

21/05/2009 - The Future Of The Government In A Globalised World

Bismillahir rahmanir rahim

Assalamualaikum warahmatullahi wabarakatuh and Good Evening.

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Board Members of KLBC

Y. Bhg. Tan Sri Abdul Munir Majid
Chairman of the Advisory Council KLBC

Distinguished guests

Ladies and gentlemen

Thank you to the Kuala Lumpur Business Club for inviting me this evening. It is an honour for me to be with such an accomplished crowd.

Ladies and gentlemen,

2. I would like to ask a number of questions. Have we in the public sector done our best for Malaysia? Is our best good enough for the people of Malaysia? Have we delivered THE PROMISE to the people?"

Reform fatigue? Why reform?

3. These questions takes me to the much debated, no less disputed, subject of public service reform. Are we all experiencing "reform fatigue" in our own fields? Has the reform expected of us, achieved its set objectives and mission? Indeed can any country conceivably reform the public sector that is burdened by legacies of yesteryears? Are we doomed to condemnation as a society, if the answer to these questions is a big NO?

4. Allow me the next few minutes to share my thoughts on some of these teasers based on firsthand encounters. That said - I would wish for this to be a two-way forum, where I would like to listen more than to speak.

Ladies and gentlemen,

Self actualisation in societies

5. If we are all to be asked to name the things dearest to our hearts, the answer to this would arguably be the one denominator that would bind us all – self and family's happiness, in no real order. Within that answer lie the proponents of a social structure and nation's underpinnings - safety, security, education system, healthcare, employment, financial support, leisure to name but a few that would cement the very essence of what we simply term as LIFE. When a society advances, its self-actualisation imperatives on the Maslow hierarchy of needs moves correspondingly. Within these demands the public service must be able to respond, and respond intuitively. We can no longer be dry and technical about the evolution of society. We must be able to understand the very essence of communal advancement and evolution which affects customer demographics.

6. As a service sector, the very basis of the word service must follow the understanding of the needs of those to whom that service is rendered. The needs of CUSTOMERS form the very heart of any SERVICE DELIVERY. It is somewhat self-serving and ineffectual to provide a service based on a perceived need.
The New World Order

7. Society today no longer confines its demands to needing its public drains cleaned, its rubbish collected, public toilets spotlessly polished and traffic lights in working order on an immaculately blacktopped road. Those should be given. The demands of the people of Malaysia today are of such things as:

- i. Why was this amount of money spent on a project? And why is it delayed? I am inconvenienced by it;
- ii. I need an E-based public service so that I can do business from the comfort of my bedroom;
- iii. It has been 3 days and my complaint has not been responded to!
- iv. Policy? What policy? Please explain I am a fisherman and I cannot read and write but I need to understand your policy because it affects my purse strings; and
- v. I am government official and I don't like the way you handle my case.

8. You will be surprised but criticisms from our very own public officials have by far been the highest contributors of complaints calling for our improvement. Within these sophisticated and everyday mundane customer demands, the basic infrastructure that supports a society is seeing its evolution and growth too. For instance:

- i. The need for superior safety and security infrastructure to deal with complex crimes;
- ii. Expansion of judicial transparency and governance structure which demands a voice not for big businesses but for hawker stall traders alike;
- iii. Rising middle class demanding straight up no-nonsense answers;
- iv. Changing communications environment or what we dearly term today the world of internet media and blogging;
- v. Transformation education needs to support rising competition not just locally, but globally;
- vi. Intricate healthcare systems in response to complex diseases in record speed time;
- vii. The borderless flat world of international trade demands our economies and markets to be reoriented, rebranded and revamped to remain competitive and relevant.

9. In addition to all these elements there are the "what if" scenarios or the "Black Swans" which we have no control over such as meltdown of the reigning economies; speculative commodity prices, climate change, wars and natural catastrophes all of which directly and indirectly affects customers' expectations and the infrastructure of a delivery system. It is in this world order that a public sector must now operate, no less respond to, and respond to in real time and with competency and precision. Our response mechanisms must be fruit-bearing and must provide resolutions.

Ladies and gentlemen,

Governance based society

10. When we talk about globalization and the future of governments, it is a fallacy to even suggest that globalization only affects the future of governments. It affects every aspect of what makes a modern and progressive society. It can no longer be one or the other: it has to be one where there is consensus in roles and responsibilities of all those who make a society, a civilisation, a nation.

11. The word governance has been bandied about, making it synonymous to transparency and accountability. Governance, we know is as old as human civilization. It is the process of decision-making

and the process by which decisions are implemented (or not implemented as the case may be). For modernity to prevail in any society, its governance structure must be touched and owned by all those who claim a stake in the future of that society. It has to be a collective sum of how individuals and institutions, public and private, expect their common affairs to be administered and delivered.

12. As governance is the process of decision-making and the process by which decisions are implemented, there are several actors to this part, formal and informal all of whom play a key role in the value chain of a delivery system. The players would or could be but not limited to the public sector, private sector businesses, civil society, the media and Joe public.

Ladies and Gentlemen,

13. Government, is only one of the players in a governance based society. It is not the only player. It cannot be the only player in a democratic environment. If we are to elevate Malaysia to a 23rd Century governance based society, all constituents must play its formal and active parts. The level of involvement will no doubt vary depending on level of government under discussion. In rural areas, for example, players maybe head of villages, farmers and their associations, NGOs, religious leaders. At the national level it could be, depending on the issue, involve the media, private sector businesses, multi-national corporations all of whom would be part of the circle of influence in decision making process.

PEMUDAH – Keeping up with society

14. Guided by the fundamental belief that only through partnership with the various constituents can Malaysia truly achieve a modern and governance based society, the then Prime Minister, Tun Abdullah Ahmad Badawi called for the formation of PEMUDAH. PEMUDAH, the Special Task Force to Facilitate Business embodies the inclusive mechanism so essential for improving the effectiveness of the public sector delivery system, and by extension, national development.

15. The achievements of PEMUDAH are well documented and do not need much elaboration. Suffice to say, in the two years of its formation PEMUDAH has achieved some significant milestones of changes in Inland Revenue, Immigration, Customs and in Housing and Local Government service delivery. But PEMUDAH could not have done it alone. PEMUDAH's success reflects the success of collaboration and the inclusive approach towards change in how public service delivery is approached in Malaysia.

16. If Malaysia is to enhance its comparative advantage and long-term competitiveness in the global markets, the public sector must be in FORM. The people want a government that cost less and does more. It wants a government that facilitates for private sector to succeed. That is rightly demanded of us. By that same argument, the private sector must contribute to its expected role. Governments don't bring in businesses, private sectors do. Governments don't create jobs; that the private sector does.

17. As the fabric of our society becomes more complex, fragmented and diverse, so do the expectations of the public and private sectors. In essence we need to keep up with society. Have we done that?

Changing Public-Private Sector Roles

18. In the public sector, we have worked tirelessly to ensure public officials embrace the Vision of "One Service, One Delivery, No Wrong Door." We have reorganized and instituted measures to ensure decision making in the public service is effective and its follow-throughs are tracked and enforced.

19. Our Prime Minister, Dato' Sri Najib Tun Razak recently called on PEMUDAH to go beyond its original remit to deeper engagement and consultation to realize the Vision of 1Malaysia, People First and Performance Now. How can we achieve oneness of Malaysia if only one of its constituents is often called to question, called to be accountable? Malaysia cannot achieve global competitiveness if only the public sector is called to be efficient, rid of graft and embody integrity. Efficiency, fighting of graft and integrity for instance must be combated by society collectively.

The Government is criticized for late approvals of building plans, and when it does revamp its processes to speed up these approvals, we see issues such as delays in construction and abandoned projects by developers. In that similar vein, if the government is called to tighten its enforcement and regulations of graft in businesses, we must have corresponding actions from businesses to ensure the right performance is rewarded in the private sector. The Government cannot be asked to make payments duly and quickly to its contractors, and when it does the private sector delays the payments to its sub-contractors. When the sums of the parts don't act as a whole, the "silo" actions have adverse knock-on effects on the buoyancy of our market as a whole.

20. The Prime Minister has asked that public and private sectors look beyond its own confined constituents and reached out to the larger landscape of building a global Malaysian brand where we build our market and economy not simply for big local businesses alone, but for SMEs, traders, home businesses and foreign multinationals. It is with this in mind that he announced the recent liberalisation measures.

Re-establishing trust in Public Service

21. As I mentioned earlier, in order to benefit from a more open and widespread economic interaction we need a Public Service that supports, promotes and facilitates the ability of business enterprises to compete in international markets. The Public Service must assist the private sector to promote Malaysia globally as a formidable brand.

How we enable and support businesses defines the type of investors we draw to our country. How the public service resonates with the corporate sector and civil society towards one common national vision will determine how Malaysia is portrayed and perceived in the international arena.

22. Simply put, the brands of our towns and cities determine the nature of investments and tourists we attract. Even seemingly mundane propositions like how we handle complaints to the effectiveness of our traffic management system can steer people's decision on choosing a place for their homes and business. Therefore, amidst what may be an overwhelming world order before us, the bottom-line for us in public service is DELIVERY itself!

23. Some improvements which we have achieved are:

- i. Streamlining regulation to encourage investment and lowering the costs of doing business in Malaysia;
- ii. Defining our service standards through performance monitoring and measurement standards to ensure accountability;
- iii. Transparency and fairness where service delivery outcomes must be visible to the public;
- iv. Competency-based human resource management. We have made concerted efforts in placing right people in the right jobs even if it meant demoting the once superior and promoting the direct report over his/her supervisor;
- v. Regular, systematic consultation and engagement, including transparent complaints management system where it becomes the responsibility of every public official to engage and address complaints. It can no longer be the responsibility of specific Agencies. It has to be a competency required of every public official; and
- vi. Enhancing ICT infrastructure and E-government in support to ease dealings with the government.

In short when instituting these changes, we needed to find a balance between participation and action.

Sum of the parts - Media

24. Public relations by far have been one of the weakest links in the public sector. We don't share our

work, its rationale and achievements with the public, never mind the media. It is not that we don't want to, but we fear the media and we fear the public glare as public officials. We fear confrontation.

25. This unfortunately has cost us some slack and without a doubt this is one key area that needs to change. To ensure the goal of incorporating valuable input from the public is met, public agencies must now engage with the people and other stakeholders before, during and after a process that affects the public interest.

26. This said, in the two-way relationship between the Government and the people, the media remains a vital and invaluable communications conduit. The media has social responsibilities as well. They must understand issues when reporting, failing which reports published based on lack of research and facts could hurt not only Malaysia, but also the credibility of the media as well. Secretaries-General and Heads of Agencies have been tasked to take control of their Communications plans and execution for their Ministries. They have been advised to deal with the media directly.

27. On our part, improving relationships begins by understanding the media and their requirements for newsworthy information. We must be able to meet media's demands for responsiveness, timeliness and accessibility.

Have we arrived?

28. We have heard and read the many improved rankings of Malaysia in World Competitiveness rankings, Infrastructure development rankings, World Bank's Doing Business 2008 ranking and so on so forth. These rankings, whilst demonstrating how far ahead we may have moved, do not necessarily demonstrate if we have moved to the expectations of the varying public.

29. Whilst, improvements in rankings are needed and commendable, it can, if not properly managed, breed a sense of satisfaction – such as the notion that “we have arrived”. Satisfaction breeds complacency and we stop learning when complacency sets in.

30. I would be the first to say that there is a lot more that needs to be done to enhance and strengthen the public delivery system. We need to challenge ourselves to continually raise the standards, benchmarking against the best and eventually becoming the benchmark itself as we have done in many areas in the Public Service like in our Auto Gate, Passport turnaround time, Payment time, to name a few.

So where do we focus? What are our priorities?

31. The Public Service is divided into 25 Ministries which breaks down to 720 agencies over the 13 States. Our communal strength as a formidable Service lies in the collective strength of the 1.2 million people. Thus, if I were to shortlist three priorities we are to focus on I would say they would be the following:

A. Serving 21st Century Malaysia with Integrity

32. Why is this priority? The future of the public sector will be determined by a complex array of interconnected drivers. The ways in which these drivers might be expected to play out varies from the predictable population ageing to the unpredictable natural disasters. Therefore an agile and adaptive public sector is critical to effective policy development and service delivery.

33. Some of the critical policy issues that confronts public sector today include improving education, responding to increasing healthcare demands, keeping Malaysia environmentally friendly, addressing human capital development, keeping Malaysia safe and secure and maintaining economic growth.

34. To achieve this we need to further enhance the people's trust in public service. We need to simply:

i. Cut out the unnecessary bureaucracies and inflexibilities in administrative systems to make it more agile

and adaptive;

ii. Develop the relationships and skills required to work across public and private sectors;

iii. Build a stronger evidence-base to public administration;

iv. Break down 'silo' working style approaches; and

v. Attract bright and dynamic workforce with the skills needed for the future.

B. Engaging, engaging, engaging Stakeholders

34. This is another priority to stress. Our stakeholders determine the relevance of our existence. If a Public Service fails to deliver what is expected of it, the nation's growth is hindered and stunted. If we fail internally, we would have failed our public. If we fail externally, we would have also failed our country.

35. Our success in service delivery must be based on understanding and engaging our stakeholders with empathy. This by far, I would add, is our biggest challenge yet. We often operate in our own world view of what is best for THEM. This said, engagement also ensures that our stakeholders learn of the Service delivery and will respond to them without making undue demands.

C. Enforcement, enforcement, enforcement

36. The public service is never short of guidelines and policies. However, it is implementation that we have been found wanting. This has drawn much criticism from our stakeholders. Enforcement from that of our roads, to our schools, to the economy will be one of the primary yardsticks of our growth towards 21 century public service. If EXCELLENCE, QUALITY and PRECISION are the themes of our performance scorecard, ENFORCEMENT will be the OUTCOMES by which the themes will be measured.

37. In short, ladies and gentlemen, we need a Public Service that will rise to the changing yet unchartered expectations. We need public officials to be the change that we wish to see in this government. The demands of the 21st Century have made public officials themselves challenge the norms, traditions and customs of what used to work. Whilst we were tainted with the 8 to 5 engines of the government, today we have public officials working from where they are and not where the office is, and round the clock.

38. For Malaysia to reap the opportunities of the 21st century and beyond, on our part as public officials, we must be enablers of productivity and efficiency and not ones who frustrate customers.

Ladies and Gentlemen,

39. Malaysia is blessed with an abundance of resources. It is thus morally incumbent upon all of us, the public and private sectors, the media and civil society alike to propel this country to greater heights in building a better tomorrow for the next generation.

40. What we leave behind sets the path of what the future will be for our children and grandchildren.

With that I thank you again for inviting me.

Wabillahittawfik wassalamualaikum warahmatullah wabarakatuh

I will be happy to take questions and listen to your qualms