


PUBLIC SERVICE

TIME TO TACKLE THE BLOAT



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Four things that must be done to free up funding resources

THE clarion call has sounded. The second finance minister recently said our public service is greatly bloated. Recently too, the prime minister exhorted public servants to improve their productivity for better public services.

Just as an obese person suffers ill-health, so too a bloated public service. Not only does it become inefficient, but it also sucks up huge amounts of resources that can be better utilised for funding capital projects that enhance the nation's capacity to generate wealth.

The government can consider reducing the public-service bloat:

FIRST, there should be a fundamental shift in the employment paradigm in the public service. It cannot be considered as an employer by default or an employment machine.

Given the democratisation of higher education, graduate unemployment has become critical. Rather than leave idle minds to socially detrimental devices, the equitable thing for the government to do is to offer them jobs.

While acknowledging the government's noble aim, with pensions at an all-time high of RM23 billion, and estimated to grow to RM100 billion by 2050, and emoluments constituting 36 per cent of the operating budget or RM77 billion, the approach is unsustainable.

The public service should become an employer of choice to attract the best talent available. To do so, compensation must resemble corresponding levels in the private sector. Cutting down on employment numbers will free some of the wage bill to pay for the increased compensation.

The new talent coming in should be able to assume functions previously executed by those retrenched. The second finance minister suggests that public servants will have to multi-task in an environment of establishment contraction.

In some ways, the public service has become a fortress — those inside wanting to get out and those outside wanting to get in. A voluntary separation scheme for those who do not fit in the public service, but feel trapped with benefits such as pensions and healthcare, should make their choice of opting out of public service easier.

SECOND, public service should be right-sized — having adequate staff



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strength, especially in departments delivering public services direct to citizens. Reducing the number of ministries is not an option if it merely rearranges existing departments in a rescaled bureaucracy. Rather, it is down-sizing staff in policy-related departments — central agencies in particular — and beefing up the numbers in service-delivery ministries such as education, health and rural development.

Right-sizing should also see to the reduction in duplication of functions across ministries. For example, there is a plethora of agencies involved in poverty eradication. Now that we have nearly wiped out that scourge, we need to re-examine their relevance, and, if need be, amalgamate them.

A merger across the bureaucracy of institutions that have similar functions will not only secure synergies in operation but also savings in operating and capital expenditures and jobs. We can take a leaf from the gradual dismantling of the Performance Management and Delivery Unit (Pemandu). By next year, the mainstream public service will assume Pemandu's functions and cut another institution from the bureaucracy.

THIRD, there should be a freeze in public employment for the next 10 years to put a brake on the accel-

erating numbers. This would essentially mean that the 25,000 retirees are not replaced, except in service-critical jobs in sectors such as education and health. Over this 10-year moratorium, the government would have shaved a quarter-million jobs.

The decade-long embargo will surely put pay to the government's contribution to employment creation. But, that is the price we must pay if we are serious about containing public sector growth. How best to respond to the burgeoning needs of a population that is not only growing, but also ageing?

Greater use of technology should offer further cuts in public service staffing. The digital era has enabled the government to offer 82 per cent of public services online. Yet, we still maintain an over-the-counter system for service delivery.

This is a charitable move to cater for those who are not Internet savvy. Given the imperative to contain the bloat, the government must find ways to encourage the public to go online for services.

FOURTH, agencies will have to sieve through their chain of activities to determine which are not creating value over and above their cost.

They should either eliminate, automate or outsource these activities. Advocated by the Malaysian Admin-

istrative Modernisation and Management Planning Unit (Mamapu) in 2003, it was this procedure that resulted in departments such as immigration streamlining their operations and thereby, providing faster and better services.

We can now get our passport, MyKad and business registration done in an hour or so, road tax permit and driving licence in minutes and property registration and transfer well within a day. All because the related agencies were diligent enough to hive off unproductive activities and manpower from their value chain.

Barack Obama, in his inaugural address upon assuming the United States presidency on Jan 20, 2009, posed this issue: "The question we ask today is not whether our government is too big or too small, but whether it works."

The Malaysian public service surely works. How else can one explain the manifold improvement in public services? But surely, echoing another former US president Bill Clinton, we can make government work better, yet cost less!

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