



**PERSATUAN ALUMNI PEGAWAI TADBIR DAN DIPLOMATIK**  
*Administrative And Diplomatic Officers' Association*

**STRATEGIC DIRECTION FOR THE 12<sup>TH</sup> MALAYSIA PLAN,  
2021-2025**

**VIEWS AND RECOMMENDATIONS FROM  
*PERSATUAN ALUMNI PEGAWAI TADBIR & DIPLOMATIK***

## STRATEGIC DIRECTION FOR THE 12<sup>TH</sup> MALAYSIA PLAN, 2021-2025

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#### INTRODUCTION

1. The Government has started working on the next five-year development plan, the 12<sup>th</sup> Malaysia Plan, 2021-2025 (12<sup>th</sup> MP). The Ministry of Economic Affairs (MEA) has called on all Malaysians to contribute ideas and inputs into its formulation to set the way forward for the national development agenda over the next decade.
2. In this context, the MEA has stated that the 12<sup>th</sup> MP will be aligned with the shared prosperity initiative encompassing three dimensions, namely:
  - a. economic empowerment;
  - b. environmental sustainability; and
  - c. social re-engineering.
3. In meeting the call by the MEA, the *Persatuan Alumni Pegawai Tadbir dan Diplomatik* (Alumni PTD) had formed a Working Group comprising members with the relevant experiences and knowledge (as in **Appendix 1**) to discuss and deliberate on the issues involved and to document its views and recommendations for the consideration of the Government. The Working Group met on **25 September, from 9.00am – 2.00pm**.

#### ISSUES AND CHALLENGES FACING THE 12<sup>TH</sup> MALAYSIA PLAN

4. The 4<sup>th</sup> IR is upon us bringing with it all kinds of challenges. The impact of the resulting transformation arising from the fusion of technologies is hard to imagine. The speed, scope and intensity of the changes it is likely to bring are likely to be

unprecedented. The technological breakthroughs in fields like artificial intelligence, robotics, the Internet of Things, nanotechnology, biotechnology and quantum computing will create enormous new possibilities. They have the potential to increase income levels and improve the quality of life as well as gains in efficiency and productivity. However, they could also lead to more income disparity (between innovators and owners of capital and labour) and disrupt the labour market.

5. In this environment of continuous unpredictable changes, talent and high skills will become more important. This may lead to social tensions. More than 30 percent of the global population now use social media platforms to connect, learn, and share information. It provides an opportunity for cross-cultural understanding and cohesion. However, it can also create and propagate unrealistic expectations as well as offer opportunities for extreme ideas and ideologies to spread.
6. To businesses, the introduction of new technologies may disrupt existing industry value chains. Agile and innovative competitors can oust well-established incumbents. Growing transparency, consumer engagement, and new patterns of consumer behavior (increasingly built upon access to mobile networks and data) will force companies to adapt the way they design, market, and deliver products and services. A key trend is the development of technology-enabled platforms that combine both demand and supply to disrupt existing industry structures.
7. New technologies and platforms will enable citizens to engage with governments, voice their opinions, coordinate their efforts, and even circumvent the supervision of public authorities. At the same time, the government will gain new technological powers to increase its control over its population, based on pervasive surveillance systems and the ability to control digital infrastructure. However, governments will be forced to change its current approach to public engagements and policy making. Its central role of conducting policy will diminish with the new sources of competition and the redistribution and decentralization of power brought about by new technologies.

8. There are also other challenges from both the international and local environment. At the international level, there is the ongoing trade war between the United States and China, declining market and prices for primary commodities like oil palm, rubber and pepper and the rather unpredictable consequences of the 4<sup>th</sup> IR. Locally, we are faced with low GDP growth, increasing disparity in income between the rich and poor and the Bottom 40, the poverty rate as defined by us versus that by the World Bank and the decision by the government to implement the concept of shared prosperity. At the same time, the government has made a lot of pre-election promises that their constituents want fulfilled in an environment where national revenue is limited.
9. Taking consideration of the above, Alumni PTD is of the view that the preparation of the 12<sup>th</sup> MP should focus on the following:
  - a. Good Governance
  - b. Institutional and Structural Reforms
  - c. New Areas of Growth
  - d. Education, Employment and Productivity
  - e. Aging and Health
  - f. Foreign Workers
  - g. Implementation of the 12thMP.

## **GOOD GOVERNANCE**

10. The long term viability of a country depends to a large extent on good governance, comprehensive and conscious efforts to manage the often complex social, economic and political demands of a modern state. Underpinning the concept of good governance and integrity in a democratic state is “... *essentially the combination of transparent and accountable institutions, strong skills and competence, and a fundamental willingness to do the right thing. These are the things that enable a government to deliver services to its people efficiently*” (Paul Wolfowitz, Good Governance and Development: A Time for Action)

11. There should be no difference between 'governance standards' (or ethical standards) expected or demanded of political leadership, the bureaucrats managing the public service or the executives in the corporate sector. As Prof Samford says "... *the ethical demands fall on all those in public life, whether they are politicians, administrators or business executives. It is their ethical duty to serve the 'public interest' ...*" (Integrating Integrity, World Ethics and Integrity Forum 2005). In other words, all holders of 'public office' are obligated to exercise the power entrusted to them with utmost care, so as to benefit those for whom they have a responsibility. There is no exception.
12. Governance and Integrity are the foundation for the proper implementation of the 12<sup>th</sup> MP as good administration and good management of social and economic resources in the public sector is a prerequisite for success. Good governance in the public service is basically about public service that delivers its services with integrity.
13. For the 12<sup>th</sup> MP to achieve its targets successfully, the key implementors, i.e. public officers, must be competent and with the right knowledge, provide fast service, optimize the use of public resources and above all, deliver with integrity (guided by the rule of law, transparency and accountability). Thus, when we talk of the right ethics, values and integrity in public service, invariably the personal and professional characteristics of public servants are vital in establishing an excellent public service. A noble character is just as important as having efficient and effective management systems. Having the best system and unlimited resources would not bring benefit if the person administering it does not possess the right values and ethics, such as being trustworthy, efficient, honest, clean and hard working. As stated by an English Philosopher, Thomas Hobbes "... *where power alone prevails without morality (ethics and values), the life of mankind is solitary, poor, nasty, brutish and short...*"

## **INSTITUTIONAL AND STRUCTURAL REFORMS**

14. In the 12<sup>th</sup> Malaysia Plan, we should pay attention to institutional and structural reforms which have become necessary in the current economic environment. Among them, consideration should be given to the following:

a. **Parliamentary Select Committees**

Institutional reforms involve the review and restructuring of state institutions so that they respect human rights, practice the rule of law and are accountable to the people. As part of the Parliamentary Reforms, six Parliamentary Select Committees have already been established. It is suggested that they be provided with staff from their own independent service (no longer from the Public Service) and their own budget. Being independent, they will be able to carry out their oversight functions without fear or favour. It is hoped that budget and other requirements will be allocated in the next budget for them to operate. It will definitely help as a check and balance mechanism.

b. **Independent Institutions**

Though we may have the best policies, investors must have the confidence in the institutions of the country. Hence, the Judiciary and the Malaysian Anti-Corruption Commission and enforcement agencies like the Police must be seen to be independent. They also want government institutions to be strong since the private investors look for stability of the Government over the long term, may be 20 years. It does not matter much to them which party is in power as long as the institutions are independent and strong, since these are the institutions that will provide the continuity in policies and programmes that the private sector desires.

c. **Institutional and Regulatory Framework**

There is a need for structural changes, i.e., changes in the institutional and regulatory framework within which businesses and the general public operate. With IR4, the potential for change in all fields, medical, administration, research, education etc is beyond imagination. The rules and regulations in place must not hinder the developments under the 4IR

including the potential for new growth areas and new enterprises. The ability to adjust to the rapid changes in the economic and social environment is critical for the country to have high growth and high incomes. At the same time, certain policies have not given us the optimum benefits. Thus, it is suggested that such policies be reviewed to provide more confidence to the business community and investors.

## **NEW AREAS OF GROWTH**

15. One of the strategic thrusts identified by the MEA to achieve the shared prosperity objective of the 12<sup>th</sup> Malaysia Plan is the need to identify new growth areas. This is imperative given that the national economy is fast approaching the status of a developed economy and the country, a high-income nation. The World Bank, in its recent report, expressed its confidence that Malaysia will achieve this status by 2024. Hence, it will be very challenging for the national economy to show rapid growth of more than 5 percent as in the past.
16. New areas of growth will not only be able to address the multiple challenges that Malaysia is currently facing but also the foreseeable challenges in the near future. It will help to achieve the following objectives:
  - a. Provide a new source of sustainable growth and higher income, particularly for the B40 group;
  - b. Uplift the income level of the small holders and farmers in the rural sector as well as the urban poor; and
  - c. Provide new entrepreneurship opportunities, not only for the large companies but also for the SMEs.
17. The following new growth areas should be considered to achieve the above objectives:
  - a. **Manufacturing and Services Industries**

IR4.0 will affect the economy and our lives in ways never seen before. Malaysia must prepare itself to embrace this new revolution and capitalise

on it. The manufacturing and services industries have been identified as having the potential to create new sources of growth by capitalising on IR4.0. As reported in “2016 GE Global Innovation Barometer”, Malaysia had been identified as one of the countries with industries prepared to capitalise on this new revolution. The strategy of establishing a number of large IT-related projects, notably the MSC and IMP3, coupled with the sizeable presence of electronic industries and increasingly formidable international and Islamic financial services, have made it relatively easier for Malaysia to capitalise on this new revolution. Nevertheless, concerted efforts and strategies are needed to ensure success. Therefore, a new Industrial Master Plan IR4.0, incorporating not only the manufacturing sector but also the services sector, must be drafted by the agencies concerned. This will address the declining contribution of the manufacturing sector to the GDP while further enhancing the contribution of the services sector. These efforts should be complemented by improvements to the education system, including TVET.

**b. Capitalising on the newly accessible areas along the West Coast Expressway**

The new West Coast Expressway, which will connect Taiping in Perak to Banting in Selangor, covering a distance of 233 kilometres, is expected to be completed by 2022. Once completed, it can be used to open up new areas in the western part of Perak and Selangor for development and investment. Therefore, the government must identify new areas of growth along this highway. Potential new tourist attractions, new industries, commercial agriculture and even green energy sources may exist and promotional programmes are required to attract investors.

**c. Capitalising on the Biodiversity riches of Malaysia**

Malaysia is very fortunate in that it possesses one of the greatest biodiversity natural environment, not only in its forests, but also the seas and the mountains. Greater efforts should be made to identify a number of these areas to be developed as major tourist attractions. Plenty of such

potential sites are found in Sabah and Sarawak. There are also similar areas in Peninsular Malaysia as well. The Government will have to invest in the proper facilities, such as access roads and communication facilities while incentives should be given to the private sector to develop these potential areas.

We have more than 20,000 species of fauna and flora. With sufficient scientific research and the provision of incubator facilities, there is a big future in the herbal industry. There are already a few well-known entrepreneurs in this field. Such efforts will contribute to creating jobs and high value-added industries.

**d. New higher value cash crops**

There have been many efforts in the past to help rural farmers and small holders increase their income, such as through promoting the “one *kampung* one product” policy. This policy did not achieve its desired results. One of the reasons for this was the failure to bring the produce to the market. Therefore, agencies like FAMA should bring the market to the farmers instead. Contracting supply, where buyers provide orders for the farmers to supply, could be a better alternative.

The prices of primary commodities, such as palm oil, rubber and pepper, have dropped drastically. Continued dependence on them is less likely to provide higher income for our farmers and smallholders. However, there are new opportunities existing in the global economy today which the government should exploit. Lately, it was reported that there has been a huge demand in China for *Musang King durian*. Malaysia has the advantage of ideal soil and climate for this durian. The government should exploit these competitive advantages and encourage more farmers to be involved in planting this durian. Incentives should be given for farmers and small holders to replace their current crops, especially from their smallholdings, with Musang King durians. More research efforts by relevant government agencies pertaining to the supply chain will be necessary to turn it into another highly attractive plantation crop.

e. **Malaysia, the Gateway to ASEAN and China**

Malaysia can still capitalise on its geographical position as well as its modern economy, infrastructure and diverse culture as a gateway for visitors and cargo to other ASEAN destinations and even to China. Although Singapore represents a strong competitor, there are other areas where Malaysia has the edge. Malaysia has a lower cost of living and well-developed air links. The ECRL, once completed, for example, will shorten cargo transport to and from Port Kelang - Kuantan, which can be capitalised to transport cargo faster and cheaper to and from China, Vietnam, Cambodia and Laos as well as to destinations in the West.

f. **New mega and modern city centres or regions - Port Dickson Megapolis**

An economic endeavour such as creating a mega and modern city centre has been proven to have had a significant impact in generating sustainable economic growth, modernisation of infrastructure, generating employment opportunities and many more economic and social linkages over the long run. Examples include the creation of Putrajaya in 1995, Iskandar Development Region in 2006 and Petaling Jaya and Shah Alam in the past. On 13 September 2019, it was reported in the Press that Negri Sembilan had launched Malaysia Vision Valley 2.0 (MVV 2.0), a world class metropolis driven by public-private partnership between the State of Negri Sembilan and Sime Darby Property Developer as the Master Developer. It covers the districts of Seremban and Port Dickson. While this mega development project is an initiative of the State government, the Federal government should take this opportunity to develop it into a joint Federal - State Government mega project that will yield a host of benefits for the medium and long term. Port Dickson in particular, has a lot of potential to be developed not only as a main tourist centre but, more importantly, it can capitalise on its vicinity to KLIA, Port Kelang, Putrajaya as well as Nilai, for a variety of development potential, including turning it into a hub for digital or AI related industries, medical tourism, higher education, transportation

and others. In order to guarantee the success of this project, the Federal Government should consider extending the West Coast Expressway from Banting, Selangor to Port Dickson, extending a railway line from Putrajaya to Port Dickson, providing better connectivity with the ERL station at Nilai and a new road link with KLIA. It is also being planned as a modern city, providing proper facilities for affordable housing, a self-sufficient and a healthy living city where retirement homes can be set up and senior citizen-friendly public parks are provided, similar to those currently found in Putrajaya. Finally, it has the potential to disperse the population away from the overcrowded Kuala Lumpur.

**g. Commercial Agriculture through Idle Land Consolidation**

Some graduates are choosy or may want to stay on in rural areas rather than move to a more expensive and urban lifestyle in Kuala Lumpur. With a lot of agricultural land left idle, the Government should consider modernising agriculture, possibly through cooperatives or land consolidation, to have an economical size for commercial farming. It should not be managed by any Government agency but left to a private entity. As a private enterprise, it will focus on efficiency and effectiveness. Such an enterprise will provide employment for graduates and others as well as reduce rural urban migration. It will also contribute to food security and reduce our dependency on foreign import, an important consideration that has been overlooked.

**h. Cluster approach to Development**

We need a new model for entrepreneurial development. Instead of the demonstration effect and the critical mass approach, we suggest the creation of clusters in new areas with good access to facilitate the development of entrepreneurs. An example would be the development of such clusters along the West Coast Expressway. Help in the form of mentoring and other forms of support should be provided to help those in the cluster. Policy coordination between federal and state governments and

the local authorities is very important. For example, Local authorities should not allow food trucks in front of buildings with food courts as this will affect their business and displace the workers in them. At the same time, food trucks can cause environmental problems including traffic problems.

Cluster approach to development should also be extended to the manufacturing sector so as to deepen linkages of the sector with the domestic economy in particular services industries and upstream activities.

## **EDUCATION, EMPLOYMENT AND PRODUCTIVITY**

18. Most companies in the private and some in the public sector are replacing manpower with modern technology. For example, in the banking sector, ATM machines and on-line transfers have displaced workers. It is estimated that close to 30% of bank staff may lose their jobs because of developments in information technology. In the food and retail business, on-line purchases and food delivery have resulted in displaced workers. Such disruptive technologies will be more rampant under 4IR. Apart from affecting employment opportunities, it will also affect the structure of employment. Hence, planning for the 12thMP, should take into consideration the following:

### **a. Graduate Unemployment**

Graduate unemployment is a serious problem even in a specialised area like medicine. About 2000 MBBS graduates are coming out every year into the market. We have no less than 50 public and private universities catering to both local and foreign students. These universities produce a large number of graduates who remain unemployed. We wish to suggest that the public universities be consolidated and their courses streamlined by taking into account the impending changes in the demands of the employment market where new skill sets are required with the onslaught of the 4<sup>th</sup> IR. In fact, many jobs will be made redundant by the changes in the operating environment.

Many fresh graduates may lack confidence and prefer not to come to cities like Kuala Lumpur because of the high cost of living, particularly when they are paid around RM 2200 a month. Hence, many of these graduates remain unemployed and there is a long waiting time for them to get a job. They may not have a clear idea of what they want or what they are getting into. Graduates may need individuals or organizations to give them awareness about living and working in cities.

**b. TVET**

TVET opportunities should be expanded. At least two-thirds of the school leavers should be able to continue their education in TVET institutions. The technical skills provided by these institutions must be in line with the requirements of IR4. More job opportunities will be available for those graduating from TVET institutions in the future arising from IR 4.

**c. Multi-skilling and Multi-tasking**

There is a need to increase productivity to be able to compete locally and internationally. Increasing efficiency, effectiveness and productivity in both the private and public sectors has been discussed extensively in the past. Many strategies have been suggested. One strategy is through multi-skilling and multi-tasking where an employee may have to handle more than one task for a slightly higher pay. Though some staff will be displaced, it will lead to increased productivity. The private sector has been more successful in multi-tasking than the public sector. Such strategies should be re-emphasized in the 12th Malaysia Plan to increase productivity.

## **AGING AND HEALTH**

19. According to the Department of Statistics, Malaysia has an estimated population of 32.6 million in 2019 while its annual population growth rate has declined from 1.1% in 2018 to 0.6% in 2019. Meanwhile, the population aged 65 years and over, increased from 6.5% in 2018 to 6.7% in 2019, indicating that the “old age”

group is increasing at an alarming rate against the younger group. According to the World Health Organisation (WHO), a country is classified as an “ageing population” when 7 percent of its total population is aged 65 and above and Malaysia is expected to reach this milestone in 2020. Compounding the declining percentage in the productive age group, an ageing population will pose a substantial challenge on the national economy, not only in terms of health care and on caring for the aged, but also on their personal financial problems, especially for the less privileged. The nation will also be facing the challenge of lower productivity with a smaller proportion of the productive workforce supporting the non-productive old-age group. Though much research and strategies have been put forward by the WHO, the following strategies are considered relevant in the Malaysian context:

**a. Health care system must focus more on preventive health care**

The existing health care system focuses more on curative rather than preventive health. There are extensive hospital and clinic facilities with little focus on preventive measures through education and monitoring of patients with the objective of preventing sickness, particularly the non-communicable diseases (NCD) such as diabetes, obesity, hypertension, heart disease and cancer. Health care professionals should promote healthy living, diet and exercise. Such promotion is even more important, in an ageing society like ours. In some developed countries, there are NGOs that form smart health communities (SMC) in certain neighbourhoods or even, virtually, among common-interest individuals, utilising modern digital facilities like smart phones and the internet. Their roles include empowering members to proactively manage their own health and wellbeing through group activities and health-care monitoring, foster a sense of community and belonging to motivate each other, and educate each other on new and innovative health care research and findings. Malaysian authorities should create and support similar arrangements to assist formal government establishments.

**b. Financial assistance and insurance for the Aged**

With an increasing life expectancy, many will live longer than their working life. This will adversely affect their ability to support themselves in their old age where their savings will not be sufficient to support the increasing cost of health care. For those who have accumulated sufficient savings, bolstered by their health insurance, this will not be much of a problem. However, for the majority, whose savings, on average, will run out within a period of five to six years after retirement, they will have to turn to the government for help. Though the current health care facilities provided by the government are able to cater for their needs in general, the overcrowding of these facilities may jeopardise urgent health care needs which may result in critical outcomes. Therefore, there is an urgent need for the government to design an insurance scheme for those who can afford to be able to access the more expensive private health care facilities. Similarly, some forms of savings schemes should be made available to alleviate this group's financial needs. Contribution to the scheme should be affordable.

A savings scheme that helps provide resources for insurance coverage at the later age can help ease government allocation for caring old age population while promoting culture of savings for health among the work force.

**c. Aged-friendly public facilities to promote a healthy lifestyle**

Apart from a healthy diet, practising a healthy lifestyle and regular exercises contribute to aged persons aging healthily. This is practised in China and some European countries and has contributed to healthy aging. Age-friendly public facilities such as public parks that are easily accessible for individual and group exercises and cycling paths should be provided by the city authorities and the government. Sadly, for Malaysia, these facilities are still lacking. Putrajaya is probably the only one city where such facilities are currently provided. Greater efforts should be made by other city authorities and the government, to provide such facilities to promote a healthy lifestyle

not only for the aged but also the whole population. A healthier population will lower the cost of health care for the government in the long run.

**d. Proper caring facilities for the Aged**

An ageing population will definitely need specific caring facilities, especially for those who have health problems, including mental health such as Alzheimer's disease and dementia, and the normal diseases associated with old age. Currently, most of the homes for the elderly are run by charities and religious bodies and they are registered under Act 506, the Care Centre Act (1993), under the purview of the Social Welfare Department. It is feared that these centres under this Act have not addressed fully the many issues and challenges of caring for an ageing society, particularly in terms of personal health. The government should consider, instead, putting these care centres and facilities under the Private Health Care Services and Facilities Act (2006), to enable a more comprehensive health care services to be provided for the elderly.

Additionally, there is also a lack of a local pool of caregivers to meet the demands of elderly health care. Most of these professionals are sourced from foreign countries such as Philippines and Indonesia. The government should develop a policy to train more professional local caregivers and regulate their salaries as well in order to make it attractive to the locals. Among the aged, there are also those who are able and are interested in doing voluntary work for the others. The government should provide relevant systems and facilities to promote volunteerism among these groups, by providing minimal compensation and also opportunities to utilise their idle time.

**e. Industry for the Ageing population**

While the ageing phenomenon is generally associated with a greater burden on the part of the government, it does also provide investment and business opportunities to the private sector. Examples of many developed and ageing countries have shown new industries being created and developed. Apart

from a fast-growing pharmaceutical services sector, there is also a growing need for affordable retirement and resort homes for the aged. The government, particularly the State Governments, should develop a policy to assist the private sector developers by providing subsidised land and facilitating by-laws to promote this new industry.

**f. Employment opportunities for the healthy Aged**

With a longer life span and greater awareness for a healthy lifestyle, there exists a significant number of elderly individuals who are still productive. In many developed countries like Japan and the United States, they are gainfully employed in the services sectors such as retail, restaurant, banking, customer services and others. Malaysia has a significant presence of foreign workers in the country. With a proper policy, much of the work currently done by these foreign workers can be carried out by local retirees, provided relevant employment policies and new skills training are made available to the retirees to make re-employment attractive to those that need them.

**g. Wealth tax to support the elderly**

The financial burden on the government to cater for the needs of the ageing society is on a rapidly increasing trend. There is the fear that it will get heavier and made worse by the slowing maturing economy and the resultant slower growth in government revenue. The government should consider a new form of wealth tax as an additional source of revenue to help contribute to the cost of caring for the aged. Many developed countries and even a developing country like Argentina have imposed such a tax. A wealth tax, also called a capital tax or equity tax, is a levy on the total net value of assets owned by individuals, unincorporated businesses, financial securities and personal trusts, subject to certain conditions, including above a certain value at a certain rate or varying rates. Examples of countries imposing such taxes include Argentina, Canada, British Columbia, France, Spain, Netherlands, Norway, Switzerland and Italy.

## **FOREIGN WORKERS**

21. We have a large number of foreign workers. An estimated 6 million workers, including the undocumented ones are said to be in Malaysia. It is reported that foreign workers remit an estimated RM34 billion a year to their own countries. Over the years, some foreign workers have 'graduated' to become sub-contractors and owners or partners in businesses. There are others who do not accept daily paid jobs but would like to take the job as a subcontract or for a lump-sum payment. Many are replacing our local fruit and cake sellers as well. The following issues should be taken into consideration in the preparation of the 12thMP.

### **a. Uninterested Local**

Employers tend to hire foreign workers because of their higher productivity and the ease of getting foreign workers. It cannot be denied that getting locals to work in certain sectors is not easy. However, the use of foreign labour, especially the undocumented ones tend to depress wages. For a variety of reasons, that include the reluctance of locals to do 3D (difficult, dangerous and dirty) jobs, willingness of foreigners to work long hours and their more disciplined nature make them more attractive to the employers. Share of labour cost in GDP is about 35% while the remaining 65% goes to the owners of capital. On the other hand, in Singapore the share of GDP that goes to labour is 45%. This is because of our lower productivity.

### **b. Uneven Distribution of Foreign Workers**

Though we argue that we have a large number of foreign workers, some oil palm plantations and small holdings do not have enough workers to harvest the fruits. Given the low price for some commodities, owners are not able to pay higher wages to attract them, including foreign workers. Those who choose to work there are not fully employed resulting in them not getting a steady income.

### **c. Road Map to reduce dependency on foreign workers**

The Government needs a road map on how to reduce our dependency on foreign workers. We do need foreign workers but in limited numbers for specific sectors only, like plantations and some 3D jobs. Employers should be forced or given incentives to go for more automation and mechanisation to reduce the dependence on foreign workers. Locals, not foreigners, should be employed in the retail and manufacturing sectors as production operators, cashiers etc.

Bringing in foreign workers has become big business for some and this has created a lot of problems. The money to be made by bringing in foreign workers has resulted in some bringing in more foreign workers than what is required. There is, therefore, a need to have an organised system to bring in foreign workers. Once they are here, their whereabouts and their welfare should be continuously monitored and they should be sent back as soon as their term finishes, unless they are to be re-employed. Effective enforcement is required to ensure they work in the sector that they are supposed to work. The roles of the employers must be redefined and they must be made more responsible. Preferably, all matters relating to foreign workers should be under one agency like the Manpower Department in Singapore.

## **IMPLEMENTATION OF THE 12<sup>th</sup>MP**

22. Ensuring the structure and machinery for the successful implementation of the 12<sup>th</sup>MP is as important as the drafting of the plan itself. History has shown that the Five Year Malaysia Plans have always been premised on the assumption that their implementation will be taken care of by the existing rules and regulations and that the public servants of the day will ensure their success. Little attention (in the plan) was given to the adequacy of the existing regulations and the knowledge and competencies of the current public servants, in spite of the fact that the plans themselves, invariably, contain statements and policies on the

ever-changing environment. Therefore, to ensure the successful implementation of the 12<sup>th</sup> MP, it is imperative that the following are taken into consideration:

**a. Integrity of Implementors**

A closer look at the Governance and Integrity of the implementation machinery and the implementors of the Plan is a must under the 12<sup>th</sup> Plan. This is to prevent leakages, abuse of power/positions, acts of corruption and downright incompetency, all of which have cost the country billions, not to mention the loss of growth opportunities and inefficient delivery of services to the public. The change for the better must be done now, in the 12<sup>th</sup> MP. Based on the reports by the Auditor-General and other investigations over suspicious government procurements, there are obviously leakages in public financial management that need to be identified and action taken upon those involved. This is not only in view of the scarcity of resources and the fact that the economy of the country is not as robust as we would like it to be in the current 'world economic uncertainties', but also to protect the interest of the public that the public sector's covenant is to serve.

**b. A Moral Government**

Government must be more than simply power applied. More often, we assume that authority is top-down. However, we must recognise that the point of consequence of our action or non-action is not the top, but the bottom. The Government must implement projects to meet the needs of people, not just some individual needs. Contractor-driven projects, direct negotiation projects and projects that are beneficial to the elite few must be done away with. There are too many cases of projects that are not requested by the beneficiaries, projects yet to be completed even after many years though the money has been paid out, and incomplete mega projects that cost the country billions.

**c. Accountability and transparency**

These must be the principles adhered to by those in public office, especially when it comes to the demands by those affected by their actions or non-

actions. Public officials must be accountable/answerable for the results of an assigned action. Public officials must also be transparent, which usually entails dissemination of the correct information at the right time. In the present global economic environment, increased accountability and transparency will reassure the public that unpopular government policies (such as the increase in fuel prices) are as a result of larger constraints, rather than arbitrary actions of policy makers.

d. **Informed Public**

The public no longer accepts weaknesses in the delivery system. Gone are the days when they accepted poor executions/deliveries of services mutely. They no longer expect *more-of-the-same* from the government (public service). The government can no longer rely on one fixed solution. The public's needs are rapidly changing as society becomes more mature, diverse, fragmented and complex. The government/public service need to respond positively to these 'new situations' while delivering exemplary service. This is what good governance is all about, and this is what the 12<sup>th</sup> MP must be addressing.

e. **Optimising Value In Government Procurements**

There must be significant improvements in the Government Procurement System under the 12<sup>th</sup> Plan. Evidence aplenty show the lackluster attitude of some implementors to uphold the integrity of the public service whereby elements of collusion with industries and other interested parties have become the new normal.

There has been adverse publicity relating to government procurements over the years, as often highlighted by the annual audit reports. It must be noted that Malaysia is the only country in the world that publishes three volumes of the Auditor General's report, twice a year (used to be three times per year). The government spends enormous amounts of money/resources through its agencies to ensure that the public gets the best services and infrastructure. Yet we observe the following:

- i. These noble efforts of the government are, at times, undermined by incompetent public servants and those with a lack of ethics and integrity.
- ii. Adherence to rules and regulations has been poor among some, resulting in financial losses, fraud and corruption.
- iii. Their lack of knowledge or commitment to ensure that the government, at all times, must get-the-best-value-for money-spent. Issues of lack of due-diligence to protect the interest of government in negotiations are common in some areas. Under valuation of public assets have been cited in so many cases resulting in the government/public not getting the best value from the assets.
- iv. Another issue is the failure of public officials to up-hold their integrity in the face of so-called pressures from some individuals, especially politicians. This should not be used as the reason for their failure to protect the interests of the public.

**f. Direct and/or indirect corruption**

This phenomenon must be addressed seriously and quickly by the authorities, not after many years have lapsed. The need and call for greater efforts to improve governance in government procurements to alleviate all negative attributes to the public sector is even louder than before. The tremendous and horrendous loss to the government has to be stopped. It should start even at the planning stage where the objectives of each policy, programme and project must be clearly outlined, and it should match the needs of *the end-user*, supported with market study, clarity of scope/specification, and contract clauses that protect the interests of the government/public. Prompt preventive actions and punishments must be part and parcel of its plan to those who have crossed the line, and those who fail to perform their duties and responsibilities diligently and appropriately.

**g. Training/retraining of public officials**

We are living in an ever-changing world. What is good or relevant today might not meet the needs of tomorrow. Changes are affecting the adequacy of the competencies of public servants. Being IT savvy is the way of the future. However, quite a number of public servants are not well versed in this area, especially those in senior management. This lack of competency in IT is manifested in the failure or absence of comprehensive public IT policies. Quite often, agencies' IT planning is undertaken in silos, without taking into consideration the existence of programmes and projects in other public agencies. It is costing the government millions, if not billions, to integrate these IT plans into a common platform. A good example that is plaguing the country now is the attempt to create a common public transport pay system in the Klang Valley, as is done in Singapore and other big urban areas of the world! Systems developed in silos are unable to communicate with each other. JPJ and the Police system provides a good example. Often, it is discovered that government agencies are too reliant on the advice of "private sector consultants" when it comes to IT development. At the same time, these so-called consultants are the contractors/suppliers themselves.

It is, thus, imperative that the 12<sup>th</sup> MP take into consideration the training/retraining of public officials in areas that will impact on the smooth implementation of the plan in the future.

**h. Reforming the Public Service**

There is an urgent need for a total review of the Public Service in order to rationalise and restructure some entities and their functions to avoid overlaps and duplication leading to reduced efficiency and effectiveness. What is needed is a Public Service that is lean, efficient, accountable and sustainable. Among others, the following are recommended for consideration:

- i. Reduce the number and size of central agencies but increase the capacity of implementing agencies. There is also a need to avoid

overlapping services provided by agencies. Detailed consideration is needed before the establishment of new ministries, agencies or departments and this means reviewing what is already available so as to avoid duplication in organisations, activities and functions. Overlapping functions will arise easily when new agencies are created without reviewing the functions and activities of those already existing. The review should also incorporate all processes and procedures, from recruitment and selection to training and retirement, to ensure their relevance and efficient management.

- ii. In the context of the Government's policy of shared prosperity and sustainability to achieve a high income status, the Public Service must adapt and adjust to the needs of the new environment under the current Government. Policy implementation has been a problem in the past resulting in goal displacement. Monitoring and evaluation of policy implementation should become a crucial role for the Public Service.
- iii. The impending changes from 4<sup>th</sup> IR will have major implications on the public service. Today's decision-makers are too often trapped in traditional and linear thinking, or are too absorbed by the multiple crises demanding their attention. They are unable to think strategically about the forces of disruption and innovation shaping our future. The ability of government systems and public authorities to adapt will determine their survival. If they are able to embrace a world of disruptive change, along with changes in their structures, level of transparency and efficiency to maintain their competitive edge, they can survive. Currently, decision makers have time to study specific issues and develop policies or put in place regulatory frameworks. Under the 4<sup>th</sup> IR, policy makers may not be able to cope with the rapid pace of change. There is a need to embrace an agile governance, where regulators must continuously adapt to the new and fast-

changing environment, and reinvent themselves to understand what it is they are regulating.

- iv. There is a need to trim the size of the public service. There is a need for decentralization and devolution of powers for quick decision making, i.e., to respond to the changing environment. We need flat rather than hierarchical structures. Job security and pensionable schemes are no longer tenable. We need people with new skills all the time. The government must have the freedom to hire and fire based on current requirements. Hence, the need to go for contract and short term appointments with EPF and other private pension schemes. This will also help to reduce government expenditure.
- v. There is a need to ensure that the country's foreign policy and its many diplomatic missions overseas are used, strategically, to help support a faster integration of the ASEAN community for purposes of ensuring greater stability in the region in the light of greater interests in the South China Sea and to hasten economic growth for the benefit of all in the region.

## **CONCLUSION**

- 23. Over and above the physical and structural development policies and programmes contained in the Malaysia Plan documents, the underlying purpose of national development efforts must be the need to develop our people, not just in terms of their knowledge and skills, but, particularly, in terms of their socio-cultural values. We need a nation of people imbued with values like honesty, integrity, resilience, self-reliance, strength, trustworthiness, diligence, discipline and with a high level of determination. We observe that the Government has always been caring. People have been provided with financial assistance in the form of welfare payments, BR1M, subsidies, grants, scholarships, discounts, etc. Even some failing businesses had been bailed out by the government. Apart from

the government, charities and NGOs are doing the same as well. Will continuing such assistance indefinitely undermine the inculcation of the values above? Will it create a dependency syndrome? What is the message that is being sent out? What is the long-term impact on the nation?

24. Admittedly, there will always be a section of our society that needs support from the government. However, there is a need to redefine and rationalise what kind of social safety net should be put in place that will, in fact, generate positive results.
25. Similarly, businesses and enterprises should rely less on government support and aim for independence and be prepared to compete on a level playing field. The government cannot continue to be the engine of growth forever. It is high time for the private sector to take on this role. Furthermore, greater private sector involvement will help to reduce the financial burden on the government.
26. In view of the above, perhaps, the time has come for national development planning to be approached differently and that the changes would be reflected in the 12thMP.

**Working Group on Strategic Direction for the 12<sup>th</sup>. Malaysia Plan,  
2021-2025**

Date: Wednesday, 25 SEPTEMBER 2019  
Venue: Sime Darby Convention Centre, Bukit Kiara, Kuala Lumpur  
Time: 9.00am - 2.00pm

1. Tan Sri Dato' Sri Sallehuddin Mohamed, **Chairman**
2. Tan Sri Dr Sulaiman Mahbob, **Moderator**
3. Tan Sri Mohd Sheriff Mohd Kassim, **Lead Speaker**
4. Dato' Sri Mustapa Mohamad, **Lead Speaker**
5. Datuk Dr. David Chua Kok Tee, **Lead Speaker** (Trustee, Yayasan Alumni PTD)

**Participoants**

6. Tan Sri Nuraizah Abdul Hamid,
7. Tan Sri Dato' Sri Dr Haji Mohd Nasir Mohd Ashraf,
8. Dato' Maznah Abd. Jalil, (Trustee, Yayasan Alumni PTD)
9. Datu Dr Michael Dosim Lunjew,
10. Datuk Merlyn Kasimir,
11. Datuk Dr Mohd Tap Salleh,
12. Datuk Dr P. Manoharan,
13. Dato' Azizan Ayob,
14. Dato' Sirajuddin bin Haji Salleh,
15. Puan Lee Meng Foon,
16. Tan Sri Abdul Halim Ali,
17. Tan Sri Dato' Seri Utama Arshad Ayob,
18. Tan Sri Dato' Setia Ambrin Buang,
19. Tan Sri Ramon Navaratnam,
20. Tan Sri Izzudin Dali,
21. Puan Sri Aida Boey,
22. Datuk Dr. Ghazali bin Dato' Haji Md. Nor,

23. Dr Ibrahim Abu Ahmad,
24. Dato' Nik Mohd Sidek Nik Abu Bakar,
25. Dr Pola Singh a/l Tara Singh,
26. Datuk Yeo Heng Hau,
27. Puan Jamaliyah Ambia,
28. Puan Saraswathy Rajagopal,
29. Dato' Patricia Chia Yoon Moi,
30. Dato' Kalsom Abdul Rahman,
31. Datuk Sri Dr. Isahak Yeop Mohd Shar,
32. Dato' Syed Tamim Mohamed,
33. Dato' Zainal Ghani,
34. Dato' Syed Sultan Idris,
35. Puan Ng Chor Ming,
36. Dato' Azhar Abu Bakar,

**Guest Participants**

37. Datuk Rahim Zain,
38. Encik Rizal bin Tan Sri Ishak Tadin,
39. En. Roslan Jelani,