The public administration's primary function is to execute government policies at all levels (federal, state and local) of the nation's administration. Malaysia's public administration has its origins in the British colonial administration. The history and the socio-political makeup of the country have shaped its public administration since Malaysia gained independence in 1957, although reforms have been made to institutions, procedures and work processes to accommodate new roles and functions. The neoliberal stance of international lending institutions, such as the International Monetary Fund and the World Bank, influenced thinking especially in the 1980s and had an impact on reforms made in the Malaysian public bureaucracy. Nevertheless, as stipulated in the Federal Constitution, public administration very much embodies the history, culture and religion of the country.

Two earlier authors succinctly described the nature of its character. Tilman (1964a) argued that contemporary Malayan bureaucracy must be viewed as a product of the total Malayan environment, for its development has been influenced by the culture, history and politics of Hinduism and Islamic, colonial and independent Malaya. And the work of Puthucheary (1978) clearly describes the post-independence bureaucracy, which she argues is paradoxically highly professional, without any political interference in its recruitment, but so culturally embedded that it is a microcosm of the Malaysian society at large.

The purpose of this chapter is to review some of the key developments of public administration in Malaysia and to contrast these with key values in public administration. Malaysia's public administration will be analysed against successive theories of public administration, namely the colonial bureaucratic model, development administration and institution building, and particularly the advent of a neoliberal stance toward government administration via new public management (NPM), including how some elements of NPM have been incorporated into the Malaysian public administration. Issues arising from public debates on public administration and the Malaysian bureaucracy over the last four decades will be explored, highlighting some of the reforms made in response to changes in the political landscape, citizens’ expectations and public opinions, especially as the arrival of information technology in recent years has enabled a more vociferous public opinion.
Definition of scope

Public administration refers to government institutions performing public service. In Malaysia, the public service as defined in Article 132 of the Federal Constitution includes the entire government administration – essentially, the federal and state general public service, the joint public services, the education service, the health service, the police force, the judiciary and the legal service and the armed forces.

For the purpose of this chapter, however, the Malaysian public administration, or the bureaucracy, refers to the general federal, state and local administration. The size of personnel in this group in 2013 was 455,587, representing about 32 percent of Malaysian public sector employment of 1.4 million (PSD 2013). Derivatives of the Malayan Civil Service organised by British administrators, who then made major decisions in the administration of the colony (Puthucheary 1978), the administrative and diplomatic services remain dominant until today.

History and development

Theories of public administration suggest that Malaysian public administration can be divided into four main trajectories. We adapt Haque’s (2007) typology of the stages of bureaucratic development, as well as Esman (1967) and North (1984, 1992), with some modifications, to suggest that the development of the Malaysian public administration has gone through four phases. These can be broadly described as: (1) a traditional bureaucratic model during the colonial period; (2) development administration and institution building during the postcolonial era (development administration was more pronounced from the 1970s into the early 1980s); (3) new public management (NPM) in the mid-1980s; and (4) a second phase of institution building after 2010.

Western Weberian bureaucracy

When the British arrived in Malaya, there was a system of government, the Malay Sultanate, which operated with a simple hierarchical framework, in some states right down to the village level (Mansor 1980). The Sultan collected revenue and taxes in exchange for protection. The system was based on lineage and kinship and typically ascriptive in nature. The legal system, too, was based on customary law. To secure British strategic economic interests in the region – linking the two big economies of Asia, China and India – a western style of administration was introduced, beginning with the Straits Settlements and continuing with the Federated Malay States and the Unfederated Malay States. The Colonial Office appointed the best men to represent British interests in the colony, performing both political and administrative roles (Puthucheary 1978).

The colonies were administered based on a similar strategy to that which brought about economic development in the United Kingdom and Western Europe: reliance on the free market economy. Suffice it to say that the colonial power was less interested in development goals than in maintaining law and order at the lowest cost possible and in ensuring a balanced, and as low as possible, budget. Under no circumstances could a budget deficit be tolerated.

The immediate post-independence bureaucracy continued on the same principles. The earliest significant event in the history of the post-independence Malaysian administration was the Malayanisation of the bureaucracy, which began in 1956 and was fully completed by 1965. The bureaucracy was organised per the Weberian doctrine of legal-rational administration, however, with very clear, prescribed rules and procedures, hierarchical authority structures,
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merit-based appointment, and a formal nature to holding office, very much separated from personal life. The neutrality of the service was maintained and the service was highly regarded as being very competent and technically efficient. This was made possible by the establishment of a separate entity for selection and recruitment, the Public Service Commission (PSC), and management of the personnel in the civil service by the Public Service Department. This structure has been maintained until today. Hence, at the time of independence, relative to the political and private institutions, the civil service was the most developed institution.

Development administration and institution building

A decade on after independence, whilst Malaysia, like many developing countries, started to embark on the developmental model path (Haque 2007), it was also working on strengthening institutions, including rules and procedures (North 1984, 1992), and establishing organisations to support a new role of the public bureaucracy as a change agent (Esman 1967). Institution building is described as adopting a process or strategy that helps practitioners to introduce change (Esman 1967).

The political slogan of nationalism for independence was replaced by the demands of socio-economic progress and nation building. Ethnic tension that erupted in violence on 13 May 1969 led the government to rethink and to redesign its past policies. Distribution became a goal, with growth targets written in the Second Malaysia Plan: ‘a state has been reached in the nation’s economic and social development where greater emphasis must be placed on social integration and more equitable distribution of income and opportunities for national unity and progress’ (EPU 1971: 1).

The New Economic Policy (NEP, 1970–90) was a departure from past policies in that the government played a more active role in the economy, especially in distributive functions. The strategy of development through industrialisation, urbanisation and agricultural development, together with the spread of education and the general political awakening of the population, all lent added momentum to the new functions of the government. The new goals of the government thus expanded, and grew more diverse and complex in nature – or as Gayl Ness wrote, ‘The goals of the Malaysian Government changed from custody to development’ (Ness 1967).

The government’s approach changed from a laissez-faire economy to a mixed one, with central planning, whilst local entrepreneurs, the indigenous financial sector and foreign industrial concerns still played major roles in the economy. Ness best described the system’s characteristics when he wrote:

1. There was a change from an emphasis on a balanced budget to an emphasis on an expanding economy.
2. There was a change from an unstated emphasis on urban development, or development for the modern sector, to a stated and actual emphasis on rural development [the contentious disparity between the five urban cities and other parts of the country], or development largely for the uplift of the Malays in the traditional sector.
3. Social services, especially education, moved from a position of low priority to one of high priority, and were partially redefined as elements of investment rather than consumption.
4. There was an increased demand for, and finally the creation of, new organizations competent to plan for and stimulate the development of the economy.

(Ness 1967: 89–90)
This period also witnessed the proliferation of public enterprises in the main sectors of the economy. The role of the administration fundamentally changed from that of an administrator to a change agent. Certain elements in the Weberian structure became a hindrance to that new role. Friedrich (1952) argued that at least six elements had to be altered: centralisation of control and supervision; differentiation of functions; qualifications for office; objectivity; behaviour, including precision and continuity; and secrecy or discretion. The bureaucratic structure was conducive towards efficiency in general but towards inefficiency in specific cases. This feature seemed to inhibit the Malaysian Civil Service because the majority of top administrators had the tendency to inhibit change and there seemed to be no room for the development of innovational tendencies among the top administrators (Tilman 1964a).

The then deputy prime minister, who was also the minister of rural development, realised that the institutions to support development planning and implementation were inherently inappropriate within the existing structure. New planning and implementation approaches for the Malaysian public bureaucracy had their origins in the new state’s first development plan. In the first Malaya Plan (1956–60), about 50 percent of the money spent on roads and bridges, utilities, telecommunications and social services was spent on the rural sector. Thus, approximately half of every five-year plan was allocated to rural development. The effective utilisation of rural funds, however, faced some structural problems within the federal framework. Poor coordination between the federal government and the state governments slowed down the process for a majority of the development projects.

Faced with these structural problems after that first development plan, the government had two alternatives. First, it could conceivably change the structure of government and create a unitary state, so that massive economic development programmes could be rushed through from the centre, without interference from local or provincial authorities. Alternatively – and this was the path the government chose – it could utilise the structure and personnel of the existing bureaucracy, within the existing political framework, and make marginal improvements in the system with the hope that these improvements would, in due course, have some effect on the civil service.

The new development administration technique was introduced in the early 1960s. The approach essentially used four main mechanisms aimed at standardising and decentralising at the local level or the district level: the committee room, the operations room, Rural Economic Development (RED) book plans, and the briefing method and field inspections.

(a) Committee system: The committee system followed closely the pattern of war executive committees and started with the implementation of the Second Malaysia Plan. A directive was issued to streamline and strengthen the basic structure of development administration. In accordance with this directive, a National Action Council and National Security Council were established. Both these councils are under the chairmanship of the prime minister himself. A new unit was also established in the Prime Minister’s Department to serve as secretariat, particularly for the National Action Council. The committee is chaired by the minister for national and rural development at the national level. And to ensure participation at the lowest level, village committees were also set up, each chaired by the village headman, who was elected, as were the representatives in the committee.

(b) Operations rooms: All heads of departments at the state level were required to attend meetings of state action and development committees six times a month, while at the district level, heads of departments had to attend at least twelve meetings a month held at the operations room, tracking development progress in the area.
(c) RED book plans: It was during the period of the Second Malaya Plan that the government began to realise the need for active participation of the people as an integral part of the plan itself. In the previous plan, the economic secretariat compiled projects submitted by the various ministries and departments. Its goals tended to be long-term objectives, such as raising the level of productivity, increasing employment opportunities or eradicating poverty. With this new plan, it needed to provide for the involvement of the people not only at the implementation level, but also at the stage of planning and policy formulation, so that the best interests of the people could be fulfilled. The RED book system was aimed at gathering ideas from the people and consolidating them in respect of planning for development and coordinating development at the village, district, state and national levels, as well as reviewing the progress of implementation, based on quick and direct feedback from the people. It was through the RED book system and development committees at all levels that development planning and programme formulation ceased to be a concern merely of government, but became also that of the people as a whole. This method ceased to be utilised after the mid-1960s.

(d) Briefing method and field inspections: Briefings of the National Development Committee are held monthly at the National Operations Room, where the minister for national and rural development meets all the heads of ministries and public corporations, together with advisers from the Economic Planning Unit, the Treasury and from his own ministry. At the briefing, the ministry is kept informed of progress, identifies problems, finds solutions and in general effects greater coordination.

Government leaders felt that that despite these improvements to the existing structure of the Malaysian Civil Service, however, the administration was still caught up with administrative barriers in the form of organisational and structural obstacles, not to mention the ‘silo mentality’ mentioned by Razak as among ‘the deadly sins of bureaucracy’. Hence in 1965, a team of professors led by Professors Montgomery and Esman was invited to assess the Malaysian Civil Service. The Montgomery–Esman report, named after the two American professors, was accepted by the government and led to the establishment of the Development Administration Unit (DAU) in the Prime Minister’s Department, with specific terms of reference. The proposal was comprehensive, covering the planning, budgeting and financial management system of the federal government; personnel management and the civil service system at the federal level; organisation structures and management methods pertaining to government ministries and operating agencies; and the land and local government administration at the state level. The DAU undertook several studies and introduced a number of reforms under the concept of development administration within its terms of reference. In later years, however, lack of support from central agencies and capacity limitations prevented the unit from making more inroads in the area of administrative reform. The unit later evolved into the Implementation Coordination and Development Administration Unit (ICDAU) in 1972, and five years later, became the present Malaysian Administrative and Modernisation and Manpower Planning (MAMPU).

During this period, existing institutions were strengthened and several new institutions were added to improve development planning and implementation. The planning function of the public bureaucracy started with the long-term plan called the Outline Perspective Plan (OPP) and the five-year development plans. This approach was coordinated at the highest level by a National Development Planning Committee (NDPC) chaired by the chief secretary to the government.
New public management

New public management entails the adoption of private sector principles in public bureaucracy. Disillusionment with government, fear of government encroaching onto the daily lives of citizens, and a perceived threat to free markets gave rise to new thinking in public administration. Ideologically influenced by neoliberal economics, the private business model started to gain traction in public administration. Its mantras were rolling back the public sector, ‘lean and mean’ organisation and being customer-focused. Though the NPM paradigm started in Western countries like the United States, UK, Canada and Australia, the ideas were adopted by many developing countries, including Malaysia.

The period of expansion of the developmental state with the implementation of Malaysia’s New Economic Policy (NEP; see Hwok-Aun Lee, this volume) from 1970–90, particularly with the proliferation of public enterprises financed through external borrowings, contributed to a twin deficit problem of the 1980s. Malaysia had both a government budget deficit and a current account deficit due to heavy government investments in unproductive infrastructure projects and public investment in heavy industries through public enterprises; the need to pay for large imports caused an imbalance in the current account. With the global oil crisis, the Malaysian economy experienced an unprecedented recession in 1985.

Malaysia had voluntarily undertaken structural adjustment by privatising public enterprises and by making rules and regulations under the NEP more flexible. A technocrat in his approach to administration, Dr Mahathir Mohamad, the fourth prime minister, embraced NPM. Public bureaucracy reform was essentially geared towards the development of an efficient and professional managerial administration. Unlike his predecessors, he had no civil service background, hence he had no attachment to the bureaucratic, rule-bound model of administration. Among his early initiatives were the introduction of manuals of work procedures and desk files which aimed to improve work systems and procedures, and quality control circles (QCCs), which focused on efforts to enhance productivity in public sector agencies. The adoption of internationally recognised ISO 9000 standards and total quality management (TQM), as well as a client charter and various client-oriented counter service measures, was seen as part of a programme to improve the quality of the public service. The Malaysia Incorporated Policy and the Look East Policy were to change the orientation of the British legacy of a detached civil service (the regulator) from the private sector (the regulatee). This shift also led to the formation of the Malaysian Business Council, which was later replaced by the National Economic Action Council (NEAC).

Mahathir’s successor as prime minister, Abdullah Ahmad Badawi, continued these efforts when he established PEMUDAH (Pasukan Petugas Khas Pemudahcara Perniagaan, Special Task Force to Facilitate Business). Reporting directly to the prime minister, the team comprised representatives from the private and public sectors, co-chaired by the secretary to the government and the president of the federation of Malaysian manufacturers. With regard to conducting business, the public bureaucracy showed positive results, as shown in Figure 9.1, which displays government effectiveness as surveyed by the World Bank, measuring governance.

These efforts to improve performance, however, were not conceived of as part of overall institutional reforms instituted to serve the nation. Some rules and procedures, especially at the local authority level, dated back to pre-independence days. Numerous permits and licences introduced under the NEP were not reviewed. A report by the World Bank on doing business (2005) suggests that Malaysia took the most number of days in the region – 143 days – to register a property. Cumbersome rules and procedures did not help, as Malaysia was faced with growing competition from other emerging investment destinations. Figure 9.2
Figure 9.1 Voice and accountability, government effectiveness and control of corruption, 1996–2012

Source: Adapted from World Bank (n.d.).

Figure 9.2 Regulatory quality in Malaysia, 1996–2012

Source: World Bank (n.d.).

depicts performance over the years in quality of regulation. The survey aimed at measuring investors’ perception of the government’s ability to create an eco-system for investment, such as policies and regulations that permit and promote private sector development (World Bank 2009). After the 1997 Asian financial crisis, a factor often cited as one of the obstacles for private investment was the array of and procedures. As shown by the survey, perceptions had
not improved a decade post-crisis. The existence of the Official Secrets Act (OSA) 1972, as well as cumbersome and numerous licences and permits, led to red tape and abuse of power. If the perception of corruption index of public officials by Transparency International (2005) was any indication, Malaysia fared very poorly, at about 5–5.28 for the ten years 1995–2005 (ratings are 1: low through 10: high). Also as shown in Figure 9.1, perceptions on corruption did not show much improvement.

The reforms of the NPM period did not address the rigid structure of the civil service. That structure is based on the 1967 Suffian Salaries Commission, which strictly defined grades and promotion based purely on seniority. The 1992 New Remuneration System (NRS) applied some revisions to grades and salaries by simplifying the grades into two: managerial and professional and a support group. The NRS’s attempts at strengthening the promotion system to be based on performance did not, however, improve the situation, as there was no clarity in criteria, hence managers often tended to fall back on seniority. Perceptions of slow promotion and relatively less attractive compensation packages (compared with the private sector and alternatives abroad) during good economic conditions (1987–97) made the civil service less attractive. Therefore, the civil service was not able to attract the best talent.

The Malaysian economy was buoyant and GDP growth peaked at 9.7 percent for the period 1987–97. In mid-1997, the Asian region was struck by the Asian financial crisis. As a measure to address and overcome this financial crisis, the government established an advisory council, known as the National Economic Action Council (NEAC), on 7 January 1998. The NEAC’s recommendations had three prongs: (1) strengthen government delivery systems with regard to licences; (2) redesign the government’s interface with the public, based on clear rules and transparent procedures; and (3) improve the quality of information and data available to the government.

In terms of this last domain, there have been some improvements in the process of administration largely enabled by the digital wave of information and communications technology (ICT). E-government was one of seven flagships under the aegis of Malaysia’s Multimedia Super Corridor (MSC) project, established in 1996 as a primary vehicle for the infusion of ideas and research in ICT and multimedia. The e-Procurement system, Electronic Budget Planning and Control System (e-SPKB), e-Land system and Project Management System II (SPPII) gained momentum. One achievement worth mentioning, however, is the introduction of assigning a single reference number for dealings between individuals and government agencies through the MyID initiative.

To overcome cumbersome bureaucratic red tape and reduce burdens on potential investors, one-stop centres were established to handle all clearances and queries. Under this programme, all necessary services pertaining to issuance of licences and permits were to be provided from a single point. The improvements achieved are reflected in the ease of doing business survey in Figure 9.3. Institutions continued to work in silos, however; what Razak highlighted in the 1970s as one of ‘the deadly sins of the bureaucracy’ is still prevalent today.

**Second wave of institution building**

After the ruling party, the National Front, suffered an unprecedented loss of its two-thirds majority in parliament, Najib Tun Razak, Malaysia’s sixth prime minister, was forced to re-evaluate the role of the state in the economy. He established a matrix structure in his administration by forming a project management office reporting directly to him, known as
the Performance Management Delivery Unit (PEMANDU). To spearhead his ideas on reforms he started the Government Transformation Programme (GTP), which continued the reform of the public bureaucracy by measuring outcomes or indicators through key performance indicators. At the launch of his New Economic Model (NEM) in 2010, he remarked, ‘gone were the days when the government knows best’ (Razak 2010) and asserted the government’s intent to be inclusive in policy-making.

The NEM, which covers a ten-year period, proposes eight structural, cross-cutting reforms. At its core is an effort to re-engineer public institutions to enable Malaysia to grow to the next level of development. Malaysia had created good institutions, including rules and regulations, to implement the development policies of the 1970s and 1980s, but some of these institutions are dated and have become obstacles to new innovation and ideas. The relevance of central agencies needs to be reassessed. Also, there are overlapping functions among some of the public institutions which require rationalisation. The NEM calls for a re-examination of the relationship among the functions of federal, state and local government. Outdated and cumbersome rules, procedures and regulations are to be simplified.

The government has started implementing the NEM with regard to rules and regulations. The Malaysian Productivity Council (MPC) has started to work with several states and the local authorities within those states to streamline rules, regulations and permits. The Ministry of Finance, for instance, is working on rationalising its numerous treasury circulars and replacing them with one all-encompassing circular. This has augured well with investors, as shown in Figure 9.2, which shows investors’ positive sentiment towards the quality of regulations in Malaysia with the introduction of the NEM.

ICT has enabled the government to improve service delivery. A Business Process Re-engineering (BPR) Manual was started in 1991 and further improved in 1993. The concept of BPR fundamentally shifted the approach, thinking and structure of work processes towards a more pragmatic framework. Each work procedure was scrutinised under the BPR initiative to reduce redundancies and overlap, while adopting a clear governance structure to ensure effective execution and compliance. Based on intensive BPR initiatives, eighty-two public agencies, in consultation with MAMPU, have transformed the number of work processes from an initial 932 to a newly re-engineered 545. Another success of BPR was to expedite business licensing processes via a Business Licensing Electronic Support System (BLESS).

Businesses can access eight ministries involved with thirty-nine types of business licence. This portal, BLESS, has been visited by more than 265,000 visitors since its inception and has assisted almost 7,000 users. In 2011, 599 businesses were registered via BLESS. This number doubled to 1,201 in 2012 and in 2013, 5,112 businesses were registered in the first half of the year alone. Figure 9.3 shows improvement in assessments of the ease of doing business post-NEM.

As noted above, improving access to good-quality data and information was identified as one of the three core strategies to improve the public sector after the 1997 crisis. One very important set of data is on poverty. A National Poverty Databank termed eKasih was developed in mid-2000. Eradication of extreme poverty was highlighted as a goal in the Ninth Malaysia Plan (2005–10). To facilitate this effort, eKasih served as a single database for everything from individual profiles, to assistance rendered to households, to new applications. Redundancies and overlapping functions were reduced through the existence of a single comprehensive database. The database should enable the government to map and monitor welfare support. As of mid-2013, eKasih included 442,000 entries, with the greatest results thus far in Sarawak.
Malaysian public bureaucracy has over the years lost the representative character of a public bureaucracy. Part of that shift is due to the decade of rapid growth from 1987 to 1997, when the best and the brightest of new graduates chose to work in the private sector. This was true for all ethnic groups, but especially among ethnic Chinese and Indians. Relatively less attractive remuneration packages and slow career development in the public sector were among the reasons given for young people’s avoiding public sector employment. In 2002, the Malaysian Remunerations System (MRS) was adopted, salaries were revised and regular performance assessment was strengthened; however, these efforts did not meet with much success. Najib further strengthened the recruitment process for the public service by establishing a search committee led by the Public Service Commission as well as a joint committee led by the Public Service Department. The search committee is responsible for assisting the government in the recruitment of human resource specialists into the Public Service Commission, to address the quality of hired civil servants. Specialist service commissioners are expected to institutionalise better selection criteria, to attract the best into the service from all ethnic groups, genders and regions. The programme started only in 2012; it is too soon to gauge its success. Attempts have been made to bring talent at higher levels to the civil service, too, but there have been too few cases thus far.

Whilst the ease of doing business has improved, much more has to be done with public institutions. As suggested by institutional economists such as North (1992), good institutions reduce transaction costs. The problem with developing countries is that these institutions, or the software of development, are still lacking. Notwithstanding other factors affecting transaction costs in Malaysia (Schwab 2013), the inefficient bureaucracy and corruption are still quoted as two main problematic areas for doing business (Table 9.1).

Strengthening some of Malaysia’s planning and implementation institutions would help to address some of these problems. Reviving the National Development Planning Committee (NDPC), where projects were thoroughly discussed at the highest level of the bureaucracy, would avoid the approval of projects on an ad hoc basis. Development projects could be

<table>
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<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
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<td>21</td>
<td>25</td>
<td>25</td>
<td>21</td>
<td>23</td>
<td>21</td>
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*Figure 9.3 Ease of doing business, 2006–13*  
*Source: World Bank (various years).*
Public administration in Malaysia

Scrubbed before reaching the cabinet. With the full implementation of the Outcome Based Budget (OBB), different ministries’ projects could be viewed in a more holistic manner.

The OBB has been implemented in five main ministries at the pilot stage. The OBB is to address the weak linkages among policy formulations, the budgeting process, project implementation and evaluation. The move towards outcome-based planning, implementation and monitoring was initially featured in the Ninth Malaysia Plan (2005–10). The OBB will integrate both development and operating expenditures towards achieving efficient allocation of resources and effective implementation of programmes. Programmes that involve more than one ministry or agency can now be strategically linked through the OBB process. Outcomes will be identified through the alignment of a series of key result areas. Outcomes will be measured against key performance indicators to evaluate the effectiveness of programmes and projects implemented by ministries and agencies. The OBB approach aims to eliminate redundancies and ensure value for money, while providing flexibility to review programmes and projects that do not contribute to expected outcomes. The OBB is expected to streamline and integrate the planning, implementation, monitoring and evaluation of policies and programmes to be more outcome-based.

Conclusion

Public administration is at the core of any government, therefore it contributes to the quality of a government – the way a government discharges its functions. Malaysia started well with developing good public institutions after independence. Institutions mirror society and its history, but after many decades, there had been no effort to rationalise institutions to adapt to new changes in society. What Malaysia did was borrow good practices from outside, without trying to make fundamental changes, especially to the structure of public administration. Prime Minister Mahathir embraced NPM by focusing on the professionalism of the public administration. A matrix structure was created to include new players in policy-making. Engagement and consultation were further diversified by the establishment of numerous private think-tanks where policy issues were discussed. The private sector and business gained dominance during the NPM era.

Having said that, to change an institution that is culturally embedded is a mammoth task. Public bureaucracy tends to reproduce its values, especially within a closed system like Malaysia. Promotion from within further isolates the bureaucracy from new ideas. The relative success of the second wave of institution building under the comprehensive transformation agenda is too early to assess. It will need a strong political will on the part of the government to develop Malaysia’s public bureaucracy to become responsive, accountable and effective.

Table 9.1 Inefficient government bureaucracy and corruption, 2010–13

<table>
<thead>
<tr>
<th>Year</th>
<th>Inefficient government bureaucracy (%)</th>
<th>Corruption (%)</th>
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<tr>
<td>2010</td>
<td>13.0</td>
<td>8.0</td>
</tr>
<tr>
<td>2011</td>
<td>12.9</td>
<td>9.6</td>
</tr>
<tr>
<td>2012</td>
<td>13.8</td>
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<td>2013</td>
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<td>14.4</td>
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Source: Schwab (2013).
Bibliography


