

Summary

TOWARDS A MORE REPRESENTATIVE AND WORLD CLASS MALAYSIAN CIVIL SERVICE

The present Malaysian civil service is predominantly Malay; the higher the service group, the higher its domination by Malays. All other racial groups, including non-Malay bumiputras, are under-represented in varying degrees. Since the inception of the New Economic Policy in 1970, the proportion of Malays in the civil service has grown from 60% to 77%. The Perkhidmatan Tadbir dan Diplomatik (PTD) is 85 percent Malay, or has six Malays for each non-Malay.

Various factors are accentuating the trend of a less representative civil service. Low non-Malay application is presently a problem. Lower public-sector pay appears to be a factor in regard to some – by no means all – kinds of personnel. Another important reason for low non-Malay application is the widespread perception of unequal chances in recruitment and especially career advancement. More equality of opportunity in recruitment and career advancement would gradually restore non-Malay application to its previous adequate levels.

A civil service that is sufficiently representative of all races is imperative for three reasons. It is needed for enhancing equity for all races, not only in terms of jobs but also in terms of government responsiveness to their needs and wishes, as civil servants importantly affect both public policy and its implementation. Secondly, it is needed for national unity. Both symbolically and substantively (i.e. in terms of its policy effects), the presently non-representative civil service alienates the under-represented races, including discouraging non-Malays from attending national schools. Thirdly, enhancing representativeness through a fuller merit system would also enhance the capacity and performance of our civil service. This is increasingly important for meeting rising citizen expectations and for safeguarding our national competitiveness in an era of accelerating globalization.

The Centre for Public Policy Studies proposes a three-part strategy for achieving a more representative and capable civil service. The first, and basic, component is to have a more merit-based public personnel system – **together with more representative service commissions** – for enhancing equality of opportunity in recruitment and career advancement. The second component is a “60-40” intake plan: Annual intake of fresh recruits should comprise 60 percent of Malays and 40 percent of non-Malays. Non-Malay intake should roughly reflect the proportions that the various non-Malay groups form in the country’s population. This plan is not only easy to implement and monitor; it is also gradual. Over time, it will result in a sufficiently representative Malaysian civil service – one with one-third of non-Malays – after 30 years of implementation. The third component is the Public Service Initiative, which is a largely private-sector-funded

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scholarship program for attracting quality non-Malay candidates to serve in the civil service after graduation.

This report concludes with a re-emphasis on the significance of a racially representative civil service. Since the original NEP objectives outlined the need to abolish identification of sector with race, and emphasized the goal of national unity, it is imperative that the civil service should be structured to reflect such egalitarian aims. The recommendations proposed, if efficiently and effectively implemented, would restore non-Malay application to a fair level and in due course produce a representative and world-class civil service befitting a country moving towards the achievement of Vision 2020.

TOWARDS A MORE REPRESENTATIVE AND WORLD CLASS CIVIL SERVICE IN MALAYSIA

I. THE PRESENT STATE OF ETHNIC REPRESENTATION IN THE MALAYSIAN CIVIL SERVICE

Available data shows that the Malaysian civil service has become increasingly non-representative especially since the start of the NEP. The outcome is that today the civil service is predominantly Malay. This is shown in **Table 1**, which contains the latest figures – as at the end of June 2005 – for the civil service released by the government.¹ **Figure 1** presents the same data in the form of a bar chart.

The data does not include the police and armed forces. Including the personnel in these more Malay services would further increase the Malay percentage.² The even greater under-representation of non-Malays in the strategic services responsible for the country’s defense and law and order is also a matter of grave concern.

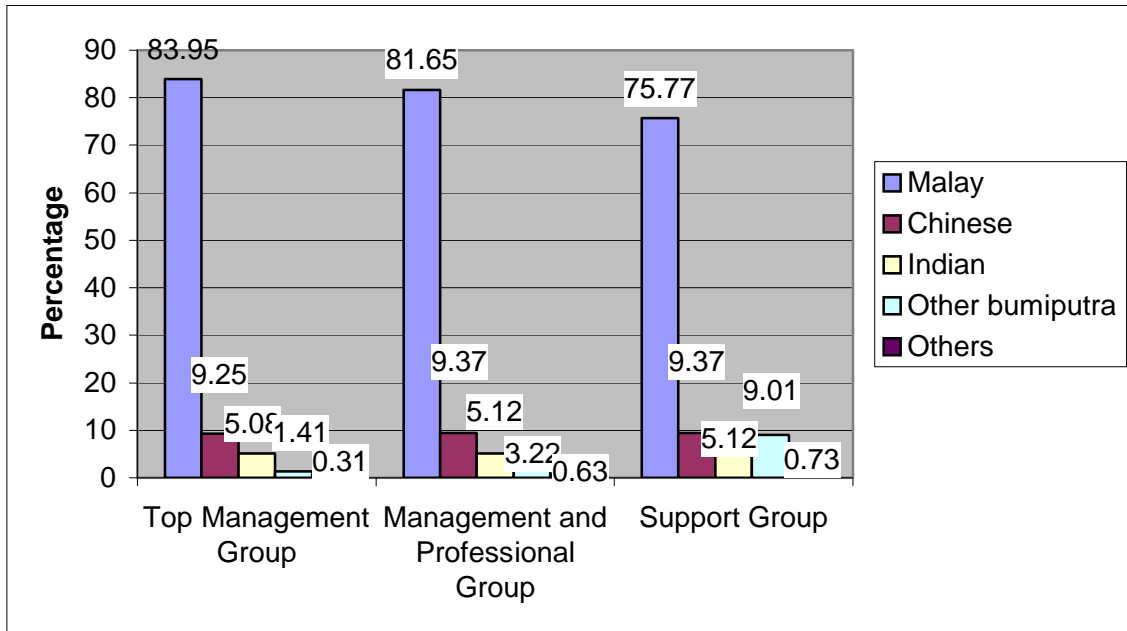
Table 1: The Ethnic Composition of the Malaysian Civil Service: June 2005

Ethnic Group	Top Management Group		Management and Professional Group		Support Group		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Malay	1,370	83.95	155,871	81.65	535,495	75.77	692,736	77.03
Chinese	151	9.25	17,896	9.37	66,248	9.37	84,295	9.37
Indian	83	5.08	9,777	5.12	36,194	5.12	46,054	5.12
Other bumiputra	23	1.41	6,156	3.22	63,649	9.01	69,828	7.77
Others	5	0.31	1,203	0.63	5,129	0.73	6,337	0.70
Total	1,632	100	190,903	100	706,715	100	899,250	100

¹ Reply by Datuk Mohd. Johari Baharum, Parliamentary Secretary in the Prime Minister’s Department, to a question by Y.B. Munusamy a/l Mareemuthu in the *Dewan Negara* on 7 December 2005. It was reported in the Chinese-language daily *Oriental Daily News*, 8 December 2005.

² The ethnic composition of the police in 2004 and of the armed forces (year not specified) is reported in *The Sun Weekend*, 4-5 December 2004. Such data on the police is also provided in the 2005 *Report of the Royal Commission to Enhance the Operation and Management of the Royal Malaysian Police*, p. 135-6.

Figure 1: The Ethnic Composition of the Malaysian Civil Service: June 2005



Malays are heavily over-represented and other ethnic groups, including non-Malay bumiputras, are significantly under-represented. Malays now account for 77.03 percent of the entire civilian civil service. The percentage of Malays increases with level: it is 75.77 percent for the Support Group, 81.65 percent for the Management and Professional Group, and 83.95 percent for the Top Management Group. This means that the higher the level in the civil service, the more pronounced also is the level of Malay over-representation.

A useful way to show the *degree* of over- and under-representation is to compute a simple index of representation by dividing the percentage of an ethnic group in the civil service (**shown in Table 1**) by its percentage in the country’s population (2000 census). An index of more than 1.0 means that a group is over-represented, while an index of less than 1.0 shows that a group is under-represented, relative to population share. The difference of a group’s index from 1.0 is measures the degree to which it is over-represented (if above 1.0) or under-represented (if below 1.0). The indices for the various ethnic groups in the civil service are shown in **Table 2**.

The last column of **Table 2** shows that, overall, Malays are over-represented to the tune of 1.44 times their population share. This is at the expense of all other ethnic groups, which are thus under-represented. Disregarding “Others”, Indians have only 0.69 times their population share, followed closely by other or non-Malay bumiputras with 0.66 times their population share. The Chinese index of 0.36 means that Chinese representation in the civil service is only slightly more than a third of their population share, compared to two-thirds for Indians and non-Malay bumiputras.

Table 2: Index of Ethnic-Group Representation in the Malaysian Civil Service: June 2005

Ethnic Group	Top Management Group	Management and Professional Group	Support Group	Total
Malay	1.57	1.53	1.42	1.44
Chinese	0.35	0.36	0.36	0.36
Indian	0.69	0.69	0.69	0.69
Other bumiputra	0.12	0.27	0.77	0.66
Others	0.25	0.51	0.59	0.57

Looking across the columns shows that Malay domination in the civil service is even greater than suggested by their overall index. This is because their over-representation increases with service-group level: their index is 1.42 for the Support Group, 1.53 for the Management and Professional Group and 1.57 for the Top Management Group. The representation of Chinese and Indians is constant across service groups. In direct contrast with Malay, non-Malay bumiputra representation decreases sharply with service-group level: the non-Malay bumiputra index decreases from 0.77 for the Support Group to 0.27 for the Management and Professional Group and to 0.12 for the Top Management Group. In a significant sense, non-Malay bumiputras can be said to be worse off in terms of effective representation in the civil service than their already low index of 0.66 suggests.

Specific mention should be made of the PTD (Perkhidmatan Tadbir dan Diplomatik), the elite corps whose officers occupy the most important positions in the civil service and form the bulk of the Top Management Group. The four-to-one quota in favour of Malays was introduced in 1953, but this quota has not been strictly adhered to with the result that Malays have always exceeded non-Malays by more than four to one in the PTD. Tabulations of Staff Lists by Gibbons and Zakaria Haji Ahmad³ and Puthucheary⁴ show that the PTD had 86 percent of Malays, or 6 Malays to one non-Malay in 1963, a situation that has remained virtually unchanged since. Citing various sources, Crouch notes: “During the 1970s the (PTD) expanded very rapidly. ... In 1970 the PTD had 696 members, 86.6 percent of whom were Malays. By 1975 it had grown to 1,568 members of whom 85.6 percent were Malays. By 1984 it numbered about 2,500.”⁵ In 1999, it was 3,366 and 85 percent Malay, 7 percent Chinese, 6 percent Indian and 2 percent others.⁶ The PTD website shows it was 3,700 strong in April 2002, with Malay representation probably remaining at about 85 percent.

³ David S. Gibbons and Zakaria Haji Ahmad, “Politics and Selection for the Higher Civil Service in New States: The Malaysian Example”, *Journal of Comparative Administration*, 3(3), 1971, p.337.

⁴ Mavis Puthucheary, *The Politics of Administration: The Malaysian Experience* (Kuala Lumpur: Oxford University Press, 1978), p. 54.

⁵ Harold Crouch, *Government and Society in Malaysia* (St. Leonards, NSW: Allen and Unwin Australia, 1996), pp. 131-2.

⁶ Abdullah Sanusi Ahmad, Norma Mansor and Abdul Kuddus Ahmad, *The Malaysian Bureaucracy: Four Decades of Development* (Kuala Lumpur: Prentice-Hall, 2003), p. 82.

The persistence of the de facto six-to-one ratio shows that the four-to-one PTD quota has been interpreted as *at least* four Malays for every non-Malay. Interpreted in this way – which cannot be intended – the quota could technically be met by having just one non-Malay, or indeed no non-Malay at all. If the initial – and fairer – intent of the quota were implemented, it would have resulted in at least one non-Malay for every four Malays – a major difference from the prevailing situation. The manner in which the quota has been applied has thus made the PTD even more unrepresentative. It also shows that there has been little or no move since independence – a time span of more than 50 years – to open up the highest ranks of the civil service to non-Malays and to create a more racially balanced system of administrative power sharing.

II. HOW HAS THE PRESENT SITUATION COME ABOUT?

A careful analysis of the reasons for the present situation is needed for informing remedial action.

Notwithstanding the Malay dominance of the PTD, in fact some progress had been made in the late 50s and 60s in the overall civil service toward making it more reflective of the country's multi-racial population. Before the NEP, there was considerable non-Malay application and recruitment into the service. This led to a more racially balanced representation in the civil service in the late 60s. In 1969, the federal civil service was 60.8 percent Malay, 20.2 percent Chinese, 17.4 percent Indian and 1.6 percent others.⁷ Thus not only Malays but also Indians were over-represented. The intake of Malays accelerated with the start of the NEP.⁸ Considerable non-Malay application probably continued for some time after 1969, but few were taken in. Means observes that “the natural proclivity of the government, particularly after the NEP, has been to fill the positions with Malays if at all possible.”⁹ Historian Ramlah Adam similarly comments: “There was too much emphasis on the Malays during the implementation of the NEP and we suddenly found that Malays were filling every post.”¹⁰ A recent explanation by the secretary of the PSC (Public Services Commission) confirms this: “She said the drastic drop in the number of non-Malay civil servants since the 1980s was due to the retirement of the post-Merdeka batch of civil servants, who were not being replaced.”¹¹

The situation was exacerbated by the rapid decline in Chinese and Indian application, which set in during the 1980s and led to the present low application levels by the late 1990s. The PSC recently released application figures for 2001-4.¹² While application by Malays was high and application by others (which includes non-Malay bumiputras)

⁷ Mavis Puthuchery, *The Politics of Administration: The Malaysian Experience*, p. 56.

⁸ Ismail Salleh and H. Osman Rani, *The Growth of the Public Sector in Malaysia* (Kuala Lumpur: Institute of Strategic and International Studies, 1991), p. 39.

⁹ Gordon P. Means, “Ethnic Preference Policies in Malaysia”, in Neil Nevitte and Charles H. Kennedy (eds.), *Ethnic Preference and Public Policy in Developing States* (Boulder, CO: Lynne Rienner Publishers, 1986), p. 105.

¹⁰ *The Sun Weekend*, 4-5 December 2004.

¹¹ *The New Straits Times*, 26 July 2005.

¹² *The New Straits Times*, 26 July 2005.

remained considerable, application by Indians and especially Chinese in percentage terms was much lower than their respective shares of the population. Although the accuracy of these figures has not escaped criticism, these low levels of application have led to the argument that Chinese and Indian disinterest is the main cause of their under-representation in the bureaucracy.¹³ However, as past application has been considerable, a careful analysis of the reasons for the sharp decline is needed.

Government officials often cite the lower wages in the public sector as the main reason. There is widespread belief and some evidence – see for example Lucas and Verry¹⁴ – that the public sector has lagged behind the private sector in terms of pay increase in recent decades, especially for higher-level personnel. Whilst differential pay is a factor that makes public sector jobs less attractive – not just to non-bumiputras but also to bumiputras – it does not appear to be the major factor. In fact the relative security, prestige and other non-monetary perks that accompany the upper-level civil service make these positions much sought after. It should also be noted that the lower pay argument applies more to some services – especially some professional and technical support services – than to others, including the PTD, other general administrative services and most non-technical support services.

Many analysts and independent observers believe – almost certainly correctly – that inequalities in personnel practices are no less important than the pay factor in explaining low non-bumiputra application.

The more pronounced preference for Malays in recruitment has undoubtedly dampened non-bumiputra application. Even more serious is the effect of Malay preference in promotion and in preferred postings to strategic ministries and agencies. Article 136 of the Federal Constitution clearly provides for impartial treatment of all civil servants.¹⁵ “In practice, however, Malays have been promoted because of race to assure that the highest policy-making positions will be filled by Malays regardless of objective performance standards.”¹⁶ Navaratnam observes “practically all Secretaries-General of ministries and Directors-General of professional departments are Bumiputras.”¹⁷ In fact, the same is true of their deputies. And it cannot escape notice that virtually all senior officials in our public universities, from school deans upwards, are bumiputras. The

¹³ A number of persons, including non-Malay former senior civil servants, have questioned the accuracy of “official” application figures, claiming that some non-Malay applications were discarded and not recorded. By implication, they also question the low-application explanation. This paper takes the view that low application is a factor, although the alleged practice might have made non-Malay application appear lower than it really was.

¹⁴ Robert E.B. Lucas and Donald Verry, *Restructuring the Malaysian Economy: Development and Human Resources* (New York: St. Martin’s Press, 1999), pp. 234-7.

¹⁵ Article 136 reads: “All persons of whatever race in the same grade in the service of the Federation shall, subject to the terms and conditions of their employment, be treated impartially.” And Article 153, on special rights, expressly provides in Clause 5: “This Article does not derogate from the provisions of Article 136.”

¹⁶ Gordon P. Means, “‘Special Rights’ as a Strategy for Development”, *Comparative Politics*, 5(1), 1972, p. 47.

¹⁷ Ramon V. Navaratnam, *Managing the Malaysian Economy: Challenges and Prospects* (Petaling Jaya: Pelanduk Publications, 1997), p. 103.

result is widespread perception, both within the civil service and outside, that preference is given to Malays in promotion and in preferred postings. Navaratnam notes the effect on potential non-bumiputra applicants: “If they do not see equal opportunities in their career, they might decide against applying for jobs in the public sector to avoid feeling frustrated.”¹⁸ In short, the reduction in non-bumiputra application is importantly due to decades of preferential recruitment and promotion of bumiputras, especially Malays, in the civil service.

A more complete understanding of the reasons for low non-Malay application is of considerable policy importance. The view that non-bumiputras are not interested in public sector jobs because of lower pay implies that, apart from increasing public-sector pay, there is nothing that the government can – or should – do to address the problem. Indeed, this appears to be the point made by the PSC secretary (and other senior Malay civil servants): “If the numbers of non-Malays applying is small, what can we do?”¹⁹ The implications would be quite different if ethnic preference in personnel practices is the main or important factor, or among the important factors.

Just as ethnic preference in the civil service has been made to work to the numerical and seniority advantage of the Malays and to the disadvantage of non-Malays, so also can it be redressed to work toward a more level playing field should there be political will and commitment to a more representative civil service. In fact, the smaller number of non-Malay application does not need to be a constraint in achieving a multi- racially representative civil service, as fairer recruitment targets could be set for non-Malays. And if equal consideration is given to them in all other ways, especially in terms of career advancement in the public sector, there is every reason why rapid and sustainable progress could be made toward the important goal of a more representative and capable civil service.

III. THE IMPORTANCE OF MAKING THE CIVIL SERVICE MORE REPRESENTATIVE

There are three major arguments for making our civil service more representative. These are (a) to ensure inter-racial equity, (b) to safeguard national unity, and (c) to improve civil service performance for meeting citizen expectations and for ensuring national competitiveness under globalization. Together they weigh strongly in favour of a more representative civil service in Malaysia. They are briefly explained below.

Equity

The first argument is that a representative bureaucracy is needed to ensure equity among the various races. In all modern governments, civil servants are deeply involved in formulating as well as in implementing public policies. In performing these roles they

¹⁸ *The Sun*, 3 June 2001.

¹⁹ *The New Straits Times*, 26 June 2005.

also exercise varying degrees of discretion. Even “street-level” civil servants, such as policemen, possess significant discretion and exercise it in ways that are highly important for citizens. Not surprisingly, research has shown that an ethnic group’s representation in the civil service importantly affects the actual policy outputs or benefits received by members of the ethnic group.²⁰ Thus an ethnic group has to be adequately represented in the civil service for public policies to be responsive to the group or to serve its needs.

One reason for this is that civil servants may be partial or biased towards their own ethnic group. But even if civil servants were completely impartial (which they should try to be), they would inevitably increase benefits for their own ethnic group because of various other reasons. These include their sharing and greater empathic understanding of the views and interests of their respective ethnic group, their moderating and re-socializing effect on civil servants of other ethnic groups, and the encouragement and facilitation that their presence provides to clients of their ethnic group in taking up government services.²¹ The multifarious ways in which ethnic representation can affect policy outputs considerably strengthens the conclusion that all ethnic groups have to be fairly represented in the civil service if they are to be fairly served by it.

National Unity

The second argument is that a representative bureaucracy is needed to safeguard national unity. Whether the civil service is representative or not importantly affects national unity in two ways: symbolically and substantively.²²

Symbolically, representation in the civil service affects an ethnic group’s identification with the civil service and the government generally. Poorly represented groups would evaluate the civil service less favourably than adequately represented groups. In fact, a survey conducted by Universiti Sains Malaysia for the Department of National Unity has found that Chinese and Indians generally give the Malaysian civil service lower marks than Malays do. The point is that this is likely to occur even if the civil service performs similarly towards all ethnic groups. Groups without adequate representation in the civil service would also tend to see the government as “not our government” but “their government” and would question its legitimacy.

Of course, the problem would be seriously compounded if civil servants of the over-represented majority ethnic group were also biased – and thus substantively inequitable or discriminatory towards other ethnic groups. Systematic research on this is lacking in Malaysia, but there is reason enough for concern. Non-Malays, including politicians

²⁰ See Sally Coleman Selden, *The Promise of Representative Bureaucracy: Diversity and Responsiveness in a Government Agency* (Armonk, NY: M.E. Sharpe, 1997) and Julie A. Dolan and David H. Rosenbloom (eds.) *Representative Bureaucracy: Classic Readings and Continuing Controversies* (Armonk, NY: M.E. Sharpe, 2003).

²¹ Hong-Hai Lim, “Representative Bureaucracy: Rethinking Substantive Effects and Active Representation”, *Public Administration Review*, 66(2), 2006 (forthcoming).

²² For a discussion of these symbolic and substantive effects, see Frederick C. Mosher, *Democracy and the Public Service* (New York: Oxford University Press, 1968), pp. 10-14.

inside and outside the ruling coalition, often blame overzealous Malay bureaucrats for accentuating the discriminatory effect of public policies, including those that are supposed to be ethnic-blind. Shamsul, a prominent Malaysian academic, describes the Malaysian civil service as “highly ethnicised” and “deeply pro-Malay”. “Lower ranking Malay civil servants,” he elaborates, “have often been accused by the non-Malay public as practicing “racial discrimination” in the way they discharged their duties *vis-à-vis* the non-Malays. Their usual respond (sic) to the criticism was ‘we are simply implementing national politics’.”²³

Far from surprising, the pro-Malay ethos of Malay civil servants is even to be expected in a predominantly Malay civil service. Indeed it would be surprising if it were otherwise. Shamsul’s description is also worrisome for another reason. Not only lower-level Malay civil servants do not deny racial discrimination on their part; they also see it as consistent with tacit government policy. And even if discriminatory behaviour is not officially encouraged, it has not been sufficiently met with strong disapproval from Malay political and bureaucratic leaders. Ethnic bias, even if not by all Malay civil servants, in a predominantly Malay civil service is likely to be a non-trivial contributor to the lower legitimacy of government that observers believe to exist among non-bumiputras in Malaysia.²⁴

The threat of racial bias to national unity is demonstrated for all Malaysians by the police’s lack of even-handedness in the Kampung Medan incident in 2001. There can be little doubt that the problem would not have occurred had the police been more representative instead of predominantly Malay. Dr. Mahathir’s reported response to the incident merits special notice:

The Government wants an increase in non-Bumiputra representation in the civil service to promote national unity. Prime Minister Datuk Seri Dr. Mahathir said today there was a need to ensure all races are sufficiently represented at all levels in the service. “We are a bit worried that there are not too many non-Malays – that is Chinese and Indians – in the government service.”²⁵

Even without such blatant racial discrimination, a non-representative civil service detracts from national unity because of reduced responsiveness and sensitivity to the needs and wishes of under-represented groups. A case in point is our national schools. There is considerable concern that various pro-Malay and pro-Muslim practices in these schools have made them less attractive to non-Malays. In fact, a Malay Deputy Minister has told the predominantly Malay school personnel “to be fair” so as not to “alienate” the younger generation of non-Malays.²⁶ Both the lower attractiveness of national schools to

²³ A.B. Shamsul, “The Construction and Transformation of a Social Identity: Malaysness and Bumiputraness Re-examined”, *Journal of Asian and African Studies*, no. 2, 1996, p. 25.

²⁴ See, for example, Gordon P. Means, “‘Special Rights’ as a Strategy for Development”, *Comparative Politics*, 5(1), 1972, p. 48; William Case, “Malaysia: Aspects and Audiences of Legitimacy” in Muthiah Alagappa (ed.), *Political Legitimacy in Southeast Asia: The Quest for Moral Authority* (Stanford: Stanford University Press, 1995), p. 74.

²⁵ *The New Straits Times*, 20 May 2001.

²⁶ *The New Straits Times*, 21 October 2003.

non-Malays and an alienating school experience do not help the cause of national unity. In a newspaper interview, Minister in the Prime Minister's Department Datuk Dr Maximus Ongkili has pointed out that the practices in question "are not part of the Government's policy" but "are introduced by overzealous principals and headmasters."²⁷ This too is bound to occur to some extent when teachers and especially headmasters are preponderantly Malay.

It cannot be over-emphasized that the civil service should be a force for bringing together and unifying the various races instead of dividing them. To promote national unity, a more representative civil service is imperative.

Performance and National Competitiveness

The third and final argument for a more representative bureaucracy is that it will also improve the performance of the civil service. The two arguments already examined have led many countries to lower entry requirements for under-represented groups, typically educationally disadvantaged minorities, in order to secure a representative civil service. Achieving a more representative civil service therefore entails some sacrifice in terms of civil service capacity and performance. However, conditions in Malaysia are such that civil service representativeness and performance can be improved at the same time. More emphasis on merit (and of course a full merit system) would make the Malaysian civil service more representative – and thus more fairly responsive and more fostering of national unity – and at the same time improve its performance in terms of effectiveness and efficiency.

"There can be little doubt," notes Esman (who helped design and launch the administrative reform program under Tun Razak), "that the country paid a price in reduced administrative effectiveness" because of ethnic preference.²⁸ Ethnic preference enhances employment and career opportunities for those involved but at a considerable price for all Malaysian, regardless of race, in terms of foregone performance. And changing conditions, domestic as well as international, have made this price increasingly unaffordable.

Malaysians are becoming better educated and better informed, and expect more from the civil service, as shown in their overwhelming response to the Prime Minister's promise to improve the civil service in the last general elections. Although reforms to date have undoubtedly improved matters, complaints of unsatisfactory performance – including by government leaders – continue to be heard. Improving the capacity of the civil service through greater emphasis on merit would appear needed to meet these higher expectations. Failure to meet these citizen expectations is bound to have repercussions on their evaluation and support of the government.

²⁷ *The New Straits Times*, 9 January 2006.

²⁸ Milton J. Esman, *Administration and Development in Malaysia* (Ithaca, NY: Cornell University Press, 1972), p. 75.

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The challenges of globalization have greatly increased the pressure for better civil service performance. “Globalization,” notes Lodge of the Harvard Business School, “is forcing convergence around the most competitive practices.”²⁹ To enable our businesses to compete globally and to attract foreign investment, the civil service has to be of world class and meet international benchmarks of performance. With China “burying the competition”³⁰ in manufacturing and other competitors emerging, the nation’s leaders are unanimously agreed that the country is facing an unprecedented challenge in finding new sources of growth and in enhancing its competitiveness.

This is a challenge that the Prime Minister has never tired of reminding the country. Addressing an Asian audience, Datuk Seri Abdullah Ahmad Badawi has elaborated the challenges of globalization as follows:

Adjustments need to be made to reposition our respective economies in a business environment that is increasingly borderless. In addition, Asia must also make internal adjustments to accommodate the growing significance of two giant economies: China and India. ... It remains for the smaller economies in the region to figure out how to realign themselves in order to remain relevant and competitive. The road ahead will be difficult for many countries.³¹

Speaking specifically of Malaysia, the Prime Minister has explained: “We have little choice but to transform again, to become a knowledge-based economy.”³²

Even as Deputy Prime Minister, he had forcefully made the point in his address to the 8th Civil Service Conference in June 2003:

Even the term ‘challenging’ appears to be an understatement when talking of the coming trials and tribulations that we must be prepared to face. ... I would like to point out that the odds are stacked against us. ... If ever there is an issue that we must be single-minded about, it must be about improving, and continuously improving, our national competitiveness.

He then explicitly points out what national competitiveness demands of the civil service:

A key aspect of competitiveness relates to the efficiency and effectiveness of the public service delivery system. In fact, in the first meeting of the cabinet committee on national competitiveness (of which I am the chairman), this delivery system was identified for further enhancement in our quest to improve national competitiveness. True, the private sector acts as the engine of growth, but this engine cannot run in a vacuum. The speed,

²⁹ George C. Lodge, *Managing Globalization in the Age of Interdependence* (Kuala Lumpur: Golden Books Centre Sdn. Bhd., 1995), p. 10.

³⁰ Karby Leggett and Peter Wonacott, “Burying the Competition”, *Far Eastern Economic Review*, 17 October 2002, p. 30.

³¹ Speech at *The Agenda Asia Conference*, 10 February 2004.

³² Speech at the *NEAC Dialogue Forum*, 13 January 2004.

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efficiency, and effectiveness with which the public sector serves the private sector determine the speed, efficiency and effectiveness of our corporations.³³

A recent World Bank report clearly identifies bureaucratic delay as a major factor detracting from our national competitiveness.³⁴ This has prompted another reminder, this time from the Chief Secretary to the Government Tan Sri Samsudin Osman, of the urgent need to remedy weaknesses in our civil service if we want to remain competitive even in our own region.³⁵

The challenge before us is not only to improve service delivery. It is more than that. The need for new sources of growth and repositioning to ensure national competitiveness calls for new strategies and policies. Citing both the higher citizen “demand (for) quality service” and the “challenges of globalization”, Datuk Seri Abdullah Ahmad Badawi has spelled out what this back-to-the-drawing-board demands of the senior civil service: “without the brightest minds conceptualizing, adapting and driving public policies, good governance would remain an elusive ideal.”³⁶ If deficits in policy capacity and service delivery within our civil service reduce our ability to compete globally, all Malaysians will certainly become poorer.

Box 1: MAPEN on a Multiracial Civil Service

- Semua dasar Kerajaan yang digubal hendaklah mengambilkira keperluan dan aspirasi semua kaum dan golongan. Ini (mempunyai kakitangan yang berbilang kaum) akan memudahkan penglibatan seluruh rakyat dalam rancangan Kerajaan (pp. 188 - 189).
- Peluang memajukan kerjaya kepada semua anggota hendaklah berasaskan kecemerlangan (p. 242).
- Sektor awam yang lebih mencerminkan kepelbagaian kaum akan memperkuatkan keharmonian antara kaum dan membantu proses perpaduan negara (p. 242).

The MAPEN report, from which the recommendations above have been extracted, is a particularly important milestone in the national policy dialogue. The report represents the outcome of work as well as the consensus of 150 prominent Malaysians representing all the ethnic communities working over a period of almost two years to arrive at important policy proposals and recommendations to take the country forward into the 21st century.

Source: *Dasar Ekonomi Untuk Pembangunan Negara: Laporan Majlis Perundingan Ekonomi Negara*, Kuala Lumpur: Jabatan Percetakan Negara, 1991.

³³ Dato' Seri Abdullah Haji Ahmad Badawi, “Managing the National Economy in Challenging Times: Enhancing the Delivery Systems and Mechanisms”, *Bulletin INTAN*, 26, 2003, pp. 4-5.

³⁴ *Doing Business in 2006: Creating Jobs* (Washington DC: The World Bank, 2005).

³⁵ *Mingguan Malaysia*, 11 December 2005.

³⁶ *The New Straits Times*, 23 June 2000.

It is encouraging that our leaders are clearly aware of the importance of a more representative and capable civil service to our national unity and our national goal of growth-with-equity. In fact, many Malaysians involved in the national policy dialogue of the National Economic Consultative Councils since 1990 are no less aware (**See Box 1**). What is left is only for us to act or follow through.

IV. WHAT SHOULD BE DONE?

The Centre for Public Policy Studies has identified three key proposals that are integral parts of a package for making the civil service more representative and capable. These proposals are listed in **Box 2** and explained below.

Box 2: Key Proposals Toward a More Representative Civil Service

- Immediate implementation of a more merit-based public personnel system for enhancing equality of opportunity in recruitment and career advancement. The various public service commissions should be made more representative in order to enhance public confidence in their guardianship of the merit system.
- Initiation of a "60-40" intake plan for new recruits. Annual intake of fresh recruits should comprise 60 percent of Malays and 40 percent of non-Malays. Non-Malay intake should roughly reflect the proportions that the various non-Malay groups form in the country's population.
- Launching the Public Service Initiative, which is a largely private-sector-funded scholarship program, for attracting quality non-Malay candidates to serve in the civil service after graduation.

A fuller merit system

To maximize our chances of success in an increasingly competitive world, we need to attract and make use of the best minds. A full (or at least fuller) merit system is needed for this. Unless current deterrents in personnel practices are removed, non-Malays with ability, ambition and alternatives, i.e. the most desirable candidates, would be the first to select themselves out of the pool of civil service applicants. Greater emphasis on merit is also needed to motivate civil servants to perform at the highest level they are capable of. Preferential promotion for Malays not only demoralizes non-Malay civil servants, but also reduces the competition that would help spur Malay civil servants to higher levels of performance. And not promoting capable non-Malay bureaucrats to top jobs is to reduce

the expertise available at senior policy-making and management levels – precisely those levels where expertise, or its lack, has the most impact and where more good personnel would make an important difference in the quality of performance.

As part of this proposal, The Centre for Public Policy Studies recommends that the various public service commissions, especially the Public Services Commission and the Education Service Commission, be made more representative. They should also have a non-Malay as Deputy Chairman. Thus constituted, the service commissions would enjoy greater public confidence in their role as guardians of the merit system.

It should not be supposed that more open and merit-based recruitment and promotion opportunities would produce immediate results. Not only is the job market and hence competition for many knowledge and skill areas now worldwide, but realism suggests that a period of confidence building would be needed to attract the best non-bumiputra applicants back to the civil service. The current negative perception and low non-bumiputra application is the result of a long period of pronounced ethnic preference in personnel practices. It will take some time for this perception to change. This counsels that we should act sooner rather than later.

Box 3: Making the Service Commissions More Representative

- As constitutional guardians of the merit system, public service commissions at federal and state levels should be racially representative.
- When a commission has a Malay chairperson, a non-Malay should be appointed as deputy chairperson. Similarly, when a non-Malay is the chairperson, there should be a Malay deputy chairperson.
- Reconstituting the Public Services Commission and the Education Service Commission is especially important, as these commissions exercise jurisdiction over the largest numbers of civil servants.

Increasing non-Malay intake: a specific proposal

Increasing non-Malay intake or recruits is needed for progress. And setting a target for non-Malay intake every year would ensure meaningful progress. In view of the present ethnic composition of the population and the preponderance of Malays in the civil service, we propose that annual intake should consist, overall, of 60 percent Malays and 40 percent non-Malays (including non-Malay bumiputras). This should apply to both graduate as well as non-graduate recruits, but separately. For the 40 percent intake of non-Malays, the intake for each of the non-Malay ethnic groups should generally reflect

the percentage that each group forms of the non-Malay population – with some added consideration for non-Malay bumiputras.

The 40 percent non-Malay target should be conscientiously but flexibly pursued. Flexibility is needed for ensuring the best available recruits. That is to say, non-Malay applicants should not be preferred to better-qualified Malay applicants just to meet the 40 percent target every year. So long as real effort is made to meet the target, some inter-year variation is desirable. As noted above, it will probably take some time for negative perceptions of career prospects to disappear and for non-Malay applicants to reach sufficient numbers. This is also the reason for the third proposal below for increasing the number of non-Malay graduate applicants.

Subject to the same proviso of conscientious effort, some inter-service flexibility is also needed because of variations in the number of applicants among the services. For graduate manpower, inter-service flexibility is needed for another reason. For the PTD and a few other services, quotas provide for more than 60 percent of Malays in intake. These quotas, if retained, should be strictly adhered to. Even so, they would require some variation among the various graduate-level services under the overall 60-40 targets.

While flexibility is needed to take account of situational complexities, the main proposal is for non-Malays to comprise 40 percent of the total pool of recruits every year. **Table 3** provides projections to show the effect of this proposal over 35 years.

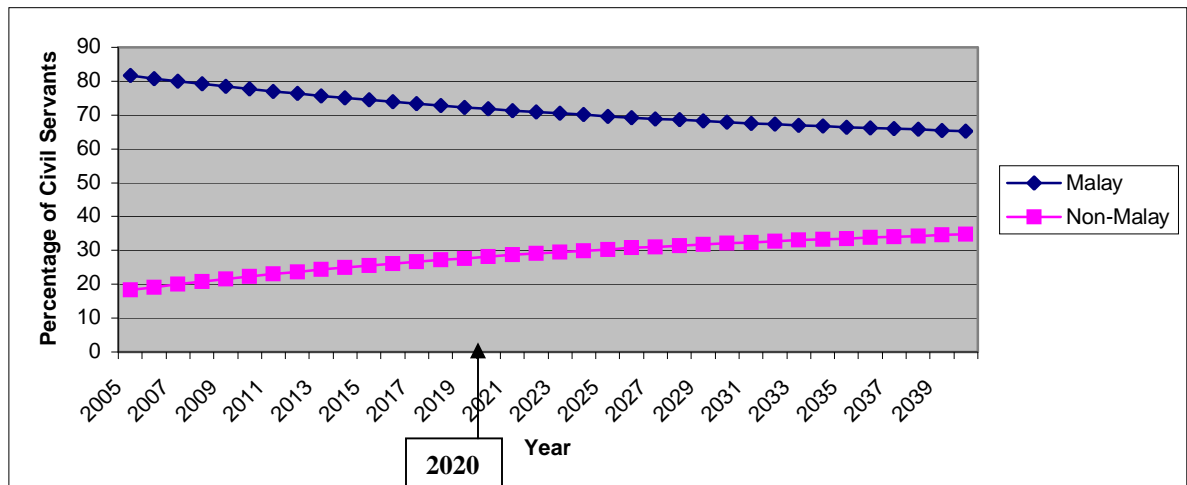
Table 3: Projections Showing the Effect of the “60-40” Intake Proposal on Ethnic Balance in Graduate Manpower

No. of Years	Year	Intake		Total Number		Percentage	
		Malay	Non-Malay	Malay	Non-Malay	Malay	Non-Malay
0	2005			157,241	35,294	81.67	18.33
1	2006	4,621	3,080	157,145	37,315	80.81	19.19
2	2007	4,667	3,111	157,098	39,307	79.99	20.01
3	2008	4,714	3,142	157,099	41,270	79.20	20.80
4	2009	4,761	3,174	157,147	43,206	78.44	21.56
5	2010	4,808	3,206	157,241	45,116	77.70	22.30
6	2011	4,856	3,238	157,380	47,001	77.00	23.00
7	2012	4,905	3,270	157,564	48,861	76.33	23.67
8	2013	4,954	3,303	157,791	50,698	75.68	24.32
9	2014	5,004	3,336	158,061	52,513	75.06	24.94
10	2015	5,054	3,369	158,373	54,307	74.47	25.53
11	2016	5,104	3,403	158,726	56,081	73.89	26.11
12	2017	5,155	3,437	159,119	57,836	73.34	26.66
13	2018	5,207	3,471	159,553	59,572	72.81	27.19
14	2019	5,259	3,506	160,025	61,291	72.31	27.69
15	2020	5,312	3,541	160,536	62,993	71.82	28.18
16	2021	5,365	3,576	161,085	64,679	71.35	28.65
17	2022	5,419	3,612	161,671	66,351	70.90	29.10
18	2023	5,473	3,648	162,294	68,008	70.47	29.53
19	2024	5,527	3,685	162,952	69,653	70.06	29.94
20	2025	5,582	3,722	163,646	71,285	69.66	30.34
21	2026	5,638	3,759	164,375	72,905	69.27	30.73
22	2027	5,695	3,796	165,139	74,514	68.91	31.09
23	2028	5,752	3,834	165,937	76,113	68.55	31.45
24	2029	5,809	3,873	166,768	77,703	68.22	31.78
25	2030	5,867	3,912	167,632	79,284	67.89	32.11
26	2031	5,926	3,951	168,529	80,856	67.58	32.42
27	2032	5,985	3,990	169,459	82,420	67.28	32.72
28	2033	6,045	4,030	170,420	83,978	66.99	33.01
29	2034	6,106	4,070	171,413	85,529	66.71	33.29
30	2035	6,167	4,111	172,437	87,074	66.45	33.55
31	2036	6,228	4,152	173,492	88,614	66.19	33.81
32	2037	6,290	4,194	174,577	90,150	65.95	34.05
33	2038	6,353	4,236	175,693	91,681	65.71	34.29
34	2039	6,417	4,278	176,839	93,209	65.48	34.52
35	2040	6,490	4,326	178,015	94,734	65.27	34.73

The projections begin with the 2005 figures (**from Table 1**) and are based on a retirement rate of three percent each year and an overall increase of one percent each year. A fresh graduate at 23 serves about 33 years before the present retirement age of 56 and so three percent is a good estimate of average annual retirement rate. The assumed one percent increase is about the annual rate of increase in the total number of civil servants in the last twenty years or so. Thus total intake of fresh recruits would amount to four percent of the preceding year's total. The "intake" column in the table divides the annual intake into 60 percent for Malays and 40 percent for non-Malays. The "total number" column is the sum of the new recruits and those in service (i.e. minus three percent who have retired). This total number is calculated separately for Malays and non-Malays. Of main interest here, the "percentage" column shows the percentage figures for Malays and non-Malays.

The most noteworthy feature of the 60-40 intake proposal, apart from its simplicity and ease of implementation and monitoring, is its gradual nature. It will not introduce any radical change to existing recruitment patterns. There would still be a considerable number of new Malay recruits – i.e. between 4,600-6,500 annually – over the next 35 years; and a smaller number of non-Malay recruits, about 3,000 to 4,300 annually over the same period. The percentage of Malay graduate civil servants in the overall service would only decrease, and that of non-Malay graduate civil servants would correspondingly increase, at only a fraction of a percent every year. It does not seem unreasonable to have at least one-third of non-Malays for the civil service to be sufficiently representative of our society. **Table 3** also shows that this target would be achieved only after 30 years of implementing the proposal. **Figure 2** plots the changes in the percentage column in **Table 3** so that the gradualness of change can be seen at a glance.

Figure 2: Projections Showing the Effect of the "60-40" Intake Proposal on Malaysian Civil Service Ethnic Composition, 2005 - 2039



Attracting non-Malays to public service: The Public Service Initiative

The above does not rule out specific measures for increasing non-Malay applicants to speed up the achievement of a more representative civil service. Indeed, we would suggest the following: a public-private sector smart partnership – call it The Public Service Initiative? – to accelerate the intake of quality non-bumiputra graduates into the civil service. This can be started with the Management and Professional Group.

In this partnership, the government side would commit to taking in a specified number of non-Malays per year through the Public Service Initiative. The government would also identify priority areas of fields of specialization and the numbers for these areas. Both the priority areas and the numbers needed can be determined or adjusted from year to year. Various private-sector stakeholders would commit to provide scholarships for the desired number of non-Malays to be trained in Malaysian and overseas universities. This would not pose a problem as many large companies are already providing scholarships to young Malaysians as part of their service to society. Some matching financial contribution by the government would enable more scholarships to be awarded – as well as provide further incentive to private-sector effort. Representatives of the government and private-sector stakeholders would jointly select applicants for these scholarships to ensure both adequate ability and public service motivation. Scholarship holders would be contractually bound to serve in the public sector for (say) 7 years upon graduation.

Measures can also be taken under the Public Service Initiative to disseminate information and to encourage job seekers to look to the public service for worthwhile careers. For example, talks and exhibitions on public service careers can be conducted for students in our institutions of higher learning. In effect, this would make our public-sector recruitment more pro-active and increase the chances of getting more – and more of the best and brightest – graduates to consider a public service career. Such efforts need not, indeed should not, be limited to students of particular races. Nevertheless, they would help make our civil service more representative as well as more capable.

We believe that this proposed scheme could make an independent and valuable contribution towards a representative and capable civil service. It must be emphasized, however, that the success of both the Public Service Initiative and the 60-40 intake plan importantly depends on strengthening the merit system in our public personnel administration. More generally, a strong and well-administered merit system is the sine qua non and foundation for a high-performing civil service.

V. CONCLUSION: MANAGING THE POLITICS

We are under no illusion that changes would be easy. There is need. There are ways. But political will and stamina are needed to overcome opposition to making the Malaysian bureaucracy more representative.

Opposition will come from those who would be adversely affected or believe they would be. It is a fact of political life that a group, including a racial group, has interests of its own as well as interests that it shares with other groups. Thus two kinds of interests can be distinguished, namely sectional and general interests. And sectional interests often conflict with general interests. Adam Smith, the moral philosopher who became the father of economics, long ago pointed to this when he warned of “the danger of faction” as a major threat to “the wealth of nations”.³⁷ One may regard much of the opposition to a more representative and capable civil service as stemming from sectional interests rather than concern for the country’s general interests. But sectional interests are as much a part of political reality as general interests – and often animate human beings even more. Thus opposition is real and had to be anticipated and managed by political leaders.

In the present Malaysian context, opposition is likely to come from sections within the Malay community, including civil servants. Indeed it would appear that some civil service leaders have given clear enough notice that they are opposed to making the civil service more representative, notwithstanding previous pronouncements by the country political leaders. As some non-Malay ministers have stressed, the political will to make the civil service more representative has to be conveyed in clear and sustained directives to those responsible for personnel matters in the civil service. Monitoring and accountability for results would also be needed to ensure satisfactory progress.

There can little doubt that opposition will also be mobilized in the larger political arena. This opposition, no less than opposition within the civil service, has to be reduced by changing the underlying perceptions and expectations that give rise to it. It is in this connection that the other point made by Dr. Mahathir in his post-Kampung Medan statement is equally important: “Fair representation of the races should not only be restricted to government service. It should be reflected in the private sector as well.”³⁸ Considerable progress has been made in expanding Malay participation in the private sector and efforts for this purpose should be continued in those areas where Malays are still under-represented. The civil service should therefore also be made more representative, as is only in line with the NEP objective of abolishing the identification of sector with race, as well as for fully meeting the underlying NEP rationale of national unity. And national competitiveness and collective welfare demand better civil service performance – which a more representative civil service would contribute to.

Getting these basic messages and truths across and sufficiently accepted is needed for sustainable progress towards a representative Malaysian civil service. Changing mindsets, both inside and outside the civil service, to accept change for the national good is the challenge of transformational (i.e. not just transactional) political leadership.³⁹

³⁷ On this, see Jeffrey T. Young, *Economics as a Moral Science: The Political Economy of Adam Smith* (Cheltenham, UK: Edward Elgar, 1997).

³⁸ *The New Straits Times*, 20 May 2001.

³⁹ James McGregor Burns, *Leadership* (New York: Harper and Row, 1978).