

An Insight into Malaysian Administrative Reforms

A Report on the Visit of the Participants of Eighth Advanced Course on Administration and Development to Malaysia
(17.3.89-28.3.89)



Bangladesh Public Administration Training Centre
Savar, Dhaka
April 5, 1989.

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B I B L I O G R A P H Y

"Our future depends on our willingness to work hard not as slaves just for pay but because of a responsibility and love for freedom and integrity"

- Datuk Mahathir Mohammad
Prime Minister of Malaysia.

ACKNOWLEDGEMENT

The Participants of the Eighth Advanced Course on Administration and Development visited Malaysia on a study tour from 17th to 28th March, 1989. The study tour was organised by the Bangladesh Public Administration Training Centre (BPATC), Savar with the financial assistance provided by the Swedish International Development Agency (SIDA). The participants are thankful to the SIDA for their assistance.

The participants are grateful to Mr. A.M. Anisuzzaman, Rector, BPATC for the keen interest he took in making this study tour possible.

The participants gratefully acknowledge the warm hospitality and cooperation extended by the various departments and agencies of the government of Malaysia in making the tour successful. The participants are particularly thankful to the Bangladesh High Commissioner in Malaysia, H.E. Major General Anwar Hossain and his helpful officers for effectively arranging and coordinating the programme with the Malaysian authorities. The participants would like to express their gratitude to Mr. Q.S. Alam, Addl. Secretary and also to Dr. Khalilullah, Joint Secretary, External Resources Division for their active support in securing financial assistance.

The participants would like to express their appreciation

to the Course Director and Leader of the study team Mr. Mosharraf Hossain for ably leading this successful and fruitful trip to Malaysia. Finally, they also appreciate the help extended by Mr. Md. Kamaluddin and Md. Shirajul Islam, Deputy Directors of BPATC who also accompanied the group.

Dhaka,
April 5, 1989.

Participants
Eighth ACAD

EXECUTIVE SUMMARY

Introduction

1. The participants of the Eighth Advanced Course on Administration and Development undertook a study tour to Malaysia from 17th to 28th March, 1989. The principal area selected for the study was modernisation and reforms in the administrative system of Malaysia. It afforded a well deserved opportunity to the participants to gain an exposure and acquire firsthand experiences of Malaysia's relatively faster economic growth with a modernised administrative machinery.

The Political system

2. The Peninsular Malaya gained independence in 1957 and later emerged as Federation of Malaysia with the inclusion of Sabah and Sarawak in 1963.
3. It is a social polyglot with the original inhabitants Malays constituting only 55% with the rest being Chinese (33%) and Indian (10%). The Chinese and the Indian citizens of Malaysia are the descendants of the emigrants who came into the country at the turn of this century to work in the Tin Mines and Rubber Plantations. The Chinese and the Indians dominate the modern sectors of the economy while the Malays are concentrated in agriculture sector and in public services.

4. The apprehension of the ordinary Malays of being dominated by the Chinese is very real. The political system that has been evolved for governing the country seeks to address this fear of the Malays and harmonize it with modern democratic practices. So the country is run as a Federation with an elected Constitutional Monarch who acts as the Head of the State. The Constitution also provides for a guardian body called the Conference of Rulers for overseeing the Malay interest and Islam which has been adopted as the state religion.

5. In other matters, the country is run as a multi-party parliamentary democracy with appropriate institutions in position. The national policy is accommodation of legitimate interests of all communities rather than assimilation of all into one. The government is committed to the rule of law and that acts as a cementing force for developing a corporate outlook amongst the Malaysian citizens.

The Economy

6. Malaysia is a resource rich country. She is the world's leading producer and exporter of natural rubber, palm oil, timber, pepper and tin and also a net exporter of crude petroleum. The growth of Malaysian economy has been spectacular during the last 20 years. In 1988 Malaysia recorded a GDP of US \$ 25,237 million. In 1989 the GDP is projected to grow at 4.9% to US \$ 26,494 million. Per capita GNP in 1988 was US \$ 1,863 and it is estimated

to reach US \$ 1,886 in 1989. Inflation averaged 1.4% during 1980-86.

7. Malaysia launched its First Five Year Plan in 1956 a year before her independence. Malaysia became a federation in 1963 and the First Five Year Plan was launched in 1966. The New Economic Policy (NEP) was formulated for a period of 20 years from 1971 to 1990. Under the NEP a long-term outline perspective plan (OPP) was formulated for implementation through four Five-Year-Plans. The NEP took a two-pronged strategy (i) to reduce and eventually eradicate poverty by raising income levels and increasing employment opportunities for all Malaysians irrespective of race and (ii) to restructure Malaysian Society to correct economic imbalance so as to reduce and eventually eliminate the identification of race with economic function and location. The objective of the NEP was to achieve a growth rate of 8% per annum, full employment of labour force, reduction of incidence of poverty from 49% to 17% and restructuring ownership of share capital in the corporate sector ensuring 70% ownership by Malaysians of which the 'Bumiputera' owning at least 30%.

8. The Agriculture Sector which contributed 32% of the GDP in 1970 has come down to 20% in 1988 while the contribution of the manufacturing sector to the GDP has risen from 12% in 1970 to 24% in 1988. Malaysia exported goods worth US \$ 20.83 billion

in 1988 against US \$ 18.00 billion in 1987 recording a growth of over 15%. Export is projected to grow by 8% to reach about US \$ 22.5 billion in 1989. The share of manufactured goods in Malaysia's export exceeded 48% in 1988. Malaysia is presently recording a net surplus in the current account of her Balance of Payment with a very comfortable reserve position capable to sustain imports for over 7 months.

Malaysian Administration-Structure & Modernisation

9. Malaysia is a multi-racial and multi-religious country having parliamentary democracy within the framework of constitutional monarchy. She has three tiers of government - the Federal government the State government and the local government. The federal government is run by 24 ministries. The yong Di pertuan Agong (King) and the yong Di pertuan Negari (Sultan) are on the top of the administrative structures of the Federal and state governments respectively. The king is the supreme head of Malaysia. He is elected by the council of rulers for a five year term. He is also the supreme commander of the Armed forces. Each State is divided into district and each district is divided into Mukims which consist of some villages. Besides there is District Council in every district for the urban areas only.

10. The Prime Minister is the Chief Executive (of the government).

He is assisted by Dy. Prime Minister and Ministers. All Federal government policies are implemented through the (said twenty four) federal ministries. Although all statutory bodies and public corporations have (some degrees of) legal and functional autonomy, for the purpose of co-ordination and supervision, these bodies and public corporations come under the control of the Ministries.

11. The district officer is the pivot of administration in the local state level. He is the Chief co-ordinator of the district. He is the land administrator as well as a Magistrate. He sets integration programme for multi-racial (and multi-religious) citizens. All development works are routed and implemented through him in the district level.

12. With the independence, Malaysia inherited the administrative machinery left by the British which was primarily oriented towards the maintenance of law and order and the collection of revenue. The govt. felt the need for bringing some reforms in the field of administration to suit the changing needs and circumstances for rapid socio-economic development of the country. As a result in 1965 Development Administrative Unit (DAU) was established with the aim of planning and guiding the major programmes in administrative improvements. The DAU spearheaded much of the reform efforts and one of the programmes was a study

on training needs in West Malaysia. During this period the National Institution of Public Administration (INTAN) came into existence in 1972. The following are the objectives of INTAN :-

- * Understanding and practice of the principles of Islamic values;
- * Realisation and commitment to govt. policies;
- * Sensitivity towards the environment;
- * Problem solving ability related to national administration and development;
- * Pride in quality of work and Service to the people.

13. The DAU also undertook reviews of organisational structures, processes and procedures. Programme performance Budgeting System replaced the traditional line. NEP aimed at eradicating poverty and re-structuring of society.

14. In 1977 Malaysian Administrative Modernisation and Manpower Planning Unit (MAMPU) replaced the DAU. It was given the responsibility to undertake studies on major problems in administrative developments and to propose measures to resolve them. The objectives of MAMPU are to effect changes in the management and administration of the Public Sector with a view to improve its effectiveness, efficiency and productivity in line with the requirements of the nation. In achieving the aforesaid objectives it plays the role of (i) Prime Mover in effecting changes and administration of public sector and (ii) consultant and

facilitator to govt. agencies. It has some national level committees like National Committee for Dev. & Admn; National committee on data processing etc.

15. The changes in administration are brought by MAMPU at MACRO and MICRO level. It brings attitude and value change in the following way :-

- i) Ethics of Civil Service
- / ii) Punch Card System
- / iii) Leadership by example
- iv) Assimilation of Islamic Values
- / v) Look East Policy
- / vi) Malaysia Incorporated Concept
- / vii) Name tag.

16. MAMPU also has innovated some improvements like :-

- i) Manual of office procedure/Desk file
- / ii) Open space office concept
- iii) Management by meeting
- / iv) Quality control circle etc.

17. It has also introduced some interesting improvements in services provided to the public viz :-

- / i) One stop bill payment centre
- / ii) One stop Service Centre
- / iii) One stop Licence Centre
- / iv) Best office award programme.

18. MAMPU considers the following as ingredients of productivity (i) Cost saving (ii) Increase of output (iii) Improvement in quality etc.

19. MAMPU renders the following services :-

- i) Secretariat to the National Data Processing Committee
- ii) Undertaking feasibility studies for govt. agencies
- iii) Undertaking evaluation and selection of computers
- iv) Developing systems and programmes for user agencies.

20. The following steps have been taken by MAMPU for the improvement of the District administration :-

- i) Establishing model district office
- ii) Upgrading District office posts
- iii) In-situ dev. training
- iv) Implementation of RED book System.

21. Again the following aspects have been considered as objectives of a model district :-

- i) To practice modern management
- ii) To resolve district administrative problems
- iii) To utilize modern equipment etc.

22. In attaining the aforesaid objectives the strategies to implement modernisation programmes are the following :-

- i) Awareness campaign
- ii) Training (iii) Support from management

- iv) Evaluation system (v) Provision of incentives
- vi) Pilot projects.

23. MAMPU has been active in initiating and instituting changes in administration with the main object of establishing a development oriented and productive bias - clear, efficient and trustworthy administration for the welfare of the Malaysians.

Conclusion and Recommendations

24. The Package of administrative reforms in Malaysia is the product of an institutional approach. The creation of MAMPU set the course for modernisation in administration tuned to the needs of a rapidly developing country. The keynote of the administrative reforms is the thrust on effectiveness, efficiency, flexibility and accountability. A similar type of organisation is recommended for Bangladesh charged with the responsibility to carry out administrative adjustments and reforms on a continuous basis. Reforms, such as, introduction of one-stop system of payment, introduction of open space system in government offices, introduction of name-tag, inclusion of Islamic values in the curriculum of BPATC etc. may be considered for immediate adoption. A long-term political commitment is necessary to enforce the administrative reform measures.

Chapter - I

1.01 Introduction

The participants of the Eighth Advanced Course on Administration and Development undertook a study tour to Malaysia from 17th March 1989 to 28th March, 1989 to study the development processes in Malaysia especially in the context of modernization brought about in the administrative system in that country. The tour programme is at Annex - I and the list of participants is at Annex -II. The focus related to administrative reforms was especially selected for the study tour since it has a particular relevance in the curriculum of the course the participants have been undergoing for a period of 3 months which is mainly geared towards acquainting the mid-level officers of the Government with conceptual and practical aspects of administration and development in the country. The study tour afforded a well deserved opportunity to the participants to gain an exposure to experiences of Malaysia in developing their country at a relatively fast-pace by putting considerable thrust on modernization of administration as a central theme of developmental efforts on all fronts. This exposure has enabled the team of the participants to see for themselves as to how with a common colonial administrative system as a starting point it is possible to achieve a modernized and forward-looking administrative system with measured and well-thought of reforms with emphasis on people-

oriented development. Although Bangladesh and Malaysia have many dissimilarities as to socio-economic features yet useful lessons may be learnt from these experiences of the tour and these lessons gainfully adapted to the administrative system of Bangladesh in a bid to improve it further.

Methodology

1.02 The report is based on information collected during briefing sessions held in various organizations visited during the tour according to pre-set programmes. The briefing sessions were followed by discussion on the basis of questions and responses/clarifications. The literature including brochures, journals etc. distributed during these sessions was also consulted for preparing the report. Information collected through these methods, however, was not exhaustive since the time allocated for these sessions was limited and to that extent the report cannot claim to have covered all the minute details relevant to the study.

Structure of the Report

1.03 Although the aspects pertaining to modernization of Administration constitutes the central theme of the report it has been considered appropriate to discuss this particular aspect within the broad perspective of politico-economic systems of Malaysia. After all, the administrative system as the vanguard

of management is inextricably linked-up with politico-economic systems of a country.

1.04 Keeping this in view, the report has been structured as follows : Chapter I outlines the purpose of the study tour to Malaysia and explains the issues to be dealt within the report. This also includes, by way of familiarising the country, some basic statistics pertaining to socio-economic situation of Malaysia. Chapter II deals with political system of Malaysia whereas the economic system has been discussed in Chapter III, Chapter IV is devoted to the main theme of the report pertaining to the administrative system in Malaysia with focus on modernization reforms carried out in the country. Chapter V contains concluding remarks.

Country Profile : Malaysia

1.05 Malaysia comprises the Malay Peninsula, Sabah and Sarawak. The country has a total land area of around 330,433 sq. kms. While Sabah and Sarawak are separated from the Peninsula by about 530 kms of the south China sea, Peninsular Malaysia is the southern most part of Asia and consists of the states of Johor, Kedah, Kelantan, Melaka, Negri Sembilan, Pahang, Perak, Perlis, Pulau Pinang, Selangor, Terengunu and Federal Territory of Kuala Lumpur. Its geographical position served to make Malaysia a landbridge linking mainland south-east Asia to the north

with the islands of Indonesia to the South and beyond. It has, therefore, become a meeting place for traders from the East and the West.

Of the total land of Malaysia 80% is covered by tropical rain forest and 15% and 2% is devoted to cultivation and pasture respectively.

Population

1.06 The total population of Malaysia is 17 mill (1988) of which 35% live in urban areas. The average rate of growth is 2.4% and the population is projected to reach 20.9 mill by 2000 AD. The population is made up mostly of Malays (bumiputera) Chinese and Indians, representing 55%, 33% and 10% of the total.

Climate

1.07 The climate of Malaysia is governed by the north-east and south-east monsoons which blow alternately during November-April and May-October, respectively. The former period experiences heavy rains in the east coast of the Peninsula and the latter period is drier for the whole country. Being in the tropics the average temperature and humidity are consistently high (26°C) and the rain is heavy (2000 cm to 2500 cm).

1.08 History

1.08 As Malaysia is strategically situated between the Indian Ocean and the South China Sea, it has long been a meeting place for traders and travellers from both West and East. Hence its history is replete with continual interaction with foreign powers and influence.

1.09 Hindu-Budhist influence was strong in the centuries before the coming of Islam. By 1400 Islam, brought through traders, had become a major influence. By 1511, however, Malacca had fallen to the Portuguese. By 1641, the Dutch took over Malacca but in turn lost it to the British who slowly consolidated their hold on the Malay states. In 1815 Malacca was in British hands and in 1819, Stamford Raffles founded Singapore. Thereafter, through treaties, political pressure and diplomacy, the British extended their domination over all the states of the Malay Peninsula. By the 1920s all the states of Malaysia were under British control. After World War II, the Federation of Malay became independent in 1957 and Malaysia was formed in 1963.

Government

1.10 Parliamentary democracy is practised in Malaysia. It comprises 13 states, nine of which are ruled by hereditary Rulers. The supreme Head of State is the king who is elected

every five years from among the nine Rulers.

1.11 The Head of government is the Prime Minister who must be a member of the House of Representative of Parliament. Parliament consists of two houses - the House of Representative (fully elective) and the Senate to which members are nominated by the King from among distinguished citizens.

1.12 As Head of government, the Prime Minister heads the Cabinet. Each of the 13 states also has its own Chief Minister who is elected to office and has a state Assembly.

Economy

1.13 Basically Malaysia is a developing free market economy based mainly on primary products. But it is also undergoing a rapid process of industrialisation. Malaysia is one of the largest producers of tin, rubber and palm oil. Other major products are : Petroleum, timber and pepper. A number of agencies such as Malaysian Industrial Development Authority (MIDA), Heavy Industries Corporation of Malaysia (HICOM) and State Economic Development Corporations (SEDCs) have been set up to speed up industrialisation and the implementation of a perspective plan called New Economic Policy (NEP).

Education

1.14 All schools in Malaysia follow a common curriculum and

syllabus with a view to developing a common identity and outlook among the students of different races and to promoting national integration. The medium of instruction in all schools is Bhasa Malaysia with English as the compulsory second language. The education system comprises a comprehensive range of institutions including secondary and vocational schools, polytechnics, institute of technology and universities.

Religion

1.15 The official religion is Islam in Malaysia. But freedom of worship is guaranteed. Other religions practised are Buddhism, Taoism, Hinduism and Christianity.

Foreign Relations

1.16 Malaysia maintains close and cordial relations with most nations of the world. As an active member of ASEAN, the OIC, the Non-Aligned Movement and the UN, Malaysia has been making positive contribution to the search for peaceful solutions to regional and international problems to bring about peace, security, stability and development to the region and the world at large. As a recognition to its service to the International community Malaysia has been elected as a member of the UN Security Council on 27th October, 1988.

1.17 The basic data regarding population, workforce, and socio-economic conditions of Malaysia in some details may be seen at Annex - II.

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1.17 The basic data regarding population, workforce, and socio-economic conditions of Malaysia in some details may be seen at Annex - II.

Chapter - II

Political System of Malaysia

2.01 Malaysia is a Parliamentary democracy with a Constitutional Monarch, elected for a period of five years. The monarch called Yang-di-Pertuan Agong acts as the Head of the State. The Government type is Federal with each of the thirteen constituents (i.e. nine Sultan ruled states and four governor ruled states) enjoying its own sovereign jurisdiction over certain subjects.

Political History

2.02 The political structure of Malaysia has its root in the history of that country. It has been fashioned to suit the special circumstances of Malaysian realities of diverse ethnic groups inhabiting the land.

Malacca Sultanate

2.03 Malaysia's history may be said to date from the period of Maleka (Malacca) Sultanate which was founded in early 15th century. At its peak the Sultanate covered the greater part of the Peninsula as well as the coast of Sumatra. Malacca's importance was due largely to its position as a trading centre. It was the meeting point between east and west Asia.

Sabah and Sarawak did not however come under the ambit ?

of Malacca. They were part of Brunei Sultanate and did not have much of a direct relationship with Malacca.

Portugese Occupation

2.04 In 1511, the Portugese occupied Malacca by defeating the then Sultan. With the disappearance of Malacca Sultanate as the premier seat of power in Malay World and the introduction of Portugese and later the Dutch as the powerbroker of Malay politics, a number of Mini-Malay Sultanates sprang up. These Sultanates were constantly at loggerheads with each other-often as a proxy to the interests of their European overlords.

Arrival of the British

2.05 The British arrived in Malaya Peninsula in the 19th century and they quickly brought all the Sultanates under their protective hegemony. The British created an entity called the Federated and Unfederate Malay states, allowing each of the Sultanates to keep its own identity.

Sabah and Sarawak also fell to British suzernity at about the same time. But they continued to have separate administration.

Foreign Investment & Arrival of Immigrant Labourers

2.06 With the ascendancy of the British domination, the Malayan territories were thrown open to the foreign investments

in the field of tin mining and rubber plantations. By early 20th century a large number of immigrant labourers from China and India were brought in to do the jobs in Mining and Plantations. The pattern of racial diversity, an existing in Malaysia now, had practically been created at that time.

Evolution of Modern Malayan State

2.07 After the second world war, the British wanted to replace the previous arrangement of Federated and Unfederated Malay State by a more integrated centralised state. Under this arrangement Penang and Malacca which were separate entities would form part of the Malay Union, but Singapore-hitherto a part of Malay was to become a separate colony.

Singapore Becomes a Separate Colony

2.08 Thus the colony of Singapore came into being in April, 1946.

Though Singapore becomes a separate colony, the Malayan Union could never be fully organised. The Malays opposed the Malay Union formula as it proposed to transfer all the powers of Malay rulers of the different states to the British crown. The Malays were also very unhappy with the formula of granting citizenship to all the people of the Malay Union as they feared that it would result in Chinese domination of Malaya.

2.09 So a new constitutional scheme was drawn up and the Federation of Malay was created in 1948. Under this arrangement, the Sultan ruled states and the governor settlements retained their own individuality and would remain sovereign in their states. A form of common citizenship was created for all who acknowledged Malay as their permanent home.

Out of population of approximately 5 million (in 1948) some 3.1 million qualified automatically for the Federal citizenship of which 78% were Malay's 12% Chinese and 7% Indians. By 1951, another group of 3,27,773 persons-mainly Chinese became federal citizens by application.

Granting of Independence

2.10 On December 31, 1957 Malay gained independence. At independence the ratio of Malays, Chinese and Indian population were 52%, 36% and 11% respectively.

Formation of Malaysian Federation

2.11 However the fear of being politically dominated by the Chinese (who were in control of the modern sector of economy) continued to drive the Malay leadership of the day to look for more safeguards through induction of additional Malay people in the Federation as citizens. The Malay Federation Government was also concerned with the rising tide of communist influence among

its Chinese citizens. They were also apprehensive of the communist influence which had already taken hold among the Singapore Chinese, as it would have had demonstration effect on the Malayan Chinese.

2.12 To handle the situation, the idea of forming a Federation of Malaysia, consisting of the original Federation of Malay (as the core) and Singapore, Sabah, Sarawak and Brunei as the other constituent, was floated in 1961. From the point of view of the Federation of Malay, the proposed framework was to serve the twin purposes of fighting the influence of communism among the Chinese in Singapore as well as adding more Malay people (of Sabah, Sarawak and Brunei) to the Federation.

Separation of Singapore

2.13 The Federation of Malaysia was eventually created in 1963 with all the proposed constituents, except Brunei which opted to keep its own identity.

2.14 However, in 1965, Singapore was separated from the Malaysian Federation due to differences of opinion with the Federal Government over certain policy matters. The Malays welcomed, the move, as it reduced the number of Chinese population in Malaysia.

2.15 Thus the Malaysian Federation now consists of whole of

Peninsular Malay (with 13 states), Sabah and Sarawak and the composition of different races therein is (i) Malay : 55%, (ii) Chinese : 33%, (iii) Indian : 10% and others : 2%. The majority of Malays live in rural areas while the Chinese and Indian live in cities and plantations. The Malays are all Muslims while the Chinese and Indians are generally Buddhists and Hindus respectively. The Malays are mostly farmers while the Chinese are associated with tin mining, trade etc. and the Indians are with plantations and in other professions.

Constitutional Framework : Safeguards for Malays

2.16 Against this background of racial diversities and their close identification with certain sector's of economy, a set of constitutional safeguards have been devised and enshrined in the constitution to preserve the Malay way of life without harming any legitimate rights of other communities. Thus the Malays have been declared as the "Bumiputera" i.e. sons of the soil and have been accorded some privileges in regard to reservation of government jobs along with the continuation of the arrangement that one of the hereditary Sultans would be Yang di-pertuan Agong (Head of the State). The other safeguard accorded is the declaration of Islam as the state religion which includes acceptance of Islamic values and eithics as the values and ethics of the Federation of Malaysia, despite its multi-

racial character. Besides, Bhasa Malaysia has been declared as the official language of the state and medium of instruction in the country.

Salient Provisions of Constitution : Head of State

2.17 As per the constitution, the Yang-di-pertuan-Agong is the Head of state of Malaysia. Every act of the Government flows from his authority although he acts on the advice of parliament and the cabinet. He appoints the Prime-Minister. The judges of the supreme courts and the High courts are also appointed on the advice of the Prime Minister by him.

2.18 The Yang-di-pertuan-Agong is elected for a period of five years from amongst the nine hereditary rulers of Perlis, Kedah, Perak, Selangor, Sembilan, Johor, Pahang, Terengganu and Kelantan States.

Conference of Rulers

2.19 The constitution also provides for the creation of the Conference of these nine Rulers and acts as a superguardian of the government and state. Apart from its primary duty of electing a sovereign, the Conference of Rulers is required to be consulted on the appointment of judges, the Attorney-General, the Election Commission and the Public Service Commission. Besides, it has to be consulted and has to concur in all matters

affecting Islam's role in the state matter and to any bill brought to ammend the constitution. Consultation with it is likewise necessary in matters affecting the special position of the Malays in the Federation.

2.20 The meeting of the Conference of Rulers is attended by the Prime Minister, Deputy Prime Minister and the Chief Minister of all States.

Parliament

2.21 At Federal level, the legislative power is vested in a bi-cameral Parliament headed by Yang-di-pertuan-Agong and comprises of (i) the Dewan Negera (Senate) and (ii) Dewan Rakyat (House of Representative). The Dewan Negera has 69 senators of whom 40 are nominated by Yang-di-pertuan-Agong, 26 are elected by state Legislative Assemblies (Two from each state) and 3 members represent the Federal territories of Kualalumpur and Labuan.

2.22 Dewan Rakyat is a fully elective body and all members are elected in every five years on the basis of universal adult franchise and has 177 members.

State Legislature

2.23 Each state has a unicameral legislature for which elections are held every five years.

Distribution of Power Between Federal & State Govts.

2.24 The distribution of legislative power between the Federal, State governments are set out in Federal list, State list and Concurrent list.

The main subjects in the Federal list are (i) External Affairs (ii) Defence, (iii) Internal Security, (iv) Civil and Criminal law, (v) Citizenship, (vi) Finance, (vii) Commerce and Industry, (viii) Shipping, (ix) Communication and (x) Health and Labour.

The State list comprise of matters such as Land, Muslim Law, Local Government, Agricultural and Forestry etc.

In the Concurrent list where both Federal and State Government are competent to legislate are Scholarship, Social Welfare, Town and Country Planning.

Political Parties

2.25 Malaysia is also a multi-party democracy and has a number of Political Parties. These parties are generally wedded to the ideas of accommodation of legitimate interest of each communities rather than their assimilation into one entity. They believe in unity in diversity. Of the political parties 13 are represented in the Dewan Rakyat (House of Representatives).

These are :-

- i) UMNO : United Malay's National Organisation
- ii) MCA : Malaysian Chinese Association
- iii) MIC : Malaysian Indian Congress
- iv) GRM : Gerakan Rakyat Malaysia
- v) PBB : Parti Pesake Bhumi Putra Bersater
- vi) SNAP : Sarawak National Party
- vii) SUPP : Sarawak United Peoples Party
- viii) PBDS : Parti Barsu Dayak Sarawak
- ix) PBS : Parti Bersatu Sabah
- x) USNO : United Sabha National Organisation
- xi) HAMIM : Hizbulmuslimim
- xii) DAP : Democratic Action Party
- xiii) PAS : Parti Islam Se Malaysia

Of these parties eleven are part of the Barisan Nasional or Grand Coalition which have been ruling Malaysia since 1963. The parties at sl. xii and xiii are opposition parties in the parliament.

Elections to Parliament

2.26 So far seven general elections have been held in Malaysia. The last one was held in 1986. Despite lot of odds, and with reduced percentage of votes the Barisan Nasional (Grand

Coalition of UMNO, MCA, MIC & 8 other smaller parties) was able to return to power for another five years. The Barisan Nasional had got a comfortable majority of 148 Seats out of the total 177.

The present Prime Minister Dr. Mahathir Mohammad has been the Prime Minister since 1981 and is the Chief of UMNO- which is the biggest party in the Barisan Nasional (i.e. Grand Coalition).

1986 Election

2.27 The 1986 election was a crucial event for Malaysia and in a way a test of Malaysian Political system's resilience. The election was held against the background of severe recession in the economy and more importantly in the face of growing racial polarization specially between the Malays and the Chinese Communities. The Chinese were becoming increasingly uneasy over that they percievedas the accelerating process of Islamisation of Malaysia. The Chinese opposition elements in particular were also resentful of the governments policy of granting special privileges to Malays in the matter of University admission, issuance of bussiness licenses and contracts.

2.28 The Malays had their own grievances against the UMNO lead Barisan Nasional government in that it was not doing enough for the Malays economic welfare or for establishing an Islamic

state and infusion of Islamic values in schools and administration.

2.29 The election result has been viewed by knowledgeable sources as a victory for moderation and accommodation of the legitimate interest of each community. The rural and predominantly Malay voters appear to have rejected the PAS'S radical alternative and voted for moderation and retention of 'Status-quo'. The non-Malays have also opted to retain status-quo but have also sent a clear signal to the government-through lower percentage of their votes cast in favour of the government parties-that the present system of dispensation need to be modified for meeting their legitimate grievances. All in all, it can be said that through the 1986 election, the Malaysian political system has emerged, to a great extent, more matured and strengthened.

Chapter - III

3.0 The Malaysian Economy

3.01 Introduction

Malaysia is a resource rich country. She is the World's leading producer and exporter of natural rubber, palm oil, timber, pepper and tin and also a net exporter of crude petroleum. Malaysia's GNP per capita in 1988 was US \$ 1863 and the projection for 1989 is US \$ 1886.

3.02 Tin and natural rubber accounted for one third of the employment and two thirds of exports at the time of independence in 1957. Malaysia has since then diversified production of other primary products along with a fast growing manufacturing sector. Average growth rate recorded in the 60s was 7% and in the 70s 8% per annum. Manufacturing sector grew steadily over the years with an average investment growth of 11% per annum in the 70s. According to the World Bank figures inflation averaged 4.9% during the period 1965-80 and 1.4% during 1980-86.

3.03 Malaysia's GDP was US \$ 25237 million in 1988 as against US \$ 3996 million in 1970. For 1989 GDP is projected to reach US \$ 26494 million, according to the estimates made by the Economic Planning Unit of the Prime Minister's Department, Malaysia. It will register a growth rate of 4.9% over 1988.

3.04 Development Plans

Malaysia launched its First Five Year Plan in 1956 one year before her independence. Before Malaysia became a federation in 1963 it had already commissioned its Second Five Year Plan. These two plans were called the 5 year Malaya Plans. In 1966 the 1st Malaysia plan was launched. The plan envisaged faster industrialisation and development of infrastructure.

3.05 Malaysia is a multi racial country. The Malays constitute 55%, Chinese 33%, Indians 10% and others 2%. There was growing economic inequality among these three races, the Malays being at the bottom. Malays dissatisfaction resulted into the racial riot of 1969. To mitigate the growing economic inequality between the races Malaysia adopted the New Economic Policy (NEP) in 1971.

3.06 The NEP was formulated for a period of 20 years from 1971 to 1990 with an out-line perspective plan (OPP) implemented through four five year plans. The NEP took a two-pronged strategy (i) to reduce and eventually eradicate poverty, by raising income levels and increasing employment opportunities for all Malaysians irrespective of race and (ii) to restructure Malaysian society to correct economic imbalance, so as to reduce and eventually eliminate the identification of race with economic function and location.

3.07 The NEP had set the following objectives to be fulfilled over a period of 20 years through the four five year plans :

1. Growth rate of 8% per annum in real terms;
2. Full employment of the labour force by 1990;
3. Reducing the incidence of poverty from 49% in 1970 to 17% by 1990;
4. Restructuring of employment in all sectors and at all levels to to reflect the ethnic composition of the population ;
5. Restructuring the ownership of share capital in the corporate sector in a manner so that by 1990, Malaysians own 70% of the total share capital with Bumiputera owning at least 30% and
6. More states to have GDP per capita equal to or above the national average by 1990.

The NEP had set the following physical targets to be achieved by implementing the four five year plans drawn under the outline perspective plan :-

	<u>1970</u>	<u>1990</u>	average annual growth (%)
GDP (in 1970 prices)	M\$ 12.5 billion	M\$ 57.6 billion	7.9
% <u>Share of GDP</u>			
Agriculture	32.1	19.7	5.4
Manufacturing	12.2	26.2	12.2
% <u>Share of employment</u>			
Agriculture	53.5	35.1	(-)
Manufacturing	8.7	16.8	6.7
Unemployment	7.4	3.6	-
<u>Incidence of poverty</u>	49.3	16.7	
Rural	58.7	23.0	
Urban	21.3	9.1	

	<u>1970</u>	<u>1990</u>
<u>Ownership of share capital</u>	M\$ 5.3 billion	M\$ 80.0 billion
Bumiputera	2.4%	30%
Other Malaysians	34.3%	40%
Foreigners	63.3%	30%

3.08 Sectoral Growth

3.09 Agriculture

3.10 The Agriculture sector still contributes about 20% of the total output of the economy. It is dominated by production of natural rubber and palm oil accounting for over 48% of the total production in the agriculture sector.

3.11 The Malaysian Government has taken up measures to re-vitalise the agriculture sector and a National Agriculture Policy (NAP) has been formulated aiming at the maximisation of farm income through raising the productivity of the traditional export crops and development of new crops as well as production of food and industrial crops. The focus is on new land development, rehabilitation of idle land and organised group farming. Institutional and human development is also given re-orientation in terms of emphasis and content.

3.12 The development of the agriculture sector is mainly looked after by the Ministeries of Agriculture and Primary Industries. The Ministry of Agriculture is concerned with the

production of food crops, fisheries and livestock while the Ministry of Primary Industries is responsible for the development of Malaysia's primary commodity sector comprising natural rubber, palm oil, pepper, cocoa, timber, tin, copper and other minerals. The Rubber Research Institute of Malaysia (RRIM) and the Palm Oil Research Institute of Malaysia (PORIM) are devoted to carry out research activities for the improvement in yield, quality, and product development in the respective sectors.

3.13 Manufacturing

3.14 The manufacturing sector is steadily growing in Malaysia. Contribution of manufacturing to GDP rose from 12% in 1970 to 24% in 1988. In 1988 manufacturing sector contributed 48% to the export earnings of the country. Electronic components accounted for about 34% of manufactured exports and 15% of total exports in 1988. The industry has grown rapidly over the last few years facilitated by the free trade Industrial Zones. Gross value of products manufactured by major industries like electronics, electrical goods, food, petroleum, transport equipment, non-metallic minerals, textiles etc. amounted to about US \$ 6.933 billion in 1987.

3.15 Export

3.16 Value of exports in 1988 reached M\$ 53.967 billion (US \$ 20.83 billion) as against M\$ 45.2 billion (US \$ 18.00 billion)

in 1987 recording a growth of 19.39%. In 1987 exports grew at 26.5% over 1986. For 1989 export earnings has been projected at M\$ 58.307 billion envisaging a growth of 8%. Share of export earnings in 1988 from natural rubber was M\$ 5.012 billion (9.29%), palm oil M\$ 4.625 billion (8.57%), logs and timber US\$ 5.750 billion (10.65%), Petroleum M\$ 6.033 billion (11.18%) and manufactures M\$ 26.347 billion (48.82%).

3.17 Import

3.18 Imports also grew in line with export. In 1988 gross total import valued at M\$ 42.302 billion (US\$ 16.33 billion) as against M\$ 32.0 billion (US \$ 13.00 billion) in 1987 recording a growth of 32%. Share of consumption goods was 20.48%, Intermediate goods 50%, and Investment goods 28.6%. Imports for re-export constituted about 1% of total imports.

3.19 Balance of Payment

3.20 The rising competitiveness of Malaysian Industry and bouyant external demand for Malaysian primary and manufactured commodities have led to a substantial growth in its exports. This has resulted in a surplus current accout. However, in the capital account a net outflow was recorded from 1987 but still the reserve position was maintained at a very favourable level to sustain imports for over 7 months.

3.21 Role of the Government

3.22 The NEP led the government to play an increasing role in all sectors of the economy. During the period 1976-80 over one third of domestic funds for private investment came from the federal government. This included equity and loans from the governmental institutions such as Perbadanan Nasional Berhard (PERNAS), The Council of Trust for Indigenous People investors. MiDA maintains 12 oversea offices to promote and encourage foreign investment in Malaysia.

3.23 Private investment has recorded a high growth in 1988 by 17.8% compared to 1987. For 1989 a further growth of 9.4% is forecast. Foreign private investment in Malaysia during 1988 accounted for over 60% of the equity in the private sector investment. During 1988 private savings recorded a surplus over investment by M\$ 7 billion. This surplus, however, has met the resource gap of M\$ 4.45 billion in the public sector during the same year.

3.24 Conclusion

3.25 The NEP entails discrimination in favour of the Malays, the "Bumiputeras" to enable them to catch up economically with the Malaysian Chinese and Indians. The NEP has focussed attention on inequalities among races. Continuance of this discriminatory policy may, in the future, create dissatisfaction among the affected.

3.26 The NEP is to end in 1990, with the completion of the fifth Malaysia plan. The fourth Malaysia plan 1981-85 and the fifth Malaysia plan 1986-90 had to be revised due to the recession in the mid eighties. Revision, however, was in respect of the allocation of resources and Physical implementation of targets but there was no revision of the objectives of the plan process.

(MARA), The Urban Development Authority (UDA), State Economic Development Corporations (SEDC's) and loans and grants for activities such as land development, rubber replanting and housing. The government owns interests in manufacturing through these institutions and agencies.

3.27 The National Petroleum Corporation (PETRONAS) is the governmental agency involved in the prospecting, production and marketing of petroleum. The Heavy Industries Corporation of Malaysia set-up in 1981 is entrusted with the task to promote heavy industries alone or with joint collaboration with private sector. Government expenditure in these spheres exceeds 30% of the GDP. This proportion is quite high compared to countries of similar income.

3.28 To promote industrialisation through the private sector the government has set up the Malaysian Industrial Development Authority (MIDA) as a statutory body to coordinate industrial

development activities by processing of applications for manufacturing licences under the Industrial Coordination Act 1975, providing investment incentives under Promotion of investments Act 1986, employment of expatriates, duty exemptions etc. The Industrial Master Plan (IMP) was implemented in 1986. Based on the IMP a number of sectoral studies were carried out and the MIDA is continuing such studies in new sub-sectors. The MIDA regularly organises overseas investment missions and arrange and conduct briefing, for the visiting foreign

3.29 Malaysia has now taken up the formulation of the economic policy for 1991 and after. A national committee has been formed with 195 members drawn from academicians, scholars, researchers, technocrats, politicians and administrators to deliberate on the review of the NEP and the policy to be adopted after 1990. It will entail a great task for the committee to continue the momentum of the NEP beyond 1990 without a pronounced discrimination among the Malaysian races and eliminate the economic inequalities among them. This will be a real challenge to the plan formulators of Malaysia.

Chapter - IV

Malaysian Administration - Structure & Modernization

4.01 Malaysia introduced for the first time in history, a system whereby only the throne is permanent but the king is elected every five years. No other nation has such a constitution. The system is a manifestation of Malaysian faith in democracy.

4.02 In Malaysia Parliamentary democracy functions within the framework of ancient kingdoms adopted and federated to become constitutional monarchy. The head of the state is elected for a term of 5-years by the conference of rulers to act in accordance with the advice of the Cabinet and the Prime Minister. Every act of government follows from his authority. He is also the supreme commander of the Armed forces.

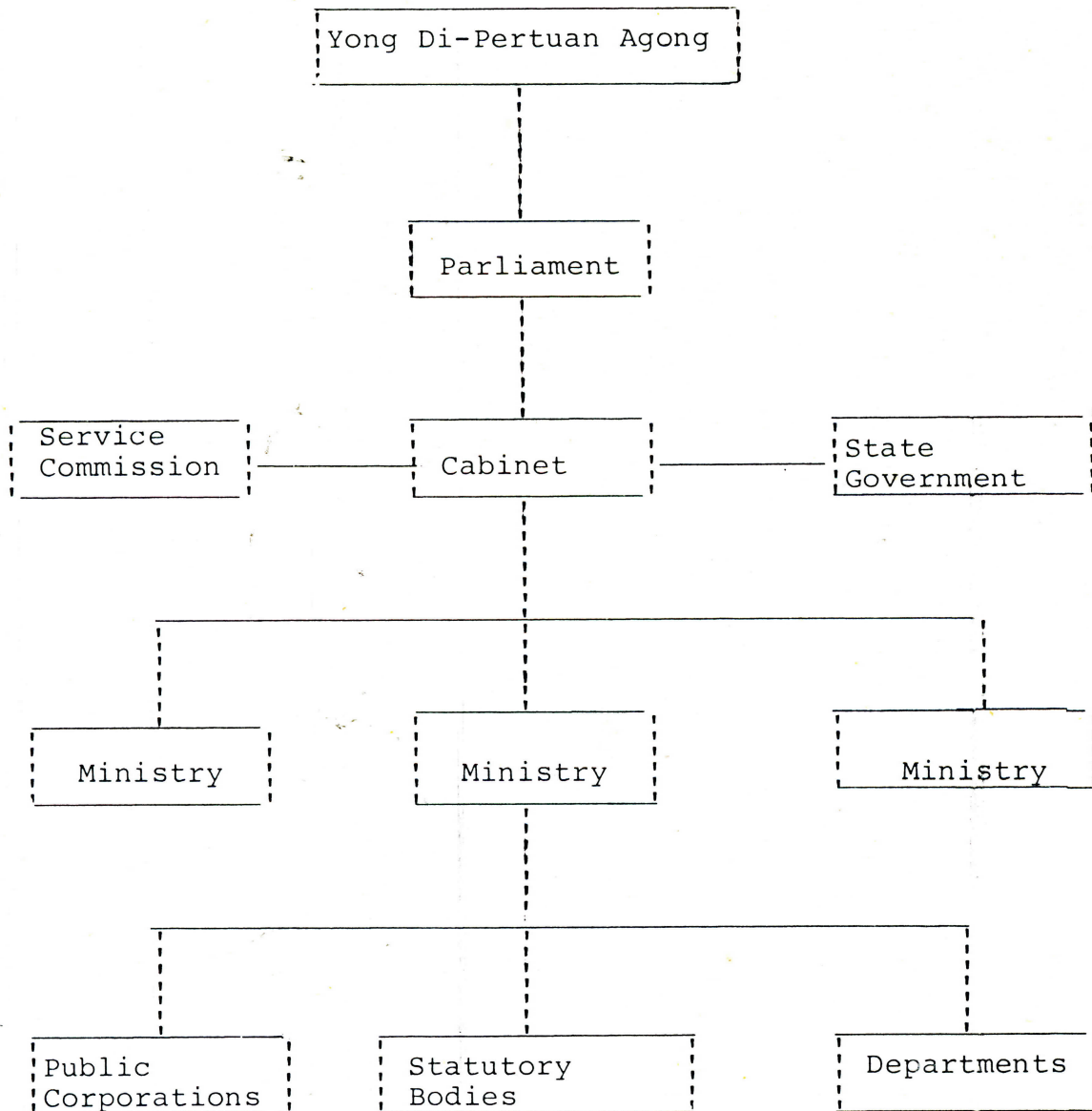
4.03 As we know Malaysia was a British Colony and it gained independence in 1957. Naturally the existing administrative machinery is inherited from the colonial rule. The colonial administration was aimed at system maintenance, collection of revenue and maintenance of law and order. Since independence and Malayanisation of the bureaucracy, public administration has broadened its role to that of people and development oriented. It is not only concerned with the maintenance of law and order but is also oriented, and entrusted with responsibilities of

managing change and development in the country.

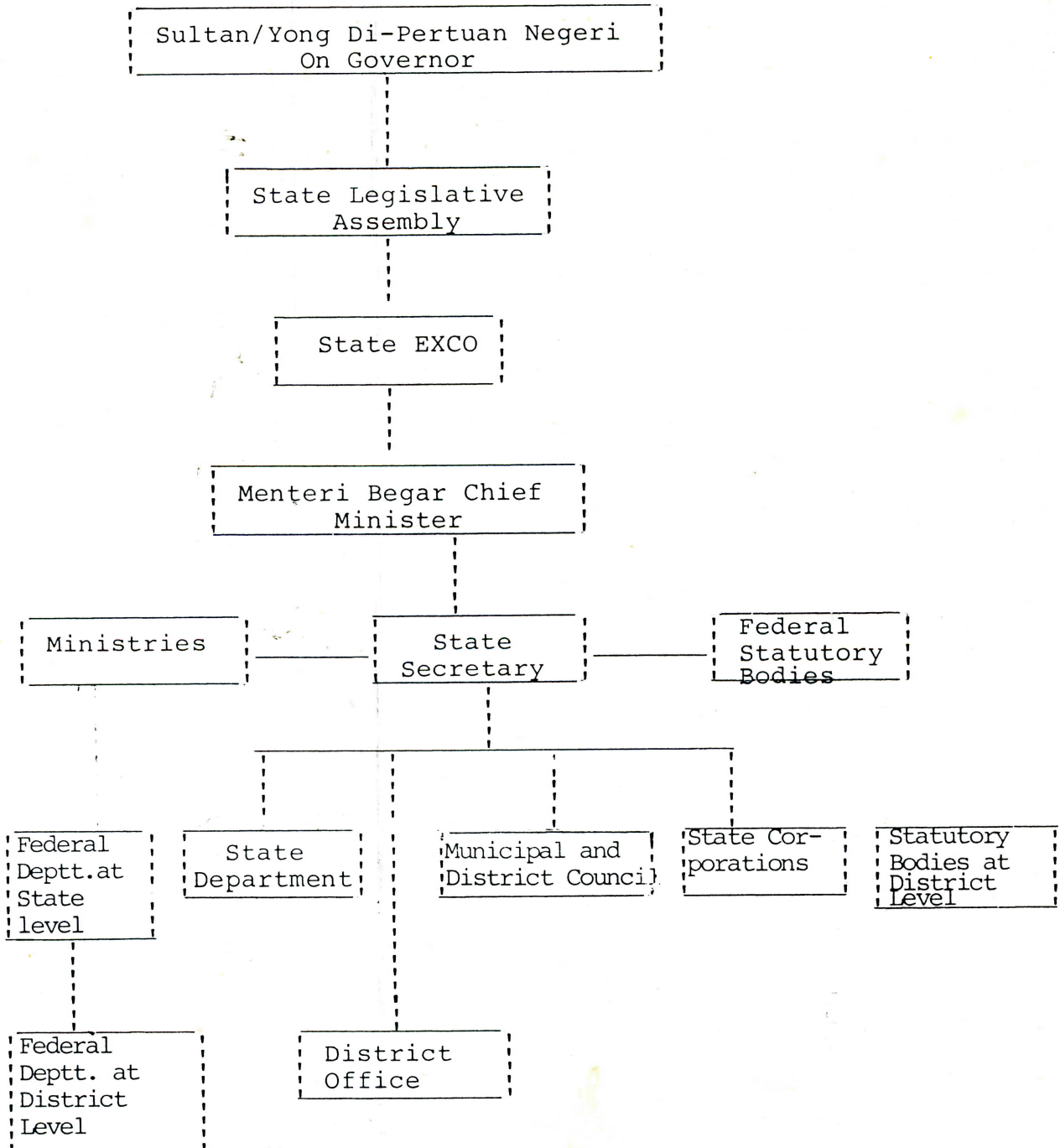
4.04 There are three tiers of Govt. namely Federal Govt., State Govt. and the Local Govt. The Federal Govt. is run by Prime Minister's Department and have the following 20 Ministries :-

- 1) Ministry of Agriculture
- 2) Ministry of Education
- 3) Ministry of Energy, Telecommunication and Posts
- 4) Ministry of Federal territory
- 5) Ministry of Finance
- 6) Ministry of Foreign Affairs
- 7) Ministry of Health
- 8) Ministry of Home Affairs
- 9) Ministry of Housing & Local Govt.
- 10) Ministry of Information
- 11) Ministry of Labour
- 12) Ministry of Land & Regional Development
- 13) Ministry of Primary Industries
- 14) Ministry of Public Enterprises
- 15) Ministry of Science and Technology & Environment
- 16) Ministry of Transport
- 17) Ministry of Welfare Services
- 18) Ministry of Works
- 19) Ministry of National and Rural Development
- 20) Ministry of Fisheries.

Administrative Structure of the Federal Government

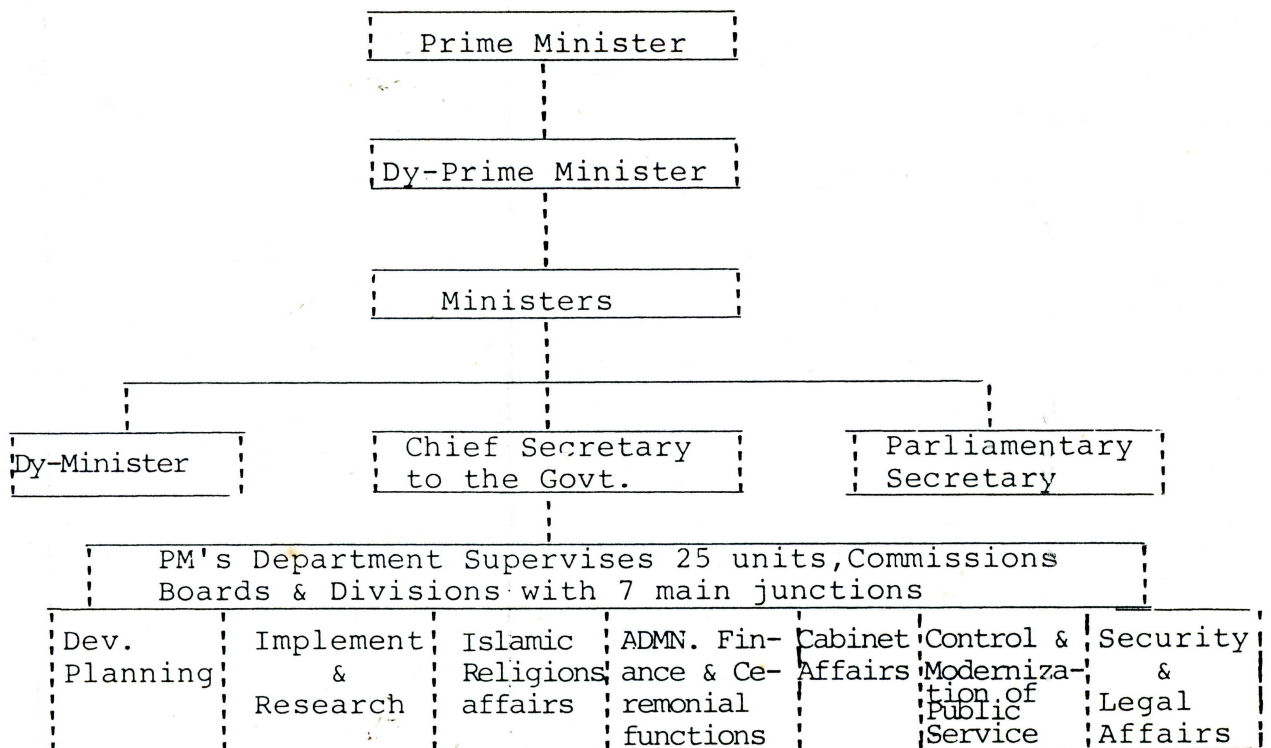


Administrative Structure of the State Government

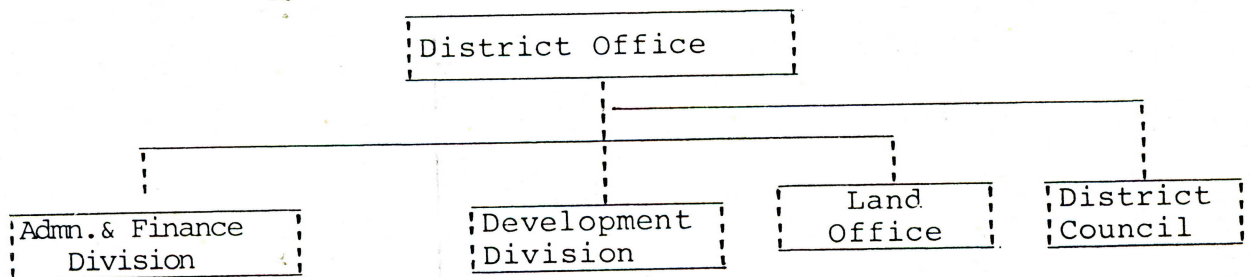


4.05 Each State is headed by a Sultan or Raja or Yong De Pertuan Besar (Governor). Each State has its own written constitution and legislative assembly. Every State Legislature has powers to legislate on matter not reserved for Parliament. Each state is divided into districts, each under a District officer. There are 127 Districts in Malaysia. Each District is sub-divided into Mukim headed by a "Penghulu" (Chief). A mukim normally consists of a few villages. Each village is headed by Village Headman or "Ketua Kampung".

4.06 Now let us discuss the organisation of the Prime Ministers' Department :-



4.07 The District office is the focal point of administration in the state level. The district officer is the pivot of administration. He is the chief co-ordinator of the district. Office organisation of a district is given below :-



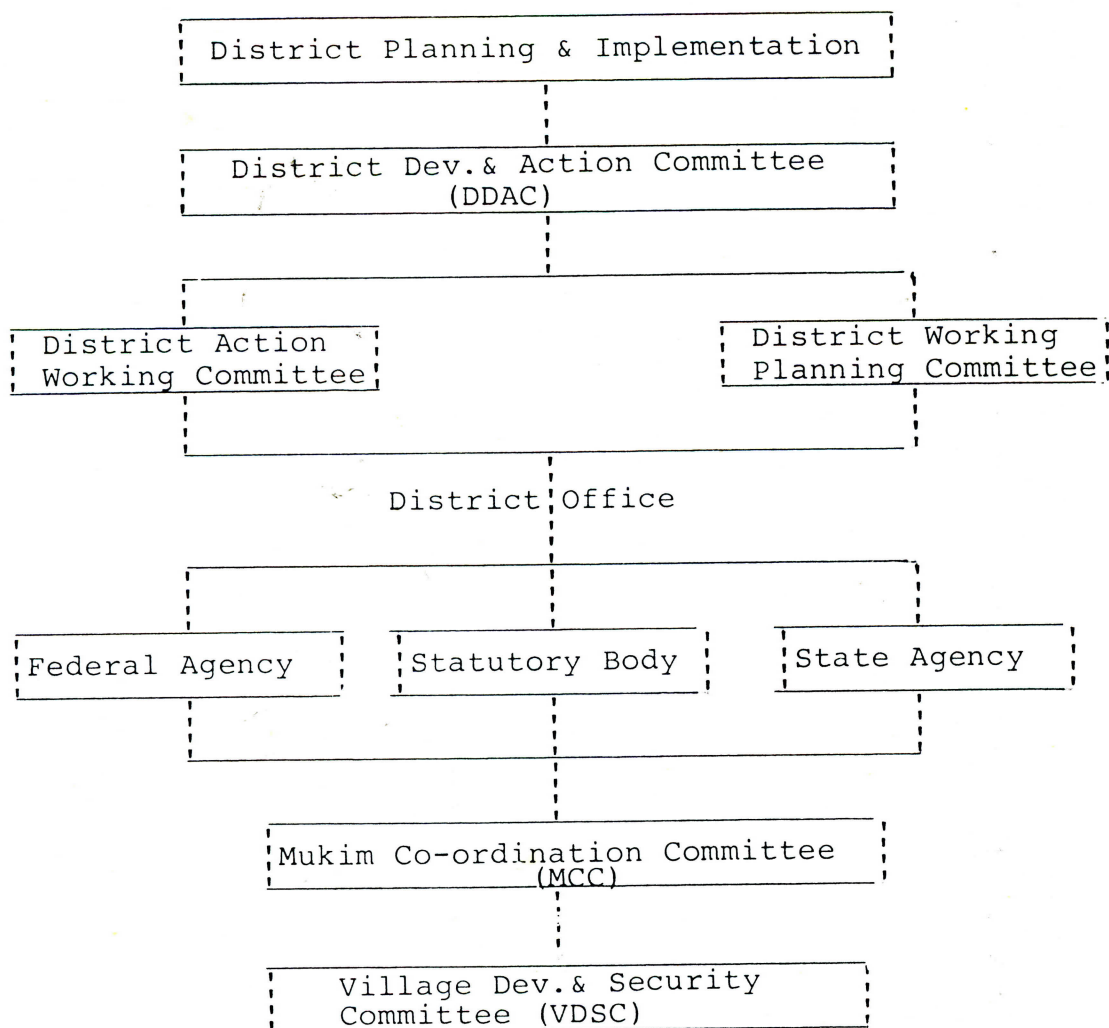
Function of the District Officer

- 4.08 The following are the main functions of a District Officer :-
- i) Planning, Co-ordinating & monitoring of development projects;
 - ii) Planning and implementing rural development projects;
 - iii) Collecting revenue and land administration;
 - iv) General administration such as public functions, licences and permits;
 - v) Organising Public/Social functions;
 - vi) Co-ordinating district Security.

4.09 District officer is the land administrator as well as a Magistrate. He heads District Planning working committee, District Security Council, District disaster committee, District

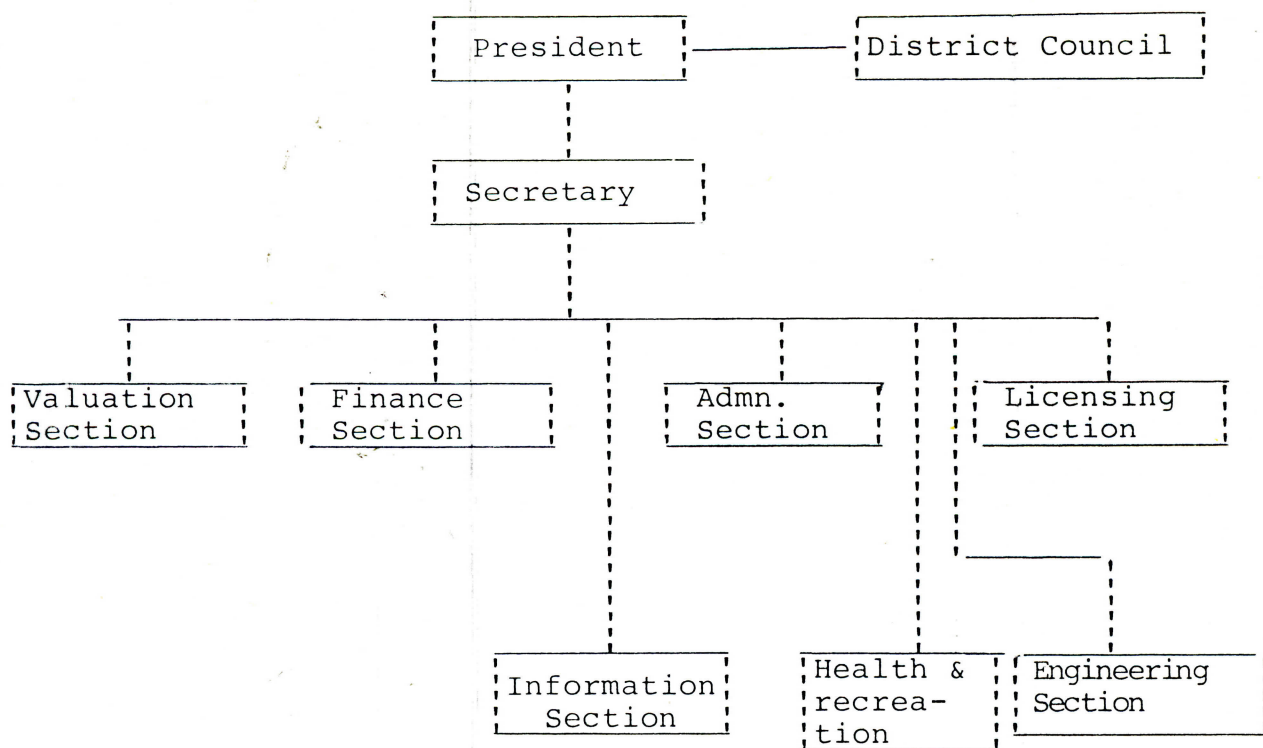
Committee etc. He is also the licensing officer. He arranges sports and cultural programme. He sets integration programme for maintaining cordial relationship with the multi-racial and multi religious citizens.

4.10 In the district there is a District Planning and implementation machinery as shown below :-



4.11 The district office maintains a 'Rural Economic Development' (RED) book. Development programmes are undertaken as per that book. This may be compared with our Upazila plan book.

There is existence of local govt. like District Council. Organisational chart of a District Council is shown below :-



Reforms in Malaysian Administration

4.12 After the independence of the country the Malaysian Govt. undertook a number of reforms in the sphere of administration to adapt itself to the changing political, economic and social environments in order to survive and remain a viable machinery for the purpose of the state. A greater emphasis is being placed on behavioral and attitudinal change among civil Servants. The first stirring of reforms began when the need was felt for a strong machinery to implement the government plans for a rapid socio-economic development of the country. The first effort at administrative reform was initiated in 1965 with the establishment of the Development Administration Unit (DAU) with the aim of planning and guiding the major programmes in administrative improvements. According to the notion of development administration, the administrative machinery was to be geared to change and professional administrators were to consider themselves as agents of change.

4.13 One of its major programmes in the early years of its establishment was a study on training needs in the civil Service of Malaysia. The report of the study made several proposals regarding short and long term plans for upgrading the training facilities in the civil service.

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4.14 The outcome of the report was the establishment of the

National Institute of Public Administration (INTAN) in 1972 replacing the Staff Training Centre. The institute was created with the aim of professionalizing the civil service to undertake the development effort with the object to increase the capacity and effectiveness of all public agencies in the formulation and implementation of policies and development programmes, to develop the Malaysian Civil Service to become progressive, dedicated, motivated and responsive to the needs of the country and to cultivate the right attitude among the civil servants in fulfilling their role in the Malaysian society. INTAN as a national institution for the training of civil officers, has the following objectives :-

- * Understanding and practice of the principles of Rukunegara.- ISLAMIC VALUES;
- * Realization and commitment to Government Policies;
- * Sensitivity towards the environment ;
- * Problem solving ability related to national administration and development ;
- * Pride in quality of work and service to the people.

4.15 Although the Public Administration System comprises Government Ministries, department and statutory bodies, it has to operate within the integrated socio-cultural, economic and political system. In this context, INTAN aims at providing linkages between these two systems as to ensure that training

is relevant to the real problems confronted by the governmental agencies and is an integral part of the process of national development.

4.16 .. INTAN conducts 5 types of courses. These are :

- * Courses which are aimed at resolving general management problems at various levels of the Public Sector.
- * Courses which are aimed at increasing the knowledge. Skill and efficiency of officers from specific sectors of the government service.
- * Courses and seminars for the purpose of improving certain aspects of management problems which beset a particular public agency.
- * Courses which apart from increasing the knowledge, skill and efficiency of government officers are aimed at evaluating the suitability of such officers for promotion.
- * Courses or Seminars for the purpose of study the various aspects of planning and implementation of public policy.

✓ 4.17 INTAN and BPATC Bangladesh should explore the possibility of co-operation for exchange of information and technical knowhow in respect of civil officers training matter. ✓

4.18 The Development Administration unit also undertook review of organisational structures, processes and procedure. The land and district administration was thus scrutinised in terms of its structure and operating procedures and regulations. In the arena of public personnel management the late 60's and early

70's also witnessed a review of the recruitment, promotion, discipline and personnel evaluation policies and practices. Financial Management in the Civil Service underwent a major change with the installation of Programme Performance Budgeting System (PPBS) to replace the traditional line. The formulation of NEP in 1971 aimed at eradicating poverty, and the re-structuring of society had hastened the pace of development oriented bureaucratization of the Civil Service.

4.19 The significant historical era starts with the emergence of Malaysian Administrative Modernization and Manpower Planning Unit (MAMPU) under the Prime Ministers' Department in 1977. The establishment of MAMPU to take over from where DAU left off reflects the renewed concern to bring about change and innovation into the civil service. MAMPU was thus given the responsibility to undertake studies on major problems in administrative development and to propose measures to resolve them. Besides, MAMPU was also given the responsibility of co-ordinating the manpower planning activities in the civil service.

Objectives of MAMPU

4.20 The objectives of MAMPU are to effect changes in the management and administration of the public sector with a view to improve its effectiveness, efficiency and productivity in accordance with national requirements.

Areas of Focus

- 4.21
- i) Attitudes, values and organisational culture
 - ii) Work system and procedures
 - iii) Counter Services (for Public)
 - iv) District Administration and Local Authority
 - v) Cost saving measures
 - vi) Management Information System.

Role of MAMPU

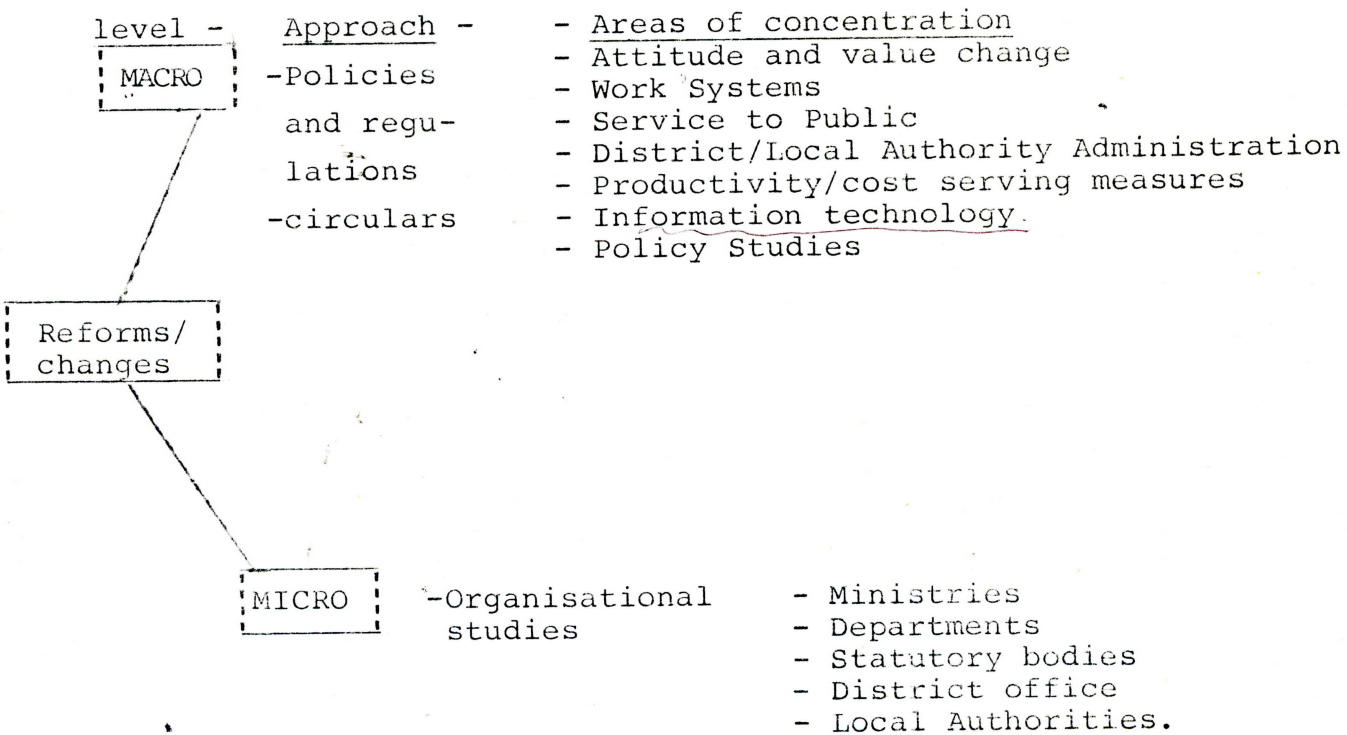
4.22 To attain the aforesaid objectives MAMPU's role is that of :

- i) The Prime mover in effecting changes and administration of the public sector ;
- ii) Consultant and facilitator to govt. agencies ;

The following are the steering/Advisory Committees :-

- i) National Committee for Dev. Admn;
- ii) Panel on the code of ethics in Public Service;
- iii) National Committee on data processing ;
- iv) Committee on the appointment of Management Consultants.

4.23 Ways to bring about changes in administrations as followed by MAMPU are shown below :-



4.24 Now we may briefly note down the points relating to attitude and value change in the following :-

- i) Ethics of Civil Service
- ii) Punch Card System
- iii) Leadership by example
- iv) Assimilation of Islamic values :
(Trustworthy, Responsible, Sincere, Dedicated, Moderate Diligent, Clean, Disciplined, Co-operative, Courteous, Thankful.)
- v) Look East Policy
- vi) Malaysia Incorporated Concept
- vii) Name tag.

System Improvements

- 4.25
- (1) Manual of office procedure/Desk file
 - (2) Open space office concept
 - (3) Management by meetings
 - (4) Guidelines for Govt. correspondence
 - (5) Quality control circle.

Improvement in Services provided to the public

- 4.26
- * ✓ One stop bill payment centre
 - * ✓ One stop service centre
 - * ✓ One stop licence centre
 - * GIRO System ✓
 - * Suggestion box
 - * Best office award programme.

4.27 The success of one stop payment and one stop service centres has inspired MAMPU to introduce the one-stop licensing centres to facilitate the public in obtaining various licenses from the local authorities. Frequently obtaining a licence for doing things such as business, hawking and entertainment in local authorities requires that the applicant seek the approval of several authorities. This usually meant a long - winded process of going to the various agencies. Under the new system applicant need only to apply to one authority who then proceeds

to obtain the approval of other relevant authorities. This system thus cuts red-tape for the public, encourages co-operative efforts among agencies and promotes a new orientation in the provision of service.

4.28 MAMPU brings improvement in the District Administration in the following way :-

- (1) Establishing Model District Office
- (2) Upgrading District office posts
- (3) In-Situ Dev. Training
- (4) Implementation of 'RED Book' system

4.29 The objectives of the Model district are :-

- (1) to resolve district administrative problems
- (2) to practise modern management
- (3) to utilize modern equipment
- (4) to be an example for other district offices working towards a clean, efficient and trustworthy administration.

4.30 The following are the elements of productivity as considered by MAMPU :-

- (1) Cost saving (2) Increase of output
- (3) Improvement in quality
- (4) Reduction in time taken to produce output.

4.31 The following computer services are rendered by MAMPU :-

- (1) Secretariat to the National Data Processing Committee;
- (2) Undertaking feasibility Studies for Govt. agencies;
- (3) Undertaking evaluation and selection of computers;
- (4) Developing systems and programme for user agencies.

4.32 The objectives of the punch-card system are :-

- (1) to instil time consciousness
- (2) to instil self-discipline
- (3) to increase responsibility towards the public and
- (4) to instil a sense of urgency.

4.33 Objectives of 'name tag' are :-

- (1) to enable easy identification
- (2) to maintain one's image and that of the department and the Civil Service and to instil the pride in one's efforts.

4.34 Open space office concept

- i) to enable effective communication and work flow
- ii) to enable easy and effective supervision
- iii) to save office space and cost
- iv) to encourage closer report among workers and
- v) to ensure flexibility of office layout to accommodate changing number of staff and functions.

4.35 Desk file : Objectives

- i) to enable a better understanding of work and organisational objectives;
- ii) to provide a detailed guideline on carrying out one's work, and
- iii) to explain one's work relationship with other officers in the organisation.

4.36 Suggestion box : Objectives

- ☐ To give opportunities to workers at all levels and to members of the public to make suggestion to the management on all matters pertaining to a particular department.

4.37 Leadership by example : Objectives

- i) To encourage the development of leadership qualities and moral values;
- ii) To encourage the setting up of examples of good leadership amongst civil servant;
- iii) To develop the motivation to work.

4.38 The following are the strategies to implement modernization programme :-

- (1) Awareness campaign;
- (2) Training;
- (3) Support from management;
- (4) Evaluation system ;
- (5) Provision of incentives ;
- (6) Pilot projects.

4.39 Since its establishment, MAMPU has been active in initiating and instituting changes in administration. It has undertaken numerous organisational studies to improve the management and organisation of departments and Ministries. Land and district administration has continued to receive the attention of the reformers and MAMPU dedicated itself to the creation of modern district offices to improve the delivery of services to the people

at the grass root level. In the area of manpower planning and development MAMPU undertook various projects including the manpower planning Master plan at the National level and guidelines for planning and budgeting. MAMPU continues till to-day its role in spearheading the administrative improvements and modernization in the Malaysian Civil Service.

4.40 However, the biggest influence on administrative reform efforts in the 80's derives from the changing political climate which has provided a new spirit and direction to reform efforts. The Govt. have formulated various policies designed to achieve national goals given the problems and constraints that face the nation in 1980's. Among the policies that have most direct effect on the civil service and subsequently the reform efforts are the (i) Look East Policy (ii) the establishment of a clean, efficient and trustworthy administration, (iii) privatization, (iv) Malaysia Incorporated, & (v) increase in productivity and reduction of public expenditure etc.

Chapter - V

Conclusion and Recommendations

The most noticeable feature that emerges from the study of the socio-economic and administrative systems of Malaysia is that, through systematic adoption of a modernization programme, the government of Malaysia, rapidly moved away from a colonial political and administrative set-up to suit the needs and aspirations of her people. While on the political front one observes a stable link up between modern democratic system with traditional kingship with particular attention to the needs for racial harmony, on the administrative front, it is seen that the modern concepts and practices have been carefully orchestrated to respond to the rapid socio-economic advancement with emphasis on effectiveness, efficiency and accountability. The present day level of modernization, however, has not been achieved overnight. Success in this sphere is largely due to early recognition of the problems inherent in colonial system and adoption of a systematic approach towards modernization.

From the outset, Malaysia tried to institutionalise the modernization process. The journey started with the establishment of Development Administration Unit (DAU). Through eventual setting up of MAMPU - an institution completely devoted to the modernization has been firmly set on course. One can clearly see

the concern of the government for attitudinal changes in the bureaucracy and in the various public functionaries. INTAN, a training wing of the government was fully geared to inculcate favourable attitude through training.

In shaping the administrative system, Malaysia has followed a pronounced LOOK EAST POLICY and through it has attempted to inculcate a new vision and philosophy tuned to the development strategy.

✓ A perceptible feature of Mahathir administration is its emphasis on Islamic Values. In a pluralistic society, inhabited by different ethnic and religious groups, emphasis on Islamic values by Mahathir administration may be misunderstood. In defence one can say that 80% of the bureaucrats are muslims and the Islamic values are universal values - equally applicable to all-irrespective of racial identities. But there is another argument in favour of Mahathir administration. If welfare state means greater good to the greater number of people one has to analyse the value system of the Bumiputeras. Mahathir observes :-

" the value concept of Islam in Malaysia are affected by the much older faith of the Malays. Some, especially animism, have a much greater hold on the rural than the urban Malays. The influence of these run counter to Islam."

" self examination which occupied so much of the attention of the Greek philosophers is not regarded as a great virtue. Deliberate critical self analysis is therefore uncommon and results in complete failure to relate cause and effect."

"The firmness of will in aggression, in withdrawal or indurance directed by a true insight into a situation, as described by Plato, is not part of the Malay make up. Firmness is not a Malay characteristic at all."

Therefore, a new society with positive values which would respond to the development needs of the age, on the one hand and to compete with the two other ethnic groups in order to have a just share in the economic well being, on the other, has to be created by conscious planning. Political leaders and founding fathers of the nation have recognised this issue which was reflected in the constitution and the new economic policies. Adoption of Islamic values in the Nation has to be viewed in this light.

In this background of information about Malaysia's modernization effort in the administrative sphere, the question that may be pertinently asked is : Can we draw any lessons from Malaysian experiences ?

There is no denying the fact, and (this has also been adequately recognised by Bangladesh Government, that an efficient administrative system is the key to success in all-round development efforts. Keeping this in view, Bangladesh has attempted to revamp and streamline the administration from time to time. But no systematic effort or institutional process has been initiated or sustained in this direction as has been done through the MAMPU. Sporadic attempts to reform the administrative system

were taken in Bangladesh by different regimes. Unification of Civil Service, Decentralisation of Administrative System are some of the notable reforms which can be cited. One is prone to conclude, however, that while Malaysia has ensured a continuity in approach, Bangladesh's approach is rather ad-hoc in nature. Bangladesh has largely demonstrated a "Committee approach" while Malaysia has followed an institutional approach. Committee approach due to its structural and functional reasons and also for specificity of TOR cannot function like an institution. Committee because of its transient nature lacks motivations and professionalism. In order to institutionalise the process of administrative reforms the establishment of MAMPU type organisation is recommended for Bangladesh. The organisation may be placed under the direct control of the President and located in the Cabinet Division. The organisation should be charged with the responsibility of acting as a coordinating and monitoring body and a think-tank for innovating ideas for administrative reforms on a continuous basis.)

While reforms of more fundamental nature would need a comprehensive prior study and identification of the administrative shortcomings vis-a-vis the goal of a development oriented system, the following ideas may be borrowed from Malaysia's experiences for adaptation in Bangladesh as short term measures for administrative reforms :

Review of the Report

The study tour report, entitled, "An insight into Malaysian Administrative Reforms" was presented by the participants in a seminar on 6 April, 1989. The session was chaired by Mr. A.M. Anisuzzaman, Rector, Bangladesh Public Administration Training Centre, and was attended by senior faculty members of the centre. The objectives of the seminar was to review the report and identify the issues which were relevant for Bangladesh. The report which was earlier distributed was not read out in full but its salient features were highlighted. The main thrust of the study tour report was the onset of the institutionalisation process of administrative modernisation in Malaysia. Although there are uniformities & diversities between Bangladesh & Malaysia, there are issues which Bangladesh could consider to emulate. Participants, after reviewing the modernization effort in the Bangladesh administrative system, observed that Bangladesh's administrative reforms were featured by adhocism, although in recent times, significant administrative reorganization measures have been initiated in Bangladesh. But these were the outcomes of sporadic attempts based on committee approaches. Institutionalization of the modernization process in administration in Bangladesh is yet to begin. In contrast, Malaysia has initiated an institutional process through MAMPU*. The study group, therefore, recommended a MAMPU like organisation for Bangladesh which would take care of the pitfalls of

* Malaysian Administrative Modernization and Manpower Planning Unit.

Bangladesh's approach to administrative modernization.

Mr. Arabindo Kar, Director, PPR, congratulated the participants of the 8th ACAD course for the report and he, in principle, agreed to the suggestions of MAMPU. He particularly emphasised the need for an institutional approach rather than a committee approach to modernization in Bangladesh which was also the contention of the study group. Dr. S. A. Samad, Member Directing Staff, however, differed and said that no new organisation was necessary for bringing in administrative reforms in Bangladesh. Given the commitment and the will to change, one could do it fruitfully within the present set-up. Mere proliferation of organizations would not ameliorate the situation. The need of the hour was to activate and make the present system work. Dr. Ekramul Ahasan, Member Directing Staff, made a few comments on the study tour report. He observed that during the whole period of the study tour only five sessions on Malaysian administrative affairs and allied topics were employed. This constricted the study group's effort to penetrate indepth in the Malaysian Administrative dynamics. The report provides a good account of Malaysia with some reference to its administration reforms. He also particularly mentioned the use of computer in monitoring implementation of development projects in Malaysia which could have been useful for Bangladesh. BPATC could emulate the role of MAMPU in Bangladesh by providing consultancy services in administrative innovative activities. Mr. Mosharraf Hossain,

team leader of the study group, observed that MAMPU had altogether a different mandate. Role of BPATC & MAMPU could be compared retrospectively and it would be evident that these institutions differ structurally & functionally. In Bangladesh, there was no parallel organization to MAMPU which could initiate and implement innovative administrative activities.

Infusion of Islamic moral values in all spheres of national life became another focal-point of discussion. The participants elaborated the role that Islamic values had been playing in the Malaysian society. Mr. A. M. Anisuzzaman, Rector, observed that the Malaysian society had been facing a value conflict and this was exacerbated by the values of different ethnic groups and influence of animism. In such a situation, Islamic values provided a good ground to inculcate a new value system and also to consolidate Malayan unity. On the other hand, Bangladesh is rich in her values and legacy. One has to be cautious about the value system of a country. Values are not static, they change dialectically in interaction with social and non-social factors. Mr. Zaman eulogized the Malaysian Prime Minister for his bold step in inculcating new values in the old society. But what was good for Malaysia might not be good for Bangladesh. He emphasised the need for creation of new value system for Bangladesh which would be responsive to the development needs of the country.

OFFICERS FROM 17-28 MARCH, 1989.

<u>DATE</u>	<u>TIME</u>	<u>PLACE</u>	<u>EVENTS</u>	<u>CONTACT PERSON</u>
17 March, 1989 (Friday)	11:00 AM 2:30 PM	Subang Airport	Arrival Briefing at Bangladesn High Commission	Tuan Hj Azmi bin Abu Sujak
18 March, 1989 (Saturday)	9:00 AM	MAMPU, 4TH Floor, Wisma PKNS, Jln Raja Laut Kuala Lumpur	Briefing on: i) Modernization of Malaysian Administration; ii) One stop payment	
	3:00 PM		Sight seeing	
19 March, 1989 (Sunday)	9:00 AM		Visiting to Genting Highland	
20 March, 1989 (Monday)	9:00 AM	INTAN, Bukit Kiara Jalan Damansara Kuala Lumpur	Briefing on i) Civil Service Structure ii) INTAN Training Activities	Encik Ali Badoon bin Hj Sager (PSD) Encik Ibrahim bin Hj Md Ghaus (INTAN)
	2:30 PM	PROTON Shah Alam, Selangor	Briefing and visit	Puan Nik Kamariah bt Nik Abd Rahman
21 March, 1989 (Tuesday)	10:30 AM	Seminar Room, Deptt. of Political Science, Block 'D' University Kebangsan, Malaysia, Bangi	Lecture on Political System in Malaysia	Wan Abdul Rahim
	2:30 PM	Motorola Malaysia Sdn Bhd (Electronics Factory) Sungai Way, Near Petaling Jaya.	Briefing and visit	Encik Hashim Hj Abdul Majid

<u>DATE</u>	<u>TIME</u>	<u>PLACE</u>	<u>EVENTS</u>	<u>CONTACT PERSON</u>
22 March, 1989 (Wednesday)	9:00 AM	APDC, Pestiaran Duta, Kuala Lumpur	Briefing	Encik Abdul Hamid bin Salleh
	2:30 PM	Economic Planning Unit PM's Department, Jln Dato Onn, Kuala Lumpur	Briefing on New Economic Policy covering eradication of poverty and Social Structure	Encik Md Daud bin Mohd Yusuf
23 March, 1989 (Thursday)	9:00 AM	Rubber Research Institute Experimental Station Sungai Buloh, Selangor	Briefing and visit	Tuan Haji Ahmad Azli bin Mohd Yusof
24 March, 1989 (Friday)	10:30 AM	Kajang District Office	Kampung (Village) Visit	Encik Ishaq or Encik Md Noor
25 March, 1989 (Saturday)	11:00 AM	Klang	Visit to Bukit Raja Palm Oil Mill	
26 March, 1989 (Sunday)	7:30 AM	Malacca and Johor Baru	Visit	
27 March, 1989 (Monday)	10:30 AM	PORIM, No. 6 Pestiaran Institusi, Bandar Baru Bangi, Selangor	Briefing and visit	Encik Mohd Anir
28 March, 1989 (Tuesday)	8:00 PM	Hotel Merlin	Dinner Hosted by Team Leader	
	9:30 AM		Departure from Hotel	

PROGRAMME FOR VISIT OF BANGLADESH GOVERNMENT
OFFICERS FROM 17-28 MARCH, 1989.

DATE	TIME	PLACE	EVENTS	CONTACT PERSON
17 March, 1989	11:00 AM	Subang Airport	Arrival	
(Friday)	2:30 PM		Briefing at Bangladesh High Commission	
18 March, 1989	9:00 AM	WAMPU, 4TH Floor, Wisma PKNS, Jln Raja Laut	Briefing on: 1) Modernization of Malaysian Administration	Tuan Hj Azmi bin Abu Sujak
(Saturday)		Kuala Lumpur	11) One stop payment	
	3:00 PM		Sight seeing	
19 March, 1989	9:00 AM		Visiting to Genting Highland	
(Sunday)				
20 March, 1989	9:00 AM	INTAN, Bukit Kiara	Briefing on	Encik Ali Badoon bin Hj Sager (PSD)
(Monday)		Jalan Damansara	1) Civil Service Structure	Encik Ibrahim bin Hj Md Ghau (INTAN)
	2:30 PM	PROTON	Briefing and visit	Puan Nik Kamariah bt Nik Abd Rahman
		Shah Alam, Selangor		
21 March, 1989	10:30 AM	Seminar Room, Deptt. of Political Science, Block 'D' University Kebangsaan, Malaysia	Lecture on Political System in Malaysia	Wan Abdul Rahim
(Tuesday)				
	2:30 PM	Motorola Malaysia Sdn Bhd (Electronics Factory) Sungai Way, Near Petaling Jaya.	Briefing and visit	Encik Hashim Hj Abdul Majid

List of Participants

1. Mohammad-al-Haroon
Director (O&C)
Ministry of Foreign Affairs.
2. Amiruddin Ahmed
Deputy Registrar
Trade Marks Registry
Ministry of Commerce.
3. A.K.M. Rafiqul Hussain
Deputy General Manager
Bangladesh Krishi Bank.
4. Md. Abdul Jalil
Deputy Secretary
Ministry of Law and Justice
Bangladesh Secretariat
Dhaka.
5. Md. Abdul Haque Miah
Deputy Chief
External Resources Division
Ministry of Planning.
6. Shamsuddin Ahmed
Project Director
Integrated Fisheries Development Project
Matshya Bhabon
Park Avenue, Ramna, Dhaka.
7. Khairuzzaman Chowdhury
Deputy Secretary
Ministry of Finance.
8. Md. Abdus Satter
Director
President's Secretariat
Dhaka.
9. Md. Hossain Ali
Trade Consultant
Ministry of Commerce
Dhaka.
10. Ziauddin Ahmed
Director
Implementation, Monitoring and Evaluation Division
Ministry of Planning
Block - 11
Shere-e-Bangla Nagar, Dhaka.

11. Md. Taslim Uddin
Superintending
Draft Circle - 4
Water Development Board
Dhaka.
12. Saiyid Musharraf Hussain
Director
Bangladesh Rural Development Board.
13. Md. Najmul Islam Chowdhury
Deputy Secretary
Ministry of Land.
14. Abu Naser Wahid
Controller of Imports & Exports
Chittagong.
15. Syed Khairul Islam
Deputy Secretary
Ministry of Home Affairs.
16. Dabiruddin Ahmed
Chief (R&D)
Department of Agricultural Marketing
Deptt. of Agriculture Marketing.
17. K. M. Zulfiqar Hossain
Superintending Engineer
Water Development Board.
18. Fazlul Hussain Yusuf
Senior Instructor
Rural Development Training Institute.

Officials

Team Leader

19. M. Hossain
Director
Bangladesh Public Administration Training Centre
Savar, Dhaka.
20. M. Kamal Uddin
Deputy Director, BPATC,
Savar, Dhaka.
21. Md. Shirajul Islam
Deputy Director, BPATC,
Savar, Dhaka.
22. Khan Amir Ali
Deputy Secretary,
Ministry of Establishment
Dhaka.

MALAYSIA-COUNTRY PROFILE

1.	Area (000 sq km.)	330.4
	% Cultivated	15
	% Forest	80
	% Pasture	2
2.	Population	
	Total 1988 (m)	17.0
	% average annual growth rate (80-87)	2.4
	Projected year 2000 (m)	20.9
	Urban Population (%)	35
	Infant Mortality per 1000	30
	Life expectancy	67
	Death rate per 1000	7
	Birth rate per 1000	31
3.	Workforce	
	Total (m)	6.08
	% Services	27.7
	% Manufacturing	16.43
	% Agriculture & fisheries	31.23
	% Construction	5.86
	% Government and Public Authorities	13.88
4.	Social	
	Persons per Doctor	2986 (1986)
	Literacy Rate (%)	76
	Length of Railways (km)	1580
	Length of Paved High ways (km)	31,210

5. Production and Prices

GDP 1988 (US \$ bill)	25.24
1988 (US\$)	18.63
GDP, real growth '87(%)	5.2
1988 (forecast)	7.4
% average GDP growth (83-87)	3.9
Agriculture as % GDP	21
Manufacturing as % GDP	25
Gross capital formation as % GDP	33.1
<u>Consumer prices (% rise)</u>	
1987	2.5
1988 (forecast)	5

6. Foreign Trade

Merchandise exports (US \$ M)	
1986	13,348
1987	16,834
1988 (est)	20,331
Merchandise Imports (US\$M)	
1986	10,536
1987	12,050
1988 (est)	16,181
Foreign trade as % GDP	95.6
Foreign Reserve (US\$M)	7,701.9
Public Foreign Debt (US\$M)	17,632.4
Public debt service ratio %	16.2

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