

SPEECH BY
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MANAGING THE NATIONAL ECONOMY IN CHALLENGING TIMES: ENHANCING
THE DELIVERY SYSTEMS AND MECHANISMS
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1. Saya bersyukur ke hadrat Allah SWT kerana dengan limpah, kurnia dan izinNya kita dapat sama-sama hadir di pertemuan minda yang penting ini. Saya ingin mengucapkan terima kasih kepada pihak Persatuan Perkhidmatan Tadbir dan Diplomatik (P.P.T.D.) kerana sudi menjemput saya sekali lagi untuk berucap di persidangan ini. Tahniah juga diucapkan kepada P.P.T.D. dan INTAN kerana meneruskan tradisi menganjurkan persidangan ini buat kali ke lapan pada hari ini.

Ladies and gentlemen

2. I believe the theme of this year's conference, that is "Managing The National Economy in Challenging Times: Enhancing The Delivery Systems and Mechanisms", is most appropriate and timely. It is also a theme that is likely to be relevant for many years to come. Indeed, we are only a week or so short of observing the sixth year since we were engulfed in the worst financial crisis our nation has ever seen. The Asian financial crisis began with the devaluation of the Thai Baht in July 1997. But the whole crisis was caused by unfettered markets and by the unspeakable greed of currency speculators. To this day, I find it hard to believe that so few had caused so much misery to millions in the region and beyond. In Malaysia, we lost 10 percent of our wealth almost overnight. In one fell swoop, we went from being part of the Asian miracle, to being part of the Asian excesses and failures. Malaysia was somewhat fortunate, however, compared to the others. Through ingenious and courageous measures, we were able to put our economy back on track. Right through the crisis, we were able to maintain our hard fought independence and sovereignty. But the cost of the Asian financial crisis was heavy. For example, we were only able to return to pre- 1997 poverty levels in 2002, five years after the crisis. And although we have to put the crisis behind us and strike forward, we must continue to be vigilant.

3. The point to note, however, is that we now live in very different times compared to the past, including the recent past. Even the term "challenging" appears to be an understatement when talking of the coming trials and tribulations that we must be prepared to face. Financial crises are likely to strike more often given the ever-increasing capital flows worldwide. The world bank estimated that there were 45 serious financial crises that erupted throughout the world in the 1980's, but this had increased by almost one and a half times to 65 crises recorded in the 1990's. Furthermore, due to the effects of contagion, a financial crisis in one remote part of the world will probably affect our nation more than it did before. As such, besides taking action on the domestic front, we must continue to press for reforms of the international financial architecture, even though it may no longer be fashionable to do so.

4. Geo-political developments will also affect the global economy in a more pronounced fashion in the future. Since the end of the cold war, and now with the impetus of the new war on terror, we have begun to witness the unilateral designs of

one superpower to dominate the world. The war in Iraq and the harsh polemic directed towards Syria and Iran are instances of this. When you add the other skirmishes taking place in the world - such as the flare up in Aceh and the Palestinian-Israeli conflict - then you have a world full of potential flashpoints that could cause much uncertainty and disruption to the global economy.

5. Natural disasters and other unexpected shocks can also wreak havoc on the economy. The recent phenomenon of Severe Acute Respiratory Syndrome (S.A.R.S.) Affected Asian economies more starkly than the war in Iraq. Planes were grounded and hotel bookings were cancelled, as the fear of S.A.R.S. brought travel and tourism almost to a halt. Thankfully, this virus seems to have been brought under control, but we must be alert to any possible relapse and be ready to deal with any eventuality.

6. I have described to you some of the more prominent developments taking place in the world. Beyond these, developing nations like Malaysia must contend with the almost silent but overwhelming forces of globalisation. Through World Trade Organisation (W.T.O.) negotiations, developed nations are pushing for greater deregulation and liberalisation. This lowering of trade barriers will, in turn, intensify competition within and outside the country. Meanwhile, advances in science and technology will continue to change the way we live, work and play. Unfortunately, world science is very unequally distributed. The high- income regions of the world contain around 16 percent of world population and 58 percent of world G.D.P., but account for around 87 percent of scientific publications and an amazing 99 percent of all European and U.S. patents.

Ladies and gentlemen

7. It is certainly not my intention to paint a bleak picture of the world. But I would like to point out that the odds are stacked against us. While we have achieved much, and are at the forefront of the developing world, there is a long way to go before we can join the league of developed nations as envisaged by vision 2020.

8. We thus have to manage our economy with care and vigilance. We must be proactive and be willing to go against the grain. Our selective capital controls and the various measures adopted to stimulate the national economy (such as those announced on 21st May 2003) are good examples of this. Furthermore, the government has chartered new strategies to enhance the nation's resilience and competitiveness. These strategies include a focus on developing the services sector (including financial services, tourism, education, health and others), our foray into new areas such bio-technology, and intense efforts to further diversify our exports and to seek new markets for our goods and services.

9. If ever there is an issue that we must be single- minded about, it must be about improving, and continuously improving, our national competitiveness. All our strategies, plans, programs and policies must be directed towards raising our productivity. Whether it is a matter relating to physical infrastructure or to human development or to laws and regulations, competitiveness must be one of the goals we set out to achieve.

10. It is pleasing to note that we have made some progress in our drive for increased competitiveness. In the I.M.D.'s latest world competitiveness yearbook 2003, Malaysia was placed fourth among countries with a population of over 20 million

people, up from sixth position last year and tenth position in 2001. However, we lag considerably behind the u.s.a., which was placed first among countries with a population of over 20 million people. Our ranking would also fall sharply if all countries were to be judged irrespective of population. We must therefore strive to maintain and enhance our competitive position in the years ahead.

11. A key aspect of competitiveness relates to the efficiency and effectiveness of the public service delivery system. In fact, in the first meeting of the cabinet committee on national competitiveness (of which I am the chairman), this delivery system was identified for further enhancement in our quest to improve national competitiveness. True, the private sector acts as the engine of growth, but this engine cannot run in a vacuum. The speed, efficiency and effectiveness with which the public sector serves the private sector determines the speed, efficiency and effectiveness of our corporations.

12. Besides enhancing our competitiveness, we must improve our public service delivery system simply because our citizens demand it. As the nation develops, and as our citizens become more affluent and sophisticated, more and more will be required of the government and civil service. I remember when we had to be absent from the office a good part of a day just to get our driver's license renewed. Now, not only does it take a mere five minutes, we need not go to the road transport department anymore; we can renew it even at the post office.

13. Similarly, not too long ago, it would take more than a week to apply for a passport. Now we can get one done within three days. And yet, the public is asking for even faster and better services. For example, in the future, they hope that they need not have to go to the immigration department in person to get things done. They are asking why the internet is not used more extensively, through web-based applications, to improve the delivery of services.

14. I am pleased to say that the government has been proactive in this regard. One strategy that has been adopted to enhance the public service delivery system is to shift from a manual system to a technology-based system. For example, plans are currently underway to create a Malaysian government web portal that brings together the websites of the different ministries and agencies to create a virtual one-stop centre. Through this portal, the public would be able to conduct some of the more popular transactions completely on-line.

15. This government web portal is a good example of how technology can be used to improve the public service delivery system. This is one of the more visible examples of government transformation. I have no doubt that if the administrative machinery of government is not constantly under pressure to perform, whether from the standpoint of competitiveness or from the demands of citizens, then we will continue to tolerate service of a mediocre standard and a delivery system that is inefficient.

Ladies and gentlemen

16. As the largest service provider in the country, the government must ensure that its services are effective, low cost and fast. Only such a service delivery system can ensure a favourable business climate and fulfil the needs of citizens. This in turn will contribute to economic growth and national wellbeing.

17. In terms of providing a conducive business environment, we should look to being

true to the spirit and intent of Malaysia incorporated. For example, we regulate businesses so that they act responsibly. Over-regulation can kill entrepreneurship and, consequently, the enterprise itself. Under-regulation, on the other hand, may result in actions detrimental to the public interest.

18. As such, we must develop regulatory structures that do not hinder business conduct, yet still safeguard public welfare. Such a configuration requires a fine and delicate balance, which cannot be reduced to any convenient equation. It is an art that we must master to enhance the credibility of the public sector delivery system.

19. Furthermore, a conducive business environment is dependent not only on the relevant rules and regulations, but also on the services provided by the public sector. As taxpayers, individual citizens are also constantly looking for high quality services. In this case, how can the government respond to calls for an enhanced public service delivery system?. By no means an exhaustive list, I would like to offer five guiding principles for civil servants to consider in raising their overall efficiency and effectiveness.

20. The first principle is that we must have zero tolerance for sub-standard performance. While it may be difficult to describe superior services, it is easy to identify services that are not acceptable, either because they are wrong or because they do not fulfil the most basic of requirements. I have often taken officials to task for sub-standard services. No doubt many in the public sector have delivered excellent services to their constituents. But we also continue to hear news highlighting the sorry state of public places and of public services. This reflects the mentality of "high tolerance for poor or mediocre services" among certain quarters in the public sector. This simply will not do. No public official, whether senior or junior in rank, should ever accept or condone sub-standard performance.

21. The second principle is to always seek accuracy, timeliness and volume in your work. For instance, civil servants must work diligently and quickly to implement all government strategies and policies, particularly those measures aimed at stimulating the economy. Failure to carry out such measures could defeat the very purpose for which they were introduced in the first place. While the rationale for accuracy is obvious enough, timeliness of work is not appreciated by many. Procrastination in the civil service can carry a very heavy price, particularly if that service relates to the private sector. Often times, corporations would prefer to obtain a speedy response, even if that response is not favourable to them. A quick "no" may frequently be preferred to a very late "yes".

22. The third principle is an appreciation for orderliness and cleanliness. If we are ever fortunate enough to travel the world, we are always struck by the cleanliness and beauty of the places we visit. However, when we see the blemishes of our own surroundings, we tend to shrug our shoulders and sigh "this is Malaysia". Why must we think this way?. Pollution, clogged drains and rivers, traffic congestion and unhygienic eating places are as important service delivery issues as any other. No nation can ever call itself developed if its cities, towns and countryside are strewn with litter; if its public toilets are foul; and if its rivers and drains are clogged with garbage. One only needs to look at a drain passing through an area to determine if there is a good system of rubbish collection there, a most basic but also a most critical service. Until and unless we seriously tackle these basic service delivery issues, we can never be deserving of the public's appreciation.

23. I risk being accused of being an old record player, always playing the same tune, when I speak of the fourth principle. But it is too important not to raise. It relates to the public sector being customer focused. It relates to the civil servants orienting themselves to citizens as consumers.

24. I have mentioned in the past that we are all consumers. We not only offer public services; we consume them as well. Being responsive to the customer is something that is not only expected of us, but also something we expect from others. What goes around comes around. And so shall we reap that which we sow. If we treat our customers well, others will also treat us well when we are on the receiving end.

25. I am happy to note that many agencies have sought to build a culture of customer orientation. We have client charters that set and publish service delivery standards. We have comfortable service areas with air conditioning, pleasant lighting, plush seats, reading material, t.v.'s and even convenient opening hours. The high costs notwithstanding, these comforts have made the waiting time in government departments more tolerable, at the very least.

26. However, customer service cannot survive on client charters and well-designed service counters. It cannot even depend on "service with a smile" alone. It has to be backed by a solid system of delivery that offers courteous, timely and helpful service. If a person, who is greeted with a smile by the counter staff, has to wait unduly long to be served, his initial happy experience will quickly turn sour. If his needs are not addressed, if he is pushed from pillar to post, if the service he has received is defective, and yet he has not been proffered an apology, and a swift and effective redress, then there can never be much said of our civil service.

27. Being customer focused also means that, where possible, we should consult our consumers as to how best we can serve them. They should have ready access to an easy- to-use suggestions procedure. And we should be speedy in responding to their suggestions.

28. Customer orientation also means courteous service. Common courtesy and social graces are things that do not require money to implement. Malaysians are well known to be warm and friendly people. There is no reason why this friendliness cannot be extended to our delivery systems. After all, it is often the small things in life that matter so much.

29. The fifth principle I want to touch on is the public service ethic - an ethic that is rooted in the tradition that we, as civil servants, have an obligation to do public good. Such public responsibility dictates a service delivery that is untainted by a desire for personal enrichment. Certainly, the public service ethic is completely incompatible with corruption.

30. Corruption itself is symptomatic of a flaw in the delivery system. We must realise that people fall into the trap of corruption when customers seek to circumvent a complicated and cumbersome delivery system. If agencies make their delivery systems transparent and user-friendly, cut the red tape, add checks and balances to the system, and severely punish those who betray the public trust, then we would have already won half the battle against corruption.

31. Whenever there is a breakdown in internal controls - whether it involves the private use of public money, the cover-up of any wrongdoing, or a failure to follow

rules and procedures - we must act convincingly and quickly. We must act not only to remedy the problem, but also to improve the relevant control systems that did not work. If we fail to act, the public service ethic will be discredited and our service delivery will flounder. Then our efforts will come to nought and our services will not make a difference to the lives of Malaysians.

Ladies and gentlemen

32. There are many facets to improving the public service delivery system. I have barely scratched the surface and have only laid out before you some of my early thoughts on this matter. I hope this conference will deliberate in detail some of the issues and challenges faced in managing the national economy, particularly in enhancing the efficiency and effectiveness of the civil service. I understand that there are many experts in this area who will be leading the discussions. I hope this conference will be able to put forth some ideas and proposals that can be implemented for the good of the public sector.

33. Indeed, it is a source of pride that our public service has long been acknowledged to be far ahead when compared to other developing countries. However, I hope Malaysian civil servants will not remain satisfied with this, but will strive harder on all fronts so that in the near future, Malaysia's public sector may stand tall against the governments of other more developed nations.

34. On that note, it is my privilege and honour to declare open the eighth civil service conference.

Thank you.