as institutions are subject to historical, cultural, social, economic and political conditioning, institutions are not inherently stable. Institutions do change. Institutions are disposed to change because they are fraught with tension that comes from the quality of institutions. In adopting the institutional tool of analysis, we will conduct process tracing, sequencing, timing and the extent to which institutional change occurs. The chapters that follow will describe how institutions are not inherently stable. It will demonstrate that while processes or arrangements can be seemingly persistent and enduring, they do undergo change. The examples in this book explain that such tension and change dynamics come from institutional resources, the kind of distribution of resources to different actors, the varying power configurations among institutional actors and the larger political, economic and social environments that institutions operate in. We look now at some of the assumptions of our analysis.

Assumptions in Institutional Analysis

In describing and examining the issues and challenges confronting the Malaysian civil service, this work makes several assumptions. The first assumption is that institutionalism sees structural features of society as important. It views that both formal and informal structures give predictability to interactions and promote patterned interactions that go beyond individual autonomous actions (Peters, 2019, p. 23). Also, formal and informal structures provide stability to institutions and by doing so give predictability to institutional behaviour. Formal structures refer to the

legal framework or codes within bureaucracy while informal ones refer to shared norms or what comes out from a network of interacting organisations (Peters, 2019). A bureaucratic tradition, for example, “lives” both through the thoughts and actions of contemporary actors as well as through the “dead hand” of inherited structures (Painter & Peters, 2010, p. 6). So, while the British parliamentary system has gone through tremendous change over time, it, at the same time, exhibits enduring features that are largely attributed to its formal and informal legacies. The British parliamentary system exhibits continuity, predictability and change and this is because “earlier choices do continue to influence the presence” and that it may be difficult to understand the present system without understanding the legacies (Peters, 2019, p. 87). Islam, for instance, is and has been a major configuration in policy calculations of the Malaysian administration from the pre-colonial, colonial and post-colonial periods. This book describes how “earlier choices do continue to influence the presence” and hence explains the continued incorporation of Islamic values within the structures of the public service. However, while such incorporation promotes patterned behaviour and predictability over time, change does happen. The book describes how the role of Islam in the civil service is both persistent — through the “dead hand” of inherited structures — and changing due to the tension between current political, social, economic and leadership arrangements and formal and informal institutional legacies.

Another assumption in the conduct of institutional analysis is the institutions structure individual behaviour. While individual agency is no doubt important when making a decision, an individual’s decision and behaviour are also based on the structure of the institutions that they operate in. Institutional change is as much about incorporating generalised ideas of individuals as atomistic agents — with their own belief system, values or mental model — as it is about a decision by a collection of individuals who remain subject to bureaucratic tradition, administrative values and belief. So, as much as the individual tries out new ideas or techniques of administrative reform, his behaviour and the resultant ideas and decisions are also subject to the institutional quality of the civil service (Peters, 2019). The chapter on collaborative governance and administrative reform describes the extent to which the state attempted to

establish new institutional arrangements and ideas but failed to make substantive headway because such novel ideas and arrangements were circumscribed by institutional considerations — bureaucratic tradition or existing administrative values and belief system.

In examining and appraising the bureaucracy, this work also gives centrality to temporality. In institutional analysis, history matters. It matters because what “happens before affects what happens after” (Pollitt, 2008; Pollitt & Bouckaert, 2011). By giving attention to historical moments, an institutional analysis gives emphasis to context and processes (George & Bennett, 2005). Indeed laws, directives, constitutions or even informal rules have some way of directing the do’s and don’ts in designing policies and in giving meanings to policies, but in aggregating such laws, directives and rules, history matters. Institutional processes and hence institutional character are best understood when studied over time. Accordingly, an integral part of institutional analysis is process tracing which involves lining historical episodes in a sequential and meaningful way to offer an explanation of a particular case (Mahoney, 2000).

Tied to the idea of temporality is the emphasis on the long durée. The argument is that change develops in phases and is consolidated by an orderly process over time. Hence, in appraising the effectiveness of policy prescriptions, one needs to appreciate the slow-moving nature of institutional change (Pierson, 2004; Streeck & Thelen, 2005). Institutionalism argues that social, political and organisational processes do change, but such changes — exogenous and/or endogenous shocks to the existing institutional arrangement — need to be assessed from a long durée (Krasner, 1988). To illustrate this point, Pierson (2004) uses the example of an earthquake. While one method to appraise change (an earthquake) is to assess its immediate impact (devastation), another method is to see an earthquake as a product of slow-moving causal processes, of the building of pressures on a fault line over a long period of time. Change, when viewed this way, can be continuous and gradual, but change does happen; events or institutions go through a slow-moving causal process that is cumulative or incremental. Take, for example, revolution or regime change such as the Arab Spring. While many would see the immediate impact of the revolution, as triggered by an incident in Tunisia, the events that started in Tunisia in the spring of 2010 could be the result of a

slow-moving causal process, of the gradual build-up of political, social, and economic fault lines. If we take the long *durée*, the Arab spring could be seen as a process that had its roots in the authoritarian structures of Middle East societies that — over a long period of time — had built up a critical mass of misallocation of resources and/or uneven power distribution that led to calls of regime change. One method of studying the slow-moving process is to identify the threshold effect, one where change starts to happen or when events reach a critical level, such as in social revolutions. Another method to studying slow-moving processes is process tracing. This is an act of piecing together policies, ideas or events that could be linked to possible causes and outcomes. For example, in finding out the extent to which the state is effective in cutting back the welfare state, process tracing pieces together events, ideas and/or policies, such as public information, workfare policies that cater to retraining or the employment of new technologies that could ultimately provide the causes to the effectiveness or ineffectiveness of the welfare retrenchment programmes. In the chapter on the persistence of mono-ethnic representation in the Malaysian bureaucracy, we trace policies, events and ideas over an extended period of time that led to the slow-moving outcome of the civil service in trying to bring about better bureaucratic representation. The chapter highlights that the issue of representation does not lie only with the bureaucracy or the state as institutions that exact powerful agency but also with the wider historical, social, political and economic institutions that structure individual behaviour and individual's perception of public- and private-sector employment.

To sum up, an institutional analysis weighs the fact that institutions matter and that institutional legacy has an important bearing on the character and quality of an institution and its disposition to change. Institutions matter because they “exercise influence of various kinds, including the ability of certain institutions to shape and guide individuals in the formation of their preferences, and of others to normalise or prohibit certain forms of action” (Pollitt & Bouckaert, 2009, p. 16). Dismantling the social welfare policies, for example, has proved to be difficult in western democracies and one possible explanation for this is the persistence of institutional arrangements that have shaped and guided an individual's preference.

Indeed, the institutional commitment over the years in these democracies has made it increasingly difficult or costly for policymakers to retrench welfare policies (Pierson, 1993).

Tools of Institutional Analysis

To examine the institutional character and institutional change, a historical institutional analyst can employ several tools. One important tool to explain institutional legacy is the concept of path dependence. Levi (1997) describes path dependence as once a state “has started down a track, the costs of reversals are very high”. She believes that path dependence entrenches certain institutional arrangements that effectively “obstruct an easy reversal of the initial choice”. Sewell (1996) sees path dependence as a condition when “what happened at an earlier point in time will affect the possible outcomes of a sequence of events occurring at a later point in time”. Mahoney (2000) sees path dependence as “specifically those historical sequences in which contingent events set into motion institutional patterns or event chains that have deterministic properties”. One example to demonstrate path dependence could be the immigration policy. While the immigration policy is intended to promote economic development and allows for free movement of peoples, such policy also produces enduring social, economic and political changes that over time not only determine state’s social, political and economic character, but also shape the tone of the state’s future policy choices, such as the continuation of welfare policies (Facchini & Mayda, 2009).

Another often-used tool, which is highly tied to the concept of path dependence, is increasing returns. Institutionalism takes the view that making an initial choice counts because once a policy choice is made, self-reinforcing mechanism sets in where “each step in a particular direction makes it more difficult to reverse course” (Pierson, 2004). It is not that reversing a policy course is impossible, but doing so will be increasingly difficult because the cost of a reversal increases over time as actors continue to invest resources on the initial choices made. In deconstructing the logic of path dependence, Arthur (1994, p. 281) describes the following four self-reinforcing mechanisms that foster path dependence: large setup

costs, learning effects, coordination effects and adaptive expectations.¹ As an example, the policy to provide housing subsidy comes with huge start-up costs, as it may include generating sufficient financial resources, implementing new fiscal policy to improve revenue, developing relevant expertise and mobilising political support. Once the policy is introduced, it will set in motion a series of organisational and institutional learning such as coming with the right policy design, fine-tuning the implementation issues or improving the coordination of various agencies. It will also set into motion expectations on the part of stakeholders and spin a dense institutional network in support of the policy. When these processes are put together, over time, it would be difficult to remove such policies even when the initial conditions were no longer present. The dense institutional network, for example, would give rise to collective action in which concentrated interests such as unions, civil society even political parties would come together to support the continuation or even the expansion of the initial policy. Put another way, the initial policy choice gets hard-wired within an institutional setting that makes it harder for existing institutions to adopt alternative policy approaches (Krasner, 1988; Noh, 2014a; North, 1990; Pierson, 2004; Streeck & Thelen, 2005). One of the best efforts at incorporating David's (1985) and Arthur's (1994) works on increasing returns to public policy is the example of welfare policies. Pierson (2004) argues that the non-excludable and non-rivalrous quality of public good gives rise to collective action problem and the development of institutional density that result in self-reinforcing mechanisms. Policies get invested over time because once a policy is introduced, it sets in motion processes, organisational commitment and a high density of networks that become

¹ Read Arthur (1994, p. 281). The four features highlighted are large set-up or fixed costs. Given the large amount of investments and high fixed costs, individuals and organisations have higher incentives to stay on a particular technology or stick to a particular option; learning effects is a phenomenon to show that once we are good at something, we tend to be better at innovating it rather than seek something entirely new; coordination effects relate to how current adoption of techniques would encourage the tying up with other related techniques to make it more attractive; adaptive expectations relate to how the adoption and prevalence of an option will limit our future choices, as we tend to not want to pick future "wrong" choices and would hatch our bet on choices that would be "successful".

self-reinforcing and path-dependent. Such institutional density, Pierson (2001) describes, is subject to national political structures and processes. The chapters on representative bureaucracy and administrative reform efforts involving Performance Management and Delivery Unit (PEMANDU) and Malaysian Administrative Modernisation and Management Planning (MAMPU) demonstrate how initial administrative policies ended up creating exclusive institutions that encourage individuals and organisations to invest in specialist skills, deepen the relationship with like-minded individuals and organisations, and develop particular political and social identities that make institutional change difficult (Pierson, 2004, p. 35).

Another important conceptual tool used in the institutional analysis in explaining change is the concept of critical junctures which is defined as a period “of significant change, which typically occurs in distinct ways... and which is hypothesised to produce distinct legacies” (Collier & Collier, 1991, p. 29). Collier and Collier (1991) take the view that variations in critical juncture across different contexts are the reasons for the differences in legacies and outcomes across countries. This definition takes the view that social, economic and political institutions were the result of a historical choice point — a critical juncture — and that once in place will become stable and structure behaviour. Critical junctures are moments that disrupt institutional arrangement brought about by exogenous or extraneous factors, such as regime change, leadership change, a revolution or forms of political, social or economic crisis. A critical juncture, in other words, forms the marker of the path dependence process because “after the openness of the critical juncture moment, which enables relatively free agency, a process or sequence of events ensues in which institutions exert their causal force” (Fioretos, Falleti, & Sheingate, 2016).

Institutionalism and Change

A major criticism of the institutional argument is that it is incapable of accounting for explaining change; critics argue that persistence or endurance is built in institutional analysis. To be fair, nearly all definitions of institutions have a focus on stability and treat institutions as relatively enduring features that structure behaviour and cannot be changed easily or instantaneously (Mahoney & Thelen, 2010). This is not helped by the fact

that concepts like path dependence, increasing return and critical juncture suggest institutional legacy, that institutions are trapped in time and lack agency and hence incapable of change except for change brought on by exogenous shocks. Also, the *ex post* nature of work on institutionalism gives little assurance that institutionalism is able to provide policy prescription or structure change *ex ante*.

Despite the criticism, there is also the argument that change using the institutional analysis is driven by both exogenous and endogenous factors. Even though earlier choice points are important in influencing how resources are allocated and distributed and that actors are disposed to invest in the current arrangement because of increasing returns, change is possible if it is guided by what March and Olsen (1995) describe as the “new logic of appropriateness”. This “new logic of appropriateness” can come from exogenous or endogenous considerations. In explaining the institutionalist argument on change, Pollitt and Bouckaert (2011) argue that agents are not “slaves of institutional structures” (Pollitt & Bouckaert, 2009, p. 17). This is because while a rational choice theorist or behaviouralist might see change as one that is brought about by individual agency to maximise utility, institutionalism sees change as the result of a mix of factors — externally driven, discrete, absolute, an act of contrivance or one that is brought about by the actors’ need to maximise individual preferences (Peters & Pierre, 1998).

But, perhaps, a more compelling argument on change and institutionalism, which this book incorporates, is Mahoney and Thelen’s (2010) distributional approach to understanding institutions and change. They argue that rather than see institutions as static and built for stability, institutions should also be conceived “above all else as distributional instruments laden with power implications” (Mahoney & Thelen, 2010, p. 8). Institutions are naturally disposed to change because institutional resources inherently demand the constant distribution and allocation of resources and such exercise is inherently fraught with tensions. As the following chapters describe, resource considerations involving actors and the attendant distributional consequences provide for instances of change. Rules — formal and informal — are built to manage the resources and distribute them, but therein lies the dynamic of change within institutions. Institutional change happens when actors who stand to benefit less from existing arrangements and institutional resources tend to promote alternative institutional design for greater access to resources.

The distributional approach put forth by Mahoney and Thelen (2010) is highly appealing. It moves the discussion on institutions away from the persistent nature of institutions to one where institutions have dynamic properties as a result of resources, distributional capacity and power implication. By suggesting that rules — formal or informal ones — are a compromise between groups, the inherent tension between groups makes institutions highly disposed to not only exogenous change but also endogenous change. The unequal distribution of resources, gaps in the rules, ambiguous outcomes plus conflict between groups provide avenues for change. Given such reasoning, there is “nothing automatic, self-perpetuating or self-reinforcing about institutional arrangements” (Mahoney & Thelen, 2010, p. 8).

As much as Mahoney and Thelen’s (2010) argument suggests that institutions are dynamic and are inherently built for change — given the resource distributional consequences — it does not however quite explain why institutions can also exhibit inertia despite having an inbuilt dynamic tension. The examples in this book demonstrate that while there are inherent tensions within institutions that make them dispose to change, there is also another side to the coin: that change can also be slowed or resisted because of non-compliance on the part of institutional actors who find little to benefit from new initiatives. New institutional arrangements, for example, can be proposed, but they might be resisted when they do not reflect the goals of particular groups, perhaps, a dominant group with veto power. Besides the non-compliance on the part of actors who see little to benefit from a new institutional arrangement, change can also produce unintended consequences as a result of the reallocation or misallocation of institutional resources (Mahoney & Thelen, 2010, p. 8). Unintended consequences come from the cognitive limitations of change agents where ambiguous outcomes create new forms of conflict. The ensuing chapters provide various examples of resistance and non-compliance and the emergence of unintended consequences as a result of earlier policy decisions. The chapters on MAMPU and collaborative governance demonstrates how change remains problematic due to different interpretations of formal and informal rules and the power dynamics that exist within the bureaucracy. Also, the ambiguous nature of Islam and its role in the Malaysian bureaucracy as a result of the lack of codification allow for a more fluid interpretation of the role of Islam on the part of stakeholders, which in the end became subject to changing political priorities over the years on what

should be the proper role of Islam in the civil service. We also illustrate in the chapters on public service motivation and representative bureaucracy the extent to which the structure of the Malaysian political economy — pre- and post-independent period — create unintended compromises between contending groups that have led to the persistence of mono-ethnic representation in the bureaucracy.

The argument on the long *durée* when taken together with arguments on institutions being stable while at the same time dynamic make for a compelling explanation of institutional change. Change can be better assessed and appreciated when we take the long-term view. So even when we are more prone to look for causes and outcomes that “are temporally contiguous and rapidly unfolding” (Pierson, 2004, p. 77), the resources that are available in institutions, the nature of the distribution of resources among institutional actors and the varying distribution of power among actors, all suggest that we can better evaluate change by adopting a long-term view. The chapter on representative bureaucracy, for instance, demonstrates that even though at first glance, there seems to be a stubborn persistence of mono-ethnic representation in the bureaucracy, we found that change is happening albeit slowly if we adopt a longer time frame when we take into account the distribution of resources and the existence of power groups in the multiple realms of institutions. The chapter on Islam and the bureaucracy also demonstrates that there is an inherent tension within Malaysia’s many institutions and among institutional actors on how best to accommodate Islam in Malaysian society. The chapter demonstrates such tension showing that while Islam is a feature of the bureaucracy, the role of Islam in the bureaucracy is constantly negotiated as a result of changing resources, new configuration in the distributions of resources and the inherent dynamic tension among Malaysia’s many actors.

Given the above discussions, how then do we account for institutional change? Specifically, can we give a name to such institutional change? If so, what are some of the typologies of change? We turn to this next.

Typologies of Institutional Change

There is a growing body of literature that attempt to operationalise the nature of institutional change. Streeck and Thelen (2005) came up with

typologies of incremental change that takes into account the nature of the tension within institutions and the long-term nature of change where they explain that “rather than abrupt and discontinuous, transformative change often results from an accumulation of gradual and incremental changes” (Streeck & Thelen, 2005, p. 19).

The typology of change that Streeck and Thelen (2005) and Mahoney and Thelen (2010) promote is based on a few assumptions. The first is that change is a result of ambiguities and gaps that exist by design or emerge over time between formal institutions and actual implementation (Streeck & Thelen, 2005, p. 19). The second is that change comes about because policymaking is limited by the cognitive ability of the rule maker and institutional actors. Given the inherent tension in institutions, change is fluid as rules are constantly subjected to new interpretations due to the cognitive limits of rule makers, the costs of acquiring information and change in distributional dynamics. Given such combination of factors, institutions change as a result of the continuous interaction between rule makers and rule takers where new interpretations of the rule are either discovered, invented, suggested, rejected or adopted (Streeck & Thelen, 2005, p. 16). In describing the incremental change and in offering prescriptions on how to carry out a policy change, Streeck and Thelen (2005) propose five types of institutional change: displacement, layering, drift, conversion and exhaustion. We look now at the different typologies of institutional change.

By displacement, Streeck and Thelen (2005) refer to a condition where previous arrangements which were suppressed or eliminated now take centre stage and are promoted and diffused. They now take centre stage because of a new behavioural logic. Latent or peripheral ways of action which were on the periphery of institutional thinking for so long are now promoted due to renewed relevance. Such circumstances arise because of new ideological thinking or when actors now see new logic in old ideas and are now willing to revisit such ideas (Streeck & Thelen, 2005, p. 22). This book argues that — to some extent — ideas on collaborative governance and network governance are not new. This is because seeking collective ideas and incorporating new ideas from outside existing institutions had been the practice in small, unsophisticated societies before the advent of the bureaucratic state. Islamic ideas of consensus (*Mesyuarah*) and collaboration (*Muafakat*), for example, had been built

This book argues that there is nothing inherently stable, persistent or enduring about institutions. By examining the various issues facing the Malaysian bureaucracy and adopting an institutional analysis, this book brings the point that institutions are disposed to change because they are fraught with tension due to the quality of institutions. Using various examples, it explains that such tension and change dynamics can come from institutional resources, the manner in which resources are distributed to different actors, the varying power configurations among institutional actors and the larger political, economic and social environment that institutions operate in.

Accordingly, in examining the various concerns of the Malaysian bureaucracy, this book highlights the typologies of institutional change and the inherent tension over resources that exist among actors that makes reform attempts, at times, potentially problematic but not impossible. New concerns in public policy and governance that are yet to be discussed widely in the Malaysian public administration literature are raised, including issues on collaborative governance, public service motivation and representative bureaucracy.