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I would like to thank the American Malaysian Chamber of Commerce for this kind invitation for me to address the prominent members of the American business community in Malaysia.

2. We have learnt about the concept of bureaucracy from Max Weber and from the Americans. From American management writers we learnt that the concept of 'bureaucracy', in its original form, was a very useful modern invention to organise and direct the activities of an organisation.

Bureaucracy implicitly involve some basic features such as:

- * a well-defined chain of command structured on the lines of a pyramid;
- * a system of procedures and rules for dealing with all contingencies relating to work activities; and
- * a division of labour based on specialisation;

3. However, while bureaucracy was conceptualised with efficiency and effectiveness in mind, in practice, bureaucracies have come to be identified with descriptions such as mammoth size, unwieldiness, rigidity, slow decision-making, obsolescence and indolence. The Malaysian civil service has also been the target of such descriptions over the years.

4. From the west, we also learnt of the concept of 'public administration.' Cicero gave two distinct meanings for the term "to administer". One was 'to help, to serve or assist' and the other was 'to manage, direct or govern'.

What the Malaysian civil service inherited from the British was, in fact, "public administration" with the latter flavour, and the civil servant with an aloof and stern exterior, the demeanour of the custodian of law and order.

5. With the passage of time, we have realised that the bureaucracy and public administration practices of the early years will not be able to support us in our quest for the status of a fully developed nation by the year 2020. We, like the United States, are in the process of re-inventing our civil service. We need to synchronise administration with our own unique traits and needs. As Woodrow Wilson stated in his 1887 treatise entitled "The Study Of Administration", "public administration is a foreign science developed by French and German professors and if we would employ it, we must Americanize it". Thus, changes which occur in the Malaysian civil service must be essentially home-grown.

6. This dictum has been particularly true in the case of the Malaysia Incorporated Policy. This Policy, while loosely based on the Japan Incorporated concept of close cooperation between the public and private sectors, is certainly not a ditto. For instance, it is said that such is the closeness between the public and private sectors in Japan that, through the KEIDANREN, the retiring Japanese bureaucrat is readily absorbed into the private sector on retirement. However, civil servants in Malaysia are career civil servants. We serve the Government and the Service up to the time of our retirement and sometimes beyond. Any employment of senior civil servants by the private sector is through their own efforts and entirely coincidental.

7. Since its inception in 1983, major strides have been made in the implementation of the Malaysia Incorporated Policy. Over the past few years, the emphasis has been on six key areas, as follows:-

- i) Strengthening of the consultative mechanism;

- ii) Forging closer relationship between the public and private sectors;
- iii) Improving the quality of public services rendered to the private sector;
- iv) Improving information dissemination;
- v) Enhancing understanding regarding the Malaysia Incorporated Policy among civil servants at all levels; and
- vi) Facilitating the private sector in international trade.

Strengthening the Consultative Mechanism

8. In the area of strengthening the consultative mechanism between the public and private sectors, the Malaysia Incorporated Officials Committee under my chairmanship acts as the main forum at the highest officials level for the exchange of information and ideas. This Committee also acts as the spearhead for joint programmes between the two sectors at the officials level, in the interests of the development of the private sector. Feedback on problems faced by the private sector in the area of delivery of public sector services is also channelled through the various Chambers of Commerce and Industry Associations to the relevant Government agencies via this Committee to the relevant agencies for remedial action.

9. Consultative Panels comprising representatives of the public and private sectors have also been established in most Ministries and departments at the Federal, State and district levels. The establishment of such consultative panels is, in fact, mandatory under the Development Administration Circular No. 9 of 1991 entitled "Guidelines on the Implementaion of the Malaysia Incorporated Policy".

10. Feedback indicates that these consultative panels have contributed significantly in facilitating the free flow of information and at the same time, assisted in establishing closer rapport between the two sectors. It is worthy of note that Associations such as the MICCI and FMM have now taken up the Government's call to give more concrete feedback on problem areas. The annual Business Assessment Survey by the MICCI and the FMM annual surveys conducted among their respective members have provided valuable and specific feedback and suggestions to the civil service.

Forging Closer Relationship Between the Public and Private Sectors

11. In forging closer relationship between the public and private sectors, various guidelines were issued by the Government in 1993 for the conduct of joint activities between the two sectors. Among these were General Circular Letter No. 2 of 1993 entitled "Guidelines On The Involvement Of Public Agencies/Officials In Conferences/Seminars/Fora/Training Workshops Organised By The Private Sector" and the General Circular Letter No. 3 of 1993 entitled "Guidelines On The Involvement Of Public Agencies/Officials In Sports Activities Organised By The Public Sector/Private Sector". These Circulars are aimed at providing clear guidelines for undertaking joint activities in these areas and thereby removing any ambiguity which may mar or restrict free participation of civil servants in activities organised by the private sector.

Improving The Quality Of Public Services

12. On its part, the Civil Service has been proactive in undertaking numerous initiatives to improve the quality of services rendered to the private sector. Some of the more significant measures are:-

- i) the publication of the book entitled "Dealing With The Malaysian Civil Service", in July 1993. This book contains information of value to the private sector and investors.

The information includes the profiles of Ministries and Departments which they need to deal with in the course of undertaking business activities, the rules and regulations governing the application for business licences, permits and other approvals, tax incentives offered to investors and other such information.

ii) The launching of the Civil Service Link or CSL is another initiative on the part of the Civil Service to fulfil the information needs of the private sector. The Civil Service Link is conceived as an on-line one-stop resource centre which will be a repository of a variety of information on public administration of interest to the private sector and investors. It will also be eventually linked to the specialised databases of relevant Ministries and Departments as well as to overseas destinations to facilitate retrieval of data. The CSL is expected to be operational by June this year.

More one-stop service centres and licensing centres have been established to expedite services and facilitate private sector operations;

iii) The implementation of the Client's Charter is a major initiative on the part of the civil service to ensure the delivery of quality services. The Client's Charter is basically a written assurance on the part of Government departments as to the quality standards of the goods and services rendered to their customers. These quality assurances are displayed prominently by the department for the information of the customers. Should a department be unable to fulfil the set standard, a service recovery mechanism is also made available for the recourse of the customer for remedial action. I have requested members of the Malaysia Incorporated Officials Committee to make their own unobtrusive surveys in departments which they have regular dealings and provide feedback as to whether the quality assurances made by these departments are being adhered to.

iv) In the area of accountability, the Permanent Committee on Public Complaints under my chairmanship meets regularly to consider cases of complaints of maladministration and recommend the necessary action. The role and presence of the Public Complaints Bureau has also been expanded to expedite action on complaints against Government agencies;

v) More performance and results- orientation is being encouraged among civil servants to contribute to quality improvement. Among the measures taken in this area is the increase in the number of awards given to public sector agencies which record excellence in performance. Two of the new awards introduced in 1993 include the Quality Awards for District Offices and the Quality Award for Local Authorities. At the individual level, the Circular on the annual Excellent Service Awards has been revised to provide for annual bonus payments to those who record excellent performance.

Improving Information Dissemination

13. Information dissemination is a vital strategy to promote the understanding of the private sector on various Government policies, programmes and services provided by public sector agencies. In this context, Government agencies have placed major emphasis on documentation and publications of their various activities and services. At the overall level, two important publications which were introduced in 1993 were the book entitled "Dealing With The Malaysian Civil Service" which was earlier mentioned and another book entitled " Upholding The Integrity Of The Malaysian Civil Service" which was launched in December 1993. The latter contains articles on discipline and the system of administration of discipline in the Civil Service as well as the values and ethics upheld by civil servants. This will assist the private sector better understand the code of conduct that governs the behaviour of civil servants.

Enhancing Understanding Of The Malaysia Incorporated Policy Among Civil Servants

14. Efforts have also been intensified to ensure understanding and commitment among civil servants at all levels regarding the concept of Malaysia Incorporated. In response to the feedback from the private sector that understanding of the Policy was insufficient civil servants of lower categories, a training programme has been launched to ameliorate this situation. To increase the number of civil servants who are exposed to the policy, training programmes are held simultaneously in all the INTAN campuses as well as in the various public sector training institutions.

15. Another new strategy introduced to expand the training opportunities to a wider group of civil servants is the system of "training franchise". Under this system, INTAN has prepared training manuals on the

various Development Administration Circulars including one on the Malaysia Incorporated Policy. This is aimed at standardising the training content and to assist other public sector training institutions and departments in conducting the courses on their own. Through these measures, exposure and training on Malaysia Incorporated has been expanded considerably among civil servants at all levels.

Facilitating The Private Sector In International Trade

16. As a facilitator in promoting the private sector's role as the primary engine of growth in the economy, the Government has introduced a new dimension by establishing closer contacts at the official's level with Malaysia's traditional and new trading partners. This programme will cover many countries, including the People's Republic of China. Such contacts at the official level is expected to have the way for further contacts between the private sector and relevant officials in the countries concerned.

17. This year, the civil service will launch a second exercise (the first one was in 1990) on the streamlining of rules and regulations pertaining to business and investment.

A similar was conducted in 1990, which resulted in the introduction of several major improvements, such as the use of composite application form to apply for various licences and permits. A composite licence was also introduced and the validity period of various licences was extended. The current study is aimed at further reviewing the rules, regulations, procedures and the process in the issue of the various licences, permits and other approvals.

18. The civil service is studying a proposal for the reduction of excessive paperwork and documentation in government departments and agencies. Programmes for computerisation and office automation will be expanded in the move towards a "paper-less bureaucracy". Systems such as "transaction-based applications", "communication-based applications" and "electronic mail" are being considered service-wide to expedite transaction time.

19. Training for all levels of civil servants will continue to be emphasised as the key to quality improvement.

The civil service welcomes the participation of more Industry Associations and Chambers of Commerce to participate in joint training programmes. Joint training programmes such as the programme which has been successfully mounted with BMITA include an attachment programme for civil servants in private sector companies and firms. Through this, the civil servants will get a better feel of the working environment in the business world and appreciate the problems and constraints faced by them. This will assist them in their future dealings with the private sector.

20. The successful implementation of the Malaysia Incorporated Policy is greatly dependent on mutual trust and confidence. At the same time, the basic safe-guards and limits governing the nature of the relationship between the two sectors must be spelt out clearly. The civil service, on its part, has taken several initiatives in establishing such guidelines which govern joint activities and programmes between the two sectors. Information and clarifications such as those pertaining to the code of conduct of civil servants and the basic profiles of departments have been published in to make public administration more transparent.

21. Once again, I would like to thank the American Malaysian Chamber of Commerce for this opportunity to address its members on the topic of improving public and private sector cooperation within the context of the Malaysia Incorporated Policy.