

Administrative Reform in Local Government System in Malaysia**

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ABSTRACT

Examining Malaysia's administrative reforms program initiated by Dr. Mahathir Mohamad, Prime Minister of Malaysia, during 1981 to 2003 – the decade of modernization and faster economic growth – the authors analyze various programmes and reform policies introduced in the public administration system in Malaysia. Reforms that were carried out not only involved the federal government but also included the local government. This article identifies the administrative reform efforts that were introduced at the local government. Research was carried out from 2001 to 2002, to gauge the opinion of the senior officers who are currently serving in various units in the local governments in eight states, namely Perlis, Penang, Kedah, Kelantan, Sabah, Sarawak, Pahang and Terengganu. The eight states were chosen based on the assumptions that there is still some reform efforts implemented that have not met the targets yet. The result of the research shows that not all reform efforts introduced and adopted in those states are effective and successful. This means that the local government must be ready to carry out reforms and changes and to modernize their administrative system in order to compete with other local government in other advanced and developing countries.

Keywords: *federal government, administrative effort, autonomy, compete, decentralization*

Reformasi Pentadbiran dalam Sistem Kerajaan Tempatan di Malaysia

ABSTRAK

Dalam usaha untuk menilai program reformasi pentadbiran yang telah diperkenalkan oleh Dr. Mahathir Mohamad, Perdana Menteri Malaysia, dalam tempoh 1981-2003 – dekad pemodenan dan pertumbuhan ekonomi yang pesat – penulis cuba menganalisis pelbagai program dan polisi reformasi yang telah diperkenalkan di dalam pentadbiran di Malaysia. Reformasi sistem pentadbiran yang dijalankan bukan sahaja melibatkan kerajaan persekutuan tetapi juga meliputi kerajaan tempatan. Artikel ini cuba mengenal pasti usaha-usaha ke arah reformasi pentadbiran yang telah diperkenalkan di kerajaan tempatan. Penyelidikan ini telah dijalankan dalam tempoh 2001-2003, bertujuan untuk mendapat pandangan pegawai-pegawai senior yang masih berkhidmat di pelbagai unit kerajaan tempatan di lapan buah negeri iaitu, Perlis, Penang, Kedah, Kelantan, Sabah, Sarawak, Pahang dan Terengganu. Kelapan-lapan negeri tersebut dipilih dengan andaian bahawa masih terdapat usaha-usaha reformasi yang dijalankan tetapi masih belum mencapai sasarannya. Dapatan dari kajian menunjukkan bahawa tidak semua usaha-usaha reformasi yang telah diperkenalkan serta diterima pakai di negeri-negeri berkenaan didapati berkesan dan berjaya. Ini bermaksud bahawa kerajaan tempatan perlu bersiap sedia untuk menjalankan reformasi dan perubahan serta memodenkan sistem pentadbiran masing-masing supaya mereka dapat bersaing dengan lain-lain kerajaan tempatan di negara-negara yang lebih maju dan negara-negara sedang membangun.

Katakunci: *kerajaan persekutuan, usaha pentadbiran, autonomi, bersaing, desentralisasi*

INTRODUCTION

The Malaysian system of government is divided into three levels, namely federal, state and local governments (Ahmad Atory, 2002; Malaysia, 1999; Phang Siew Nooi, 1996; and Zahari, 1991). Consequently, the state government has the right to determine programmes and policies that are suitable for their local governments. Moreover, the local government's status and position is provided in the Malaysian Constitution, whereby the Constitution states that the local government is under the power and control of the respective state government. This is a special provision stipulated in the Malaysian Constitution to administer, formulate policies, develop and control for the local government, which is known as The National Council for Local Government (NCLG).¹ The local governments derive their power and autonomy through the process of decentralization from the state government.² Though they have little power and autonomy, they play an important role in providing basic facilities and services, and maintaining infrastructures. The local government, to that extent could find their own revenue such as getting involved in the privatization of projects and so forth.

Since Dr. Mahathir Mohamad took office in 1981 as the Prime Minister, substantial numbers of administrative reforms in the public administration system had been introduced. The administrative reforms that were introduced are still carried out until now. The reforms were introduced mainly to improve and upgrade effectiveness, image and the quality of the administration of government including local governments. It also helped to change the attitude of the civil servants, which is the most encouraging success of the reform. Malaysia can now claim to have an administrative system, which is comparable to that of other advanced and developing countries (Ahmad Atory, 1998). There are some developing countries that have emulated the Malaysian administrative model. However, at the local government level, efforts towards reform in the administrative system are given less attention. Realizing the situation, research about the administrative reform in the local government administration in Malaysia was carried out to get the opinions as well as evaluation from the senior officers of the effectiveness of the reforms that were introduced so far. The study focused on the perceptions of effectiveness of various reform initiatives.

At the local government level in Malaysia, there is still lack of information about administrative reform carried out by the government. In conjunction to that, the discussion in this article consists of findings of research undertaken in 2002 (and completed in the year 2003), by compiling opinions and evaluation of public officers of the local government regarding the reform that has been implemented to upgrade the efficiency, effectiveness and productivity.

Efforts to achieve and upgrade efficiency, effectiveness and productivity in the public service and administration are the main objective of the Mahathir administration. To achieve this objective, various efforts and reform strategies that involve work procedures and civil servants' attitude have been carried out, including at the local government level. The government had introduced Malaysia- Incorporated Policy; Clean, Efficient and Trustworthy; Leadership By Example; Look East Policy; Privatisation Policy and many more policies in efforts to change the attitude of the civil servants so that they will be more positive, innovative, disciplined, responsible, and efficient. Apart from that, the reform aims to improve and upgrade the capability and developing system in the public administration in Malaysia.

These programmes and policies have brought a lot of changes and success in upgrading efficiency, effectiveness and productivity of the public administration in Malaysia. Ahmad Atory in his book entitled "Refomasi Pentadbiran di Malaysia" (Administrative Reform) (1998) has listed down a number of reform efforts that have brought positive changes in efficiency, effectiveness and productivity of the Malaysian public sector particularly during the Mahathir's administration. His findings noted that epitome of

examples can be seen in the reform efforts like privatisation; trimming size of the civil service, attitudinal changes of the civil servants through several procedural reforms like punch card system, name tag identification among the civil servants, manual procedures, client-chartered, and open space lay - out. In addition, some positive changes have also been identified through various programs to upgrade the leadership quality among civil servants. Some of these programs are as following,

- (i) training opportunities for all levels of civil servants;
- (ii) better promotion prospects and fringe benefits such as opportunities for postgraduate studies and sabbatical leaves;
- (iii) job specialization; and
- (iv) job rotation to give civil servants wider exposure to various operations of their respective departments.

But, how is it at the local government level? Therefore, research objectives of this study are,

- (a) to evaluate the extent to which reform efforts at the local government were achieved through responses from the senior officers regarding work procedures and attitude of their colleagues; and
- (b) to study the success of privatisation initiatives as one of the reforms adopted in the local government administration.

Based on the objectives above, the effectiveness of the reform programmes and policies that were introduced by the Mahathir administration, including the reform in the local government system were evaluated by selecting respondents undertaken by the authors. The evaluation made by the officers concerned especially those serving in the various units in the local government is very important to be known on how effective is the reform made in the local government system. The respondents can give their important evaluation because they are involved directly with the implementation of the programmes and reform efforts.

THE CONCEPT OF ADMINISTRATIVE REFORM

The concept of administrative reform means different things to different people. Caiden (1969) uses it to refer “... to all improvements in administration;...to general administrative overhauls in difficult circumstances;...to specific remedies for maladministration; ... to any suggestion for better government; ... and to intention of self-styled administrative reformers...”. According to Hanh (1970), administrative reform is defined as “a systematic and integrated effort to bring about fundamental changes in public administration to enhance public administrative capability to achieve national development goals.” This definition is designed to accommodate organizational improvements (both structural and procedural), and behavioural improvements among civil servants.

The main objectives of structural reforms include the reduction of overlapping and duplicating functions, redefinition of responsibilities, reduction of span of control and redesigning of organization and institutions (Caiden, 1969). The lowest level of structural reforms includes improvement in procedures or changing the routines of public administration. Incompetency of administrative procedures in coping with increasing demand for implementation of development projects is usually the reason for procedural reforms. The range of procedural reforms may vary. Reform may take the form of improvement in procedures concerned with organisation, planning, finance, budgeting, accounting, auditing, methods and supply management and elimination of exchange control. Reforms can also take the form of simplification of export procedures and other aspects such as ICT, ISO, and TQM etc.

Basically, behavioural reforms make use of the propositions drawn from the field of psychology and sociology. Herbert Kaufman uses the phrase of administrative behaviour to designate human behavior in organizational setting, particularly behaviour of others. This literature which deals mostly with motivation is also often concerned with application and advising, for example, how to secure greater work productivity or acceptance of change or “change in value” (International Encyclopedia of Social Sciences, 1972). Behavioural reform can be divided into two dimensions which are personnel improvement and improvement of their behaviour or attitudes. The former is concerned more with the material well-being of the personnel in the civil service, both extrinsic and intrinsic benefits, while the latter is concerned with improvement of the behaviour of civil servants in terms of the alteration of belief, values, attitudes and individual actions. It is hoped that by changing the attitude and behaviour of civil servants, efficiency, effectiveness and productivity will follow.

The local government system in Malaysia has experienced changes in its administrative system and structure to a greater scale since independence. The effect thus brought to the restructuring of local government in Malaysia which previously did not have any special system, structure, categories, standardised and systematic regulation aspects. So, during that time, the government saw that the situation caused problems in the management and administration of various units in the local government. To identify the problems, the government formed a Royal Commission for restructuring and investigating the local government system of which Athi Nahappan was appointed as the Chairman of the Royal Commission. It started the investigation on all local governments in Peninsular Malaysia on 1st of July 1965 even though Yang DiPertuan Agong (The King of Malaysia) had approved the formation of the Royal Commission in July 1963 (Ahmad Atory, 2002; Phang Siew Nooi, 1996; Zahari, 1991; & Norris, 1980).

After the investigation was undertaken, a report was sent to Yang DiPertuan Agong on 30th of January 1969. The report forwarded suggestions that brought to the efforts in restructuring the local government in Malaysia under The Local Government Act 1973 (Temporary Provision). The act had lots of effects on the local government system in Malaysia until it was then changed to The Local Government Act 1976 (Act 171). Under The Local Government Act 1976, the restructuring process of local government in Malaysia (only in the Peninsular Malaysia) was carried out with four main objectives as outlined below (Malaysia, 2001).

- a) Reducing the types of local authority by fixing only three types or entities that is the city council (majlis bandaraya), municipality council (majlis perbandaran) and district council (majlis daerah);
- b) Integrating laws involving the formation, function and main power of local authority for the three categories of local authority as to avoid duplication with the local government laws in West Malaysia.
- c) Reducing the numbers of local authority through the combination or merger of the existing local authority; and
- d) Introducing uniformity of the power and laws of construction works and regional planning through the Building, Drain and Road Act 1974 (Act 133), The Urban and Rural Planning Act 1976 (Act 172) and other minor acts.

METHODOLOGY

The survey method was used and 600 questionnaires were sent randomly to senior officers in local government. There were between three and five respondents were selected for each local authority e.g. district officer, assistant district officers, president or chairman of the district council, including those in

the various units of administration e.g. finance, engineering or planning units. The questionnaires were only sent to the local governments of the eight states of Perlis, Penang, Kedah, Kelantan, Sabah, Sarawak, Pahang and Terengganu (as shown in Table 1). The local governments for other than these states were not covered in the study. From the 600 questionnaires that had been mailed, only 210 (35%) were returned. Of the total of 210 questionnaires received, only 187 questionnaires or 89.04% were complete for the analysis.

Table 1
Distribution of Respondents by State

N=187

State	Number of Respondents	Percentage (%)
Perlis	3	1.6
Penang	4	2.1
Kedah	26	13.9
Kelantan	21	11.2
Sabah	31	16.6
Sarawak	62	33.2
Pahang	16	8.2
Terengganu	24	12.8
Total	187	100

Source: Ahmad Atory Hussain & Malike Brahim (2003)

The questionnaire has three parts. The first part is about respondent's demographic background such as age, race, designation, sex, state, service unit and service duration. The second part includes questions about efforts made to improve working procedures and system, upgrade public service, improve staff's attitude, upgrade work ethics and enhance the use of the computers. While the third part includes questions about the achievement of the privatization policy or decentralization policy that was implemented at the local government and the forms of privatisation that were carried out.

DISCUSSION

Improving Procedures and Work System

While efforts were made to improve the working system and procedures in the civil service, the government as shown in Table 2, introduced about twelve work procedures for which can be categorized into the procedures and works systems. The effectiveness in improving work system and procedures in the civil service is based on the evaluation of officers who are presently serving in the local government in the eight states as shown earlier in Table 1.

The introduction of punch card system is aimed at improving the attendance of civil servants, apart from upgrading their efficiency and effectiveness. The government staffs are required to punch in before 8.00 am and punch out after 4.15 pm. The use of name tag is mainly for easier identification of those officers who deal with the public. The Quality Control Circle concept was introduced to encourage the officers to analyse the problems and suggest solutions to overcome the problem and forward them to the management units. This system involves all staff in solving problems by collectively seeking solutions.

The government too had introduced the concept of open space office to create conducive and suitable working atmosphere. The aim is to ensure the formality is reduced and communication in the office is smooth and effective. The implementation of the file system in management aimed to speed up the

process of providing services by the government agencies. At the same time, the government had directed all government agencies including the local government to provide manual work procedures as a tool to upgrade effectiveness in the civil service.

Table 2
Effectiveness of Work Systems and Procedures

Work System and Procedures	N=187		
	Percentage of Positive Evaluation (Effective)	Neutral (Unable to Evaluate)	Percentage of Negative Evaluation (Ineffective)
Punch card	55.6	21.9	22.5
Name tag	72.2	0.5	27.3
Quality control circle (QCC)	51.3	14.4	34.2
Open-space office layout	58.8	17.6	23.5
Work procedure manual	65.8	5.9	28.3
Desk file system	58.3	5.9	35.8
Postal correspondence	73.8	8.0	18.2
Management through meeting	82.9	4.3	12.8
Productivity measurement programme	39.0	30.5	30.5
TQM concept	43.9	21.4	34.8
ISO 9000 concept	62.6	14.4	23.0
Concept of electronic government	41.2	30.5	28.3

Source: Ahmad Atory Hussain & Malike Brahim (2003)

In an effort to improve the work system and procedure, the government improved the postal correspondence. It is to ensure letters are processed efficiently and fast. Before the reform of the administration was implemented, the government did not follow any suitable and exact system to call for meeting, including the writing of report about the minutes of the meeting as well as the actions taken to overcome any problems or anything in connection. Thus, the government provided guidelines for meeting management. To strengthen the work systems and procedures, productivity measures were also implemented to upgrade the product as well as the service quality.

Based on the officers' evaluation, efforts to upgrade the work systems and procedures (which consist of the twelve procedures as shown in Table 2) were been identified. But they did not achieve the expected result, or in other words, the effectiveness is still low. Only the use of name tag (72.2%), postal correspondence (73.8%) and management through meeting had achieved high level of effectiveness in upgrading work system and procedures in the local government. Others procedures such as the quality control circle (51.3%), the use of punch card (55.6%), desk file system (58.3%), open space office layout (58.8%), ISO 9000 standard (62.6%) and work procedure manual (65.8%) that were implemented to upgrade efficiency and effectiveness, only achieved moderate results (as evaluated by the respondents). Meanwhile, other procedures that were implemented such as the Productivity Measurement Programmes (39%), concept of the electronic government (41.2%), TQM concept (43.9%) also had not achieved expected results.

Based on the evaluation, it can be said that the twelve work procedures were not positively evaluated by the respondents. More efforts should be done to upgrade and instill responsiveness among the government staff so as to be more efficient and effective in the administration and management of the local government.

Changing the Attitudes of Civil Servants

Another aspect that was stressed by the government in the administrative reform of the local

government is improving the government servants' attitude. This is the main focus or effort to bring changes in the civil service. Thus the Clean, Efficient and Trustworthy concept was introduced in order to instill ethics and good moral values among those in the government sector especially at the local government. They have to show and practice good moral values and be positive in their attitude.

Apart from that, the local government also introduced the concept of Leadership-by-Example, which was launched by Dr. Mahathir Mohamad on 1st of March 1983. It aimed at increasing efficiency and productivity in the public service. Those of the senior civil servants will become the example of those under their leadership. In connection with the concept, excellent service award was implemented mainly to show appreciation to those who were really efficient and excelled in their work.

Table 3
Effectiveness of Services to the Public

N=187

Services	Percentage of Positive Evaluation (Effective)	Neutral (Unable to Evaluate)	Percentage of Negative Evaluation (Ineffective)
One stop payment centre	70.6%	19.3%	10.2%
One stop service centre	46.5%	36.4%	17.1%
One stop licence centre	52.4%	30.5%	17.1%
Suggestion box	32.6%	17.1%	50.3%
GIRO	20.9%	61.5%	17.6%

Source: Ahmad Atory Hussain & Malike Brahim (2003)

Improving Services to the Public

The government has stressed on efforts to improve service quality for the public as one of the reforms undertaken in the local government system. In 1982, a new concept was introduced, that is the One-stop Service Centre. It was introduced to make it easier for the public to pay bills and taxes because many bills can be paid at one counter. Thus, the government introduced One-stop Payment Centre, One-stop Service Centre, One-stop License Centre, Suggestion Box and GIRO System.

Regarding the efforts to improve service to the public, the evaluation on the efficiency and effectiveness made by the officers at the local government is shown in Table 3. From the evaluation, it is found that the One-stop Service Centre is the most effective (70.6%). The rest are still not that really effective, especially One-stop License Centre (52.4%), One-stop Service Centre (46.5%), Suggestion Box (32.6%) and GIRO System (20.9%).

Table 4
Effectiveness of Improving Attitudes of Civil Servants

N=187

Administrative/Behavioural techniques	Percentage of Positive Evaluation (Effective)	Neutral (Unable to Evaluate)	Percentage of Negative Evaluation (Ineffective)
Clean, efficient and trustworthy	72.7%	4.3%	23.0%
Leadership by example	69.0%	3.2%	27.8%
Excellent service award	61.0%	4.8%	34.2%
Malaysia-Incorporated	35.3%	40.1%	24.6%

On 25th of February 1982, Mahathir’s administration introduced Malaysia- Incorporated concept. Through this concept, the government wanted to see good cooperation between the private and public sectors. Besides, sharing intelligence also can exist between these two sectors. Thus, Malaysia will experience better economic growth. The government also introduced the concept of friendliness among civil servants. This concept was introduced as there had been complaints about the unsatisfactory counter service in the government offices. So this concept was introduced in the hope that government officers will be friendlier and strengthen the earlier concept of Leadership by Example.

Based on the evaluation as shown in Table 4 above, efforts in upgrading and improving the attitude of civil servants were not very encouraging. Only 72.7% of the evaluations were positive towards the Clean Efficient and Trustworthy concept. The implementation of Leadership by Example (69%); and Excellent Service Award (61%) were moderately evaluated. At the same time, the implementation of the Malaysia Incorporated Policy is negatively evaluated. Only 35.3% showed positive attitude towards the concept, thus showed to us that the cooperation between the government and the public sector is not that good as expected.

Inculcating Work Ethics in Management

Apart from the efforts discussed earlier, the Malaysian government instills positive ethical values among civil servants. There are seventeen positive moral values that the government tried to instill as shown in Table 5. The efficiency and the effectiveness among civil servants in carrying out their daily work are connected to moral value that they possess. Thus they should bear in mind that only by having good moral values, positive work ethics can make their performance efficient and effective.

Table 5
Inculcation of Work Ethics Among Local Government Officers

N=187

Values or Work Ethics	Percentage of Positive Evaluation (Effective)	Neutral (Unable to Evaluate)	Percentage of Negative Evaluation (Ineffective)
Accountability	76.5%	2.7%	20.9%
Cooperation	82.4%	1.1%	16.6%
Self-management	77.0%	1.1%	21.9%
Self-development	65.8%	2.1%	32.1%
Diligence	69.0%	2.1%	28.9%
Intellectual	70.6%	3.7%	25.7%
Team spirit	72.7%	2.1%	25.1%
Thrift	61.0%	1.6%	37.4%
Creative and innovative	58.3%	2.1%	39.6%
Positive attitude	65.2%	1.6%	33.2%
Integrity	67.9%	3.2%	28.9%
Responsive	66.3%	2.1%	31.6%
Self-discipline	68.4%	1.1%	30.5%
Client-oriented	67.9%	2.7%	29.4%
High performance oriented	64.2%	2.7%	33.2%
Professionalism	57.2%	6.4%	36.4%
Enterprising	39.0%	17.6%	43.3%

Source: Ahmad Atory Hussain & Malike Brahim (2003)

This aspect is very important as they will deal with different levels of the society. Based on the evaluation from the respondents, it is found that having positive moral values while doing daily routine works, determine the success of the implementation of the reform in the administration of the local government. It seems that having the values of cooperation (82.4%); self-management (77%); and accountability (76.5%) is the best evaluation made. The other ethical values are also seen to be quite effective in implementing government policies. Hence, only the value of entrepreneurship (39%) is not that popular among government servants.

Utilization of Computers in the Management of Local Government

Utilization of computers is another reform introduced during the Mahathir administration. Though using computers for doing work in government offices was implemented long ago, yet it was still not that widely used until 1980's. Thus, in this research, the use of computers really showed us the positive result in the effectiveness and efficiency of the civil servants to upgrade productivity.

Table 6
Effectiveness of Utilization of IT (Computer) in Local Government

Particular	Percentage of Positive Evaluation (Effective)		Percentage of Negative Evaluation (Ineffective)
		Neutral (Unable to Evaluate)	
Greater speed in policy decision	74.9%	10.7%	14.4%
Improvement in accuracy	78.1%	8.6%	13.4%
Improvement in counter service	80.2%	8.6%	11.2%
Efficiency in correspondence	69.0%	9.6%	21.4%
Efficiency in project implementation	69.5%	13.9%	16.6%
More speed programme evaluation	59.4%	17.1%	23.5%

N=187

Source: Ahmad Atory Hussain & Malike Brahim (2003)

Most respondents gave positive evaluation on the utilization of computers as shown in Table 6. About 74.9% of the respondents stated that the utilization of computers is greater speed in policy decision, whereby 78.1% stated that the utilization of computers improved accuracy, standardisation and consistency. Apart from that, about 80.2% stated that computers assist them in upgrading their effectiveness in the counter service. At the same time respondents' evaluations on the utilization of computers were very positive in the efficiency aspect on correspondence, project implementation and speed up programme evaluation, that are 69.0%, 69.5% and 59.4% respectively.

Implementation of Privatisation Policy in Local Government

One of the important efforts in the administrative reform that was implemented in the Mahathir's administration is privatization policy. The government objectives of privatisation policy are to reduce the financial burden of the government, to stimulate the economic growth, to promote competition, efficiency and productivity, to stimulate entrepreneurship, to reduce the size of the public sector and to meet the objectives of the New Economic Policy.

During the first ten years of its implementation, the response was not positive and the people were not convinced of the policy. Yet, some did not understand why it was implemented. Only after this, the real picture about this policy became clearer. In the administration and management system of Malaysia, privatisation is believed to bring about changes in behaviour, attitude and values of the government servants and changes towards more efficient, effective, competitive, productive and dynamic (Ahmad Atory, 1998).

Effectiveness of Privatisation Objectives

At the local government, the implementation of privatisation was included in the government administration reform. As mentioned above, those similar objectives of privatisation at the federal level are also brought in the local government system such as to spur local government growth, to increase productivity among the staff, to promote competition among staff towards an efficient organisation, to create Bumiputera’s opportunities in doing business and to reduce financial burden of local government (Ahmad Atory, 1998).

Table 7
Effectiveness of Privatization Objectives

Particular	N=187		
	Percentage of Positive Evaluation (Effective)	Neutral (Unable to Evaluate)	Percentage of Negative Evaluation (Ineffective)
Increase economic growth at the local level	9	11.8%	21.4%
Increase income revenue at the local council	58.3%	11.2%	30.5%
Increase competition toward organization efficiency	61.5%	10.7%	27.8%
To give opportunity in doing business to Bumiputra	58.8%	11.8%	29.4%
To reduce financial burden of local council	52.9%	12.8%	34.3%

Source: Ahmad Atory Hussain & Malike Brahim (2003)

How far have the privatisation objectives been achieved at the local government? The result can be seen from the evaluation made by the respondents of this research as shown in Table 7. About 66.8% of the respondents agreed that privatisation was an effective tool of economic growth for the local government. About 58.3% stated that privatization could increase the income of the local government. 61.5% respondents agreed that the privatisation promotes competition towards efficiency of the local government organisation, whereas 58.8% agreed that privatisation creates opportunities for the Bumiputera to get involved in doing business. 52.9% of respondents agreed to the objective of privatisation in reducing financial burden of the local government system. We should bear in mind that the different percentages for positive and negative evaluation as showed in the Table 7 provides several reasons. One is that the scope for privatisation is different from one to another local government. Not all the services are conducted via privatisation process. Some privatisations are dictated by state or federal governments, and perhaps they may not approve for a variety of reasons.

After analysing the evaluation made by the respondents about the success of the implementation of privatisation policy, it can be concluded that this policy is not that satisfactory. However the implementation of this policy at the local government is still new to upgrade the quality, efficiency and effectiveness of the administration and the service offered.

Types of Privatisation Implemented in Local Government

In Malaysia, there are various types of privatisation being employed by the government. The same situation does apply to the local government as is shown in Table 8 below. Out of 187 respondents, there are four types of privatisation being implemented largely at the local government, which are Contracting out (107), Management Contract (29), Lease of Asset (23), Build -Operate-Own (17), and Build-Operate-Transfer (21). Besides, other forms of privatization including Build-Transfer (13), Build-Own Operate (13), Sale of Equity (9), Sale of Asset (9), and Management-By-Out (9).

Apart from that, there are many activities or programmes being privatised by various local governments, where initially they were solely under the responsibility of the local government. The research findings shown in Table 9 justified that since a couple of years, there have quite a number of activities been privatised, especially in the form of contracting out, followed by service contract and management contract.

The nature of privatisation is also evaluated by the respondents. Privatization of services provided received the highest number of responses that is 78 times as compared to Partial Privatization (29), Full Privatization (15) and Privatization of Production (3).

Table 8
Types and Nature of Privatization Implemented in Local Government

No.	Type of Privatization	Frequency
1.	BOT (Build-Operate-Transfer)	21
2.	BOO (Build On Operate)	13
3.	Contracting Out	107
4.	SOE (Sale of Equity)	9
5.	SOA (Sale of Asset)	9
6.	BOO (Build-Operate-Own)	17
7.	COR (Corporatization)	7
8.	BT (Build-Transfer)	13
9.	MBO (Management-Buy-Out)	9
10.	LOA (Lease of Asset)	23
11.	MC (Management Contract)	29
	<i>The nature of Privatization</i>	
12.	Privatization of service	78
13.	Full Privatization	15
14.	Partial Privatization	29
15.	Privatization of Production	3
	Total	392

Source: Ahmad Atory Hussain & Malike Brahim (2003)

As Table 9 shows that there are various types of activities or programs being employed by the respective local governments as to respond to the government policy of the privatisation. Amongst the very popular programs that are being employed are the garbage disposal (54), rehabilitation, cleanliness and maintenance (20), parking area and grass cutting (16), maintenance and road repair (13), public toilets (11), building and drainage maintenance (11), market maintenance (9), maintenance of street lighting

(8), rent vehicle (6), landscape maintenance (6), construction of stalls, and day and night markets (6), sewage and drainage (5), bridge construction (4), housing project (3), tourist management centre (3), and tax collection/home assessment (2). It is expected that more projects and programs will be privatized by the local governments throughout the country in effort to reduce the financial burden of administration in the local government and at the same time to enhance effectiveness and efficiency of the services rendered to the public.

Table 9
Projects That Are Privatized by Local Government

No.	Type of Privatization	Frequency
1.	Parking area	16
2.	Land development	2
3.	Service	2
4.	Maintenance and road repair	13
5.	Garbage disposal	54
6.	Rehabilitation, cleanliness and maintenance	20
7.	Building and drainage maintenance	11
8.	Public toilets	11
9.	Landscape maintenance	6
10.	Market maintenance	9
11.	Bridge construction	4
12.	Tax collection/ home assessment	2
13.	Sewage and drainage	5
14.	Construction of stalls and day and night markets	6
15.	Tourist management center	3
16.	Housing project	3
17.	Maintenance of street lighting	8
18.	Rent vehicle	6
19.	Grass cutting	16
	Total	179

Source: Ahmad Atory Hussain & Malike Brahim (2003)

SUMMARY AND CONCLUSION

Referring to various aspects that had been discussed, it is clear that in the Mahathir administration, the main focus is to reform behavior of the civil servants and work procedures. It is the important base to improve service to the public especially at the local government. The government officers who are having good quality, capable, skilful as well as having positive moral values and work ethics, can improve the effectiveness, efficiency and productivity of the organisation including that in the local government.

Apart from that, the government should be more proactive to strengthen and improve the present administration system of local government so that it will be more competitive and better quality. Also, it is able to upgrade efficiency and effectiveness in local government. It is through the local government that the federal government has channelled whatever development programmes in order to upgrade the

local government itself. Thus, to ensure the success of the reform, all administrative units at the local government must be committed to struggle more in order to bring in development and modernization of the systems in the local government from time to time. It would be difficult to achieve the reform objectives if the administrators in local government hardly struggle for it.

Dr. Mahathir administration had brought a lot of changes and reforms in the administration system in Malaysia, including that at the local government. Usually whenever there are new matters or strategies being implemented, there are a lot of negative perceptions, condemnations and destructive criticism being made. These scenarios were also experienced when Dr. Mahathir introduced many programmes and policies to reform the administration system in the country. But then, after going through for years, the results were then very positive. Thus the comments, negative perceptions and criticism turn out to be unfounded.

At the state and federal government, more attention and research had been carried out, unlike that at the local government where empirical research was not that much being done. Most research is done on the reform of local government laws, leadership, power, financial autonomy, tax and politics. Due to that, detailed information about the effectiveness and the result of the reform on administration of local government is very limited. Hence, the need to undertake research in the effectiveness aspect of the administration in local government is imperative. The result of the study can be summarised as such, various reform efforts implemented at the local government need to be improved and got more attention. This is because researchers are optimistic that the administration of local government is gaining momentum amid due to strong public demand for better services delivered on the part of local authority. This will bring some benefits for the public administration in the country.

All programmes and efforts toward reforms especially through privatisation must be upgraded and carried out continuously. It is believed that through privatization programme, financial constraints can be solved and the programme will become a source of income for local government. This has been highlighted in the research done by Hazmah Shah Abdullah (1992). It stated that privatisation can overcome financial problems and also as a source of income for the government. Apart from that, through privatisation, the government and the private sectors are supposed to facilitate the public with services that they need. Thus, both sectors will provide to the public, especially providing opportunity for the Bumiputera to involve themselves in the business field, while eventually public (Bumiputera) will get employed and will have a better living standard.

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