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It is indeed a great pleasure for me to be here this afternoon to share in the momentous event of your graduation. I wish to express my profound gratitude to the Asian Institute of Management for extending to me the honour of being the Commencement Speaker on this occasion. To those of you who are graduating today, please accept my heartiest congratulation. When you enter into the employment world, you are either in the government service or in the private sector.

Whatever your choice of occupation is going to be, I am sure that you have read and learnt about the distinguishing features of each sector. The distinguishing features of the public sector include:

- (i) activities which are highly constrained by laws, rules, regulations and procedures;
- (ii) fragmentation of authority or multiple formal accountabilities, for example to the clientele, the legislature, courts, regulatory agencies, citizen groups etc.; and
- (iii) activities highly scrutinized and constrained by informal, political influences for example the media, political parties, interest groups, public opinion. The laymen consistently iterate for characterization of government and public servants:
 - (i) it is wasteful and inefficient;
 - (ii) public servants are insensitive, unmotivated bureaucrats;
 - (iii) public organizations provide excessive job security for their employees;
 - (iv) we will never get ahead financially in a government job.

On this day I wish to address this august assembly on the need for public-private sector partnership in national development - a partnership that I see being so essential to countries of this region if they are to survive the challenges of the years ahead. Today, public policy can no longer be defined in national terms. We need to be constantly aware of global interdependence of trade, investment, labour, immigration as well as the management of the environment. The sale of our domestic products is increasingly reliant on foreign markets. The rapid movement of capital and funds as well as labour across national boundaries are realities of the day. For the private sector, survival increasingly means being 'global competitors'. Success depends increasingly on the ability of firms to conceive quality products for the world market and to be competitive in production. Productive collaboration between the public and private sectors is essential to strengthen the nation's economic foundation.

The fundamental basis of this new approach in development strategy is that successful national development requires the public and private sectors to adhere to the perception that the nation is a corporate or business entity, jointly owned by both sectors and working in tandem in pursuit of shared national goals. In simple terms, the nation can be run like a corporation, with certain divisions responsible for production, sales and marketing, and research and yet others are responsible for providing the supporting and ancillary services. Within the ambit of this definition, the private sector forms the commercial and economic arm of the national corporation, while the government lays down the major policy framework and direction, with the civil service providing the necessary back up services. The civil service becomes the service arm of the corporation. The economic and service arms must work in full cooperation for the nation to prosper, in the way that a well-run corporation prospers.

The partnership therefore delineates the respective roles for the public and private sectors. The private sector acts as the main engine of growth of the national economy. The public sector on the other hand is expected to function efficiently to support the efforts of the private sector which provides the revenue

necessary for the operational expenditure of the Government including the maintenance of the public sector. The more profits the private sector makes, the more revenue is collected, thus bringing direct benefit to the public sector. In the language of business, the success of the public-private sector partnership means a higher level of spin-offs in economic investment, expansion and growth. The government's interest in the success of the partnership would be the generation of employment opportunities and increasing revenue to fuel socio-economic development.

Citing the case of Malaysia, how do we bring about a working reality of the public-private sector partnership as a national policy objective? Such partnership is operationalised through a four-pronged strategy, namely:

- (i) the redefinition of the role of the public sector;
- (ii) attitudinal change;
- (iii) the establishment of structural mechanism for public-private sector collaboration and consensus building; and
- (iv) improved delivery of public sector services through review of its performance, systems and structures.

The proposition for greater public-private sector partnership seek to efface the dichotomous existence of the public and private sectors in the country. This dichotomy had in the past tended to generate conflict between the two sectors. The public sector entrusted with specific powers to safeguard public interest has long emphasised its regulatory role over the conduct and activities of the private sector. The shift to private sector led economic growth requires the redefinition of public sector's role in relation to private sector activities. In this context the public sector today must act as the facilitator to ensure private sector's entrepreneurial efforts, while continuing to provide the legal and regulatory framework.

The basic ingredient for the success of private-sector nexus is the fostering of mutual understanding, cooperation, trust and confidence in each other. This calls for appropriate attitudinal change for a strengthened and successful partnership which encompass close cooperation, responsiveness, flexibility, openness, and consultation.

Such attitudinal change requires a positive reorientation of perception in terms of roles, needs and responses. The private sector must understand the policies, objectives and procedures of government agencies it deals with. The public sector must, on the other hand, be sensitive to the needs and goals of private enterprise. It has a duty to ensure that no undue hinderance is put in the way of the private sector.

The third strategy involves the establishment of the structural mechanisms for public-private sector collaboration. Crucial in this context is the establishment of such consultative forums, the network of information exchanges and the sharing of knowledge and experience at all levels of administration i.e. federal, state and district levels. Consultative processes must necessarily include the broadest spectrum of sectoral and sub-sectoral interest within the private sector. In this regard, the interests of the largely unorganised small and medium sized industries and businesses must be appropriately represented. The consultative processes are made more effective with the participation of strong national industry and business groups, with well organised research back-up capacities to provide timely and accurate data and feedback. The focus of the consultative processes must address to the identification and resolution of problems and issues relating to the functions and service delivery of individual government agencies. It must also provide feedback on the implementation of policies as well as measures to rectify administrative weaknesses. There must be consensus as well as joint efforts and collaboration in the development of human resource, the search for new products, new markets and technologies, sharing of vital economic intelligence, R & D for product development and innovation, all done in a national competitive spirit.

The fourth strategy entails the public sector to assess its performance, systems and structures to provide improved delivery of services to the private sector.

Decision making and work processes must be expedited. Other critical areas for improvements include: (i) quality and productivity management and improvement; (ii) the establishment of an increasing number of one stop centres for licensing in local authorities; (iii) streamlining of regulations and procedures for processing licences; (iv) improvement of service counters in government department's; (v) provision of guidebooks on procedures, rules and regulations for licences, permits and the conduct of business activities; (vi) computerisation of work processes and installation of modern telecommunication systems; (vii) inculcation of positive values and attitudes in the public service; and, (viii) the introduction of citizen's charter. There must be commitment and assurance of quality services. The drive for quality improvement must be the joint endeavour of both sectors.

The close collaboration between the public and private sector officials must be carried out within the bounds of accepted ethical and moral behaviour. This is to prevent any untoward excesses derived from the relationship. The absence of ethical values and morality will encourage rampant instances of abuses of power and corruption. An ethical posture towards work in the public and private sectors requires not only knowing the right answers but being willing and able to do what is right. Over the last several years, there has been a surge of interest in ethical issues and dilemmas in business, and to the ethics of those in government. Moral leadership must come from those in public office. Aristotle said that people in government exercise teaching functions. Among other things, we see that they do and think that is how we should act.

Unfortunately, when they do things that are underhanded or dishonest, that teaches too. Ethical issues permeate both public and private organizations. You will often face difficult ethical choices. These choices may present themselves in several ways - when responsibilities conflict, when you are unsure how to weigh your responsibilities against personal needs or desires lead by good example.

Since the public's trust is an essential element in effectively leading and "managing in the public interest", the personal conduct of public officials and the perception of personal conduct are continuously being scrutinized - such as misbehaviour, impropriety, waste, fraud, abuse of authorities. This results in rules and procedures that attempt to guide administrative behaviour. Governing individual behaviour in the private sector is accomplished through professional codes, ordinances, regulations and statutes. As new entrants to society, you must observe this law; it is governance by law, not by men, which ensures the stability of the society which you live in! This will dilute the benefits to be reaped and prevent the attainment of national goals. Hence, there are advantages in instituting a formal mechanism to contain such deviations. An effective mechanism should comprise prevention at the point of entry to a public service career which involves the process of eliminating undesirables. This should be augmented by a continuous education on positive work ethics and the internalization of core values. These include trust, responsibility, sincerity, dedication, moderation, diligence, clean, discipline, cooperation, honour and gratitude. Such universal values must be inculcated and accepted by both players in the partnership.

THE MALAYSIAN EXPERIENCE Malaysia has recognised the imperative for greater and intense public-private sector collaboration in national development in order to meet the challenges in the increasingly competitive global market place. Malaysia has in 1983 introduced the Malaysia Incorporated concept and over the past decade worked hard at making the concept a reality. Rules, regulations, procedures have been constantly reviewed to expedite decision-making and work processes. Services to the private sector have been revamped in order to facilitate the growth and operations of business activities. Consultative structures comprising public and private sector representatives have been set up in most government agencies to streamline regulations and procedures, to jointly developed human resources and to facilitate the sharing of information. Greater public- sector interactions are being encouraged through participation in joint forums and sporting activities. All these efforts have been currently undertaken with the full realization that meaningful public-private sector partnership is critical in developing a national competitive spirit. The sustained growth of the Malaysian economy over the recent years bears testimony to the success of our endeavour through the Malaysia Incorporated Concept.

The Malaysia Incorporated Concept is by no means a novel concept. It was adapted from "Japan Inc.", a label given by the foreign press to characterise the close linkages between the Japanese Government

and Japanese business that has contributed to Japan's spectacular postwar economic growth. Such close government- business collaborations have also been identified as the winning strategy for the economic successes of various other nations. While the Japanese experience was spontaneous and unique to the Japanese society, the Malaysian attempt is a deliberate effort to develop a national competitive spirit through clear policy objective. Malaysia has no doubts that a productive public-private sector partnership will take us a long way towards our aspiration to be a fully developed nation by the year 2020.