

Public service innovations, policy transfer and governance in the Asia-Pacific region: The Malaysian experience

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Abstract

Since the advent of New Public Management, public service innovations and policy transfers have become increasingly popular around the world as a strategy for improving governance and scaling up service quality. The Malaysian government has also shown considerable interests in policy learning and consequently introduced important innovations and reforms akin to those introduced in other contexts. This paper provides an account of major innovations and changes that the Malaysian public service has witnessed since the early 1980s and comments on their impact. Although public service innovations and reforms have been quite comprehensive and generally, viewed favourably, they have so far produced positive but yet limited impact. Despite gains in several areas as a result of innovations and changes public governance, Malaysia continues to suffer from a number of problems and challenges including high incidence of corruption, inefficiency, procedural complications/delays in service provision and lack of professionalism.

Key words: administrative reform, innovations, governance, new public management, e-government and service delivery.

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Introduction

Though the term 'governance' has gained currency fairly recently, attempts at improving governance are by no means new. As the public bureaucracy has generally attracted increasing criticisms for poor performance and failure on its part to meet the rising expectations of the citizenry, government leaders have always sought to address such situations by devising and introducing innovative policy measures. In this respect, they have also shown growing interests in learning from other contexts and in imitating policy models that have apparently produced better results. Thus administrative innovations and policy learning and/or transfers have been a key feature of drives for upgrading the quality of governance in both developed and developing countries. In recent years, such drives seem to have received fresh impetus especially since the advent of the New Public Management (NPM) as a model of public sector governance. The NPM refers to a range of reforms in the public sector aimed at making it more efficient, economic and effective. At the heart of these reforms is the shift from government by control to government by contract, which typically involves the introduction of market logic in the government, changes in organisational structures and redefinition of the government's roles and functions in the society. Since the NPM has offered better solutions to many of the perennial problems of the public sector, the new model has soon become widely popular. By early 1990s it has assumed a global character and ignited the process of radical transformation of the public service around the world.

The countries in the Asia Pacific region are no exceptions to this world-wide trend. During the past decades, political and administrative leaders of this region have demonstrated growing interests in the idea of governance innovation and introduced major reforms in an attempt to streamline the management of the public sector. Broadly aimed at improving governance, these reforms are largely consistent with those introduced elsewhere, although there are significant variations between individual countries in terms of the levels of implementation and the strategies involved. Consequently, the countries have recorded varied experiences with reforms initiated and results achieved (see, Common, 2001; Cheung and Scott, 2003). In Malaysia, the government has introduced a wide range of reforms especially since the 1980s in order to upgrade governance and the quality of services provided to its citizens. The recent reforms represent a major departure in that they are far more significant and comprehensive in both depth and coverage than those introduced in the past. Taken together, they have brought about profound changes in the public service and the way it operates in providing goods and services to the people. The present paper provides an overview of public service reform in Malaysia focussing on aspects of innovation and policy transfer. It begins with the identification of some key factors that have provided the impetus for reforms and innovations. Then it outlines some of the contemporary reform initiatives and assesses their impacts on public governance in general.

The changed context: Drivers of reform and innovations

Malaysia achieved her independence from Britain in 1957. The changing political and economic contexts ever since both locally and globally have placed new demands on administration for better and enhanced services. They have also made it an imperative for the public sector to innovate and to foster quality and productivity to be able to cope with growing challenges of the changing environment. The government has always responded to such demands by introducing policy measures which are hardly devoid of external influence. The early initiatives especially those introduced in the 1960s and 1970s were geared towards developing institutional capacity for undertaking routine as well as development functions of the state. Although the importance of these initiatives can hardly be underestimated in that they have helped build much needed administrative infrastructure and capacity of the new nation, a major phase of administrative innovations began in the early 1980s. This is mainly

due to the fact that a far more comprehensive set reform and innovations has been introduced ever since than those in the past and they have modified not only the structure of the public service but also its relationship with the society at large. Reforms and innovations introduced during this period have been so profound and comprehensive in nature that they have affected almost every conceivable area of the public service and its management. What explains such a major shift in public service and its reforms? Was it a part of global public service renewal process? Was there any specific local factor that had spurred reforms? In the Malaysian case, both are true for much of the reforms have been driven by the changed context of public governance both locally and globally. There are at least three important factors that can be attributed to Malaysia's accelerated drives for reforms and innovations during this period.

First, the political and economic changes Malaysia has witnessed at the beginning of the decade have much to explain the drives for reforms and innovations. Politically, a new Prime Minister took the helm of state power in 1981; and economically, the country saw a transition from the state-dominated approach (followed since the 1960s) to the market model of economic development. In other words, in line with global trends, the private sector has come to be regarded as the main engine for growth and development with the public sector playing only an indirect and supportive role in the process. Such changes in government's economic philosophy have demanded the public sector to reposition itself to be able to play its new roles effectively. Likewise, the new Prime Minister Dr Mahathir Mohamad – widely seen as a dynamic and visionary leader– was personally instrumental in many reform efforts. Keen to see rapid development of the country through the expansion of private businesses Dr Mahathir underscored the importance of innovative and dynamic public service in the context of its new roles and provided directions for its reform with clear emphasis on the development of a 'clean, efficient and effective administration'. His Vision 2020 – the national strategic plan for Malaysia to become fully developed in 30 years time and major economic policies have called for fundamental shifts and improvements in public governance.

Second, as globalisation has posed serious challenges for Malaysia, the need for improving governance and innovations was keenly felt. This was in view of internal economic realities and developments elsewhere. Governmental efforts in past decades helped structural transformation of the Malaysian economy and it emerged as a leading exporter in the international market. With globalisation and removal of trade barriers Malaysia faced growing competition from emerging markets of internal trade and investment. Consequently, the need for enhancing national competitiveness became absolutely paramount for heavily reliance of the economy on exports. It was realized that the country's growth and prosperity are at great risk if Malaysia fails to maintain its advantage and is unable to compete on a global scale. Reforms and innovations were, therefore, deemed essential which was reinforced further by the Asian financial crisis of the late 1990s. Thus concerted efforts were made throughout the decade and onwards to improve the public service efficiency and its culture and more so to achieve excellence in governance, which would enhance the nation's ability to compete in the global marketplace.

Third, the New Public Management (NPM) which gained huge currency more or less at the same time has had a major influence on reform efforts in Malaysia. By 1990 a large number of Malaysian civil servants had received education and training from Western institutions who were actively involved in the Commonwealth Association of Public Administration and Management (CAPAM) and other similar bodies. Also, as some leading NPM gurus served as government consultants the NPM was no alien concept to the Malaysians. Thus it is nothing surprising that many of the themes of NPM became core of the reform measures introduced subsequently under the government's 'excellent work culture' movement.

Nature of public service reform in Malaysia: Innovations and policy transfer

As noted earlier, Malaysia has seen concerted attempts being made since 1981 in order to bring about dramatic improvements in governance and service delivery so as to achieve national developmental goals. Wide variety of reforms and innovations have been introduced some of which are outlined below. A review of the nature and directions of the reforms attempted so far shows that they are not only in tune with contemporary political and business environment, they also demonstrate the government's willingness to learn and adopt from other contexts in its quest for enhanced public service performance.

Learning from the East: The Malaysia Inc. Policy and privatisation

Soon after his takeover of power, Dr Mahathir had introduced the 'Look East Policy' which was essentially an attempt to encourage the Malaysians to change their traditional perspectives of Western countries as role models and instead look towards the East. The underlying assumption was that Malaysia had much to learn from countries like Japan and South Korea, which succeeded in achieving remarkable economic progress. In actual terms, the policy encouraged the Malaysians to emulate the high productivity, strong ethical standards and management philosophy and practices (Taib and Mat, 1992). A direct outcome of the Look East Policy was the introduction of the Malaysia Incorporated Policy in 1983 which was an attempt to emulate the Japanese model of economic development by forging a new relationship between the public and private sectors. The central thrust of this approach is that cooperation and collaboration between the government and private sector is essential for accelerated economic development. Hence, the Malaysia Inc. not only called for an end to the traditional antagonistic relationship between the public and private sectors but also underscored the need for establishing a symbiotic relationship between them for realizing national developmental goals. In view of this, consultative panels were set up at each agency at federal and state levels; all public sector agencies began to hold regular dialogues with private sector partners to identify the problems of service delivery and decide on policy implications. Further extension of the Malaysia Inc. was the privatisation policy introduced in 1983 with the objective of reducing administrative and financial burden of the government and promoting private sector participation in economic development. Under the policy a large number of services and projects have been privatised and corporatised in various sectors of the economy thus bringing about important changes in the structure and size of the public sector.

Reducing bureaucratic red-tape & counter service innovations

Governmental efforts since the early 1980s have sought to strengthen service delivery by reducing red tape and by streamlining the work procedures and methods. New systems, techniques and procedures of administration were introduced; unnecessary and redundant procedures were abandoned. Counter services have been upgraded and modernized. Continuous attempts have been made to improve the quality of services offered; emphasis has been put on providing swift and hassle-free services to clients, including potential investors. Faced with growing competition from other emerging destinations of investment, government felt it important that investors' concerns were taken care of and that the government administration was ready to put the interest of the business first. Public officials have been instructed to work not only with but also for the private sector. One-stop clearance centres have been established in order to provide all necessary services pertaining to issuance of licenses and permits from one-point, thereby quickening the process of business approvals (Sarji, 1996).

Invoking new codes of conduct for public servants

Alongside other changes, the government sought to improve the performance of the public sector by invoking codes of personal conduct for public officials. The nationwide campaign for 'clean, efficient and trustworthy administration' introduced in 1982 and the assimilation of Islamic values and work ethics in 1985 were efforts towards this direction. Islamic values like trustworthiness, responsibility, sincerity, dedication moderation, diligence cleanliness, discipline and cooperation have been emphasized seeking to instil a sense of morality and ethics among public officials. Civil servants were required to be more punctual, diligent and efficient in their jobs. The name tags system was introduced in 1981 to make public servants more accountable to the public, time clocks were installed at government offices with the objective of ensuring that stated working hours were strictly observed. Other measures that supported such drives and sought to foster commitment and professionalism among public officials include extensive training and induction programmes undertaken at different levels.

Quality and productivity improvement drives

Though quality control circles (QCC) were established in 1983, more concrete efforts followed throughout the 1990s seeking to improve the quality of services and more so to institutionalize quality ethos in the public service. Total Quality Management (TQM) was adopted in the public sector with the aim of producing high performing, quality-driven and consumer-oriented agencies. It required agencies to evaluate their operations to ensure that all systems and processes were geared towards achieving objectives and customer requirements. It received a boost with the introduction of a comprehensive awards system which subsequently served as the driving force behind the systematic and continuous efforts by public agencies to upgrade in terms of quality and innovative ways of serving their customers. The adoption of the internationally recognized ISO 9000 series in 1996 represents another major initiative towards innovations and policy transfer. Taking cue from OECD countries Malaysia has asked all government agencies to strive for and achieve ISO certification. Even though Malaysia has chosen to implement its own version, i.e., MS ISO 9000, it is the first country in the world to embark on ISO for the entire government machinery (Common, 2001). It requires all public sector agencies to undergo a comprehensive process of review of work processes and documentation to receive certification. The new MS ISO 9001:2000 standard which calls for measurement of customer satisfaction is expected to drive agencies towards more customer-oriented operations. By 2003, a total of 749 agencies have had their core processes certified to the initial standard (Commonwealth Secretariat, 2004). With the introduction of benchmarking programme in 1999 further inroads have been made towards quality improvement drives. It requires public sector agencies to undertake a systematic and continuous effort to identify relevant best practices by a benchmarking partner and to learn, adapt and implement such best practices in their own organizations.

Service charters and customer orientation

A major landmark in public service reform designed to improve quality of services and to ensure accountability of service providers is the Client's Charter introduced in 1993. It is a written commitment made by public agencies pertaining to the delivery of outputs or services to their respective customers. It is an assurance that outputs/services will comply with the declared quality standards that are in consonance with the expectations and requirements of the customers. It is relevant to note that although Dr Mahathir earlier emphasized learning from the East, his Clients Charter was essentially modelled on the UK's Citizen's Charter. The government policy requires that Charters be formulated and implemented by government agencies at all levels, statutory bodies, district authorities and local bodies and displayed in prominent places within the agencies/offices so as to make it clearly visible. In case where an agency fails to comply with the quality standards stated in its Charter, the public can lodge complaint for non-compliance. Thus the Charter is expected to help reduce uncertainties over the delivery of services. The service recovery mechanism introduced later in 1994, is

expected to ensure that appropriate actions are taken to restore the customers' confidence should the agency fail to deliver services promised in its Charter. A number of other measures have also been initiated which indicate growing public orientation on part of government agencies. These include the strengthening of public complaints management system and the introduction of the '*Mesra Rakyat*' programme. Under this programme, the agencies are required to observe a day at least once a month when the heads of departments and other officials will make themselves available to have face-to-face meeting with clients receiving complaints and suggestions. Clearly, this is an innovative way of making public organisations more directly accountable to their clients.

E-government & innovations

As elsewhere, e-government is a leading component of the current administrative reform and governance innovations in Malaysia. The government has already invested huge amount of resources under successive five year plans to develop necessary IT infrastructure and facilities throughout the country and undertaken a variety of programmes seeking to enhance the performance and quality of services by harnessing IT and multimedia. The establishment of the Multimedia Super Corridor (MSC) in 1996 is seen as a milestone as it has contributed to accelerate the IT application in the public sector. E-government is among the leading MSC flagships and it aims at achieving public service excellence by reducing paper work and streamlining the service provisions so that the citizens can access services at anytime and from anywhere. While e-government is in the process of implementation, a number of innovations have already been introduced with significant progress reported in service delivery. The e-services scheme has effectively integrated services like driver and vehicle registration, licensing and summons services and the payment of utility bills. It now allows the members of the public to access all these services electronically. The *E-Perolehan* project serves as a virtual market place for suppliers and government agencies. It enables the suppliers not only to receive tender information released by public agencies nationwide and present their products and services, obtain tender documents and submit bids and quotations, but also to complete transactions and receive payments - all online (Siddiquee, 2007). The *MyKad* serves a variety of purposes: apart from facilitating cashless financial transactions, it serves as national identification document and driving license; it also contains passport and health information. Additional facilities are now being added to make it a vehicle of convenience in all aspects of life. *E- Syariah* portal links all *syariah* courts of the country and acts as a one-stop counter for virtually all matters related to Islamic judiciary. Besides *MyGovt* portal, detailed web presence of various ministries and agencies of the government with downloadable options has added to public convenience. The government is confident that with the full implementation of e-government, more and more services could be provided online where agencies at federal, state and local authority will collaborate relating to services and present them as one public service portal. Therefore, the services will be accessible to the members of public at any time and from any place without being constrained by agency working hours and distance (Ali, 2001; Karim, 2003).

Personnel management reforms

All these developments in public services and its broader context required changes in personnel management. The New Remuneration System was introduced in 1992 with the aim of streamlining the system of government personnel management and making it efficient and effective. In actual terms the NRS was designed to make the public service more responsive, enhance its ability to acquire and retain innovative, creative and talented employees and inculcate a work culture that emphasises performance, quality and productivity. A leading feature of the NRS is that it has tied salary movements with individual's performance measured objectively annually. To assist the implementation of NRS, a new performance appraisal system has also been introduced. The matrix system of salary movement proposed

under the NRS offers opportunities for accelerated movements to those employees who perform exceptionally well. Besides such changes, the NRS has reduced hierarchical levels, regrouped schemes of services and identified key top management posts with distinct remuneration schemes commensurate with identified responsibilities (Commonwealth Secretariat, 2004). More recent change in this area is the introduction of the Malaysian Remuneration System (MRS) in 2002. The MRS aims at improving the quality and productivity of public sector personnel and focuses on competence as one of the main elements of career development and salary progression. It is characterised by new emphasis on competence assessment, career advancement and modification to salary structures and prerequisites as well as improved conditions of services for public sector personnel (Osman, 2003).

Modified budgeting system

As in other areas, public sector budgeting and financial management has witnessed changes. A key element of financial management reform - consistent with the NPM propositions - is the introduction of Modified Budgeting System (MBS) in 1989. The MBS is the modification of the existing Program and Performance Budgeting System (PPBS). It seeks to improve the budgetary process by addressing the drawbacks of the existing budgetary practices. The MBS places emphasis, among others, on relationships between inputs, outputs and impacts and on decentralised management. Under the MBS the government agencies are required to determine their achievement targets/outputs for each programme/activity and enter into an agreement with the treasury specifying the inputs to be used and anticipated impacts of each programme/activity in a given period in return for the authority given to them to use resources as they deem appropriate. Thus the MBS puts emphasis on bottom-up process of budget preparation and allows managerial discretion with regard to use of funds as the situation demands.

Assessing the impacts of innovations on governance: Performance and areas of concern

The preceding discussions make it clear that the public service in Malaysia has undergone significant transformations as a result of innovations introduced in the past decades. In many respects, these reforms and innovations especially the more recent ones are very similar to those introduced elsewhere under the new paradigm of public governance. It is important to note that there is a general reluctance at official circles to acknowledge policy learning and or transfers, as governmental circulars with which such reforms have been implemented make no reference to similar reforms elsewhere. However, a close examination of the nature of reforms indicates that they have been borrowed from the experiences of reforms and innovations introduced in various contexts although no particular model was fully followed. The 'Look East Policy' was explicitly an attempt to invoke Japanese management methods and ethics with the goal of accelerating Malaysia's economic growth and development. Subsequent efforts like Malaysia Inc. and privatisation policies are clear manifestations that Malaysia has followed the global trends for minimum government and public-private collaboration in its pursuit for achieving developmental goals. While the MBS has been an adaptation from the Australian-Canadian experience (Common, 2001), the Client's Charter is the Malaysian version of the UK's Citizen's Charter. The other innovations and reforms like quality management, procedural reforms, personnel management reforms and e-government are very much consistent with the NPM reforms, although most of them indicate adaptations rather than direct transplant of any particular model from elsewhere. But what are the impacts of such changes on public governance?

Generally, the governmental efforts made during the past decades, have produced favourable impacts; they have helped improve governance and the quality of services in the public sector. Reforms like the Malaysia Inc. and privatization policies have had a major impact of

Malaysia's economic growth. The consultative mechanisms and dialogue sessions being held under Malaysia Inc. are seen positively as they provide two-way communication channels between the public and private sectors and serve as platforms to agree on policy implications to address the needs of both parties involved (Ali, 2001). Such exercises have led to considerable administrative improvements and procedural changes. Similarly, the privatisation programme, despite various criticisms, has led to significant progress in terms of downsizing bureaucracy and reducing governmental expenses. By 2003, a total of 471 projects have been privatized which has led to the reduction of 110,759 employees in the public sector workforce. It has also helped the government to save a massive RM 125.2 billion in capital expenditure and RM 7.7 billion in operating expenditure annually (Commonwealth Secretariat, 2004). These figures exclude the revenue generated from the sale of assets and equity and the revenue earned by the government from corporate taxes paid by privatised agencies.

Given that a considerable progress has already been made in terms of rationalizing and reengineering systems and work-procedures, the customers of most public departments now receive services without much hassle. These changes have helped the clients of most agencies in the sense that they are no longer required to fill out many different forms, provide huge supporting documents and/or wait in long queues for services. Modernisation of service counters and other changes have resulted in considerable improvements in service delivery systems and methods. Presently, public agencies are characterised by improved counter services with better facilities and convenient arrangements. Increased emphasis is being put on service quality and on ensuring that clients receive fast and accurate services in a courteous manner. Innovations like Client's Charter, MS 9000 series and benchmarking have brightened the prospect of improved services and public accountability even further. Likewise, changes in personnel management and public budgeting are seen as steps in the right direction as they have introduced meritocracy and result-based management in the public sector – two key elements of contemporary public management. Innovations supported by advanced technology and the integration of services and facilities under e-government schemes have improved service delivery especially in terms of speed and efficiency. Many government departments including immigration, inland revenue board and national registration department have reported considerable savings in terms of time taken for services they render. The provision of online services has cut down paper work and made services more easily accessible to the public. This means that the clients no longer have to visit the counters of relevant agencies within fixed working hours in order to gain access to these services. Most departments of the government not only have web presence with their missions, visions, charters and types of services available, they also enable their clients to avail some services e.g., to download important forms and/or apply online. As more and more information are being posted, the citizens increasingly find websites useful source of information. They can also make comments on the quality of services by using online feedback mechanisms. The consumer satisfaction and benefits are even greater in cases where services - not just information - are available online. Inland Revenue Board's new e-tax system allows the tax payers to access information perform self assessment and submit tax returns - all online in a much more convenient manner than before. Hence, the citizens are no longer constrained by time and distance factors.

Despite such silver linings and improvements, currently public sector governance in Malaysia is subjected to various criticisms. In overall terms, reforms and innovations seem to have positive but limited impacts. A close look at the current state of public governance in the country reveals that there are several areas of critical concern and they pose major challenges to the country's development objectives. Some of them are worth highlighting here:

1. Public service in Malaysia continues to suffer from a poor image in terms of its overall performance. The members of the public have expressed increasing concerns with the present level of service provision and bureaucratic performance. The Public Complaints

- Bureau (PCB) receives 3000-4000 complaints annually which are indicative of public unease with public sector efficiency and performance. Most of these complaints relate to delays in service provision, unfair actions/decisions on part of administration, abuse of power, misconduct and the failure to enforce rules (PCB, 2003). Other evidences like newspaper reports and letters to editors indicate that public complaints about inefficiency and red-tape have not decreased or disappeared altogether. While it is unrealistic to assume that there will be no complaints, in the present context it can be safely argued that public servants have failed to meet the rising expectations of citizens who are more knowledgeable now than before, who compare their systems with those of other countries around the world and consequently demand enhanced services. In a recent survey conducted by FOMCA 60% of the respondents reported a waiting period of 30-60 minutes and another 30% reported a waiting period of 1-2 hours. Although 60% of the staff on duty were reported to be customer-friendly, on a 10-point scale (with 1 worst and 10 excellent) 70% of the selected services/agencies received the score of 5 and below. Furthermore, 75% of the respondents believed that favoritism was commonplace in administration (see PCB, 2003). Clearly, such observations and findings do not suggest that the members of public have very high opinions about service delivery, notwithstanding all progresses reported.
2. Even though Malaysia has undertaken considerable re-engineering in terms of simplification of rules, regulations and procedural matters in an attempt to attract investment and maintain favorable business climate, recent evidence indicates that Malaysia has remained far less attractive than many other countries. A recent World Bank report indicates that on business competitiveness Malaysia lags far behind its regional rivals. The report shows that to set up a factory or warehouse in Malaysia a business man is required to go through 25 procedures taking at least 281 days while the same requires only 14 steps and 133 days in Vietnam, 11 steps and 129 days in Singapore and 9 steps and 127 days in Thailand. The report further shows that an investor seeking to start a business is required to follow 9 procedures taking 30 days in Malaysia, it takes him only 5 procedures and 6 days in Singapore and only 2 procedures and 2 days in Australia (*The Star*, 13 April, 2007). Similar concerns have been expressed with current level of public sector efficiency and professionalism. Evidence shows that, despite very many reforms it has undergone, the public sector in Malaysia continues to suffer from low level of efficiency, competence and professionalism. In its recent comparison of 12 Asian countries the *Global Competitiveness Report* shows that *Malaysia* has fared very poorly. While Singapore has consistently been found to be the best in the region, in 2002 Malaysia has received a ranking poorer than those of Thailand, Philippines and Indonesia. (TGCCR, 2002). What all this suggests is that Malaysia's progress in public sector efficiency, professionalism and competitiveness has been far from satisfactory.
 3. The situation has been compounded further by present levels of ethics and integrity in the society. Despite emphasis on ethical administration and various measures towards this direction, the Malaysian bureaucracy has failed to extricate itself from increasing graft and corruption charges (Navaratnam, 2003; Leong, 2006). Evidence shows that the corruption in public agencies is fairly high which is reflected in Malaysia's standing in Transparency International (TI)'s Corruption Perceptions Index (CPI). With CPI ranking of 39 and scores of 5.0 and 5.1 in 2004 and 2005 respectively Malaysia has not only remained far behind many countries; the country's CPI score is still below the initial score of 5.28 and 5.32 during 1995 and 1996 respectively. The most recent CPI ranking released by TI shows that Malaysia's position has slipped further although the CPI score has been almost static at 5.0. This is further reflected in TI's recently developed and used Bribe Payers Index (BPI) where Malaysia ranks 25th (with score 5.99 out of 10) among 30 countries covered (TI, 2006). Thus what it all indicates is a dismal scenario notwithstanding the much publicized war against corruption declared

by the new Prime Minister. Clearly, there is very little evidence to suggest that reforms have either contributed to the strengthening of anti-corruption mechanisms or to the modification of bureaucratic ethics and integrity.

4. There is little doubt that Malaysia is ahead of other developing countries in terms of ICT infrastructure and its usage. However, Malaysia's overall progress is far from satisfactory especially when considered with advanced countries. Presently, not only the number and types of services offered through such channels are limited but also public access to such services is inadequate. Malaysia's progress in terms of e-readiness and e-maturity is rather poor. Consequently, many of the promises of e-government have not been materialized. With the present rank of 42 and score of 46.4 for e-readiness and e-maturity respectively Malaysia lags behind many developing countries (UN, 2005). Not only the internet penetration in Malaysia is poor, but also the number of people with PC per 1000 remains low. Digital divide has been a real problem in countries like Malaysia. Consequently the number of people online is also quite low compared with Singapore, South Korea and Taiwan and increasing this significantly has remained a key challenge for the leadership of the nation.

There are a host of other problems that the public service currently suffers from. Poor quality of services, politicisation of administration, disciplinary problems in the public service, high incidence of patronage and cronyism at various levels, inadequate implementation of projects, weak financial management, poor enforcement of values and regulations to name a few (see Gomez and Jomo, 1999; Salleh, 2007). Taken together, they pose a major challenge to Malaysia's national aspiration to become a fully developed country by 2020.

Summary and conclusion

Public governance in Malaysia has undergone major transformations since the 1980s as a result of various reforms and innovations. Since the market forces have come to be regarded as the engine for growth and development, a comprehensive set of reform was called for not just to redefine the role and boundary of the public sector but more so reposition it in the changed context for achieving national developmental goals. Reform programmes gained fresh impetus in the 1990s and continued ever since. While the changed national and global environment has much to explain the most recent wave, the influence of the NPM model is clearly visible. The Malaysian experience shows that while policy learning has been common, the cases of complete 'policy transfer' are few and far between. It is also clear that the reforms have brought about major changes to the public bureaucracy in Malaysia and its internal management. Not only the structure of bureaucracy and the operational processes and methods have changed following reforms, increasingly, market values like quality and productivity, efficiency, discipline, innovation, integrity and accountability, excellence in service provision and customer-orientation are being emphasized in the public service. With all this, the contemporary reforms are nothing less than phenomenal and they largely mirror the types of reforms taking place elsewhere under the NPM paradigm, although Malaysia's adoption of the NPM could best be described as partial (Siddiquee, 2006). Although these reforms are generally perceived as steps in the right direction and have produced favourable outcomes in several areas, they have failed to solve many of the perennial problems of the public sector. The Malaysian experience shows that, despite numerous efforts and progresses, the objective of achieving excellence in public service remains illusory. It also shows that often the gap between theory and practice is too wide. The implications are manifold: while it is important to sustain and consolidate the current reform drives and initiatives it is also important to routinely monitor their progress and performance. Attempts must be made to ensure the enforcement of policies and regulations and for tackling other concerns and issues raised by the members of public. Since corruption and declining professionalism are seen as serious ailments of the public bureaucracy, more robust measures are called for to address the root causes of such vices. Clearly, there are no short-cuts: improvement in governance must

be seen as a continuous process requiring more drives, learning and re-learning. The most important ingredient for success in this regard is the commitment of those involved to make a difference. It is encouraging to note that such commitment in Malaysia at both political and administrative levels remains fairly high.

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