Government Transformation Programme

The Roadmap

JABATAN PERDANA MENTERI

Diterbitkan pada 28 Januari 2010

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Foreword

It is clear that Malaysia has achieved much as a young nation. We have made significant strides in eradicating hardcore poverty, we have developed a diversified economic base, increased the quality of life of the average citizen and created a progressive civil service which embraces change. But it is also clear that we face significant challenges to achieve the ambitious goals of Vision 2020, by the year 2020.

I am confident that this Government Transformation Programme (GTP) Roadmap is what we need to help chart our path towards Vision 2020. It details a bold and unprecedented programme to begin to transform the Government and to renew the Government's focus on delivering services to the rakyat.

The scope of this GTP is broad, and will encompass every Ministry within government. It is first and foremost focused on the priorities that matter most to the rakyat (i.e., *People First*). The Government will make fundamental changes to deliver big results fast (i.e., *Performance Now*) and ensure every Malaysian – rich and poor, urban and rural, educated and less educated, powerful and powerless – will enjoy the fruits of the nation's development and live in an inclusive and diverse society where they consider themselves, first and foremost, a Malaysian (i.e., *1Malaysia*).

I realise that transforming the Government will not be easy. This transformation will be approached in a radical new way, while still leveraging our successes and learnings from the past. There will be setbacks along the way, including missed targets, initiatives that may not work, stakeholders who disagree, resistance (from some) to change and new challenges we cannot foresee. In such transformations it is quite common for things to get worse – or feel like they are getting worse – before they get better. Despite the inevitable challenges, the Government will persevere and deliver. This will be done working hand-in-hand with the rakyat, private sector, social sector and all segments of society.

Last but not least, working in partnership with the civil service to drive delivery is a pre-condition of success. Nothing in government will happen without the support of the civil service. I applaud all our civil servants for their dedicated service and their continuous improvement efforts to date and seek their full support for this Government Transformation Programme and *1Malaysia, People First, Performance Now.*

Over the next years, we will update you regularly on this transformation journey. I have established the Performance Management and Delivery Unit (PEMANDU) within my department that will support this transformation programme. In a subsequent annual report in the first quarter of 2011, I will share the progress made on implementation, celebrate successes, be transparent about targets missed and reveal our action plan to get back on track where needed.

The journey will be long and arduous, but the fruits worthwhile as we strengthen our nation. God willing, we will succeed.

Dato' Sri Mohd Najib bin Tun Haji Abdul Razak
Prime Minister
Malaysia

28 January 2010

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Executive Summary

Introducing the transformation

Malaysia is at a crossroads. In 1991, we committed to Vision 2020, to become a fully developed nation by 2020. While we have made progress, at our current rate of growth, our nation is in danger of losing our competitiveness and falling short of our economic and social ambitions. A fundamental change is required, not just in economic and social performance, but also in the delivery of public goods and services that underpin our ability to develop the country.

To meet the challenges standing in our way of achieving Vision 2020, we have committed ourselves to a Government Transformation Programme (GTP), in accordance with the principles of *1Malaysia*, *People First, Performance Now.* This roadmap details the objectives, outcomes and the initial set of actions – in areas identified as National Key Result Areas (NKRAs) and Ministerial Key Result Areas (MKRAs) – with a particular focus on 2010. In parallel, the National Economic Advisory Council (NEAC) is formulating our New Economic Model, and the Economic Planning Unit (EPU) is developing the Tenth Malaysia Plan. Both will be released this year, and this roadmap should be read together with those plans.

We realise that the rakyat are impatient for results, that resources are limited and that new ideas are necessary – and that we do not have all the answers. Therefore, the methodology – or transformation engine – that we will now use, begins with a quick call for the best ideas, and then rapidly moves to action. It is our belief and experience that we learn best from doing, rather than simply planning. Through this doing, we are able to assess the impact of our initial actions, and then rapidly implement enhancements.

The GTP described in this roadmap is not comprehensive, definitive or static. While the targets in this roadmap will not change, the initiatives represent an initial set of activities intended to deliver these targets. These will be refined further based on the results of on-the-ground implementation. We will regularly assess and publish our progress against current targets and indicate what new actions we will take to enhance performance in the first quarter of each year.

Rather than setting targets that we could easily achieve, we have stretched our targets as a way to increase our aspirations. This means it is unlikely that we will achieve all targets. If we did, we would not have stretched our aspirations far enough. Accordingly, we will support individual ministers and civil servants depending on their level of achievement against their targets, e.g., at the 60% mark versus the 70%, 80% and 90–100% (or higher) mark.

The GTP is led by the Prime Minister and his Cabinet, supported by the Chief Secretary and the civil service. The development of this document however was spearheaded by the Minister for Unity and Performance Management and the CEO of the Performance Management and Delivery Unit (PEMANDU). To formulate and detail the targets, timelines and initiatives, we formed eight dedicated cross-agency teams (comprising about 250 civil servants), called labs – one for each of the six NKRAs, one for *1Malaysia* and one formed to examine the data management of these efforts. The Prime Minister, cabinet ministers and top leaders of the civil service spent significant time with each lab, to monitor progress and challenge the participants towards setting more ambitious targets and faster delivery times. The lab also solicited inputs from experts and practitioners in their respective areas and from the rakyat, through multiple surveys, focus groups and interviews, millions of

SMS, the GTP website and open days in Kuala Lumpur, Kuching and Kota Kinabalu. During the Kuala Lumpur Open Day alone over 5,000 people attended, and 1,000 pieces of feedback were received.

Challenges in realising Vision 2020 despite considerable achievements

With Vision 2020, we committed ourselves to nine goals, encompassing economic, political, social, spiritual, psychological and cultural dimensions of our growth. Collectively, they made for a set of challenging targets for Malaysia. Under the guidance of past and present leaders, and through the hard work of the rakyat, we have made considerable progress on our journey towards 2020.

During the period 1991–2008, the Malaysian economy grew at an average rate of 6.2% per annum. We performed better than the ASEAN region overall and better than many developed economies. Such growth was achieved while we reduced rates of poverty and hardcore poverty. Malaysians are living longer, receiving basic education and experiencing rising access to mobile, Internet and broadband communications. In addition Malaysia has progressed significantly in the provision of basic infrastructure. Such improvements in quality of life are captured in the increase in many domestic and international indices such as the United Nations Development Programme (UNDP) Human Development Index (HDI) and the EPU's Quality of Life Index. We have also shown our resilience to withstand regional and global crises, such as the 1997–1998 financial crisis, the post-September 2001 recession, the SARS outbreak in 2002–2003 and the most recent global economic crisis.

In addition, our civil service has progressed and adapted itself to the changing environment. The past two decades have witnessed ever-increasing demands from the rakyat for improvements in the quality and quantity of public services. In response, we have implemented programmes aimed at delivering services to the rakyat faster and more conveniently. Notable efforts have included expanding the use of technology (e.g., myGovernment and e-KL portals, e-filing of tax forms), increasing operational efficiency (e.g., two-hour passports, one-stop centre for company registration) and building capabilities (e.g., cross-fertilisation programme between government departments and government linked companies).

Despite these and other achievements, it will still be challenging to fulfil our 2020 aspirations. Economically, we need a step increase in growth rates to about 8% p.a. (from 6.2% p.a. over the past 20 years). This is made more difficult by the fact that we have been experiencing slower growth rates since the 1997 economic crisis and are exhibiting signs of being stuck in the middle income trap. Socially, Malaysia's performance in areas such as crime, corruption, education and income distribution has fallen behind and needs to be improved in order to achieve the social goals encapsulated in Vision 2020. An added complication is that we have an increasing budget deficit and high levels of debt and therefore need to find ways to reduce spending while delivering big economic and social outcomes fast.

With an increasingly challenging global environment, elements of our economy will need to be structurally upgraded in order for us to increase our growth rate. A new economic model is currently being developed by the NEAC to guide the economic strategy of our country while the Tenth Malaysia Plan (2011 - 2015) will be released by June 2010. This roadmap of the Government's delivery agenda, with the NKRAs as enablers to achieve our economic aspirations, should be read in conjunction with those plans.

Catalysing Vision 2020 through *1Malaysia, People First, Performance Now*

To accelerate our performance in order to achieve Vision 2020, we have formulated the GTP based on the principles of *1Malaysia, People First, Performance Now*.

1Malaysia is based on the concept of fairness to all. This means that no group should be marginalised, and support and opportunities are provided on the basis of need and merit. Yet, existing constitutional rights will be upheld, and different levels of development of different groups must be taken into account. The principle of *People First* means that we will focus on areas that the rakyat most want and need and disproportionately direct our finite resources to those areas. We will however also balance short-term needs with making investments in areas for the medium and long-term. With *Performance Now*, a new bar for government transparency and accountability has been set. Tangible outcomes that can be seen and felt by the rakyat and delivered immediately are required. This roadmap is the beginning, explicitly laying out clear objectives, targets and plans, which will be reported on through annual progress reports.

The GTP has been phased over three periods, and we commit to delivering outcomes across each of the *1Malaysia, People First, Performance Now* dimensions.

In Horizon 1 (2010–2012), our immediate objectives are to establish a new engine for change and deliver substantial outcomes for the rakyat quickly. This includes setting and achieving targets within NKRAs and MKRAs, so as to address the priorities of the rakyat. Existing efficiency measures to improve government productivity are expected to continue. In addition, we commit to publishing an annual report in the first quarter of each year, incorporating public feedback and debate, and instituting performance management mechanisms to ensure delivery of NKRA and MKRA targets. PEMANDU has also been established within the Prime Minister's Department to oversee and support the delivery of these outcomes.

By Horizon 2 (2012–2015), the change within government is expected to be more pervasive. The important aspects of daily life (defined as NKRAs and MKRAs) should have improved significantly, the economic structure of the economy should have evolved in line with the New Economic Model into higher-value-added sectors, and government productivity should have been further advanced. The first shoots of a higher-income nation should be emerging.

In Horizon 3 (2015–2020), fundamental changes to Malaysian society as envisaged by Vision 2020 should have happened. The rakyat should be experiencing a new sense of being Malaysian, a higher level of prosperity and better public services. It is expected that the Government would then be smaller, more agile, and work increasingly in partnership with the private sector to provide public services efficiently. Innovative and rakyat-centric models of public service delivery – centred on choice and competition – should be in place by then.

The benefits of *1Malaysia, People First, Performance Now* will be significant for all stakeholders. For the rakyat, especially those in rural areas and with lower household incomes, this should improve their overall quality of life and instil a greater sense of unity. More Bumiputeras will benefit as access within the community will be increased and based on need and merit, not on personal connections. The business community, meanwhile, will benefit from an increase in ease and transparency in dealing with the Government, more efficient infrastructure to do business and a higher quality workforce. Last but not least, civil servants will have the ability to earn rewards and recognition for outstanding performance and the opportunity to learn and apply new and innovative ways of delivery.

Building *1Malaysia*

Creating oneness or unity within a multi-religious and multi-cultural nation is challenging. Malaysia has chosen a unique route – that of unity in diversity and inclusiveness, while ensuring fairness to all and remaining anchored in our Constitution. This means that we embrace our diversity of ethnicity, religions and beliefs and, by being inclusive, build mutual respect and acceptance into a solid foundation of trust and cohesiveness. This has historically been the path that we have taken as a nation and is now encapsulated by the principle of *1Malaysia*.

Inherent in every human society or relationship are polarities, more so in a plural society. A polarity is the existence of two views, conditions or demands that are opposite to each other. Unlike a technical or mechanical problem that can have a simple, straightforward solution, a polarity usually requires a trade-off that needs to be managed, and managed well. Embracing inclusiveness is one – perhaps even the best – approach to managing polarities.

1Malaysia is built upon the foundations of our Federal Constitution, various laws and policies, the Rukun Negara, Vision 2020 and the National Mission. It is premised on the concepts of unity in diversity and inclusiveness, social justice, the *1Malaysia* moral and aspirational values expounded by the Prime Minister (culture of excellence, perseverance, acceptance, education, integrity, wisdom, humility and loyalty) and the twin commitments of *People First, Performance Now*.

The goal of *1Malaysia* is to make Malaysia more vibrant, more productive and more competitive – and ultimately a greater nation: a nation where, it is hoped, every Malaysian perceives himself or herself as Malaysian first, and by race, religion, geographical region or socio-economic background second and where the principles of *1Malaysia* are woven into the economic, political and social fabric of society.

Malaysians have different views of the ideal *1Malaysia*. When polled through various channels, we gained a range of perspectives. Some argued for retaining the status quo, but equally, a sizeable proportion would like to see change.

While *1Malaysia* is our aspiration, we cannot leapfrog there from where we are. Getting there will take time and careful adjustments to maintain the peace and harmony that we have developed since the birth of our nation. Also, delivering *1Malaysia* will not just be the responsibility of the Government; it will be up to the creativity and spirit of volunteerism of all Malaysians to make it happen. We will not get there overnight, but God willing, we will get there.

Identified and formulated based on public feedback, the six NKRAs are meant for all Malaysians and cut across race, religion and region. These provide a beginning to managing some of our nation's complex polarities. Four of them, namely education, low-income households, rural infrastructure and urban public transportation, target the needs of the lower income and disadvantaged groups. The incidences of poverty and lack of infrastructure are more prominent amongst Malays, Sabah and Sarawak Bumiputeras, Indians and Orang Asli, though not exclusively so. By delivering on these NKRAs, existing disparities will be reduced, which in turn should mitigate legitimate feelings of relative deprivation that may sometimes turn into discontent that is perceived and expressed in racial terms.

In addition, the concerted effort to deliver outcomes in the six NKRAs will motivate, mobilise and galvanise the active participation and effective contributions of government officials, the private sector, non-governmental organisations and the rakyat. This will in turn nurture a greater sense of unity in purpose and bring people closer together.

To generate additional initiatives and design action plans to achieve the ideals of *1Malaysia*, we convened a *1Malaysia* Lab in October and November 2009. Representatives from the private sector, civil service, academia and NGOs were invited to participate. In addition to soliciting the views of over 100 people (senior civil servants, NGO heads, community leaders, prominent business leaders and student leaders), input was also sought from the wider rakyat through public surveys, open days, focus groups, SMS and websites.

Working together in the lab, we identified many issues and initiatives relating to unity and clustered them into seven groups. Many are already implemented programmes that need to be reviewed, while others are proposals that need to be considered for implementation by various ministries and agencies. The list of initiatives is neither comprehensive nor exhaustive.

(1) The economy and national unity under *1Malaysia*

Poverty and inter-ethnic disparity in economic participation and wealth distribution were identified as the key causes of inter-ethnic tensions and strife and social-political instability and thus formed the basis for the formulation and vigorous implementation of the National Economic Policy since 1971. The NEP's first goal of eradicating poverty has largely been achieved. Its second goal of restructuring economic participation and wealth ownership in society has also had success in increasing the number and percentage of Bumiputera professionals. However, while the Bumiputera equity in the corporate sector has increased in absolute terms, its proportion has remained stagnant.

The implementation of the NEP has also led to certain unintended results, including the emergence of a two-speed economy, widening inequality, rising discontent and an increasing brain drain. It is imperative that these be addressed; otherwise our economy's competitiveness, stability and sustainability – and national unity – will be in jeopardy.

Some steps have already been taken. Together with the establishment of EKUINAS (Ekuiti Nasional Berhad, a new private equity fund to drive Bumiputera participation in high-growth areas), the financial sector and 27 service sub-sectors were liberalised. More initiatives are being formulated as part of the New Economic Model and are expected to be announced in the first quarter of 2010.

Proposed ideas based on discussion in the lab and feedback from various sources, specifically to promote more effective inter-ethnic collaboration and unity in the economic arena, include:

- Formulating a more focused and effective strategy to leverage Malaysia's diverse linguistic capabilities, cultural connections and religious affiliations with markets in China, India and Islamic countries
- Forging genuine collaboration and participation in business enterprises for external and domestic markets, focusing on products and services that leverage our diversity, such as Islamic financing
- Formulating a more effective brain gain strategy and providing a more conducive environment to attract talented Malaysians and non-Malaysians to contribute to our knowledge-based economy
- Convincing the Malaysian diaspora to invest in Malaysia or to help market Malaysian products and services in their countries of residence

- Prohibiting discrimination based on racial attributes or linguistic capability in job recruitment advertisements.

(2) Education and national unity under *1Malaysia*

The education system reflects cultural and linguistic diversity, and there are various streams using different media of instruction across the primary, secondary and tertiary levels. This has produced students with diverse linguistic capabilities (Bahasa Malaysia, Chinese, English, Tamil, Arabic), thus enabling Malaysians to communicate and explore learning and business opportunities in the four key markets of the world – China, the West, India and Islamic Countries.

This multilingual capability has been and will continue to be a comparative advantage of Malaysians, which, if properly enhanced and harnessed, will further augment Malaysia's position as a major trading nation. However, it has also resulted in students of different races being segregated. There is, therefore, a need for continued efforts and new initiatives to promote integration within the formal education system.

Some initial steps have already been taken and those will be supplemented with new ideas, including:

- Upgrading the quality of national schools to become the schools of choice for all students (irrespective of race or religion) in terms of excellence, with provision for vernacular or pupil's own language and a more multi-inclusive atmosphere as found in some of the premier mission schools in urban areas
- Encouraging interaction amongst SK and SJK students by more extensive and effective implementation of Rancangan Integrasi Murid-murid untuk Perpaduan
- Promoting *1Malaysia* Boarding Schools by making them more multiracial and setting up more high quality boarding schools open to all
- Awarding new national scholarships to top students, strictly based on merit, to study in top international universities
- Making private Institutes of Higher Learning (IHL) more multiracial in student composition by providing additional incentives and bursaries to Bumiputera students
- Providing teachers with knowledge, awareness and skills so as to be sensitive to the diverse background of students and to handle inter-ethnic relations in a positive and proactive manner.

(3) Promoting *1Malaysia* social interactions

Several programmes and projects have been implemented to promote social integration amongst Malaysians in a significant way, including:

- Rukun Tetangga, which has focused on promoting neighbourliness, assisting in neighbourhood watch and promoting various community, environmental, economic and socio-civic activities. Proposals include providing more activities and training leaders in better communication and mediation skills.
- Program Latihan Khidmat Negara or National Service Training Program, has involved youths of all backgrounds in a three-month camping and social-work environment. Proposals include inculcating *esprit de corps*, involving more youths and extending the duration as well as forming an alumni group.

- Various programmes for sports, youth and women development that can contribute to greater integration amongst various communities. Proposals include attracting wider and more sustained participation.
- Various programmes under the Department of National Unity and Integration to promote awareness of the foundations of nationhood as well as goodwill, understanding and integration. Proposals include expanding and enhancing the programmes to emphasise changing attitudes.
- Students Integration Programs for Unity promotes joint extra-curricular activities among national and national-type primary schools. Proposals include involving more schools, harnessing the support of PTAs, Rukun Tetangga and NGOs, reviewing methodologies and leveraging the Internet.
- Programmes in arts and culture to highlight our rich heritage and promote a sense of pride and belonging. Proposals include using multi-ethnic themes in plays, promoting music played on traditional instruments and encouraging Malaysians to write in various languages for both local and foreign readers.

All of the above have achieved varying levels of results and therefore will need further enhancement following an in-depth review.

(4) Managing religious and cultural polarities

Malaysians professing different religions are – and have been – living harmoniously and peacefully together. However, as Malaysians of different faiths closely interact at work, at school and in social settings, it is inevitable that misunderstandings and mishaps occur. Unfortunately, these are sometimes interpreted as being driven by race or religion, and if not managed and mediated well, such disputes may become inter-group conflicts.

There are specific sensitive areas of concern that require further attention, for example the movement of places of worship or inter-marriages that require conversion of one spouse to the religion of the other.

The movement of places of worship is usually an urban planning issue that needs the formulation of clear guiding principles and procedures as well as mediation mechanisms. In the case of issues resulting from religious conversion, we have recently sought advice from the Malay Rulers, state Islamic religious councils and relevant NGOs so that we can formulate guidelines and rulings, including amending relevant acts. Our objective is to ensure that any responsibilities being assumed are known by both the converting person and his/her non-converting family members, so that such disputes can be avoided.

It is important to acknowledge the potential risks of disputes arising out of the polarity of religion and culture, and efforts must be made to promote better understanding amongst various groups (for example via consultative panels on social harmony and national unity at the federal and state levels to promote inter-ethnic and inter-faith understanding). Moreover, instead of focusing only on potential differences and disputes, we should harness the multi-religious and multi-cultural society in Malaysia to our advantage (for example via hosting international forums for inter-faith and cross-cultural discourse that showcase Malaysia's principally Muslim leadership governing a country with a multi-religious population).

(5) Towards a truly *1Malaysia* government

The commitment to continuously upgrade the delivery efficiency of the Government administration and civil service cuts across racial, religious and regional barriers. Particular attention will be paid to ensure that the civil service becomes even more inclusive and is fully committed to practise the spirit of *1Malaysia*.

Initial steps have already been taken, for example, the set up of a federal-state task force to clarify the status of undocumented citizens in Sarawak and issue identity cards to confirmed citizens. Completely undocumented people will have their status clarified and their documents issued by 2011. All confirmed citizens without identity cards will be issued one by the end of 2010.

In addition, examples of proposals to promote a truly *1Malaysia* government include:

- Ensure the promotion of the spirit of *1Malaysia*, i.e., unity in diversity through inclusiveness, is a key commitment and hence a key component in the overall KPI of each and every ministry and public agency.
- Adjust the ethnic mix of the civil service to be more representative of the population, in particular encouraging more Chinese and Indian personnel to join the civil service and upgrading officers of Bumiputera origins from Sabah and Sarawak.
- Ensure that all training programmes and courses, including those conducted by Institute of Training for Public Administration (INTAN) and Biro Tata Negara (BTN), fully promote the Rukun Negara objectives and tenets as well as the *1Malaysia* spirit of inclusiveness and core values.
- Inculcate more sensitivity to diversity amongst civil servants and develop their skills to manage and mediate potential conflicts amongst people of diverse backgrounds.
- Eliminate the requirement to mention race on government forms, except when it is for the purpose of census and statistics.

(6) Promoting and practising all-inclusive *1Malaysia* politics

Independence was won in 1957 through the unity of purpose forged by three race-based parties in the Alliance. This was later expanded to include other parties (some multi-racial in composition) to form the governing Barisan National. The opposition, Pakatan Rakyat is comprised of two multi-racial parties and one religion-based party. Although both coalitions reflect and represent Malaysians of various races and religions, race and religion-based rhetoric still emerges from time to time from individuals belonging to both coalitions.

In line with the *1Malaysia* spirit and in order for *1Malaysia* to be successful, there is an urgent need for all political parties, whether race-based, religion-based or multi-racial, and all politicians to move towards more inclusive politics, emphasising the many common issues that affect all Malaysians, harnessing common universal values, rather than amplifying the differences in race, religion and region. Political leaders should lead by example, discarding and dispelling racial stereotyping, and wherever possible ensure that their staff represents multiple races. We must all promote all-inclusive *1Malaysia* politics.

(7) Promoting an all-inclusive *1Malaysia* media

With thriving print and now electronic media in Bahasa Malaysia, Chinese, English and Tamil (and Kadazan-Dusun and Iban-Dayak supplements in some Bahasa Malaysia and English papers in Sabah and Sarawak), the Malaysian media reflects the diversity of Malaysia. Consequently, the various ethnic-cultural communities in Malaysia are well informed about and stay connected with the larger Muslim, Chinese, Indian and Western worlds. This has cultural and economic value that ultimately contributes to Malaysia's overall advantage.

However, when some of the reporting and writing becomes too ethno-centric or even takes on a more race-centred angle, it raises, rather than breaks down, barriers. Further, instead of providing constructive and valid criticism, some writers abuse the greater freedom of expression now available to use terms and express feelings that are racist or inflammatory in nature and tone.

While censorship is antithetical to democracy, there is a need to introduce, instil and internalise a commitment to journalistic professionalism, a sense of responsibility and self-restraint, with sensitivity to the divergent views and feelings of the diverse communities in Malaysia.

Implementing *1Malaysia*

We carefully considered the best path to *1Malaysia* and chose an evolutionary approach based on consensus and gradual change. To date, many ministries and agencies have already implemented programmes that contribute – directly or indirectly – to national unity and social integration. However, there is an urgent need for a planning and coordination function to formulate strategies and policies for the entire government (across ministries and agencies) and improve the implementation, inter-ministerial collaboration and monitoring of these programmes and activities. There is also a need to promote more in-depth research on various aspects of inter-ethnic and inter-religious relations.

We propose to restructure the JPNIN into two departments – one to focus on promoting Rukun Tetangga and other programmes to promote interaction amongst youth, women and senior citizens and integration between the people of Sabah, Sarawak and Peninsular Malaysia (its traditional role), and a second under the Prime Minister's Department to be called Unit Perancangan Perpaduan dan Integrasi Nasional (UPPIN), that will focus on policy research and formulation, strategic planning and development, and monitoring and assessment of outcomes, similar to central agencies like the EPU and ICU.

Although difficult to measure, we will use two indices to monitor our national unity and social harmony. The Global Peace Index will give us an objective measurement of Malaysia's situation that can be compared with other countries, while the JPNIN's Societal Stress Index will continue to let us measure conflicts and protests of an ethnic or religious nature. To gain a more comprehensive picture, the JPNIN has enhanced its working relationship with university researchers and increased its sponsorship of research and study projects.

Achieving national unity has been and will continue to be the most important mission for Malaysia and for all Malaysians. It is an ongoing and perhaps never-ending mission requiring significant commitment. We, the Government, are determined and dedicated to promoting the *1Malaysia* mission. Our initiatives together with the successful implementation of the New Economic Model and delivery of results in the NKRAs and MKRAs will usher in a new era of *1Malaysia*.

Indeed we have no other choice but to transform the Government, to achieve tangible results fast and to transform Malaysia. Not doing so entails too many significant risks: our economy's competitiveness and investment will continue to decline, we will lose jobs and talent, our income will fall, our livelihood, standard and quality of life will deteriorate; our social fabric will be strained; our inter-ethnic harmony, stability and security will be threatened. On the other hand, if we can work closely together, firm and focused in our resolution and endeavour, we can not only relieve the many irritants of the rakyat but also bring significant gains for all. Through our joint effort, we will gain a thriving and modern economy, an integrated and united society and a competent and committed government.

Putting people first

NKRAs have been deemed the priority areas for the nation. They represent a combination of short-term priorities to address urgent rakyat demands and equally important long-term issues affecting the rakyat that require our attention now. To reflect the importance of the NKRAs, they are collectively owned by the Cabinet, with accountability for delivery resting on a lead minister, who is appointed and formally monitored by the PM.

The existence of NKRAs does not mean that other areas will not receive attention. These will be covered at the Ministry level and are known as MKRAs. Each respective minister will be responsible for delivering these.

The days of "government knows best" are behind us. To ensure that we had an accurate gauge and sense of what the priority areas are for the rakyat, multiple input sources, including rakyat opinion polls, perception surveys, (alternative and mainstream) media analysis, dialogues with select academics, private and public sector leaders, were considered.

After deliberation by the Cabinet, the six NKRAs and their respective lead ministers were announced during the Prime Minister's speech to mark his first 100 days in administration on 11 July 2009, namely: reducing crime (led by the Minister of Home Affairs), fighting corruption (led by the Minister in the PM's Department, in charge of Law), improving student outcomes (led by the Minister of Education), raising living standards of low-income households (led by the Minister of Women, Family and Community Development), improving rural basic infrastructure (led by the Minister of Rural and Regional Development), and improving urban public transport (led by the Minister of Transport).

As it is imperative that we deliver on the NKRAs fast, they will be given priority in terms of leadership attention, funding allocation and talent sourcing. For example, in addition to cabinet meetings where progress of the NKRAs is discussed, the PM dedicates an average of 10–12 hours a month on NKRA related issues. Funding for NKRA initiatives has been made available through reallocations from lower-priority areas. Lastly, the highest performing civil servants were hand-picked by the respective Secretary-Generals to develop the initiatives and targets contained within this roadmap.

We will continue to involve the rakyat. Input and feedback on current and new initiatives will be sought via the channels used to date, e.g., through surveys, focus groups, SMS, the GTP website and open days. In addition, their participation in supporting the delivery of these NKRAs is also necessary, as in many cases, we can only deliver by working together with the rakyat, private sector and other stakeholders.

What follows is a brief description of the NKRAs and their performance objectives as well as other high-impact actions that we will be implementing. More detail is provided in the chapter for each area.

Reducing crime

The overall index crime rate[1] increased from 746 reported crimes per 100,000 population in 2006 to 767 in 2007 and 2008 – a rise of nearly 3%. In light of these increases, and the importance of this issue to the rakyat, we plan to reduce crime through actions focused on delivering three outcomes:

(1) Reduced overall reported index crimes, with a focus on street crimes

Our targets are to achieve at least a 5% reduction in overall reported index crime[2] every year for the next three years. However, as street crimes are our main focus, we are aiming for even faster results – a 20% reduction of street crimes by December 2010.

Some of the priority initiatives that will contribute towards reducing overall index crime include: employing stakeouts for motorcycle theft, car theft and house break-ins; improving security features for motorcycles, cars and houses (including promoting special locks for motorcycles and coding vehicle parts); rewarding owners who invest in improved security features by encouraging insurers to adjust insurance premiums according to the security features installed and increasing availability and usage of mobile access devices, enabling police officers on patrol to check a vehicle's ownership status via a link to Jabatan Pengangkutan Jalan's (JPJ) vehicle registry.

To reduce street crime, initiatives include: making the police omnipresent in 50 hot spots in four states[3] (that account for 70% of street crimes) and strengthening their presence with over 3,000 trained volunteers (including from Jabatan Pertahanan Awam Malaysia (JPAM) and Ikatan Relawan Rakyat Malaysia (RELA)) by June 2010; placing 500 closed-circuit televisions (CCTVs) in hotspots to deter criminals, enable rapid response by the police and make it easier to identify offenders; setting up special courts for quicker prosecution of street crimes; establishing the Safe Cities Programme (SCP) to bring together relevant agencies to tackle local problems with localised initiatives (e.g., using bollards to separate pedestrians from motorists) and improving in-prison rehabilitation programmes and introducing post-release resettlement programmes to reduce repeat offenders (e.g., separating first-time offenders in prisons from hardcore or repeat convicts).

(2) Improved public perception of safety, especially through public participation and volunteerism

Increasing the rakyat's sense of safety, encouraging volunteers and communicating with the rakyat on crime are three parts of our strategy to reduce the fear of becoming a victim of crime and improve the public's perception of safety. To measure and monitor the public's perception of safety, we will launch an independent survey to establish current levels; once current levels have been established, targets will be set for the next three years to continually improve the perception of safety.

1 Based on Index Crimes, as measured by the Royal Malaysian Police/Polis DiRaja Malaysia, PDRM

2 14 types of crime that occur with sufficient regularity and significance that they collectively serve as a meaningful index to the overall crime situation; divided into property theft (e.g., snatch thefts, break-in) and violent crimes (e.g., robbery, assault)

3 Kuala Lumpur, Johor, Selangor and Penang

Some initiatives to increase the rakyat's sense of safety include: assigning senior police officers (ranked Inspectors and above) to patrol together with beat policemen for 3–5 hours a week. Their presence will help reassure the rakyat and motivate regular beat policemen. Having police officers stop and talk to the general public for 10–15 minutes of every hour during regular patrols will provide opportunities for the public to raise concerns and get to know their local officers.

To promote volunteerism, initiatives include expanding Skim Rondaan Sukarela (SRS), where local residents patrol their own neighbourhoods, and expanding Rakan Cop, an existing scheme where people register by text message (SMS) to act as the eyes and ears of the police. They can then inform the police of criminal incidents or suspicious behaviour via SMS.

Lastly, increased communication about crime prevention and crime enforcement across a variety of media will help people to be less afraid of crime, engage with the police directly and reduce their susceptibility to criminal acts.

(3) Improved performance across the criminal justice system to build public confidence and strengthen professional pride

To ensure timely prosecution and sentencing of violent crime offenders, we will clear over 6,000 violent crime cases from the backlog, which is increasing at the rate of almost 1,000 per year. Our target is to bring an additional 2,000 violent crime offenders to trial in 2010 than went to trial in 2009. In addition, we will strive to improve public satisfaction with the police force. An independent survey will be commissioned to measure current levels of satisfaction with the police and once a baseline is established, a target to improve satisfaction for every year until 2012 will be set.

Some of the initiatives to help reduce the backlog include increasing the number and efficiency of Investigating Officers (IOs), e.g., by bringing back retired high-performing IOs; creating Flying Squads or specialist teams of high-performing judges and magistrates sent to areas with many unsettled cases of violent crime and accelerating the bill on Criminal Procedure Code (CPC) amendments, including those to implement plea bargaining and tendering of witness statements, as this would speed up the overall pace of prosecution.

To improve public satisfaction with the police, initiatives include expediting response time for 999 calls by instituting caller tracking and implementing first response via motorbike; providing triage and counselling services at police stations and publishing league tables of police station performance against the overall index crime rate and the change in crime rate. The highest performing stations will be rewarded, and the lowest performers will be supported and monitored until their performance improves.

A complete set of initiatives and more details on all initiatives to support the achievement of the Crime KPIs are contained in Chapter 6.

Early progress on reducing crime achieved

The street crime initiatives launched at the beginning of August have achieved some progress. For example, to enhance police omnipresence in 50 hot spots of crime, 1,100 Pasukan Gerakam Awam (PGA) were mobilised in Kuala Lumpur and Selangor, about 700 RELA/JPAM personnel were trained and deployed and 24 Balai

Polis Bergerak were assigned to these locations daily. We installed 23 CCTVs and linked 59 existing CCTVs in Kuala Lumpur to PDRM.

Fighting corruption

The perception of corrupt practices has risen in recent years. Malaysia's position in the Transparency International (TI) Corruption Perception Index (CPI) has dropped from 23 in 1995 to 56 in 2009.

The cost to the nation of corruption is significant. PEMUDAH has estimated that it could cost Malaysia as much as RM 10 billion a year, or 1–2% of GDP. In our renewed fight against corruption, we will begin by focusing on the three areas most prone to corruption – regulatory and enforcement agencies, government procurement and grand corruption (including political corruption). In addition, we will adopt KPI measures that are outcome-based and internationally benchmarked.

Our target is to increase by 2010 our CPI score from 4.5 to 4.9 and the percentage of respondents agreeing that the Government's action in fighting corruption is effective in TI's Global Corruption Barometer from 28% to 37%.

(1) Regain the public's confidence in regulatory and enforcement agencies

We will regain the public's confidence in the Police, Customs, Road Transport Department (JPJ), and Immigration, the agencies under the Federal Government with the highest number of cases charged by the MACC and the lowest perceived integrity scores among the business community and the public.

Our objective for 2010 is to increase the number of cases charged versus number of arrests for drug trafficking and possession to 80% (from current 75%), the number of summons settled versus number of summons issued by the PDRM to 61% (from 50%) and by the JPJ to 78% (from 60%). In addition, we target to increase the number of cases charged versus number of arrests and detention under the Immigration Act to 60% (from 53%) and increase taxes recovered from under-declared goods to RM 21 million (from RM 9 million).

To achieve these targets, we will strengthen and empower compliance units within each enforcement agency. This includes allocating sufficient resources to a dedicated unit that is empowered to take action. The compliance unit will report directly to the head of the enforcement agency, with an independent commission overseeing its management and conduct. Supporting frameworks, including for whistleblower protection, integrity assessment of personnel and rewards and consequences will also be established to enhance effectiveness of the compliance unit.

In addition, we will also implement other initiatives designed to reduce the opportunity for corrupt practices to take place at these enforcement agencies. This includes instituting job rotation to help prevent enforcement officers from forming collaborative relationships with criminal organisations. Given the importance of improving the performance of local authorities in the fight against corruption, we will also create a league table of performance for all local authorities.

(2) Reduce leakages in government procurement

We will reduce leakages of funds allocated for national development and operational expenditure and ensure transparency in the award of contracts. Our target is, by

2010, to reduce the number of audit findings on procurement per ministry to 10.6 from 11.2. Initiatives to achieve this include:

- Gradually reduce the practice of support letters, which are used to exert undue influence on civil servants to circumvent standard policies and processes in obtaining contracts. Our ultimate goal is to eliminate this practice altogether.
- Disclose details of all government procurement contracts on the websites of ministries and agencies and on the e-government portal. The Secretary-General or Director-General of each ministry will be made accountable to ensure up-to-date procurement information from their ministries is disclosed. Details include a list of procurement projects planned, names of successful contractors, contract sums and project periods.

(3) Tackle grand corruption

We will strive to prevent the abuse of power and public resources by politicians and senior civil servants. Our success will be measured using an independent public survey on the perception of the level of grand corruption. In addition, we aim to increase, by 2010, the percentage of trials completed within one year to 30% from 8.5% and list 84 convicted offenders in our new name and shame database. Our initiatives include:

- Enforce existing political laws, and conduct a study on revamping political funding within the bounds of the constitution. The study will include the possibility of introducing an enhanced disclosure process, cap on private donations and supplementary public funding.
- Announce zero tolerance policy and whistleblower protection framework.
- Strengthen the independence of key institutions including the Judicial Appointments Commission, within the bounds of the constitution.
- Endeavour to complete prosecution of corruption cases within one year, particularly for public interest cases.
- Enforce stiffer punishments for those guilty of corruption. This includes specifying minimum sentences and harsher penalties for convicted public officers.
- Developing a public name and shame database of convicted offenders to act as a deterrent and facilitate employment decisions.

Key milestones

In 2010, the rakyat can expect to see disclosure of government procurement contracts on the e-government portal, the enactment of the Whistleblower Protection Law and an act to prosecute corruption cases within one year. These milestones (along with their initiatives) are further described in Chapter 7.

Early progress on fighting corruption achieved

Even at this early stage, the Government and other institutions are already acting to reinforce their renewed fight against corruption. Examples include the prosecution of elected representatives (across political parties) and high-ranking civil servants for misuse of public funds as well as the setting up of a civil service task force to probe financial irregularities reported by the Auditor General. In addition, the MACC has completed a study to plug loopholes for misuse of constituency funds by state assemblymen and MPs and is currently briefing elected representatives on the procedures that they must put in place to prevent abuse.

Improving student outcomes

Malaysia has made enormous strides in its education system over the past 50 years including achieving an adult literacy rate of 92%, universal primary school enrolment and one of the highest growth rates in secondary school enrolment amongst developing countries. However, we cannot be complacent. Malaysia's student outcomes have fallen behind countries like Singapore, Hong Kong and Korea. Alarmingly, the gap within Malaysian student outcomes is also widening, e.g., about 20% of Malaysian students failed to meet the minimum TIMSS benchmarks for Maths and Science in 2007, compared to about 5–7% in 2003.

Improving student outcomes is critical to building a competitive workforce, and we will initially focus on the following areas:

(1) Increase the pre-school enrolment rate of both 4+ and 5+ year-olds, and improve the quality of the system

To achieve the enrolment rate targets of 72% and 87% by the end of 2010 and 2012 respectively (from the current 67%), we identified seven ways to strengthen the governance and delivery of high-quality pre-school education, namely:

- Establish the National Committee on Pre-School Education and a Pre-School Division within the MOE to govern all pre-school providers.
- Roll-out the National Pre-School Curriculum Standard (NPCS), developed in collaboration with the private sector, in January 2010.
- Harmonise the support of government pre-school students, including equalising per capita grants.
- Improve the quality of pre-school teachers and teacher assistants, including 30,000 new and existing staff over the next three years.
- Increase the number of pre-school classes, in particular for the 4+ age group, estimated to be about 10,000 additional classes.
- Increase public-private partnerships in pre-school education to achieve additional classes required while adhering to national standards.
- Develop a national pre-school information system to collate administrative information, such as physical location of the school, student and personnel particulars and performance related data.

(2) Ensure that all children[4] have acquired basic literacy and numeracy skills after three years of education

A new Literacy and Numeracy programme (LINUS) has been designed to ensure that, by 2012, all children have basic literacy (in Bahasa Malaysia) and numeracy skills after three years of primary school education. It consists of a six-part strategy which focuses on all the main levers of literacy and numeracy.

- Screening conducted three times a year in March, June and September to help identify students who will either be placed into the LINUS programme or into a Special Education programme if they have a learning disability
- New literacy and numeracy modules developed where easier-to-grasp concepts will be covered earlier and more emphasis will be placed on the application of the concepts learnt

4 Children with learning disabilities will be placed under a special education programme with separate targets.

- Training of close to 17,000 teachers to deliver the new LINUS modules effectively, completed between November 2009 and February 2010.
- Commitment built amongst stakeholders through awareness programmes and activities organised for state and district education departments, head teachers, parents, Teachers Associations and members of the public
- Intensive monitoring and supervision of roughly the bottom 10% of schools by the officers in the state and district education departments and the MOE's Jemaah Nazir dan Jaminan Kualiti division
- Expert facilitators hired at the district level, attached to the District Education Department, to support literacy and numeracy teachers in schools.

(3) Develop High Performing Schools and lift the performance of all schools in the system

High Performing Schools (HPS) are defined as strong schools with ethos, character and a unique identity that enables them to excel in all aspects of education. Before a school is awarded HPS status, it must meet stringent criteria including academic achievement, alumni strength and international recognition as well as a strong network of external relationships. We target to develop 20 HPS by 2010 and 100 HPS by 2012.

HPS will be rewarded with the following benefits aimed at allowing them to reach even higher performance levels:

- Increased autonomy in decision-making, such as flexibility in adapting curriculum and instruction methods as well as over selection and redeployment of teachers (if performance is unsatisfactory) and allocation of funds
- Financial incentives for schools, school leaders, teachers and non-academic staff
- Greater range of options for human capital development, including sabbaticals for head teachers
- Option for high achievers to advance faster through the education system.

However, with HPS status comes the responsibility of sharing knowledge and expertise with other schools in the system through, for example, mentoring networks, teacher attachment and student exchange programmes.

(4) Significantly improve the performance of head teachers and principals via performance management

Commencing in academic year 2010, the new performance management approach for head teachers and principals will have the following characteristics:

- Applicable to head teachers and principals of all government schools in Malaysia.
- Performance of schools will be based on a composite score consisting of the Grade Point Average (70%) and Standard for Quality Education in Malaysia (SQEM) (30%).
- Performance of all 9,900 government schools will be ranked on a yearly basis and made public from 2010 onwards.

- To be eligible for rewards, the school should achieve a specified target composite score or a target improvement in their performance rankings, obtain an unqualified financial audit report and achieve literacy and numeracy targets (for primary schools). In addition, the head teacher or principal must obtain an Annual Appraisal Report (LNPT) score greater than 90 and be free from disciplinary action.
- Head teachers and principals who exceed the target will be given both financial and non financial rewards (e.g., attachment programmes, accelerated promotion and certificates of recognition).
- Teachers in schools with a head teacher or principal who qualifies for the reward will also be eligible for a financial reward.

Approximately 10% of the bottom performers will be identified based on the lowest composite score. They will be provided with training and mentoring in an effort to help them improve their performance. If these efforts are ineffective, actions such as transfers and voluntary separation will be taken.

Further details on all initiatives to support the achievement of the KPIs are contained in Chapter 8.

Early progress on improving student outcomes achieved

To ensure some of the new programmes will be implemented for the 2010 school year, execution of the initiatives has already begun. Achievements include the completion of the screening instrument and Year 1 teaching and learning modules for the LINUS programme, announcement of the first batch of 20 High Performing Schools and completion of the performance ranking of the 9,900 government schools in the system, which was used as a basis to design rewards and remedial programmes under the new deal for head teachers focus area. Finally, the trusts schools initiative is well underway with the first trust schools expected to operate by January 2011.

Raising living standards of low-income households

Despite Malaysia's long-term success in reducing poverty, there are still more than 200,000 households classified as poor[5] and more than 40,000 households classified as extreme (or hardcore) poor[6]. We have set our sights on completely eradicating hardcore poverty by the end of 2010 and reducing the incidence of poverty to 2.8% in 2010 (from 3.6% today). In addition, we will implement measures to enhance the productivity of low-income households (LIH) who do not fall under the categories of poor and extreme poor. To achieve this, we will :

(1) Standardise the definition of low-income groups

A common definition of poverty will be adopted by all ministries and agencies to accelerate coordination in identifying and assisting poverty target groups.

- **Low Income Households** (LIH) – households with a total income less than or equal to RM 2,000 per month

5 Monthly gross household income below poverty line income, currently RM 750
6 Monthly gross household income below food poverty line income, currently RM 440

- **Poor** – households with a total income less than or equal to RM 750 per month. This is based on the Food and Non-Food Poverty Line Income (PLI)[7]
- **Extreme Poor (hardcore poor)** – households with a total income less than or equal to RM 440 per month. This is based on the Food PLI.

(2) Implement fast, high-impact initiatives immediately, and lay the groundwork for longer-term actions

We will introduce initiatives to both improve immediate welfare and build income-earning potential to ensure sustainable incomes.

To reduce poverty and eradicate hardcore poverty by 2010, the Government will immediately:

- Distribute federal welfare assistance (to those who qualify) on the first day of each month. This commenced in September 2009 for Peninsular Malaysia and 1 January 2010 for Sabah and Sarawak
- Provide support to increase home ownership by offering about 44,000 low-cost houses for sale, through Dewan Bandaraya Kuala Lumpur (DBKL) and Jabatan Perumahan Negara (JPN)
- Deliver 1 Azam programmes to create jobs, based on job-matching, training and providing funds. This will be achieved through a mixture of employment and entrepreneurship (supporting the setup of goods, services and agricultural businesses)

By the end of 2011, another wave of initiatives will be implemented, including:

- Providing training to eligible low-income households to improve their economic value
- Creating employment opportunities via the setting up of Jimat *1Malaysia* provision stores. We are aiming to set up 50 such stores by 2010 and one in every district by 2011
- Developing a mechanism to provide micro-credit to eligible low-income households. At least one pilot project will be introduced per state by the first quarter of 2011
- Increasing the number of urban, rural and mobile medical clinics (at least one per state) to cater to rural low-income households
- Extending financial support for eligible low-income households to purchase artificial limbs and prosthetics. We will also improve access to prosthetics by setting up at least one prosthetics centre per state

Lastly, some medium-term initiatives will be implemented by the end of 2012, including:

- Providing additional hostel capacity to enable students who require accommodation (e.g., those from rural areas) to continue with their studies, preventing dropouts due to distance and financial constraints

7 The PLI is based on what is considered to be the minimum consumption requirements of a household for food (constituting the Food PLI) and non-food items such as clothing, rent, fuel and power (making up the Non-food PLI)

- Intensifying assistance to patients requiring dialysis treatment. This will involve providing financial aid, setting up more dialysis centres and providing transportation to/from those centres
- Offering assistance for down-payments, legal fees and low-interest rate loans to eligible low-income households who are not recipients or purchasers of low-cost homes provided by the Government
- Offering a *1Malaysia* insurance scheme, covering areas such as education, death and critical illness, to extreme poor households.

We are considering the feasibility of setting a minimum wage to enable all Malaysians to earn at least the PLI. Any action on this would be implemented gradually, so as not to adversely affect employers.

(3) Put enablers in place to ensure delivery of initiatives

To enable the above initiatives to be delivered effectively and efficiently, we will implement structural changes, including creating a unified Social Development Services (SDS) entity to improve coordination of poverty mitigation initiatives, setting up an independent SDS Inspectorate to investigate and prosecute welfare fraud, consolidating all databases containing data of LIH into e-Kasih and reducing processing time for disbursement of aid (from the current two months to seven days by 2012).

A complete set of initiatives and more details on all initiatives to support the achievement of the KPIs are contained in Chapter 9.

Early progress on raising living standards of low-income households achieved

Early impact is already visible. Through greater inter-agency coordination, the process of approving applications to be listed in the low-income households database now takes seven days, compared to two months previously. In addition, since 1 September 2009, welfare assistance in Peninsular Malaysia is now distributed on the first day of each month. Also, around 44,000 low-cost homes have been offered for sale to existing tenants at RM 21,500–35,000 per unit which is substantially less than the market value.

Improving rural basic infrastructure

Despite Malaysia's considerable achievements in the provision of rural basic infrastructure (RBI), more needs to be done to serve the rural population that constitutes about 35% of Malaysians. In Sabah and Sarawak, there are many villages still not connected by roads and more than a quarter of households do not have access to electricity. Upwards of 40% of households in Sabah and Sarawak, and 12% of households in Peninsular Malaysia lack access to clean or treated water.

Consequently, we have embarked on a major rural basic infrastructure development programme in Peninsular Malaysia, Sabah and Sarawak. Our aspiration is to:

- Build more than 7,000 km of new and upgraded roads by 2012, 1,900 km of these in Sabah and Sarawak. In Peninsular Malaysia, this will result in 91.4% of the population living within five km of a paved road by 2010, rising to close to 100% in 2012 (currently 91%)

- Provide 50,000 new and restored houses to the rural poor and extreme poor by 2012, two-thirds of these in Sabah and Sarawak. Of the 50,000, more than 16,000 houses are to be provided in 2010
- Ensure access to clean or treated water by over 360,000 additional households. For Sabah and Sarawak, the programme will raise the percentage of rural houses with access to clean or treated water to 59% and 62% respectively in 2010, rising to 90% for both in 2012 (currently 57% for both states)
- Provide access to 24-hour electricity to over 140,000 additional households by 2012. This will increase the percentage of households with access to electricity in Peninsula Malaysia, Sabah and Sarawak to 99.6%, 81% and 73% respectively in 2010 (currently 99%, 77% and 67% respectively).

To meet these targets, we need to accelerate the pace of deployment of these basic services over what has been achieved in the past. As an illustration, over the next three years, we target to build 11 times as many kilometres of roads, construct 2.5 times as many houses, provide five times as many houses with electricity, and connect seven times as many houses to clean water as compared to what we achieved in 2006–08. We will be able to achieve greater breadth, scale and pace of deployment through:

- Using innovative, quick and least-cost ways of delivery. For example, building standard-design houses, leveraging distributed power generation technologies such as solar hybrid power generation or micro hydro-electricity for areas distant from electricity generation and transmission infrastructure and using alternative solutions such as tube wells, gravity wells, or rain water recovery for areas that are distant from reticulation networks (piped water supplies)
- Revamping existing administrative processes to reduce time required, e.g., the roads open tender process. This will involve using more standard templates, parallel processes where possible, accelerating communications, etc.
- Facilitating and working closely with suppliers to ensure the supply and availability of enough machinery (e.g., excavators, compactors), material (e.g., electricity cabling, pre-mix) and manpower (e.g., contractors, consultants) when required
- Ensuring effective programme management by closely monitoring projects. SPP II, a well-established system managed by the ICU under the Prime Minister's Department, will be used for recording and tracking RBI initiatives to ensure they are delivered on time and on budget.

A series of detailed initiatives have been formulated to support the achievement of the KPIs (Chapter 10).

Early progress on improving rural basic infrastructure achieved

In 2009, we built an additional 17,000 houses for the rural and hardcore poor and an additional 240 km of roads in Sabah and Sarawak.

Improving urban public transport

Public transport is one of the perennial irritants for urban Malaysians. For example, in Klang Valley today, there is high congestion during peak periods (e.g., commuters in KTM Komuter trains suffer from more than 40% over-capacity), often unreliable service with frequent delays and cancellations, poor connectivity between modes in certain areas (e.g., between monorail and LRT stations at KL Sentral) and poor

access to public transport services (e.g., only about 61% of Klang Valley's population lives within 400 metres of a bus route). This, in combination with continued growth in the number of private vehicles, has contributed to public transport modal share[8] in Klang Valley falling steadily from 34% in 1985 to 20% in 1997; today it is closer to 10–12%.

We aim to:

- Raise the modal share to 13% by 2010 and to 25% by 2012 during the morning peak period of 7 AM to 9 AM in Klang Valley. We will subsequently adapt and apply successful initiatives to Penang and Johor Bahru
- Improve reliability and journey times
- Enhance comfort and convenience
- Improve accessibility and connectivity such that the percentage of the population living within 400 metres of a public transport route increases from 63% to 75% in 2010.

To achieve the above KPIs, we will take four steps between 2009 and 2012 and one additional step beyond that timeframe to secure and extend these expected improvements:

1. **Streamline capacity of a system already at its limits:** By 2012, we will increase capacity on the KTM Komuter and LRT lines by 1.7 to 4.0 times (depending on specific line). This will involve refurbishments and purchases of rolling stock and trainsets (e.g., 26 new four-car trains for the Kelana Jaya LRT line). We will also introduce dedicated rights-of-way for buses across 12 major corridors in Klang Valley by 2012 (four in 2010). These 12 corridors will in total carry 35,000 to 55,000 passengers during the morning peak hours, or 6% to 9% of total public transport ridership by 2012. We will increase the size of the existing bus fleet by 850 buses by 2012 (200 in 2010). This will improve services on current routes and provide service to 53 new routes to address currently unserved areas.

2. **Stimulate demand to attract people to public transport:** Initiatives include introducing an integrated ticketing platform and fare structure (introducing the 1Ticket, 1Seamless Journey concept across all 16 operators in Klang Valley), adding roughly 6,800 new parking spaces by 2012 (4,000 in 2010) across 14 rail stations outside the urban core, enhancing feeder services into rail stations and upgrading high-traffic stations, terminals and bus stops. We will also increase physical connectivity between modes, e.g., via completely enclosed walkways. Enforcement and monitoring efforts will be critical to ensuring operators adhere to minimum service and operational standards. In order to achieve this, we will initiate efforts to integrate backend IT systems and launch joint on-the-ground enforcement efforts, across all major enforcement agencies – the 10 local authorities, Commercial Vehicles Licensing Board (CVLB), JPJ and PDRM.

3. **Divert heavy vehicles from the Central Business District:** We will create three major integrated transport terminals outside the city core, beginning with the southern ITT Bandar Tasik Selatan in 2010. This will be supported by ITT Gombak by the end of 2010 (which will divert more than 750 inter-city buses from the north and east from the city core every day) and then a third terminal, potentially in Sungai Buloh, to serve the northern inter-city express buses beyond 2012. Within the city centre, there will be two types of public transport hubs – first, the intra-city terminal hubs at Pasarama Kota, Plaza Rakyat and Pudu to facilitate

8 Percentage of commuters using public transport

the flow of traffic from the suburbs into the city, and second, 14 Hentian Akhir Bandars that will facilitate the movement of passengers and public transport vehicles within the city centre to reduce congestion and streamline overlapping routes.

4. **Regulatory restructuring:** We will ensure that the proposed Land Public Transport Authority (SPAD – Suruhanjaya Pengangkutan Awam Darat) is fully operational by the end of 2010. A prerequisite for success will be the creation of a single point of accountability for policy planning and regulatory oversight. This is currently lacking, with 12 ministries and various agencies currently involved in different aspects of public transport and no single industry captain to coordinate efforts across the entire public transport system.

And beyond 2012...

5. **Manage demand:** Once public transport modal share is above 25% and the public transportation system has been improved in terms of reliability, journey times, comfort, accessibility and connectivity, we will accelerate initiatives to increase the relative attractiveness of public transport vis-à-vis private vehicles. One example is congestion pricing, which has been implemented successfully in London and Singapore.

A series of detailed initiatives have been formulated to support the achievement of the KPIs and these are detailed further in Chapter 11.

Early progress on urban public transport achieved

To date, there has been encouraging early progress. For example, transfer times on RapidKL's bus routes have been minimised through route realignment, waiting times[9] have been reduced from 20 minutes to 15 on KTM Komuter and, in a step to reduce congestion, the first four-car-trainsets for the Kelana Jaya LRT line were received in December 2009.

Enhancing accountability of all ministers

Areas not covered by the NKRAs are still important and will continue to receive attention from the Government at the ministerial level. These areas – MKRAs – include targeted outcomes that the rakyat can see and feel (e.g., responding faster to public complaints and reducing the number of road traffic accidents). Similar to the NKRAs, these MKRAs and Ministerial KPIs (MKPIs) are a beginning and will continue to be refined and improved over time.

Accountability for delivery rests with each respective minister. The Prime Minister has also committed to reviewing the progress of all ministers every six months to ensure their performance is on track. The first reviews took place between November 2009 and January 2010.

In 2010, these MKPIs will start to be cascaded throughout the civil service. This will build upon previous efforts to establish KPIs for the most senior civil servants – from the Chief Secretary to the Government (KSN) through to all Secretary-Generals (KSUs) and Director-Generals.

9 Defined as the time between the one train's arrival and the next train's arrival

Ensuring *Performance Now*

We have embarked on a series of reforms to enhance our capacity to deliver our short- and long-term goals, or the *Performance Now* dimension of the GTP.

First, we committed to a set of 16 Delivery Principles (detailed in Chapter 13) to guide a new way of delivery – across four themes – putting rakyat first, using resources prudently, collaborating with the best in and out of government and managing outcomes to the highest standards. Before government officials make decisions or take actions, they must ensure that the decision or action is consistent with the 16 Delivery Principles. Examples of these principles include encouraging rakyat participation by getting their input before making decisions, involving the rakyat in delivery and regularly measuring perceptions; maximising productivity from existing resources before asking for more by eliminating leakage, optimising service standards and applying innovative approaches; building hybrid capabilities for delivery by attracting Malaysia's top talent and organisations from the public, corporate and social sectors and establishing clear single-point accountability, supported by the consistent use of differentiated, meaningful rewards and consequences.

Following through on the Delivery Principles, we have established mechanisms to manage delivery. These include:

- Flash reports to update Cabinet on the progress of each National KPI (NKPI) against target
- Forming Delivery Task Forces (one for each NKRA), chaired by the Prime Minister and attended by the lead minister, relevant ministers and senior civil servants, to approve delivery plans, monitor progress and refine implementation strategies as required
- Holding PM-Minister reviews to assess each minister's achievements every six months. In these reviews, we expect to see a broad mix of achievement versus targets, since we have set stretch targets. In effect, this means that not all targets will be 100% achieved, since, if they were, the government would not have stretched its aspirations far enough.
- Publishing annual reports in the first quarter of every year to report on our progress objectively – what was achieved and not achieved – and demonstrate our accountability to the rakyat.

To accelerate delivery, we set up a Performance Management and Delivery Unit (PEMANDU) within the Prime Minister's Department. While the responsibility for end-to-end delivery of NKRA and MKRA outcomes ultimately rests with the respective ministries, PEMANDU has been mandated to catalyse bold changes in public sector delivery, support the ministries in the delivery planning process and provide an independent view of performance and progress to the PM and ministers. To allow PEMANDU to carry out its responsibilities effectively, it combines the best talent from both the civil service and private sector.

Lastly, we have reinforced and intensified existing initiatives to transform the civil service, e.g., PEMUDAH's initiatives to enhance the ease of doing business and dealing with the Government.

Transforming Malaysia

We must transform government – the primary facilitator of development – to achieve Vision 2020, which remains the beacon for our nation. Otherwise, we risk remaining stuck as a middle-income economy. This roadmap details a bold and unprecedented programme to transform government based on the principles of *1Malaysia, People First, Performance Now*.

We are approaching government transformation in a radical new way as we realise that we cannot use the same old way of doing things. This includes using an engine based on doing then improving, instead of just planning. In addition, we are using cross-agency teams of the best civil servants to develop and detail solutions, proactively gathering input and feedback from the rakyat, instituting 16 Delivery Principles to guide a different way to deliver on a day-to-day basis, establishing PEMANDU to catalyse and support transformation and publishing this roadmap (and subsequent annual reports) to transparently outline targets, plans and progress achieved.

In our history, we have often taken the road less travelled and pragmatically charted our own course. We are doing it again. No other government in the world has undertaken such a bold transformation programme. However we understand that delivering these outcomes will not be easy. There will be setbacks along the way, including missed targets, initiatives that may not work, stakeholders who push back, resistance to change and new challenges we could not have foreseen. In transformation programmes of this scale it is also quite common for things to get worse – or feel like they are getting worse – before they get better. Despite these inevitable challenges, we must deliver.

We cannot transform the nation on our own. The days of government knows best are over, and we pledge to work hand-in-hand with the rakyat, the private sector, the social sector and other key stakeholders on this programme. Together, we must deliver. Together, we will deliver.

When the Government Transformation Programme hits inevitable challenges and setbacks, we the Government and all Malaysians must remind ourselves of what is really at stake here and continue to stay the course. What is at stake is the achievement of Vision 2020, making a difference to the lives of all current and future generations of Malaysians and further enhancing our nation's reputation and position in the world.

Chapter 1

Introducing the transformation

"We must achieve our national vision of a developed nation that is prosperous, peaceful, safe, and united, with social justice. To do so, the Government will champion the spirit of *1Malaysia*, put the people first, and perform and deliver results in the best interests of the people. This roadmap provides the way forward to address the basic concerns of the people. As we prepare to execute the various delivery plans, let us be mindful of our past achievements and impediments, yet confident of our ability to draw upon our heritage and courage to transform Malaysia. We must be fully committed and prepare ourselves for the challenges that lie ahead."

Tan Sri Dr Koh Tsu Koon, Chairman of PEMANDU

"We must transform to achieve Vision 2020 and fulfil the rakyat's expectations of a government that champions *1Malaysia*, puts its people first and delivers big results fast. Transformations are seldom easy – they involve conquering our own fear of the unknown while also winning over those who defend the status quo and attempt to obstruct our efforts. In this journey, we will be transparent with our plans, transparent with our targets and transparent in reporting our performance to the rakyat. We will continuously seek the rakyat's input, learn by doing (instead of spending too much time planning for the perfect outcome), resist the temptation of setting easy targets and be fully accountable for our performance."

Dato' Sri Idris Jala, CEO of PEMANDU

Malaysia is at a crossroads. In 1991, we committed to Vision 2020, to become a fully developed nation by 2020, with goals encompassing economic, political, social, spiritual, psychological and cultural dimensions of development. Since then, we have faced a challenging global environment – the 1997 Asian financial crisis, an outbreak of Severe Acute Respiratory Syndrome and, over the last 18 months, a global financial crisis and economic downturn.

While we have made progress, at our current rate of growth, we are in danger of becoming stuck as a middle-income nation, losing our competitiveness and falling short of our ambitions. A fundamental change is required, not just in economic performance, but also in the delivery of public goods that underpin our ability to develop the economy.

Among the salient issues are crime, corruption, poverty alleviation and the quality of our education system and infrastructure, in urban and in rural areas. What is at stake here is the people's sense of well-being, but equally, the partnership and trust between rakyat and government, a partnership which has delivered so much since Merdeka. We need to revitalise that trust and partnership and deliver big results on a higher level.

To meet the above challenges, we have committed ourselves to a Government Transformation Programme, in accordance with the principles of *1Malaysia, People First, Performance Now.*

1.1 This roadmap describes our targets and outlines our plans to deliver

The Government Transformation Programme (GTP) will help us to realise the step change necessary to achieve Vision 2020. This roadmap details the objectives and the initial set of actions for the GTP, with a particular focus on 2010. It focuses on the actions and the outcomes the rakyat can immediately see and feel in areas identified as National Key Results Areas (NKRAs) and Ministerial Key Results Areas (MKRAs). It also details the targets and schedules we commit to.

This document is not a comprehensive statement of our nation's strategy and economic model, but rather a roadmap of this government's delivery agenda, guided by the principles of *1Malaysia, People First, Performance Now.* In parallel, the National Economic Action Council is formulating our New Economic Model, and the Economic Planning Unit is developing the Tenth Malaysia Plan to implement new economic strategies. Both will be released this year, and this roadmap should be read together with those plans.

In line with the principle of *Performance Now*, we will continue to drive the delivery of tangible outcomes via this Government Transformation Programme. In the first quarter of each year, we will publish our progress against current targets and indicate what new actions we will take to enhance performance. This is in response to the rakyat, who, during the open days, asked for regular disclosure of progress against key performance indicators (KPIs). We hope that this document not only serves to increase our transparency, but also engages the rakyat, solicits feedback and calls for the best ideas. It is our intention to identify, acknowledge and implement the best ideas for the benefit of the rakyat.

1.2 We will use a transformation engine to deliver big results fast

The underlying rationale for the GTP and thus this roadmap is that the Government needs a new way of doing things to both accelerate and sustain impact. Essentially, we want to deliver substantial results more quickly.

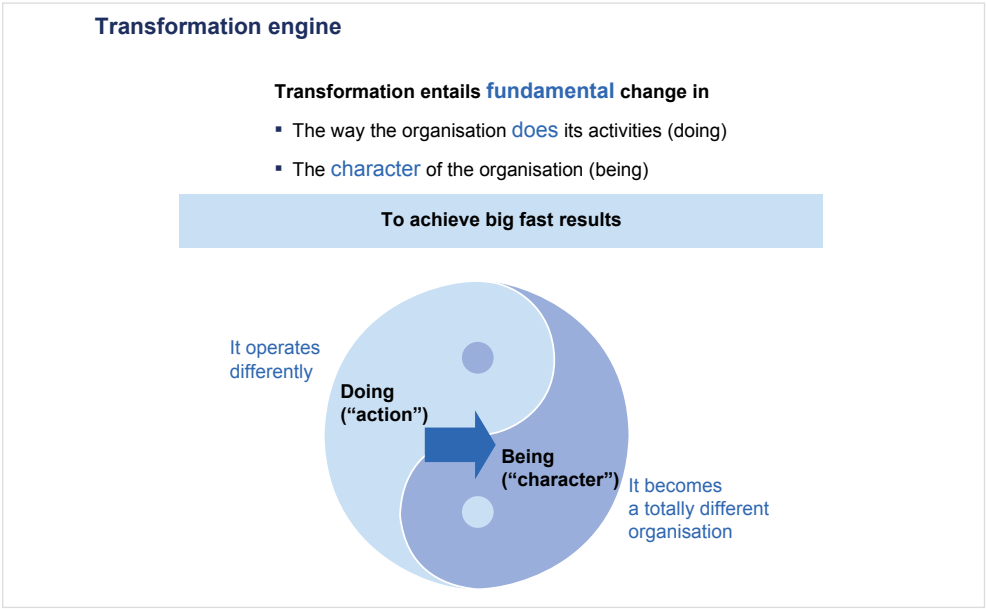
In taking on this much needed transformation, we realise that the rakyat are impatient for results, that resources are limited, that new ideas are necessary – and that we do not always have all the answers. Prioritisation is inevitable, but a new way of tackling transformation itself is also necessary.

True transformation requires a fundamental change to the way things are done in an organisation, and through this new way of acting, the character of the organisation is changed.

The methodology – or transformation engine – that we will use now, begins with a quick call for the best ideas and then rapidly moves to action. It is our belief and experience that we learn best from doing, rather than simply planning, similar to learning to ride a bicycle. Watching Lance Armstrong might show you how to balance on the seat of a bicycle and take corners effectively. However, it is only by getting on a bicycle and pedalling, and then improving our actions each time we fall, that we actually learn, equip ourselves with new ways of doing things and over time become better cyclists.

With our transformation engine, we rapidly take ideas to doing, assess the impact of our initial actions and then rapidly implement enhancements. In this way, we will both immediately make a difference and we will learn, very practically, what is required to ensure implementation success (Figure 1.1). We will also build new capabilities in doing things differently that will allow us to sustainably improve performance, as the rakyat demand and deserve.

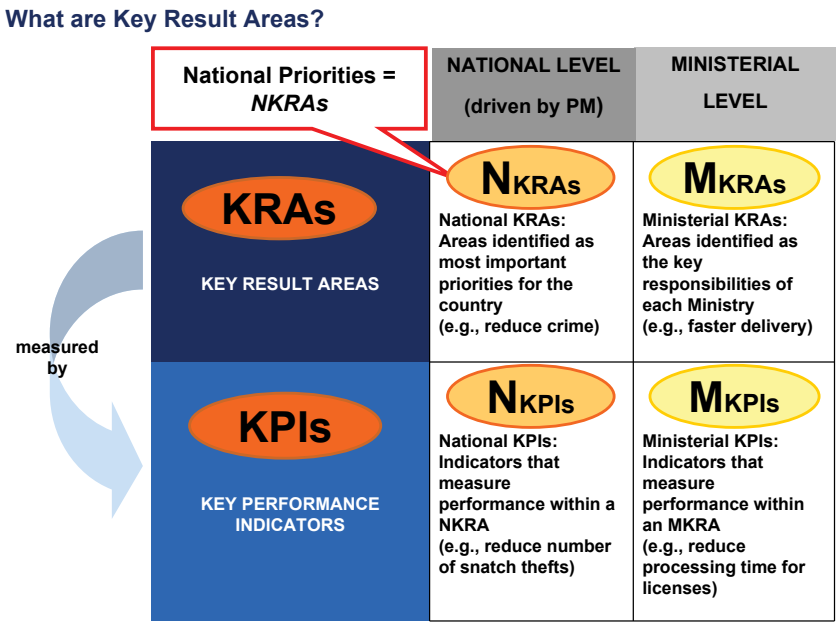
Figure 1.1



The GTP sets firm targets for 2010 and in some cases for 2011 and 2012. These will not change. The initiatives discussed in this roadmap, however, should be seen as the initial set of activities intended to deliver these targets. Given our methodology, as we implement these initiatives, we will learn more about how best to meet the targets, and we will continue to enhance the programme.

To build momentum, the GTP focuses on the **National** KRAs (NKRAs), as we need to prioritise our focus and actions. We realise that there are many other areas that require improvement, and we have set targets for improved performance in other areas of government through the **Ministerial** KRAs (MKRAs) (Figure 1.2). This roadmap, however, focuses more on the NKRAs, as these are national priorities.

Figure 1.2



1.3 Performance management is an integral part of this programme

Another important aspect of the transformation is the performance management of officers of the Government – both Ministers and civil servants. Our published targets are 'stretch' targets. Since we intend to inculcate a high-performance culture, we have resisted the tendency to set modest 'soft' targets. This means it is not likely that that all targets will be achieved. If they were, we would not have stretched our aspirations far enough.

Bearing in mind that we have ambitious KPI targets at national and Ministerial levels, we will manage performance by taking appropriate actions with Ministers and civil servants for different levels of achievement (Table 1.1):

Table 1.1: Performance management of ministries

Achievement (% of KPI targets)	Action
• 90-100+	• Hold up as inspirational case study for other parts of government
• 80-89	• Commend and challenge to raise aspirations
• 70-79	• Provide appropriate support and resources to continue and upgrade delivery
• 60-69	• Provide help, coaching and problem-solving support to meet targets
• <60	• Provide extra help and activate consequence management (e.g., potentially change team structure and composition)

For example, consider one of the targets of the Crime NKRA – reducing reported street crimes in 2010 by 20%. If the actual reduction is 18%, then the relevant Ministry scores 90%, i.e., 18/20 x 100%. However, if the actual reduction is 12%, the Ministry only scores 60%, i.e., 12/20 x 100%.

Alternatively, consider the Rural Basic Infrastructure target of constructing 338 kilometres of roads in Sabah and Sarawak in 2010. If 271 kilometres are built, then the relevant Ministry scores 80%, i.e., 271/338 x 100%. If only 202 kilometres are built, then the Ministry scores only 60%, i.e., 202/338 x 100%.

The performance bar has been set high. Our minimum expectations, in the examples above, are 12% fewer reported crimes, and 202 kilometres of roads to be built in Sabah and Sarawak (whereas from 2006 to 2008, an average of 220 kilometres were built or upgraded annually nationwide).

1.4 This programme will evolve and be improved over time

The transformation programme this roadmap describes is not comprehensive, definitive or static, but rather transparent, action oriented and dynamic. Indeed, even as this roadmap is going to print, some initiatives may continue to be refined based on results from on-the-ground implementation. We will not scale back on our targets for improved performance, nor will we move away from the transformation methodology we will use to accelerate change and impact. In addition, we intend

that this roadmap also serves as a public call for the best ideas, as the sole intention of the programme is to make a difference, on behalf of the rakyat, and to implement the best ideas, from wherever they come.

This programme will not succeed without support and contribution from the rakyat. As the Government of the people, for the people and by the people, we need the rakyat's feedback and constant vigilance to monitor our performance. Continue to send the Performance Management and Delivery Unit (PEMANDU) – the unit within the Prime Minister's Department responsible for overseeing this programme – your comments and suggestions for improvement through the various available channels – in person, by post (at PEMANDU's address printed on the inside cover of this roadmap), by e-mail to ideas@transformation.gov.my and online at www.transformation.gov.my.

1.5 This roadmap describes the Government Transformation Programme in detail

- The first chapter has outlined the objective and structure of this roadmap, as well as the methodology behind the Government's approach
- Chapter 2 outlines the country's current position, its achievements to date and the gaps to be filled in order to achieve Vision 2020.
- Chapter 3 details the *1Malaysia, People First, Performance Now* principles and the relationship to previous and ongoing government programmes, including this GTP. The remainder of the document is framed around these principles.
- Chapter 4 details the principles of *1Malaysia* and potential initatives to enhance unity. It also frames a series of polarities in society that require continued, explicit, constructive and transparent discussions.
- Chapter 5 details the principles of *People First*.
- Chapters 6 through 11 describe the initiatives, targets and outcomes associated with each of the NKRAs.
- Chapter 12 highlights the process of arriving at the MKRAs and highlights some example MKRAs and MKPIs.
- Chapter 13 details the mechanisms that will be in place to ensure delivery.
- Chapter 14 recaps the way forward for transforming Malaysia.
- The appendices include a glossary of acronyms and acknowledgements

1.6 The programme incorporates output from the labs and inputs from the rakyat

The GTP is led by the Prime Minister and his Cabinet, supported by the Chief Secretary (KSN) and the civil service. The development of this document was spearheaded by the Minister for Unity and Performance Management and the CEO of the PEMANDU in response to the Prime Minister's call for greater accountability of the Government in delivering tangible outcomes for the rakyat.

To formulate and detail the targets, timelines and initiatives, we formed eight dedicated teams – one for each of the six NKRAs, one for *1Malaysia* and one formed to look at the data management needs common to these efforts. These

teams, called labs, comprised about 250 top civil servants from across ministries as well as representatives from the private and social sectors. The labs worked for six weeks exclusively and intensively on defining detailed, implementable solutions for each NKRA. The labs involved intense problem-solving and collaboration across ministries and agencies, and with participants from the private sector. The Prime Minister, Cabinet Ministers and top leaders of the civil service spent significant amounts of time with the labs, to monitor progress and challenge the participants towards setting more ambitious goals and faster delivery times.

In detailing the initiatives, the labs solicited inputs from the rakyat as well as from experts in the respective areas. The results of the labs were then displayed during Open Days in Kuala Lumpur, Kuching and Kota Kinabalu, at which the rakyat were able to provide input and feedback on the targets, initiatives and implementation details.

Chapter 2

Challenges to realising Vision 2020

In 1991, Tun Dr Mahathir Mohamad, then Prime Minister, unveiled a bold new vision for Malaysia. Our country, which had in the previous decade grown its GDP at an average rate of 8% p.a., required a new objective and performance target. This was "to become a developed country by a certain period of time. We decided that the logical, convenient and appropriate time was the year 2020. For optometrists, 2020 means perfect vision, and we needed to have a perfect vision for our future."[10] Practically, this meant an extremely optimistic projection of a growth rate of 7% p.a. for the 30 years between 1991 and 2020.

Furthermore, we wanted our development to be measured by more than GDP. We did not want to sacrifice our moral character for economic growth. We wanted to ensure that our society advanced as a multi-racial society and that any wealth creation was shared.

> "…each of the (developed countries) has its strengths. But each also has its fair share of weaknesses. Without being a duplicate of any of them we can still be developed. We should be a developed country in our own mould. Malaysia should not be developed only in the economic sense. It must be a nation that is fully developed along all the dimensions: economically, politically, socially, spiritually, psychologically and culturally. We must be fully developed in terms of national unity and social cohesion, in terms of our economy, in terms of social justice, political stability, system of government, quality of life, social and spiritual values, national pride and confidence."
>
> Tun Dr Mahathir Mohamad, "Working Paper – The Way Forward" presented to the Malaysian Business Council, 28 February 1991

2.1 We have ambitious economic and social goals for 2020

With Vision 2020, we committed ourselves to nine goals, encompassing economic, political, social, spiritual, psychological and cultural dimensions of our growth. Collectively, they made for a set of challenging targets for Malaysia. It is timely now, with just a decade to go, to remind ourselves of the prize – how life in Malaysia will look and feel – when we achieve our goals:

- We will be truly united and integrated, a 'Bangsa Malaysia' with a sense of common and shared destiny, living in harmony and in full and fair partnership
- We will be a society with faith and confidence in ourselves, distinguished by the pursuit of excellence and respected by the peoples of other nations
- We will be a mature democratic society, practising a form of mature, consensual, community-oriented Malaysian democracy that will be a model for many developing countries
- We will be a fully moral and ethical society
- We will be a liberal and tolerant society, free to practise and profess our customs, cultures and religious beliefs, and yet feeling that we belong to one nation
- We will be a scientific and progressive society, contributing to the scientific and technological civilisation of the future
- We will be a fully caring society
- We will be an economically just society, with fair and equitable distribution of the wealth of the nation and full partnership in economic progress

10 Tun Dr Mahathir Mohamad, "Revisiting Vision 2020: New Challenges for Malaysia", From Readings on Development: Malaysia 2057, eds. Nungsari and Suryani, Kuala Lumpur: Khazanah Nasional Berhad, 2009, p. 4.

- We will be a prosperous society, with an economy that is fully competitive, dynamic, robust and resilient

2.2 We have progressed since the announcement of Vision 2020

Under the guidance of past and present leaders and through the hard work of the rakyat we have made progress on our journey towards 2020.

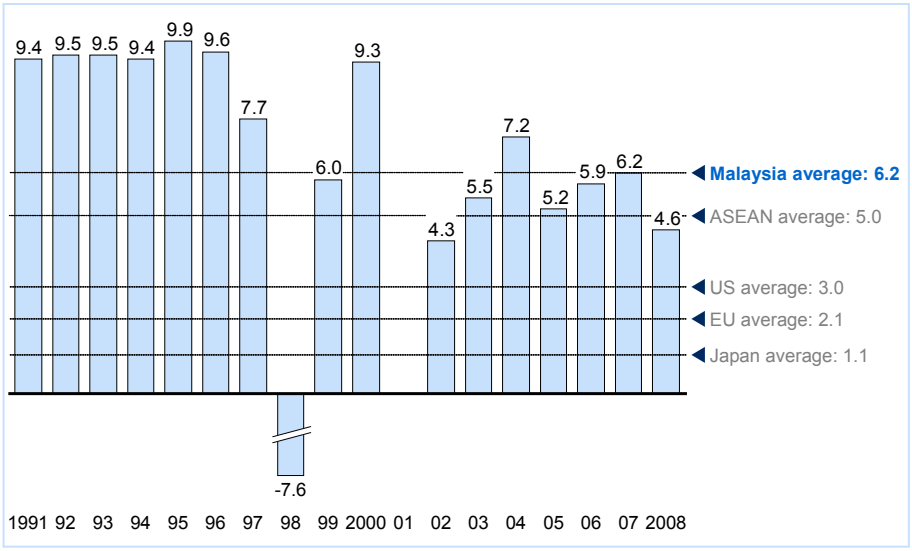
2.2.1 Our economic development has surpassed that of many developed countries

During the period 1991–2008, the Malaysian economy grew at an average rate of 6.2% p.a. (Figure 2.1). We performed better than ASEAN (Association of Southeast Asian Nations) overall and better than many developed economies such as the European Union, Japan and the United States of America. Malaysia was sufficiently resilient to withstand regional and global challenges, such as the 1997–98 financial crisis, the post-September 11 (2001) recession, the outbreak of Severe Acute Respiratory Syndrome (SARS) in 2002–03, and most recently, the global recession in 2008-09. In fact, Malaysia's independent response to the 1997–98 financial crisis – leveraging currency and capital controls effectively – has been lauded by many renowned global economists.

Figure 2.1

Malaysia performed better than many other economies in the last 20 years

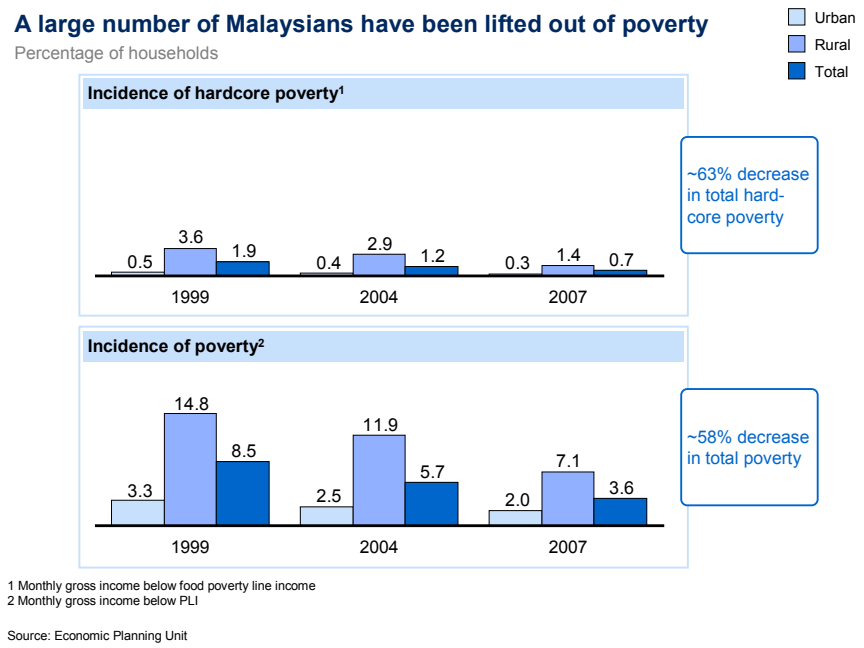
Change in GDP p.a., percent



Source: Malaysian Economic Statistics Time Series and Malaysian Economy at a Glance (Department of Statistics), Global Insight

While the country has moved forward, we have also strived to protect the most economically disadvantaged groups. This can be seen in reduced poverty and hardcore poverty rates (Figure 2.2). While more needs to be done, as discussed in Chapter 9, we have made steps in the right direction.

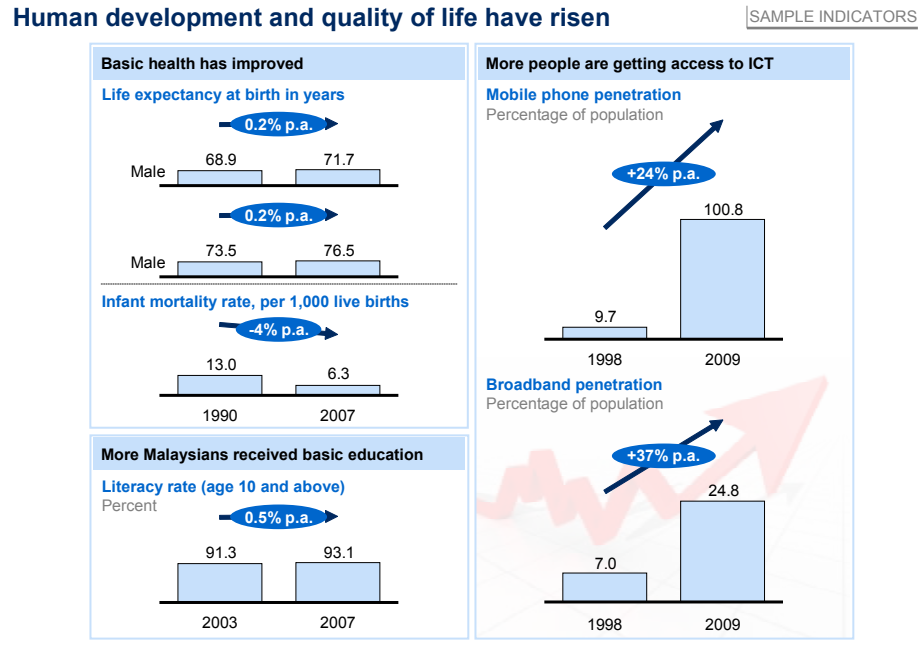
Figure 2.2



2.2.2 Our human development and quality of life have improved

Over the past two decades, life in Malaysia has improved tremendously, and we have much to be thankful for. Our people are living longer (as evidenced by lower infant mortality and higher life expectancy – Figure 2.3). More are receiving basic education required to read and write. And we have become increasingly knowledgeable about technology. Rapidly rising penetrations of cellular, Internet and broadband communications have enabled a proliferation of mobile and Internet content and applications, making our lives richer, more enlightened and increasingly convenient.

Figure 2.3



In addition, Malaysia has progressed significantly in the provision of basic infrastructure. For instance, in each year from 2006 to 2008,

- About 220 kilometres of roads were built or upgraded
- About 10,000 households benefitted from electrification
- About 18,000 households were given access to clean or treated water
- About 7,000 houses were built or restored in rural areas to benefit the poor

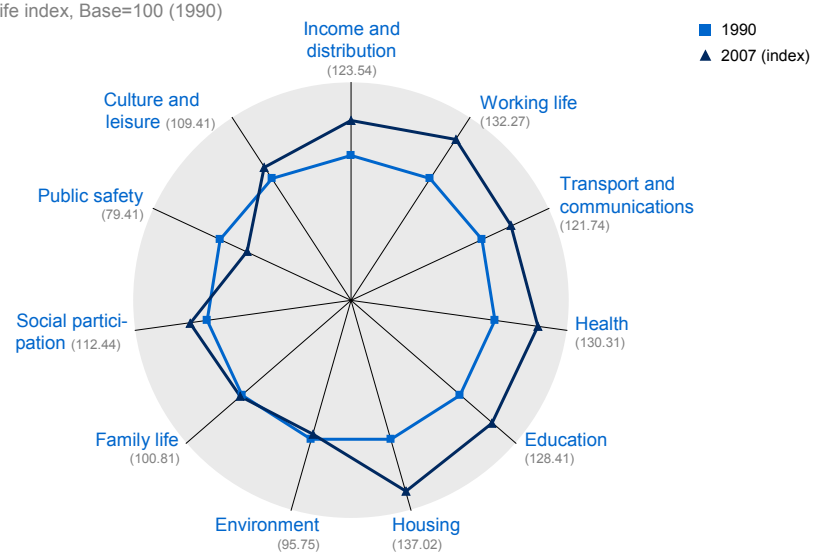
Indeed, domestic and international indices attest to Malaysia's ever-increasing quality of life. Since 1990, the United Nations' Development Programme (UNDP) Human Development Index (HDI), which measures changes in components including life expectancy, literacy and income per capita, has recorded steady improvement in Malaysia's score. Our score rose from 0.737 in 1990 to 0.797 in 2000 and 0.829 in 2007.

Our own Economic Planning Unit's Quality of Life Index is another example. The index measures changes in critical areas of Malaysian quality of life since 1990 (baseline score 100). Over the last two decades, the index shows improvements in areas except the environment and public safety (Figure 2.4).

Figure 2.4

Significant improvements in quality of life since 1990, in critical areas like housing, transport and communications, health and education

Quality of life index, Base=100 (1990)



Source: Economic Planning Unit

2.2.3 Our civil service has progressed and adapted itself to the changing environment

The past two decades have also witnessed ever-increasing demands from the rakyat for improvements in the quality and quantity of public services. In response, we have taken on this challenge by implementing various programmes aimed at delivering services to the rakyat faster and more conveniently. Notable thrusts have included the following:

a. **Expanding usage of technology**: For instance, the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) has led our efforts in implementing electronic government and the use of information and communications technology (ICT) across government ministries and agencies. Award-winning and globally acclaimed applications such as the myGovernment and eKL portals have let an increasingly Internet-enabled rakyat access public services faster and more conveniently.

   Another popular application that has made lives more convenient is the electronic filing of personal income tax forms. Tax refunds for e-filed forms are processed in just 14–30 days now, compared to one year previously.

b. **Increasing operational efficiency**: Examples of this include the establishment of a one-stop centre by the Special Taskforce to Facilitate Business (PEMUDAH) to expedite the incorporation of companies. In addition, our Immigration Department now boasts one of the fastest turnaround times in the world in the issuance of passports. These can now be issued within two hours.

   Another reform to increase the efficiency of the business environment is the establishment of two new Commercial Court divisions to expedite the hearing of commercial cases and resolve them within nine months.

   To further enhance delivery and coordination, we have started rolling out the use of a single reference number for each individual and company for all of their dealings across government agencies. The usage of MyKad numbers for individuals and business registration numbers for companies enables faster cross-referencing across multiple departments and agencies.

c. **Building capabilities**: For example, the Public Service Innovation Project (PIKA) has been implemented, under the purview of the KSN, to select and train the best and brightest civil servants.

   Further, in September 2009, we launched a cross-fertilisation programme for employees of government departments and government linked companies. This provides for cross-secondments to build exposure, skills and networks.

   In another initiative to groom high-performing civil servants, we have upgraded the National Institute of Public Administration (INTAN) Bukit Kiara to a School of Government. This autonomous school would be administered professionally, facilitated by quality lecturers and collaborate with international institutions such as the Japan International Cooperation Agency, Commonwealth Association for Public Administration and Management, and the Civil Service College of Singapore.

2.3 Despite past achievements, at the current pace, achieving our 2020 aspirations will be challenging

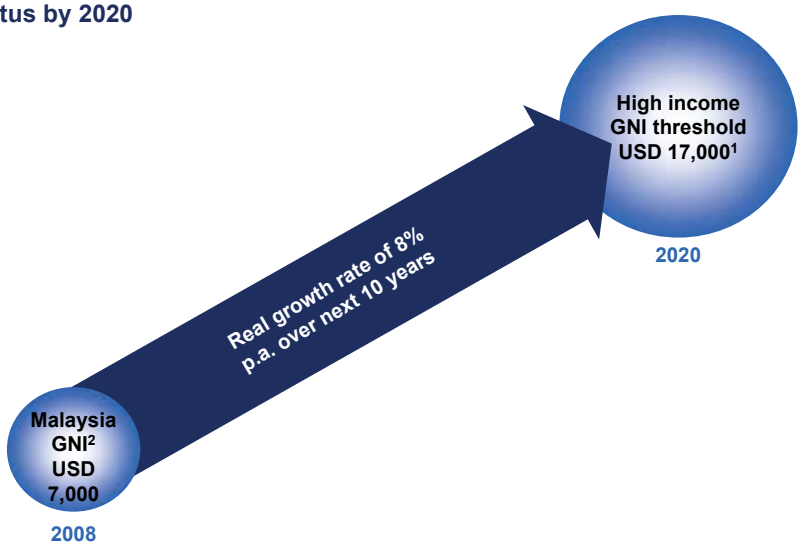
While we should be proud of our accomplishments since 1991, tremendous effort is still required to reach our economic and social goals within the next 10 years.

2.3.1 While we need a step increase in growth, we have actually slowed down and are exhibiting signs of the middle income trap

The World Bank's threshold for high-income economies, measured in terms of gross national per capita income (GNI) is USD 12,000 currently and is forecasted to increase to USD 17,000 by 2020. In 2008, Malaysia's GNI was USD 7,000. For us to cross the high-income threshold by 2020, over the next 10 years we must achieve real annual growth rates of roughly 8% (Figure 2.5).

Figure 2.5

Malaysia needs to grow by 8% p.a. to achieve developed nation status by 2020



1 At 2008 prices
2 Gross National Income

SOURCE: World Bank; speech by Prime Minister, Datuk Seri Najib Tun Razak at National Economic Action Council inaugural meeting, 28 August 2009

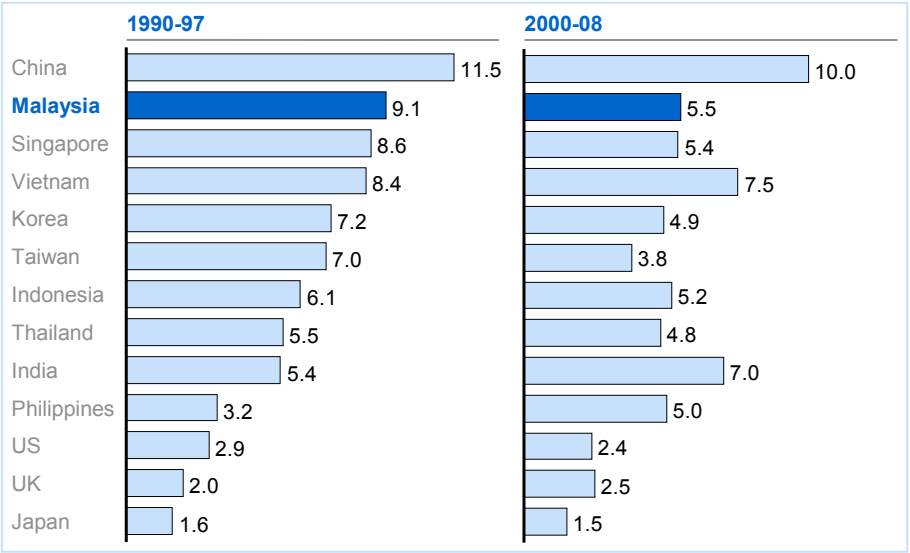
Two observations indicate that it will be challenging for Malaysia to grow by 8% p.a. until 2020.

First, Malaysia's growth rate has almost halved since the 1997 economic crisis, down from an average of about 9% p.a. in 1990–1997 (pre-Asian economic crisis) to an average of 5.5% p.a. in 2000–2008 (Figure 2.6).

Figure 2.6

Malaysia's growth slowed after the Asian economic crisis

Percentage of GDP growth



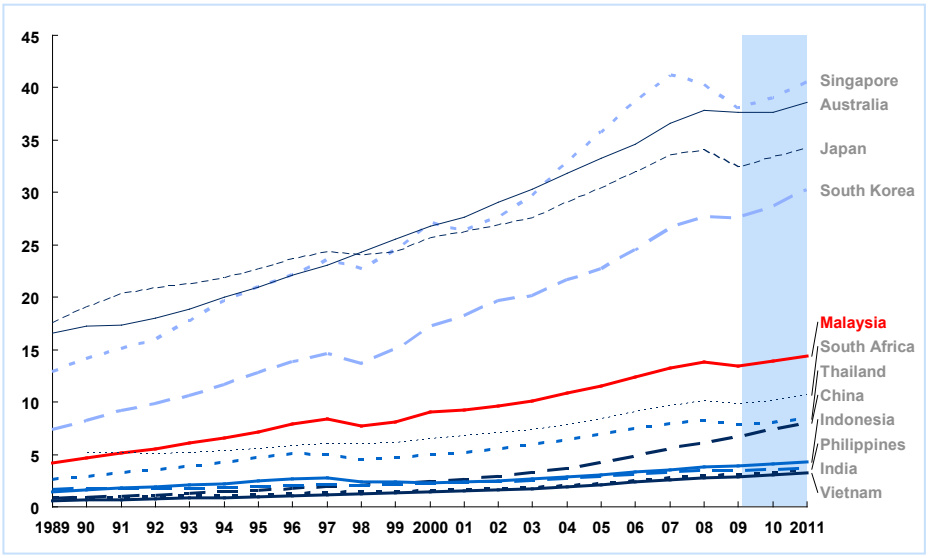
Source: The Conference Board and Groningen Growth and Development Centre; Total Economy Database, January 2009 (in presentation to KNB Megatrends Forum by Datuk Seri Panglima Andrew Sheng)

Second, despite having made the early transition from a low-income to a middle-income nation, Malaysia has not managed to propel itself into the ranks of the higher-income nations. Instead, nations such as Singapore, Japan and South Korea are widening the gap between themselves and Malaysia (Figure 2.7). This is a phenomenon economists refer to as the middle-income trap.

Figure 2.7

Malaysia is in danger of being 'stuck in the middle'

GDP (PPP) per capita, USD '000



Source: Global Insight database; Economist Intelligence Unit database

Many factors have contributed to our slow growth. Among them is Malaysia being supplanted as a low-cost export and services base by emerging economies such as India, Vietnam and China. These large emerging economies, with their relatively low wage costs and sizeable domestic consumer markets, have been able to attract foreign direct investments (FDI) away from more established economies. As an illustration, the compound annual growth rate (CAGR) of FDI into Malaysia from 2000 to 2007 was only 1%, compared to 30% for India, 12% for Vietnam and 10% for China.

In addition, Malaysia's internal business environment and competitiveness has deteriorated. Our ranking in the World Economic Forum's Global Competitiveness Index (GCI)[11] has slipped from 21st place in 2007 to 24th in 2009.

2.3.2 We also have opportunities to improve our performance on social measures

Malaysia's performance on some key social measures does not bode well for us to achieve the social goals encapsulated in Vision 2020, such as our aim to become a moral and ethical society, and an economically just one. Examples of such areas include:

11 The GCI measures such business enablers as institutional frameworks, infrastructure, market efficiency, business sophistication and innovativeness, among others.

- **Crime**: Public safety has become worse in recent years. Index crimes, such as property theft (e.g., snatch thefts, vehicle thefts) and violent crimes (e.g., robberies) have increased.

- **Corruption**: The perception of corrupt practices has risen in recent years, evidenced by Malaysia's declining ranking in Transparency International's Corruption Perception Index. In 2009, Malaysia's ranked dropped 9 places from 47 to 56.

- **Education**: While adult literacy may have improved, there are indications that we may have fallen behind on wider student outcomes. The 2007 Trends in International Mathematics and Science Study (TIMMS) saw 20% of our students failing to meet the minimum benchmark. We also lagged behind countries such as Hong Kong, South Korea and Singapore.

- **Distribution of income**: There are further opportunities to ensure the fruits of development are enjoyed equitably across society. This includes eradicating hardcore poverty[12] – there are still more than 44,000 hardcore poor households in the country, according to the Government's e-Kasih system. It also means addressing income gaps between urban and rural residents and between high and low income groups. An indicator of income distribution, Malaysia's Gini coefficient was 0.441 in 2007, where 0 is perfect equality of distribution and 1 is perfectly unequal distribution. When set against the UNDP Gini Index rankings, Malaysia's income is the second most unequally distributed in Asia, below that of China.

2.3.3 We are in a challenging fiscal position and need to reduce government spending, while still improving outcomes

We are in a fiscally challenging position. The rakyat's expectations for high-quality delivery of public services, stimulus of the recessionary economy and quick resolution of important concerns such as crime and education will continue to rise. These sentiments are consistent with global trends of rising expectations for government performance improvement, in terms of:

- Enhanced outcomes, whether in heath, education or crime

- Enhanced customer service, including greater choice and more tailored services

- Enhanced government efficiency, and thus lower taxes

Malaysia's ability to finance improvements in its performance is limited, given that our fiscal position has been worsening since 1997. In 2009, we had our largest budget deficit (or excess of government expenditure over income) in more than 20 years – at 7.4% of GDP. In fact, our budget deficit has been deepening consistently since 1997. This has in turn contributed to historically high levels of government domestic and external debt (approximately RM 522 billion in 2008). While budget deficits are sometimes necessary, for instance to stimulate economies in recession, they are not sustainable. If not addressed, they will affect our future generation's ability to grow and finance required investments.

12 Chapter 9 discusses our measures on poverty and quantifies the terms of poverty and hardcore poverty

We face a dilemma. There is an urgent need to reduce spending (thus the operating expenditure allocated in the 2010 Budget was 14% lower than the preceding year) and yet deliver big economic and social outcomes fast. Consequently, we will have to:

- Prioritise allocation of funds to the most important areas
- Do more with less, i.e., enhance productivity and efficiency through new ways of delivery
- Roll back subsidies and any other distortions in the economy, albeit gradually

***

While the barriers are considerable, they can be overcome through the dedication of, and collaboration between, the Government and the rakyat. In the rest of this roadmap, we lay out our commitment – via the Government Transformation Programme – to overcome the challenges and realize the goals of Vision 2020 for the benefit of the rakyat of Malaysia.

Chapter 3

Catalysing Vision 2020 through 1Malaysia, People First, Performance Now

While the barriers to achieving Vision 2020 are considerable, they can be overcome through the dedication of, and collaboration between, the Government and the rakyat. Taking up the challenge, this government has formulated the principles of *1Malaysia, People First, Performance Now* as a way to accelerate our performance in order to achieve Vision 2020.

3.1 Defining *1Malaysia, People First, Performance Now*

This section outlines the three elements of *1Malaysia, People First, Performance Now*.

3.1.1 Ensuring fairness to all as the basis of *1Malaysia*

Unity amongst Malaysians is a pre-condition to achieving our Vision 2020 aspirations. For a country to develop, its people must first advance – by embracing diversity in ethnicity, religion and beliefs and by being inclusive through building mutual respect and acceptance, such that a solid foundation of trust and cohesiveness exists. Only as a united people can we then embark on the broader development of our nation.

To achieve unity, some other countries have adopted the concept of full assimilation to develop a single national identity. *1Malaysia* is different – it respects the diversity amongst various ethnic groups and leverages this diversity as a competitive asset for the nation. It emphasises inclusiveness through the acceptance of differences and encourages us all to embrace the unique qualities of each group.

Ultimately the principle of fairness to all is the underpinning of 1Malaysia. This means that no group should be marginalised, and support and opportunities are provided on the basis of need and merit. However, this fairness must account for their different levels of development.

3.1.2 Putting *People First* by focusing on what they most want and need

Within an increasingly challenging global environment, the competitiveness of our nation is at stake, which in turn jeopardises our quality of life. The Government, naturally, would like to ensure the long-term welfare of all Malaysians. However, our resources are finite, and therefore it is important that we prioritise the use of our resources.

The principle of people first means that we will focus on areas that the people most want and need and direct disproportionately our country's limited resources towards these priority areas. Of course, any government cannot simply focus on short-term needs, but must balance those with making investments in areas for the medium and long term.

To understand the wants and needs of the rakyat, we have engaged with the people in many ways, old and new. For example, we conducted extensive polling, we convened focus groups and workshops and we launched blogs to solicit feedback and gather ideas, in addition to seeking expert opinions. We would like to encourage continued dialogue and discussion on these ideas, initiatives and implementation. The Open Days held in Kuala Lumpur, Kuching and Kota Kinabalu is just one example. In Kuala Lumpur alone, over 5,000 people attended and provided over 1,000 pieces of feedback on the NKRAs.

3.1.3 Ensuring *Performance Now* through transparency and accountability

The call for performance now is raising the bar for the Government to enhance our own levels of transparency and accountability. It is also a call for tangible outcomes that can be seen and felt by the rakyat and delivered immediately.

In order to achieve this level of performance, we acknowledge that the Government needs a new way of working – from the top leadership down through the entire civil service. The Prime Minister has led the way by requiring all ministers to set clear KPIs, examples of which are shown in Chapter 12, which they must then report results against regularly. This practice is in the process of being cascaded throughout the Government.

We are also enhancing the transparency of our objectives, targets and plans – beginning with this document. We expect to be held accountable to delivering the initiatives and targets we announce, and we will publish a progress report on an annual basis, starting in the first quarter of 2011, so that our achievements can be evaluated over time.

3.2 *1Malaysia, People First, Performance Now* guides new and old government programmes, including the New Economic Model

As a nation, we have a proud history of developing policies that have propelled our economic growth and social harmony. In many instances, this has required discarding traditional approaches and instead adopting new approaches for our unique context. Examples of this include the rural economic development (RED) policies in the "Rural Economic Development (RED) Book" and the New Economic Policy (NEP) in 1971.

While the foundations of many of these policies endure, over time they have been updated in response to the global environment, the country's progress and its evolving aspirations. For example, the National Vision Policy (NVP) replaced the New Development Policy (NDP), which in turn had updated the NEP, to ensure that strategies to put Malaysia on the path to Vision 2020 were in place. The key thrusts of building a resilient nation, promoting an equitable society, sustaining high economic growth, enhancing competitiveness, developing a knowledge-based economy, strengthening human capital and pursuing environmental sustainability have been and continue to be the policies of this government.

Through the rolling five-year Malaysia Plans, detailed programmes and initiatives were built to guide the country towards Vision 2020. The country's resources have been correspondingly managed according to these plans, and the related five-year developmental budgets are augmented by an annual operating budget tabled in Parliament every October, the most recent one on 23 October 2009.

Going forward all new government programmes and policies will embrace the principles of *1Malaysia, People First, Performance Now*. However, as discussed in Chapter 2, within an increasingly challenging global environment, elements of our economy will need to be structurally upgraded in order for us to avoid the middle-income trap and to increase our growth rate. A new economic model is currently being developed by the National Economic Advisory Council (NEAC) to guide the economic strategy of our country. This will be reinforced by the Tenth Malaysia Plan (2011–2015) that will be released in the middle of 2010.

"To achieve sustained high growth and high economic wellbeing in the future, Malaysia should create a competitive economy that uses resources efficiently, has sound economic fundamentals, is flexible in responding to global development and is backed by solid human capital, innovation and technological capacity. In this new economy, the private sector must take a leading role through entrepreneurship and must be energised so that it will invest and create new sources of growth. The role of the Government is to provide frameworks conducive to economic development and an efficient delivery system"

Dr Mahani Zainal Abidin, National Economic Advisory Council member. "Developing the Malaysian Model for a Global Economy" in Readings on Development: Malaysia 2057 (2009)

3.2.1 New Economic Model guides country's economic strategy

The impetus to change our economic model is driven primarily by three factors:

- The competitive landscape has changed. As discussed in Chapter 2, we face increased competition for FDI. Within ASEAN for example, both Indonesia and Vietnam offer lower cost bases, larger work forces and larger markets.

- The balance of power in global markets has shifted. The importance of China, India and the Middle East as export markets has increased, and Malaysia needs to shift focus accordingly.

- Financial capital and human capital are increasingly mobile. Given the importance of both in pursuing growth, new strategies are necessary to attract and retain capital.

Some early views on Malaysia's future economic model and strategy were shared in a brainstorming session with the World Bank earlier last year.[13] The rest of this section summarises these views.

The difficult move from a middle-income to a high-income economy does not necessarily mean venturing into completely new sectors. It might also mean using a strategy of building on the sectors in which Malaysia has already demonstrated levels of competitiveness, such as in services such as tourism, ICT, finance and Islamic banking, speciality industries such as halal and green technology, electronics manufacturing and resource based industries. The challenge will be to move up the value chain, e.g., from pure assembly to more technology-intensive products and services, from labour-intensive and low-value-added activities towards innovation-based activities that add more value.

To address the skill requirements needed to move towards a high-income economy, the Government is taking a holistic approach, which addresses, among others:

- Reforming education towards producing skills demanded by industry

- Creating supportive policies towards nurturing, attracting and retaining the most talented people for Malaysia

- Devising appropriate policies for low-skilled and high-skilled foreign labour to meet skill shortages

- Promoting an efficient labour market

13 Welcoming remarks by Tan Sri Nor Mohamed Yakcop, Minister in the Prime Minister's Department, at a brainstorming session with the World Bank on Strategies towards Higher Growth and Income, 7 May 2009

Beyond an emphasis on higher skills, the economy has to move towards activities led by innovation, where firms compete on the basis of producing highly differentiated goods. A key way to facilitate this is investment in research and development (R&D) in selected areas. The challenge will be to focus investments – including FDI – towards high-value services and innovation-led production, which provide for higher income.

Linked to innovation is the need to unleash and capitalise on competition. We have recently announced various liberalisation measures and will continue to facilitate greater competition in order to remove any impediments to operating a business in Malaysia.

To move towards a high-income nation requires specialised production and specialised exports. We cannot afford to cast our net too wide and spread our human capital, financial incentives and R&D resources too thinly. Intense international competition dictates that we must excel in the areas we choose to pursue.

While both the Government and the private sector must continue to work in partnership to drive this transformation, the nature of this relationship must change.

First, picking winning sectors will be unavoidable, as we need to focus any incentives, grants and policy support on a select core of sectors. The public and private sectors need to develop a common understanding and shared commitment on which sectors will form the basis of Malaysia's competitive advantage going forward.

Second, leveraging private finance initiatives (PFI) will become a more important way for us to enhance the quality and efficiency of the public sector. Instead of government providing all services, such as building and operating schools and hospitals, it may in the future procure them from the private sector. PFI structures could be used to support the establishment of private sectors of excellence, with the Government committing only to use part of the overall capacity of hospitals or schools. We could then be more productive with our finances while both raising the quality of public services and supporting the development of the private sector.

3.3 Government Transformation Programme to be phased over three horizons to deliver *1Malaysia, People First, Performance Now*

Beyond a new economic strategy, we are committed to delivering real and tangible outcomes that can be seen and felt by the rakyat. This Government Transformation Programme has been phased over three periods and commits to deliver outcomes across each of the *1Malaysia, People First, Performance Now* dimensions (Figure 3.1). As the rakyat advised during the open days, we are planning not just for the short and medium terms, but for the long-term up to 2020.

Figure 3.1

Outcomes over three horizons

	Establish new engine for change and build momentum and confidence: Big, early results for the rakyat	**Broad and deep transformation:** Change is pervasive, a new way of life	**Fundamental change in Malaysian society:** Higher aspirations of the rakyat
	2010 to 2012	*2012 to 2015*	*2015 to 2020*
1 Malaysia	▪ Quick implementation of big wins; explicit and transparent discussions and management of polarities	▪ Gradual shift of government policies towards being based on needs and merit	▪ Diversity fully leveraged as our nation's strength
People first	▪ Big, early results in NKRAs/MKRAs; Rakyat are assured that their priorities are starting to be resolved ▪ Continuous and deep engagement with the rakyat ▪ New Economic Model in place	▪ Better delivery is systemic; ambitious targets, monitoring and success become a way of life ▪ Accelerated economic growth; results show Malaysia well on way to developed nation status	▪ Excellent public services; increased customer focus and choice ▪ Achievement of high income nation status; Malaysia held up as role model for developing countries
Performance now	▪ Annual progress review intensely debated ▪ PEMANDU pioneers new and innovative ways of delivery ▪ Significant progress towards reining in budget deficit ▪ Government productivity continuously enhanced	▪ Significant improvements in government productivity to close gap with private sector by – Building capabilities – Basing rewards and consequences on results – Rolling out KPIs – Streamlining structures	▪ Government continually improves delivery – Frontline actively innovate – Wide-ranging, high quality and affordable delivery of public services ▪ Strong and sustainable government finances

Vision 2020

In Horizon 1 (2010–2012), our immediate objectives are to establish a new engine for change and build momentum and confidence. This means delivering substantial results for the rakyat quickly, so that the rakyat can see and feel the outcomes on their most important priorities, under each of the three principles of *1Malaysia, People First, Performance Now.*

- *1Malaysia*: This includes a series of initiatives to boost unity in the short term and continue explicit, constructive and transparent discussions about the polarities in society and how best to manage them. Chapter 4 describes this in more detail.

- *People first*: This relates to setting and achieving targets within areas identified as NKRAs and MKRAs, so as to address the priorities of the rakyat. It relies on our continuous and deep engagement with the rakyat through innovative channels. Indeed, as we discuss in Chapter 5, the NKRAs were identified by the rakyat themselves as being their priorities, i.e.

  – Reducing crime

  – Fighting corruption

  – Improving student outcomes

  – Raising living standards of low-income households

  – Improving rural basic infrastructure

  – Improving urban public transport

The NKRAs are elaborated in Chapters 6–11, while MKRAs are discussed (including examples) in Chapter 12.

- *Performance now*: The rakyat (based on their feedback) want to see implementation and delivery – and we have put in place measures to ensure that these will happen. This includes publishing this roadmap (and then annual reports), listening to public feedback and debate and instituting performance management mechanisms (e.g., delivery task forces, delivery reports) designed to ensure delivery of NKRA and MKRA targets. In addition, we have established PEMANDU – the Performance Management and Delivery Unit – which is responsible for devising a new and better way of doing things in government as well as overseeing and supporting delivery of outcomes. We will also continue to implement measures to improve productivity to ensure that we achieve these outcomes with minimal resources and make significant progress towards reining in the budget deficit. The above mechanisms, structures and measures are discussed in Chapter 13.

The success of *1Malaysia, People First, Performance Now* will be significant for all stakeholders (Table 3.1):

Table 3.1: Benefits of *1Malaysia, People First, Performance Now* to stakeholders

	Sample benefits
Rakyat	• Unity: diversity and inclusiveness. Increasing access to opportunities based on need and merit, rather than background • Better quality of life – Reduced incidence of crime, e.g., snatch thefts – Increased ease and transparency in accessing public services – Improved educational outcomes for children, e.g., higher literacy and numeracy – More efficient and comfortable urban public transport, e.g., trains that are punctual and less congested – Enhanced infrastructure in rural areas, e.g., access to electricity and water – More effective support for low-income households, e.g., faster payment of benefits and more job opportunities

14 This is especially important as, according to the Ninth Malaysia Plan, the Bumiputera community experiences the highest incidence of poverty among the major ethnic groups: 8.3% of Bumiputera households are classified as poor. This figure rises to 13.4% for rural Bumiputera households

Table 3.1: Benefits of *1Malaysia, People First, Performance Now* to stakeholders

	Sample benefits
Bumiputera community	• Increasing access, within the Bumiputera community, to business opportunities and educational support, based on needs and merit, not on personal relationships • Higher standards of living, through initiatives designed to improve rural basic infrastructure and provide economic opportunities for low-income households[14]
Business community	• Increasing ease and transparency in dealing with the Government • More efficient infrastructure, e.g., urban transport links contributing to easier access for consumers and workers to businesses • Better educated and highly skilled workforce
Civil servants	• Ability to earn rewards and recognition for outstanding performance • Opportunity to learn and apply new and innovative ways of delivery, such as labs, work camps, prioritisation (e.g., via NKRAs), KPI target-setting and monitoring, innovative channels of rakyat engagement (e.g., Open Days)

By Horizon 2 (2012–2015), the change within government is expected to be more pervasive. The important aspects of daily life (NKRAs and MKRAs) should have improved significantly. The economic structure of the country would have evolved in line with the New Economic Model into higher-value-added sectors, and government productivity should have been further advanced. The beginnings of a higher-income nation should be emerging.

In Horizon 3 (2015–2020), fundamental changes as envisaged by Vision 2020 should have happened. The rakyat should be experiencing a new sense of being Malaysian, a higher level of prosperity and better public services. It is expected that the Government be smaller, more agile and work increasingly in partnership with the private sector to provide public services efficiently. In so doing, it is expected that innovative and rakyat-centric models of public service delivery – centred on choice and competition – should be in place.

EVERGREEN
ITALIA
ITALIA
LLOYD TRIESTINO

Chapter 4

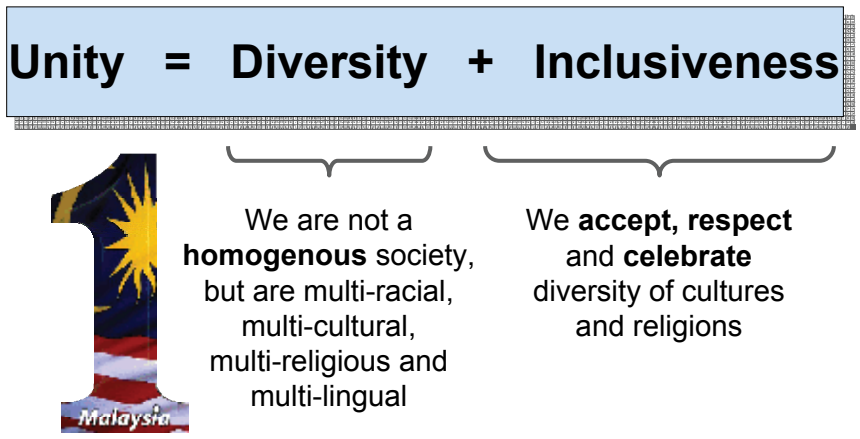
Building 1Malaysia

> "It is important that we first acknowledge the tremendous progress that we, as a nation, have made in creating a more united and inclusive Malaysia. Nevertheless more needs to be done, and it is my belief that Malaysians have reached the level of maturity necessary to discuss some of the tougher issues we face. These issues often do not have a solution and represent polarities that require compromises to be made by all parties. All Malaysians have an opinion on what is needed to build *1Malaysia*. Often these opinions differ. However, they are based on a common underlying objective of making Malaysia a greater and more resilient nation. We are committed to staying the course to strengthen *1Malaysia* and transform the nation."
>
> (Dato' Sri Mohd Najib bin Tun Haji Abdul Razak, Prime Minister)

Creating oneness or unity within a multi-religious and multi-cultural nation is challenging. Some countries with plural societies have adopted the concept of full assimilation to forge or even force a single national identity. Malaysia, on the other hand, has chosen a different route – that of unity in diversity and inclusiveness, while ensuring fairness to all. Anchored in our Constitution, this concept means that we embrace a diversity of ethnicity, religions and beliefs and, by being inclusive, build mutual respect and acceptance into a solid foundation of trust and cohesiveness. This has historically been the path that we have taken as a nation and is now encapsulated by the principle of *1Malaysia* (Figure 4.1).

Figure 4.1

Defining unity in the Malaysian context



Our mission of unity is not merely for the sake of harmony and good relations, but is critical to building a productive and competitive Malaysia and achieving Vision 2020. While our path to Vision 2020 may be difficult, we trust that the benefits will be greater given the richer resultant cultural diversity and competitive advantage this approach engenders.

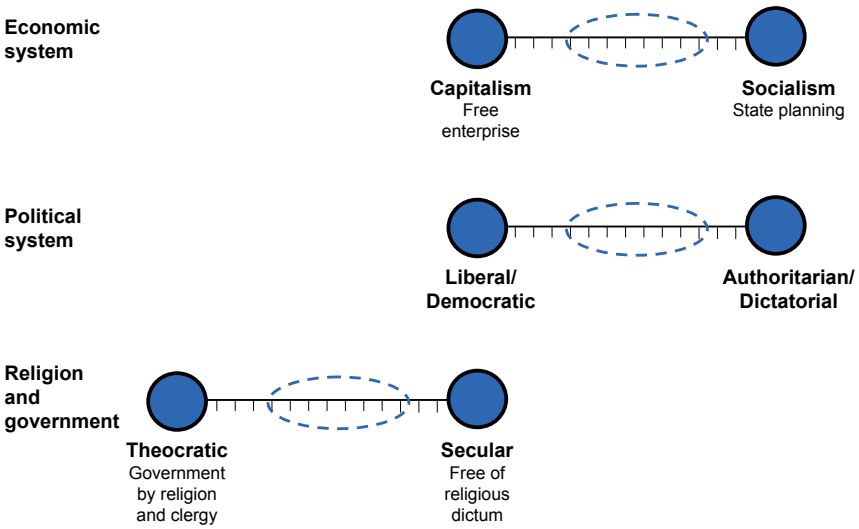
4.1 Managing polarity by embracing inclusiveness

Inherent in every human society or relationship are polarities, and even more so in a plural society. A polarity is the existence of two views, conditions or demands that are opposite to each other. Unlike a technical or mechanical problem that can have a simple, straightforward solution, a polarity usually requires a trade-off that needs to be managed, and managed well. As a simple analogy, take the tension between cost and quality. A very cheap product that disintegrates is useless; similarly, a high quality product that is unaffordable is irrelevant to most people. Therefore in designing and manufacturing products, cost and quality must be balanced, and that optimal mix will vary with each product and will evolve over time.

Polarities in society are far more complex, involving divergent views on the economic and political systems, the role of religion in government, etc. Examples are illustrated in Figure 4.2.

Figure 4.2

Polarities are inherent in societies worldwide – some examples CONCEPTUAL



A well managed polarity is one where the benefits of both extremes are maximised while the disadvantages are minimised. An optimal situation or zone of inclusiveness needs to be defined between the two poles to balance the needs of the opposing ends. Achieving this balance is critical. Therefore, to effectively manage polarity, we must first accept the existence of tension and then try to manage it.

There are two polar approaches to the multi-cultural context of Malaysia: assimilation and segregation. Assimilation advocates adoption, sometimes in the form of forced imposition, of the dominant culture or even religion by other communities. This is the route chosen by some countries. On the other hand, segregation arises through the assertion of cultural self-preservation and self-determination by each community to firmly and fully maintain its culture in a separate and compartmentalised manner, sometimes without interaction with others.

> "It is not uncommon for young Malaysians to grow to adolescence cocooned in their specific ethnic socio-cultural environments, be they Malay, Chinese or Indian. This happens partly because of the barriers created by significantly different languages and religious traditions, partly because different ethnic groups live in segregated physical locations…. The end result of all this is the thickening of barriers, creating ethnic insulation and segregation at the individual level."
>
> Prof Datuk Dr Shamsul A.B., Founding director, Institute of Ethnic Studies, Universiti Kebangsaan Malaysia. "Managing a 'Stable tension': Ethnic Relations in Malaysia Re-examined" in Readings on Development: Malaysia 2057 (2009)

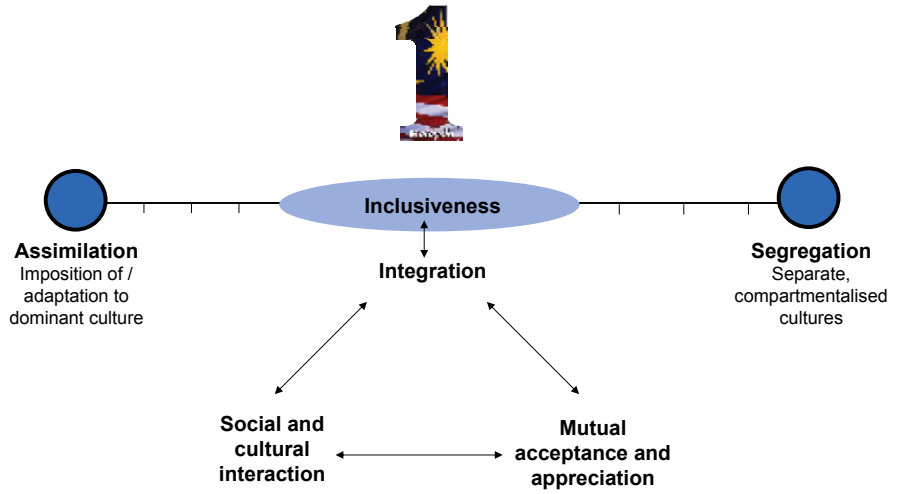
Ethnic insulation and segregation can also occur at the group and community levels. In fact, the forces for disparate socio-cultural and religious communities to move further apart, instead of come closer together, remain very real even today, after 52 years of independence.

> "In recent decades…our communities seem to have grown apart. Our schools have become less diverse and our communities more polarised. Religious practice has taken on less tolerant interpretations"
>
> Dato' Sri Mohd Najib bin Tun Haji Abdul Razak, Prime Minister. Speech to the Asia 21 Young Leaders Summit, 20 November 2009

It is therefore imperative to constantly manage the polarity between assimilation and segregation by enlarging the common ground in between, by promoting integration through inclusiveness, guided by the spirit and principles in the Federal Constitution, Rukun Negara, Vision 2020, National Mission and *1Malaysia* (Figure 4.3).

Figure 4.3

Inclusiveness to manage polarity of assimilation versus segregation



"Malaysian diversity is not dissolvable in a melting pot, and the challenge of our living together will not yield to a single, once for all, solution…we have resisted cultural assimilation in favour of pragmatic bridge-building and power sharing. We have relied on good sense to make compromises and come to accord on specifics. At our best we have preferred growing our unity organically, beginning from where we are, rather than forcing down schemes conceived at the top"

Dato' Sri Mohd Najib bin Tun Haji Abdul Razak, Prime Minister. Speech to the Asia 21 Young Leaders Summit, 20 November 2009

By embracing inclusiveness, compared to other multi-racial and multi-religious countries, Malaysia has been able to sustain relative peace and harmony. However, there are occasions when divergent views and differences in perception and interpretation result in conflict. This is exacerbated when issues of contention involve religion, language and culture, all of which can become highly emotive and explosive. Fortunately, few such conflicts have resulted in bloodshed.

The challenge of sustaining harmony and unity remains real and relevant. Hence the need to continually remind ourselves of the challenge and to constantly renew and nurture the sense of oneness and the unity of purpose, as enunciated in *1Malaysia*.

"*1Malaysia* essentially stresses social harmony irrespective of religion, race or political ideology, and prioritises economic productivity.

… these ideas are in line with a more moderate and inclusive position on nation-building…

Politically and socially, the common thread that has run through all nation-building efforts in post-Independence Malaya, then in modern Malaysia, has been the challenge of creating a united nation from the country's disparate ethnic, social, cultural and religious groups and the integration of Sabah and Sarawak…"

Tun Musa Hitam, Deputy Prime Minister 1981–86. "The Challenge of Managing Change Inside and Outside Malaysia" in Readings on Development: Malaysia 2057 (2009)

4.2 Foundations of nationhood as the basis for *1Malaysia*

1Malaysia is built upon the foundations of our Federal Constitution, various laws and policies, the Rukun Negara, Vision 2020, the National Mission and our own view of unity and fairness.

"Our foundation is the principle of fairness for all races, meaning that the fortunes of all races will be championed, and none will be marginalised. This fairness must account for the different levels of development of the different races, where such differences exist. Therefore, government policies and constitutional provisions that provide support for groups that need support will be continued."

1Malaysia Concept Paper, published by the Prime Minister's Office, 2009

- **Federal Constitution:** *1Malaysia* is anchored in the Federal Constitution, the supreme law of the land, formulated by the top leaders of the three major communities, led by our first Prime Minister, Tunku Abdul Rahman Putra Al Haj, also known as the Father of Independence. A framework based on parliamentary democracy and constitutional monarchy, the Federal Constitution has been generally successful in arriving at a large enough zone of inclusiveness to manage the polarities of race, religion and region within Malaysia. It provides

for equality of all Malaysians before the law, guarantees fundamental liberties and basic rights and prohibits discrimination based on religion, race, descent or region. At the same time, it also safeguards, through the rulers, the special positions of the Malays and natives in Sabah and Sarawak with provisions for reservations in land, recruitment into public services, issuing of permits or licences for certain businesses and scholarships and other forms of educational aid, while safeguarding the legitimate interests of other communities. Various provisions of the Constitution must be understood and interpreted in totality, and not in isolation.

- **Rukun Negara:** Formulated by the National Operations Council led by our second Prime Minister, Tun Abdul Razak, also known as the Father of Development, in the aftermath of the racial riots of May 1969, the Rukun Negara states that our nation is dedicated to achieving greater unity, to preserving a democratic way of life, to creating a just society with equitable sharing of wealth, to guaranteeing a liberal approach to her rich and diverse cultural traditions and to building a progressive society based on science and technology. To achieve these five objectives, we committed to five tenets, namely, belief in God, loyalty to King and country, the supremacy of the constitution, the rule of law and courtesy and morality. Since then, the Rukun Negara has served as a unifying philosophy for the nation, having been rigorously promoted by our third Prime Minister, Tun Hussein Onn who was also known as the Father of Unity.

- **Vision 2020:** Formulated and promulgated in 1991 by our fourth Prime Minister, Tun Dr Mahathir Mohamad, also known as the Father of Modernisation, Vision 2020 set the targets for Malaysia to become an advanced nation by year 2020, economically, politically, socially, spiritually, psychologically and culturally through achieving nine objectives as detailed in chapter 2 (section 2.1).

- **National Mission:** Formulated in 2006 in conjunction with the announcement of the Ninth Malaysia Plan and the 15-year National Mission towards the year 2020, by our fifth Prime Minister Tun Abdullah Ahmad Badawi, the National Mission emphasises five basic thrusts, namely to move the economy up the value chain, to raise the capacity for knowledge and innovation and nurture 'first class' mentality, to address persistent socio-economic inequalities constructively and productively, to improve the standard and sustainability of quality of life and to strengthen the nation's institutional and implementation capacity.

- ***1Malaysia*** is also premised on the following basic ideas, commitment and moral and aspirational values.

  – **Unity in diversity and inclusiveness:** *1Malaysia* is fostered through inclusiveness, not mere tolerance or respect. This means accepting diversity amongst ethnic groups, embracing the unique qualities each group brings and capitalising on this diversity as a competitive asset for the nation. It is through true inclusiveness that we can build a foundation of trust and cohesiveness.

  – **Social justice:** No group should be marginalised on account of any element of its background, be it ethnic, religious, political, geographical or socio-economic. *1Malaysia* compels the Government to provide support and opportunities to all Malaysians on the basis of individual need and merit while taking into account the differing levels of development amongst groups.

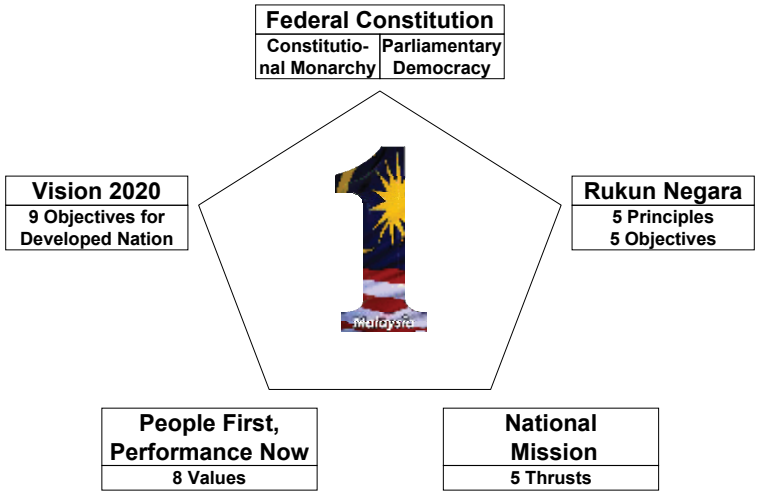
  – **The *1Malaysia* moral and aspirational values expounded by the Prime Minister:** These are basic human, moral and aspirational values which have formed the foundation of *1Malaysia*. They include a culture of excellence, perseverance, acceptance, education, integrity, wisdom, humility and loyalty.

– ***People First, Performance Now*:** These are the twin commitments of the Government under *1Malaysia*. The people come first in all policies and projects, and the NKRAs and MKRAs have been identified accordingly. Emphasis on *Performance Now* will ensure delivery of big results fast and positive outcomes for the people.

These five foundations for nationhood must be understood and accepted in their respective totality and in combination (Figure 4.4).

Figure 4.4

Five foundations of nationhood



4.3 Aspirations for *1Malaysia*

The goal of *1Malaysia* is to make Malaysia more vibrant, more productive and more competitive – and ultimately a greater nation: a nation where, it is hoped, every Malaysian perceives himself or herself as Malaysian first, and by race, religion, geographical region or socio-economic background second, and where the principles of *1Malaysia* are woven into the economic, political and social fabric of society. Such a goal is envisioned both in the Constitution (discussed above) as well as in the aspirations of Vision 2020 (discussed in Chapter 2).

Malaysians have different views of the ideal *1Malaysia* and the steps required to get us there. Therefore, in October 2009, we reached out to 17 million mobile phone users via SMS, to obtain the rakyat's views on what could be done to achieve *1Malaysia*. We received more than 70,000 responses. We also took on board comments presented to us during the Open Days in Kuala Lumpur, Kuching and Kota Kinabalu. In addition, we studied the rakyat's suggestions received through other channels, e.g., via post, e-mail and the GTP website.

As expected, these perspectives were diverse: There were some who argued for retaining the status quo, but a sizeable proportion would like to see drastic change. We have synthesised the responses to illustrate what could potentially be an ideal Malaysia acceptable to most Malaysians (Figure 4.5).

Figure 4.5

Aspirations of *1Malaysia*

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- Where people identify themselves as Malaysians first, and by race, religion, geography or socio-economic background second
- Where Malaysians apply their diverse talents and strengths, irrespective of race and religion, to achieve Vision 2020
- Where particular occupations and sectors are no longer associated with particular ethnic groups
- Where our circle of friends and closest confidants are not confined to those of the same race, religion or socio-economic background
- Where all schools have a mix of Malaysians of different races and religions
- Where social support (e.g., scholarships, loans) is available based on the culture of excellence and high performance
- Where political parties champion the cause of all Malaysians, irrespective of race and religion

Source: SMS survey of the public, October 2009

While *1Malaysia* is our aspiration, we cannot just leapfrog from where we are today to our desired end state. Getting there will take time and careful adjustments to maintain the peace and harmony that we have developed since the birth of our nation. Also, delivering *1Malaysia* will not just be the responsibility of the Government; it calls for the creativity and spirit of volunteerism of all Malaysians to make it happen. We will not get there overnight, we might not even get there by 2020, but, God willing, we will get there.

In fact, a glimpse of the future is already here in Sabah and Sarawak, which have been heralded as the role models for unity, harmony and opportunity. Here, people of more than 60 ethnicities and just as many dialects live together and mingle daily. Political, economic and social opportunities are widely available to all, regardless of ethnic, religious, geographical or socio-economic background.

Indeed, the Prime Minister, in his personal statement on Malaysia Day (16 September) 2009, attested to Sabah and Sarawak being testaments of the *1Malaysia* ideal that the country should aspire to:

> "Sabah and Sarawak…are vibrant examples of how Malaysians of different racial, religious and ethnic roots can come together…The story of Sabah and Sarawak is the story of *1Malaysia*… They are a testament to the fact that our differences unite this country, and that the true power of Malaysia is revealed when Malaysians of all races, religions and ethnicities live in harmony with one another…In fact, I have concluded that the people had already adopted the values of *1Malaysia* long before I explained its various elements…Malaysians of any race or creed need simply look to Sabah and Sarawak to gain an understanding of the incredibly strong and harmonious unity that can be found in accepting and respecting the diversity of our nation."

Sabah and Sarawak as vibrant examples of *1Malaysia*

Perspectives of Sabah and Sarawak add colour as to why and how such a harmonious situation has come about:

- "In many villages, people of different ethnicities and religions live together. Even mosques and churches are built side by side"
- "Most political parties count a mix of Malays, other indigenous groups, Muslims and Christians among their ranks"
- "Politicians do not play the race card and are reluctant to hurt the feelings of others"
- "We (Sabah) have had chief ministers and governors of various ethnicities, including Chinese, Kadazan, Bajau and Murut"
- "I am a Muslim but most of my good friends in school were Christians"
- "Inter-ethnic marriages are on the rise so it is often difficult to tell the ethnic background of people you meet"
- "All of us eat together in the same food stalls, and at the same tables, regardless of race or religion"

Sabah and Sarawak however are not without their share of issues and challenges. Despite considerable natural resources, the distribution of wealth is uneven and their incidence of poverty is the highest in the country. Further, basic infrastructure is still lacking in most areas. These issues need to be solved; Chapter 9 on raising living standards of low-income households and Chapter 10 on improving rural basic infrastructure elaborate on our plans.

4.4 Delivering six NKRAs for greater inclusiveness and unity

The diversity and complexity of our country means that we have to manage multiple issues simultaneously. Many of the issues that we grapple with as a nation – and which the rakyat have identified as important – are in fact polarities, such as between rich and poor, between young and old and across religions, races and regions.

As outlined in Section 3.3, the six NKRAs are reducing crime, fighting corruption, improving student outcomes, raising living standards of low-income households, improving rural basic infrastructure and improving urban public transport. These are a beginning to managing some of our nation's complex polarities. The NKRAs are elaborated in Chapters 6 to 11 respectively.

Identified and formulated based on public feedback, these six NKRAs are meant for all Malaysians and cut across race, religion and region. Four of them – education, low-income households, rural basic infrastructure and urban public transportation – target the needs of the lower income and disadvantaged groups. Incidence of poverty and lack of infrastructure are more prominent amongst Malays, Sabah and Sarawak Bumiputeras, Indians and Orang Asli, though not exclusively so. By delivering on these NKRAs, we will reduce existing disparities, which in turn should

mitigate legitimate feelings of relative deprivation that may sometimes turn into discontent that is perceived and expressed in racial terms.

Moreover, the concerted effort to deliver positive results in the six NKRAs will motivate, mobilise and galvanise active participation and effective contribution from government officials, the private sector, non-governmental organisations (NGOs) and the rakyat. This will in turn nurture a greater sense of unity in purpose and bring people closer together.

The contribution to social harmony, national unity, integration – and ultimately *1Malaysia* – by the successful delivery of positive outcomes in the six NKRAs can be summarised as follows:

1. **Reducing crime** –The incidence of crime cuts across race and religion, although crime rates are generally higher in lower and middle income neighbourhoods. However, in some instances where the criminals are from one race and victims from another, the perception of crime being racially motivated cannot be totally avoided. Moreover, the fact that the police force is predominantly Malay may also fuel race-based perceptions. Therefore, a concerted effort to further improve the quality, effectiveness and welfare of the police force, to galvanise participation by all in cooperating with the police to fight crime and to heighten consciousness about issues and factors affecting crime will contribute positively to the breaking down of racial stereotyping and negative perception – and ultimately contribute to national unity.

2. **Fighting corruption** – As in crime, corruption is not a race or religion based issue. Many mono-ethnic countries grapple with even more serious corruption problems. However, the fact that an overwhelming majority of government officials are Bumiputeras, and wealth and power is concentrated in elite groups, does occasionally give rise to race-based prejudices and perceptions. Therefore, a determined campaign to fight corruption by installing a more effective system, mechanism and procedures and involving more open and transparent public feedback channels will ameliorate negative perceptions and contribute to national unity.

3. **Improving student outcomes** – The NKRA on education aims to address the existing gaps in performance amongst students from different geographical and social backgrounds. At present more than one third of our children do not receive any form of pre-school education. There is disparity between rural and urban areas and amongst states, for example, only 65% of children attend pre-school in Kelantan, compared to almost 100% in Penang, with stark differences in quality as well. There is also a vast disparity in the performance of schools. Such disparities affect mainly the poorer groups, irrespective of race. Through the commitment to increase pre-school enrollment to 87% within two years and to raise student outcomes across the whole school system, such disparities can be addressed over time. Moreover, a better-educated and better-informed populace will be less susceptible to prejudice and racial sentiments.

4. **Raising living standards of low-income households** – Although absolute income levels have improved over the years, relative poverty is still a major phenomenon affecting many, especially in the context of rising costs and severe economic dislocations due to the global economic crisis. There are still more than 200,000 households that live on less than RM 750 a month, and many urban households with incomes of RM 2,000–3,000 a month find it difficult to make ends meet. Therefore a concerted effort to provide a more effective social safety net for the poor and disadvantaged and to provide opportunities and incentives for business and entrepreneurship will go a long way towards mitigating this disparity and the polarity between the rich and

the poor. The objective is to ensure that no one is left behind – irrespective of race or religion – as we continue to grow as a nation.

5. **Improving rural basic infrastructure** – While most states in Peninsular Malaysia have achieved nearly 90% coverage in amenities like water supply, Sabah and Sarawak record only 57%. Moreover, Sabah and Sarawak (and some parts of rural Peninsular Malaysia) are lagging in the provision of basic infrastructure such as roads and rural housing. By focusing on rural basic infrastructure as a priority, such disparities can be effectively addressed and the gaps between Peninsular Malaysia and Sabah and Sarawak significantly reduced. This will no doubt contribute to a greater sense of belonging amongst the people of Sabah and Sarawak, and hence improve national integration.

6. **Improving urban public transport** – The poor state of public transportation distresses the low and middle income groups in urban areas such as Kuala Lumpur and Klang Valley and levies a sizeable financial burden. Addressing this pressing need and implementing measures to increase reliability, comfort, convenience, accessibility and connectivity will help reduce travel time and encourage a shift away from private transport. This in turn will encourage greater interaction amongst different segments of the population (at least during the daily commute) and also remove a major source of urban discontent.

The outcomes targeted by the six NKRAs will contribute towards widening the zones of inclusiveness across various polarities as shown in Figure 4.6. Beyond these six areas, there are additional polarities we need to manage, which are discussed in Section 4.5.

Figure 4.6

Widening the zone of inclusiveness helps us to achieve *1Malaysia*

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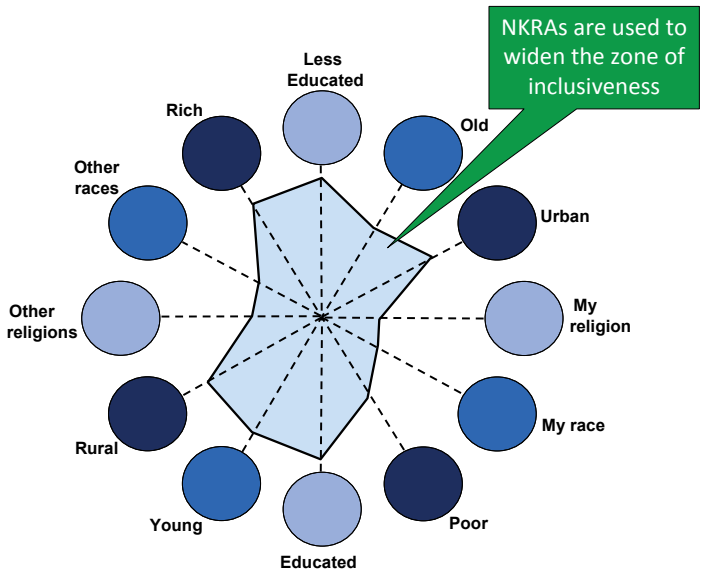


Being inclusive and striving for unity in diversity is a necessary step, as that will be the only way for us to reduce the tension of various polarities and truly harness the synergies of our diversity – and continuously increase the competitiveness of our nation – all with the ultimate goal of achieving Vision 2020.

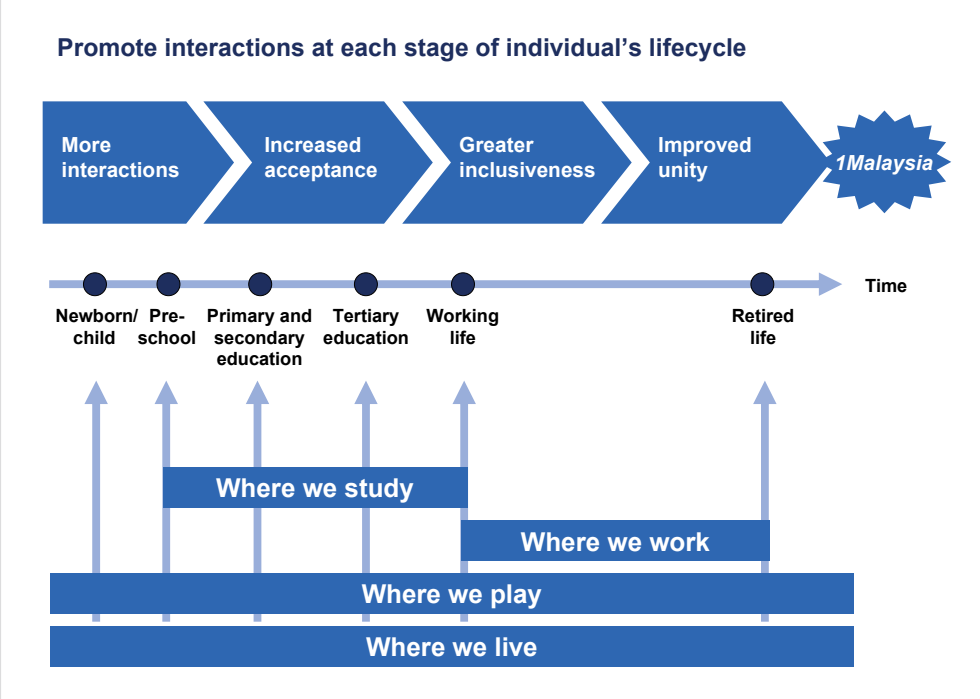
4.5 Initiatives specifically targeted to achieve *1Malaysia*

To generate additional initiatives and design action plans to achieve the ideals of *1Malaysia*, we convened a *1Malaysia* Lab in October and November 2009. Representatives from the private sector, civil service, academia and NGOs were invited to participate in or give input to the lab. The lab also sought the views of opinion shapers and personalities representing a range of views, through interviews, focus groups and roundtable discussions with nearly 100 people. It also reached out to student leaders through roadshows involving 4,000 students from 30 institutes of higher learning.

To ensure that the initiatives we created would be as inclusive and representative of the rakyat as possible, the lab solicited input from the wider rakyat through public surveys, Open Days, focus groups, mobile SMS and websites.

In developing initiatives, our intent is to promote more interactions amongst different segments of Malaysian society at all stages of a person's lifecycle – across the spectrum of living, studying, working and playing together shown in Figure 4.7. Our premise is that more interactions amongst different segments of Malaysian society will encourage greater acceptance and celebration of diversity, which in turn should enhance inclusiveness and ultimately improve unity. Unless we proactively intervene to encourage interactions and a *1Malaysia* mindset across a person's lifecycle, the default is that the barriers and divisions that currently prevail will continue.

Figure 4.7

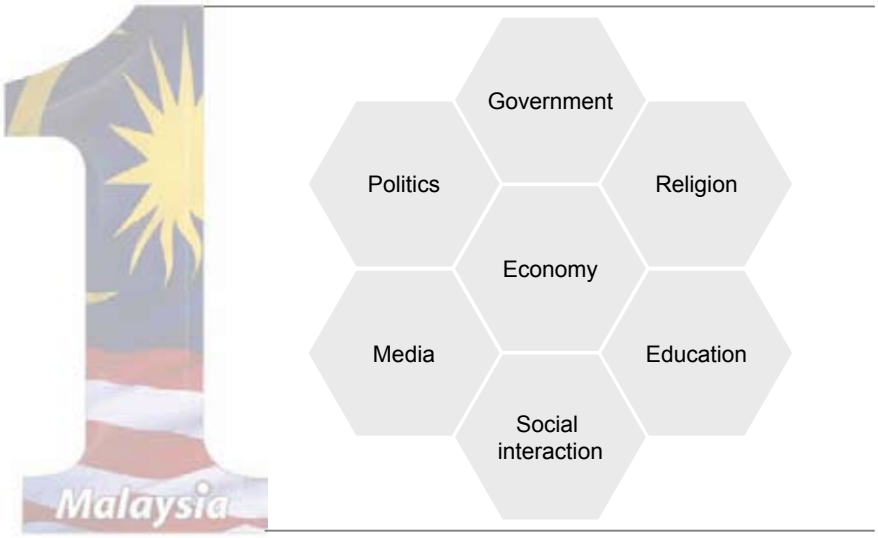


Working together in the lab, we identified many issues and initiatives relating to unity and clustered them (Figure 4.8). Some of these issues and ideas for initiatives were recommended by the rakyat and then discussed by the *1Malaysia* Lab. It must be pointed out that many are already implemented programmes that need to be reviewed, while others are proposals that need to be considered for implementation by various ministries and agencies. The list of initiatives is not comprehensive or exhaustive.

Below we discuss briefly the various existing programmes and new initiatives to promote unity in accordance with the seven clusters identified.

Figure 4.8

***1Malaysia*: Issues and initiatives in 7 clusters**



4.5.1 The economy and national unity under *1Malaysia*

Poverty and inter-ethnic disparity in economic participation and wealth distribution were identified as the key causes of Malaysia's inter-ethnic tensions and strife and social-political instability in the late 1960s. Accordingly, this socio-economic consideration has formed the basis for the formulation and vigorous implementation of the NEP since 1971.

While the NEP (1971–1990) evolved into the NDP, 1991–2000) and then into the NVP, 2001–2010), the basic two prongs remained: eradicating poverty and restructuring society. Now, nearly 40 years later, it is time to objectively appraise the situation, especially in the context of different and evolving global and local environments.

The NEP's first prong, eradicating poverty irrespective of race, is largely achieved, with the poverty rate reduced from over 50% in 1957 to less than 3.6% today. Various targeted schemes, e.g., FELDA, and economic growth through industrialisation have provided employment and raised the standard of living for many – if not all – Malaysians. Economic growth has also fueled urbanisation, which brought households of various ethnic and cultural backgrounds to live together in new housing schemes.

The NEP's second prong, the restructuring of society in terms of economic participation and wealth ownership has also achieved considerable progress, especially in increasing the number and percentage of Bumiputera professionals. Further, the proportion of Bumiputera equity in the corporate sector increased from 2% in 1970 to 19% in 1990, and the overall size of the economy grew considerably in that timeframe and also in the last 20 years (1991–2009).

However, despite continuous increase in absolute terms since 1990, the Bumiputra equity proportion has remained stagnant. In fact, as noted by the Prime Minister in July 2009, of the RM 54 billion shares allotted to date, only RM 2 billion has

remained in the hands of Bumiputeras. He concluded that regulations and rulings by the Foreign Investment Committee (FIC) were ineffective. Hence, he announced the establishment of a new vehicle with more creative and effective measures, Ekuiti Nasional Berhad (EKUINAS), a private equity fund to drive Bumiputera participation in high growth areas.

At the same time, some aspects in the implementation of the NEP have led to certain unintended results, including the emergence of a "two-speed economy" described recently by former Deputy Prime Minister, Tun Musa Hitam, in the following manner:

> "…what has developed now is a two-speed economy where one sector, driven by market forces, has moved ahead while the other continues to lag and remains dependent for its survival on government subsidies and patronage.
>
> We must now begin to pay heed to questions as to whether our redistributive economic policies are indeed holding us back competitively compared with the rest of the world. Race-based economic policies do not sit well with the realities of globalisation and free trade. Malaysia must find a way to create a race-neutral space within itself and find the correct formulae to harness the qualities necessary to compete on a global level"
>
> (Tun Musa Hitam. "The Challenge of Managing Change Inside and Outside Malaysia" in Readings on Development: Malaysia 2057 (2009))

Another unintended outcome of the NEP was a sense of deprivation, discrimination and even resentment felt by the non-Bumiputeras, which was attributed to the over-zealous attitude and approach in implementation by some officers in certain agencies. There has also been a widening of the income gap within the Bumiputera community, leading to rising discontent amongst certain segments of that community.

These factors have pushed many Malaysians, especially professionals, to work and reside overseas, in economically more advanced countries with attractive pull factors such as higher income, wider exposure and opportunities, better quality of life and education for their children. Many have chosen to settle permanently, and there are signs that this brain drain has become increasingly serious.

It is imperative that these issues of a two-speed economy, widening inequality, rising discontent and increasing brain drain be addressed, as not only is our economy's competitiveness, stability and sustainability at stake, but continued widening and rising disparities will jeopardise national unity.

Some initial steps have already been taken. Together with the establishment of EKUINAS, the financial sector and 27 service sub-sectors were liberalised. More creative initiatives are being formulated as part of the New Economic Model and are expected to be announced in the first quarter of 2010.

On the other hand, we must actively explore and exploit the positive factors inherent in our Malaysian society. One such factor is our diversity.

> "…a key objective of my administration to make every Malaysian understand and accept our diversity as a blessing: a source not just of cultural vitality but also of economic advantage… Today, as China and India rise again to their historical levels of global economic prominence… Malaysia, sitting astride the Indian Ocean and the South China Sea, is poised to rediscover itself at the nexus of regional trade flows. We are a trading country with the DNA of the Islamic Middle East, China, India and the Malay Archipelago, sitting at the geographical nexus of these worlds."
>
> (Dato' Sri Mohd Najib bin Tun Haji Abdul Razak, Prime Minister. Speech to the Asia 21 Young Leaders Summit, 20 November 2009)

Proposed ideas, based on discussion in the lab and feedback from various sources, specifically to promote more effective inter-ethnic collaboration and unity in the economic arena, include the following:

a. Formulating a more focused and effective strategy to leverage the diverse linguistic capabilities, cultural connections and religious affiliations of Malaysians to further explore and harness economic opportunities in the emerging markets of China, India and Islamic countries.

b. Forging genuine collaboration and participation in business enterprises for external and domestic markets, focusing on products and services that leverage our diversity such as Islamic financing, halal products, herbal supplements and traditional health products.

c. Formulating a more effective brain gain strategy and providing a more conducive environment to attract talented people, both Malaysians and non-Malaysians, to contribute to the various fields of our knowledge-based economy.

d. Connecting with and convincing Malaysian diaspora to invest in Malaysia or to help market Malaysian products and services in their respective countries of residence.

e. Prohibiting discrimination based on racial attributes or linguistic capabilities in recruitment advertisements.

4.5.2 Education and national unity under *1Malaysia*

The education system reflects cultural and linguistic diversity, especially at the primary level. Based on the Education Act 1961 and subsequently the new Education Act 1996, there are various streams using different media of instruction across the primary, secondary and tertiary levels (Figure 4.9).

Figure 4.9

Formal Education System and Media of Instruction

Tertiary	**Public Universities and Institutes of Higher Learning (IHLs)** Bahasa Malaysia as main medium, English for science, technology		**Private IHLs** English as medium
Secondary	**National Secondary Schools (SMK)** Bahasa Malaysia as medium		Independent and Private Schools[1]
Primary	**National Schools (SK)** Bahasa Malaysia as medium	**National-type (SJK)** Chinese as medium (SJKC)	Tamil as medium (SJKT)

1 Including Chinese Independent Schools, private religious schools

Students are therefore able to learn using their respective mother tongues or community/family languages, while a common curriculum and syllabus content is leveraged to build national identity and a sense of patriotism. In addition, Bahasa Malaysia is compulsory in the Chinese and Tamil primary schools, while English is compulsory for all. At the secondary level, most students in all three streams will go into national secondary schools (SMK), while there are some Chinese i ndependent schools, Islamic religious schools (with emphasis on the learning of the Quran and Arabic language) and private Bahasa Malaysia-English bilingual schools, which account for less than 15% of the age cohort.

As a result, the education system has produced students with diverse linguistic capabilities (Bahasa Malaysia, Chinese, English, Tamil, Arabic), thus enabling Malaysians to communicate and explore learning and business opportunities in the key markets of the world – China, India, Islamic countries and the West. This multilingual capability has been and will continue to be a comparative advantage of Malaysians, which if properly enhanced and harnessed, will augment Malaysia's position as a major trading nation of the world. However, the challenge is how to further improve the command and competency of each of these crucial languages, especially as for most students, it is not easy to master multilingualism.

While multiple streams at the primary level allow linguistic and cultural transmission of the three major communities, the fact remains that students of different races tend to remain segregated even at the secondary and tertiary levels. Therefore, there is a need for continued effort and new initiatives to promote integration within the formal education system.

Some initial steps have already been taken and those will be supplemented with new ideas, including:

a. Upgrading the quality of national schools to be the schools of choice for all students (irrespective of race or religion) in terms of excellence in teaching and learning, with provision for vernacular or pupils' own language and a more multi-

inclusive atmosphere, as is the case for some of the premier mission schools in urban areas.

b. More extensive and effective implementation of Rancangan Integrasi Murid-murid untuk Perpaduan (RIMUP) to promote interaction amongst SK and SJK students (section 4.5.3).

c. Promoting of *1Malaysia* Boarding Schools by making present boarding schools more multiracial in student composition and setting up more high-quality boarding schools that are open to all.

d. Awarding of national scholarships to top students, strictly based on merit, to study in top international universities, in addition to the various existing government scholarship schemes.

e. Making private IHLs more multiracial in student composition by providing additional incentives and bursaries to Bumiputera students.

f. Providing all teachers with knowledge, awareness and skills so as to be sensitive to the diverse background of students and to handle inter-ethnic relations in a positive and proactive manner.

4.5.3 Promoting *1Malaysia* social interactions

Several programmes and projects have been implemented to promote social integration amongst Malaysians, reflecting the Government's long-term commitment in the past few decades. They have achieved varying levels of results and therefore will need further enhancement upon more in-depth review. These include the following:

a. Rukun Tetangga (RT), which was introduced in 1975 as a group against anti-national sentiment, has since focused on promoting neighbourliness, assisting in neighbourhood watch for security and promoting various community, environmental, economic and socio-civic activities. There has been rapid expansion by almost 10% per annum in the past four years, with over 4,500 RT units throughout the country, mainly in urban and semi-urban housing schemes, involving more than 100,000 committee members and with annual participation exceeding 3 million person-events. Proposals for the future include providing more activities to further strengthen community networking and training leaders to acquire better communication and mediation skills.

b. Programme Latihan Khidmat Negara (PLKN) or National Service Training Programme, introduced in December 2003, has involved over 400,000 youths of all ethnic, socio-economic and regional backgrounds in a three-month camping and social-work environment with generally positive outcomes. Proposals for the future include ways to further improve effectiveness of the programme in inculcating *esprit de corp*, expansion to involve more youths at any one time and even extension of the training period as well as formation of an Alumni PLKN to maintain networking and to channel alumni into Rukun Tetangga and RELA so that they can continue to play a positive and productive role in their adult lives.

c. Various programmes for sports, youth and women development that can contribute to greater integration amongst various communities. Achievement by Malaysian athletes in the international sporting arena not only brings national glory but promotes a shared sense of pride, loyalty and unity. Sukan untuk Semua (Sports for All) programmes promote wider participation from different age groups within local communities. Various youth and women development programmes have also brought participants from various ethnic groups together

to work on common projects. Proposals for the future include how to make these programmes even more effective in attracting an even wider and more sustained participation, especially in leveraging new media that provides attractive options for entertainment and recreation.

d. **Various programmes under the Department of National Unity and Integration (JPNIN)** to promote awareness of the foundations of nationhood as well as goodwill, understanding and integration amongst people from Peninsular Malaysia, Sabah and Sarawak. Such programmes include student exchanges, homestays, workcamps, Rukun Negara clubs in secondary schools and Rukun Negara secretariats in IHLs. Proposals for the future include expansion and qualitative enhancement, especially in giving greater emphasis to the effective aspects of attitude change rather than mere cognitive learning of information and knowledge.

e. **RIMUP** or Student Integration Programmes for Unity, which was first introduced in 2006 to promote joint extra-curricular activities amongst students from national and national-type primary schools with the involvement of teachers and parents. Proposals for the future include a more effective and aggressive rollout of the programme to involve more schools and to harness the support of parent-teacher associations (PTAs), Rukun Tetangga and local NGOs, review of methodologies for more effective inculcation of positive outlook on various ethnic groups as well as the rollout of the e-Integrasi project which leverages the Internet and website games, leading to increased interaction.

f. **Programmes in arts and culture** including the promotion of joint presentations of dances and performing arts, especially related to cultural tourism (e.g., Homestay Programme, Tarian Cuti-cuti *1Malaysia* and Food Fabulous Food *1Malaysia*) under the tagline of Malaysia Truly Asia and in public and private functions, to highlight the rich and diverse cultural heritage of Malaysia and promote a sense of pride and belonging. Proposals for the future include multi-ethnic themes and storylines in theatre productions and musicals, promotion of Malaysian music incorporating traditional musical instruments of all ethnic groups and promotion of Malaysian writers to write fiction and non-fiction works in various languages for both domestic and international readership.

4.5.4 Managing religious and cultural polarities

Malaysians professing different religions are – and have been – living harmoniously and peacefully together. It is common to find places of worship of various religions near one another. This is the picture of multi-cultural and multi-religious Malaysia that has been the admiration and even envy of many other countries.

However, as Malaysians of different faiths closely interact at work, at school and in social settings, it is inevitable that misunderstandings and mishaps occur. Unfortunately, sometimes these are interpreted as being driven by race or religion. As emotions flare, such conflicts can exacerbate the differences in cultural and religious beliefs and practices. If not managed and mediated well, such disputes may snowball beyond individuals and become inter-group conflicts.

There are specific sensitive areas of concern that require further attention, for example, places of worship and issues arising out of inter-marriages. For these, continued efforts need to be made to expand the zone of inclusiveness such that acceptable mechanisms are in place to manage disputes.

a. **Places of worship** – While most places of worship are accepted in any particular location,there are some problems. For example, some Hindu shrines were not properly relocated when the plantations where they were originally situated were

developed into housing estates. Subsequent attempts to relocate such shrines can sometimes evoke objections by local residents when interpreted as a religious intrusion. However, this is usually an urban planning issue that requires prudent management by state and local authorities. Clear guiding principles and procedures should be formulated and mediation mechanisms put in place to resolve these issues – before they become disputes.

b. Issues arising out of inter-marriages – Most inter-marriages that require conversion of one spouse to the religion of the other are not controversial as both parties enter marriage willingly and with full knowledge and understanding of the consequences. However, in the case of a breakdown in the inter-marriage or unilateral conversion, family disputes may arise if not managed properly. These can, in turn, be dramatised and publicised as major inter-religious conflicts. Recent high-profile events include the following situations:

i. The conversion by one spouse to Islam without informing his/her spouse and immediate family led to a dispute after death over the appropriate religious burial rite.

ii. The conversion by one spouse to Islam without properly settling issues related to divorce, custody, inheritance and religious practices of children led to intense family disputes sensationalised in the media, causing inter -group tensions and conflicts.

Through the Cabinet and the Attorney-General's chambers, we have recently sought advice from the Malay Rulers, state Islamic religious councils and relevant NGOs, so that we can formulate guidelines and rulings, including amending relevant acts. Our objective is to ensure that any responsibilities being assumed are known by both the converting person and his/her non-converting family members, so that such disputes can be avoided.

It is important to acknowledge the potential risks of disputes arising out of the polarity of religion and culture. However, efforts must be made to promote better understanding and widen the zone of inclusiveness. Some proposed initiatives include:

a. The formation of Consultative Panels on Social Harmony and National Unity at the federal and state levels to promote inter-ethnic and inter-faith understanding

b. The set up of consultative panels at the district or even town or village level, working with Rukun Tetangga or Village Security and Development Committees (JKKK) to promote mutual understanding and unity

c. Encouragement of participation by Malaysians of different faiths in community-based joint charity and welfare efforts to promote understanding and build working relationships based on the spirit of caring and compassion, which are the basic core values of all religions.

Instead of focusing only on potential differences and disputes, we should harness the multi-religious and multi-cultural society in Malaysia to our advantage. For example:

a. To host and organise international forums for inter-faith and cross-cultural discourses, which can showcase how a fair and just government under a principally Muslim leadership (the Sultans and the Prime Minister) can manage a country with a multi-religious population in harmony

b. To explore and exploit economic potential of new growth areas of Islamic financing, halal food and herbal health products

c. To promote religious tourism to highlight the splendid architecture of mosques, temples and churches existing in harmony, as well as the colourful variety of festivals, rituals and traditions.

4.5.5 Towards a truly *1Malaysia* government

Central to the commitments to *People First* and *Performance Now* is the further upgrading of the delivery efficiency of the Government administration and the civil service. This commitment cuts across racial, religious and regional barriers. Particular attention will be paid to ensure that the civil service becomes even more inclusive and is fully committed to practise the spirit of *1Malaysia*. Initial steps have already been taken, for example, the set up of a federal-state task force to clarify the status of undocumented citizens in Sarawak and issue identity cards to confirmed citizens. Completely undocumented people will have their status clarified and their documents issued by 2011. All confirmed citizens without identity cards will be issued one by the end of 2010.

In addition, below is a selection of proposals to promote a truly *1Malaysia* government:

a. Ensure the promotion of the spirit of *1Malaysia*, i.e., unity in diversity through inclusiveness to be a key commitment and hence a key component in the overall KPI of each and every ministry and public agency

b. Adjust the ethnic mix of the civil service to be more representative of the population, in particular encouraging more Chinese and Indian people to join the civil service and upgrading officers of Bumiputera origins from Sabah and Sarawak.

c. Ensure that all training programmes and courses, including those conducted by INTAN and Biro Tata Negara (BTN), fully promote the Rukun Negara objectives and tenets as well as the *1Malaysia* spirit of inclusiveness and core values.

d. Inculcate a broader and more inclusive outlook, attitude and behaviour amongst civil servants so that they are sensitive to diversity in cultures and customs and to the divergences of views and needs. In addition, they should be skilled to manage and mediate potential conflicts amongst people.

e. Eliminate the requirement to mention race on government forms, except when it is for the purpose of census and statistics.

4.5.6 Promoting and practising all-inclusive *1Malaysia* politics

Independence was won in 1957 through the unity of purpose forged by three race-based parties in the Alliance. In 1974, this tripartite coalition was further expanded to include other parties, some multi-racial in composition, to form the larger Barisan Nasional (BN). Working closely with the people, the Alliance and then the BN brought stability and prosperity to Malaysia for five decades.

Since 1990, there have been attempts by opposition parties, both multi-racial and religion-based, to form electoral pacts to counter the BN. In the 2008 General Elections, riding on waves of discontent, the opposition electoral pact of two multi-racial parties and one religion-based party managed to deny BN its traditional two-

thirds majority in Parliament and to form governments in five states, under the name of Pakatan Rakyat (PR).

Although both coalitions reflect and represent Malaysians from various races and religions, race and religion-based rhetoric still emerges from time to time from both coalitions. When amplified through the media, very negative sentiments are generated.

Therefore, in line with the *1Malaysia* spirit and in order for *1Malaysia* to be successful, there is an urgent need for:

a. All political parties, whether race-based, religion-based or multi-racial, and all politicians to move towards more inclusive politics, emphasising the many common issues that affect all Malaysians and harnessing common universal values, rather than just amplifying the differences in race, religion and region.

b. Every political leader to lead by example, by carrying messages of goodwill and understanding, discarding and dispelling racial stereotyping and utterances and mediating and seeking amicable solutions to disputes.

c. Wherever possible, a politician should also ensure that administrative, political office and service centre staff (full-time and voluntary) reflect a multi-racial representation.

All political parties and politicians must promote and practise all-inclusive *1Malaysia* politics – the politics for all and by all. We must have the political will to move in this direction.

4.5.7 Promoting an all-inclusive *1Malaysia* media

Print and now electronic media in Malaysia have thrived in the four major languages, Bahasa Malaysia, Chinese, English and Tamil, while Kadazan-Dusun and Iban-Dayak supplements are included in some Bahasa Malaysia and English papers in Sabah and Sarawak.

By and large, while the English-language press caters to English-educated readers of all ethnic backgrounds, the Bahasa Malaysia, Chinese and Tamil papers tend to cater more to their respective ethnic communities. Therefore, there is a tendency for the media in each language to select and present news and to have editorials and articles which cater to, but also create, the demand and interest of its respective readership. On foreign news, the Bahasa Malaysia press tends to give more coverage to Islamic countries and communities, the Chinese press of China and the Chinese diaspora, the Tamil press of India and the Indian diaspora.

In many ways, the Malaysian media reflect and reinforce the diversity in Malaysia. The positive side of this phenomenon is that the various ethnic-cultural communities in Malaysia are well informed about and stay connected with the larger Muslim, Chinese, Indian and Western worlds. This has cultural and economic value that ultimately contributes to Malaysia's overall advantage.

On the other hand, if and when some of the reporting and writing becomes too ethno-centric or even takes on a more race-centred angle, then it will raise, rather than break down, barriers. Rather than promoting understanding and unity, it may have the opposite effect and impact.

Moreover, there is a concern that, instead of providing constructive and valid criticism, some writers abuse the greater freedom of expression now available to use terms and express feelings that are racist or inflammatory in nature and tone,

particularly in the electronic media, which can be easily and widely transmitted, thus provoking reactions and over-reactions amongst larger segments of society.

Therefore, while censorship is antithetical to democracy, there is a need to introduce, instil and internalise a commitment to journalistic professionalism, a sense of responsibility and self-restraint, with sensitivity to the divergent views and feelings of the diverse communities in Malaysia.

4.6 Proposed implementation approach

As issues relating to national unity, race and religion are sensitive and complex, it is important that we have an effective implementation approach and delivery structure, supported by research capabilities and a system to monitor the impact and effectiveness of various initiatives in delivering social harmony and national unity.

4.6.1 An evolutionary and phased strategy

We need to consider what the most appropriate strategy and approach is; should we adopt a revolutionary approach or an evolutionary approach?

A revolutionary approach attempts to push for high-risk, high-return ideas that would require fundamental changes to policies and societal structures. While these ideas aim to make breakthroughs over a short time frame, they would have significant downside risk if the underlying intent or measures were misunderstood or not accepted by certain groups of the rakyat.

An evolutionary approach involves more consensus-seeking but gradual change. While it may take longer to achieve a united and fair Malaysia, this approach would be less divisive and more likely to be accepted.

> "Malaysia has…been in a state of 'stable tension', which means that we have been living in a society dominated by many contradictions but have managed most of them through a continuous process of consensus-seeking negotiation. Sometimes, the process itself is a solution"
>
> Prof Datuk Dr Shamsul A.B. "Managing a 'stable tension': Ethnic Relations in Malaysia Re-examined" in Readings on Development: Malaysia 2057 (2009)

Mindful of Malaysia's historical development and the tensions underlying a revolutionary approach, we chose an evolutionary approach to achieve *1Malaysia*. Ultimately, as we are dealing with polarities, the answers will not and cannot be simply black or white. Rather, they will involve mutual inclusiveness and an attitude of give and take. Malaysians will most likely meet somewhere in the middle on issues regarding fairness and unity, but may not be exactly in the middle on each and every individual issue.

4.6.2 Review of the delivery structure to promote unity

While many ministries and agencies have implemented programmes that contribute – either directly or indirectly – to national unity and social integration, the national unity portfolio falls under JPNIN within the Prime Minister's Department.

To date, the JPNIN has focused on the promotion and administration of Rukun Tetangga schemes and Tadika Perpaduan (Unity Kindergarten) classes throughout the country as well as the implementation of programmes and activities to promote

interaction amongst youth, women and senior citizens, and integration of the people of Sabah and Sarawak with those of Peninsular Malaysia. These are important activities that need to be further expanded and empowered.

However, there is an urgent need for a planning and coordination function to formulate strategies and policies for the entire government (across ministries and agencies), so as to more effectively implement programmes, encourage inter-ministerial collaboration in unity programmes and monitor the outcomes and impact of each and every initiative. In addition, there is also a need to promote more in-depth research on various aspects of inter-ethnic and inter-religious relations.

It is proposed that the JPNIN be restructured into two departments – a Jabatan Rukun Tetangga focused on promoting Rukun Tetangga, and a second new unit to be called Unit Perancangan Perpaduan dan Integrasi Nasional (UPPIN) under the Prime Minister's Department, that will focus on policy research and formulation, strategic planning and development, and monitoring and assessment of outcomes. The latter unit will serve as a central agency to support the Government and all ministries, similar to the EPU and ICU.

4.6.3 Research on national unity and social harmony

National unity and social harmony are both societal conditions and subjective perceptions that are not easily measured. Attempts to do so are often met with criticism. However, similar to corruption and other human and group behaviours, attempts have been – and should continue to be – made to more scientifically and systematically measure the situation in Malaysia and compare it to that in other countries or societies. At present, two indices are relevant for Malaysia:

- Global Peace Index (GPI), measured by the international organisation Vision for Humanity, compares 144 nations. It is a composite index based on 23 quantitative and qualitative indicators that measure ongoing domestic and international conflicts, societal safety and security and level of militarisation. In 2009, Malaysia moved from 38 to 26, ahead of Spain, France and the UK, but behind top-ranking New Zealand, Denmark, Norway and 14 other European countries, Canada, Australia, Japan and Singapore

- Societal Stress Index (SSI) for Malaysia monitored by the JPNIN measures the number (per million population per year) of inter-personal or group conflicts reported to the Malaysian police involving two or more ethnic or religious groups, plus the number of street demonstrations on issues of social conflict, and controversies involving race or religion being reported or debated in the media. The SSI for 2006, 2007 and 2008 were 17, 20 and 28 incidents per million respectively, in line with the increased public protests and expressions of discontent over the past three years.

While the SSI does not take into account public perception about the incidents it measures, it provides a basis for comparison over years. It also allows hot spots that need special attention and mediation efforts to be identified. Currently, the JPNIN uses this information to channel more resources to these hot spots for Rukun Tetangga and the training of Rukun Tetangga and community leaders in mediation skills.

We realise and recognise that more research and surveys are required to obtain a more comprehensive picture of issues involving race and religion as well as the perception and reaction of diverse groups to such issues and incidents. Consequently, the JPNIN has stepped up its working relationship with university

researchers and is sponsoring more research and study projects, in particular with the Institute of Ethnic Studies (KITA) of Universiti Kebangsaan Malaysia.

4.7 The new era of *1Malaysia*

Achieving national unity has been and will continue to be the most important mission for Malaysia and Malaysians. It is an ongoing and perhaps never-ending mission requiring significant commitment. *1Malaysia* has provided a renewed sense of direction and purpose, a new breath of inspiration and a heightened aspiration. New outlooks and new ideas are emerging. Creativity has been unleashed, but this is only the beginning.

We, the Government, are determined and dedicated to promoting the *1Malaysia* mission together with the people. The various initiatives proposed above (both existing and new) are meant to forge greater understanding and unity amongst all Malaysians, now and in the future. These *1Malaysia* initiatives together with the successful implementation of the New Economic Model and delivery of results in the NKRAs and MKRAs will usher in a new era of *1Malaysia*.

Indeed we have no other choice but to transform the Government, to achieve tangible results fast and to transform Malaysia. Not doing so entails too many significant risks: our economy's competitiveness and investment will continue to decline, we will lose jobs and talent, our income will fall, our livelihoods, standard and quality of life will deteriorate; our social fabric will be strained; our inter-ethnic harmony, stability and security will be threatened.

On the other hand, if we can work closely together, firm and focused in our resolution and endeavour, we not only relieve the many irritants of the rakyat but also bring significant gains for all.

The new era of *1Malaysia* will see the realisation of:

(i) a **thriving and modern economy** that is

- highly competitive and productive and able to achieve high incomes for all, instead of being caught in the middle-income trap
- attractive to talent and investors, both international and domestic, reversing the present brain drain and capital flight trend
- well-connected to all the major markets of the world and well-diversified in all major economic sectors
- inclusive and well-integrated, with meaningful, fruitful, effective and positive participation from all ethnic and social groups, without anyone being left out
- equitable and fair, with a stable, striving and strong high-income middle class without widening and glaring socio-economic disparities

(ii) an **integrated and united society** that is

- confident in the nation's shared destiny, and committed to *1Malaysia*, based on the foundations of nationhood
- inclusive and liberal in its approach to its rich and diverse cultural heritage, rather than being exclusive, divisive and close-minded

- morally strong with enlightened belief in and mutual respect for the great religions being practiced, within the constitutional framework

- caring and sharing, with volunteerism and charity being a major commitment of individuals and corporate bodies

- safe and secure for all, where crime rates are amongst the lowest in the world

(iii) a **competent and committed government** that is

- highly effective and efficient in delivering results and benefits to the people and the nation

- responsive to and responsible for the needs of all individuals and all groups, irrespective of colour and creed

- representative of all races, religions and regions in its civil service composition, and inclusive in its approach, projecting the face of a truly *1Malaysia* government promoting understanding and unity amongst the people

- receptive and open to new ideas and constructive criticisms, willing to change and transform, and to be creative and innovative

- clean, transparent and accountable, with corruption, malpractices and abuse of power well under control and reduced to a minimum

While the *1Malaysia* Lab – with inputs from Cabinet, leaders from the private and public sectors, academics, NGOs and rakyat – was able to outline key issues and make preliminary proposals, much more needs to be done. Therefore we welcome constructive criticism and creative contributions from all Malaysians. Let us all build *1Malaysia* together, and move forward into the new era of *1Malaysia*.

Chapter 5

Putting People First

The principle of *People First* means that the Government will focus on areas that the rakyat most want and need. We will direct our limited resources disproportionately towards these areas, bearing in mind that all governments must balance addressing short-term concerns with making investments for the long term.

This chapter describes how and why we selected the first set of national key results areas (NKRAs). Chapters 6 through 11 then present a detailed analysis of each of the NKRAs, the outcomes that we commit to start delivering in 2010 (and in some cases in 2011 and 2012) and the initiatives and actions that we will undertake to ensure we meet our delivery targets.

The initiatives discussed here should be seen as an initial or preliminary set. Given our methodology, as we implement these initiatives, we will learn more about how to meet and exceed the targets, and we plan to enhance the programme dynamically as we go. Similarly, the actual NKRAs may evolve over time.

5.1 While NKRAs help ensure focus, other areas will not be neglected

NKRAs are our nation's priority areas. They represent a combination of short-term priorities to address the urgent demands of the rakyat and equally important long-term issues affecting the rakyat that require the Government's attention now. To reflect the importance of the NKRAs, they are collectively owned by the cabinet, but accountability for delivery of each rests with a lead minister who is appointed and formally monitored by the Prime Minister.

Within each NKRA, we will emphasise delivering the outcomes that matter most to the people (e.g., reducing the crime rate, improving student outcomes), rather than delivering inputs (e.g., numbers of police stations or schools).

However it is important to note that the existence of NKRAs does not mean that other areas will not receive our attention. Other areas, known as the ministerial key results areas (MKRAs), are still important for each ministry; and the accountability for delivery of these rests on each individual minister. The MKRAs include targeted outcomes that the rakyat can see and feel (e.g., responding faster to public complaints and reducing the number of road traffic accidents). Chapter 12 describes how the MKRAs and corresponding ministerial key performance indicators (MKPIs) were developed and details some examples.

5.2 The NKRAs were largely identified based on the rakyat's feedback and inputs

The days of "government knows best" are behind us, and the nation's challenging goals can be achieved only if the Government actively seeks the rakyat's views and feedback. To ensure that we had an accurate gauge and sense of what the priority areas were for the rakyat, the cabinet considered three important inputs when deciding on the NKRAs:

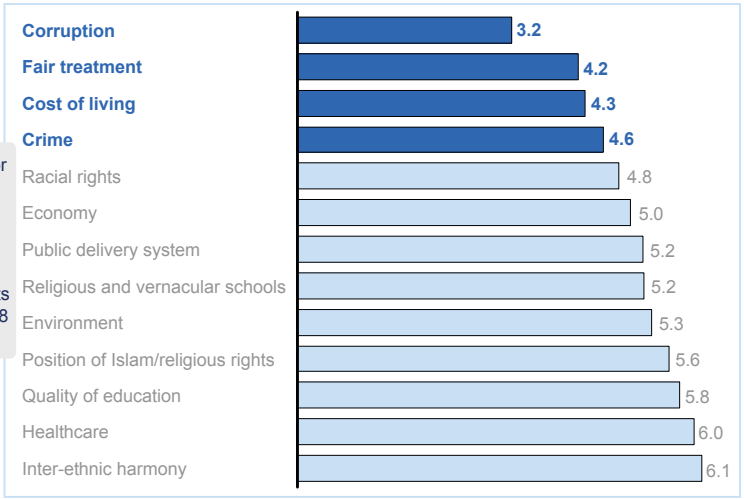
- **The rakyat's opinions gathered via polls and surveys:** Based on surveys we conducted in 2008, the rakyat were mainly concerned by corruption, the economy, fair treatment, cost of living and crime (Figures 5.1 and 5.2)

Figure 5.1

Malaysians say they are most dissatisfied with corruption, inequality, cost of living, and crime

Average[1] scale of 1 to 10 (1 = most dissatisfied, 10 = most satisfied)

"How satisfied or dissatisfied are you with the BN federal government's performance in the following aspects after the March 8 election?"



1 Based on reported minimum and maximum satisfaction scores

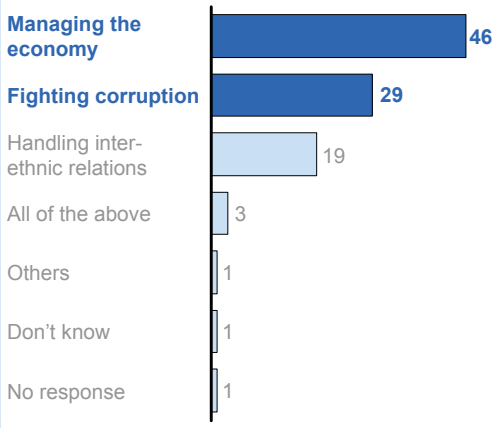
Source: Barisan Nasional Public Perception Audit 2008

Figure 5.2

Malaysian youths say they are most concerned about the economy and corruption

Percent

"What kind of cause do you want political parties to fight for you?"[1]



"… personal concerns of youth revolves around career, education, family and earning more money"

"… crime and public safety is the primary concern of youth today"

-- Excepts from *Merdeka Center 2007 National Youth Survey*

1 Merdeka Center National Youth Survey 2008

Source: Merdeka Center National Youth Survey, 2007 and 2008 (Youth 20-35 years)

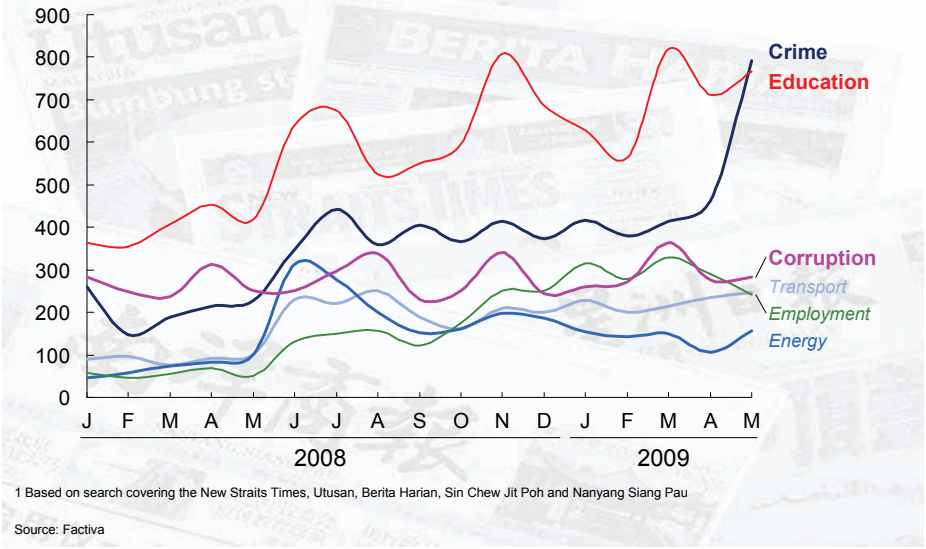
- **An analysis of mainstream and alternative media reports:** This identified crime, education, corruption and the economy as the most frequent topics reported and discussed (Figures 5.3 and 5.4)

Figure 5.3

Malaysian dailies focus their stories on education, crime, and corruption

Number of articles on specific issues from Jan 2008 to May 2009[1]
Number of news articles in leading Malay, English, and Chinese language dailies
N = 24,743 articles

NON EXHAUSTIVE



1 Based on search covering the New Straits Times, Utusan, Berita Harian, Sin Chew Jit Poh and Nanyang Siang Pau

Source: Factiva

Figure 5.4

Malaysian online media and blogs write mainly about the economy and education

NON EXHAUSTIVE

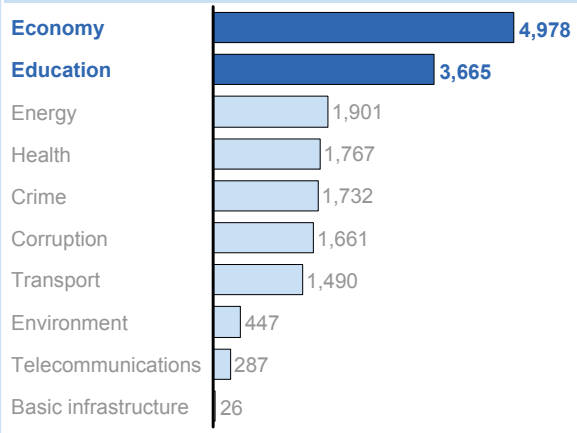
Survey of leading online media and blogs

malaysiakini news and views that matter

THE MALAYSIAN Insider

Multiple personal blogs

Popularity of topics from May 2008 to May 2009[1]
Number of articles generated by keyword search



1 Number of relevant articles retrieved based on a search of online portals using related keywords. Topic search is non-exhaustive and only a proxy for popularity

Source: Malaysiakini; Malaysian Insider; Rocky Bru; M Bakri Musa; Matthias Chang

- **Dialogues with selected public and private sector leaders:** These revealed that, in addition to the areas mentioned above, public transport and national unity should also be national priorities (Figure 5.5).

Figure 5.5

Malaysian public and private sector leaders are concerned about a range of short- and long-term issues

Achieve unity overall

- National unity

"National unity should be the priority of the government"

"Unity should be pervasive in all the government's actions"

Reduce short-term pain

- Crime
- Health
- Public transport
- Cost of living

"Need to ensure basic needs of the rakyat are met"

"Snatch theft is a large problem but not always part of crime statistics"

"Shortage of doctors in rural areas"

"Rising prices caused the poor election results"

"Public transport is one of the most visible issues …"

Promote long-term development

- Education
- Corruption
- Income growth
- Income distribution

"Teaching is now a profession of last resort"

"The big guys never get convicted of corruption"

"Economic growth is not sufficient ... must be distributed equitably"

"Little has changed in many rural towns over the past 50 years"

Source: Dialogues

5.3 The NKRAs announced by the Prime Minister within his first 100 days echo the rakyat's priorities

After the cabinet deliberated the facts just described, it agreed upon the six national priorities for government delivery, otherwise known as NKRAs. It was important for us to determine the six NKRAs quickly so that we could act on setting targets and determining plans to deliver on these targets (contained in Chapters 6 to 11). The NKRAs were announced during the PM's speech to mark his first 100 days in administration on 11 July 2009.

The six NKRAs and their lead ministers are as follows:

- **Reducing crime** to ensure that we and our loved ones are safe and are not afraid of becoming a victim of criminals as we go about our daily lives. Initiatives will address major concerns, including reducing street crimes (e.g., snatch thefts), and involve the rakyat in the fight against crime (e.g., through expanding volunteer policing programmes).

  Lead Minister: Minister of Home Affairs

- **Fighting corruption** to steadily lift the level of trust the rakyat has in the Government. We will address the areas foremost in the minds of the rakyat (e.g., political corruption) and the agencies with which the rakyat often interact (e.g., the Police, Customs, Road Transport Department).

  Lead Minister: Minister in the PM's Department

- **Improving student outcomes** to ensure every child has equal access to a high quality education. We will ensure every child is equipped to succeed (e.g., by expanding pre-school enrolment and intensifying programmes to develop literacy and numeracy).

  Lead Minister: Minister of Education

- **Raising living standards of low-income households** in a sustainable manner. We will ensure that aid reaches the needy quickly and efficiently and create opportunities to earn incomes to build the independence of low-income households.

  Lead Minister: Minister of Women, Family and Community Development

- **Improving rural basic infrastructure** to lift the quality of life of rural residents by ensuring access to a minimum level of basic amenities. We will focus on providing the infrastructure the rakyat need most (e.g., roads, electricity and water).

  Lead Minister: Minister of Rural and Regional Development

- **Improving urban public transport** in the medium term to make our cities more liveable by reducing time spent on commuting, transportation costs and impact on the environment. We will implement initiatives to make public transport more comfortable, convenient, accessible, efficient, reliable and cost-effective for the rakyat.

  Lead Minister: Minister of Transport.

Although the economy is also a key concern of the people, it will be addressed in other ways and therefore has not been included as part of the NKRAs. In the 2010 budget speech, the PM highlighted three strategies, namely to (i) drive the nation towards a high-income economy, (ii) ensure holistic and sustainable development to balance long-term development and close the income gap between urban and rural Malaysians and (iii) focus on the well-being of the rakyat. He also announced that the budget will be the foundation for the development of the New Economic Model and the formulation of the Tenth Malaysia Plan, to be announced later this year. This roadmap and the NKRAs – as discussed in Chapter 3 – should be read in tandem with those economy-focused documents.

In addition, to swiftly and proactively respond to the global financial and economic crisis that hit in late 2008, the Government implemented two economic stimulus packages totalling RM 67 billion. Our implementation of these packages has prevented Malaysia's economy from sliding deeper into recession. In the week prior to the Budget speech (delivered on 23 October 2009), we had completed more than 48,000 projects and another 40,000 were being implemented. Overall, implementation of the two packages is on schedule.

The theme of unity (an important over-arching theme) is discussed in Chapter 4.

Case study A: How the GTP will benefit a fisherman and his family in Kelantan

Note: Names have been changed to protect confidentiality

The GTP is not just for urban, middle-to-high income Malaysians, but for all Malaysians. Indeed, rural, low-income rakyat stand to gain as much, if not more, from the programme. To illustrate, here is an example of how the NKRAs will benefit the family of Encik Mat, who live in Kampung Tengah, Bachok, Kelantan.

Mat, 38, lives with his wife, Siti, and their five children – Aishah (17), Ahmad (14), Shah (10), Hassan (6) and Fuad (4). They feel blessed to be living in Bachok, as it is relatively peaceful and free of serious natural disasters like earthquakes (although it does experience annual floods). They are also thankful to the Government for connecting Kampung Tengah to electricity supply and providing villagers with electrical pumps to draw water from nearby wells.

Mat is a fisherman but also does odd-job construction work. His household is considered poor, as Mat, the sole breadwinner, earns about RM 740 a month (slightly lower than the Government's Poverty Line Income level of RM 750). The household does not receive welfare payments from any sources.

Siti is a full-time homemaker. She was educated up to Form Four, married Mat immediately after leaving school and has no work experience. Siti wishes that she could obtain some kind of employment to supplement her husband's income, but is unable to due to her lack of experience and the family's need for her to be at home to care for Hassan and Fuad.

The family live in a small home, with a common area that serves as the living, dining and sleeping area for seven people.

While there is electricity and water, there is no paved road out of Kampung Tengah. This makes it difficult for the villagers to travel out of the village, e.g., to nearby Pekan Bachok.

Aishah and Ahmad attend a secondary school located 3 kilometres from Kampung Tengah. They travel by school bus, costing them RM 1.60 each per day. This is quite a financial burden for Mat, and he often has to let his children go to school with no money other than bus fare. Meanwhile, Shah attends a primary school, 1 km from Kampung Tengah. He travels there on foot.

While Aishah, Ahmad and Shah are literate in Bahasa Malaysia, they struggle to speak, write or read in English.

Hassan and Fuad do not attend pre-school, as the family cannot afford the fees.

Potential impact of NKRAs

Mat and his family lead a difficult life. Money is scarce and just covers the basics. With the NKRA initiatives, they should benefit from a higher standard and quality of life.

- **Low-income households:** There are many support initiatives within this NKRA which will potentially benefit Mat and his household, as well as similar low-income families:
  - Register poor households like Mat's into e-Kasih, so that they can be identified for welfare payments
  - Pay welfare benefits to such households by the first day of each month to assist with cash flow
  - Provide training to women like Siti, e.g., under the 1 Azam programme, to enable them to become entrepreneurs and supplement the family income. In Siti's case, she could be trained to run a home-based business, e.g., tailoring or catering
  - Complement any training under the 1 Azam programme with financial support (e.g., grant and micro credit) to kick-start businesses
  - Provide financial support for education, e.g., pre-school fees for children in Hassan and Fuad's age group, school supplies (e.g., uniforms, shoes)
  - Provide additional hostel capacity to enable students (like Aishah and Ahmad) who face difficulty travelling from home to school
  - Provide housing support (either rental or purchase scheme for a low-cost house) to improve the family's living conditions.
- **Rural basic infrastructure:** While Kampung Tengah already has access to electricity and water, we will strive to improve basic amenities further. This includes upgrading or constructing premix-type roads in Bachok and other districts in Kelantan.
- **Education:** We will increase availability and access to pre-school education, so that children like Hassan and Fuad will be able (and can afford) to attend and not lose out on an early start to their education. We will increase the number of pre-school classes (offered both by government agencies and in collaboration with the private sector) and the quality of pre-school teachers and curriculum standards.

Case study B: How the GTP will benefit a young Bidayuh and his family in Padawan, Sarawak

Note: Names have been changed to protect confidentiality

Lening, 9, lives with his parents, Mejung and Celin, and his 12 other siblings in Padawan, Sarawak. He is of Bidayuh descent and his family have been living in his uncle's house for about 50 years. With no proper road access to his village, it takes approximately 2 hours to walk to the main road.

Lening and his family feel blessed as Malaysia is a peaceful country with a responsible government. As Malaysians, the family is able to travel freely within the country. They are also thankful for the Government's decision to exempt poor households like theirs from having to pay income tax.

Mejung, the sole breadwinner of the family, is a vegetable farmer who plants brinjal, chive, ginger and lemongrass. He has been a farmer for about 30 years and currently earns about RM 100 per month. The harvested vegetables are sold to a middle person who then resells them to wholesalers. Any unsold vegetables are brought back for his family's consumption. As he is illiterate, employment options for him are limited.

Lening's eldest sister is a university graduate who has been unable to find a job even in Kuching. His elder brothers and sisters who have left school are also unemployed. They help their mother with household chores and their father with farm work.

Lening has two siblings currently in primary school: Satem and Docas. They are able to read and write in Bahasa Malaysia, but not in English. His younger brother Dahim, aged 6, and sister Elenor, aged 5, find the nearly 2-hour walk to the closest pre-school too much of a burden and therefore do not attend.

Lening has also dropped out of school. His father could not afford to continue to cover the expenses (books, shoes, uniform, etc.) and the 2-hour journey deterred him. As a result, Lening still cannot write or read in Bahasa Malaysia or English. He also lacks basic numeracy skills, unable to solve simple subtraction problems posed to him. Despite this, Lening still has an ambition to go back to school and become a doctor when he grows up. In his free time, Lening likes playing football, flying kites and using a slingshot.

Lening's village does not have electricity or a proper water supply. The villagers collect water from the mountain streams nearby and use gasoline lamps or firewood as a source of light. The lack of good lighting makes it difficult for children in the village to study at night. In addition, the village does not have a paved road, which makes it extremely difficult for the children to get to school (especially during the rainy season) and for villagers to run errands.

Potential impact of NKRAs

To uplift the living standards of Lening and his family, various initiatives under the NKRAs will be implemented beginning in 2010.

- **Low-income households:** Some of the initiatives that would benefit Lening and his family include the following:
  - Registering households like Lening's into e-Kasih, so that they can be provided with welfare assistance by the Government and be paid by the first day of each month
  - Providing training to women like Lening's eldest sister who is currently unemployed, e.g., under the 1 Azam programme, to enable them to become entrepreneurs and supplement the family's income. This will be complemented with financial support to set up businesses, e.g., grants and micro credit
  - Providing financial support for educational expenses so that Lening can return to school
  - Building additional hostel capacity so that Lening and his siblings, Satem and Docas, can avoid having to travel the long distance to school
- **Rural basic infrastructure:** Lening's village and similar villages will benefit from the expansion of electricity and water supply as well as road networks. We will endeavour to connect the villages to an electrical grid by 2012 and study feasible ways to provide it with alternative water supply and access to roads
- **Education:** Our plan to increase the number of pre-school classes should allow children like Dahim and Elenor to attend a pre-school located nearer to their home, and hence not lose out on critical early education. In addition, the new literacy and numeracy programme (LINUS) aimed at achieving the Government's target of 100% basic literacy and numeracy skills at the end of Year-3, should help ensure that children like Lening's younger siblings are able to read, write and count by age nine.

Case study C: How the GTP will benefit a family in Klang Valley

Note: Names have been changed to protect confidentiality

Bonnie lives in an apartment in Batu 9, Cheras, Selangor with her husband, Mr Lai (43), daughter Iris (13) and son James (11). She sells and distributes bottled drinks for a living, while Mr Lai drives a lorry. Their average monthly household income is about RM 3,000. Iris studies at a national secondary school, while James attends a Chinese-vernacular primary school.

By and large, Bonnie and her family feel privileged to be able to live in Malaysia. Compared to other countries, they feel the country is politically stable and relatively safe. She is also happy that the cost of living is relatively low, with the Government subsidising or maintaining price controls on essentials like rice and petrol.

Bonnie travels around in a second-hand Proton Wira. She spends up to RM 500 a month – close to 20% of the household's income – on travel expenses like petrol, toll payments, parking and vehicle maintenance. While using private transport is costly for Bonnie, she claims that public transport is not a viable option for her, due to poor connectivity, reliability and accessibility. Buses and trains do not serve the areas she frequents (e.g., her favourite supermarket in Balakong). The public bus servicing her area is also unreliable – Bonnie says she needs to wait for up to 3 hours for a bus to arrive. Furthermore, the nearest bus stop is a 25-minute walk from her home, and there are no LRT or Komuter stations within a reasonable walking distance.

Bonnie also lives in fear of crime and routinely reminds her children to ensure their front door is locked. She thinks her housing area has a high crime rate and has personally witnessed snatch thefts occurring in the market and by the main road. She claims this affects business in her area, e.g., shoplots are not fully occupied due to fear of robbery.

She has personally been a victim of crime on a number of occasions over the past few years. For example, her previous home in Miharja, Cheras was broken into and her family lost around RM 2,500 in cash and mobile phones. She also had a handbag snatched near Jalan Pasar and lost RM 800 in cash. She is dissatisfied that she does not see many policemen patrolling the streets, and worries about professional (as opposed to petty) criminals and syndicates.

In addition, Bonnie is disgruntled at what she perceives to be rampant corruption and abuse of power in the country. She cites cases where school officials – in both national and vernacular schools – asked for money in return for enrolling children into popular schools. Bonnie herself has paid bribes in the past. On one occasion, she paid RM 50 to a police officer to avoid a traffic summons for using her mobile phone while driving. On another, she had to pay RM 500 to an employee of a housing developer to facilitate a refund of her deposit after construction of a house she purchased was suspended. The developer had delayed her refund for over a year. While Bonnie hates having to offer bribes, she sometimes feels that this is her only way to speed up a process or make a difficult situation easier. She is happy that the Government has recently stepped up its fight against corruption, by prosecuting politicians and other high-profile personalities.

Bonnie also feels that her children's educational outcomes can be improved. James, for example, scored a C for Mathematics, and achieved a C and a D for English and Bahasa Malaysia comprehension respectively. Bonnie claims that her children's schools are "not very good" as they have insufficient high-quality teachers (James tells her that the good teachers in his school are allocated to the top classes only), problems with discipline (Bonnie once witnessed students climbing over Iris's school's fence to avoid classes) and poor facilities (she was informed by Iris that toilets often do not work). She tries to play her part to improve her children's educational performance, e.g., by encouraging them to watch English and Bahasa Malaysia programmes on TV and to speak to their father in English.

Potential impact of NKRAs

To improve the quality of Bonnie's family's life, various initiatives under the NKRAs will be implemented beginning in 2010.

- **Urban public transport:** We will improve availability, reliability and accessibility of bus services, to enable families like Bonnie's to be able to take buses to where they want or need to go, cut waiting times and reduce the distance between their homes and the nearest bus route. These will be achieved through increasing the number of buses by more than 700 between 2010 to 2012 to serve more than 50 new routes, improving service frequency on nearly 90 routes and linking bus operating licenses to minimum service standards (including on-time performance, comfort levels and cleanliness)

- **Crime:** We will make Bonnie's family safer and make them less fearful of crime. This will be achieved through initiatives such as having more police stakeouts for house break-ins, increasing feet-on-the-street by having more volunteers (e.g., from RELA) and auxiliary policemen on patrol, placing nearly 500 CCTVs at crime hot spots, organising more neighbourhood policing schemes, speeding up police response times by instituting 999 caller tracking and first response via motorcycles and revamping criminal investigation and prosecution procedures so that more criminals are quickly prosecuted and convicted.

- **Corruption:** Our initiatives will reduce the need (as well as the possibility) for Bonnie to resort to corruption to get things done. These include reducing discretion through automation, e.g., installing digital traffic cameras that enable traffic summonses to be issued by back-end processing centres rather than on-the-street policemen. In addition, our initiatives to tackle grand (political) corruption and to improve the speed and effectiveness of detecting and prosecuting corruption will also make Bonnie feel that Malaysia is becoming cleaner and that corruption is being fought seriously by the Government.

- **Education:** To improve outcomes for students like Iris and James, we will improve teacher training in literacy and numeracy, place expert facilitators to support teachers at district level, publicise school rankings and identify High Performing Schools so that schools will compete to raise their students' performance and manage the performance of their head teachers and principals more robustly to encourage them to lift school performance.

5.4 NKRAs are priorities for leadership time, funding and talent

As it is imperative that the Government delivers on the NKRAs for the people quickly, we will give priority to the NKRAs in terms of giving our attention, allocating funds and sourcing talent.

- **Dedicated focus by the PM and cabinet**: In addition to cabinet meetings wherein the progress of NKRAs is discussed, the PM dedicates an average of 10 to 12 hours a month on issues related to NKRAs. Every week, he leads NKRA Delivery Task Force meetings where key decisions are made and/or issues within each NKRA are resolved (described further in Chapter 13). Additionally, lead ministers, the Minister of Unity and Performance Management, the PEMANDU CEO, the Chief Secretary to the Government (KSN) and lead Secretary-Generals (KSUs) meet regularly to oversee progress.

- **Funding:** The NKRAs will have priority to receive funds for implementation. Given Malaysia's fiscal position, we are committed to ensuring the efficient and prudent use of our resources. Therefore, we will finance the cost of the NKRAs mainly through reallocations (e.g., shifting resources from less impactful activities and reducing selected subsidies), savings from enhancing procurement efficiency and gains from improving the productivity of our assets (physical and financial). In addition, wherever possible, we will use low-cost, innovative methods of implementation (e.g., using gravity feeds and tube wells to increase access to water, as opposed to conventional reticulation).

- **Talent:** The most talented civil servants have been deployed to the NKRAs. They were hand-picked by the respective lead ministry KSUs to participate in the labs that developed and detailed the targets and outcomes contained within this roadmap. Similarly, we expect to focus our best talent on driving these national priorities, even if it means moving individuals from their current positions.

5.5 NKRAs are only the beginning of the Government Transformation Programme

NKRAs along with their associated initiatives and action plans are merely the beginning of the Government Transformation Programme (GTP) and thus represent an initial set of ideas. Given our methodology, as we implement these initiatives, we will learn more about how to ensure the targets are met and exceeded, and we will enhance the roadmap dynamically as we go.

Similarly, with the NKRAs, we have selected six for now. Over time, we expect that the composition of these six will be reviewed. In some cases, where targets have been met, they may no longer be priorities of the rakyat. If so, then new or additional focus areas will be deemed NKRAs. Alternatively, these six may remain NKRAs but the targets or focus areas within each NKRA will evolve. Ultimately, the GTP will evolve in response to the rakyat's wants and needs.

5.6 The Government will continue to seek the rakyat's ideas, input and feedback

The rakyat's feedback has been continuously sought throughout this whole process of setting priorities and targets. Our purposes were to ensure that we derive the best possible solution and to create awareness of the planned initiatives and the rakyat's role within these initiatives. This is crucial as many of the outcomes can only be delivered with the rakyat's participation and support. For example, to ensure we meet targets for literacy and numeracy, parents would have to actively support the programme by encouraging their children to attend school (especially in the rural areas) and dedicating time to read to their children.

There are various innovative channels through which we have sought the feedback of the rakyat, and we propose to continue to use these channels to help us adapt and improve our plans over time.

- **Nationwide surveys:** The first survey was conducted between 27 July and 10 August 2009 to gauge opinions on what the focus areas should be within the six NKRAs. In total, 1,200 Malaysians from throughout the country were polled. Using the results from this survey as one source of input, we then determined KPIs for the individual NKRAs. Going forward, we will regularly survey the rakyat to gauge their opinions on the progress of the NKRAs and gain their inputs on where we can do better.

- **Call for ideas via SMS:** As mentioned in Chapter 4, 17 million text messages were sent to the rakyat in October 2009, seeking ideas on how *1Malaysia* can be achieved. More than 70,000 ideas were received via this channel, which the *1Malaysia* lab then considered to refine and improve its initiatives.

- **Focus group and interviews sessions** with key stakeholders: These were held within the NKRA labs (discussed in Chapter 13) to seek views on specific topics and/or potential solutions.

- **Online feedback:** Government websites such as the Prime Minister's *1Malaysia* Blog and the Government Transformation website[15] also let us solicit feedback from the rakyat. Within one month of its launch, the Transformation website received about 500 comments and e-mails from the rakyat. All of their inputs were considered in the labs, and many were incorporated into various lab initiatives.

- **Open Days:** Open Days were held in Kuala Lumpur, Kuching and Kota Kinabalu to obtain the opinions of the rakyat on the outcomes of the NKRA and *1Malaysia* labs. The Open Days represented another new way for us to engage with the rakyat. In Kuala Lumpur alone, over 5,000 people attended the Open Day and over 1,000 pieces of feedback were received. All feedback and inputs were used to refine the ideas of the labs, which were subsequently incorporated into this roadmap.

15 www.transformation.gov.my

AN NILAI-NILAI
ASPIRASI
Menerapkan nilai-nilai aspirasi yang perlu dimiliki dalam sebuah masyarakat progresif dan dinamik. Ia akan memacu negara ke arah mencapai status negara maju. Nilai-nilai aspirasi turut membantu dalam mewujudkan tenaga kerja yang berdaya maju dan mampu bersaing dalam persekitaran global. Keadaan ini seterusnya akan meningkatkan kedudukan ekonomi negara ke tahap yang lebih kukuh dan mantap.
Budaya Berprestasi Tinggi
Budaya Ketepatan
BUDAYA BERPRESTASI TINGGI
BUDAYA INOVASI
BUDAYA KETEPATAN
KESETIAAN
myGOV
BLESS
e-Syariah
e-HASIL

Chapter 6

Reducing crime

"Crime affects all Malaysians, irrespective of race, religion, gender or income levels. To protect our loved ones, we have set ambitious targets to reduce crime levels significantly for which I, as the Lead Minister, am accountable for delivering. Achieving these targets will require concerted efforts by all law enforcement agencies and also the help of community members. While we are starting to see some positive signs at the nationwide level for street crime, we have much more to do to create a Malaysia where the fear of crime is substantially reduced. I humbly ask that all Malaysians join hands with all the agencies involved in fighting crime at all levels such that we can all live in a safer nation."

Dato' Seri Hishammuddin bin Tun Hussein, Minister of Home Affairs

Reducing crime is a vital part of Malaysia's plans to become a fully developed country. Crime and the fear of crime impact people's quality of life, sometimes with devastating effect. Crime also has a substantial economic cost. In the United Kingdom for example, researchers at the Home Office estimated the cost of crime to be in excess of GBP 60 billion p.a., which is over 5% of GDP.

Crime impacts all Malaysians, irrespective of age, education level, gender, race, religion or wealth. In polls, the rakyat consistently identify crime as one of the top two issues that concern them.

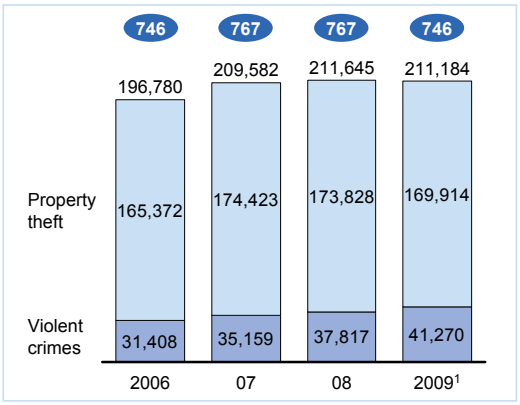
In recent years, crime rates have been high (Figure 6.1). The overall index crime rate[17] increased from 746 reported crimes per 100,000 people in 2006 to 767 in 2007, a rise of nearly 3%. The incidence of index crimes remained stable in 2008, and while early projections suggest it may have declined in 2009, more can be done to bring it down further (especially violent crimes, which are increasing).

17 Based on Index Crimes, as measured by the Royal Malaysian Police/Polis DiRaja Malaysia, PDRM

Figure 6.1

Overall index crime has increased in recent years

Reported index crime nationwide, 2006-2009



1 2009 figures projected based on Jan-Oct 2009 data

Source: PDRM

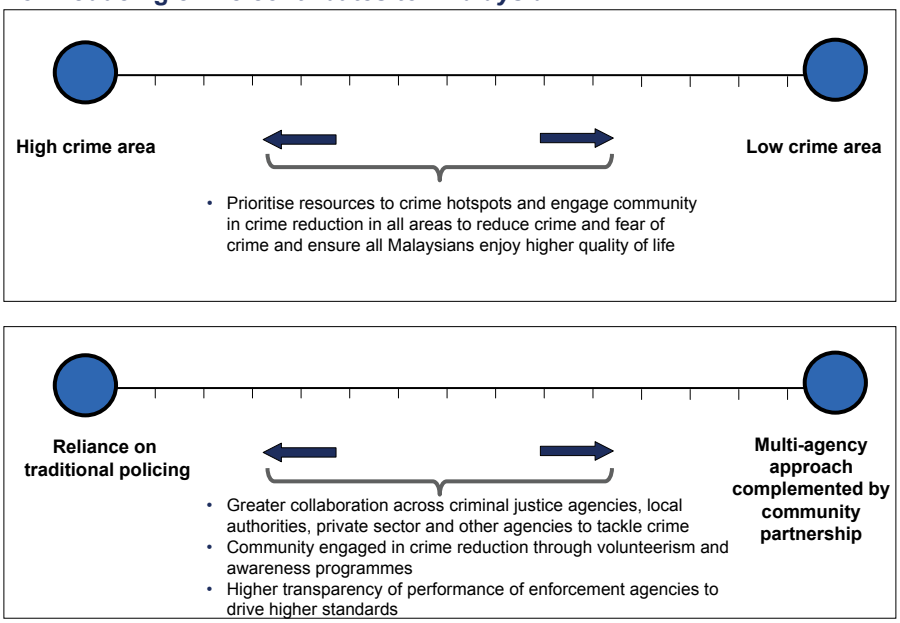
In light of the instance of crime and the importance to the rakyat of reducing crime, the Government selected this as one of the six NKRAs.

Reducing crime, and the fear of crime, requires us to address some polarities in Malaysia (Figure 6.2). Crime per capita varies considerably across the country and so too does the impact crime has on the rakyat's quality of life. Given our limited financial resources, we cannot rely on a traditional response to crime, where the police are solely responsible for crime reduction. While the police have an absolutely vital role, a new approach is needed.

We must actively involve multiple agencies across the criminal justice system and other parts of national and local government as well as the private sector. Critically, our new approach must also be based on much more community participation in crime reduction. All of this needs to be conducted transparently, so that the rakyat can witness our combined success in reducing crime.

Figure 6.2

How reducing crime contributes to *1Malaysia*



6.1 We plan to improve public safety and show results within the next 6–12 months

The aspiration of this NKRA is to improve public safety across Malaysia over the next two to three years and achieve visible results within the first 6 to 12 months. We plan to achieve results through targeted actions focused on delivering three outcomes:

- Achieving sustained reductions in reported index crimes, with a focus on street crimes, i.e., snatch theft, robberies without firearms and gang robberies without firearms (Section 6.2)

- Improving public perception of safety by promoting public participation and shared responsibility through volunteerism, especially amongst the youth and across races (Section 6.3)

- Driving operational excellence in the criminal justice system to build public confidence and strengthen professional pride across the system (Section 6.4)

Addressing crime as a whole will have the impact of increasing the sense of security felt by the rakyat in addition to enabling Malaysia to remain in the ranks of safe countries for tourism and business investments. The latter is especially crucial. The World Bank's Malaysia Investment Climate Assessment survey found that businesses are increasingly concerned about crime, theft and disorder. For instance, the proportion of service firms who indicated that the problems were severe increased by 12% between 2002 and 2007.[18]

In October 2009, we established a Crime Lab bringing together agencies from across the criminal justice system and from wider government (Figure 6.3).

18 Malaysia Economic Monitor, November 2009

Figure 6.3

Crime Lab brought together over 30 representatives of various ministries, agencies and GLCs in October 2009

NON-EXHAUSTIVE

In total, over 30 representatives from relevant ministries and agencies, as well as the private sector, worked together to set ambitious targets for reducing crime in Malaysia. These targets were supported by strategies focused on the three desired outcomes, and detailed implementation plans were developed to achieve them.

6.2 Reducing overall reported index crimes, with a focus on street crime

As described above, reported index crimes have risen since 2006 reducing our quality of life and increasing the overall economic costs of crime.

Experience from the UK, the USA and elsewhere shows that significant reductions in crime are possible. In the UK, overall crime levels have fallen by over 30% since 1995. In major American cities, such as Washington, Chicago and New York, crime rates have fallen by up to 50% since the early 1990s. It is especially important to focus on street crimes – snatch thefts, robberies without firearms and gang robberies without firearms. These crimes are traumatic in nature and have a significant impact on people's perception of safety and therefore on their lifestyles. Fear of crime may prevent people from going to certain urban areas and in some cases may make people afraid of leaving their homes in the evening.

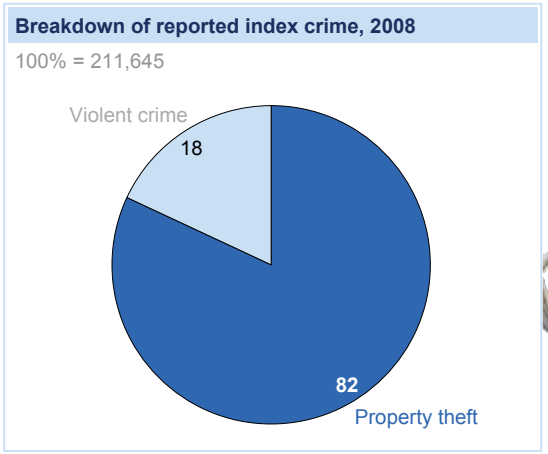
Our target is to achieve at least a 5% reduction in overall reported index crime every year for the next three years. However, as we intend to focus on street crime, we are aiming for even faster results – a 20% reduction in reported street crimes by December 2010.

6.2.1 Reducing overall reported index crime

Index crime in Malaysia refers to 14 types of crime that occur with sufficient regularity and significance that they collectively serve as a meaningful index to the overall crime situation. Index crimes are divided into property theft and violent crimes, with property theft contributing 82% of all reported index crimes, as shown in Figure 6.4.

Figure 6.4

Property crime makes up most of overall index crime



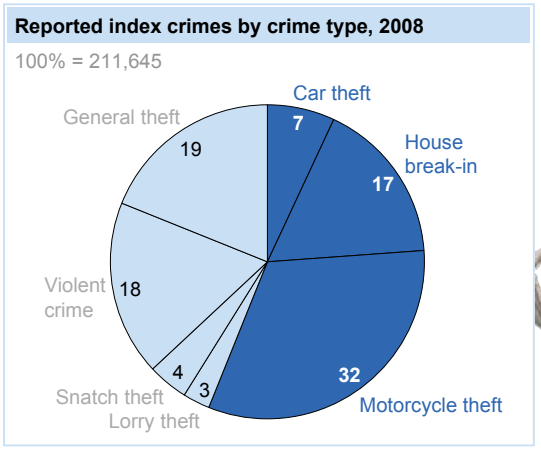
Note: 2009 data Jan-Dec figures projected based on Jan-Oct 2009 data

Source: PDRM

Motorcycle thefts, house break-ins and car thefts collectively contribute to approximately 70% of all reported property theft crimes and 56% of all index crime (Figure 6.5).

Figure 6.5

Car theft, house break-ins, and motorcycle theft contribute to 56% of total reported index crimes



Targeted actions to reduce these three types of crime, complemented by other comprehensive initiatives, are expected to reduce overall index crime by at least 5% by the end of 2010. We have shortlisted five initiatives to contribute towards this target:

- Employing stakeouts for motorcycle theft, car theft and house break-ins: The objective of these stakeouts is to enable the police to catch criminals red-handed and eventually break the rings or syndicates that are benefiting from these crimes. Stakeouts have proven successful in many countries, for example in the UK, where 57% of police forces employ similar tactics to reduce motor vehicle theft.

- Improving security features for motorcycles, cars and houses: These initiatives intend to promote a sense of shared responsibility among owners so that they take the necessary actions to protect their property from theft. The initiatives include promoting special locks (U-Locks) for motorcycles, an initiative that was successfully implemented in Japan.

- Encouraging proportional insurance premiums: To reward owners who invest in improved security features, insurers will be encouraged to adjust insurance premiums (and potentially the sum insured) according to the security features installed. This could mean lower premiums for owners depending on the security features they install in their cars, motorcycles and houses.

- Eliminating illegal workshops: Local authorities will be encouraged to step up enforcement against car and motorcycle workshops operating illegally as conduits to black marketers of cannibalised spare parts, such as carburettors.

- Increasing availability and usage of mobile access devices: The PDRM has invested in mobile access devices that enable police officers on patrol to check a vehicle's ownership status via a link to Jabatan Pengangkutan Jalan's (JPJ) vehicle registry. However, these devices are limited in number, thus impeding PDRM's ability to quickly detect and trace stolen vehicles. Increasing the availability of these units and ensuring that JPJ's system is operational around the clock will improve the effectiveness of the PDRM.

6.2.2 Reducing street crime

In the Malaysian context, street crimes encompass three index crime types, namely snatch theft, individual robbery without firearms and gang robbery without firearms. There are about 35,000 recorded street crimes every year, which is about 17% of total reported index crimes. Street crime is of increasing concern in Malaysia, in particular snatch theft. This has been reflected extensively in the mainstream media and by bloggers, mainly due to the traumatic impact on the victim and their families.

> "People don't get so upset about motorbike theft … snatch theft and robberies, these traumatic crimes, increase the fear that they or their family could get hurt"
>
> (Senior police officer)

Research and analysis have revealed some key facts about street crime:

- Four states account for over 70% of street crimes: Kuala Lumpur, Johor, Selangor and Penang

- About 30% of all street crimes were snatch thefts

- Drugs played a major part; almost 50% of those arrested for snatch thefts were hardcore drug addicts

- 83% of snatch thefts were committed by motorbike riders

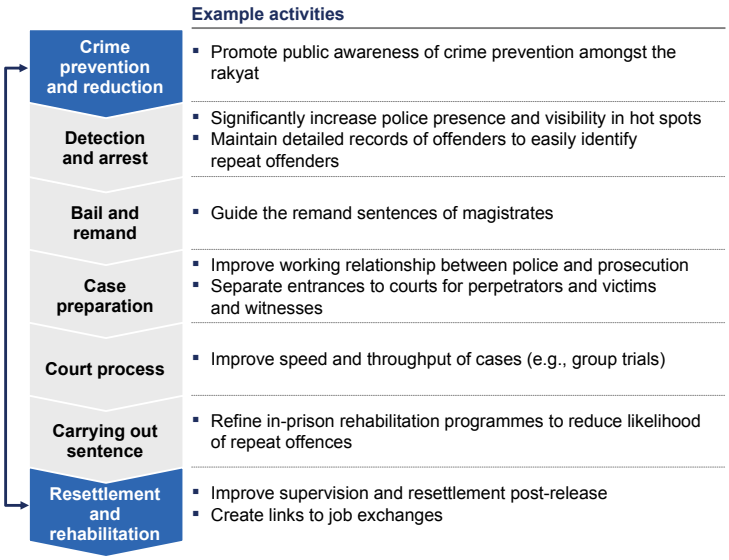
- More than 87% of those arrested for snatch thefts were Malaysians – less than 13% were foreigners

- 87% of the victims were female

In August 2009, we launched a comprehensive initiative to reduce street crime by 20% by December 2010 (Figure 6.6). It is focused on the four states where the crime is most concentrated. The initiative acts at every stage of the criminal justice system from crime prevention through to resettlement of offenders.

Figure 6.6

Concerted action across the criminal justice system is needed to truly make a difference



This kind of comprehensive approach to reduce street crime was successfully implemented in the UK. Street crime had risen dramatically through late 2001 and early 2002. In response, then Prime Minister Tony Blair launched and led the Street Crime Initiative, involving all the criminal justice agencies – police, prosecutors, courts, prison and probation service. Many other government departments participated, including Education, Culture and Sport, Transport and local government. This holistic approach was successful – it quickly reversed the rise in street crime, which fell by well over 20% by the end of 2003.

We have drawn some lessons from the UK experience, but we are tailoring the initiative to reflect Malaysia's situation and the intelligence we have gathered. We have already launched four main initiatives in our battle to reduce street crime.

- **Police omnipresence**: The police have identified 50 hot spots in the four states and are ensuring they are omnipresent in these areas. This is an initiative that received strong support from the rakyat during the Open Days. We are working to strengthen the capacity of the police by deploying volunteers from Ikatan Relawan Rakyat Malaysia (RELA) and Jabatan Pertahanan Awam (JPAM) who have been specially selected and trained. The volunteers will be unarmed and will patrol only when accompanied by PDRM officers. We will have over 3,000 trained volunteers in place by June 2010.

- **CCTVs in hot spots**: Almost 500 closed-circuit televisions (CCTVs) are being placed in hot spots to deter criminals and to enable the police to identify offenders. Many of these will be linked to district control rooms to enable a rapid response.

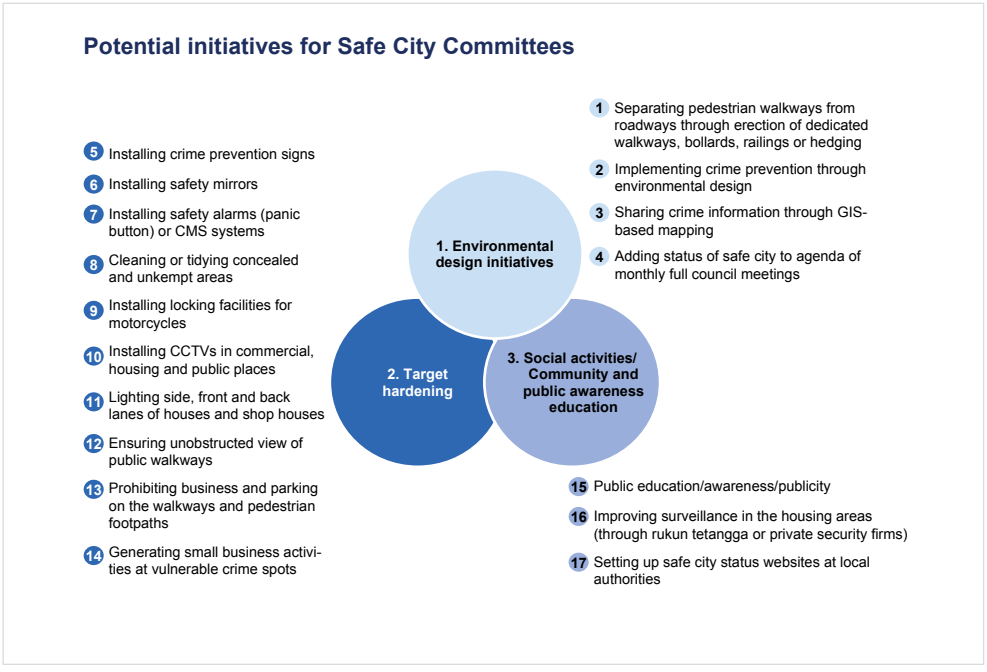
- **Special courts for street crimes**: Cases of street crime are now subject to new procedures using a special code (J Code) between the police, Attorney General's Chambers and Courts so that they can progress to trial quicker.

- **Community sentences to deter reoffending**: Minor and some first-time offenders will be subjected to tough community sentences that are designed to rehabilitate them as well as punish them for their crimes, so that they are less likely to reoffend.

In addition, we will launch five broader efforts to create environments that are less conducive to crime, help convicted criminals reform their behaviour and focus attention on drug users and the drug supply chain:

- **Partnerships at local level to reduce street crimes** will be established through the Safe Cities Programme (SCP). The SCP will bring together the PDRM, local councils (Pihak Berkuasa Tempatan, PBT), National Anti-Drugs Agency (Agensi Anti-Dadah Kebangsaan, AADK), Welfare Department (Jabatan Kebajikan Masyarakat, JKM) and other relevant bodies to tackle local problems with localised initiatives. Practical actions will include erecting railings or bollards to separate pedestrians from passing motorbikes. A full list of potential initiatives is set out in Figure 6.7.

Figure 6.7



- **Improving in-prison rehabilitation programmes and introducing post-release resettlement programmes** – About 25% of Malaysian prisoners are repeat offenders. This indicates that we need to review existing rehabilitation of prisoners and increase support to ex-prisoners as they attempt to start a new life. One action will be to separate first-time offenders in prisons from hardcore or repeat convicts to reduce undue negative influences. In addition, job placement schemes will help ensure that ex-convicts have a legal way to support themselves upon release.

- **Transforming drug treatment and rehabilitation programmes** – Drug treatment and rehabilitation are especially crucial given that more than half of street crime offenders are believed to be drug users. A triage rehabilitation centre (PUSPEN) will identify and separate drug users according to their type of addiction and treatment needs. The triage process will be supported by treatment centres that specialise in relevant treatments for different types of addiction. Lastly, NGOs will be encouraged to scale up operations by running selected PUSPEN or halfway houses, enabling them to apply their vast experience and relatively higher rehabilitation rates to a larger number of drug users.

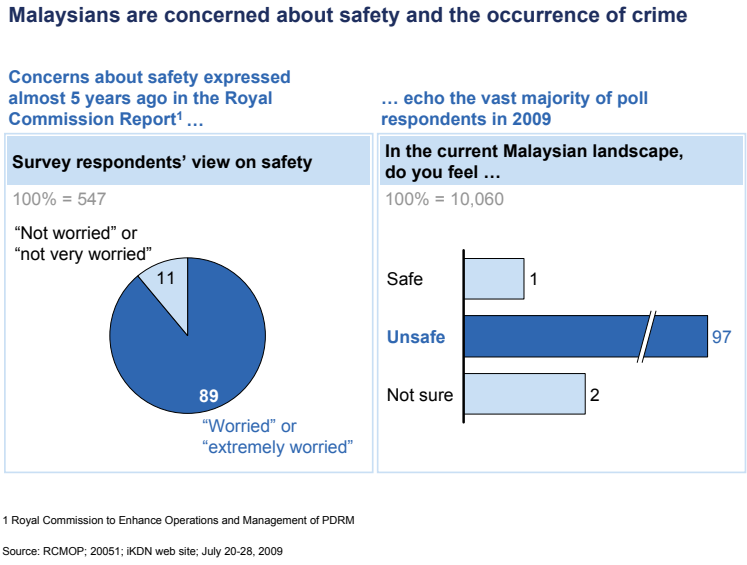
- **Suppressing psychotropic drug supply** – The PDRM will step up enforcement to ensure that legal sources of psychotropic drugs (often combined to create illegal substances) are not abused. Specific actions include reviewing import quotas of psychotropic substances, regulating sale and consumption of precursors[19] and increasing data surveillance and monitoring systems.

- **Improving monitoring of Orang Kena Pengawasan[20] (OKP)** involves linking existing PDRM and AADK databases to ensure seamless data sharing and improve surveillance over OKP. In addition, clearing the backlog of OKP and assigning full responsibility for monitoring OKP to the AADK will allow for better local monitoring. Lastly, amending the Drug Dependents Act 1983 to make non-compliance a seizable offence will also reduce the time taken to arrest non-compliant OKP, as no warrant will be necessary.

6.3 Improving public perception of safety, especially through volunteerism

Current high levels of concern about crime have existed for some years, as the results of the surveys in 2005 and 2009 in Figure 6.8 show.

Figure 6.8



19 Here, precursors are chemicals used in the manufacture of illegal substances
20 Orang Kena Pengawasan are drug users under surveillance

Yet even if we can reduce crime, we must counter the public perception of the level of crime, which can remain unchanged and can sometimes even worsen while absolute crime figures are decreasing. Increasing the public's participation in crime awareness and prevention activities contributes towards increasing their general awareness and improving their sense of security.

Other countries have shifted towards more community-based policing. This is in part because it helps reduce crime, but also because it reduces the fear of crime. Examples of this include the neighbourhood policing programme in the UK, where every neighbourhood has a dedicated team of police officers and community support officers. In the USA, a number of police departments have introduced innovative ways for the general public to communicate with the police including public meetings and online forums. Such interactions let the public share their local priorities, which enables the police to respond accordingly, and keep the community updated on the police's actions and its achievements.

This is an opportunity to build upon Malaysia's significant tradition of volunteerism, from Rukun Tetangga schemes to organised volunteer programmes such as JPAM and RELA. This would not only bolster the capacity of the police service, it would also involve more of the rakyat in efforts to reduce crime.

RELA membership now stands at over 600,000, while membership of JPAM has grown from 28,000 in 2004 to over 67,000 in 2009. However it is important that these organisations reflect the diversity of the rakyat, e.g., recruit more non-Bumiputeras.

We will also be launching an independent survey to measure and monitor the public's perception of safety. Once the current levels have been quantified through this survey, we will set a target to improve the perception of safety every year for the next three years up to 2012.

Increasing the rakyat's sense of safety, encouraging volunteers and communicating with the rakyat on crime comprise our strategy to reduce the fear of becoming a victim of crime and improve the public's perception of safety.

6.3.1 Increasing the rakyat's sense of safety

Our efforts to reduce the fears of the rakyat encompass boosting the street presence of the police, by putting senior police officers back on the beat, ensuring the police engage with the public while on the beat and deploying more enforcement personnel in crime hot spots.

- **High profile policing** involves senior police officers (ranked Inspector and above) participating in walkabouts in commercial areas, streets and residential areas. Dressed in full uniform, they will patrol together with beat policemen for at least three hours a week. Their presence will help reassure the rakyat about the commitment of the PDRM's senior leadership to tackle crime. In addition, it will motivate regular beat policemen, who will see their superiors actively involved at the sharp end of policing. Participation in these patrols may also be considered in senior officers' performance appraisals.

- **Stop and Talk** – All mobile police vehicles (MPVs) and Community Police (Polis Masyarakat, POLMAS) will stop and talk to people on the ground for 10–15 minutes of every hour during regular patrols. Talking to the public includes gathering information, getting feedback and providing information, e.g., sharing flyers with crime prevention tips or local police contact details. This will give the general public more opportunities to raise concerns with the police and get to know their local officers. It will also build the rakyat's trust in the police, helping to address the feedback received from some of the rakyat during the Open Days that they fear and mistrust the police.

- **Refinement and expansion of Feet on Street programme** – Police, supported by volunteers, will patrol in hot spots to deter criminals and reassure the general public. A special programme will be implemented through the Police Volunteer Reserve (PVR), which will absorb members of the RELA and JPAM to participate in regular patrols, thus increasing police omnipresence. The initiative will also be expanded to include the auxiliary police and the SUKSIS (Undergraduate Police Voluntary Corps).

6.3.2 Encouraging volunteers

Rakyat who volunteer to help the police fight crime will naturally feel more in control of their environment. Here we plan to expand current schemes, such as Skim Rondaan Sukarela and Rakan Cop, and work with groups, such as Residents' Associations (RAs) and Rukun Tetangga, to harness the energies of their members into fighting crime.

- **Skim Rondaan Sukarela (SRS)** is a voluntary community activity under Rukun Tetangga with active involvement from local residents who patrol their own neighbourhoods. Membership is open to all local male residents. Patrolling will be conducted at night from 10 PM to 6 AM in two shifts. JPNIN will allocate vests and operational equipment as well as insure members while on duty as an incentive to increase participation.

- **Expansion of Rakan Cop**, an existing scheme where people register for membership by SMS, and then act as the eyes and ears of the police. The public can then inform the police of criminal incidents or suspicious behaviour via SMS. This scheme will be expanded through broad promotions to encourage greater enrolment and educate people on the type of information that is useful for the police.

- **Crime-Free Day** is a new initiative involving a joint effort by PDRM and RAs to reduce crime and educate the public on the importance of getting involved in crime prevention. It will help show the public that the police are serious about reducing crime and encourage their participation. In addition, there will be talks and exhibitions on preventing crime by PDRM and NGOs such as the Malaysian Crime Prevention Foundation (MCPF). Such interactions between the police and the rakyat were well received by visitors to the Crime booth during the Open Days. Figure 6.9 is an example of what a Crime-Free Day might involve.

Figure 6.9

- **1 Household, 1 Volunteer** is the idea of having one volunteer in every household to help reduce the public's fear of becoming a victim of crime. Programmes will be conducted locally to increase the number of participants. We will launch a pilot project in January 2010 in selected places, e.g., FELDA schemes, supported by media campaigns to encourage awareness.

- **Crime Awareness Team (CAT)** will harness the power of the almost 1.5 million young people who are members of youth groups. Teams of young people aged 15 to 25 years will be provided with leadership skills training and encouraged to learn about community safety and policing issues in their districts.

- **Rebranding of RELA through Skuad Muda RELA**, which is an initiative to attract more people aged 15 to 40 years to join RELA. The Ministry of Youth & Sports' Youth Division and RELA will collaborate to select suitable willing candidates to undergo seven-day basic RELA training. After training, successful candidates will be invited to join RELA. Trainees older than 18 years with the highest potential and interest will be invited to become part of RELA's Police Volunteer Reserve (PVR).

6.3.3 Communicating with the rakyat on crime

Increased communication about crime prevention and crime enforcement across a variety of broadcast and interactive media will help the rakyat to reduce its fear of crime, engage with the PDRM directly and reduce its susceptibility to criminal acts. Regular surveys on fear of crime will be conducted and published.

- **Media engagement** involves active collaboration between the PDRM and media agencies, covering radio/TV, print and online media. The PDRM's Public Affairs Officers will collaborate with the Information, Communications and Culture Ministry (Kementerian Penerangan, Komunikasi dan Kebudayaan, KPKK) and media agencies to inform the public of ongoing and special initiatives. Notable successes achieved by the PDRM will be publicised, thus increasing public confidence and boosting the PDRM's morale.

- **Fear of Crime Survey** is an independent survey commissioned twice a year to measure the fear of crime across Malaysia, starting with the baseline survey launched in mid-November 2009. Survey results will be published to encourage the public's reactions and suggestions for improvement.

6.4 Improving performance across the criminal justice system

A more effective and efficient criminal justice system would ensure that offenders are charged and sentenced in a timely fashion, thus deterring other would-be offenders. This is especially important for violent crimes. Our analysis shows that there is a backlog of over 6,000 violent crime cases and that this is increasing at the rate of almost 1,000 per year. Not all of these cases will result in a conviction – the defendant may be innocent or there may be insufficient evidence to prove guilt beyond reasonable doubt. However, we need to clear this backlog.

We will launch an initiative to get the key criminal justice agencies working together to clear this backlog and bring more violent crime offenders to trial. Our target is to reduce the backlog to about 1,000 cases. This will mean an additional 2,000 violent crime offenders being brought to trial by December 2010.

At the same time, improving public satisfaction of police performance will instil a renewed sense of pride and purpose within the police force and help increase confidence. We will be publishing league tables of station performance against the overall index crime rate and the change in crime rate. The highest performers will be rewarded, and the lowest performers will be provided with the support needed to improve their performance and closely monitored until their performance improves.

In addition to these two initiatives, we will also commission an independent survey to measure public satisfaction with the police service, which will enable us to monitor how satisfaction improves over time. Once the baseline survey has been completed and we know what the current levels of satisfaction are, we will set a target to improve satisfaction every year until 2012.

While the above three outcome areas are important to address crime in Malaysia, they are just a start. Other supporting programmes are still needed to address the root causes of the crime problem we face today. Hence, in the medium-to-long term, we will implement even more initiatives to increase operational efficiency of the police force, encourage more public participation in crime reduction and further improve the end-to-end performance of the criminal justice system.

6.4.1 Increasing the number of violent crime offenders brought to trial

Arrests and convictions for violent crimes are surprisingly low (comprising murder, rape, robberies with and without firearms by gangs or individuals and assault). For example, only 9% of arrested offenders are eventually charged in court. This is largely due to sharp drops in the number of cases as they progress through the criminal justice system, from reports lodged to arrests of suspects, charges made in court and cases tried.

Some of the reasons for the low rate of convictions from reported cases include:

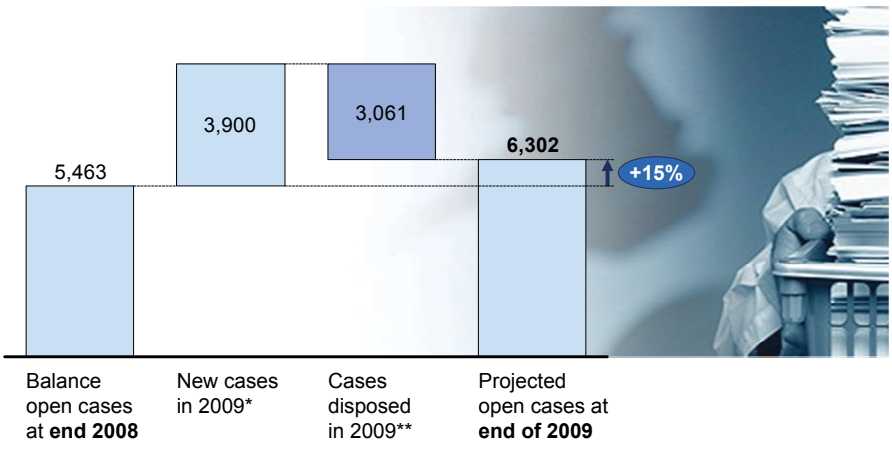
- Inability to trace the offender due to insufficient intelligence gathered or physical evidence obtained
- Incomplete reporting and investigation, largely attributed to the high ratio of cases handled by Investigating Officers (IOs)
- Investigation Papers (IPs) not being processed until it is too late to seek clarification or additional evidence, due to high case loads handled by Deputy Public Prosecutors (DPPs)
- Large backlogs in the court system, often due to cases being postponed because witnesses either disappear or become reluctant to testify, mostly due to overworked IOs, who are responsible for witness management.

At the end of 2008, more than 5,000 active cases were pending trial. At current rates, by the end of 2009 the backlog of active cases is expected to rise by at least 800 cases to over 6,000 cases (Figure 6.10). In addition, largely due to insufficient evidence, nearly one third of cases result in a verdict of DNAA (discharge not amounting to acquittal). As this verdict means that the charge can be reinstated if new evidence arises, it is merely a postponement of justice and does not act as a deterrent.

Figure 6.10

Backlog of court cases will increase by around 840 in 2009

Number of violent crime cases and discharged cases in Malaysian court system, 2009



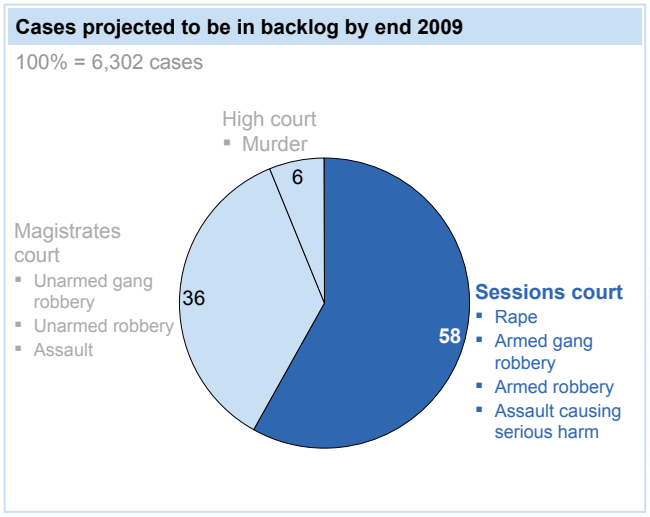
* Around 75 cases per week
** Around 58-59 cases per week, including DNAA, acquittal and conviction

SOURCE: Courts

This issue is more acute in Sessions Courts that deal with cases of rape, robberies with firearms and serious assault, as seen in Figure 6.11.

Figure 6.11

A majority of the cases projected to be backlogged by end 2009 are in the Sessions Courts



Source: Courts

To increase the number of violent crime offenders brought to trial, we have devised comprehensive initiatives around upgrading detection and investigation capability, improving prosecution quality and expediting court dispositions.

- **Reduce ratio of investigating officers to investigation papers** to 1:5 per month – The current number of IOs investigating criminal cases is too high (interview data indicate a minimum of 1:20 per month), which is further compounded by non-core tasks that could affect investigation quality. Increasing the number of IOs by widening the pool (e.g., bringing back retired high-performing IOs) will reduce the ratio. A bigger pool will also enable greater specialisation in the long run, as IOs would have the opportunity to specialise in certain types of cases.

- **Develop standard operating procedures for violent crime cases** to ensure that IOs gather all the necessary evidence, thus increasing the chance of prosecution.

- **Enhance collaboration between the PDRM and the Attorney General's Chambers** during investigations so that IOs receive sufficient guidance from the DPPs as to the evidence required to charge for an offence. In addition, supervision from DPPs and senior IOs will ensure the quality of investigation remains high.

- **Accelerate the bill on Criminal Procedure Code (CPC) amendments**, including those to implement plea bargaining and tendering of witness statements, to speed up the pace of prosecution. Accelerating prosecution will greatly help to reduce the backlog of violent crime cases by reducing trial time.

- **Enable specialised DPPs for trial and clearing IPs** – DPPs today perform two major tasks: clearing IPs and handling trials. Enabling specialised DPPs to only handle trials will reduce the overall DPP workload and enable them to develop

expertise in conducting trials, thus improving the overall effectiveness of the prosecution.

- **Create a Flying Squad** – A specialist team of high-performing judges and magistrates will be sent to areas with many unsettled cases of violent crime. These judges will help reduce the backlog to a manageable level by applying their experience and expertise to dispose of cases quickly.

- **Add more courts to hear violent crime cases** to further increase the pace of processing violent crime cases. Judges with relevant expertise will enable speedier disposition of cases, increase the likelihood of bringing offenders to justice and ensure that innocent accused persons are not remanded needlessly.

- **Expand the court recording and transcribing system** to improve operational efficiency of the courts as proceedings will be recorded by typists or transcribers and immediately digitised. Judges can quickly approve the trial notes, which can then be distributed to the lawyers, saving time and expediting trial completion.

- **Improve witness management** – In many instances, trials are delayed or unable to proceed as witnesses are not traceable or do not attend court. Some of the reasons for this include frequent delays in trial schedules, witnesses unable to claim expenses for attending trials and discomfort with publicly disclosing evidence or undergoing cross-examination. Targeted initiatives to increase the level of comfort of witnesses, e.g., separate entrances to prevent intimidation by the accused, as well as dedicated units handling witnesses in the PDRM will help reduce the frequency of witness no-shows. These initiatives will thus help expedite case disposition as well as reduce the number of DNAA verdicts.

6.4.2 Improving public satisfaction with the police

Interactions with individual police officers greatly influence the public's perception of PDRM as a whole. Public opinion is also formed through other types of exposure, e.g., word of mouth and mass media. There is currently no comprehensive assessment of public satisfaction with the police or of customer service, such as treatment received at police stations and timeliness of response to distress calls. We therefore launched an independent survey to gauge current public satisfaction with the police force. This survey will be repeated every six months to monitor changes in public satisfaction as our improvement initiatives get underway.

A review of the first survey results and five other studies[21] revealed that public satisfaction with the police is largely driven by three elements:

- Response time to a distress call

- Ease of making a police report

- Effectiveness in addressing crime

Based on these elements, we devised initiatives to help increase the public's satisfaction with the police. These initiatives are a combination of measures to ease public interactions with the police, enable the police to help the public more effectively and motivate the police to improve overall performance by ensuring their well-being and offering performance-linked incentives.

- **Implement first response via motorbike** so that police can arrive quickly at crime scenes. This initiative builds on existing efforts that are seeing early

21 Royal Commission on Police (March 2005); Public Complaints Bureau Data 2006-09; UKM Survey (2007); MCPF Survey (October 2007); PDRM feedback forms (2007-09); MAMPU Star Rating (November 2008)

positive results in some major property developments (e.g., Ara Damansara by Sime Darby), where police patrols use motorbikes in secluded areas and back lanes, which are often susceptible to crimes.

- **Provide triage and counselling services at police stations** to enable urgent and immediate attention to be given to traumatised people upon arrival. Staffed by plain-clothes personnel (to provide assurance and not intimidate victims), these personnel will determine the nature of the crime being reported. Priority will be given to traumatic cases (e.g., victims of rape, assault and snatch thefts) with the necessary follow-up counselling.

- **Let the public report crimes to policemen on patrol** to make it easier for the public, by reintroducing the POL55, which allows uniformed personnel to take police reports manually. Steps will be taken to ensure that these reports are recorded into the Police Reporting System (PRS) immediately and are not misplaced or lost. Besides increasing convenience, it is hoped that this will help police gather more intelligence as people can more easily approach a policeman on regular patrol than go to the police station.

- **Fast-track the integration of the PRS and CARS** – It is a little known fact that the current Police Reporting System (PRS) for crime and general reporting is not linked to the Car Accident Reporting System (CARS), thereby preventing the public from reporting accidents at police stations. We have recently begun to merge these two systems, and expect that by April 2010, all police stations will be linked to the CARS.

- **Form CID teams at selected stations** – Currently, Criminal Investigation Department (CID) teams are located at district police headquarters (IPD). As a result, victims often have a long wait before an IO is available to meet with them, discuss their case and begin investigations. One way to mitigate this delay is to establish specialised CID teams at stations where many crimes are reported (tentatively all A Grade stations, starting with 42 hot spots). These locally situated CID teams will be able to respond quickly to victims and dispose of cases reported at a station.

- **Accelerate civilianisation of the police force** – In line with the concept of focusing police on policing, the civilianisation of PDRM is critical. As far back as March 2005, the Royal Commission on the Operations and Management of the Police Force suggested that up to 30% of jobs in the police force could be handled by civilians, thus freeing up trained personnel to prevent and reduce crime. Initiatives to increase the number of civilians in the police force are underway, but need to be accelerated. Hence this initiative will track the processes necessary to ensure that the civilianisation happens on or ahead of schedule and to help address issues that may delay it.

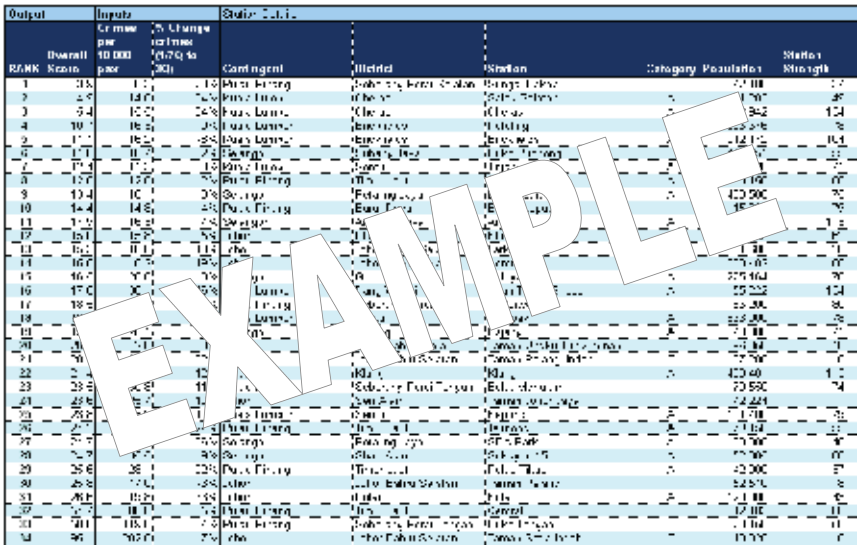
- **Supplement existing workforce with auxiliary police (AP)** so that some tasks currently performed by police can be taken over by semi-skilled personnel, e.g., escorting VIPs, beat patrols and taking initial reports from victims and witnesses. Government-linked companies (GLCs) that currently hire and manage their own AP forces have volunteered their support so that the PDRM can free up fully trained police personnel for other duties

- **Increase the well-being of the police** – The demands made on police personnel to reduce crime and ensure public satisfaction must be supported by initiatives that enable them to live comfortable lives and perform their duties without fear or favour. An important way to achieve this is by improving their overall well-being. Some of the methods being considered include providing adequate housing and allowances (geography-based), counselling services and potentially insurance policies to support and protect their families (e.g., life and disability insurance).

- **Publish station league tables** – One of the ways to motivate the police into improving performance is by publishing data that rank each station on the three broad dimensions of public satisfaction – response time, ease of making a report and effectiveness in reducing crime. This was another initiative that proved to be very popular with visitors to the Crime booth at the Open Days. The league tables (example in Figure 6.12) will be published quarterly, with results used to facilitate discussions with each station on its performance levels and give the support needed to improve its performance. Incentives and consequences for performance will also be introduced at the station level to motivate good performers.

Figure 6.12

Station league tables will be developed to motivate police personnel and therefore drive public satisfaction



- **Conduct independent survey to track public satisfaction** – We will commission an independent survey every six months to gauge public satisfaction with the police force based on their interactions with police on the street and in the stations and as passers by, witnesses and victims of crime.

6.5 We commit to the following NKPI targets to reduce crime

The initiatives and outcomes expected in 2010 are described in Table 6.1.

Table 6.1: NKPIs and targets for Crime

Focus area	KPI	2010
Reduce overall reported index crime with a focus on street crime	• Reduce overall reported index crimes • Reduce reported snatch thefts and robberies	• 5% reduction from 2009 • 20% reduction from 2009
Improve performance across the criminal justice system	• Increase number of violent crime offenders successfully brought to trial	• 2,000 increase from 2009

Besides the above KPIs, we also aim to improve the public's perception of safety and increase public satisfaction with the police on customer service elements. Baseline surveys are being conducted to help determine targets for these measures, which will be announced in Q1 2010.

6.6 We report early progress on initiatives to reduce street crime

Our initiative on street crime launched at the beginning of August 2009 has already achieved a lot:

1. Police omnipresence

- 50 hot spots were identified in Kuala Lumpur, Selangor, Penang and Johor
- 1,100 Pasukan Gerakan Awam (PGA) personnel were mobilised in Kuala Lumpur and Selangor until the end of 2009
- Almost 400 RELA/JPAM personnel were trained and deployed in Kuala Lumpur and Selangor in August and September 2009; about 280 personnel were trained and were deployed in Penang and Johor in October and November 2009
- Federal Reserve Unit (FRU), K9 and auxiliary police were also deployed to patrols
- 24 Balai Polis Bergerak were assigned to selected hot spots daily

2. CCTVs in hot spots

- 496 CCTVs were approved in principle for installation across Malaysia, of which 288 will be installed in Johor, Selangor and Penang by April 2010
- DBKL agreed to install 123 CCTVs in 2009 and 2010, of which 23 were installed

- 59 existing CCTVs and 23 newly installed ones were linked to the PDRM in Kuala Lumpur; 100 more are to be installed and linked by June 2010

3. Special courts for street crimes

- Attorney General's Chambers and the courts agreed to implement a special code for street crimes (J Code)

- Federal Court gazetted the use of J Code in circular dated 19 August 2009

- Street crime cases were gradually classified under J Code; of 50 arrests in August 2009 across the four hot spot states, 15 cases were filed under J Code.

4. Community sentences to deter reoffending

- The Prisons Department began drafting standard operating procedures to use the Compulsory Attendance Act 1954 for street crime offenders, which allows sentences such as community and vocational works outside prisons, under the supervision of the Prisons Department, for less serious and some first-time offenders.

6.7 We will expand successful programmes and refine the others

The initiatives described in Section 6.3 and our targets in Section 6.4 represent a very ambitious programme, in line with the methodology employed for the overarching Government Transformation Programme. Not all of them will show success quickly, and we will need to adapt them and introduce new ones as implementation progresses. Successful initiatives will warrant expansion and acceleration.

Our immediate priority is to successfully launch these initiatives. We are working hard to make that happen by creating a number of new teams based in KDN to drive the implementation.

Implementation will require great, concerted efforts from all levels of the criminal justice agencies: national, state, district and neighbourhood. It will also require the successful engagement of the rakyat. Only then will we achieve our aspiration to improve public safety across Malaysia for all Malaysians.

6.8 The rakyat's involvement in fighting crime is critical

There are many ways for the rakyat to get involved in reducing crime. Individuals can join Rakan Cop by sending it an SMS (send "RC<your state> DAFTAR<your name>" to 32728). Alternatively, they can join a voluntary group such as RELA, JPAM or SUKSIS to increase the number of volunteers available to support the police in patrolling and other duties. Lastly, being an active member of a neighbourhood Residents' Association or Rukun Tetangga will help the rakyat to build closer relationships with their neighbours so that they can look out for each other's property and personal safety. Reducing crime is a collective responsibility – let us all play our part.

Chapter 7

Fighting corruption

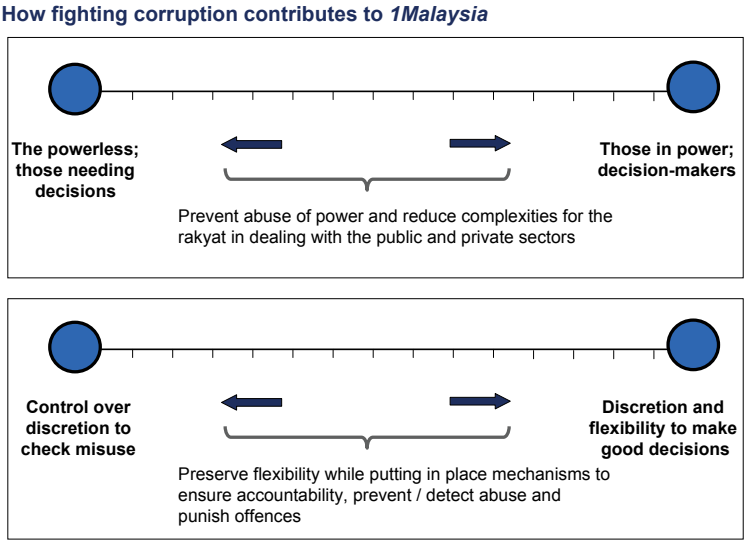
"Malaysia's corruption ranking, according to Transparency International, has slipped this year to number 56. Although creating a corruption-free nation will not be easy, it is clear that we can be much more transparent, accountable and action-oriented as a government. I will be accountable for executing our plans and delivering our targets as described in this chapter and am seeking the support of all Malaysians to work together with me and my team in making this happen."

(Dato' Seri Mohamed Nazri bin Abdul Aziz, Minister in the Prime Minister's Department)

7.1 Corruption imposes significant costs on Malaysia

Corruption is inconsistent with the moral, ethical and religious values of the majority of Malaysians. It introduces procedural and financial complexities in the daily lives of the rakyat, contributes to socio-economic imbalances and erodes Malaysia's value system. Fighting corruption largely involves managing the polarity between those who are powerless and needy and those with power and discretion in decision-making positions (Figure 7.1).

Figure 7.1



Besides the social costs, corruption also robs our nation of its wealth and resources. PEMUDAH has estimated that corruption could cost Malaysia as much as RM 10 billion a year, or 1–2% of GDP, when business decisions (e.g., contracting, human resourcing) are made for the wrong reasons. Furthermore, erosion of confidence in our institutions by the public and the business community has contributed to our nation's competitiveness ranking (GCI) slipping significantly, from the top 21 most competitive nations in the world three years ago, to our current standing of 24.

For these reasons, fighting corruption has always been one of our priorities. In recent times we have taken what we believed were significant steps, including establishing the Malaysian Integrity Institute in 2004 to facilitate the implementation of the National Integrity Plan and upgrading the Anti-Corruption Agency to the Malaysian Anti-Corruption Commission (MACC) in 2009. We also set up a high-powered task force headed by Chief Secretary to the Government (KSN), Tan Sri Mohd Sidek Hassan, to study the 2008 Auditor-General's report and take action against those responsible for the financial irregularities it revealed.

Despite our efforts, however, Malaysia's performance has deteriorated – our ranking in the global corruption benchmark Transparency International's Corruption Perception Index (TI-CPI) dropped from 23 in 1995 to 56 in 2009. Surveys indicate that the rakyat are extremely dissatisfied with our performance in fighting corruption. For example, 67% of Malaysians polled by the 2009 Global Corruption Barometer Survey believed that the Government's actions in the fight against corruption were ineffective.

Therefore, given the urgency of the issue and what we have learnt from past efforts, we are going to do things differently in our renewed fight against corruption:

- Have aspirations which are measurable, outcome-based and internationally benchmarked

- Focus improvement efforts on the three areas most prone to corruption – regulatory and enforcement agencies, government procurement and grand corruption (political corruption).

- Use transparent KPI measures and targets to define success.

These will now be covered in turn.

The Case of Indonesia: Power of the People

Historically Indonesia has been overwhelmed by widespread corruption at all levels of government and civil society. In 2004, it ranked 133 on the TI-CPI, along with countries such as Angola, the Democratic Republic of Congo, Georgia and Turkmenistan. However, the new presidency in 2004 brought on a shift away from the acceptability of corruption within government, with the announcement of an ambitious anti-corruption action plan in December 2004.

The Aceh tsunami was a significant test of the Government's new anti-corruption stance. Historically the region was regarded as one of the most corrupt within Indonesia, compounded by a dominant military presence that made independent relief efforts difficult. Reconstruction of water and sanitation services in Aceh, estimated at USD 350 million, was at the mercy of limited political accountability, weak institutions and inadequate services, mismanaged utilities and a procurement process prone to corruption. The World Bank, in its 2005 report titled "Rebuilding a Better Aceh and Nias" noted that "keeping graft away from reconstruction funds will require a concerted, determined effort of vigilance and control, especially since the construction industry itself has been traditionally among the most prone to collusion, kickbacks and other leakages."[22]

Today, reconstruction and relief efforts in Aceh are regarded as an exemplary case of local, national, non-governmental and international efforts in dealing with a natural disaster.

Among the critical factors that contributed to the success of Aceh's reconstruction were community participation and oversight in reconstruction: from decision-making and village level planning, prioritising and monitoring to controlling finances – which ensured that there was oversight from those with an interest in ensuring that there were no leakages or abuses in the reconstruction efforts.[23]

"There has been a shift in public perception since 2004, where people perceived that they have a role to play in fighting corruption. Civil society groups and the public are monitoring the procurement process much more now than before" – Rezki Sri Wibowo (DSG, TI Indonesia)

Strong public support for the Corruption Eradication Commission (KPK) is also a key success factor of Indonesia's anti-corruption efforts. Public outcry over wire-tapped conversations – allegedly between members of the police, the Attorney General's Office and a businessman that involved plans to frame the KPK – resulted in the resignations of the deputy attorney general and the head of the national investigations unit.

In one of the largest movements since Reformasi, Indonesians came out in force to support the KPK (dubbed CICAK: Cinta Indonesia Cinta KPK) against the Attorney General's Office and the National Police when the latter detained the anti-graft body's top officials for bribery.

Active participation by civil society has improved the perception of corruption within the country. Transparency International's 2009 Global Corruption Barometer Survey found that 74% believed that the Government's actions were effective in the fight against corruption. In addition, Indonesia has moved up in the CPI rankings to 111 in 2009.

[22] World Bank, 2005, Rebuilding a Better Aceh and Nias

[23] "Anti-Corruption Efforts in the Post-Tsunami Reconstruction of Water and Sanitation Infrastructure and Services in Aceh, Indonesia" Janelle Plummer, Water and Sanitation Programme

7.2 Aspirations that are measurable, outcome-based and internationally benchmarked

To allow our performance in fighting corruption to be objectively measured by the rakyat, we have developed aspirations that are measurable (e.g., using independently commissioned public opinion surveys), clearly linked to outcomes and internationally benchmarked. This demonstrates our commitment to tackle corruption and our willingness to be judged on the outcomes we achieve, and not merely on our good intentions. Our aspirations, to be measured via relevant NKPIs discussed later, are as follows:

- Reduce corruption through enforcement and compliance
- Improve our Transparency International Corruption Perception Index ranking
- Improve the rakyat's perception of the integrity of the Government and civil service.

7.3 Efforts focussed on the three areas most prone to corruption

We will now focus predominantly on areas that are both most important to the rakyat and have the largest impact on our competitiveness as a nation. This focus is crucial as we need to direct our leadership capacity and resources to effectively fight corruption. However, these three areas are just a beginning, and we will broaden our efforts over time as our capacity expands. The three areas that we will be focusing on in the near term are:

- Regulatory and enforcement agencies
- Government procurement
- Grand corruption (political corruption)

We acknowledge that despite directing all our energy and resources to the three focus areas, improvements may still not happen overnight. Results in these areas may take many months to become visible. However, we have identified nine key initiatives which we are confident address the main issues of corruption in Malaysia. We will continue to refine these initiatives based on results of on-the-ground implementation, and these three do not represent the complete list of initiatives we will implement in our fight against corruption. These nine initiatives will now be discussed as they relate to the three focus areas.

7.3.1 Regaining confidence in regulatory and enforcement agencies

We aim to regain the public's confidence in the regulatory and enforcement agencies: PDRM, Jabatan Kastam Diraja Malaysia (JKDM), Jabatan Imigresen Malaysia (Imigresen) and Jabatan Pengangkutan Jalan (JPJ). The business community and the public ranked these four federal government agencies as having the lowest perceived integrity in the 2007 Malaysian Transparency Perception Survey. These were also the four agencies with the most number of cases charged by the MACC in 2005 and 2009. Our initiatives to regain the public trust include:

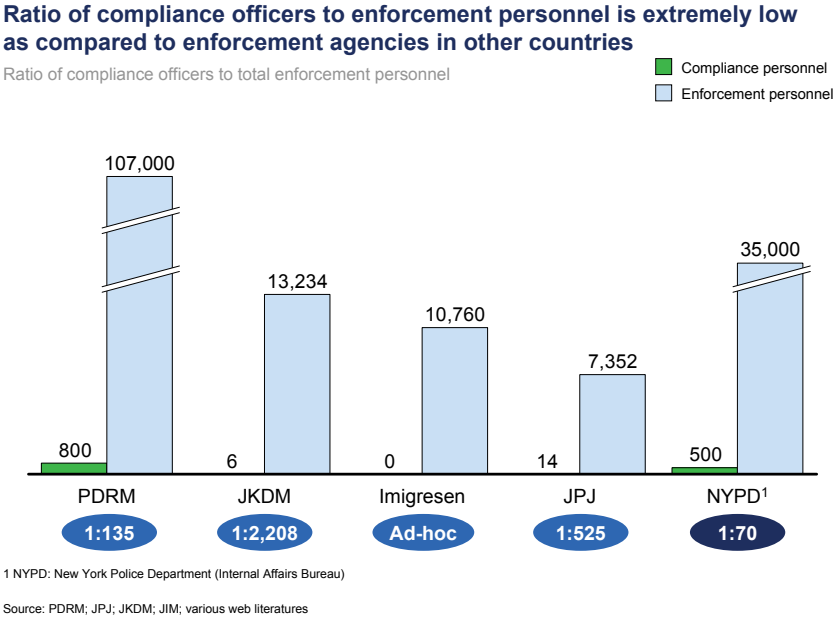
- **Initiative 1: Strengthening and empowering compliance units**

The effectiveness of Malaysia's enforcement agencies has come under scrutiny as crime levels and inaction over apparent offences (e.g., overloaded vehicles, influx of illegal immigrants) have continued to increase. Policies and procedures are already

in place to ensure that agencies meet best practices. However, there is a clear lack of stringent compliance monitoring and consequence management, which has contributed to widespread corrupt practices. Based on information provided by the PDRM, JKDM, Imigresen and JPJ, the compliance units of these enforcement agencies require many more resources to improve their overall effectiveness (Figure 7.2), especially in the following areas where compliance is crucial:

- PDRM: Criminal Investigations Department (CID), Commercial Crimes Investigations Department (CCID), Narcotics and the Internal Security and Public Order Department
- JKDM: Enforcement and Customs divisions
- Imigresen: Enforcement, Foreign Workers, Visa Pass and Permit and Passport, and Security divisions
- JPJ: Enforcement division

Figure 7.2



Therefore, to tighten compliance monitoring of enforcement agencies and their officers, we will staff compliance units appropriately, empower units to act under the direct oversight of the agency's head and an independent commission and establish a supporting framework.

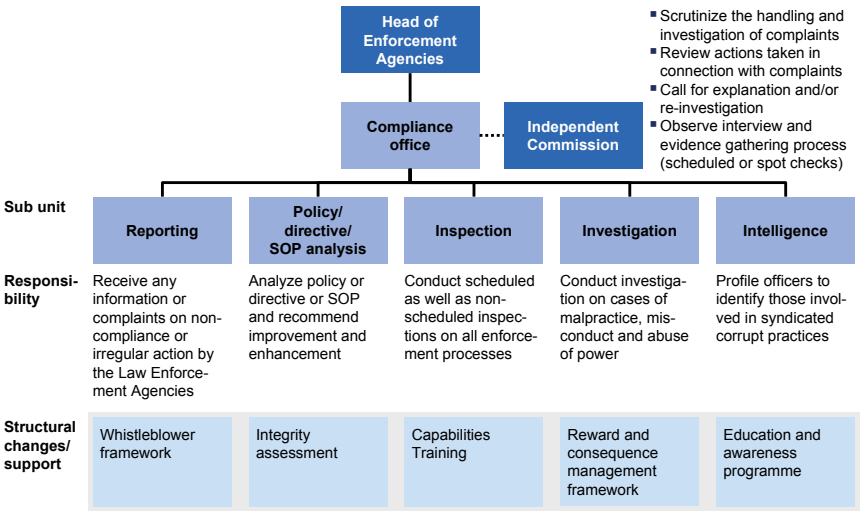
We will allocate suitable resources for dedicated compliance units within each enforcement agency.

Each compliance unit shall be empowered to take action and report directly to the head of the enforcement agency, with an Independent Commission overseeing its management and conduct. The compliance unit's role will include inspecting enforcement processes regularly (scheduled and unscheduled), investigating reported cases of malpractice, misconduct and abuse of power, gathering intelligence to act on syndicated corrupt practices involving enforcement personnel and recommending improvements to existing operating policies and procedures. Figure 7.3 illustrates the organisational setup of a compliance unit.

A supporting framework will be established to enhance effectiveness of the compliance unit. This will include a fully functional whistleblower framework, an assessment of the integrity of all compliance personnel, capabilities training, a reward and consequence management framework and also an education and awareness programme.

Figure 7.3

A dedicated compliance office with oversight from an independent commission needs to be made mandatory at all law enforcement agencies



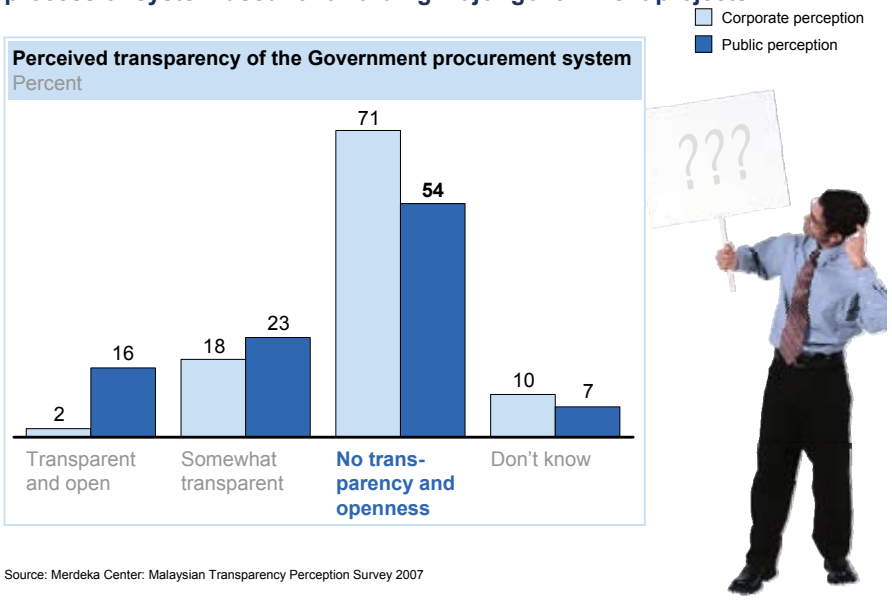
In addition to strengthening and empowering compliance units, we will also implement other initiatives designed to reduce the opportunity for corrupt practices to take place. This includes instituting job rotation to help prevent enforcement officers from forming collaborative relationships with criminal organisations and creating a league table of performance for all local authorities.

7.3.2 Reducing leakages of funds in government procurement

We will reduce leakages of funds allocated for national development and operational expenditure and ensure transparency in the award of contracts. Currently the public perceives that there is a lack of transparency in our procurement processes (Figure 7.4).

Figure 7.4

The public perceives a lack of transparency in the current procurement process or system used for awarding major government projects



Source: Merdeka Center: Malaysian Transparency Perception Survey 2007

The setting up of a high-powered task force headed by the KSN to study and take action based on the 2008 Auditor-General's report is indicative of our stance in this area.

Examples of areas to be improved

In the spirit of transparency, we published in full the Auditor-General's Report of 2008. This report highlighted situations which, if not properly managed, could provide opportunities for corrupt or improper practices in government departments and companies. Excerpts:

"…work done not in accordance with the original scope of works, increased project cost… unutilised facilities upon completion, improper payment made for works not done…"

"…weaknesses such as delay in declaring imported goods and payment of import duties/ taxes…errors in classification and valuation…poor handling of Customs Declaration Forms…"

"…poor quality construction works…"

"…even though the original plan was to construct a paved road…, only a gravel road was built…"

"…delay in project completion that resulted in an estimated cost overrun of RM 1.43 billion, procurement of excess equipment…"

"…payments made to unqualified recipients…delay in distributing allocations…"

"…(improper) approval based (only) on a draft LP (Local Planning)…"

"…equipment procured at a much higher cost than market value, not less than RM 3.66 million worth of equipments not utilised or underutilised…"

"…approval of loans which does not meet the established criteria or without liquid assets or bank / corporate guarantees, loose process in the release of loans…"

"…no contract signed…"

"…finances not managed according to established regulations…"

To prevent a repeat of incidences like those reported by the Auditor-General, we will take the following actions:

- **Initiative 2: Define parameters of support letters**

We aim to gradually reduce the practice of support letters, which are often used to exert influence on civil servants to circumvent standard government policies and processes in obtaining contracts. Often, these interventions do not necessarily originate from politicians themselves, but from vested individuals who use the support letters as leverage to negotiate with the Government.

Understanding that it is difficult to change this practice overnight, we will phase in this initiative. Initially, we will issue a directive to the civil service that support letters and other associated forms of lobbying should not interfere with or circumvent our processes. The second phase will focus on issuing a directive to eliminate the practice of support letters. In addition, the Ministry of Finance (MOF) will follow up both directives with treasury circulars to all agencies and ministries to reject the content, and any associated recommendations and instructions, within support letters. The initiative will also be supported by a channel through which people can make anonymous reports of such interference to the MACC.

- **Initiative 3: Disclose details of government procurement contracts**

It is well established that transparency is crucial for a fair and efficient government procurement process. This is because transparency increases public scrutiny on the procurement process and helps ensure that accountability and well-defined policies, regulations and procedures have been put in place and followed closely.

Our analysis of the tender process showed that potential for negative public perception occurs at various stages, from project initiation and planning through to contract execution. People in both public and private sectors are particularly sceptical of unnecessary projects, award decisions that are not made public or sufficiently justified, project delays, contract variations and concealment of sub-standard work. This is supported by a number of recent media reports highlighting construction problems (e.g., defects on the Middle Ring Road 2, collapse of sections in the Terengganu Stadium), potential cost overruns and overpayment (e.g., Port Klang Free Zone, laptops purchased at RM 42,320 by a government college) and a lack of transparency in procurement policies, tender processes and budgeting.

The requirement for disclosure is already in place for government procurement processes. For example, Treasury Circular Letter No. 5, Year 2007 clause 43.4, requires respective implementing agencies to announce awarded projects and procurement, names of the successful contractors, contract sums and project period on the agency's notice board. It also requires that all tender decisions be

made public on each implementing agency's website as well as on the Government portal.

A review of implementing agency websites and interviews of representatives from large ministries (e.g., Ministry of Health, Ministry of Education, KDN) finds that disclosure compliance is lax.

Government Procurement - Examples from Singapore and South Korea

Practices from other countries highlight that governments are moving toward greater transparency and complete information disclosure. For many, the information is disclosed at a one-stop centre, so that all information on procurement processes and decisions are readily available and easily accessible.

Singapore discloses key procurement information at its one stop e-procurement portal:

- Planned projects for purchases greater than SGD 200,000 in the fiscal year: including description of purchase and the name of purchasing ministry or state board
- Invitations for quotations or tenders: including description of tender or quotation and name of the calling entity
- Information on awards: including name of awarding entity, name of awarded party and value of award
- Information on government procurement: including administrative structure, procurement guide, procurement policies and procedures, complaint or appeal procedures, and authority and rationale for debarment (including corrupt practices).

South Korea is also at the forefront of advances in government procurement. The following information is disclosed at its one-stop e-procurement portal:

- Invitation for quotation or tender: including description of tender or quotation, name of calling entity and estimated cost
- Information on award: including name of awarding entity, estimated cost, name of awarded party and value of award
- Information on government procurement: including administrative structure, relevant laws, procurement policies and procedures as well as codes of conduct

To correct this lax disclosure, we are now making the KSU and Director-General of each ministry and agency accountable to ensure that the following up-to-date information from their respective ministry and agency is disclosed:[24]

- Annual list of all procurement projects planned for which the budget is approved and allocated
- Details on awarded projects including names of the successful contractors, contract sums and project periods
- Procurement processes including main procurement processes for tenders (open and selective), quotations and direct purchases as well as guidelines on selection of tender committee and evaluation criteria and code of ethics.

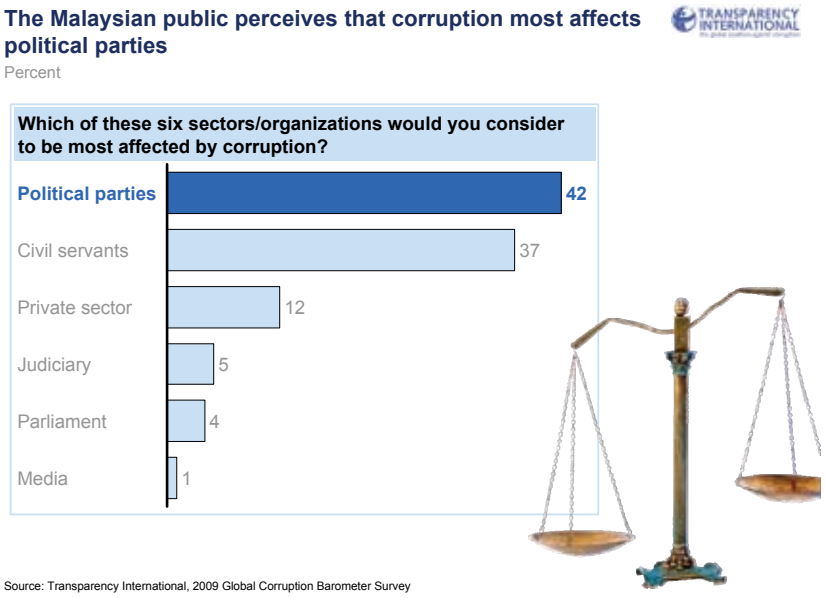
Ministries must publish the information centrally at the e-Government portal, which will display a summary of projects for which procurement is planned and awarded by the respective ministries. From this portal, the public will be linked to the respective ministries' websites for further details on the projects or procurement.

7.3.3 Tackling grand corruption

We must prevent the abuse of power and public resources by politicians and senior civil servants. In addition, we must correct the delivery of justice to ensure that all offenders, regardless of status and position, are prosecuted swiftly and harsh punishments are imposed on all convicted offenders. This is an important area to focus on, given that Malaysians perceive that both our political parties and civil servants are the entities most affected by corruption (Figure 7.5).

24 Does not include any information that is of national security interest / sensitive

Figure 7.5



While we acknowledge that it would be difficult to deliver fast results in this area, we are committed to implementing the following initiatives:

- **Initiative 4: Enforce existing political laws and conduct study to revamp political funding**

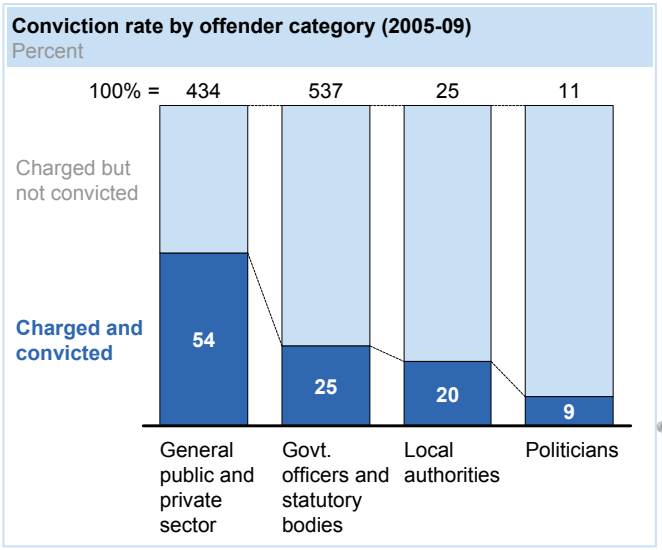
To enhance the level of transparency in the political funding process, we propose that politicians and political parties be required to disclose their sources of funding and expenditures to the appropriate agencies. At the same time, the Societies Act 1966 should be strictly enforced on all political parties to ensure that they submit reports to the Registrar of Societies in a timely and accurate manner. In addition, offences prescribed under the Election Offences Act 1954 will be closely monitored during election periods to prevent candidates from engaging in corrupt practices and ensure the integrity of their funding sources. To further strengthen this initiative, we will undertake a comprehensive study, within the bounds of the constitution, of the current political funding landscape in Malaysia. The study will assess the feasibility of introducing a holistic approach to political funding that comprises an enhanced disclosure process, cap on private donations and supplementary public funding.

- **Initiative 5: Announce zero tolerance policy supported by robust whistleblower protection framework**

While there have been many instances of high-ranking officials and ministers implicated in corruption cases which involved substantial sums of money, there has been a lack of transparency and coverage on the action taken in these high-profile cases. Successful prosecutions of powerful individuals are also rare (Figure 7.6), causing the public to believe that we are protecting politicians and politically linked individuals.

Figure 7.6

Successful prosecutions of politicians are rare



Source: MACC

Hence to make it clear that we are not protecting politicians and politically linked individuals, we will announce a zero tolerance policy, which has three key messages:

- No one is above the law, and all reported cases of corruption will be fully investigated regardless of the position or status of those involved
- Full disclosure: Details of convicted offenders will be made public as an act of deterrence
- Swift and harsh punishment will be meted out to those who are found guilty of corruption

To support our commitment against corruption, we will establish a comprehensive framework to protect whistleblowers, consisting of strong legislation and effective implementation mechanisms.

Legislation, which is a fundamental component of the whistleblower protection framework, will be focused on the scope of the protection, type of disclosures and nature of protection. The whistleblower protection law will need to cover any member of the public and private sectors who discloses wrongdoings as well as those who are required to assist in internal or external processes (e.g., performing investigations, carrying out audits).

The disclosures that we propose to protect will include abuse of authority, violation of laws and ethical standards, danger to public health or safety, gross waste, illegality and mismanagement. The disclosure should be made in “good faith” based on “honest and reasonable grounds at the particular time” without necessitating hard evidence from the whistleblower. The duty of gathering evidence will be tasked to investigative agencies to ensure that the whistleblower is not compromised. However, whistleblowers can provide evidence if it is available legally through the course of their work.

The nature of protection should cover protection from civil and criminal liability (e.g., defamation, breach of confidentiality and statutory secrecy provisions), protection of employment status (e.g., dismissal, suspension, discrimination), entitlement to relocate if necessary and entitlement on the part of the whistleblower to take legal action against any person or body responsible for any form of retribution taken against the whistleblower. In addition, the burden of proof for claims of retaliation is to be reversed: Reprisals will be assumed to have taken place if disciplinary actions cannot be justified. For example, a reprisal is deemed to have happened if a whistleblower is dismissed from work after a disclosure has been made, unless proven otherwise by management.

The whistleblower protection law will be supported by three mechanisms: an authorised agency, internal reporting structures and awareness campaigns.

We will establish an authorised agency tasked with implementing, overseeing and enforcing the whistleblower protection framework. The key responsibilities of this agency include: providing accessible channels for complaints, providing assistance with legal advice and receiving and investigating complaints.

Internal reporting structures or channels must be established within all government bodies and agencies to address complaints of wrongdoing, with the private sector also being encouraged to follow suit. While these channels should be easily accessible, the confidentiality of the whistleblower must be guaranteed. Whistleblowers who feel uneasy about reporting an offence internally will be encouraged to approach the authorised agency with their cases.

Awareness campaigns (e.g., through NGOs and the authorised agency) will be run to notify potential whistleblowers of their rights and the protections available to them as well as to counter any cultural stigma that depicts whistleblowers as individuals who betray the trust of their colleagues or employers.

- **Initiative 6: Strengthen independence of key institutions**

We have already undertaken significant reforms to promote the independence of key institutions, with major legislation such as the Judicial Appointments Commission (JAC) Act and the Malaysian Anti Corruption Commission Act, passed in 2009. However, there is still a perception that these and other check-and-balance institutions in this country are still not independent. We intend to reverse this perception and have defined two major areas in which we are prepared to act following a full study of the situation.

Study Area 1: We will undertake a study of the JAC to find ways to strengthen its role in providing recommendations for judicial appointments, within the bounds of the constitution. Areas for study will include:

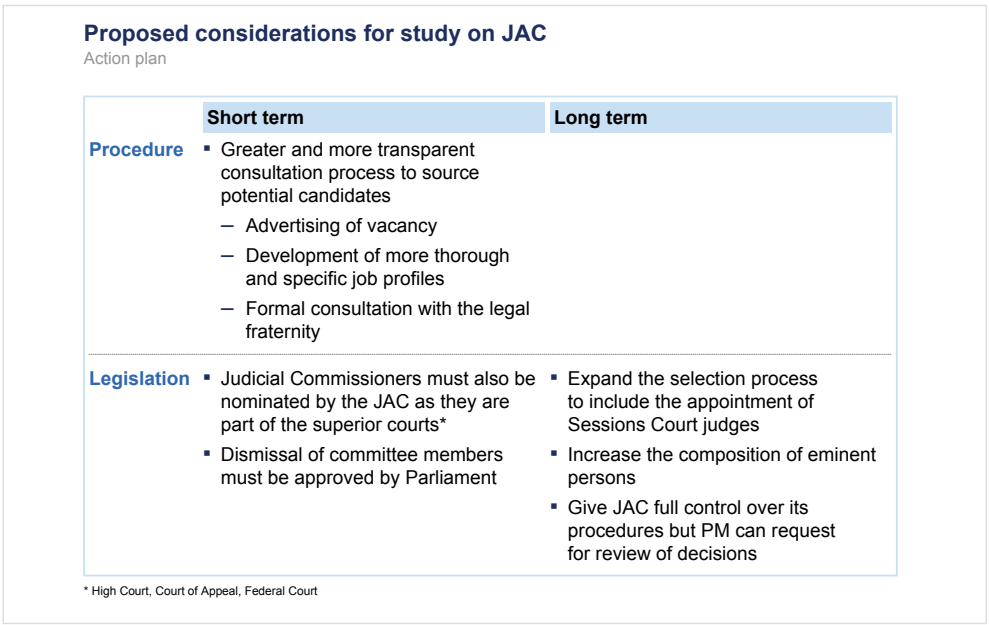
- Operations – e.g., widen the JAC's scope of duties and institute better implementation mechanisms

- Capability – e.g., boost the JAC's capability to find and attract the best talented people for judicial appointments

- Independence – e.g., increase the perception of the public of the JAC's independence and transparency

The study will be tasked to recommend changes for the short and long term that will result in restoring the public's trust in the country's judiciary (Figure 7.7).

Figure 7.7



Study Area 2: A second study will be conducted to strengthen the independence of other key judicial institutions, within the bounds of the constitution. We will study initiatives to ensure that the institutions play a more important role in providing appropriate check-and-balance on our judiciary. Table 7.1 outlines the proposed considerations for further study.

Table 7.1: Proposed considerations for independence of key institutions

Institution	Initiative
Auditor General's Office and Election Commission	• Appointments – PM proposes a candidate to the King after agreement by Parliament or a subcommittee, e.g., Public Accounts Committee. – Appointments are made on a fixed-term, non-renewable basis, e.g., five years, to ensure independence and focus on the current tenure. – Institutions have a closed service scheme for employees to prevent interference from other parties with vested interest. • Reporting – Independent bodies report to Parliament through relevant subcommittee, which reviews its financing, planning and outcomes.

Institution	Initiative
	– New parliamentary committee set up to monitor the Election Commission as well as other independent bodies chaired by the Speaker of the Dewan Rakyat • Budget – Budget for independent bodies determined by Parliament based on recommendations of the Parliamentary subcommittee and upon consultation with the Government.
MACC	• Appointment – PM nominates a Chief Commissioner to the King after agreement by the Parliamentary Special Committee on Corruption – The Director of Prosecution is appointed from outside AG's Chambers, e.g., retired judges and lawyers on a contractual basis to promote greater independence in prosecution of cases. The powers of the Director are still subjugated and derived from the Attorney General
Attorney General's Chambers	• Reporting – AG's Chambers' performance and conduct to be monitored by a Parliamentary Committee to ensure that prosecutions are done in a rigorous and fair manner

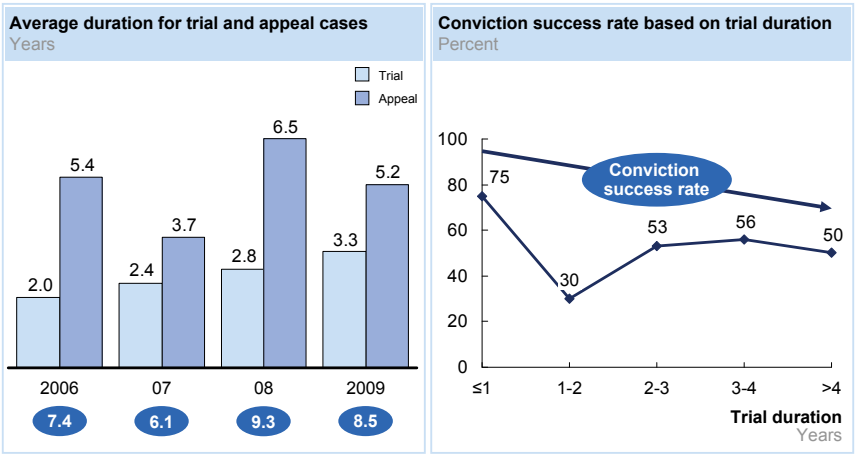
- **Initiative 7: Endeavour to complete prosecution of corruption cases within one year, particularly for public interest cases**

Currently, the average duration for the completion of a trial and appeal for a corruption case is 8.5 years (data from January to October 2009) (Figure 7.8). These lengthy trials and appeals increase the opportunity for material witnesses to go missing, witness and evidence tampering, and fading of witness memory as well as witnesses getting frustrated or losing interest in the case and thus becoming uncooperative. As a result, these lengthy processes have been shown to reduce the conviction rate and are also seen to delay the delivery of justice.

Figure 7.8

Trial and appeal of corruption cases take about 8.5 years currently, hampering the delivery of justice

Corruption cases, 2006-2009[1]



1 2009 data until month of October

Source: Malaysian Anti Corruption Commission (MACC), DPP from Attorney General's Chambers

In order to ensure swift and efficient prosecution, procedures for the recording of witness statement and the delivery of subpoenas will be strengthened. In addition, strict timelines will be enforced on all prosecution processes and procedures. In line with this, the case handling capacity of the courts will also be increased through additional DPP appointments and the setting up of new special corruption courts.

- **Initiative 8: Enforce stiffer punishment**

Under the current Malaysian Anti-Corruption Commission Act 2009, there is no minimum sentence stipulated if an individual is found guilty of corruption. At the same time, for cases that are not prosecuted, departmental disciplinary actions taken are usually light (e.g., the issuance of warnings). This has resulted in the lack of deterrent against accepting bribes. Therefore, a minimum jail sentence via a tiered approach based on the severity of offences will be adopted as detailed in Figure 7.9. In addition, a harsher penalty structure will also be implemented for convicted public officers (civil servants and members of the administration, legislature and judiciary), as public trust and funds are involved.

Figure 7.9

Minimum jail sentences and stronger penalties for public officers ILLUSTRATIVE EXAMPLES

Minimum jail sentence

Value of bribe RM thousands	Minimum jail sentence Days
⩽ 100	1
100 < Bribe ⩽ 500	30
> 500	60

Stronger penalties for public officers

	Offenders	
Penalties	Normal	Public officers[1]
Jail (Max)	20 years	20 years without parole
Fine (Max)	5x bribe or RM10,000[2]	7x bribe or RM15,000[2]

1 In addition, penalties to include job dismissal, loss of pensions and benefits, as well as being barred from any future public appointment
2 Whichever is higher

Convicted public officers will also be removed from their positions, lose their pensions and other benefits as well as be barred from future public appointments. As for cases that are referred back to the relevant departments, there will be clear guidelines that align disciplinary actions to the severity of the offence. Delivery of such disciplinary actions will adhere to a fixed timeline to ensure that there are no unnecessary delays in the delivery of punishments.

There will also be long-term sanctions addressing the private sector. Currently, convicted offenders are not blacklisted and can still participate in government procurement. As such, government contracts will include clauses that subject convicted offenders to instant termination of contract without compensation as well as a five-year participation ban on any public contract.

- **Initiative 9: Develop a name-and-shame offender database**

A name and shame approach in the form of a public database, listing convicted offenders of corruption, will be implemented as an additional deterrent against committing corruption. In addition, the public database of offenders will also serve to facilitate employment decisions, especially for sensitive positions involving authority and trust.

Currently, there is no easy way to check on corruption offenders. Those who are convicted can only be checked through reports in law journals, the Prisons Department or the Registrar of Criminals and Undesirable Persons. The database aims to rectify this and will be made available to the public via the MACC website. Only new records of convictions from 1 January 2010 onwards will be captured in this database. While information on offenders will be made public for three years, all information captured will be housed indefinitely in the database for internal reference.

In addition to these key initiatives, we will also implement other initiatives designed to reduce grand corruption. This includes disclosing the amount of government allocation and resulting expenditure of each MP and developing a reward and recognition scheme for civil servants who provide assistance in corruption cases.

7.4 Key milestones of initiatives

Based on the focus areas and the sequencing of the initiatives described above, Figure 7.10 illustrates what the rakyat can expect to see over the next three years. These explicit milestones are disclosed following feedback from the rakyat during the Open Days to provide further details on the tangible outcomes that will be achieved in our fight against corruption.

Figure 7.10

Key milestones of initiatives to fight corruption

Focus areas	Phase 1 (2010) Enhancing transparency	Phase 2 (2011) Regaining public confidence	Phase 3 (2012) Strengthening institutional framework
Regulatory and enforcement	▪ Hot Job rotation system established and implemented	▪ Compliance unit framework rolled out in all relevant agencies / ministries ▪ Enhanced local authority performance ranking system rolled out	
Government procurement	▪ Directives on no circumvention of government procurement process circulated ▪ Disclosure of planned and awarded procurement at e-Government and ministries' web portal	▪ Directives on the elimination of support letters circulated	
Grand corruption	▪ Whistleblower Protection Law enacted and agency tasked with whistleblower protection fully empowered ▪ An Act to prosecute corruption cases within 1 year enacted ▪ Name and shame offender database completed and made public ▪ Reward and recognition scheme for civil servants rolled out	▪ Study on political funding completed ▪ Guidelines on how MPs allocation can be spent established ▪ Committee to monitor new special courts for corruption formed ▪ MACC Act amended to impose stiffer punishment ▪ Study on independence of key institutions completed	▪ Disclosure of MPs allocation (amount allocated and resulting expenditures)

7.5 Transparent KPI measures and targets to define what success means

Progress in the public's overall perception of corruption and for each of these three focus areas will be tracked and reported against the following KPI measures (Table 7.2) along with respective annual targets. We believe these targets are sufficiently ambitious and if achieved would represent a significant improvement that the rakyat would be able to see and feel.

Table 7.2: NKPIs and targets for Corruption

Focus area	KPIs	Baseline	2010
Public perception	• TI's Corruption Perception Index Score	• 4.5	• 4.9
	• TI's Global Corruption Barometer survey on government actions to fight corruption: % answering "effective"	• 28%	• 37%
Regulatory and enforcement agencies	• Number of cases charged versus number of arrests for drug trafficking and possession under Dangerous Drugs Act	• 75%	• 80%
	• Number of summons settled versus number of summons issued by		
	– PDRM	• 50%	• 61%
	– JPJ	• 60%	• 78%
	• Number of cases charged versus number of arrests and detentions under Immigration Law	• 53%	• 60%
	• Tax recovered from under-declared goods (in RM value)	• 9 million	• 21 million
Government procurement	• Number of audit findings on maladministration of procurement per ministry sampled	• 11.2	• 10.6
Grand corruption	• Percentage of trials completed within one year	• 8.5%	• 30%
	• Number of people in the database of convicted offenders	• 0	• 84

Additional KPIs and targets will be defined and announced in Q1 2010, once an independent survey covering the public perception of the level of corruption (specifically grand corruption) is completed.

7.6 Early signs of progress seen on corruption

Even at this early stage, we have begun working with other institutions, such as Parliament, to signal our serious intent to combat corruption. Some of the actions that have already been started are:

- 14 Special Corruption Sessions Courts and 4 Special Corruption High Courts have been included in the 2010 Budget and will be established to accelerate trials for corruption

- Formulation of the Whistleblower Act was announced by the Prime Minister during his 2010 Budget speech. The Act aims to encourage informers to expose corrupt practices and other misconduct and will give them immunity from civil or criminal charges

- A study by the MACC to plug loopholes and opportunities for misuse of constituency funds by state assemblymen and MPs has been completed. The MACC's state directors have already been tasked to brief elected representatives on how to manage their allocations and the right procedures to prevent abuse or misuse

- The MACC's request to add 600 people to its headcount was approved and included in the 2010 Budget. This is a great boost for the MACC, as its previous request for manpower was put on hold. With additional capacity, the MACC will be able to strengthen its enforcement efforts.

While these are modest steps, our level of transparency in dealing with the above cases has been unprecedented. This is only the beginning – over the next 12–36 months, we will continue to implement other initiatives as outlined above in our efforts to meet the NKRA targets in fighting corruption.

7.7 The rakyat has a major role in fighting corruption

The rakyat can play an important role in our fight against corruption by letting their leaders know that current practices cannot continue, exercising pressure and serving as a watchdog of reform. A strong voice from the rakyat (and media) expressing frustration and anger on how corruption is currently being managed will make a difference. Currently this sentiment is only being stressed by a small number of bloggers and NGOs, which are insufficient to support the tide of change that some politicians are advocating.

We urge the rakyat to step forward and report all known cases of corrupt practices or activities and provide information to assist in the investigation against those charged with corruption. We cannot prosecute without sufficient evidence and witnesses, and the lack of these has resulted in many reported cases ending in acquittals. Our fight against corruption needs the rakyat's support and co-operation.

Chapter 8

Improving student outcomes

"Widening access to quality and affordable education is the priority of this Government and my Ministry. We must raise our standards to be internationally comparable while ensuring the achievement gap between the educated and less-educated is closed. The importance of the education system cannot be overemphasised given its role in strengthening the competitiveness of our nation and in building *1Malaysia*. For example, to contribute towards *1Malaysia*, the status of national schools must be elevated such that they become the school of choice for a broader segment of Malaysians. This chapter lays out our initial plans for what will become broader reforms to the National Education System over time. I am personally committed to ensure that the ambitious targets summarised at the end of this chapter are achieved, and seek the support and assistance of all parents, teachers and administrators to work with me and my team to make this happen"

Tan Sri Dato' Haji Muhyiddin bin Mohd Yassin, Minister of Education

Malaysia has made enormous strides in its education system over the past 50 years. Our adult literacy rate is now above 92%.[25] We have also achieved universal primary enrolment, and among developing countries we have one of the fastest growth rates in secondary school enrolment.[26]

But we cannot be complacent. Malaysia's student outcomes have deteriorated compared to countries like Hong Kong, Singapore and South Korea, as discussed in Chapter 2. The gap within Malaysian student outcomes is also widening, e.g., about 20% of Malaysian students failed to meet the minimum TIMSS benchmarks for Maths and Science in 2007, compared to about 5–7% in 2003. This situation is cause for concern, as higher education levels correlate consistently with long-term economic growth. Unless we push ourselves to raise the bar, Malaysia risks being left behind in education today and in competitiveness tomorrow.

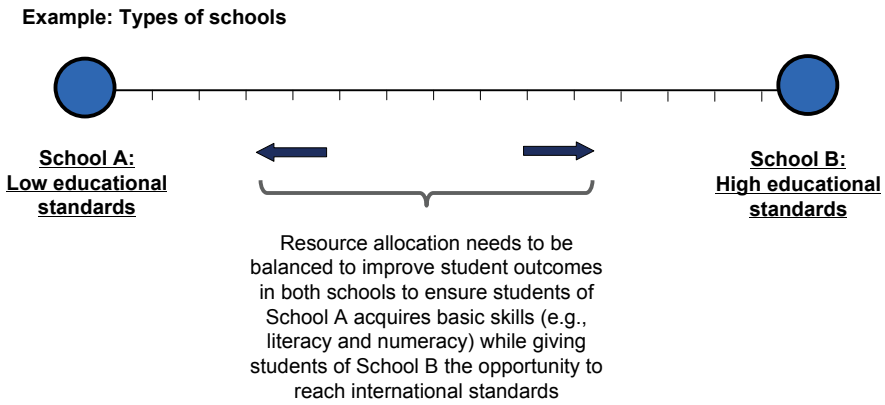
25 UNDP Human Development Index, Malaysia, 2008
26 UNESCO, 2005. Education Trends in Perspective

The aspiration of the Education NKRA, therefore, is to improve student outcomes across Malaysia's school system and to enable access to quality education for all students. Improving student outcomes is crucial to developing a more competitive workforce as Malaysia pushes towards becoming a developed nation by 2020. And making quality education more accessible will ensure more Malaysians gain the chance to improve their standard of living. Achieving universally high outcomes in our educational system is only possible by ensuring that schools deliver high-quality instruction to each and every child.

Improving student outcomes with limited resources necessarily involves making trade-offs between competing interests or polarities. Therefore, it is crucial that we manage these polarities in an equitable manner while trying to maximise the benefit to the overall student population. For example, in the polarity diagram in Figure 8.1, resources should be used effectively to deliver improved outcomes and divided equitably between schools of different educational standards to benefit all students irrespective of their starting point. This equitable division would allow all students to gain the basic skills required to be a productive member of society while also providing the opportunity for exceptional students to realise their full potential.

Figure 8.1

How improving student outcomes contributes to *1Malaysia*



Based on the experiences of the world's top performing school systems, there are four imperatives to improving student outcomes:

- Ensure every child succeeds: Set the same high expectations for all students (regardless of background) and provide systematic help and support to children who fall behind

- Hold schools accountable for changes in student outcomes: Provide autonomy to schools (e.g., in personnel management) in exchange for significantly improved student outcomes

- Invest in great leaders for every school: Invest heavily in principals and head teachers as the primary drivers of change via rigorous selection, extensive training and robust performance management based on student outcomes

- Attract and develop top teachers: Increase attractiveness of the profession to recruit the most talented people, enhance quality of practical training and put in place rigorous performance management and continuous professional development

Initiatives undertaken by some of the top-performing educational systems

Ensuring every child succeeds

Great educational systems are those that ensure that every child succeeds. They do so first by setting the same high expectations for all students regardless of their background, and secondly, by recognising that some students – for instance, those from disadvantaged socioeconomic backgrounds – require more support to reach common benchmarks.

In Finland, schools provide additional one-on-one or small group tuition to support those who fall behind for whatever reason (special education). Special education teachers receive an additional year of training and work with a support team – psychologists, nurses and special needs advisors – to provide comprehensive support to students.

In the USA, the Knowledge is Power Programme (KIPP) charter schools are privately-managed, publicly-funded schools, which are delivering significant changes in student outcomes amongst low-income students. These schools deliberately over-invest, with students spending 60% more time in school through longer school days, Saturday classes and summer school. In a country where less than 20% of low-income students go on to college, 80% of students from KIPP schools have done so.

Holding schools accountable for changes in student outcomes

The best performing systems are those that set high expectations for each school in terms of changes to student outcomes, monitor performance against those expectations and provide appropriate support whenever those expectations are not met.

Examples are systems like those in New York City and Alberta, Canada. New York City's schools department assesses schools by changes in student outcomes, with additional weight accorded to gains made by students from hard-to-teach sub-segments. Alberta's schools department uses a sophisticated accountability system that looks at a wide range of factors (e.g., student and parental satisfaction) in addition to changes in student performance in province-wide assessment tests. Crucially, neither system simply measures performance, they both actively manage it. These systems require struggling schools to take clear measures to turn around performance within a defined time frame and provide appropriate support to increase the school's chances of success.

Investing in great leaders for every school

The best systems leverage their principals as drivers of change by implementing a rigorous selection and training process and focusing each principal's time on instructional leadership.

In Boston, candidates for principal go through a fellowship programme that includes an apprenticeship component and training courses focused on management techniques and instructional leadership. Promotion is not guaranteed, but dependent on candidates demonstrating the required competencies to succeed. Once promoted, Boston's new principals are further supported by a series of programmes such as an induction workshop aimed at preparing them for their first two to three weeks in the school, on-going mentoring by an experienced principal with a complementary set of skills and just-in-time seminars to cover specific problem areas as requested.

Attracting and developing top teachers

Top systems attract and admit only the best candidates into teaching, continuously develop them in school-based settings and develop a strong performance-based culture. Examples include

- Attracting and admitting only the best: Many provide attractive salaries to draw their best and brightest citizens to teaching. South Korea is an extreme case – salaries start high and rise to a maximum that is two-and-a-half times higher than the average maximum teacher salary in the OECD. Higher salaries appear to have drawn higher quality people to become teachers. In top systems like Hong Kong and Singapore, only the top third of each cohort are accepted to be candidates for the teaching profession.

- Developing teachers in school-based setting: Japan leverages an intense training programme for first-year teachers, during which trainees develop practical teaching skills. Trainee teachers work full-time in schools and during their first year are provided with up to two days of one-on-one coaching and support every week from guidance teachers.

- Developing a performance culture: To receive a teaching license in New Zealand, teachers must receive satisfactory reviews from their principals during their first two years of teaching.

Our aspiration to transform the education system consists of a broader set of plans and initiatives which is described in section 8.7. However as entry points to this overall programme, we will initially focus on these imperatives:

- Ensure every child succeeds:
  - Increase the pre-school enrolment rate to 87% (of both 4+ and 5+ year-olds) by 2012, while ensuring the education provided is of the highest quality
  - Ensure all children have basic literacy and numeracy skills after three years of primary school education by 2012
- Hold schools accountable: Develop 100 High Performing Schools (HPS) by 2012
- Invest in great leaders: Put in place performance based management by offering head teachers and principals a new deal

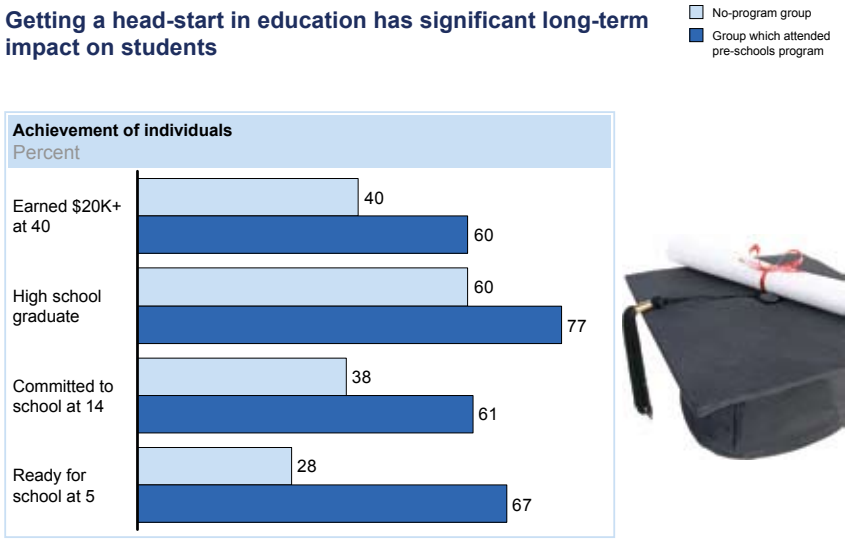
8.1 Pre-schools: Increase the enrolment rate of both 4+ and 5+ year-olds and improve the quality of the system

The importance of pre-school education in giving children a head start once in primary school is well documented. According to UNESCO, early childhood education plays a vital role in developing a child's mind and helps reduce existing and future disadvantages.[27] Research in the USA found that children who attended a pre-school programme were more committed to education and earned higher incomes in later years (Figure 8.2).

27 UNESCO's Education For All Monitoring Report, 2008

Figure 8.2

Getting a head-start in education has significant long-term impact on students

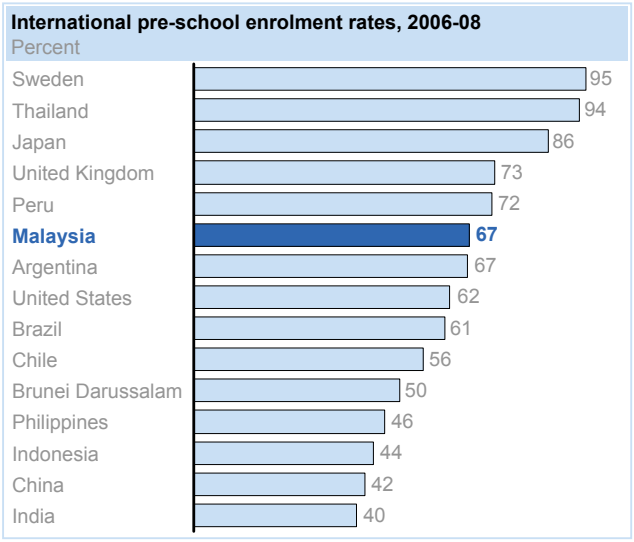


Source: High/Scope Perry Preschool Study, USA (2005)

Given the importance of pre-school education and the scope for Malaysia to further increase its rate of enrolment, which currently stands at 67% for children aged four and five (Figure 8.3), we designated pre-school education a focus area under the Education NKRA.

Figure 8.3

International comparison of current pre-school enrolment rates



Source: UNESCO; Ministry of Education, Malaysia

To achieve higher enrolment rates and a better quality of pre-school education, we identified seven areas to strengthen the governance and delivery of high-quality pre-school education.

1. **Establish a National Committee on Pre-School Education with a Pre-School Division to govern all pre-school providers.** Its role would be to develop pre-school education policies for government and registered private pre-school providers (including curriculum, qualification requirements, training and evaluation), coordinate between all preschool providers and /or agencies and evaluate preschool educational outcomes to determine future policy direction. Chaired by the Ministry of Education (MOE), permanent committee members will comprise the Director General of Education, the heads of other major government pre-school providers, which are Jabatan Kemajuan Masyarakat (KEMAS) and JPNIN as well as the head of the Private Education Division of the MOE.

2. **Roll-out in January 2010 the National Pre-School curriculum standard** (NPCS), which was developed in collaboration with the private sector. Highlights of the NPCS include the following

    - Incorporates principles of holistic education and is oriented towards learning outcomes

    - Ensures that teaching and learning takes into account the different backgrounds of students

    - Defines the use of Malay, English, Tamil and Mandarin as instructional languages

    - Includes activities to foster understanding of different races and cultural activities

The standardised pre-school curriculum standard was an initiative which was particularly well received by visitors to the Education booth during the Open Days.

3. **Harmonise the support of students attending government pre-schools.** This would include equalising per capita grants across the pre-schools provided by KEMAS, JPNIN and MOE and increasing meal grants to compensate for price inflation in recent years.

4. **Improve the quality of pre-school teachers and teacher assistants.** Targeted training programmes will be offered to both teacher and teacher assistants to improve the skills of approximately 30,000 existing and new staff over the next three years. For newly hired teachers and teacher assistants, the minimum qualification requirements will be elevated to graduate and Sijil Pelajaran Malaysia level, respectively. In addition, we will develop a new framework for pre-school excellence, detailing the outcome based targets we expect pre-schools to achieve.

5. **Increase the number of pre-school classes**, in particular for children aged 4+. Based on targeted enrolment rates and current capacity, the number of additional classes required is approximately 10,000. We will work together with the private sector to achieve this additional capacity.

6. **Increase public-private partnerships in pre-school education**. New incentives and subsidies will be offered to private pre-school providers, in particular in urban poor and rural areas. In exchange, private pre-schools will adhere to the standards set by the National Committee on Pre-School Education, including outcome-based quality targets.

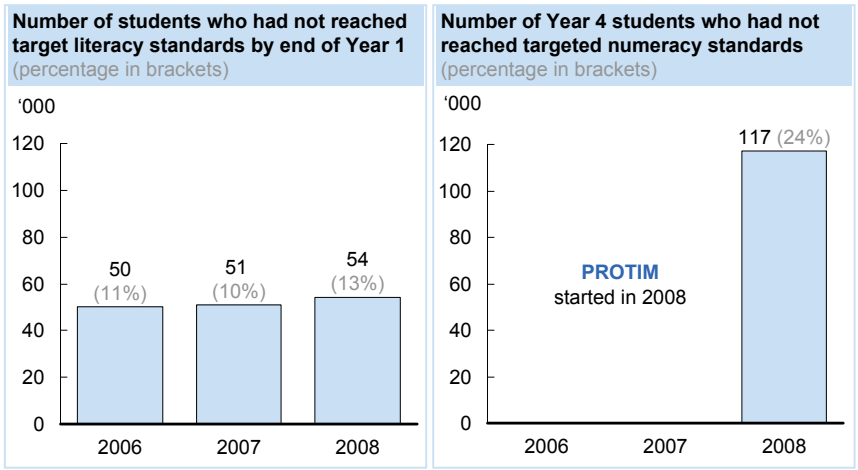
7. **Develop a national pre-school information system** to collate both administrative information, such as location of the school and particulars of student and personnel, as well as performance related data. The availability of such information is pivotal to the work of the National Committee on Pre-School Education, so that it can monitor and evaluate pre-school education and develop new policies built on a transparent fact base.

8.2 Literacy and numeracy: All children[28] should have acquired basic literacy and numeracy skills after three years of education

This is an ambitious target as even for adults, fewer than 30 countries have a literacy rate of 100%. However improving literacy and numeracy rates is very important. In 2008, there were more than 54,000 students in Year-1 (about 13% of total Year-1 population) who did not meet targeted literacy skills (Figure 8.4) and an estimated 117,000 (24%) students in Year-4 who did not meet targeted numeracy skills.

Figure 8.4

Current national literacy and numeracy standards



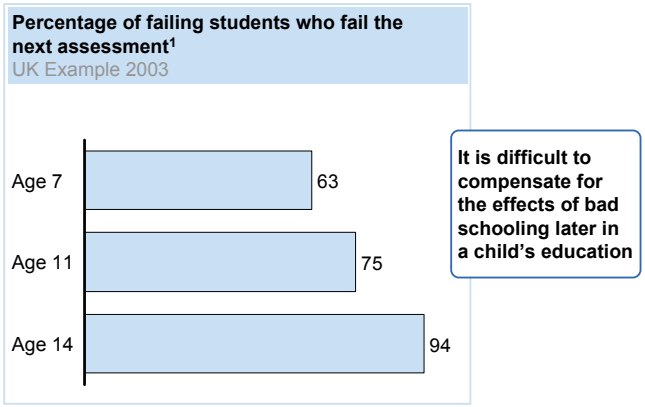
Source: MOE (KIA2M for literacy rates and PROTIM for numeracy rates)

Second, research by the MOE reveals that one factor that contributes to drop-out rates is the inability of students to cope with the syllabus being taught. In 2008, almost 32,000 students dropped out of school at various stages. We expect that if we can give children a good grasp of basic literacy and numeracy skills early in life they will be less likely to drop out of school. Starting early is crucial as it becomes harder to compensate for deficiencies in literacy and numeracy skills as a child grows up (Figure 8.5). Failure is in fact cumulative.

28 Children with learning disabilities will be placed in a special education programme with separate targets

Figure 8.5

Failure is cumulative, quality of education is particularly critical early in a student's career



1 Students not meeting target assessment standards

Source: Department for Education and Skills (UK)

Finally, being literate and numerate will enable our children to be more productive and participate fully in their community and wider society.

Defining basic literacy and numeracy

Literacy is defined as the ability to read, write and understand words and simple and complex sentences in Bahasa Malaysia and to apply that knowledge in daily learning and communication.[29]

Numeracy is defined as the ability to read, write, count and arrange numbers up to 1,000, be competent in mathematical operations of addition, subtraction, multiplication and division, and be able to apply these in money, time and length operations.[30]

8.2.1 Strategy to achieve literacy and numeracy targets

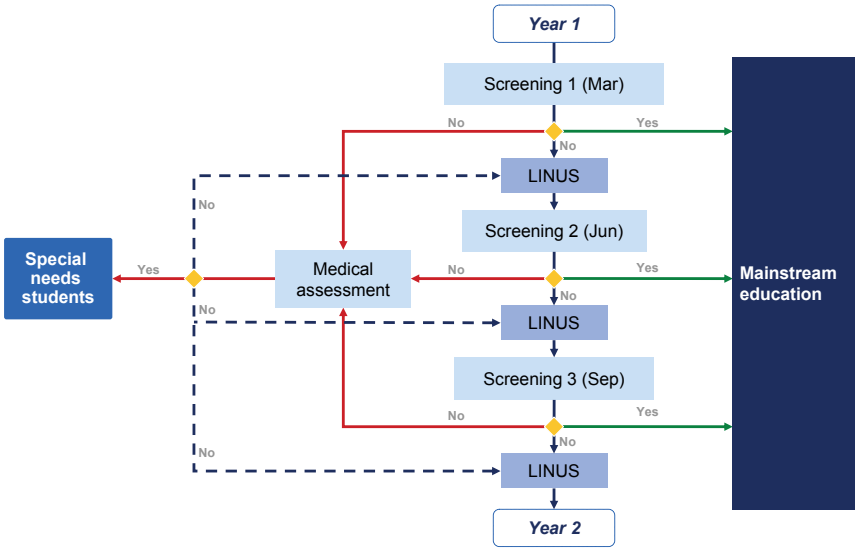
To achieve this ambitious target, we have developed a Literacy and Numeracy programme (LINUS) to ensure students acquire basic literacy (in Bahasa Malaysia) and numeracy skills. It focuses on all the main levers to improve a child's literacy and numeracy skills and is described as follows:

- **Screening process**: Student screening will be done three times a year in March, June and September to help identify those who do not meet the relevant standards. Students will then be placed either into the LINUS programme or into a Special Education programme if they have a learning disability. Details of the screening process are shown in Figure 8.6.

29 Based on UNESCO's definition
30 Based on benchmarks from USA and Canada

Figure 8.6

LINUS program screening process



- **Teaching and learning modules**: New literacy and numeracy modules for Year-1 to Year-3 students are being developed. These are different from previous remedial modules that either focused only on literacy skills or only on students in Year-4 to Year-6. In addition, the modules will be improved by sequencing easier-to-grasp concepts earlier while emphasising the application of the concepts being learned.

- **Teachers' training**: Given the shortage of teachers with expertise in teaching basic literacy and numeracy, intensive training of teachers will take place so that they can effectively deliver the learning modules. Between November 2009 and February 2010, close to 17,000 teachers will be trained.

- **Building commitment of all stakeholders**: Awareness programmes and activities will be organised for state education departments, district education departments, head teachers, Parent-teacher associations and members of the public. This will help them understand their respective roles in the LINUS programme and gain their support. These sessions were kicked-off in December 2009 and January 2010.

- **Monitoring and oversight**: Intensive monitoring and supervision will be conducted on roughly the bottom 10% of schools by the officers in the state and district education departments and the MOE's Jemaah Nazir dan Jaminan Kualiti division. Reports on the results of the monitoring will then be produced twice in 2010 to track the progress of children in the programme.

- **Expert facilitators at the district level**: Facilitators will be hired to support the literacy and numeracy teachers in schools and be attached to the district education departments. Apart from coaching and mentoring the LINUS programme teachers, they will help the schools develop tailored strategies based on results of the screening test to address specific literacy and numeracy issues. In addition, they will also act as a link between the schools and the district education departments and the MOE.

8.3 High performing schools: Develop HPS and lift the performance of all schools

High Performing Schools (HPS) are defined as schools with ethos, character and a unique identity that enable students to excel in all aspects of education. These schools have strong work cultures which strive for continuous development in addition to being able to compete in the international arena.

We decided to include HPS as part of the Education NKRA to raise their quality, create places for the very brightest students and develop a model for other schools to emulate. We will raise the quality of the best performing education institutions by increasing their level of autonomy in running the school and requiring an increased degree of accountability for student outcomes in return. These world-class schools will then become a place for the brightest students, those who meet the highest international standards and who will move on to the best institutions of higher learning and graduate to lead their professions. Moreover, these schools will act as role models for other schools and provide them with support to make this journey through a coaching and mentoring network between schools.

8.3.1 Criteria for HPS

Before a school is awarded HPS status, it will need to meet stringent criteria that take into account its academic achievement, strength of its alumni, international recognition, network and linkages with external entities. Details of these criteria are listed in Figure 8.7.

Figure 8.7

HPS are Malaysia's best schools that are designated upon meeting stringent requirements

Excellent academic achievement	▪ Minimum average score of 80% based on – GPS score (70% of weight) – Verified SQEM score (30% of weight)
Towering personalities	▪ Track record of developing influential and successful individuals (e.g., ministers, sportsmen, activists) ▪ For newer schools, clear aspiration to nurture leaders
National and international awards	▪ Participation in and achievements at national and international competitions
Linkages with institutions of higher learning	▪ Linkages with universities for programs like credit transfer, joint action research, sharing of facilities and amenities
Strong network	▪ Strong networks with local and international schools (e.g. staff, student exchange programmes), community, public and private organisations
Nationally and Internationally benchmarked	▪ Used as a national benchmark and has been benchmarked against international standards (e.g., PISA, TIMSS)

8.3.2 Incentives and responsibilities of HPS

HPS will be rewarded with benefits aimed at allowing them to excel further and reach even higher performance levels. However, status also comes with a responsibility to share knowledge and expertise with other schools to lift their performance through mentoring networks, teacher attachment and student exchange programmes.

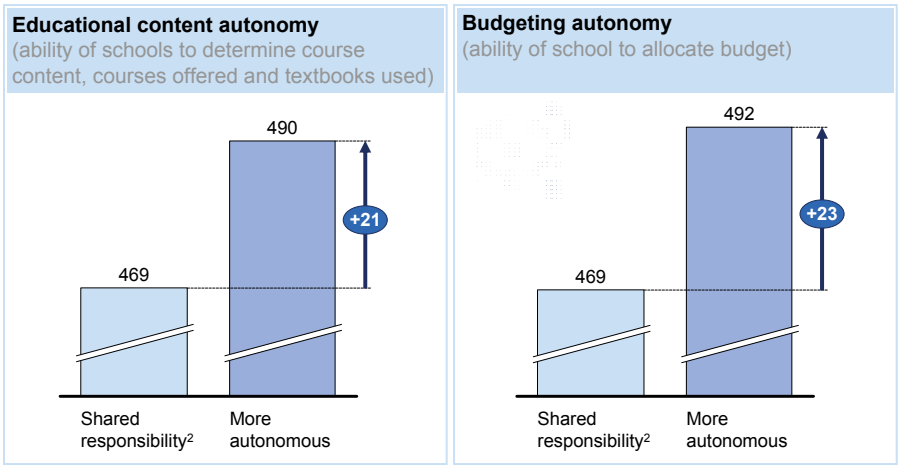
Increased autonomy in decision-making: HPS will be given flexibility in adapting curriculum and instruction methods as well as over selection and redeployment of teachers (if performance is unsatisfactory) and allocation of funds. Studies have found that an increased level of autonomy is associated with an increased level of school performance (Figure 8.8).

Concerns over imprudent spending will be addressed by ensuring that fiscal autonomy is tightly linked to outcomes. The measures include putting in place financial guidelines to prevent imprudent use of funds (e.g., arms-length transactions with service providers), clearly defining performance targets, making the schools accountable for the use of resources and implementing strict remedial measures if HPS fail to meet performance targets.

Figure 8.8

Autonomy over educational content and budgeting can be correlated with higher educational performance

PISA scores for science[1]; level of autonomy



1 Controlling for demographic and socioeconomic background of students
2 Decision making shared evenly between government and school

Source: PISA 2006: Science Competencies for Tomorrow's World, Volume 2 Table 5.19e

Financial incentives for schools, school leaders, teachers and non-academic staff: These incentives consist of an annual allocation of RM 700,000 per school and RM 1,000 per person in secondary schools and RM 700 per person in primary schools, spanning school leaders, teachers and non-academic staff.

Greater range of options for human capital development: These options include sabbaticals for head teachers or principals and a wider range of professional development programmes tailored to individual needs.

Allowance for high achieving students to advance faster through the education system: Parents of top-performing students will be given the option of allowing their child to complete the relevant syllabus in a shorter time period. These students could bypass Year-2 by covering 50% of its syllabus in Year-1 and 50% in Year-3.

8.3.3 The inaugural batch of HPS for 2010

Based on the criteria described in Section 8.3.1, the inaugural batch of 20 HPS has been identified as shown in Figure 8.9.

Figure 8.9

The inaugural batch of 20 HPS has been carefully selected

SECONDARY SCHOOLS

Bil	Name of school	State
1	Kolej Melayu Kuala Kangsar	Perak
2	Sekolah Seri Puteri, Cyberjaya	Selangor
3	Sekolah Sultan Alam Shah	Putrajaya
4	Kolej Tengku Khurshiah	Negeri Sembilan
5	SMK (P) St. George	Pulau Pinang
6	Kolej Islam Sultan Alam Shah	Selangor
7	Sekolah Dato Abdul Razak	Negeri Sembilan
8	SMK Aminuddin Baki	WP Kuala Lumpur
9	Sekolah Tun Fatimah	Johor
10	SM Sultan Abdul Halim	Kedah
11	SMK (P) Sri Aman	Selangor
12	SMK Sultanah Asma	Kedah
13	SMS Tuanku Syed Putra	Perlis
14	SMS Muzaffar Shah	Melaka

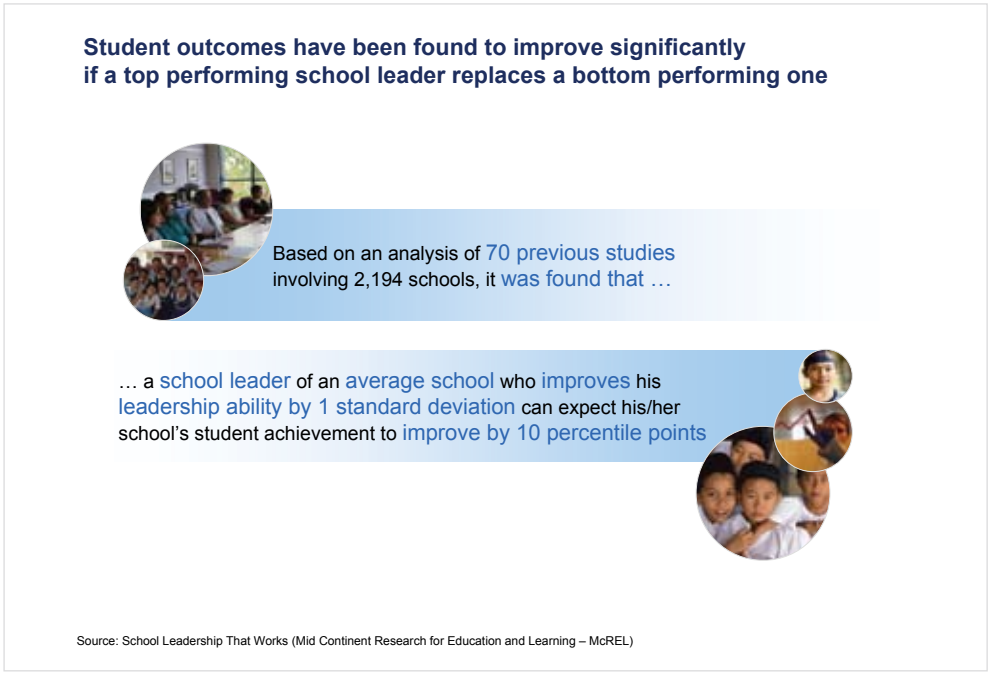
PRIMARY SCHOOLS

Bil	Name of school	State
1	SK Seri Bintang Utara	WP Kuala Lumpur
2	SK Zainab 2	Kelantan
3	SK Bandar Uda 2	Johor
4	SK Bukit Damansara	WP Kuala Lumpur
5	SK Convent Kota	Perak
6	SK Taman Tun Dr. Ismail 1	WP Kuala Lumpur

8.4 New deal for head teachers and principals: Significantly improve the performance of head teachers and principals via performance management

To upgrade our school system significantly, we must invest heavily in head teachers and principals as the primary drivers of change. Research has found that an improvement in the performance of head teachers and principals has a significant positive impact on student outcomes (Figure 8.10). Head teachers and principals play an active role in developing their teachers and planning, coordinating and evaluating teaching and learning activities in their schools. They also ensure that the school environment is conducive for learning by reducing external pressures and interruptions and establishing an orderly, supportive environment both inside and outside of classrooms.

Figure 8.10



The new performance management approach (new deal) for head teachers and principals that will commence in academic year 2010 will have the following characteristics:

- **Applicability**: This new deal will apply to head teachers and principals of all government schools in Malaysia. This includes the following types of primary and secondary schools – Sekolah Kebangsaan, Sekolah Jenis Kebangsaan, Sekolah Agama Bantuan Kerajaan, Mission schools, Model Khas, Cluster schools, Sekolah Menengah Kebangsaan, Sekolah Berasrama Penuh, Sekolah Agama Bantuan Kerajaan and Sekolah Teknik dan Vokasional.

- **Performance measurement:** Performance of the schools will be based on a composite score consisting of 70% of the Grade Point Average and 30% of the Standard for Quality Education in Malaysia (SQEM). The Grade Point Average in turn is based on the school's performance in public examinations – UPSR, PMR, SPM and STPM. SQEM is a self-evaluation tool measuring four performance dimensions – vision and mission, organisational management, educational programme management and student accomplishment.

- **Transparency in school performance:** Performance of all 9,900 government schools will be ranked on a yearly basis and published from 2010 onwards (Figure 8.11). By publishing this information we hope to encourage engagement with the public and ensure that parents know how schools actually perform. Transparency will also motivate the schools to raise their level of performance.

Figure 8.11

School rankings will be published after 2009 academic year results have been released

ILLUSTRATIVE

NEW STRAITS TIMES

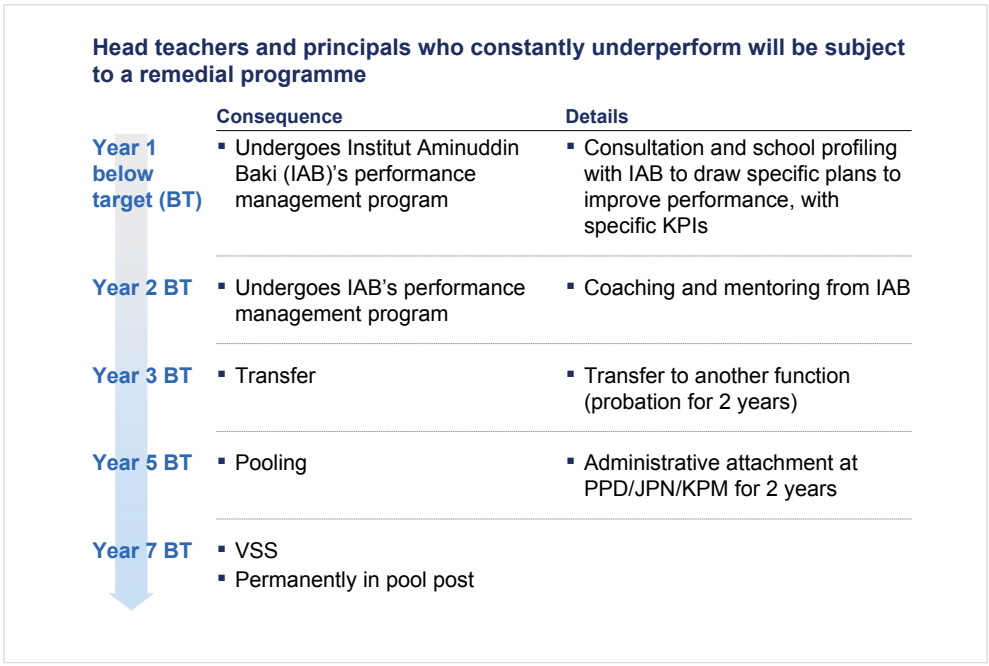
School Name	GPS 2008	SKPM 2008	2008 Composite	2008 Rank
SK A	1.21	94%	94%	1
SK B	1.25	89%	92%	2
SJK C	1.33	94%	92%	3
SK D	1.35	93%	92%	4
SK E	1.39	95%	92%	5
SK F	1.43	97%	92%	6
SK G	1.41	80%	92%	7
SK H	1.44	96%	91%	8
SK I	1.44	96%	91%	9
SK J	1.49	99%	91%	10
SK K	1.44	96%	91%	11
SK L	1.50	98%	91%	12
SJK M	1.50	98%	91%	13
SK N	1.20	81%	91%	14
SJK O	1.00	68%	90%	15
SK P	1.47	95%	90%	16
SK Q	1.52	97%	90%	17
SK R	1.50	96%	90%	18
SK S	1.54	98%	90%	19
SK T	1.25	81%	90%	20

ILLUSTRATIVE – RANKINGS WILL BE VERIFIED TO ENSURE ACCURACY

- **Eligibility for reward:** Based on a simulation of past performance, it is estimated that approximately 2% of head teachers and principals will be eligible for the reward under this programme. The eligibility criteria is:
  - A specified target composite score or target improvement in their performance rankings. This would give head teachers and principals a chance to receive the reward regardless of their starting point; even those with lower starting positions will be able to receive the reward if they show significant improvement in their rankings.
  - Annual Appraisal Report (LNPT) score higher than 90
  - Unqualified financial audit report from the state's education department
  - Free from disciplinary actions
  - Achieves school literacy and numeracy targets (for primary schools)
- **Rewards for head teachers and principals:** Both financial and non-financial rewards will be given to those who exceed targets. These consist of a payment of RM 7,500, accelerated promotion and a Certificate of Recognition. For those who significantly exceed targets for three consecutive years, an attachment programme with a reputable institution locally or abroad will be offered.
- **Rewards for teachers:** Teachers in schools with a head teacher or principal who qualifies for the reward will also be eligible for a financial reward. The top 5% of teachers in the school will receive RM 1,800, the next 90% receives RM 900 while the bottom 5% will not be eligible for the reward. Head teachers or principals will categorise teachers into these performance bands.
- **Remedial and development programme:** Approximately 10% of the bottom performing head teachers and principals will be identified based on the lowest composite score. They will be provided with training in an effort to help them improve their performance. In the first year, these head teachers and principals

will undergo Institut Aminuddin Baki's Performance Management Programme, where specific plans will be drawn up to improve the performance of their school. If the situation continues for a second year, these head teachers and principals will be given dedicated coaching and mentoring support by qualified officers from the institute to help them improve. However if these measures are ineffective and performance continues to be poor, actions such as transfers and voluntary separation will be taken as detailed in Figure 8.12.

Figure 8.12



8.5 We commit to the following NKPI targets

The outcomes we are working towards in 2010 are described in Table 8.1.

Table 8.1: NKPIs and targets for Education

Focus area	KPI	Baseline	2010
Pre-school education	• Enrolment rate (4+ and 5+)	• 67%	• 72%
Literacy and numeracy	• Literacy Rate • Numeracy rate	• Year-1: 87% • Year-1: 76%	• Year-1: 90% • Year-1: 90%
High performing schools	• Number	• -	• 20
New deal for head teachers and principals	• % of head teachers and principals who exceed target • % of head teachers and principals who perform below target	• - • -	• 2% • Not more than 10%

8.6 Early signs of progress seen on education

To ensure that some of the new programmes will be ready for the 2010 school year, we have begun to execute some of the plans already. Amongst the progress already achieved are:

- Completed Year-1 teaching and learning modules for LINUS teachers to use in classes from academic year 2010 onwards. In addition, the Year-1 literacy and numeracy screening instruments to identify students who should be placed into the LINUS programme are also complete

- Completed ranking of almost 10,000 primary and secondary schools based on the results of the 2008 academic year as well as the schools' SQEM scores. This is the first time in the history of the Malaysian education system that such a ranking has been undertaken. This ranking was used as a basis to design the rewards and remedial programmes under the new deal for head teachers and principals

- Selected and announced the first batch of High Performing Schools

- The trust school initiative is also well underway. Trust schools are public schools under the umbrella of the MOE that are managed jointly by private sector partners and MOE school leaders. Trust schools and HPS are innovations that aim to raise standards and transform schools. For both types of schools, the MOE will provide school leaders, teachers and the private operating partners of trust schools with certain autonomies and in return require accountability in the form of improved student outcomes. However, unlike HPS status, which is awarded to the top performing schools, trust schools will encompass schools at all levels of performance with the goal of enabling these schools to close their achievement gap with the top performing schools in the system. Following the syndication efforts undertaken in late 2009, there is positive and growing support for trust schools. The process to select sponsors will be overseen by a sector recently set up within the MOE to oversee the implementation and operation of trust schools. The first batch of trust schools is expected to be in operation by January 2011.

8.7 The Education NKRAs will form the starting point for a broader and more comprehensive transformation of education

As mentioned previously, progress in achieving the NKRA targets will help to build a foundation for improving student outcomes and widening access to quality education. While the programmes above are important to reform the education system, they are just the start of our journey to transform education across our schools, the ministry and across the system. Much more needs to be done in order to raise Malaysia's educational system to be among the best in the world.

Other countries have demonstrated that delivering substantial improvements in both educational outcomes and the factors that drive them is challenging but achievable. To further the progress of education transformation in Malaysia, we will also focus on the following critical enablers (Figure 8.13).

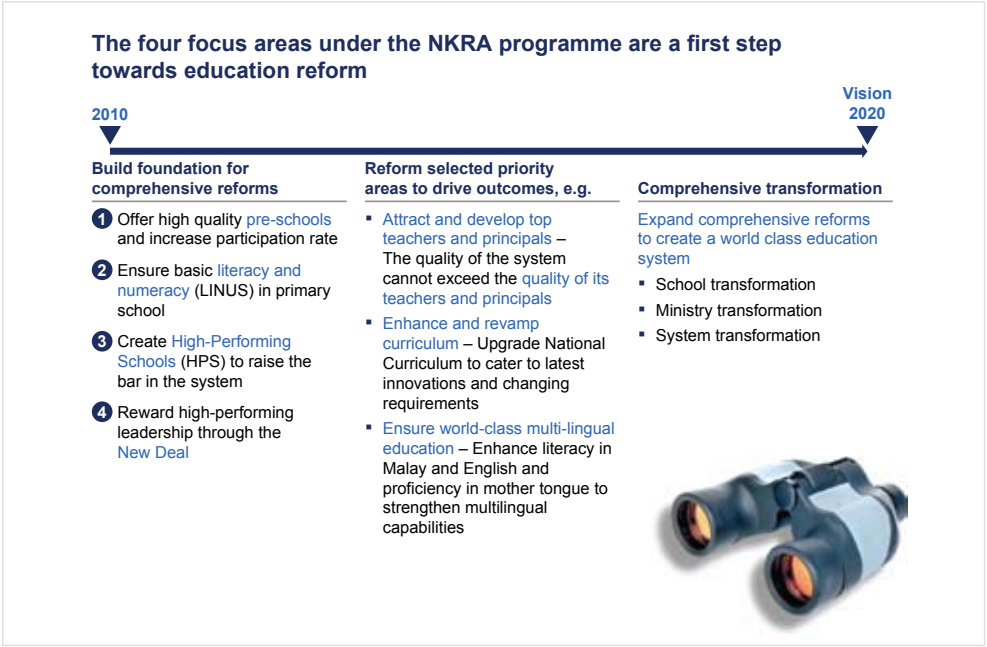
- **Attract and develop the best teachers and school leaders**: This was a strong feedback delivered by many visitors to the Education booth during the Open Days. The quality of an education system cannot exceed the quality of its teachers. The Government is committed to ensuring that we transform our educational system to be more effective in encouraging the most talented people to become teachers, developing these teachers into better instructors and ensuring that these instructors deliver consistently for every child in the system.

- **Enhance and revamp curriculum:** All top performing schools and rapidly improving school systems have curriculum standards that set clear and high expectations for what students should achieve. Going forward, we will intensify our efforts to align our education standards globally and to match our teaching to our country's future requirements.

- **Focus on enhancing multilingual instruction:** Malaysian schools can do more to improve the delivery of multilingual instruction, which would be anchored on having exceptional language teachers. We will focus on ensuring excellent instruction in English across the school system (another strong request by the rakyat during the Open Days), as well as strong Tamil and Mandarin instruction essential for initial learning and literacy.

Putting these enablers in place will require more broad transformation and reform to the school system. In order for that reform to succeed, we need effective, sustained and committed leadership at the system and school levels.

Figure 8.13



8.8 The rakyat's role as parents is critical in improving student outcomes

Achieving many of the Education NKRA targets will depend on coordinated efforts by the Government, schools administrators, teachers and parents. As parents, the rakyat play a very important role when they take an active interest in their children's educational development. For example, they can help to improve their children's basic literacy and numeracy skills by reading to them using different voices, emotions, tones and invented sound effects and by infusing daily conversations with the elements of time, shape and measurement.

We also recommend that the rakyat enrol their children in pre-school at four years of age, when these classes become available in 2012. This would give their children a head start, as attending pre-school has a positive impact on their long-term development.

PATHMAVATHY
THANESWARY

Chapter 9

Raising living standards of low-income households

"Living standards of Malaysians have improved significantly over the past 50 years. Today less than 4% of Malaysians live in poverty. Our aspiration is to eradicate extreme poverty and reduce the overall poverty rate, thus managing the polarity between the rich and the poor. Beyond aid, we will also enhance the productive capacity of low income households aimed at sustainably lifting them out of poverty. As lead minister, I will be accountable for ensuring these initiatives are implemented and that these ambitious targets are achieved. To do so, I seek the support of all Malaysians, to help us identify and register these families who need our assistance."

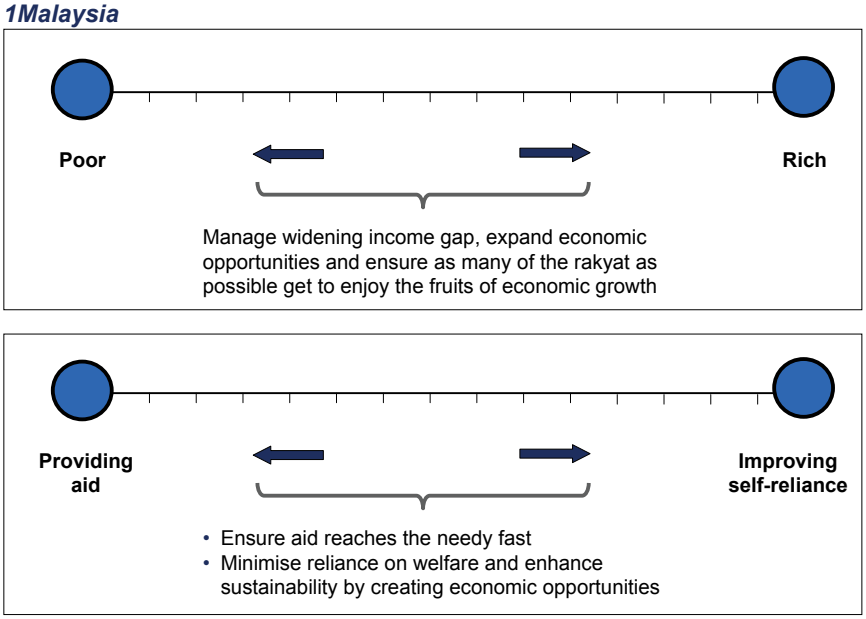
Dato' Sri Shahrizat Abdul Jalil, Minister of Women, Family and Community Development

9.1 Room to improve the lives of low-income households

While Malaysia intensifies its efforts to develop economically and become a fully developed nation by 2020, we must ensure that no Malaysian gets left behind. The possibilities of a widening income gap and of significant segments of the country not enjoying the fruits of economic growth are very real if we do not redress the issue of poverty. The importance of managing the polarity between the economically well-off and the disadvantaged has compelled us to designate the raising of living standards of low-income households as a NKRA. Within these efforts, we will also have to balance the polarities between providing direct aid to the needy and making economic opportunities available to them so they become self-sustaining (Figure 9.1).

Figure 9.1

How raising living standards of low-income households contributes to *1Malaysia*



As mentioned in Chapter 2, Malaysia has made significant strides in reducing the incidence of poverty. Malaysia's achievement is recognised globally – our country is classified by the UN[31] as a success story in managing poverty. Those strides included measures such as:

- Opportunities for the rural poor to participate in collective farming schemes, run by the Federal Land Development Authority (FELDA)
- Allocation of training, funds and premises to support Bumiputera entrepreneurship via Majlis Amanah Rakyat and the Urban Development Authority
- Monthly welfare payments to the poor and the vulnerable, e.g., the disabled
- Micro finance through Amanah Ikhtiar Malaysia (AIM)
- Financial assistance for schoolchildren from poor families intended for textbooks, bags, uniforms and pocket money.

However, despite our success in reducing poverty, we still face a situation where more than 200,000 households are classified as poor, i.e., live on less than RM 750 per month. Worse, more than 40,000 households classified as extreme poor (previously known as hardcore poor) get by on less than RM 440 per month (RM 15 per day). Also, as discussed in Chapter 2, the gap between the rich and poor is widening.

The imperative for addressing low-income households is both economic and social. Mitigating and managing the conditions leading to poverty will support economic growth, both by ensuring that productive human resources are available and ready to exploit opportunities and by expanding the market base of consumers who are willing and able to spend on goods and services. In addition, effective poverty mitigation leads to an overall higher quality of life for the rakyat as well as social cohesion and harmony as a result of reduced crime and socio-political unrest.

31 "The Geography of Poverty", United Nations Department of Public Information (DPI/1782/POV) - March 1996)

We have therefore set our sights on the ambitious goals of completely eradicating extreme poverty by the end of 2010 and further reducing poverty between 2010 and 2012 through three steps:

- Standardise the definition of low-income groups, to ensure we target support at the right people (Section 9.2)

- Implement quick, high-impact initiatives immediately, and lay the groundwork for longer-term actions. These initiatives will improve immediate welfare as well as build income-earning potential to ensure sustainability (Section 9.3)

- Put enablers in place to ensure that our poverty eradication programmes are both effective and efficient (Section 9.4)

The thrusts of this NKRA focus on the social and economic aspects of addressing the issue of low-income households. Other aspects are covered elsewhere. For instance, extensive improvements to rural basic infrastructure are needed to enhance the quality of life of the rural poor – these are addressed in the Rural Basic Infrastructure NKRA. Meanwhile, we are developing other broad economic policies to promote higher value-added economic activities, thus providing opportunities to people from low-income households to secure higher-income employment. These are not addressed specifically under this NKRA but will be announced as part of the New Economic Model.

9.2 Common definition of low-income groups

We have traditionally determined the incidence of poverty by reference to a threshold Poverty Line Income (PLI). This PLI is based on what is considered to be the minimum consumption requirements of a household for food (constituting the Food PLI) and non-food items such as clothing, rent, fuel and power (making up the Non-food PLI). The proportion of households living below the PLI is the proportion living in poverty, while those living below the Food PLI are classified as living in extreme poverty.

In the past, one of the difficulties we faced was agreeing on a common threshold for the PLI across ministries and agencies. This made it difficult to work together to identify and assist poverty target groups. Having reviewed methods used in other countries, we came up with a definition based on Malaysia's specific socio-economic conditions that all ministries and agencies will use:

- **Low-income Households** (LIH) are households that have a total income less than or equal to RM 2,000 per month, which represents 75% of the median income in Malaysia.[32] It is a uniform national number. While some may perceive a monthly household income of RM 2,000 as relatively comfortable, the reality is that the rising cost of living is increasingly squeezing this group's spending power and thereby causing increasing hardship (Figure 9.2).

- **Poor** are households with a total income less than or equal to RM 750 per month. This is based on the PLI and is a uniform national number.

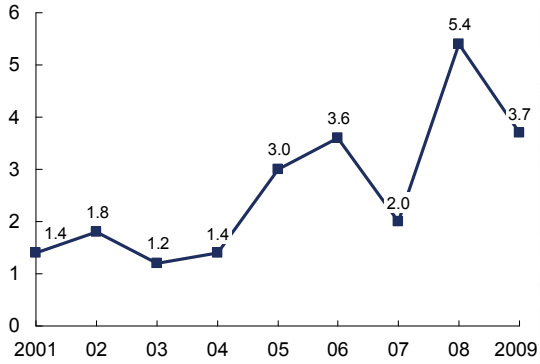
- **Extreme Poor** describes households that have a total income less than or equal to RM 440 per month. This is based on the Food PLI and is a uniform national number.

[32] According to the Household Income Survey, 2007

Figure 9.2

Rising cost of living is increasing pressure on households

Increase in Consumer Price Index 2001-2009*
Percentage per annum



"Consumers upset over fare increase

Johor Bahru: Many consumers are frustrated and upset over the Government's decision to allow bus operators to permanently incorporate the 30% surcharge into their fare.
They feel the move is a financial burden, especially with the growing economic uncertainty with many people taking pay cuts and losing jobs."

The Star
Tuesday June 16, 2009

"Food and retail outlet operators blame suppliers

Petaling Jaya: Food and retail outlets are not lowering their prices despite another drop in petrol and diesel prices because suppliers are not reducing theirs."

The Star
Thursday October 16, 2009

"Still paying the same prices

Although fuel prices have come down, many still feel the pinch from the dramatic rise in the cost of goods. While the authorities predict prices will fall next year, consumers continue to tighten their belts."

The Star
Sunday December 28, 2008

1 Data Jan-Mar 2009

SOURCE: Department of Statistics Malaysia, thestar.com.my

Now that we have redefined the threshold of low-income households, families will receive some kind of support at a higher level of income than previously. The categories of poor and extreme poor are now used to identify those who require immediate or urgent attention respectively.

9.3 Implementation of fast, high-impact initiatives

We will be introducing initiatives that are intensive, prioritised and coordinated to achieve the NKRA targets, many of which were already announced in the Budget for 2010. These initiatives will help us to achieve the NKRA targets; more initiatives will be introduced (and existing ones modified) based on results of implementation on the ground. The initiatives will be implemented in stages in 2010, 2011 and 2012 (Figure 9.3):

- To reduce poverty and eradicate extreme poverty by the end of 2010, we will immediately:

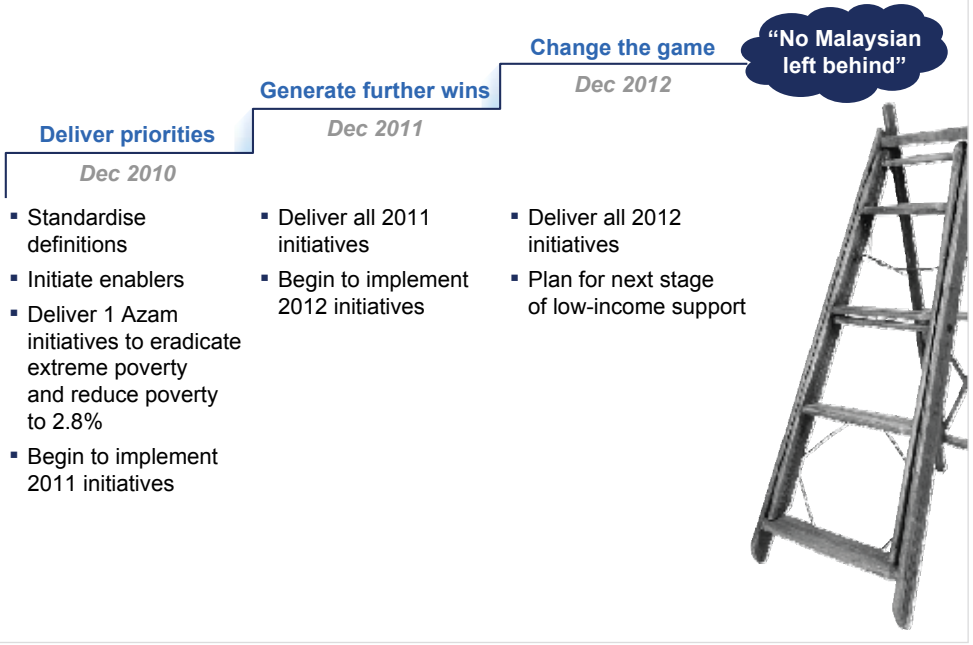
  – **Provide aid to the poor:** Expedite monthly welfare payments and provide support to increase home ownership among the rakyat. Housing support in urban areas has been highlighted as we recognise that shelter is a basic need of all rakyat, including those with low incomes.

  – **Increase productivity of the poor:** Create jobs through Gerakan 1 Azam

- In addition to eradicating extreme poverty and reducing poverty, we want to uplift the lives of low-income households who do not fall into the poor and extreme poor categories. To do so, we will deliver other initiatives centred on driving productivity in the areas of education and training, health, microcredit, re-integration of drug addicts and ex-convicts into society, etc. while continuing to deliver aid to those who need it.

Figure 9.3

Uplifting low income households in three stages



To manage the polarity between aid and self-reliance, we will ensure that aid is gradually linked to participation in employment or participation in entrepreneurship programmes. This means that we will only provide aid to those who are actively seeking work or setting up businesses, and this aid will be phased out when they have a steady stream of income. For the disabled, we would continue to provide aid, while helping them transition into mainstream economic activities if possible.

9.3.1 Initiatives for 2010

Providing aid

Empathising with the hardship of the poor and extreme poor, we have committed to distributing federal welfare assistance on the first day of every month, rather

than irregularly as before. This policy commenced 1 September 2009 for Peninsular Malaysia and 1 January 2010 for Sabah and Sarawak.

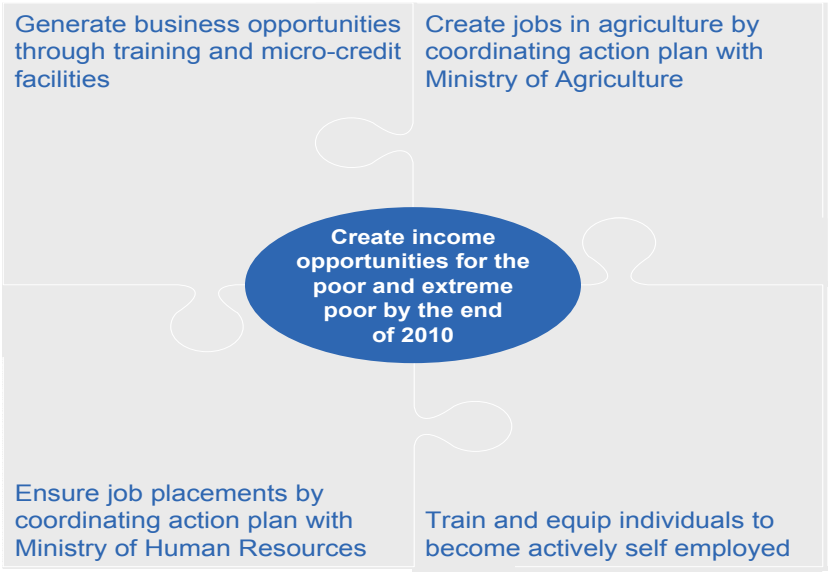
Also, as announced in the Budget for 2010, we will provide housing support to the needy. First we will offer to sell about 44,000 Dewan Bandaraya Kuala Lumpur (DBKL) and Jabatan Perumahan Negara (JPN) low-cost houses to current tenants, at a price of about RM 21,500 to RM 35,000 per unit. Second, under JPN we will offer to rent out 74,084 houses at a low price.

Increasing productivity

In addition, to equip the poor and extreme poor with the means to increase their incomes, we will intensify our programmes to build the capabilities of these people and create jobs. This will include Gerakan 1 Azam, a new programme to create jobs through a mixture of employment and entrepreneurship (Figure 9.4). It incorporates the various schemes announced in the 2010 Budget, e.g., the establishment of 300 Kedai Desa as well as the Skim Pembangunan Kesejahteraan Rakyat.

Figure 9.4

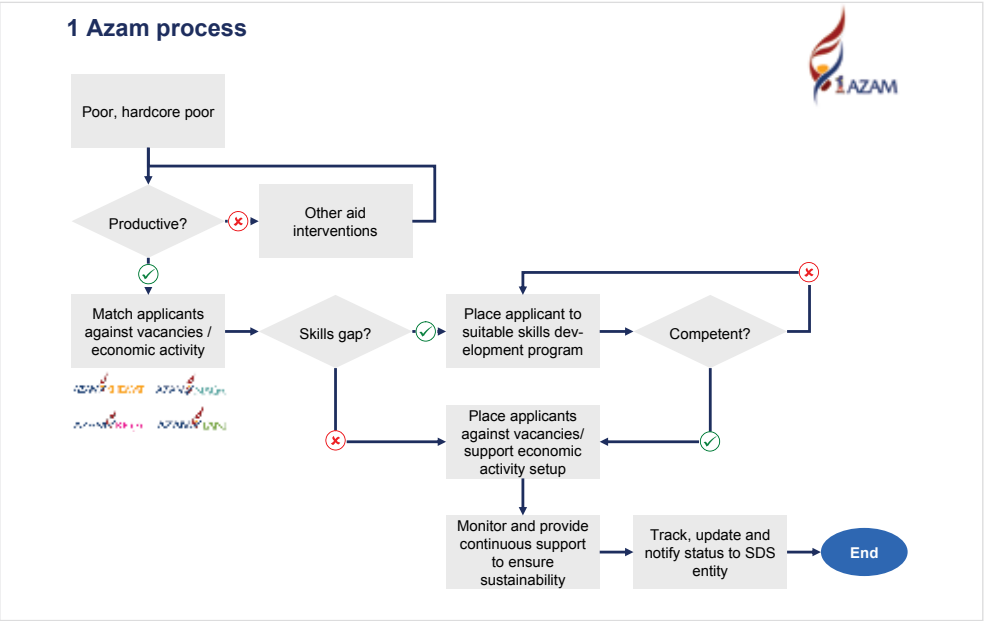
Gerakan 1 Azam



1 Azam is in fact a comprehensive programme, based around the concept of driving productivity and managing aid to lift the living standards of the poor and extreme poor (Figure 9.5). The main steps are:

- Assess productiveness (ability to work), and for those who are either physically incapacitated or mentally ill, provide the necessary aid and rehabilitation so they can become a productive person
- Match productive individuals against available job vacancies and other suitable economic activities (e.g., farming, small business)
- Provide training for those who do not have the needed skills
- Monitor and provide continued short-term support (e.g., coaching) when a person gains a job or starts a business
- Remove from support list when income is established.

Figure 9.5



The following are the detailed initiatives under Gerakan 1 Azam:

1 Azam Kerja will help to match the poor and extreme poor to available jobs and encourage them to take advantage of employment opportunities in sectors where Malaysians are not prevalent. We will facilitate job placement for low-skilled positions such as domestic maids, petrol pump attendants, security guards, waiters and construction workers. To achieve this, we will:

- Freeze the hiring of foreign workers in selected industries for a limited time period
- Encourage employers to prioritise Malaysians when filling those low-skilled positions
- Set up JobsMalaysia Centres and JobsMalaysia Points to match jobseekers with available jobs
- Offer skills development programmes to the poor and extreme poor, via community colleges and various Institut Kemahiran

1 Azam Niaga will encourage entrepreneurship and the setting up of small goods businesses, e.g., food businesses, such as home cooked foods, and online businesses, similar to successful programmes run by agencies such as AIM. We will provide training and funds to support the setup of small ventures (Figure 9.6).

1 Azam Khidmat is similar to 1 Azam Niaga but will facilitate the setting up of small service businesses including innovative service-based businesses, e.g., homestay training programmes, mobile canteen, mobile car wash, day care centres for the elderly or for children, post-natal care services and low-skill home based assembly businesses. We will assist with the required training and start-up funds.

1 Azam Tani will support the poor and extreme poor to become involved in small, short pay-back agricultural businesses, e.g., poultry farming, aquaculture. Again, we will provide training and funds to support the set-up.

Figure 9.6

1 Azam will be modeled on similar successful government support programmes

EXAMPLE

- Norida, 45, Terengganu
- Business: sale of noodle soup and drinks
- Government support received – RM 2,000 start-up capital from Amanah Ikhtiar Malaysia

- Norfarina, 20, Kedah
- Business: tailoring
- Government support received – RM 6,000 equipment grant

9.3.2 Initiatives for 2011

Further initiatives will be implemented by the end of 2011 to drive productivity and manage aid.

- **Basic amenities**: Expand the supply of electricity and water to low-income households in rural areas. This will be done in tandem with the Rural Basic Infrastructure NKRA discussed in Chapter 10. An example is the Skim Program Lonjakan Mega, which covers rural economic and infrastructural expansion projects

- **Awareness-building**: Enhance awareness of low-income households about the various support programmes available to them, so they can benefit from those programmes. Various channels will be used, including Open Days and new media like blogs (which low-income households can access through government Internet centres).

- **Education and training**:

  – Adopt schools in areas where low-income households are prevalent and improve the schools' infrastructure and learning environment. This will be done in partnership with the corporate sector.

  – Provide further training and reskilling to eligible low-income households to improve their likelihood of earning income.

- **Health**:

  – Increase the number of urban, rural and mobile health clinics (at least one mobile clinic per state) to cater to low-income households. This measure will help to maintain the health of people in these households so that they can continue to earn incomes. As a start, the Budget for 2010 allocates RM 10 million to establish 50 *1Malaysia* community clinics in urban areas.

  - Expand financial support for people in low-income households to purchase artificial limbs and prosthetics. We will also improve the availability of prosthetics by setting up at least one prosthetic centre per state so that those who need prosthetics can return to work.

- **Job placement**:

  - Continue to match people in low-income households to jobs in companies, including GLCs. We will intensify training and coaching to help them succeed in their jobs and will also continue to encourage employers to prioritise Malaysians when filling positions where foreign workers are still prevalent and develop tax and other incentives for them to do so.

  - Create employment opportunities by setting up Jimat *1Malaysia* grocery stores. We aim to set up 50 such stores by 2010 and one in every district by 2011.

- **Micro-credit**: Develop a mechanism to provide micro-credit to eligible low-income households to help them start small businesses so that we can wean them from long-term financial aid. Applications and disbursements will be handled by banks as well as outlets of GLCs like Pos Malaysia post offices and Petronas petrol stations. At least one pilot project will be introduced per state by Q1 2011.

- **Transition / re-integration**: Provide support to re-integrate marginalised groups, such as ex-convicts and ex-drug addicts, into society. We will provide temporary shelters (Anjung Damai), counselling, skills training and programmes to build community support for the re-integration of these people.

9.3.3 Initiatives for 2012

Further initiatives will be implemented by the end of 2011 to drive productivity and manage aid.

- **Basic amenities**: Build new and upgrade existing basic sanitation infrastructure in low-income household areas in both urban and rural areas. This measure will help affected households to live more healthily so that they are able to study and work effectively.

- **Education**:

  - Increase awareness among low-income households of the importance of pre-school education, and provide financial support to enable children from low-income households to attend pre-schools. Our target is for 100% of eligible age children from low-income households to be enrolled in pre-schools by 2012.

  - Provide school uniforms and accessories (e.g., shoes, school bags) to students from low-income households. Currently we provide assistance mainly in the form of cash; supplying goods will prevent any opportunity to misuse the aid. Our target is for 100% of eligible students to receive this aid by 2012.

  - Provide additional subsidised hostel capacity to enable students who require accommodation (e.g., those from rural areas) to continue with their studies, despite financial hardship.

  - Train and develop a further 2,000 women entrepreneurs among low-income households by 2012 (Together with earlier initiatives such as 1 Azam, we will develop a total of 4,000 women entrepreneurs between 2010 and 2012).

- **Health**: Intensify assistance to patients requiring dialysis treatment. This will involve providing financial aid, setting up more dialysis centres and providing transportation to/from those centres.

- **Housing**: Beyond the housing support offered under the 2010 Budget (as discussed above), we will make more housing available to the poor and extreme poor.

  – As mentioned in Chapter 10 (Improving Rural Basic Infrastructure), by 2012, we will provide 50,000 new and restored houses to the poor and extreme poor, especially in rural areas, as well as 14,000 houses to the Orang Asli.

  – Offer financial assistance for housing down-payments and legal fees and low-interest-rate loans to low-income households who are not recipients or purchasers of low-cost homes provided by the Government.

- **Insurance**: Partner with selected private sector institutions (e.g., Takaful Malaysia) to offer a *1Malaysia* Insurance scheme, so that the extreme poor can be protected by insurance, which is largely unaffordable for them. The policies will cover areas such as education, death and critical illness. Our target is for all extreme poor households to enjoy insurance coverage by 2012.

In our reviews of how other countries protect low-income households, we noted that some countries use a minimum wage to safeguard low-income workers. We are studying this as another potential way to help individual Malaysians stand on their own feet and not require any government assistance. The minimum wage could be based on the PLI of RM 750 per month, which would work out to be an hourly wage of RM 4.70 based on a 40-hour working week. While we have begun to conduct feasibility studies, any action would not occur before 2012, and even then it would be introduced gradually, so as not to adversely affect employers.

9.4 Enablers to ensure delivery of initiatives

To enable the above initiatives to be delivered effectively and efficiently, we will also implement the following structural changes:

- **Create unified Social Development Services (SDS) entity**: Integrate agencies involved in planning, delivery and monitoring social welfare services into a single entity. This would improve our own efficiency in coordinating welfare services as well as provide convenience to the rakyat, who would interact with a single agency and visit a single service centre for all social welfare services. Service centres could be located in post offices to enable easy access for the rakyat.

- **Set up independent Social Development Inspectorate**: The Inspectorate will investigate and prosecute welfare fraud as well as handle complaints by low-income households against the SDS entity

- **Integrate databases**: Consolidate all databases containing data of LIH into e-Kasih, designate this as the sole database for LIH and designate the ICU as the sole manager of this database (as announced in the 2010 Budget). This will facilitate easier identification, approval and tracking of LIH. Following that, only households that appear in e-Kasih will be eligible for government support. One of our priorities, therefore, is to work with the rakyat and with NGOs to ensure that all low-income households are registered in e-Kasih.

- **Implement SDS Card or Vouchers**: Issue smart cards or vouchers to people who are categorised as poor and extreme poor. This would serve as an identification document, facilitate crediting of aid and ensure that only those in need benefit from subsidised public services (e.g., healthcare, education). With such cards, we can ensure that all aid arrives safely into the hands of the intended recipients. A pilot project will be launched in Kedah, targeting 100% ownership and usage among poor and extreme poor households by the end of 2010.

- **Reduce processing time for disbursement of aid** to first-time applicants from the current two months to seven days. We will identify opportunities to streamline processes and strengthen coordination between agencies. The target is to process 100% of applications and disbursements within seven days by 2012.

9.5 Commitment to meeting the KPI targets

To measure our success and track our progress in raising the living standards of low-income households, we commit to achieving the following outcomes (Table 9.1):

Table 9.1: NKPIs and targets for Low-Income Households

Focus area	KPI	Baseline	2010
Extreme poor	Number of households in extreme poverty	44,000 households	0 households
Poor	Incidence of poverty	3.6%	2.8%
Low-income households	New women entrepreneurs trained	N/A - target represents increment	2,000 additional

9.6 Early signs of progress seen on low-income households

We acknowledge that there is a long way to go to improve the living standards of people in low-income households, but early progress has been encouraging in housing, distribution of payments and processing of applications as mentioned earlier. We have begun offering low-cost houses for sale to existing tenants at RM 21,500 to RM 35,000 per unit – up to 75% less than the market value – to increase the home ownership rate among low-income households. Since 1 September 2009, we are distributing federal welfare assistance on the first day of each month in Peninsular Malaysia. And an early result of greater inter-agency coordination is that an application to be listed in the low-income households database now takes only seven days compared to two months previously.

These are small, early steps, but we fully intend to implement many more initiatives to improve the rakyat's lives over the next 12–36 months.

9.7 How the rakyat can play a role in helping low-income households to receive government aid

For low-income households to receive financial aid and other government support from programmes such as Gerakan 1 Azam, they must first be registered in the e-Kasih system. However, identifying and registering these households in the database is challenging given their sheer number, dispersion across the country and lack of access to the Internet. Members of the public can help to accelerate and increase the reach of these programmes by identifying any household they think may be eligible to receive assistance and helping them to register in e-kasih via the Internet. There are three simple steps:

- Visit www.ekasih.gov.my
- Enter the details (names, IC numbers, income levels, contact details) of the people in the household
- Enter the name and contact details of the person helping that low-income household to register, and click "Send"

Chapter 10

Improving rural basic infrastructure

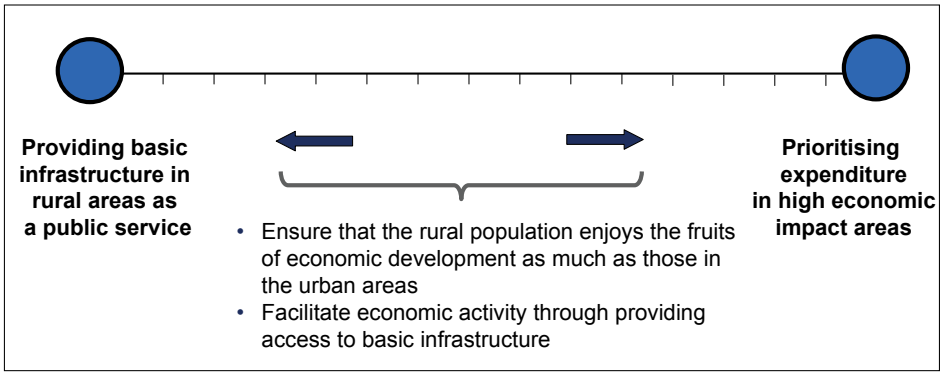
"We aim to ensure Malaysians living in rural areas are connected to the roads network and have access to housing, electricity and clean water. This requires us to manage the polarity between investing in rural and urban areas. The targets we have set ourselves are very ambitious, as we attempt to build 11 times as many kilometres of roads, 2.5 times as many houses, provide 5 times as many houses with electricity, and connect 7 times as many houses to clean water over the next three years, as compared to what we had achieved in 2006-08. I am accountable and committed to achieving these targets by the end of 2012 and seek your support in working with me and my team to deliver these results."

(Dato' Seri Haji Mohd Shafie bin Haji Apdal, Minister of Rural and Regional Development)

Improving the provision of basic infrastructure for the rakyat living in rural areas is another of our priorities. Access to basic infrastructure is a fundamental right of all Malaysians no matter where they live. Roads, housing, electricity and water infrastructure are important for the population's health and socio-cultural advancement and are part of the essential foundations of our nation's economy. Therefore, we need to manage the polarity between spending in high economic impact areas and providing basic infrastructure in rural areas (Figure 10.1).

Figure 10.1

How improving rural basic infrastructure contributes to *1Malaysia*



About 35% of Malaysians live in rural areas (rising to nearly 70% in some states). Currently this large segment of the population benefits least from the economic progress we have enjoyed over the past decades as a nation. Developmental spend is disproportionately skewed towards urban development, and the mix of rural development allocation has dropped markedly from a high of 25% in the Sixth Malaysia Plan, to 12.4% in the Eighth Malaysia Plan.

Ensuring access to basic infrastructure in rural areas ensures more equitable distribution of wealth, facilitates economic activity (e.g., road connectivity facilitates increased trade and commerce as it allows freer movement of goods and services, whilst the availability of electricity and water is essential for many types of industrial activity), and has a direct effect on national GDP. A widely-cited economic index puts the direct multiplier effect of infrastructure GDP spending at 1.5 times the expenditure.[33]

As mentioned in Chapter 2, Malaysia has progressed significantly in the provision of rural basic infrastructure. For instance, in each year[34] from 2006 to 2008,

- 220 kilometres of roads were built or upgraded
- 10,000 households benefitted from electrification
- 18,000 homes were given access to clean or treated water
- 7,000 houses were built or restored in rural areas to benefit the poor

In spite of Malaysia's very considerable achievements in these areas, we need to do more to serve the rural population. There are many villages still not connected by roads, especially in Sabah and Sarawak. More than a quarter of households do not have access to electricity in Sabah and Sarawak. And upwards of 40% of households in Sabah and Sarawak and 12% of households in Peninsular Malaysia lack access to clean or treated water.

33 A Second Quick Boost From Government Could Spark Recovery: comments by Mark Zandi, chief economist of Moody's Economy.com. Edited excerpts of testimony he gave before the U.S. House Committee on Small Business on July 24, 2008

34 Approximate figures

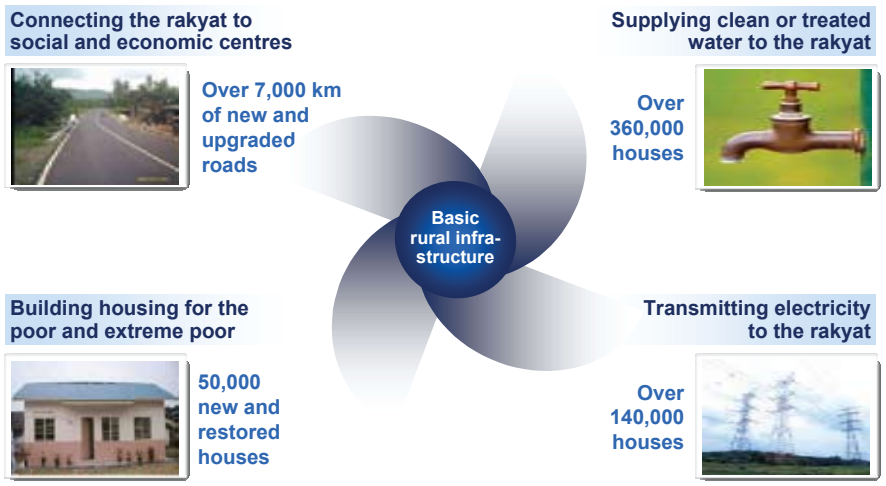
Consequently, we have embarked on a major programme to develop rural basic infrastructure, centred on improving the quality and pace of the provision of roads, water, electricity and housing to the rural population.

10.1 The breadth, scale and pace of the programme will need to be significantly greater than what has been done before

The breadth, scale and pace of our aspiration to increase rural access to basic infrastructure is significant. As summarised in Figure 10.2, the aspiration for 2012 is to construct more than 7,000 km of new and upgraded roads, build or restore 50,000 houses for the poor, electrify over 140,000 households and supply clean or treated water to over 360,000 households.

Figure 10.2

Malaysia is embarking on a major programme of rural basic infrastructure development



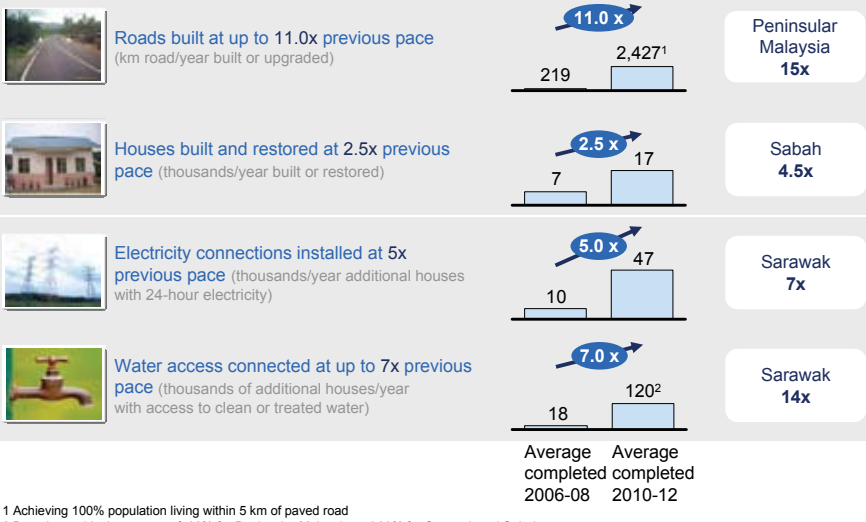
This means that we will have to move much faster. Comparing the pace of delivery in the three years to the end of 2008 with what will be required[35] for the three years from 2010 to 2012 (Figure 10.3):

- Roads: 11 times as many kilometres of roads will be built or upgraded
- Housing: 2.5 times as many houses will be built or upgraded
- Electricity: 5 times as many houses will be connected
- Water: 7 times as many houses will be connected to clean or treated water

[35] Approximate figures

Figure 10.3

Scale and pace of delivery to reach announced targets will be much greater than previous years



1 Achieving 100% population living within 5 km of paved road
2 Based on achieving targets of: 98% for Peninsular Malaysia and 90% for Sarawak and Sabah

Source: KKLW; JKR

10.2 The programme will have huge impact on the rakyat

We are investing significantly to improve rural basic infrastructure. Initial cost estimates suggest that up to RM 18 billion will need to be spent over the next three years to achieve the desired outcomes.

10.2.1 The Government will oversee a building programme to build or upgrade approximately 7,000 kilometres of Federal and State roads

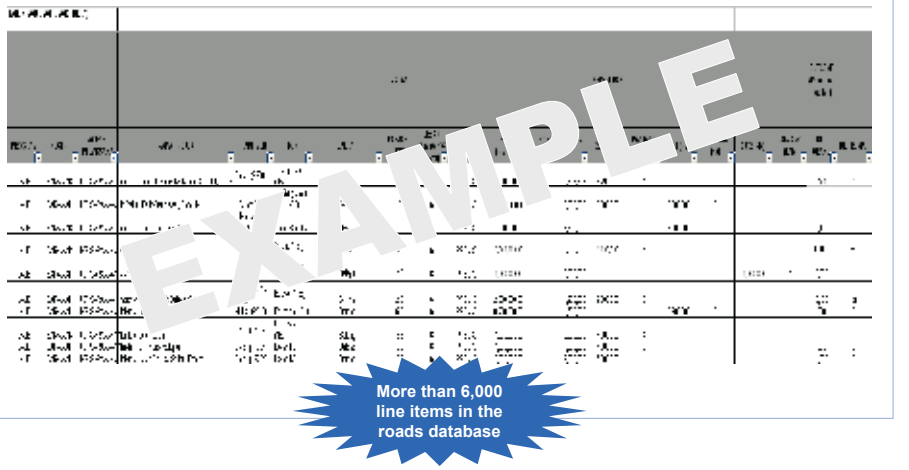
As part of this programme, we will build approximately 1,900 km of roads in Sabah and Sarawak, about 70% of which will be paved and the rest gravel. As a result of the programme, an estimated additional 800,000 people will be connected to the roads network.

In Peninsular Malaysia, where nearly all of the population is already connected to the roads system, the focus will be on paving gravel roads in rural areas. When the programme is completed in 2012, close to 100% of the population in Peninsular Malaysia will live within five kilometres of a paved road.

Each and every road to be built and upgraded across the country in the programme has already been identified in detail – point of origin and destination, total length, width, material to be used, implementing agencies, people connected – to ensure that we have taken all implementation considerations and challenges into account, and to optimise for on-time and in-budget delivery. An excerpt of the planning data for the roads programme is shown below (Figure 10.4).

Figure 10.4

A comprehensive roads project database was created



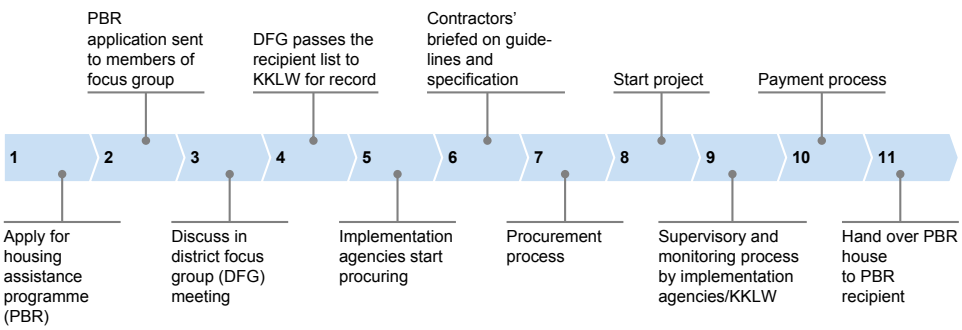
10.2.2 50,000 houses will be built for the rural poor and hardcore poor

Approximately two thirds of the 50,000 houses will be built in Sabah and Sarawak, and the rest in Peninsular Malaysia.

Beyond the massive funding and deployment challenge of building and upgrading 50,000 homes, a key issue we had to resolve is ensuring beneficiaries are truly deserving of these houses. Potential beneficiaries of the housing programme have been identified by district and state level agencies as well as through the e-Kasih portal, the national database on low income households. A district-level focus group assessed the merit of potential beneficiaries and decided on whether households merited inclusion in the housing programme. We asked authorities closest to the situation to select beneficiaries to ensure local realities were taken into account. Figure 10.5 outlines the process used to identify and select beneficiaries for the housing programme.

Figure 10.5

District-led approval process for building low-income housing in rural areas



To ensure delivery of houses to a consistent quality standard, the houses built or restored in this programme will be of a standard design. In addition to ensuring consistent delivery quality, a standard design allows for better control over costs: the standard design is broken down to the component materials (steel beams, plywood, plaster, sand, ready-mix, etc.) and standard labour costs, and thus the expected cost of delivery can be planned and managed.

The housing programme is designed to be executed by Class F contractors, small entrepreneurs in the contracting and construction business across the country. Designing the programme in this way ensures maximum participation of rural businesses at the grass roots level in the economic stimulus provided by the housing programme.

To ensure that government funds are spent in the most efficient manner, the cost of the programme has been benchmarked against international best practices of low-cost house construction for low-income households. Malaysia's programme of a standard design executed by local contractors compares favourably to such an international benchmark.

Targets have been cascaded down to the state level, taking into account local delivery realities and constraints. Our overall goal is to ensure we deliver houses within budget and on time.

10.2.3 140,000 additional houses will be connected to 24-hour electricity supply

Peninsular Malaysia already has a high rate of electrification today (approximately 99%). Sabah and Sarawak, in contrast, has lower rates: 77% in Sabah and 67% in Sarawak. Our rural electrification programme will connect 140,000 additional homes by 2012 – 95% of which will be in Sabah and Sarawak.

Connecting to grid-based electricity is the default option for adding connections across the country (83% of new connections). These new connections will build upon the investments we made in recent years to increase electricity generation capacity in different parts of the country.

Some rural areas, however, are distant from electricity generation and transmission infrastructure. In these cases, after thorough cost-benefit analysis, we decided to use distributed power-generation technologies such as solar hybrid power generation or micro hydro-electricity. These solutions will be applied in approximately 17% of the new connections in 2010–12. Figure 10.6 shows a solar hybrid power-generation station in Kampung Pak Kaleh, Pulau Pemanggil.

Figure 10.6

Solar hybrid power-generation station, Kampung Pak Kaleh, Pulau Pemanggil

We reviewed each village where houses to be electrified are located. This rigorous planning will ensure we can deliver to the rakyat within budget and on time. An excerpt of the planning data for the electricity programme is shown below (Figure 10.7).

Figure 10.7

A comprehensive electricity project database was created

Rural Basic Infrastructure: Electricity
Project List Breakdown

Projects spanning across 2 years with impact and cost halved and allocated to 2011
Projects spanning across 2 years with impact and cost halved and allocated to 2012
Total 141,158 52,675,208

No.	Sub Area	Description	Year	Types	Impact I	Impact	Cost (RM)	State
30	Electricity	Kg.Rakyat Baru, Kg.Muhibbah, Menggatal	2010	Grid Connection	97	Hou	758,210.40	Sabah
31	Electricity	Kg.Pinahawon,Kg.Tiku,Kg.Ruminding	2010	Grid Connection	59	Hous	1 39,380.20	Sabah
32	Electricity	Kg.Kionsom,Kg.Kionsom Kecil,Kg.Tebobon Kionsom,Kg.Malaka,Inanam	2010	Grid Conne		Houses	2,421.00	Sabah
33	Electricity	Kg.Kitobu,Kg.Kawakaan,Kg.Kironggu,Inanam	2010	d Co		Houses	197,026.20	Sabah
34	Electricity	Kg.Bantayan/Pangasaan,Inanam	2010	Con		Houses	1.20	Sabah
35	Electricity	Kg.Kiambalang,Inanam		Conn		Houses	.00	Sabah
36	Electricity	Kg.Rampayan,Menggatal		onne		Hou	2.40	Sabah
37	Electricity	Kg.Kirulau,Kg.Pulutan,Menggatal		nnec	5		746,643.50	Sabah
38	Electricity	Kg.Kodoingan,Kg.Malawa,Kg.Kayu ng, Kg.Boronuon,Telipok		id nect	23	ouses	101,439.60	Sabah
39	Electricity	Jalan D epay. nggiling U eng	2	d C ction	74	Houses	1,212,624.30	Sabah
40	Electricity	Kg. ampulan,Telipo	20	Connection	14	Houses	478,923.00	Sabah
41	Electricity	Kg.B d,Menge tal	201	Grid Connection	18	Houses	832,797.90	Sabah
42	Electricity	Kg.Pa atal	10	Grid Connection	162	Houses	550,142.40	Sabah
43	Electricity	Kg.Por Seambang u.	2010	Grid Connection	28	Houses	1,153,453.75	Sabah
44	Electricity	Kg.Togu nggatal	2010	Grid Connection	8	Houses	42,457.20	Sabah
45	Electricity	Kg.Togud Kg. li Moyog, Kg.Mongkusilad Ke Tadong g.Mongkusilad,Kg.Malapi,Moyog	2010	Grid Connection	236	Houses	18,638,702.95	Sabah

EXAMPLE

More than 3,700 line items in the electricity database

10.2.4 360,000 additional houses will be connected to clean or treated water

The percentage of houses connected to clean or treated water currently varies from approximately 89% in Peninsular Malaysia to 57% in Sarawak and Sabah. To reach our aspirations, we need to supply clean or treated water to an additional 360,000 houses between 2010 and 2012.

Connecting to the reticulation network is the default option for adding connections across the country (95% of new connections). While some new connections will build upon the investments we made in recent years to increase water treatment capacity in different parts of the country, others will require new water treatment plants – 36 water treatment plant projects will need to be completed to serve rural areas.

Some rural areas are quite far from existing water treatment plants and water mains, or are in areas with very low population density. In these cases, after thorough cost-benefit analysis, the decision was made to use alternative solutions such as tube wells, gravity wells or rain water recovery. These solutions will be applied in approximately 5% of the new connections in 2010–2012. Figure 10.8 shows a rainwater filtration system in Kampung Stass, Bau, Sarawak.

Figure 10.8

Alternative water solutions in Kampung Stass, Bau, Sarawak

We reviewed each kampong where houses to be connected to clean or treated water are located. This rigorous planning will ensure we can deliver to the rakyat within budget and on time. An excerpt of the planning data for the electricity programme is shown below (Figure 10.9).

Figure 10.9

A comprehensive water project database was created

National Key Result Area
Rural Basic Infrastucture Water Sublab

NO.	DESCRIPTION	YEAR	TYPE	IMPACT I	IMPACT I UNIT	ST	STATE
1	Mukah Bedengan Sg Duan	2010	Special	268	House	20,000,000	Sarawak
2	Mukah Bedengan Sg Duan	2011	Special	268	Houses	8,700,000	Sarawak
3	Bekalan Air Punang	2010	WTP	0	Houses	2,000,000	Sarawak
4	Bekalan Air Punang	2011	WTP		Houses	3,000,000	Sarawak
5	Bekalan Air Puncak Borneo	2010	Special		Houses	15,000,000	Sarawak
6	Bekalan Air Puncak Borneo	2011	Spec	683	Houses	000,000	Sarawak
7	Bekalan Air Puncak Borneo	2012	peci	83	Houses	00,000	Sarawak
8	Bekalan Air Selangau	10	TP			3,900,000	Sarawak
9	Bekalan Air Selangau		TP			20,000,000	Sarawak
10	Bekalan Air Selangau		W		uses	10,000,000	Sarawak
11	Bekalan Air Kapit	20	W		Houses	2,900,000	Sarawak
12	Bekalan Air Kapit	111	TP	4	Houses	13,000,000	Sarawak
13	Bekalan Air Kapit	12	TP	4132	Houses	10,000,000	Sarawak
14	Saratok Regional - Supply - phase			300	Houses	7,100,000	Sarawak
15	Saratok Regional W phase		WTP	300	Houses	12,300,000	Sarawak
16	Saratok Regional W. - phase	2	WTP	400	Houses	25,700,000	Sarawak
17	Serian Regional Wate pply - Phase I	2010	WTP	1402	Houses	20,000,000	Sarawak
18	Serian Regional Wate	2011	WTP	1500	Houses	40,000,000	Sarawak

EXAMPLE

More than 4,200 line items in the water database

10.3 The Government will ensure that enablers are in place to ensure success

As our goals for improving rural basic infrastructure are ambitious, we will put in place measures so we can coordinate, monitor and implement the plans to achieve them. We are battling three constraints – (a) optimising the time required to build and upgrade roads and houses and to connect houses to electricity and water, (b) ensuring sufficient resources (manpower, materials, machines) and (c) putting in place a programme management and governance structure to ensure close monitoring and coordination across the four programmes and across the country.

10.3.1 Reducing the time needed for administrative processes

We will revamp existing processes to become more efficient. Doing things "the old way" would mean that it would be physically impossible to achieve our goals within three years. For example:

- The current open tender process for roads consumes four to five months from initial advertisement to award. This duration will be halved by using more standard templates, processing in parallel where possible, accelerating communication between parties (e.g., through use of e-mail) and scheduling a weekly tender board.

- While there is significant variance, land acquisition consumes an average of eight to eleven months (from submission of initial plan to payment of compensation and handing over of site). This time will be reduced to six to eight months through similar actions and levers to those we will use to accelerate roads.

These time reductions will be accomplished by improving productivity and using 'lean' processes. We will not sacrifice good governance to meet the need to build faster.

Similar to the examples above, we have identified process improvements to reduce the time for tendering contracts for roads, electricity, houses and water by 40–50%.

Example: Reducing the tendering process time for water project contractors from 12–15 months to less than 8 months to be able to deliver new projects in 2010

Challenge: The current tender process can take 12–15 months to complete. As a result, projects initiated in 2010 would not begin during 2010.

Solution: Tender processes were reviewed in depth to identify ways to be more efficient. As a result of this review, time savings of up to 50% were identified and are being implemented. As a result, some 2010 water projects will actually see water flowing within the year. Specific actions and interventions that will be made to the water contractor tender processes include:

- Using standard templates and formats where possible
- Allowing soft copy (CD) with read-only format tender documents
- KKLW Technical Department leading the inspection for tender documents
- Appointing a tender evaluation committee early
- Scheduling the Tender Board meetings in advance

10.3.2 Increasing the supply of manpower, materials and machines critical to delivering the rural basic infrastructure

We will ensure that the supply of manpower, materials and machines are adequate, by facilitating the supply and availability of enough machinery (e.g., excavators, compactors), material (e.g., electricity cabling, pre-mix) and manpower (e.g., contractors, consultants).

The supply of low-voltage cable (90–120 millimetre) across Malaysia is a case in point: 79,000 kilometres of this cable is produced annually by 15 domestic producers. The incremental demand from the NKRA electrification programme represents 18% of domestic supply. We are working with producers to ensure that production capacity is increased in line with increased demand to avoid scarcity and price increases. If necessary, we will facilitate importation of supply with the same objectives.

Another example is the supply of feeder pillar protection equipment: 36,000 pieces of this equipment is produced annually by 10 domestic producers. The incremental demand from the NKRA electrification programme represents 38% of domestic supply. However, discussions with these producers revealed there is more than 50% spare production capacity available. We are working to ensure that this spare production capacity will be ready when the demand increases.

Similar assessments have been done across key categories for manpower (e.g., different classes of contractors, consultants), material and equipment for the different regions (Peninsular Malaysia, Sabah and Sarawak), for roads, houses, electricity and water. Where we expect shortages (e.g., for generation sets in Sabah and Sarawak, welding sets in Sabah and consultants for water-related projects in Sabah), we are working directly with suppliers to ensure that there is a sufficient supply when required and exploring import options where real constraints exist.

10.3.3 Ensuring effective programme management and a governance structure to monitor and coordinate across programmes

We will monitor all of the projects at a detailed level to ensure they are on track using the SPP II system. SPP II is a well-established system managed by the ICU under the Prime Minister's Department.

Each of the rural basic infrastructure projects is recorded in the SPP II system with the desired delivery outcome and the name of a person accountable for ensuring that the project is delivered on time and within budget.

The purpose-built governance mechanisms for the rural basic infrastructure programmes (led by the Ministry of Rural and Regional Development) will use the information drawn from SPP II to monitor progress. Figure 10.10 shows a screenshot from the SPP II tool. We will intervene when needed to ensure that we meet our targets. As described earlier, the Government will go down to the 3-foot level to ensure on-budget and on-time implementation (e.g., monitoring the exact roads and housing units to be built).

Figure 10.10

Performance will be tracked in SPP II

EXAMPLE

NKRA	Sub NKRA	Nama KPI	Unit Ukuran	Mod Pemantauan KPI	Tarikh Terkini Kemaskini (Sebenar)	Status	Target	Stretch	Sebenar	Jurang (Sebenar - Target)
Rural Basic Infrastructure	Electricity	SBH: PERATUS PERUMAHAN YANG AKAN DISAMBUNGKAN DENGAN BEKALAN ELEKTRIK	%	-	-		-	-	-	-
Rural Basic Infrastructure	Electricity	SWK : PERATUS PERUMAHAN YANG AKAN DISAMBUNGKAN DENGAN BEKALAN ELEKTRIK	%	-	-		-	-	-	-
Rural Basic Infrastructure	Housing	PM: BILANGAN RUMAH BINA BARU DAN BAIK PULIH YANG AKAN DIBINA UNTUK 250K MISKIN DAN MISKIN TEGAR SEHINGGA TAHUN 2012	BIL	Tahunan	29/10/2009		0.00	0.00	0.00	0
Rural Basic Infrastructure	Housing	SABAH : BILANGAN RUMAH BINA BARU DAN BAIK PULIH YANG AKAN DIBINA UNTUK 250K MISKIN DAN MISKIN TEGAR SEHINGGA TAHUN 2012	BIL	Tahunan	29/10/2009		0.00	0.00	0.00	0
Rural Basic Infrastructure	Housing	SARAWAK : BILANGAN RUMAH BINA BARU DAN BAIK PULIH YANG AKAN DIBINA UNTUK 250K MISKIN DAN MISKIN TEGAR SEHINGGA TAHUN 2012	BIL	Tahunan	29/10/2009		0.00	0.00	0.00	0
Rural Basic Infrastructure	Road	PM: JARAK JALAN BERTURAP YANG AKAN DIBINA SEHINGGA TAHUN 2012	KM	Tahunan	29/10/2009		0.00	0.00	0.00	0
Rural Basic Infrastructure	Road	SABAH: JARAK JALAN YANG AKAN DIBINA SEHINGGA TAHUN 2012	KM	Tahunan	29/10/2009		0.00	0.00	0.00	0
Rural Basic Infrastructure	Road	SARAWAK: JARAK JALAN YANG AKAN DIBINA SEHINGGA TAHUN 2012	KM	Tahunan	29/10/2009		0.00	0.00	0.00	0

Source: Data Management Lab

10.4 We commit to the rakyat on the following rural basic infrastructure outcomes

Table 10.1: NKPIs and targets for Rural Basic Infrastructure

Focus area	KPI	Baseline	2010
Roads	• Length of newly paved roads (Peninsular Malaysia)	• N/A - target represents increment	• 210 km
	• New roads constructed (Sabah and Sarawak)	• N/A - target represents increment	• 192 km in Sabah and 145 km in Sarawak
Housing	• Number of newly built / restored houses	• N/A - target represents increment	• 5,819 (Peninsular Malaysia) • 4,988 (Sabah) • 5,819 (Sarawak)
Electricity	• % of houses with access to electricity	• Peninsular Malaysia: 99%	• 99.6%
		• Sarawak: 67%	• 72.6%
		• Sabah: 77%	• 80.8%
Water	• % of houses with access to clean or treated water	• Peninsular Malaysia: 89%	• 91.8%
		• Sarawak: 57%	• 62.1%
		• Sabah: 57%	• 58.7%

10.5 Early signs of progress seen on rural basic infrastructure

The delivery challenge we face to meet our targets for improving rural basic infrastructure is significant, driven by the sheer scale and spread of the effort. There are signs however, that our capacity to deliver is already ramping up. For instance, in 2009 we completed

- more than 17,000 houses for the rural poor and extreme poor
- more than 240 km of paved roads in Sabah and Sarawak

The agencies in charge of delivering this infrastructure have not waited for the start of 2010 to begin planning. They drew up detailed implementation plans in 2009 to ensure that no lead time was lost to planning for these massive undertakings.

10.6 Going forward, we will intensify our efforts to reduce the cost of infrastructure delivery

Even as we make progress in the four focus areas, we are already making plans to implement more complex initiatives in the next phase, e.g., delivering more for less to reduce the cost of new infrastructure. We are continuously looking to increase the impact of funds we spend on infrastructure programmes, and various ministries and agencies are collaborating to analyse whether existing and new technologies can be applied to reduce the average cost of providing basic infrastructure to the rakyat. Delivery plans will be updated if relevant alternative solutions are identified and proven.

Chapter 11

Improving urban public transport

"Our aspiration is to see Malaysia's public transport system become the mode of choice of urban commuters over the medium term as we attempt to manage the polarity between the less fortunate, who have no option but to use public transport, and the rest, who are able to rely on private vehicles. As an entry point, we will begin with Klang Valley but over time, expand to other cities. To guide our journey, we have set an ambitious target of not only reversing the declining trend of modal share of public transport in Klang Valley but actually increasing it from the current 10% to 25% by the end of 2012. As Minister of Transport, I am committed to delivering this and hope that all Malaysians will support me and my team in this endeavour"

Dato Sri Ong Tee Keat, Minister of Transport

The significance of cities as highly productive centres of our increasingly service-oriented economy is growing. Transport networks must be able to support the economic growth, growing populations and diverse expectations of urban activity (including tourism). There is clear global evidence that a comprehensive and well-performing transport system is an important enabler of sustained economic prosperity.[36]

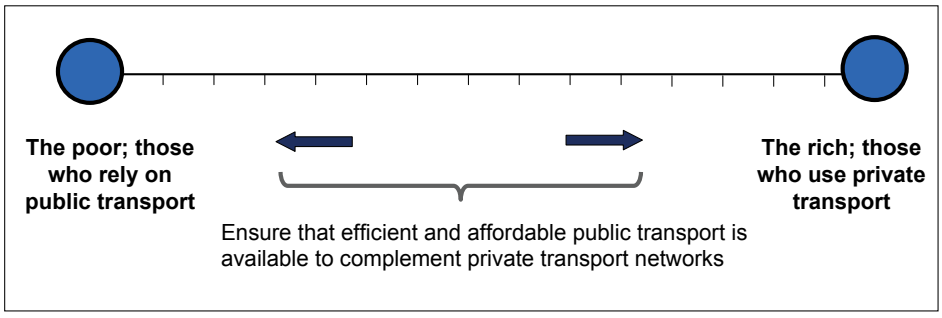
In the mid-1990s, we began a programme of massive investment in public transport infrastructure, completing three major rail systems in Klang Valley: the Putra Light Rail Transit system (now known as the Kelana Jaya Line), the Star Light Rail Transit system (now known as the Ampang Line) and the Monorail system. In 2003, we began to restructure the Klang Valley transport industry by consolidating the majority of rail and bus systems under a single company, Syarikat Prasarana Negara Berhad (Prasarana). Today, Prasarana continues to be the largest public transport operator in Klang Valley with an approximate 60% market share.

However, in recent years, our cities have come under tremendous pressure from continued economic and population growth. Public transport is now one of the major woes of urban people with a direct impact on their daily lives. This is borne out by the media: each year, it features as one of the top-five categories of news articles.

Alleviating this pain involves managing the polarity between maintaining a well-functioning private transport network for those who can afford private vehicles and establishing an efficient, affordable public transport network that becomes the mode of choice for everyone, and not just for the less fortunate (Figure 11.1).

Figure 11.1

How improving urban public transport contributes to *1Malaysia*



[36] Evidence from the Eddington Transport Study in 2006 conducted in the UK found a 5% reduction in travel time for all business and freight travel on the roads could generate around GBP 2.5 billion of cost savings – some 0.2% of GDP.

Our historical approach to urban transport has been to try to build our way out of congestion, relying on more roads and more cars as a solution to increasing demand for travel. Mature cities cannot escape the problem of congestion by simply building more roads. We need to shift from emphasising the efficient and cost-effective movement of vehicles to the movement of people.

Public transport's share dropped from 34% in 1985 to 20% in 1997[37] and is now closer to 10–12%.[38] Why has it steadily fallen? Taking Klang Valley as a microcosm of the urban public transport issues facing us, public transport commuters today suffer daily from congestion, unreliable service and limited connectivity and accessibility. For example:

- **High congestion during peak periods**: Our main rail lines suffer from excessive crowding with 140%[39] capacity on KTM Komuter and 180% on the Kelana Jaya LRT services. This translates into an uncomfortable and frustrating journey experience. Similarly, bus services on popular routes suffer from packed conditions during peak hours, e.g., 23 of RapidKLs 166 routes are over capacity.

- **Unreliable service with frequent delays and cancellations**: Trains and buses frequently do not adhere to schedules (or in the case of buses, do not have schedules), making it difficult for commuters to plan, often disrupting peoples' lives, given the unpredictability of service.

- **Poor connectivity between modes**: A frequently-quoted example is the lack of clear, standard connectivity between Monorail and LRT stations at KL Sentral. On an average day, roughly 3,000 commuters walk more than 350 metres around a construction site to connect between the two stations through poorly maintained and partially sheltered walkways. In addition, there are other stations such as Hang Tuah and Titiwangsa where connectivity for passengers transferring between stations is a challenge due to lack of proper pedestrian facilities integrating the rail stations.

- **Poor access to public transport services**: Current estimates are that only 61% of Klang Valley's population live within 400 metres (a reasonable walking distance) of a bus route. In addition, of the roughly 4,000 bus stops in Klang Valley, approximately 40% have no shelter or signage.

If we fail to address the problems of public transport, our cities will be choked affecting the productivity of our core city centres, the quality of life of our urban public and our ability to elevate Malaysian cities to global standards.

11.1 We aspire to increase public transport modal share in Klang Valley, Penang and Johor Bahru, with an initial target of 25% by 2012 for Klang Valley

We aim to vastly improve public transport within Malaysia's major population centres. We will start with an ambitious goal of achieving 25% share of person-trips via public transport during the morning peak period of 7 AM to 9 AM in Klang Valley

37 Based on the 1999 Study on Integrated Urban Transport Strategies for Environmental Improvement conducted by the Japan International Co-operation Agency (JICA), more commonly known as the JICA Study

38 This figure is lower than the often cited figure of 16% public transport modal share, which is an accurate representation of modal share within the urban core (focusing on traffic crossing the Middle Ring Road II boundary). Extending coverage to the whole of Klang Valley and taking into account both radial traffic (travel to and from KL CBD) and circumferential traffic (suburb to suburb travel) yields a modal share closer to 10–12%.

39 A frequently used measure of public transport capacity is the load factor of a vehicle, which is essentially the number of passengers on board divided by the number of passengers the vehicle is designed to carry. Load factors that are above 100% indicate that the vehicle is carrying more passengers than it is designed to carry, which typically reflects extremely crowded conditions that are uncomfortable and sometimes unsafe. Load factors that are too low, e.g., 40%, indicate that the trains are empty, essentially not efficiently utilised.

by 2012 and subsequently adapting and applying successful initiatives to Penang and Johor Bahru. In Klang Valley, this is equivalent to increasing ridership by 2.5 times from an estimated 240,000 daily passengers (during the morning peak) to approximately 600,000 by 2012.

In addition to overall public transport modal share, we have identified four focus areas to anchor our efforts to significantly improve urban public transport:

- Reliability and journey times: Improve the reliability of services focusing on punctuality of service and significantly reduce door-to-door journey times, including in-vehicle and out-of-vehicle travel times during morning peak periods

- Comfort and convenience: Improve the end-to-end journey experience on public transport from the moment commuters step out of their homes to the moment they arrive at their destinations

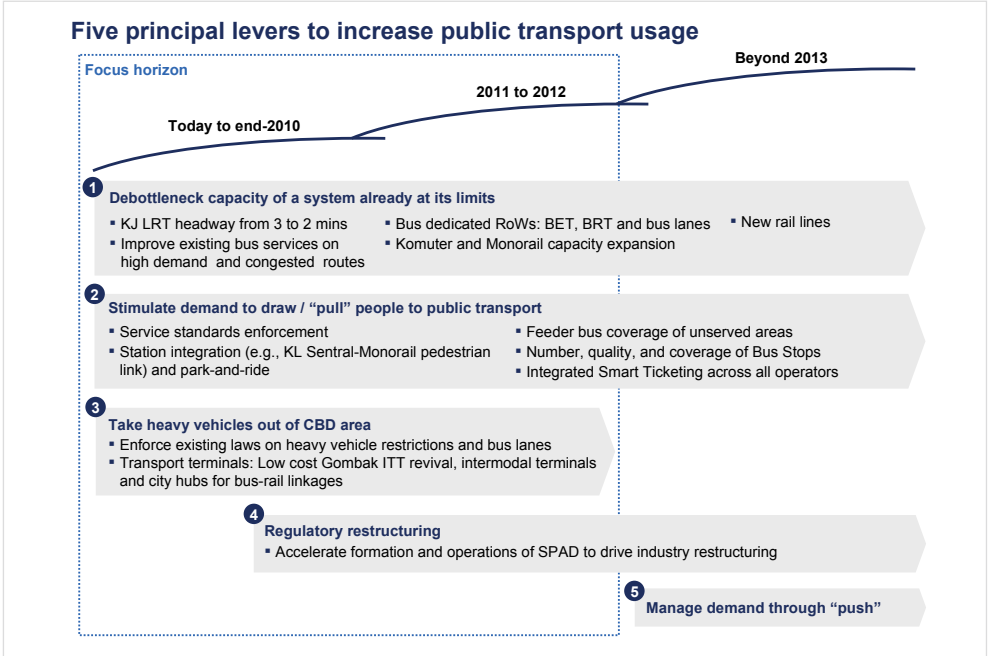
- Accessibility and connectivity: Ensure ability of the rakyat to have easy access to public transport

- Availability and capacity: Provide sufficient public transport capacity to serve existing and new passengers

11.2 We have identified five principal levers to increase public transport

We have identified four levers to pull between 2009–2012 to achieve 25% public transport modal share in Klang Valley by 2012 and one additional lever to pull beyond that timeframe to secure and extend these expected improvements. These actions are summarised in Figure 11.2.

Figure 11.2



- **Streamline capacity of a system already at its limits**: By 2012, we will increase passenger capacity on the KTM Komuter and LRT lines by 1.7–4 times (depending on specific line). Dedicated rights-of-way for buses across 12 major corridors in Klang Valley will be introduced gradually, subject to detailed engineering and planning feasibility studies. In total, these 12 corridors could carry 35,000 to

55,000 passengers during the morning peak hours, or 6 to 9% of total public transport ridership by 2012. The size of the existing bus fleet will be increased by 850 buses, almost doubling the number of buses operated by RapidKL today. This will improve services on current routes and provide service to 53 new routes to address currently underserved areas.

- **Stimulate demand to draw people to public transport**: Initiatives include introducing an integrated ticketing platform and fare structure (introducing the 1Ticket, 1Seamless Journey concept across all 16 operators in Klang Valley), adding roughly 6,800 new parking spaces across 14 key rail stations outside the urban core by 2012, enhancing feeder services into rail stations and upgrading high-traffic stations and terminals. Enforcement and monitoring will be critical to ensuring that all operators adhere to minimum service and operational standards. In order to achieve this, major efforts are required in integrating backend IT systems and launching joint on-the-ground enforcement efforts, across all major enforcement agencies – the 10 local authorities (PBTs), CVLB, JPJ and PDRM.

- **Take heavy vehicles out of the Central Business District** (CBD) area by creating three major integrated transport terminals (ITTs) outside the city core, beginning with the southern ITT Bandar Tasik Selatan. This will be supported by ITT Gombak by 2011 (which will divert more than 780 inter-city buses daily from the north and east from the city core) and then a third, potentially in Sungai Buloh, to serve the northern inter-city express buses beyond 2012. Within the city centre, there will be two types of public transport hubs. Intra-city terminal hubs at Pasarama Kota, Hentian Putra and Pudu will facilitate the flow of traffic from the suburbs into the city. Fourteen Hentian Akhir Bandars (HABs) will facilitate the movement of passengers and public transport vehicles within the city centre to reduce congestion and streamline overlapping routes.

- **Regulatory restructuring**: It is critical to ensure that the proposed Land Public Transport Authority (SPAD – Suruhanjaya Pengangkutan Awam Darat) is fully operational by the end of 2010. A prerequisite for success will be the creation of a single point of accountability for policy planning and regulatory oversight. Currently 12 Ministries and various agencies are involved in different aspects of public transport, and no single industry captain coordinates efforts across the entire public transport system.

And, beyond 2012, …

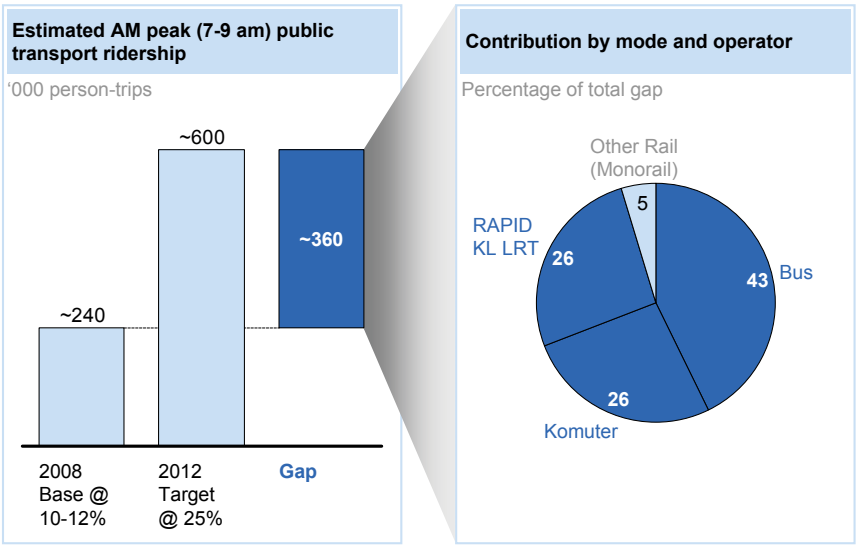
- **Manage demand through push**: Once public transport modal share is above 25% and the public transport system has been improved in terms of reliability, journey times, comfort, accessibility and connectivity, we will accelerate initiatives to increase the relative attractiveness of public transport vis-à-vis private vehicles. One example is congestion pricing, which has been implemented with great success in cities including London and Singapore. In London, congestion pricing reduced the number of vehicles entering the CBD by 34%, with a corresponding increase in vehicle speeds of roughly 12% within the CBD.

The challenge of more than doubling our public transport ridership in less than three years is a daunting one. However, if successfully implemented, we expect this portfolio of initiatives to enable us to achieve this target by 2012. As described in Figure 11.3, roughly 60% of the increase in public transport ridership will be by rail. Buses will play a critical role both in quickly providing new high-speed services from the suburbs into the city centres and as an efficient last-mile service provider through feeder services to and from rail.

Figure 11.3

Achieving target will require major demand and supply efforts from KTM Komuter, LRT and buses

ESTIMATES



Source: JICA 1998 Klang Valley Transportation Study, Department of Statistics Malaysia, Lab analysis

11.3 We will remove bottlenecks in a system already at its limits

The following are our initiatives to reform train and bus services.

11.3.1 Increasing KTM Komuter capacity by four times on a sustainable basis

KTM Komuter is an important lifeline for many suburban commuters today. Services run at more than 1.4 times average load factors during the morning peak period, implying that a train designed to carry 400 people now carries around 600 people during peak hours. Furthermore, service is often delayed or cancelled causing great inconvenience to the approximately 50,000 daily riders.

A major initiative will be to quadruple capacity of KTM Komuter trainsets through refurbishments and purchases of rolling stock. This will more than halve the waiting times of commuters and enhance greatly their travel experience. The system currently runs with headways[40] of 20 minutes, which will be reduced to 7.5 minutes outside the CBD and down to 3.75 minutes on the busiest segments within the CBD. In addition, the current fleet is made up of three-car trains, while platform lengths can accommodate six-car trains. By reducing headways and increasing the number of carriages in each train, capacity can effectively be quadrupled.

With investment in feeder services, parking and station upgrades, there should be sufficient demand potential in the station catchment areas to more than fill this additional capacity.

Quadrupling capacity will require increasing the inventory of rolling stock by an additional 15 three-car trainsets (also known as EMUs[41]) and 38 six-car trainsets. This increase can be achieved through a combination of resurrecting current rolling

[40] Defined as the time between the one train's arrival and the next train's arrival
[41] Electrified multiple units

stock that are not operational and purchasing new trainsets. Full quadrupled capacity is expected to be on-line by the first half of 2012 if the process is begun immediately (given manufacturing lead times of 18–24 months).

To ensure this investment is fully leveraged, it is critical to enhance the availability levels[42] of KTMBs Komuter trains, which currently runs at approximately 40%. Typical levels should be closer to 80–85% for similarly-aged rolling stock. As such, maintenance procedures and systems, driving practices and maintenance budgets need to be upgraded to world-class levels as a matter of priority to ensure we derive full benefit from this investment. In addition, we will explore whether outsourcing maintenance will deliver faster service times and cost effectiveness.

11.3.2 Increasing capacity on other rail lines – Light Rail Transit and Monorail

The Kelana Jaya LRT line is the most congested in Klang Valley. Today it transports roughly 34,000 commuters during the morning peak period, at load factors as high as 1.8 times. It currently runs two-car trains at a headway of 3 minutes. In anticipation of the 34-km line extension to be completed by the end of 2012, RapidKL has ordered 35 new four-car trainsets, with four new trainsets having gone into operation in December 2009. With the delivery of these trainsets, RapidKL will be able to reduce headways from 2.8 minutes to 2.5 minutes, running a mixed fleet of two-car and four-car trainsets. Combined, these initiatives are expected to triple capacity and enable ridership during the morning peak period to increase from current levels of approximately 34,000 (at 1.8 times load factor) to roughly 98,000 (at 1 times load factor) when fully deployed.

The Ampang LRT line currently runs six-car trainsets, as its station platforms are longer than those of the Kelana Jaya LRT line. Today, services run at approximately 80% load factor, below design capacity. Prasarana (the owner of both LRT lines) can almost immediately reduce headway from 2.8 minutes to 2.5 minutes by using its current fleet subject to sufficient increase in demand. Prasarana will only do so when enhanced feeder services, parking and station upgrades have been deployed to drive increased demand.

The Monorail system currently runs at up to 1.3 times load factors at critical stretches during the morning peak, with heavy congestion in core stations such as Hang Tuah. Close to 88% of Monorail riders are continuing journeys from LRT and KTM Komuter, a critical last-mile role. As the capacity and ridership of the two LRT lines and KTM Komuter increases dramatically going forward, it will be crucial to ensure the monorail does not become the bottleneck. In order to prevent this, the Monorail will need to increase total capacity from approximately 6,800 passengers during morning peak today to roughly 12,000 passengers by 2012. This will be achieved through a combination of increasing the train lengths from two- to four- (or even six-)car sets, and reducing current headways of 5 minutes to closer to 3 minutes.

11.3.3 Providing priority lanes and dedicated bus rights-of-way on high demand routes

Bus services have long suffered from a negative public perception of being the poor man's transport. Current bus services are unable to match the high speed, high capacity and high frequency of rail systems as they crawl through existing and heavily congested highways in tandem with thousands of other cars and vehicles. To overcome this, we will launch three key efforts across 12 major corridors heading into the CBD: Bus Expressway Transit, Bus Rapid Transit and Bus Lanes.

[42] Availability is defined as the proportion of rolling stock that is available for service at any point in time.

Bus Expressway Transit (BET) services will be launched on four underutilised highways in Klang Valley. Commuters will enjoy up to a 55% shorter average journey time on this limited stop service with priority toll booths.

A full-fledged Bus Rapid Transit (BRT) system will be implemented, similar to highly successful systems in Curitiba, Brazil and Bogota, Colombia that combined carry over 2 million passengers per day. Even in neighbouring Thailand, the first of five planned BRT corridors totalling 114 km was scheduled to be launched in December 2009. For Klang Valley, the BRT system will be launched across three major corridors heading into the city centre with a total route length of 49 km. These corridors will be physically separated from existing lanes with concrete barriers and have dedicated stations for loading and unloading of passengers – not unlike that of LRT systems.

For the five remaining corridors with more restrictive physical constraints, a detailed planning and engineering study will be conducted to assess the feasibility of implementing bus lanes. The lanes could potentially be deployed fairly quickly without actual physical segregation of the lanes, but with lane markings for flexible traffic management (e.g., bus lanes only during morning and afternoon peak hours).

Implementation of the BRT and bus lane systems could accomodate 35,000 to 55,000 more passengers during the morning peak period with an average reduction of up to 50% in journey times due to the significantly higher speeds at which these buses will travel unhampered by traffic.

11.3.4 Increasing bus capacity on congested routes in white space (underserved areas)

There are currently 13 bus operators within Klang Valley, with RapidKL holding the largest market share at approximately 50%. RapidKL has roughly 710 buses in daily operation and is expanding its fleet by 400 new buses to be delivered during 2010 and 2011. In order to achieve bus ridership of roughly 100,000 passengers during the morning peak period (excluding BET, BRT and bus lane ridership), there needs to be better service on existing routes and new routes put in place to address under-served areas and neighbourhoods.

- **Current routes**: RapidKL alone operates a total of 166 routes, with the bulk of these being social routes – i.e., low ridership routes where load factors during the morning peak period are typically below 40%. RapidKL's efforts to improve ridership on current routes will focus on: (i) debottlenecking 23 congested high-traffic routes and (ii) improving service frequency of 88 routes to a minimum of a 20-minute headway for feeder lines and 15 minutes for trunk lines.

- **White space (underserved) areas**: Currently only about 60%[43] of Klang Valley's population live within 400 metres of a bus route (Figure 11.4). A total of 53 new routes have been identified to serve outlying and underserved areas, which will increase the total coverage to about 70%.

In order to achieve these ambitious targets for bus ridership, the industry will require a total of 850 new buses over 2010–2012, of which 400 buses have already been purchased by RapidKL.

[43] ~60% coverage based on latest available micro-level information from Census 2000. Coverage of routes only includes RapidKL routes. Other bus operators play a significant role in public transport, but there is a lack of recent, reliable sources of information on their services and routes. (This is one of the key efforts being addressed under performance management of public transport operators). Nevertheless, based on interviews with operators and riders, RapidKL's coverage typically overlaps with most of the major bus operators, except in the farther suburbs such as Rawang and Putrajaya

Figure 11.4

Areas of underserved demand in the Klang Valley where there is limited access to bus services (white and light-coloured areas)

RAPID KL coverage

Source: Census 2000 data; operator data

Together, these initiatives will increase the available capacity in the morning peak period to over 600,000 passenger trips in Klang Valley.

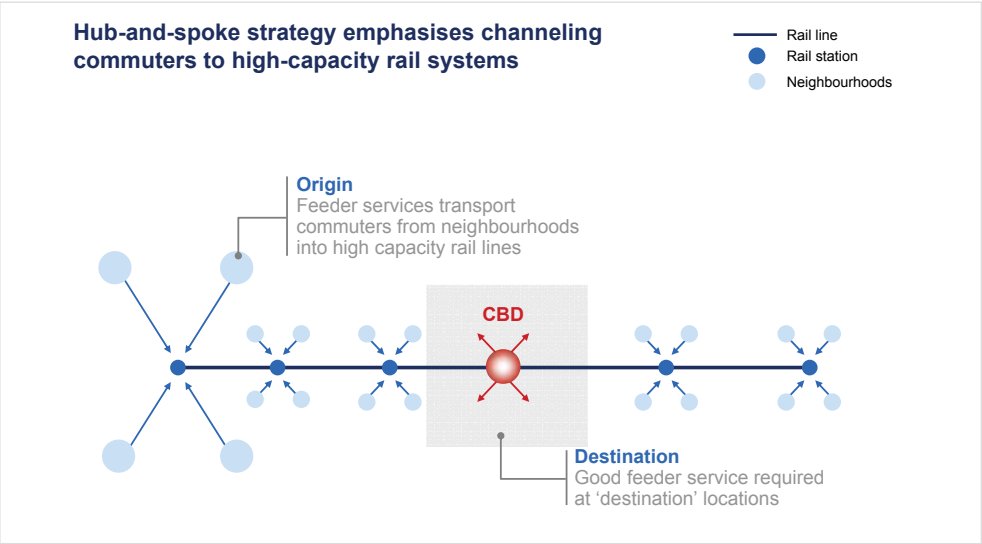
11.4 We will stimulate demand to draw people to public transport

We will attract more of the rakyat to use public transport via the following actions.

11.4.1 Rail: Enhancing catchment from stations by upgrading high-traffic stations and enhancing feeder services

As capacity is increased across rail lines, it is critical to stimulate demand and attract commuters to fill up trains and buses. Drawing from experience in other countries, an efficient way of moving people is via a hub-and-spoke network, where feeder services (the spokes) take commuters from their neighbourhood homes to the nearest train station (the hub), which then channels them in a fast and comfortable manner to their end destination, usually within the city centre (Figure 11.5).

Figure 11.5



However today, over 50% of the RapidKL LRT and KTM Komuter stations have poor service, with either only one or no feeder routes serving the station. With the massive deployment of additional rail capacity, it will become even more critical to overcome limiting physical constraints around rail stations to feed passengers to these stations via buses.

In addition, 14 rail stations outside the urban core would benefit from additional parking to encourage park-and-ride commuters. Starting with Sungai Besi, Gombak, Ampang, Bandar Tun Razak and Bandar Tasik Selatan in 2010, additional parking will be added in stages over the next three years to accommodate 6,800 more cars at these stations. Conventional multi-storey parking typically costs in the order of RM 12,000 per bay, but lower-cost designs (e.g., fewer amenities, modular design with pre-fabricated parts) can potentially reduce this to around RM 5,000 per bay. These projects will be financed via PFIs to reduce the burden on the Government purse.

11.4.2 Bus: Enhancing and monitoring operator service standards and enforcement to facilitate flow of traffic

Many operators do not meet quality standards for on-time performance, comfort or cleanliness. A set of quality standard specifications has been developed with benchmark standards and targets. In the short term, bus and rail regulators CVLB and DoR will need to rely heavily on flash reports from the operators (which DoR already tracks and monitors today) to assess improvements in targets.

In the longer term, we will leverage and build on the Intelligent Transportation and Information System (ITIS), currently administered by DBKL, to become the Klang Valley Transportation Performance Management Hub. Real-time or near real-time information can be uploaded directly from the operators into the centre for more effective performance monitoring. Monitoring performance alone will not guarantee success however. Regulators will need to move towards explicitly linking bus operating licenses to minimum service standards to allow for proper consequence management in the case of non-performance.

Enforcement of private vehicles and taxis is another perennial issue that will need coordination and joint effort across the 13 agencies involved in enforcement – the 10 PBTs, PDRM, JPJ and CVLB. Four initiatives include increasing the use of IT and surveillance technology to detect and efficiently punish those who do not adhere

to regulations, increase the number of enforcement personnel on the ground in a coordinated fashion across all 14 agencies and streamline and close legal loopholes in the enforcement process to ensure that offenders do not escape without being punished appropriately.

Blacklisting offenders with outstanding summonses to prevent them from renewing their vehicle road taxes would be a quick and very effective way of demonstrating the seriousness and commitment to stricter enforcement standards.

11.4.3 Bus: Enhancing the quality of bus stops and ensuring scheduling information at all bus stops

Today there are an estimated over 4,000[44] bus stops in Klang Valley, of which over 40% are unsheltered and have no signage. We will start by cataloguing and numbering all bus stops across Klang Valley in a coordinated fashion and will also aggressively explore opportunities with private companies, such as advertising agencies, to help fund and maintain bus stops across all PBTs.

In addition, clear scheduling signage for all operators will be posted at all bus stops. One challenge with this, as observed, will be vandalism and posting of notices on signage (e.g., Ah Long, tuition services). Enforcement activities will include encouraging the public to report such incidences (together with operating a complaint hotline), acting against those individuals found committing vandalism and also (when appropriate) against the proprietors of services being advertised.

11.4.4 Integration: Infrastructure improvements to improve intermodal transfers and the pedestrian experience

Physical connectivity across modes is an inevitable and critical element of today's multi-modal journey experience. Many stations suffer from poor physical access, resulting in commuters having to traverse poor walkways and long unsheltered walks to get from one station to another – a serious deterrent for any traveller. One high profile and frequently-quoted example is the 350-metre walk between the Monorail station and KL Sentral, the city's transport hub. In the future, as Malaysian Resources Corporation Berhad (MRCB) completes the next phase of its development (Lot G), the two stations will be physically connected via a completely enclosed walkway through the mall. In the short term, we will build a functional enclosed shelter around the construction site to provide relief to roughly 3,000 commuters daily. This solution will be implemented in early 2010 with assistance from MRCB.

Finally high-traffic stations will be upgraded to enhance usability, universal access (e.g., ramps, lifts) and general ambience. Work led by Prasarana on three other high-priority stations – Masjid Jamek, Hang Tuah and Titiwangsa – is expected to be completed by the end of 2010. Prasarana is also embarking on an ambitious programme to equip all 24 Ampang Line stations to be accessible by disabled people, 14 of which will be completed by the end of 2010.

11.4.5 Integration: Establishing integrated smart ticketing across all public transport modes and operators

For the multimodal commuter, ticketing is a complex business. Sixteen operators each issue their own tickets and almost all bus operators operate on a cash fare basis, resulting in long waiting times, loss in fare revenue from ticket fraud and a need for multiple tickets. Currently up to 25% of travel time for the average bus

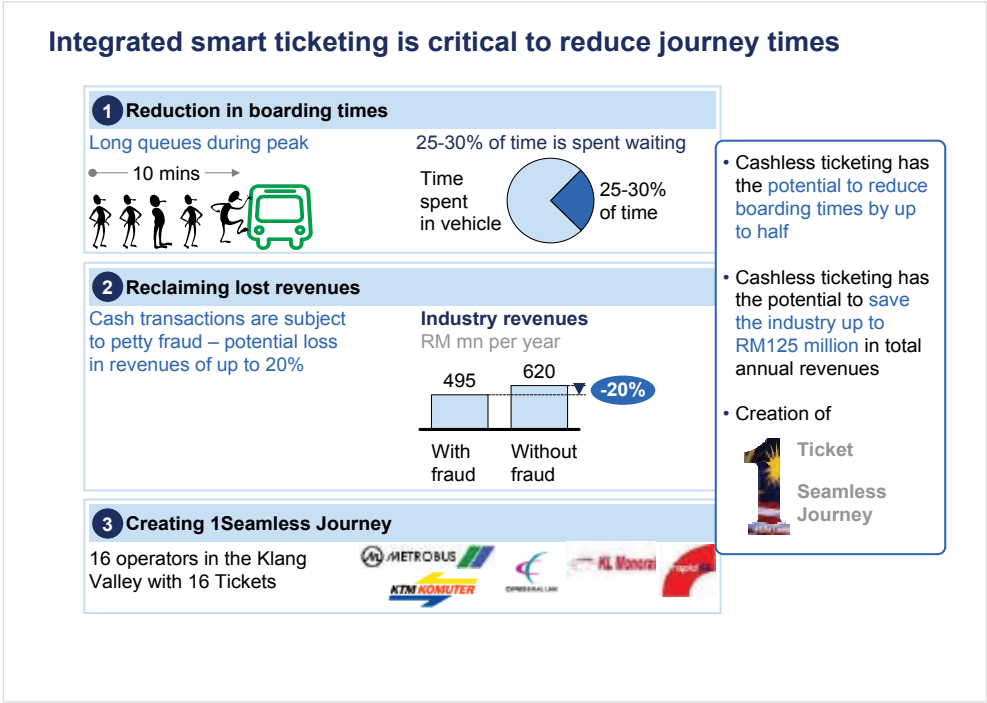
44 Due to lack of information, this is at best an estimate of official and unofficial stops; unofficial stops are places where buses regularly pick up and drop off passengers that are not officially recognised by the local authorities.

commuter is spent queuing or waiting in the bus while others queue to pay for their fare. Migrating users to a cashless system would approximately halve the transaction time it takes to purchase tickets (Figure 11.6).

In addition, there are currently 16 different bus and rail operators across Klang Valley, each with independent ticketing and collection systems. The establishment of 1Ticket, 1Seamless Journey will greatly simplify and stimulate use of public transport.

Finally, there is an estimated 20% revenue leakage in bus and rail, due to an imperfect cash system, costing operators an estimated RM 125 million in revenues every year. Migrating to a cashless system across all modes will reduce this significantly as cash handling processes are greatly reduced.

Figure 11.6



Deploying integrated ticketing and automatic fare collection (AFC) will incur a cost of approximately RM 35 million, if implemented on a cost-sharing basis with Touch n Go in order to leverage existing infrastructure. It will be mandatory for all operators to install cashless infrastructure in their vehicles and at their stations, at no upfront cost to them. Options around alternative reloading infrastructure leveraging mobile operators and banks are being explored. We will share the cost of readers and terminals with the cashless system operators, e.g., Touch n Go, mobile operators, banks. In addition, to encourage the usage of the cashless system, a fare differential of 20% will be introduced between cash and cashless fares. This practice is widely used in most model public transport systems, such as the Oyster Card in London, Ez-link in Singapore and Octopus in Hong Kong.

11.5 We will take heavy vehicles out of the CBD area

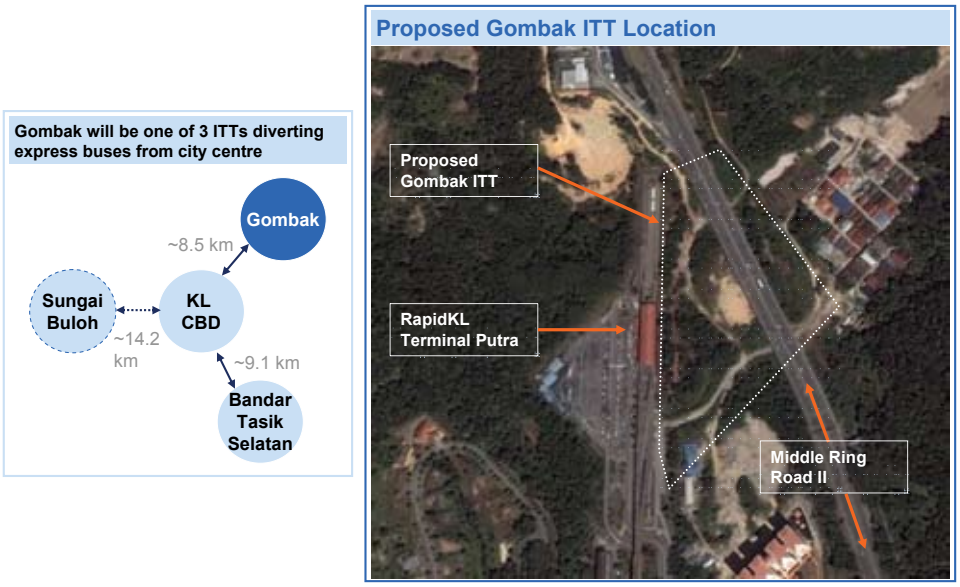
We will also take the following initiatives to keep heavy vehicles away from the CBD.

11.5.1 Creation of three integrated transport terminals (ITTs) outside the city core to divert roughly 780 inter-city buses out of the CBD

The first ITT terminal at Bandar Tasik Selatan will be completed by November 2010, when it will divert roughly 700 express buses from Puduraya, providing much relief to city centre traffic flow. Planning for the Gombak ITT has been long in the making, but has never progressed due to budget constraints. However there is significant value in an ITT at Gombak to divert roughly 780 inter-city buses from the northern and eastern corridors out of the city core. An improved Gombak ITT will be implemented by 2011 based on a modular approach. This will be a low-cost ITT, with sufficient infrastructure to ensure a smooth flow of traffic, ample parking and cohesive integration with the Gombak LRT (Figure 11.7). Extra features including an integrated commercial centre will be deferred to a later date. We will fully fund this low-cost Gombak ITT and pursue subsequent upgrades via PFI partnerships.

Figure 11.7

Gombak ITT will be linked to RapidKL's existing Gombak LRT station



A second ITT to serve the northern inter-city corridor will be built in Sungai Buloh beyond 2012, which will divert some traffic from Gombak.

11.5.2 Upgrading three intra-urban hubs

Three intra-urban terminal hubs will be established to collect traffic from high-density radial corridors leading into the CBD. These include Pasarama Kota, Hentian Putra and Puduraya. UDA Holdings, the developer of Puduraya is currently rejuvenating the station, at a cost of RM 80 million. When the Bandar Tasik Selatan ITT hub is completed in November 2010, roughly 700 express buses will be diverted from the city centre, allowing for a less congested environment. With the progressive completion of the Gombak ITT by 2011 and the Sungai Buloh ITT at a later stage, over 2,000 express buses currently plying these three city hubs will be diverted to the fringes of the city.

11.6 We will restructure the regulatory system

There are currently 12 Ministries and many agencies (both at the local and federal level) involved in governing various aspects of public transport within Klang Valley. A prerequisite for successful implementation of the above initiatives will be the creation of a single point of accountability for policy planning and regulatory oversight (Figure 11.8). It is critical to ensure that the proposed Land Public Transport Authority (SPAD) is fully operational by mid-2010.

However, there is a need for an interim governance structure to ensure execution throughout 2010. A programme management office (PMO) under the Ministry of Transport (MOT) will be put in place to manage execution until SPAD is fully operational. Reporting directly to the Prime Minister, through the Urban Public Transport Delivery Task Force forum, the PMO will convene relevant ministries and agencies to ensure integrated and detailed plans and policies are created (for the above initiatives) and monitor the progress of the initiatives. The PMO will work in close collaboration with an interim SPAD NKRA team, sharing resources and location. The SPAD NKRA team's mandate will be to deliver five initiatives that have no clear owner – bus right-of-way, bus stops, performance management, network restructuring and ticketing integration.

Figure 11.8

SPAD will drive industry restructuring efforts when operational in June 2010

Planned Land Public Transport Commission (SPAD) will be the natural owner of Urban Public Transport moving forward

- Follow best practice of other cities, (e.g., TfL in London, LTA in Singapore)
- SPAD will be natural owner of
  - Monitoring and enforcement of service standards
  - Central long-term planning
  - Creation of a sustainable operating and financial model for private operators

Source: Lab analysis; SPAD report (EPU)

11.7 We will manage demand through push

Once we have achieved our aspiration for a public transport modal share of 25% (in Klang Valley), we will implement further measures to increase the relative attractiveness of public transport over private vehicles. Demand management initiatives such as congestion pricing, parking surcharges and vehicle taxes have been implemented with great success in cities, such as Singapore and London. The objective of such measures are to price in the true cost of private vehicle ownership and usage of the system (i.e., private vehicles pay for the congestion that they cause

in the system). Such measures can only be implemented once commuters are given a viable alternative to private vehicles – a well-functioning, efficient and sustainable public transport system. As such, these measures will start to be implemented from 2013 onwards.

11.8 The Government commits to the following NKPI targets

Tables 11.1 and 11.2 describe KPI targets and other outcomes respectively, for 2010:

Table 11.1: NKPIs and targets for Urban Public Transport (Klang Valley)

Focus area	KPI	System	Baseline	2010
Public transport usage	• Modal share • Ridership of public transport	Overall Overall	10% 240,000	13% 265,000
Accessibility and connectivity	• % of population living within 400 metres of public transport route	Overall	63%	75%

Table 11.2: Outcomes in 2010 for Urban Public Transport (Klang Valley)

Categories	Outcomes in 2010
Bus	• 200 new buses • 4 new bus expressway transit corridors • 800 upgraded bus stops
Rail	• 26 new four-car trains for Kelana Jaya line
Integration	• New integrated transport terminal in Bandar Tasik Selatan • All operators have cashless system and offer discounted fares for cashless tickets • 4,000 new parking spaces at rail stations
Network	• Road tax renewal refused for drivers with outstanding summonses • Heavy vehicle restriction in central business district during peak hours

Besides the above KPIs, we also aim to improve reliability (% of journey times completed within 60 minutes during the morning peak period) and to increase user satisfaction with the comfort and convenience of public transport. Baseline surveys are being conducted to help in determining targets for these measures and will be announced in the first quarter of 2010.

11.9 Early signs of progress seen on urban public transport

We have seen some encouraging early impact, including:

- Realignment of 45 RapidKL routes to reduce passenger transfers, saving time and costs, and improving coverage in November 2009
- Reduction of KTM Komuter headway from 20 minutes to 15 minutes by optimising deployment of trainsets in November 2009 on the highest traffic segments, i.e., Sungai Buloh to Kajang and Kuala Lumpur to Shah Alam
- Addition into revenue service of four four-car trainsets on RapidKL's Kelana Jaya LRT line in December 2009
- Launch of RM 150 RapidKL integrated travel passes allowing unlimited travel on all Prasarana services, i.e., Rapid KL buses, Kelana Jaya LRT, Ampang LRT and Monorail.

11.10 Our next steps will be to develop a land transport masterplan and new deals for operators

Our aspiration of more than doubling public transport ridership is ambitious but will be the critical first step in ensuring the sustainability of our city. Over the longer term, we intend to carry out a comprehensive review of the following elements:

- Land Public Transport Masterplan: In the longer term, SPAD will lead the development of an integrated Land Public Transport Masterplan that will drive the land public transport landscape of our cities for the next decade. Public transport system plans are inherently long-term and require tight integration with urban planning and design (e.g., provision of incentives for developers to integrate with long-term rail lines) and a long lead time for implementation. This masterplan will need to integrate local, state and federal plans for a coherent and collaborative approach for the future.
- A new deal for operators: As citizens place the Government under increasing pressure to be more effective and deliver better services at lower cost, we need to develop a new model that balances financial sustainability of private sector operators with minimum standards for non-profitable services.

11.11 The rakyat should use and demand efficient and comfortable public transport

There is much that the rakyat can do to help achieve the 25% public transport modal share target. For a start, citizens should continue to be vocal about their right to efficient and comfortable public transport.

They should engage with their local representatives and operators to help their community become more accessible. Start small and be specific: ask for a new bus stop, more frequent services and better lighting around stops and stations. When buying a new house, ask the developer how it plans to make the development more accessible to public transport. Most importantly, the rakyat is asked to 'leave their cars behind'. Again, start small: try local buses on weekends or commit to commuting via public transport one day a week.

Chapter 12

Enhancing accountability with Ministerial KPIs

12.1 MKPIs were developed as a method to improve outcomes and enhance accountability

In April 2009, with the appointment of a new Cabinet, the Prime Minister announced a new approach towards a more transparent and accountable government, focused on delivery for the people. Consequently, he introduced a new paradigm for performance and delivering results – through the rigorous use of key results areas and key performance indicators (KPIs). These KPIs focus our efforts on impact, rather than inputs, outcomes rather than outputs and ensure that public services deliver value for money.

In accordance with the PM's long held practice of achieving transformation through performance-based leadership, ministers and senior civil servants are to be held accountable for improvements in their MKRAs and the delivery of Ministerial KPIs (MKPIs) within those areas. All Ministers were instructed to define MKRAs and MKPIs within the first 30 days of their designations. In addition, a new minister within the Prime Minister's Department was appointed – in charge of Unity and Performance Management – to oversee these indicators. Lastly, the PM committed to personally reviewing the progress of all ministers every six months to ensure their performance is on track, and where it is not, work with them and the civil service to ensure that any barriers are removed. The PM will also set his expectations of the minister for the subsequent six-month review period.

To drive the development of MKPIs, a dedicated KPI officer was identified and appointed for each minister. The roles of the KPI officers are to:

- Support their ministers in developing MKPIs, planning for implementation and resolving interdependencies (e.g., between different ministries)

- Track and monitor progress of MKPIs, report the progress to their ministers and support their ministers in PM-Minister reviews

In addition, we established a series of guiding principles and templates to assist the ministers and KPI officers as well as provide some standardisation of quality and output (Figures 12.1 and 12.2).

Figure 12.1

Broad guiding principles for MKPI setting

1. Anchor on national agenda and rakyat priorities, leverage on KSU KPIs
2. Focus on 2 to 4 most critical outcomes
3. Ensure KPIs reflect outcomes and impact, not inputs or activities
4. Make each KPI simple and understandable
5. Ensure KPIs are specific and measurable
6. Establish clear targets, timelines and trajectories for each KPI
7. Establish short-(4-6 months), medium-(9-24 months) and long-(5 years) term outcomes
8. Formulate delivery implementation plan
9. Designate single point of accountability, but collaborate for delivery of outcomes
10. Set and manage the right expectations

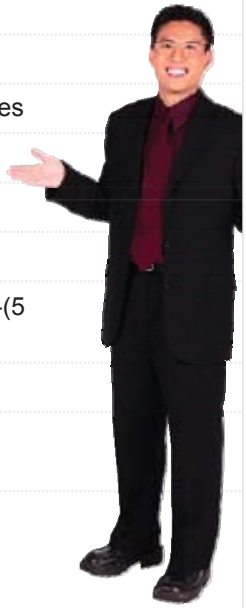


Figure 12.2

The template applied to capture the MKRAs/MKPIs

Ministry of X	
Minister	…
Vision of ministry	…
Objectives of ministry	…

Key results area (KRA)	Rationale for KRA	KPI			Single point of responsibility (designated point of contact)	Area of support from other Ministry	Which Ministry	Quick wins	Big wins
		KPI	Current	Target Dec 2009					

It is expected that MKRAs and MKPIs are aligned to the national priorities, namely the NKRAs and over time will be cascaded throughout the broader civil service to ensure delivery of outcomes.

All ministers successfully submitted their preliminary MKPIs to the PM by the 30-day deadline of 13 May 2009. Over the course of 2009, these were further refined and improved through

- Cabinet Workshops: These provided opportunities for peer feedback and resolution of inter-dependencies between ministries

- Ministerial Workcamps: These were led by the minister and his/her senior management to finalise the MKRAs, MKPIs and targets.

From November 2009 to January 2010, the PM conducted one-to-one performance reviews with all his ministers. In those reviews, the PM held ministers accountable for their performance on the preliminary MKPIs, provided support to the ministers to help them improve performance and challenged the targets and delivery plans they were developing for 2010.

As a result of the PM-Minister reviews, MKPIs for 2010 have been agreed. Performance against these targets will be reviewed in May/June and November/December of 2010. On a rolling basis, MKPIs and targets will be set for the following year.

In 2010, it is also expected that these MKPIs will be cascaded throughout the civil service. This will build upon previous efforts to establish KPIs for the most senior civil servants – from the KSN through to all KSUs and Director-Generals.

Similar to the NKRAs, these MKRAs and MKPIs are just the beginning and will continue to be refined and improved over time. The initiatives and actions supporting the delivery towards these targets are also an initial set – they will be removed, replaced or enhanced if targets are not met. Ultimately, only delivery of real and tangible outcomes, which can be seen and felt by the public, matter.

12.2 Examples of MKRAs and MKPIs

To illustrate the outcomes and impact that individual ministers (and their ministries) are targeting, following are example MKRAs and MKPIs from two (randomly selected) ministers.

12.2.1 MKRAs and MKPIs for the Minister of Energy, Green Technology and Water (KeTTHA)

The three focus areas of the minister and his ministry are as follows:

- **Increasing the reliability of electricity supply by reducing the duration of electricity supply interruptions:** There is continued room for improvement in the reliability of electricity supply across the country, and in particular in Sabah. The System Average Interruption Duration Index (SAIDI, in minutes) for Sabah is 1,947 (2008) compared to 78 for Peninsular Malaysia and 273 for Sarawak. We target to reduce the SAIDI for Sabah to 700 minutes and for Peninsular Malaysia to 60 minutes by the end of 2010.[45] The targeted SAIDI reduction in Sabah is particularly challenging. To achieve this, installed capacity has been increased

45 Improvement in Sarawak's SAIDI is not included in this MKRA, as Sarawak's electricity supply is not under the purview of KeTTHA

by 60 MW (mega watts), with additional generators in Melawa, Tanjung Aru, Sandakan and Tawau.

- **Increasing usage of renewable energy based on green technology applications:** The use of renewable energy will not only help reduce the rate of CO_2 emissions from power generation (our environmental objectives under the Energy Policy), but also serve as an alternative source of electricity for areas without access to conventional electricity supply networks (e.g., island communities). We have started to increase the generation of electricity from renewable energy sources – mini hydro (e.g., in Kundasang and Hulu Langat), biomass (e.g., in Semenyih and Sandakan), biogas (e.g., in Seri Kembangan) and solar sources (under the Suria 100 programme). On some islands, we are implementing hybrid systems where solar power is used as a supporting source to existing diesel generators. The impact from the solar hybrid project is a 24-hour continuous supply of electricity, compared to the current 8 hours derived from running diesel generators. Examples of such projects can be seen on islands off the coast of Johor (e.g., Pulau Besar, Pulau Pemanggil). Our target is that by 2010, 65 MW of electricity will be generated from renewable sources and 2,013 kW from solar sources.

- **Improving treated water supply and expanding sewerage services in urban areas:** Today, in Malaysia, 96.5% of urban areas have access to treated water and a compliance to water-standards of 95% (according to Ministry of Health Standards, in turn based on World Health Organisation guidelines), which we target to maintain.[46] Coverage of regionalised sewerage services, however, is still insufficient – only 5.6 million PE (population equivalent) Peninsular Malaysians have access to a sewerage service. We have increased the current coverage of regional sewage treatment plants to reach our 6.0 million PE target by completion of sewerage projects in Sungai Nyior and Juru in Penang and Damansara in Kuala Lumpur.

Table 12.1: MKPIs and targets for the Ministry of Energy, Green Technology and Water

MKRA	MKPI	2010 target
Increase in reliability of electricity supply; reduction in duration of electricity supply interruptions	• SAIDI – System Average Interruption Duration Index, i.e., number of minutes of disruption per customer per year	• 60 minutes (Peninsular Malaysia) • 700 minutes (Sabah)
Increase in usage of renewable energy based on green technology applications	• Generation of electricity from renewable energy sources (e.g., mini hydro, biomass and biogas) • Generation of electricity from solar sources	• 65 MW • 2,013 kW

46 Targets for rural areas are covered in Chapter 10

Table 12.1: MKPIs and targets for the Ministry of Energy, Green Technology and Water

MKRA	MKPI	2010 target
Efficient use of electricity (EE) in government buildings	• All new government-owned offices will be designed and equipped with EE features	• All new government-owned buildings built in 2009 will be able to save 30% of electricity consumption expenditure
Improvement in treated water supply and sewerage services	• Treated water supply coverage by state water authority in urban areas	• 97%
	• Compliance to Water Quality Standards by Ministry of Health	• 95%
	• Population receiving regional sewerage systems in Peninsular Malaysia	• 6 million

12.2.2 MKRAs and MKPIs for the Minister of Housing and Local Government (KPKT)

The ministry was established with a clear focus to plan, coordinate and implement the social agenda and housing for urban people through housing programmes, urban planning, landscape planning, city services and fire rescue services. Therefore, the three focus areas of the minister – and his ministry – are the following:

- **Increasing the number of homes for low-income households in urban areas**: To increase access to adequate, affordable and quality housing, by 2010 we will provide for rental an additional 3,056 units under the People's Housing Programme (Program Perumahan Rakyat)

- **Supporting the revival of existing licensed abandoned private residential projects**: As of December 2009, a total of 148 private projects were abandoned, involving 49,913 units and 31,824 buyers. Nearly a third of the projects involve low- and medium-cost housing, and we are concerned about the hardship faced by buyers of abandoned housing projects. Therefore, we will engage the existing developers to help them overcome problems they may be facing, or designate new developers, to ensure that 35 projects are revived in 2010

- **Increasing the efficiency of service delivery of Local Authorities (PBT)**: We will endeavour to:

  – Speed up approvals for land, planning permissions and building plans such that 90% are approved within the timeframe stipulated in our Client Charter. This will be achieved by further refining procedures implemented under the One-Stop Centre, which was introduced in 2007.

  – Enhance customer service and convenience when interacting with PBTs. This will be realised by having an additional 11 PBTs in 2010 adopt the online ePBT

(e-Pihak Berkuasa Tempatan) system, over which the rakyat can make payments to the PBT (e.g., PBT taxes, quit rent) and provide feedback or complaints

– Raise the star-ratings of PBTs. The PBT Star Rating System was introduced by KPKT in 2008, to facilitate the ministry's monitoring and tracking of a PBT's performance, and to encourage PBTs to strive for better organisational management and service delivery. We will provide support to PBTs so that an additional 10 PBTs achieve a better rating in 2010 than they did in 2009.

Table 12.2: MKPIs and targets for the Ministry of Housing and Local Government

MKRA	MKPI	2010 target
Home rental for lower-income category	• Additional homes available to be rented out to lower-income families and squatters via Program Perumahan Rakyat (PPR)	• 3,056 units
Recovery of licensed abandoned private residential projects	• Revival of licensed abandoned private residential projects	• 35
Efficiency of Local Authorities (PBT)	Percentage of planning permissions and building plans processed and approved within the time frame stipulated in the client charter: • 120 days for fast-lane projects, e.g., high impact, foreign investments, government development projects • 180 days for other projects	• 90%
	• Additional number of Local Authorities (PBT) in Peninsular Malaysia administering e-Pihak Berkuasa Tempatan (ePBT)	• 11
	• Number of PBT upgraded from their current ratings under the PBT Star Rating System	• 10 additional from 2009

Chapter 13

Ensuring Performance Now

The outcomes that we have set out to achieve for the country and for the rakyat, both in the shorter term (e.g., NKPI and MKPI targets) and the longer term (the Vision 2020 aspirations) are extremely challenging. Therefore we have embarked on a series of reforms to enhance our own capacity to deliver those short and long term goals. As discussed in Chapter 3, this is the *Performance Now* dimension of the GTP.

Performance Now will be implemented in three phases. In Horizon 1 (2010–2012), our immediate objectives are to ensure that the rakyat can quickly see delivery of their most important priorities and to deliver these outcomes efficiently, given the imperative for fiscal prudence discussed in Chapter 2. In Horizon 2 (2012–2015), we will institute broader and deeper changes to the government structure and the quality of our human resources. And in Horizon 3 (2015–2020), we will put in place innovative and rakyat-centric models of public service delivery, centred on choice and competition.

13.1 Horizon 1 (2010–2012): We will deliver big results fast by establishing a new engine for change

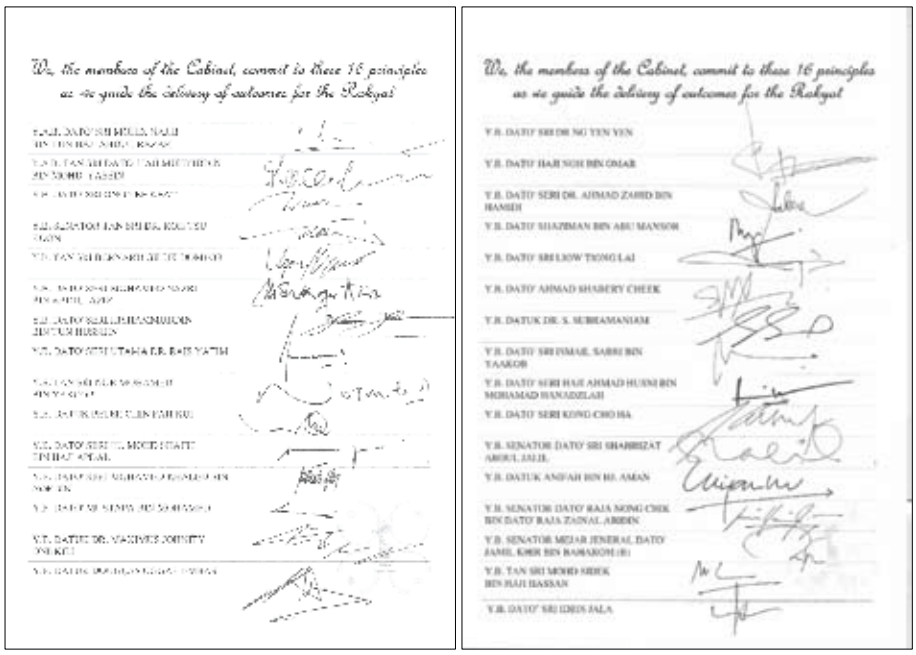
The objective here is to build momentum and confidence, and to enable the Government to deliver big fast results, a new engine for change is required. Therefore, we have:

- Committed to a set of Delivery Principles, i.e., a commitment to move away from the way things were done in the past and instead to do things differently to ensure the delivery of big results fast
- Established mechanisms to plan and manage delivery
- Set up a Performance Management and Delivery Unit (PEMANDU), to accelerate delivery, as well as catalyse bold changes in government
- Reinforced and intensified existing initiatives to transform the civil service
- Committed to enhancing the productivity of the Government

13.1.1 The Cabinet has committed to a set of Delivery Principles and a new way of doing things to ensure big results fast

In ensuring that all levels of government do things differently as we strive to deliver big outcomes fast for the rakyat, the Cabinet has signed (Figure 13.1) and committed to a set of 16 Delivery Principles. Before government officials make decisions or take actions, they must ensure that the decision or action is consistent with the 16 Delivery Principles. The objectives of these principles are to ensure a departure from ways of the past, instil a new way of doing things and ultimately deliver big results fast.

Figure 13.1



Broadly, the principles fall under four themes: putting the rakyat first, using resources prudently, collaborating with the best people (inside and outside of government) and managing outcomes to the highest standards.

A. We will **put the rakyat first:**

- Focus on the few highest priority outcomes that the rakyat want now and need for the long term, and stop or scale-back other efforts
- Make and maintain bold credible policy decisions – even where this will require us to overcome political constraints
- Encourage the rakyat's participation by getting their input before making decisions, involving them in delivery and regularly measuring their perceptions
- Manage expectations and communicate credible intent, then only communicate outcomes delivered

Examples of putting the rakyat first include choosing the six NKRAs based on inputs from the rakyat (as explained in Chapter 5), continuously getting input from the rakyat (e.g., Open Days, SMS polls, focus groups), partnering with the rakyat in delivery (e.g., through the 1 House 1 Volunteer programme described in Chapter 6) and publishing our progress against the NKRA and MKRA targets annually.

B. We commit to **using resources prudently**:

- Maximise productivity from existing resources, before asking for more, by eliminating leakage, optimising service standards and applying innovative approaches
- Shift the most important, but scarcest, resources – leadership, talent, funding – to our highest priorities

- Invest first in the software of front-line and leadership talent, then only invest in infrastructure and other hardware

- Be flexible, challenging legacy policies and procedures, while adhering to good governance

Examples of our increasingly prudent use of resources include reducing operating expenditure in the 2010 Budget by 14% compared to 2009, revamping existing processes to become more efficient (e.g., the tender processes described in Chapter 10) and finding new least-cost ways of increasing connections to clean water in rural areas (e.g., tube wells and gravity wells, also described in Chapter 10). In the 2010 Budget, we also announced measures to optimise our use of assets (e.g., renting out under-utilised facilities and identifying assets to be sold to or jointly managed with GLCs) and to apply an outcome-based budgeting (OBB) system. Under this system, we will conduct robust cost-and-benefit analyses to gauge the impact of expenditures prior to approving them.

C. We will **collaborate with the best in and out of government:**

- Enhance leadership and partnership between Ministers and KSUs to lead delivery jointly

- Break through boundaries and deliver as one Malaysian government by selectively introducing new structures for delivery and simplifying existing structures

- Build hybrid capabilities for delivery by attracting Malaysia's top talent and organisations from the public, corporate and social sectors

- Engage with the civil service as intensely as with the rakyat, communicating a clear and meaningful direction and regularly seeking input

Evidence of our efforts so far in intensifying collaboration can be seen through the setting up of the NKRA and *1Malaysia* Labs (which comprised cross-ministerial civil servants and representatives from the private and social sectors) and working with non-governmental organisations to reduce drug-related street crime (discussed in Chapter 6). In addition, the recently launched talent exchange programme between the Government and GLCs should help further strengthen the capability and versatility of both the public and private sector.

D. We pledge to **manage outcomes to the highest standards:**

- Set concrete, high aspirations, ideally to international standards

- Rigorously plan delivery and make decisions informed by facts from independent and credible sources

- Establish clear, single-point accountability, supported by the consistent use of differentiated, meaningful rewards and consequences

- Monitor and manage the delivery of outcomes that make a real difference, not just inputs and outputs

Signs of change towards our management of outcomes include adopting Transparency International's Corruption Perception Index as one of the KPIs for the Corruption NKRA, building new rural basic infrastructure at a scale and pace of up to 11 times that of previous programmes (see Chapter 10) and committing significant amounts of time of the highest leaders of government in regular PM-led Delivery Task Forces and performance reviews of ministers.

13.1.2 The Government will manage delivery of NKPIs and MKPIs intensely, and ensure that ministries meet their targets

We have established several mechanisms to ensure that we are effective in managing delivery. This is in response to rakyat feedback during the Open Days, which called for quick and effective implementation. These reporting and review mechanisms signal our new way of doing things, as well as our seriousness in allocating resources, managing performance and promoting accountability for results.

Flash Reports to Cabinet and on-demand status reports: All NKRA delivery plans, NKPI targets and trajectories have been entered into Project Monitoring System II (SPP II), an online system used to track progress of government projects managed by the ICU. Data on actual performance will be uploaded regularly into SPP II (some even in real time). This will allow teams to monitor their respective progress and launch early interventions, if necessary, to get back on track. Flash Reports will be distributed to all Cabinet Ministers every month (or on demand when required) to update the Cabinet on the progress of each NKPI against target (Figure 13.2), enabling it to monitor progress towards milestones and address issues as soon as they arise.

Figure 13.2

SPP II will enable top-level tracking of NKPIs as well as granular activity-level progress tracking of initiatives

Flash report of NKPIs for each NKRA

- Monthly/on-demand top-level report of each NKPI performance
- Reported to cabinet
- Traffic lights track targets against actuals for each NKPI

NKPIs trend report

- Further details on each NKPI to help determine problems at more granular level
- Visibility of overall NKPI trends

Project monitoring reports

- Progress tracking of projects linked to NKRAs
- Further detailed reports help provide information on delayed or late projects

SPP II will also allow the Cabinet to obtain – on demand – the targets, detailed delivery plans, specific owners, timelines and resource requirements developed by the labs. The delivery plans are not reproduced in this roadmap due to their sheer volume (more than 100 programmes comprising more than 2,000 projects). To demonstrate the level of detail of the plans, an excerpt (for the Crime NKRA) is shown in Figure 13.3. A sample showing how the delivery plan details have been collated in SPP II is shown in Figure 13.4.

Figure 13.3

Crime NKRA activity planning – Motorcycle security features

Detailed activities	Start date	End Date	Responsible
1 Mark body parts using Vehicle Identification Number (VIN/DNA) system and capture in manufacturer data-base. Place security mark on parts of motorcycles			
▪ Engage manufacturers, JPJ, MITI, SAC II Chee Cheng Wan, FMM	15 Dec 09	31 Dec 09	▪ Dato'Abd Rahim
▪ Prepare policy	01 Jan 10	14 M	▪ Dato' Solah
▪ Announce policy to public	15 Mar 10	30	▪ Dato' Solah
▪ Get manufacturers prepared	01	31 M 10	▪ KSU MOT
▪ Implement	01 10	31 De	▪ Manufacturer
2 Control the issuance of e-Plate number			
▪ Set standard plate number	01 Dec 09	31 Dec 09	▪ Norlizawaty, JPJ
▪ Create regulation or policy issuance plate number	01 Jan 10	30 Mar 10	▪ KSU MOT
▪ Get manufacturers prepared	01 Apr 10	31 May 10	▪ MITI
▪ Implement	01 Jun 10	31 Dec 13	▪ Dato' Solah
3 Implement security features as a motorcycle standard package (for new motorcycles)			
▪ Define standard security features for motorcycle (e.g., U-Lock, circuit breaker switch)	01 Dec 09	31 Dec 09	▪ Shahrul, Urusetia VTAC JPJ
▪ Establish policy/regulation on installation of standard motorcycle security features	01 Jan 10	30 Mar 10	▪ KSU MOT
▪ Ensure imported vehicleS subscribe to policy	01 Jan 10	30 Mar 10	▪ KSU MITI
▪ Get manufacturers prepared	01 Apr 10	31 Dec 10	▪ KSU MITI
▪ Implement	01 Jun 10	31 Mar 13	▪ Manufacturers

EXAMPLE

Figure 13.4

Delivery plans are recorded in SPP II from the NKPI down to activity-level details

EXAMPLE

Detailed activity plans and owners for each initiative

Gantt charts to display detailed activity plans and timelines

PM-led, cross-ministerial Delivery Task Force (DTF): While the PM has designated lead ministers and lead ministries and/or agencies to be accountable for end-to-end delivery of each NKRA, we have set up a DTF for each NKRA to sign off on delivery plans, monitor progress and refine implementation strategies as required. Each DTF has met once every six weeks since July 2009.

The make up of the DTFs for each NKRA is shown in Figure 13.5.

Figure 13.5

Members of Delivery Task Forces

	Crime	Corruption	Education	Low-income households	Rural basic infrastructure	Urban public transport
Prime Minister	Dato' Sri Mohd Najib Tun Razak					
Lead Minister	Dato' Seri Hishamuddin Tun Hussein, Minister of Home Affairs	Dato' Seri Mohamed Nazri Abdul Aziz, Minister in the PM's Department	Tan Sri Muhyiddin Yassin, Minister of Education	Dato' Sri Shah-rizat, Minister of Women, Family and Community Development	Dato' Seri Mohd Shafie Apdal, Minister of Rural and Regional Development	Dato' Sri Ong Tee Keat, Minister of Transport
Participating Ministers (non-exhaustive)	▪ Local Govt ▪ Federal Territories	▪ Home Affairs ▪ Local Govt ▪ Works	▪ Rural and Regional Dev ▪ Unity	▪ Agriculture ▪ Rural and Regional Dev	▪ Works ▪ Energy ▪ Plantation	▪ Finance ▪ Law ▪ Home Affairs
PEMANDU	Tan Sri Dr Koh Tsu Koon, Chairman Dato' Sri Idris Jala, CEO					
Chief Sec. to the Govt (KSN)	Tan Sri Mohd Sidek Hassan					
Lead Perm. Sec. (KSU)/Deputy Perm. Sec. (TKSU)/DG (KP)	Dato' Sri Mahmood Adam, KSU, Ministry of Home Affairs	Dato' Abdullah Sani Ab. Hamid, KP Legal Affairs Division, PM's Department	Tan Sri Dr Zulkurnain Awang, KSU, Ministry of Education	Datuk Nor Hayati Sulaiman, KSU, Ministry of Women, Family & Community Dev't	Dato' Abdul Jabar Che Nai, KSU, Ministry of Rural and Regional Development	Dato' Long See Wool, TKSU, Ministry of Transport

The PM's leadership in all six DTFs allows him to be personally involved in reviewing and challenging progress, problem-solving, decision-making and holding the lead ministries and agencies accountable. It is also a valuable forum that supports continued collaboration and drives Lead Ministries and Agencies to work diligently towards meeting milestones. The PM's time commitment is considerable, as the cycle of one DTF meeting per NKRA every six weeks effectively means he meets with one DTF every week.

PM-Minister Reviews, based on stocktakes and Delivery Reports: A formal stocktake meeting is held once every six months, for each NKRA and MKRA, between the Prime Minister and the Lead Minister. This formal meeting enables the Prime Minister to use the Delivery Report to assess the mid- and end-year achievements of each Minister and decide on key actions needed to boost likelihood of delivery success.

The first stocktake meetings were held in November and December 2009. The second and third meetings will be held in June and December 2010.

In preparation for the stock takes, PEMANDU will prepare and send a confidential Delivery Report to the Prime Minister every six months. The report summarises the progress of all NKPIs and MKPIs over the previous half year and contains action plans for the next half year to resolve key roadblocks to achieving targets. The report also ranks the NKPIs according to likelihood of delivery. The progress report and ranking will then be used by the Prime Minister as the basis for his dialogues with the relevant ministers in the stocktake meetings.

The first Delivery Report was submitted to the Prime Minister in November 2009, and subsequent reports are due in May and November 2010.

Performance Assessment: We adopted best practice in managing performance for this transformation programme, which takes into account two critical aspects. As discussed in Chapter 1, these are:

- The need to encourage stretch, ambitious targets. We realise that, if not managed properly, there is a great tendency to set very modest targets, which defeats our purpose of inculcating a high-performance culture

- The need to be transparent and robust in assessing performance against the agreed KPI targets in order to ensure accountability

In the pursuit of transformation to achieve big results fast, we have taken such large strides deliberately. Bearing in mind that we have set stretch and ambitious KPI targets for the NKRAs and MKRAs, we will take appropriate action for different levels of achievement of ministers and civil servants, as shown in Table 13.1. Distinctive performance will be appropriately rewarded, while lack of progress will be addressed by providing extra support or changing the setup or composition of the team.

Annual Report: We will publish annual reports every first quarter to report on our progress and hold ourselves accountable to the rakyat. These reports will contain excerpts from the Delivery Report, including progress against NKPIs and MKPIs. They will single out distinctive ministries, as well as identify measures to improve performance where necessary (Table 13.1). The reports will also detail new metrics and targets for subsequent years.

Table 13.1: Performance management of ministries

Achievement (% of KPI targets)	Action
90-100+	Hold up as inspirational case study for other parts of government
80-89	Commend and challenge to raise aspirations
70-79	Provide appropriate support and resources to continue and upgrade delivery
60-69	Provide help, coaching and problem-solving support to meet targets
<60	Provide extra help and activate consequence management (e.g., potentially change team structure and composition)

As mentioned in Chapter 1, since we have set stretch targets, we expect mixed levels of achievement versus targets. In effect, this means that not all the targets will be achieved. If they were, this would be a sign that we had not stretched our aspirations enough.

13.1.3 The Government has set up PEMANDU to accelerate delivery

To assist the PM in managing the delivery of the NKRA and MKRA outcomes, we set up PEMANDU in August 2009. Tan Sri Dr Koh Tsu Koon was appointed Chairman and Dato' Sri Idris Jala was appointed Chief Executive Officer.

While the responsibility for end-to-end delivery of NKRA and MKRA outcomes ultimately rests with the respective ministries, PEMANDU has been mandated to:

- Catalyse bold changes in public sector delivery, e.g., assist civil service and ministries to find improvement opportunities in their procedures

- Support the ministries in the delivery planning process, e.g., problem-solving and challenging their plans and approaches to implementation

- Support the removal of obstacles to progress, e.g., coordinating cross-ministerial interdependencies and issues

- Work with ministries to ensure that all required data for performance tracking is available, complete, consistent and accurate

- Monitor performance by maintaining a database of high quality performance data

- Provide an independent view of performance and progress to the PM and ministers, facilitate progress reviews, make recommendations and highlight areas for immediate attention

In terms of performance management and reporting, PEMANDU will:

- Submit monthly Flash Reports to all Cabinet Ministers

- Facilitate DTF and stocktake meetings

- Submit half-yearly Delivery Reports to the Prime Minister

- Publish the Government's progress against NKPI and MKPI targets annually

The Government wishes to underscore the importance of PEMANDU's role, as well as use it as to seed a greater performance-based culture in government. Hence, PEMANDU has been specially designed and resourced to be a highly capable and performance-oriented unit.

To attract the highest quality human resources, PEMANDU was set up as a hybrid organisation. It has gone through a rigorous process to identify and appoint the best and brightest people, not only from across the civil service, but also from the private sector. All staff possess outstanding leadership skills and problem-solving abilities and share a passion for public service. PEMANDU will further build its team's capabilities through a continuous structured professional development and coaching programme.

In addition, to instil a performance focus, the remuneration of PEMANDU personnel is linked to the achievement of tangible results, and reviews of their performance are based on transparent metrics. This is a break from usual government practice, but is in line with that of high-performing organisations, which recognise, differentiate and reward staff who perform well.

13.1.4 The Government will intensify existing government transformation initiatives under various agencies

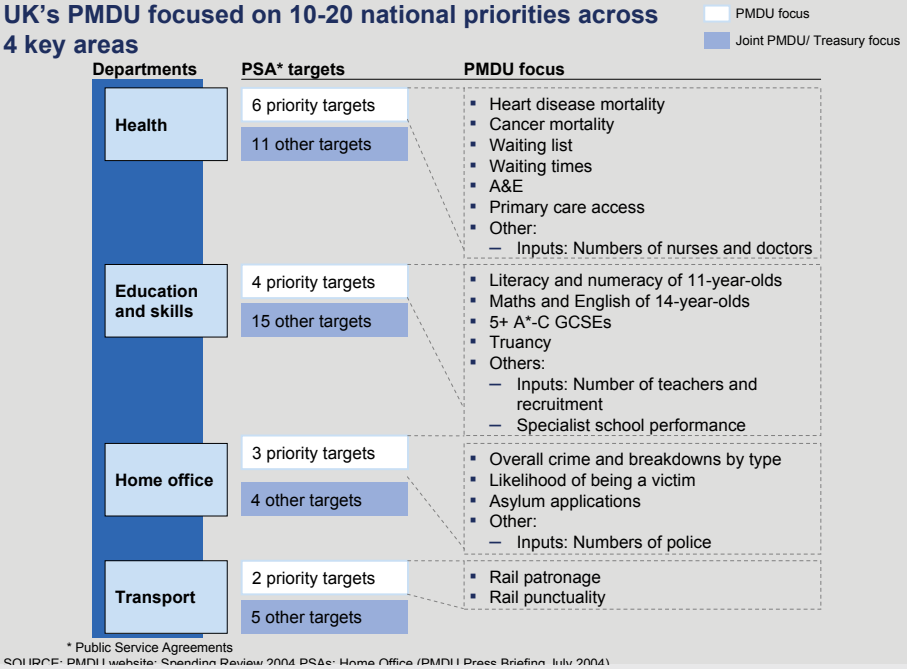
Prior to the GTP, the civil service had already embarked on various transformation efforts, with many early successes. Notable efforts are highlighted in Figure 13.8.

Instruction to deliver: The Prime Minister's Delivery Unit (PMDU) in the UK

By the end of the first term of the UK's Labour Government in 2001, the British public had become impatient for improved government performance. Re-elected in 2001, the Prime Minister, Tony Blair, responded to the people's "instruction to deliver" by establishing the PMDU. The PMDU had a mandate to drive progress on specific targets in four key areas identified by the Government – health, education, transport and crime and also to report on performance and contribute to civil service capability-building (Figure 13.6)

Figure 13.6

UK's PMDU focused on 10-20 national priorities across 4 key areas



The PMDU was also mandated to report directly to him on performance and contribute to building the capability of the civil service (Figure 13.7).

Figure 13.7

UK's PM set up the PMDU to drive delivery of priority areas, report to him on performance and build civil service capabilities

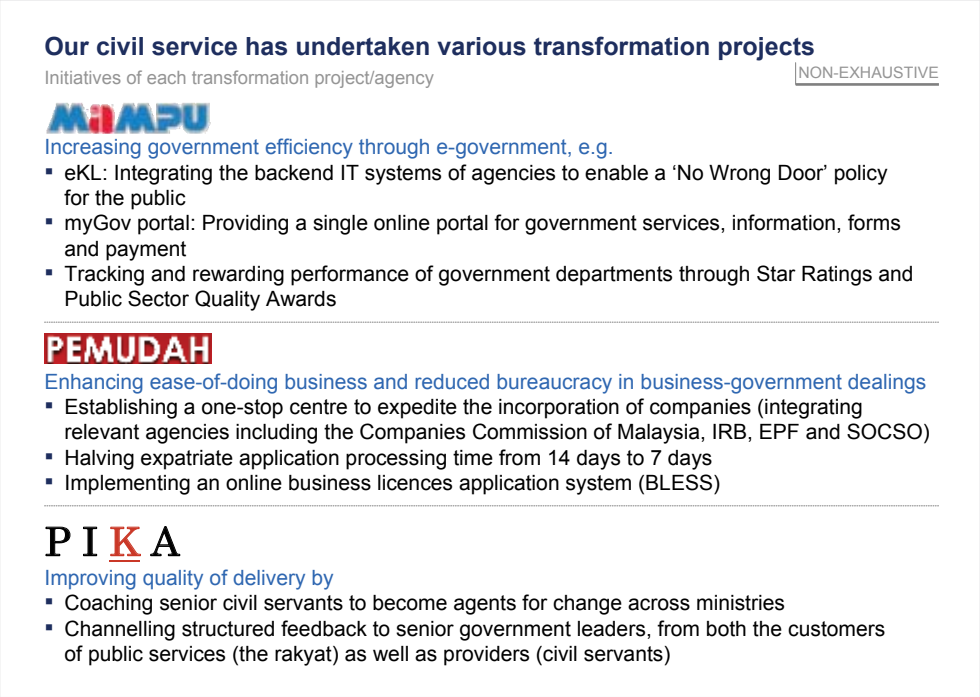
Report on performance	Drive delivery in priority areas	Build capabilities by role modeling best practices
▪ Facilitate fact-based dialogue between PM and departments on progress against targets ▪ Collect and analyse robust performance data, producing scorecards for departments' past performance against targets and assessing likelihood of delivery	▪ Identify issues and root causes preventing delivery of targets ▪ Support development of delivery plans against public service agreements ▪ Prioritise resources against key targets and issues ▪ Work collaboratively with departments to accelerate the delivery of specific frontline projects and pilots	▪ Build skills for civil servants by working alongside them ▪ Demonstrate use and power of data in departments ▪ Model new ways of working to drive delivery of priorities ▪ Launch structured capability reviews of government departments

Source: Interviews with former Head of the PMDU

To empower the PMDU to perform its role successfully, it reported directly to the Prime Minister and was led by a civil servant with a strong track record of delivery. To further boost the PMDU's capabilities, its human resources combined the best talents from the civil service and secondees from the private sector.

Initially, successful delivery was a challenge, but over time, targets began to be achieved. By December 2004, over 80% of targets had been achieved or were on track for delivery, compared to just under 50% in the previous year.

Figure 13.8



We will continue and intensify these efforts into 2010 and beyond, to raise our ability to serve the rakyat more effectively and efficiently. For example, measures introduced in the 2010 Budget include:

- Upgrading INTAN Bukit Kiara to be an autonomous School of Government, with high quality faculty and collaborations with the best international institutions

- Rolling out the usage of a single reference number for each individual and company to facilitate faster cross-referencing for all dealings across government agencies

13.1.5 The Government will continue to enhance productivity to ensure delivery happens with minimum resources

Historically, we have attempted many ways of enhancing productivity, including expanding e-government to reduce transaction costs (e.g., encouraging online tax payments), trimming procurement costs through e-procurement and providing training to civil servants to be more effective and efficient (e.g., through INTAN, PIKA and the GLC cross-fertilisation programme).

As Malaysia's current fiscal position compels us to reduce our operating expenditure and yet still deliver more aggressive outcomes, we commit to improving productivity even further and are considering various management, technology, operations, asset management and finance levers. For instance we may look to improving managerial capabilities within the civil service, particularly on performance management, talent management and lean operations. We may also consider reforms in the use of ICT, such as shifting official correspondence from paper copies to electronic copies (via e-mail). In the area of operations, we may consider applying lean transformation to selected activities such as collecting tax, operating hospitals, paying welfare benefits and procuring goods and services. Asset management holds some possibilities to improve the productivity of our physical and financial assets: we announced measures under the 2010 Budget to optimise asset usage by renting out under-utilised facilities and identifying assets to be sold.

Crisis management, reform and productivity: public-sector budgetary reforms in Sweden in the 1990s

The Swedish fiscal and economic crisis in the 1990s was in many ways a microcosm of today's global downturn. For three consecutive years, GDP fell and the rate of unemployment trebled to over 10%. Budget deficits rose above 10% of GDP, causing widespread speculation of state bankruptcy in the summer of 1994. The Swedish Government used the opportunity created by the crisis to introduce a fiscal efficiency programme:

- **Created sense of urgency** with an initial 11% cut in the operational budgets of all agencies. The agencies' awareness of the crisis was instrumental, as no one could deny the necessity of rapid action
- **Tightly controlled public expenditure** going forward by setting hard expenditure ceilings and allowing agencies to roll over up to 3% of their operational budget to other years. This took away the pressure and any incentive on agencies to spend all of their budgets every year
- **Forced agencies to implement efficiency measures** by deducting an automatic productivity factor from the expenditure ceiling every year

The savings generated were remarkable. Sweden's government expenditure fell from 72% of GDP in 1993 to about 55% by the end of the decade. Moreover this drop did not come at the expense of the quality of public services. For instance, the tax agency managed to improve productivity significantly between 1998 and 2008, while the citizens' satisfaction index for the agency increased from 57% to 64%.

13.2 Horizon 2 (2012–2015): The Government commits to broad and deep transformation

In the medium term from 2012 to 2015, we will carry out a broader and deeper transformation, with a view to strengthening the professional development of the civil service, generating more efficiency savings and improving delivery capabilities. Such transformational measures will potentially include:

- **Strengthening performance management** across all levels of government, including cascading the use of KPIs to all civil servants and implementing differentiated performance-based rewards and consequences.
- **Raising the level of capability** across government, including instituting structured professional development (e.g., regular performance dialogues and coaching) and raising the entry bar into the civil service.
- **Further improving efficiency**, including streamlining the Government structure, e.g., reducing layers of bureaucracy by reorganising ministries and agencies. We have already taken a first step by rationalising and reducing the number of ministries by two in 2008.

Strengthening accountability and rewarding productivity: Differentiated pay schemes in public sectors worldwide

The concept of remunerating civil servants based on performance is common in most developed countries (Figure 13.9). Productivity pay systems range from annual bonuses on top of base pay (e.g., in the USA), to setting a certain percentage of base pay at risk, paid only if performance meets a set standard (e.g., in Canada). While in some countries, only the pay of top and middle management is tied to performance (e.g., in Denmark), in others, productivity incentives are applied to the whole civil service (e.g., in Singapore).

Criteria and evaluation systems are often structured and rigorous. For instance, Denmark assesses its public sector employees based on financial and managerial KPIs, while South Korea uses a combination of outcomes and competencies demonstrated on the job.

Figure 13.9

Individual performance-based pay for civil servants is common in many developed countries

NON-EXHAUSTIVE

Country	Form	Scope of personnel	Evaluation criteria	% of base salary
USA	▪ Annual bonuses	▪ Senior Executive Service (highest level not nominated by President)	▪ Personal and departmental goals	▪ 5-20%
Denmark	▪ One-off bonuses and merit increments	▪ Mostly top management and second-tier managers	▪ KPIs, e.g., finance, customer service	▪ N/A
South Korea	▪ Annual merit incremental programme ▪ Lump sum bonus	▪ Division Directors and above ▪ Division Directors and below	▪ Annual goals/ outcomes ▪ Mixture of outcomes, ability and attitude	▪ 3-8% ▪ 40-110%
Canada	▪ Variable at-risk pay when expectations met ▪ Annual bonus for surpassing expectations	▪ Executives and senior officials (e.g., Directors, DGs)	▪ Results (KPIs) and key leadership competencies	▪ N/A
Other OECD	▪ One-off bonuses and merit increments	▪ Country-dependent (some cover most government employees, some cover senior staff only)	▪ Various, including KPIs and competencies	▪ From 1-50%
Singapore	▪ Performance bonus and increments	▪ Top public servants (e.g., permanent secretaries) ▪ General public servants	▪ Country performance (e.g., GDP) and individual performance	▪ Up to 7 months bonus ▪ Average 2 months bonus

Source: US Office of Personnel Management, State of the Public Service (2008, OECD), Republic of Korea Civil Service Commission, State Employers' Authority (Denmark), Singapore Public Service Division

Whole government transformation in France

In 2007, France had one of the highest levels of government spending among all the OECD countries, reaching more than 52% of GDP. The key challenge the French government faced was to convince civil servants and citizens that it needed to reduce public spending, but that those reductions would not result in a decline in public services.

The French President, Nicolas Sarkozy, decided to launch a whole government transformation – a systematic review of all public policies and administrations – with the goal of doing more with less (Figure 13.10):

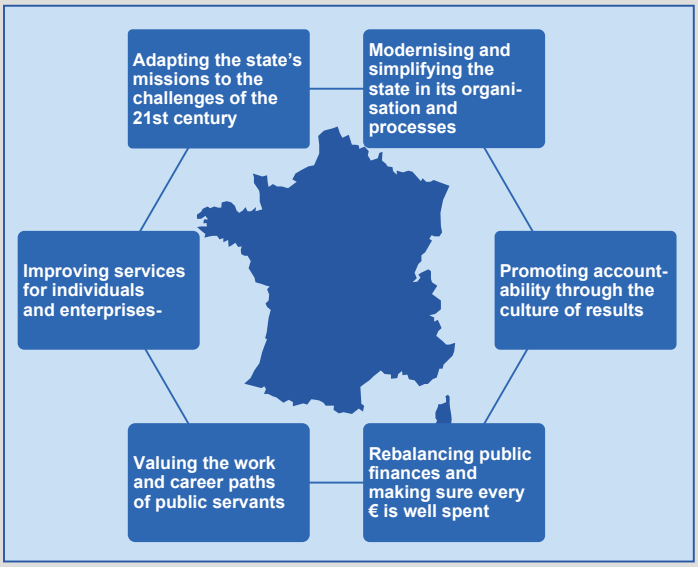
- Rationalise government administration expenses, with an expected impact of EUR 7.7 billion
- Improve services for citizens and companies
- Modernise the state's organisation and processes
- Value the work and career paths of public servants

The Government launched 370 initiatives simultaneously in all ministries and administrations, setting the path for the French government's modernisation effort over the next five years. The reforms pulled all improvement levers, including organisation, the application of lean transformation processes, digitisation and performance management. They also aimed to streamline government, with both intra-ministry transformations (e.g., merger of the public finance and tax collection administrations within the Budget Ministry) and broader cross-department reforms (e.g., pooling support functions such as real estate asset management). Significantly, to provide impetus to the whole programme, the Government announced that one out of every three retiring civil servants would not be replaced.

In order to better manage all public spending, the French government has already started to engage in the next wave of reforms by broadening the modernisation effort to 650 state agencies.

Figure 13.10

Performance vision for France's public services in 2012



Source: French Directorate for State Modernization (DGME); French Ministry of Budget

Backs to the wall: Public sector reforms in New Zealand

In the mid 1980s, New Zealand faced a substantial economic crisis: a fiscal deficit of 6–7% of GDP, a current account deficit of 9% of GDP, double-digit inflation, rising unemployment and, at one stage, 20% devaluation of the New Zealand dollar. There was a widely-shared belief that change was urgently required.

In response, the New Zealand government undertook a comprehensive and rapid programme of micro and macro-economic reform. A key part of its reform agenda was broad reform of the public sector, including simultaneously introducing performance accountability and a budgeting regime to increase the productivity of government departments. Initiatives included:

- **Empowering chief executives of each agency while strengthening accountability in return:** Government gave chief executives hiring and firing ability, but at the same time made them specifically accountable to the relevant minister for clear deliverables

- **Instituting data transparency and credibility to facilitate decision-making and performance monitoring:** Government set up the Crown Monitoring Unit as an independent monitoring and statistical body, instituted transparent financial reporting and used private sector standards wherever possible to evaluate performance

- **Exploiting IT driven efficiency savings:** Government rationalised the civil service by almost 30% and better leveraged IT, such as introducing new algorithms to increase the efficiency of tax collection monitoring

The results of the reforms to government were considerable: significantly improved productivity levels, with better quality and management practices, and unit cost savings in excess of 20% in many cases. The fiscal deficit transformed into a sustainable surplus within a decade.

13.3 Horizon 3 (2015–2020): Rakyat-centric models of public service delivery

The Government will move towards a new model of smaller government while simultaneously enhancing the quality of public services. We will promote innovation, choice and competition, and increase the role of the private sector in public service provision. Ultimately, Malaysia should see the size of its Government fall significantly as a proportion of GDP, without a reduction in the quantity and quality of public services offered.

"Going forward, there is significant scope for the Government to use private finance initiatives as a means for the Government to also enhance quality and efficiency of the public sector and at the same time, play a role as economic developer. A good example is in the space of healthcare and education, two service sectors which have been identified as having significant growth and export potential. The Government can move from providing such services, i.e., building and operating new hospitals and universities, towards purely financing such public services by procuring such services from the private sector"

(Tan Sri Nor Mohamed Yakcop, Minister in the Prime Minister's Department. Speech to World Bank Brainstorming Session, 7 May 2009)

Among other goals, we will endeavour to:

- Develop a rakyat-centric mindset and culture by creating an environment of competition and choice for public services

- Empower frontline public service personnel to deliver and do what is required to meet customer needs

- Apply lean transformation principles to all government processes to eliminate waste (leveraging lessons from selected lean transformations in Horizon 2)

- Establish wide-ranging roles for the private sector in public service delivery, and reallocate our resources to areas where government is truly the best provider. In fact, we have already taken preliminary steps, with our 2010 Budget announcement of the privatisation of selected Ministry of Finance companies and other government agencies offering various public services.

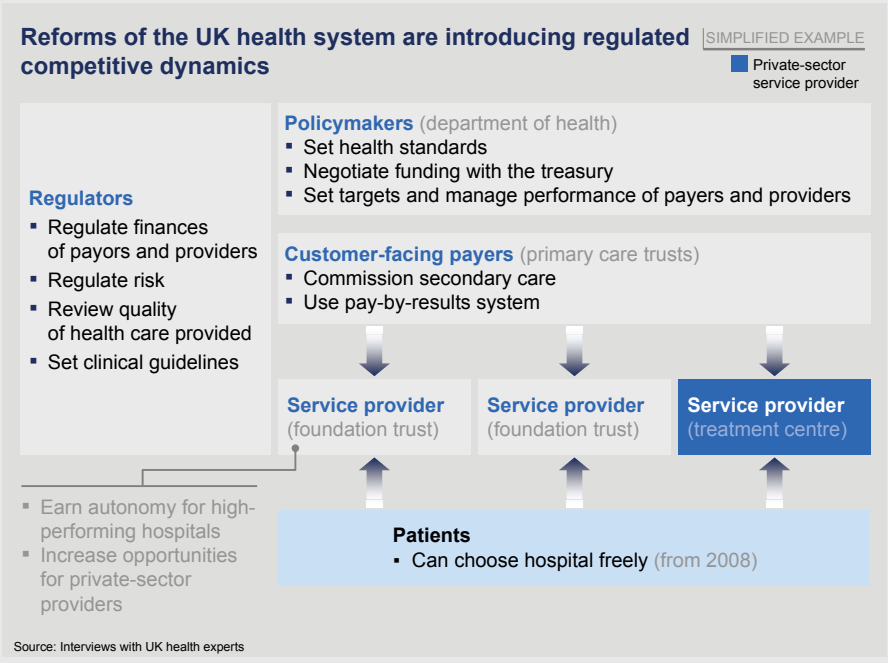
Competitive dynamics in public hospital provision in the UK

Healthcare is an area where complete privatisation may be difficult, for reasons of equity, feasibility and politics. However, the UK's National Health Service (NHS) offers an example of how governments can enhance provision of healthcare services by introducing choice and competition.

The Government, through the Department of Health and health regulators, defines the strategic direction and manages the performance of the national healthcare system (Figure 13.11). It also channels funding to primary care trusts (PCTs), who are responsible for citizens in their areas. The PCTs control their own budgets and set their own priorities (within the overriding budget and priorities of the Government). They are responsible for commissioning and paying providers for care services. Providers come from the public or private sector, and patients are free to choose their providers for elective care, e.g., which clinics or hospitals to use for planned surgeries such as knee and hip replacements. This of course has implications for the funding the providers receive from the PCTs and hence drives competition. Competition amongst public sector providers, and between public and private sector providers, induces productivity and service improvements in frontline provision of healthcare services.

While, in practice, the NHS currently still provides 98% of its own care, the model foreshadows how customer choice could have great impact in the future.

Figure 13.11



Source: Interviews with UK health experts

Publicly funded, privately provided, world-class education: Independent schools in Sweden

The provision of education is another area where governments worldwide are expanding partnerships with the private sector. One such example is the system of independent schools in Sweden.

In Sweden, there are over 800 independent schools established to help increase freedom of choice and deliver better quality education through competition and cost-effectiveness for the Government. Such schools served almost 10% of students in compulsory education in 2008 (up from just 1% in 1990). They are free, open-enrolment and privately-run, but publicly-funded. They receive the same funding as municipal (government) schools and must conform to the national curriculum and objectives, but otherwise have free rein over pedagogy and timetables.

Quality control is market-driven, as each Swedish child is provided a voucher, which parents use to obtain a place at a school of their choice. Since funding follows the student, independent schools have an incentive to focus on student outcomes and constantly raise standards of teaching.

Chapter 14

Transforming Malaysia

We must transform the Government to achieve Vision 2020, which remains the beacon for our nation. Although Malaysia has come a long way, our economy is at risk of being stuck as a 'middle-income' economy, and we must make significant improvements in reducing crime and corruption, improving education, rural basic infrastructure and urban public transport, and boosting the incomes of low-income households before Malaysia becomes a fully developed nation. The Government, as the primary facilitator of Malaysia's development, must transform itself so that Malaysia can achieve Vision 2020. We have no alternative.

This roadmap details a bold and unprecedented programme to transform the Government. The scope of the Government Transformation Programme (GTP) is broad, encompassing every ministry within Government, while still being focused on priorities that matter most to the rakyat (i.e., *People First*). Our aspirations are concrete and high, with stretch targets against each of the priorities. Furthermore, we must deliver quickly. Malaysia does not have the luxury of time to achieve Vision 2020, and we have heard the rakyat's clear demands for outcomes, not just more plans and inputs. Our focus is very much on making fundamental changes to deliver big results fast (i.e., *Performance Now*). This programme will ensure every Malaysian – rich and poor, urban and rural, educated and less educated, young and old, men and women, powerful and powerless, regardless of race and religion – enjoys the fruits of the nation's development and lives in an inclusive and diverse society where he or she considers himself/herself, first and foremost, a Malaysian (i.e., *1Malaysia*).

We realise that we cannot use the same approach as before to transform our government and achieve substantial results quickly. **Therefore, we are approaching government transformation in a radical new way**, while still leveraging the successes and lessons from the past and from government transformation efforts in other countries. This radical new way embraces six elements:

- Institutionalising a new way of working (e.g., Labs, Workcamps) including an approach or 'engine' focused on doing and then improving, instead of just planning, and which brings the best civil servants together in cross-agency teams to develop detailed solutions

- Proactively gathering input and feedback from the rakyat e.g., through Open Days, surveys, the internet and SMS

- Publishing this roadmap, effectively a performance contract between the Government and the rakyat, that fully commits us to delivery, by transparently outlining concrete targets and plans

- Instituting 16 delivery principles to guide how we will deliver differently. These have literally been signed off by the Cabinet and are now being applied in day-to-day delivery

- Establishing PEMANDU, a new hybrid organisation, which draws talent from both the public and private sectors, to act as catalyst for transformation and to help ministries deliver on their priorities

- Publishing an annual report that will transparently and objectively tell the rakyat what the Government has and has not yet delivered and how the programme will be improved over time

In Malaysia's history, we have often taken the road less travelled and pragmatically charted our own path. We are doing it again. No other government in the world has undertaken such a bold transformation programme with all the above six elements. We are confident that we will deliver. When we succeed, many

other countries will be looking up to Malaysia to learn how we transformed our nation by transforming government.

We understand that no matter how well laid the plans are, the only thing that ultimately matters is delivery of outcomes that the rakyat can touch, see and feel. **Delivering these outcomes will not be easy**. There will be setbacks along the way, including missed targets, initiatives that may not work, stakeholders who push back, resistance to change and new challenges we could not have foreseen. In transformation programmes of this scale it is also quite common for things to get worse – or feel like they are getting worse – before they get better. Despite these inevitable challenges, we must deliver.

We cannot, and should not, transform the nation on our own. The days of 'Government knows best' are over, and we pledge to work hand-in-hand with the rakyat, the private sector, the social sector and other key stakeholders. We will continue to invite input before making decisions, encourage co-participation in delivery, seek regular feedback and measure our stakeholders' perceptions of our delivery. Together, we must deliver. Together, we will deliver.

We will stay the course. When the GTP hits inevitable challenges and setbacks, the Government and all Malaysians must remind ourselves of what is really at stake and continue to stay the course. We will stay the course, and we will transform Malaysia into a developed high-income nation and achieve Vision 2020. We will stay the course, and all Malaysians will be proud as we establish Malaysia's rightful reputation and position in the world, and become a case study for other countries. We will stay the course, and we will make a positive difference in the day-to-day lives of each and every Malaysian – from women and children feeling safer on our streets, to poor and rural families enjoying better quality of life, access to basic infrastructure and good education, to people getting to work more easily, and to businesses enjoying lower costs. We will stay the course, and fulfil our most important obligation: transforming Malaysia for future generations of Malaysians.

Appendix A: Glossary of Acronyms

AADK	Agensi Anti-Dadah Kebangsaan (National Anti-Drugs Agency)
AFC	Automatic Fare Collection
AG	Attorney-General
AIM	Amanah Ikhtiar Malaysia
AP	Auxiliary Police
ASEAN	Association of South-East Asian Nations
BET	Bus Expressway Transit
BN	Barisan Nasional
BRT	Bus Rapid Transit
BTN	Biro Tata Negara (National Civics Bureau)
CAGR	Cumulative Annual Growth Rate
CARS	Car Accident Reporting System
CAT	Crime Awareness Team
CBD	Central Business District
CCC	Contingent Control Centre (Police Monitoring Centre)
CCTV	Closed-circuit television
CID	Criminal Investigation Department
CPC	Criminal Procedure Code
CPI	Corruption Perception Index
CVLB	Commercial Vehicle Licensing Board
DBKL	Dewan Bandaraya Kuala Lumpur (Kuala Lumpur City Hall)
DNAA	Discharge not amounting to acquittal
DoR	Department of Railways
DPP	Deputy Public Prosecutor
DTF	Delivery Task Force
EKUINAS	Ekuiti Nasional Berhad
EMU	Electrified Multiple Units
EPF	Employees Provident Fund

EPU	Economic Planning Unit
ERL	Express Rail Link
EU	European Union
FDI	Foreign Direct Investment
FELDA	Federal Land Development Authority
FIC	Foreign Investment Committee
FRU	Federal Reserve Unit
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GLC	Government-linked Company
GNI	Gross National Income
GPS	Gred Purata Sekolah (School Average Grade)
GTP	Government Transformation Programme
HAB	Hentian Akhir Bandar
HDI	Human Development Index
HPS	High Performing Schools
ICT	Information and Communications Technology
ICU	Implementation Coordination Unit
IHL	Institute of higher learning
INTAN	Institut Tadbiran Awam Negara (National Institute of Public Administration)
IO	Investigating Officer
IP	Investigation Paper
IPD	Ibu Pejabat Polis Daerah (District Police Headquarters)
IRB	Inland Revenue Board
ITT	Integrated Transit Terminal
JICA	Japan International Co-operation Agency
JKKK	Village Security and Development Committee
JKM	Jabatan Kebajikan Masyarakat (Social Welfare Department)

JPAM	Jabatan Pertahanan Awam Malaysia (Malaysian Civil Defence Force)
JPJ	Jabatan Pengangkutan Jalan (Road Transport Department)
JPN	Jabatan Perumahan Negara (National Housing Department)
JPNIN	Jabatan Perpaduan Negara dan Integrasi Nasional (National Unity and Integration Department)
KBS	Kementerian Belia dan Sukan (Youth and Sports Ministry)
KDN	Kementerian Dalam Negeri (Ministry of Home Affairs)
KEMAS	Jabatan Kemajuan Masyarakat (Community Development Department)
KITA	Institute Kajian Etnik (Institute of Ethnic Studies) of Universiti Kebangsaan Malaysia
KKLW	Kementerian Kemajuan Luar Bandar dan Wilayah (Ministry of Rural and Regional Development)
KPI	Key Performance Indicators
KPKK	Kementerian Penerangan, Komunikasi dan Kebudayaan (Ministry of Information, Communication and Culture)
KSN	Ketua Setiausaha Negara (Chief Secretary to the Government)
KSU	Ketua Setiausaha (Secretary General)
KTM	Keretapi Tanah Melayu (Malaysian Railway)
LIH	Low Income Households
LINUS	Literacy and Numeracy
LNPT	Laporan Nilaian Prestasi Tahunan (Annual Appraisal Report)
LRT	Light Rail Transit
MACC	Malaysian Anti-Corruption Commission
MAMPU	Malaysian Administrative Modernisation and Management Planning Unit
MCPF	Malaysian Crime Prevention Foundation
MEF	Malaysian Employers' Federation
MKPI	Ministerial Key Performance Indicators
MKRA	Ministerial Key Results Areas
MOE	Ministry of Education
MOT	Ministry of Transport

MPV	Mobile Police Vehicles
MRCB	Malaysian Resources Corporation Berhad
MYC	Malaysian Youth Council
NCRC	National Crime Reduction Council
NDP	National Development Policy
NEAC	National Economic Advisory Council
NEP	New Economic Policy
NGO	Non-governmental organisation
NHS	National Health Service
NKPI	National Key Performance Indicators
NKRA	National Key Results Areas
NLT	NKRA Leadership Team
NPCS	National Pre-School Curriculum Standard
NSD	National Security Division
NVP	National Vision Policy
OBB	Outcome-based Budgeting
OECD	Organisation for Economic Cooperation and Development
OKP	Orang Kena Pengawasan
PAC	Public Accounts Committee
PBT	Pihak Berkuasa Tempatan (Local Councils / Authorities)
PCT	Primary Care Trust
PDRM	Polis Di-Raja Malaysia (Royal Malaysian Police)
PEMANDU	Performance Management and Delivery Unit
PEMUDAH	Special Taskforce to Facilitate Business
PFI	Private Finance Initiatives
PGA	Pasukan Gerak Am (General Operations Force)
PIKA	Projek Inovasi Khidmat Awam (Public Service Innovation Project)
PISA	Programme for International Student Assessment
PKFZ	Port Klang Free Zone

PLI	Poverty Line Income
PLKN	Programme Latihan Khidmat Negara or National Service Training Programme
PMDU	Prime Minister's Delivery Unit (UK)
PMO	Programme Management Office
PMR	Penilaian Menengah Rendah (Lower Secondary Assessment)
POL	Pupil's own language
POLMAS	Polis Masyarakat (Police Volunteers)
PR	Pakatan Rakyat
PRS	Police Reporting System
PTA	Parent teacher association
PVR	Police Volunteer Reserve
PusPEN	Pusat Pemulihan Penagih Narkotik (Narcotics Rehabilitation Centre)
R&D	Research and development
RA	Residents' Association
RBI	Rural Basic Infrastructure
RCMOP	Royal Commission on the Management and Operations of the Police
RED	Rural Economic Development
RELA	Ikatan Relawan Rakyat Malaysia (People's Volunteer Corps)
RIMUP	Rancangan Integrasi Murid-Murid Untuk Perpaduan (Students' Integration Programmes for Unity)
RMK-x	Rancangan Malaysia Ke-x (Xth Malaysian Plan)
RT	Rukun Tetangga
RTM	Radio Televisyen Malaysia
SARS	Severe Acute Respiratory Syndrome
SCP	Safe Cities Programme
SDS	Social Development Services
SK	Sekolah Kebangsaan (Primary National Schools)
SJK	Sekolah Jenis Kebangsaan (vernacular schools)
SJKC	Sekolah Jenis Kebangsaan Cina (National Type [Chinese] schools)

SJKT	Sekolah Jenis Kebangsaan Tamil (National Type [Tamil] schools)
SMK	Sekolah Menengah Kebangsaan (National Secondary Schools)
SMS	Short message service
SOCSO	Social Security Organisation
SPAD	Suruhanjaya Pengangkutan Awam Darat (Public Land Transport Commission)
SPM	Sijil Pelajaran Malaysia (Malaysian Certificate of Education)
SPP-II	Sistem Pemantauan Projek (Project Monitoring System) II
SQEM	Standard for Quality Education in Malaysia
SRS	Skim Rondaan Sukarela (Volunteer Patrol Scheme)
STPM	Sijil Tinggi Persekolahan Malaysia (Malaysian Higher School Certificate)
SUKSIS	Kor Sukarelawan Polis Siswa Siswi (Undergraduate Police Voluntary Corps)
TI	Transparency International
TIMMS	Trends in International Mathematics and Science Study
TKSU	Timbalan Ketua Setiausaha (Deputy Secretary General)
UKM	Universiti Kebangsaan Malaysia
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UPPIN	Unit Perancangan Perpaduan dan Integrasi Nasional (National Unity and Integration Planning Unit)
UPSR	Ujian Pencapaian Sekolah Rendah (Primary School Assessment Test)
UPT	Urban Public Transport
USA	United States of America

Appendix B: Lab Members

Crime:

Abd. Aziz bin Md. Nor (Lab Leader)	Kementerian Dalam Negeri (KDN)
Abu Bakar bin Ahmad	KDN
Ahmad Afandi bin Mohamad	Jabatan Pertahanan Awam Malaysia (JPAM)
Aida Farihan binti M. Saleh	Jabatan Peguam Negara
Azizah Abd Rahman	Bahagian Hal Ehwal Undang-undang, Jabatan Perdana Menteri
Ir. Chek Wan Samsudin bin Che Wan Ahmad	Iskandar Regional Development Authority (IRDA)
ASP Gulam Rashed Khan	Polis DiRaja Malaysia (PDRM) – Kuala Lumpur
Hafidz bin Othman	KDN
Hirman Syah bin Ishak	Dewan Bandaraya Kuala Lumpur (DBKL)
DSP Imran bin Abd. Rahman	PDRM – Bukit Aman
Ibrisam bin Abdul Rahman	Jabatan Penjara Malaysia
Johan Abdul Razak	Khazanah Nasional Berhad
DSP Khoo Leng Huat	PDRM – Johor
Md Razif bin Wan	KDN
DSP Md. Nawawi bin Junoh	PDRM
Mohamed Jamil bin Ahmad	Kementerian Perumahan dan Kerajaan Tempatan (KPKT)
Mohd Ali bin Taib	Kementerian Pembangunan Wanita, Keluarga dan Masyarakat
DSP Mohd Barsri bin Rajab	PDRM – Kuala Lumpur
Mohd Fadil Sharif	Kementerian Penerangan, Komunikasi dan Kebudayaan (KPKK)
Mohd Sabri bin Othman	Mahkamah Persekutuan Malaysia
Mohd Zaaba bin Abdul Hamid	KDN
Hj. Mohd. Zamberi Bin Abdul Aziz	KDN
Mohd Zawawi bin Abdullah	Kementerian Kesihatan
Mohd. Suffian bin Mohd. Kasim	KDN
Mohd. Yunus bin Jamil	KDN
Dato' Mustafa bin Ibrahim	Ikatan Relawan Rakyat Malaysia (RELA)
Najib bin Zakaria	KDN
Ooi Seong Hoe	Kementerian Sains, Teknologi dan Inovasi
P Jeevananth s/o Paliah	KPKK
ASP R Azizan bin Ibrahim	PDRM – Bukit Aman
Mejar Ridzuan Chan bin Abdullah	Kementerian Pertahanan
DSP Shariffudin Abdullah	PDRM – Pulau Pinang
ASP Tok Beng Yeow	PDRM - Selangor
Dr. Waitchalla RRV Suppiah	Jabatan Imigresen Malaysia
Wasitah Haji Mohd Yusof	Kementerian Belia dan Sukan (KBS)

Corruption:

Dato' Hisham b. Nordin (Lab Leader)	Pejabat Menteri di Jabatan Perdana Menteri
Abdul Halim b. Mohd Zain	Suruhanjaya Pencegahan Rasuah Malaysia (SPRM)
Abdul Samat b. Kasah	SPRM
Adilah bt. Junid	Khazanah Nasional
Ahmad Ishrakh b. Saad	Jabatan Peguam Negara
Ahmad Nasir b. Abdul Ghani	Jabatan Pengangkutan Jalan (JPJ)
Aidid b. Tajuddin	Kastam Diraja Malaysia
Dato' Azhar b. Abu Bakar	Kementerian Perumahan dan Kerajaan Tempatan (KPKT)
ASP Che Mohd Azemin b. Che Lah	Polis Diraja Malaysia (PDRM)
Supt Chew Tham Soon	PDRM
Hashim b. Mohamed	Pejabat Menteri di Jabatan Perdana Menteri
Hashmuddin b. Mohamad	Kementerian Kewangan (MOF)
Husner bt. Ahmad	RTM
Tuan Haji Hussin b. Rani	Bahagian Hal Ehwal Undang-Undang (BHEUU)
Kamaruddin b. Jaafar	Kastam Diraja Malaysia
Khairul Annuar b. Abdul Majid	Bernama
Lina bt. Rahmat	JPJ
Mas Rizal b. Mohd Hilmi	MOF
Masri b. Jeman	Kementerian Kesihatan (MOH)
Md Ziki b. A.Rahman	JPJ
ASP Mohd Ismail b. Muslim	PDRM
Mohd Rais b. Ramli	Institut Integriti Malaysia (IIM)
Muhd Zaki b. Abd. Kudos	Pejabat Pendaftar Mahkamah Persekutuan
Nik Zainal Alam b. Hasan	Jabatan Kerja Raya (JKR)
Nor Azmi b.Karim	SPRM
Nor'aamirah bt. Mohamad Shafie	Jabatan Insolvensi Malaysia
Noraini bt. Salleh	KPKT
Rosni bt. Razali	Jabatan Audit Negara
Shahroni b. Sanusi	Biro Bantuan Guaman
Sharmizi b. Suhaimi	Pejabat Menteri di Jabatan Perdana Menteri
Shuhairoz bt.Shukeri	JPJ
Siti Nooraznie bt. Abdul Rahim	JPJ
Sudirman b. Aban	SPRM
Verusmark V. Ninin	Jabatan Imigresen Malaysia
Dato' Zuraidah bt. Mohamed	Unit Perancang Ekonomi (EPU)

Education:

Dato' Noor Rezan Bapoo Hashim (Lab Leader)	Kementerian Pelajaran (MOE)
Dr Amin Senin	MOE
Nor Asnidar Aziz	Jabatan Perkhidmatan Awam
Hjh Azizah Hj Arrifin	MOE
Azman Kassim	MOE
Chithra Adiyodi	MOE
Dr. Harery Abu Saad	MOE
Hamidun Bin Abdullah	MOE
Hanizah bt A. Hamid	MOE
Khairul Kassim	MOE
Khairul Zaman bin Ishak	MOE
Hjh Khamsiyah Yahya	Jabatan Kemajuan Masyarakat (KEMAS), Kementerian Kemajuan Luar Bandar dan Wilayah (KKLW)
Khatijah bt Yusof	Sekolah Kebangsaan Jalan Enam, Bandar Baru Bangi
Mohd Fauzi bin Mahson	MOE
Haji w Khir bin Hj Omar	Jabatan Kebajikan Masyarakat
Haji Mohd Kholil	MOE
Nafsiah bt Jaapar	Pejabat Pendidikan Daerah Petaling Utama
Dr Naimah Bt Ishak	MOE
Dr Noorliza bt Hj Zakuan	MOE
Norhayati Alias	MOE
Norliah bt Abdul Aziz	MOE
Nurlida Ahmad	MOE
Nurulzuhrah Mohd Jamid	MOE
Othman bin Saad	Jabatan Perpaduan Negara dan Integrasi Nasional (JPNIN)
Rais bin Ayob	MOE
Dr. Raslan Haniff	Khazanah Nasional Bhd
Suhairun Nizam bin Supal	MOE
Suhaiza bt Shaharuddin	MOE
Dr Haji Zahri bin Aziz	Jabatan Pendidikan Negeri Selangor
Zainurin bin Suparman	MOE
Zanariah bt Ahmad	MOE
Zuhari Bin Duhashim	MOE

Low income households:

Naharudin Abdullah (Lab Leader)	Lembaga Penduduk dan Pembangunan Keluarga Negara (LPPKN)
Ahmad Tarmidi Nawawi Abdul Razak	Jabatan Kebajikan Masyarakat (JKM)
Alice Suriati Mazlan	Kementerian Pembangunan Wanita, Keluarga dan Masyarakat (KPWKM)
Azureen Balkish Mohd Basri	KPWKM
Eikmar Rizal Mohd Ripin	KPWKM
Fairus bt Yahaya	Jabatan Hal-Ehwal Orang Asli (JHEOA)
Hazmi Samsudin	KPWKM
Hezleen Hassan	JKM
Iskandar Jassa	Kementerian Sumber Manusia
Khairin Nazry Karim	Kementerian Perumahan dan Kerajaan Tempatan (KPKT)
Lim Ann Teck	Jabatan Perdana Menteri
Mohammad Mizal Mohamad Noor	LPPKN
Mohd Fadzil Yaakub	KPWKM
Nazri Bin Ngah	Amanah Ikhtiar Malaysia (AIM)
Noor Syaida Noh	Unit Penyelarasan Perlaksanaan (ICU)
Nor Akillah Bt Osman	Jabatan Akauntan Negara
Nor Azmi Bin Ahmad	Kementerian Pertanian (MOA)
Nor Hisham Hussein	Iskandar Regional Development Authority (IRDA)
Norhaslinda Mohd Sibi	Kementerian Kewangan (MOF)
Nurbaity Abdul Ghani	Jabatan Pembangunan Wanita (JPW)
Rahidah Mohd	Kementerian Pelajaran (MOE)
Ramlah Md Jalee	Kementerian Penerangan, Komunikasi dan Kebudayaan (KPKK)
Rizmi Ahmad Shapiei	Kementerian Kemajuan Luar Bandar dan Wilayah (KKLW)
Rosmahwati Ishak	JKM
Saidah Haji Hashim	Unit Perancangan Ekonomi (EPU)

Rural basic infrastructure:

Tuan Haji Ahmad Zubir bin Abd Ghani (Lab Leader)	Kementerian Kemajuan Luar Bandar dan Wilayah (KKLW)
Ahmad Denney bin Hj Ahmad Fauzi	Kementerian Pembangunan Luar Bandar (KPLB) Sarawak
Azarul Azlan bin Mohd Radhi	Jabatan Kerja Raya (JKR) Ibu Pejabat
Dennis Chua Wat Beng	Kementerian Kemudahan Awam Sarawak (KKA)
Eyani Safina binti Jamil	KKLW
Fatahah binti Qasim	KKLW
Fedrick John ak George	Unit Perancang Ekonomi Sarawak
Hashimi bin Hj Alwi	Jabatan Tanah dan Survei Sarawak
Huzaini bin Ramli	Kementerian Kewangan
Kueh Li Li	JKR Sarawak (Cawangan Bekalan Air)
M. Shukor bin Che Malek	JKR Ibu Pejabat
Mohamad Sabari bin Shakeran	JKR Sarawak
Mohamad Zahri bin Samingon	KKLW
Mohammad Shahizan Abdullah	KKLW
Mohd Shamsul Nizam bin Abd Wahid	JKR Sabah
Mohd Zamri bin Mustajap	Jabatan Hal Ehwal Orang Asli (JHEOA)
Noor Azlinda binti A.Bakar	KKLW
Nor Salmah binti Reduan	Jabatan Pengairan dan Saliran Sarawak
Noraniza binti Chek Ismail	Jabatan Hal Ehwal Khas (JASA), Kementerian Penerangan, Komunikasi dan Kebudayaan
Norhartaty binti Rahmat	KKLW
Nur Sara Que Zana binti Abdullah	KKLW
Ramdan bin Baba	KKLW
Rosina Daisy Julius	Jabatan Air Sabah
Rosman Khan bin Zainul Abidin Khan	Kementerian Pembangunan Wanita, Keluarga dan Masyarakat (KPWKM)
Shahnaz binti Shahizan	KKLW
Shahriman Teruna bin Hj Mohd Isa	Lembaga Penyatuan dan Pemulihan Tanah Persekutuan (FELCRA)
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Ummi Sajjdah binti Ahmad Bustamam	KKLW
Zainal bin Ishak @ Eshak	JHEOA
Zamri bin Mustajab	JHEOA

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Ahmad Faizal Baharudin	RapidKL
Prof. Ir. Dr. Ahmad Farhan Sadullah	Insititut Penyelidikan Keselamatan Jalan Raya Malaysia (MIROS)
Ahmad Suhaili Idrus	Iskandar Regional Development Authority (IRDA)
Annuar Ismail	Keretapi Tanah Melayu Berhad (KTMB)
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Azreen bt Mohamed Yusup	KTMB
Bernard Ong Kim Leng	Express Rail Link Sdn Bhd (ERL)
Dahlia Rosly	Kementerian Perumahan dan Kerajaan Tempatan (KPKT)
Hazzelan Mohd Said	RapidKL
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Imran Yussof	Jabatan Keretapi (DOR)
Mathias Charles	MOT
Mohd Aidi Mohd Hussin	MOT
Mohd Azharudin Mat Sah	Khazanah
Mohd Fizman Noor Azmi	Dewan Bandaraya Kuala Lumpur (DBKL)
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Mohd Ridzuan Mohd Iklas	KL Monorel
Mohd Zufri Bin Mahmud	RapidKL
Mohd. Nazri Mokhtar	MOT
Muhammad Faruq Md. Yunus	MOT
Ir. Muhammad Marizwan Abdul Manan	MIROS
Muhd. Aziyan Hussim	MOT
Mustapha Zainuddin	MOT
Nor Affandi Maulud B.Ahmad	Lembaga Perlesenan Kenderaan Perdagangan (LPKP)
Nurli Irwen Hj.Osman	Majlis Perbandaran Subang Jaya
Pang Chi Yan	ProKhas
Rahayu Baba	RapidKL
Roaida Hamidun	MOT
Roshidi Yahya	KTMB
Ruhaizah Mohamed Rashid	Jabatan Pengangkutan Jalan (JPJ)

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Wong Shaw Voon	MIROS
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Haniah Hassan	Jabatan Kebudayaan Dan Kesenian Negara
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Ivanpal S. Grewal	JPM
Izani Ashari	Khazanah Nasional
Jabar b. Puteh Mahadi	Jabatan Kebajikan Masyarakat
Keng Bee Cheng	JPNIN
Dr G. Manimaran	Universiti Putra Malaysia
Dato' Mohamed Dahan Abdul Latiff	Tabung Amanah Muhibah & NGAM
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Rohiman bin Harun	JPM
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Salmah Aziz	Kementerian Belia dan Sukan
Salmah bt. Idris	MOHE
Shahryn Azmi	Project Inovasi Khidmat Awam
Surendiran Palanisamy	Mytiub.com
Dr Zuber Hassan	Kementerian Pelajaran
Zulirwan Zulkiflii	Mytiub.com
Zurainee bt. Samad	Jabatan Latihan Khidmat Negara

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Supt. Alwee bin A. Ghani	Polis Diraja Malaysia (PDRM) - Rakan COP
Amir Shah bin Noor Ahmad	Kementerian Dalam Negeri (KDN)
Asrul Nizwan b Mohamad	Biro Pengaduan Awam
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Izheir Azam Ibrahim Rais	Kementerian Kemajuan Luar Bandar dan Wilayah (KKLW)
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Mahaletchumy Ponnan	BHEUU
Mohamad Nazrul bin Che Mahmud	ICU
Mohd Akib Al-Fathah Ahmad	ICU
Mohd Fadzlan bin Sulaiman	ICU
Mohd Khairil Azhan Zakaria	ICU
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Nur Shafizah Shahidan	KPWKM
Nuramalina binti Ibrahim	ICU
Siti Hajar Rusli	MOT
Siti Sarah binti Suhimi	ICU
Tuan Haji Sumali	KDN
ACP Sun Teoh Sia	PDRM
Wan Aminah binti Junidin	ICU
Zamzuri Abdullah	MOE
Zulaikha binti Ahmad	KDN

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