



INVIGORATING ECONOMIC CONFIDENCE IN MALAYSIA

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BUKIT KIARA EQUESTRIAN & COUNTRY RESORT



INTRODUCTION

PROPOSALS:

- PART 1: SELECTED MACRO-ECONOMIC ISSUES: LABOUR MARKET AND WORKFORCE ISSUES, INCLUDING EDUCATION
- PART II: STRUCTURAL ISSUES NECESSARY FOR EFFECTIVE IMPLEMENTATION OF ECONOMIC POLICIES- INCL CHECKS & BALANCES IN A PARLIAMENTARY DEMOCRACY AND OVERALL GOVERNANCE ACROSS THE JUDICIARY AND PUBLIC SECTOR INSTITUTIONS

FOCUS OF THE REPORT:

- ADDRESSING AREAS WHICH ARE CRITICAL AND IN NEED OF TIMELY ACTION
- PUTTING IN PLACE FUNDAMENTAL REFORMS FOR ECONOMIC CONFIDENCE

PART 1: ECONOMIC AND WORKFORCE REFORMS

A. MACRO-ECONOMIC POLICIES

- RISING PRICES, RINGGIT DEPRECIATION, LOW WAGES AND DECLINING DISPOSABLE INCOMES
- REMOVE THE FISCAL DRAG ON GROWTH
- REFORM TAX STRUCTURE AND WIDEN TAX NET
- ADDRESS NARROWING CURRENT ACCOUNT AND REVERSAL OF CAPITAL FLOWS
- REVIEW THE ECONOMIC EFFICACY AND IMPACT OF GLCs AND GLICs
- ADDRESS INEQUALITY AND STRENGTHEN PROGRAMME FOR THE BOTTOM 40%

B. WORKFORCE AND WORKPLACE REFORMS

- REVAMP LABOUR POLICIES TO PROMOTE USE OF TECHNOLOGY, SKILLED JOBS, HIGHER WAGES
- STRENGTHEN ACTIVE LABOUR MARKET POLICIES, ADDRESS DEPENDENCE ON FOREIGN WORKERS
- BETTER ALIGNMENT OF EDUCATION POLICIES TO EMPLOYABILITY
- DEMAND GREATER ROLE FOR INDUSTRY IN PROCURING WORKFORCE REQUIREMENTS
- STREAMLINING OF QUALIFICATIONS, OCCUPATIONAL STANDARDS AND COMPETENCIES
- IMPROVE EMPLOYABILITY OF UNIVERSITY AND TVET GRADUATES
- ADDRESS LOOMING CHALLENGES AND IMPACT FROM DISRUPTIVE TECHNOLOGY
- CONTINUE TO FAVOUR CLUSTERS AND CORRIDOR-BASED ECONOMIC ACTIVITIES
- REVAMP GOVERNANCE OF UNIVERSITIES AND MORE AUTONOMY
- ENSURE HIGH PERFORMING PRIMARY AND SECONDARY EDUCATION FOR HIGH QUALITY WORKFORCE
- IMPROVE WORKERS WELFARE, RIGHTS AND PRIVILEGES

A. MACRO-ECONOMIC POLICIES

RISING PRICES, RINGGIT DEPRECIATION, LOW WAGES AND DECLINING DISPOSABLE INCOMES

Current most important macroeconomic issues causing anxiety amongst Malaysians:

- Despite higher growth, a general feeling among low income groups of falling well-being and wealth, including from the sharp depreciation of the Ringgit
- The effects of GST on prices have largely dissipated helped by lower fuel prices
- But concerns on eroding purchasing power and disposable incomes

A. MACRO-ECONOMIC POLICIES

A) ON RISING PRICES

- Make special assistance like BRIM more effective by introducing vouchers or stamps for food or defined services to the qualifying below 40% households to better influence how such support are utilized to promote healthy living and family well-being.

B) ON INCREASING DISPOSABLE INCOMES

- Remove protectionist policies artificially forcing prices to be higher
- Remove the protection on the car industry by reducing the excise duties on cars and restrictive oligopolistic import permits.

A. MACRO-ECONOMIC POLICIES

C) ON INCREASING WAGE LEVELS AND WORKERS' WELFARE

- Malaysia needs to compete on greater investments in equipment and technology to deliver higher skilled jobs and higher wages with higher productivity through extensive reforms in the labour policy to enable wages to increase in line with skills and productivity aligned with the objective to move to a high-income economy.
- Measures:
 - Formalize the certification of qualifications and skills while asking industry to align or benchmark higher wages to such occupational norms and standards.
 - Political will to reform policies away from supporting cheap foreign labour are needed.
 - Measures such as a levy imposed on employers for foreign labour must be significant to help equalise cost of foreign and local labour.
 - Hiring of foreign workers must be through reformed, and simplified processes, including having a one-stop single institution in charge of foreign workers.
 - Create an incentive driven environment for employers to acquire technology and equipment operated by higher skilled worker to raise productivity.
 - Incentives, including access to finance must be tied to automation, such as incentives to SME which reduce employment of foreign workers and raise ratio of capital investments to labour.

A. MACRO-ECONOMIC POLICIES

PROTECTION OF MIGRANT WORKERS

- Legal problems migrant workers face:
 - Equality before the law: a system to ensure foreign workers' rights needs to be put in place.
 - Outsourcing of migrant workers: recruitment policies and procedures needs reforms. Firms which employ foreign workers should be directly subject to governance and regulatory oversight of the one-stop agency on foreign workers in Malaysia
 - Seizing of migrants' passports: this needs to be replaced with other procedures to ensure workers observe the terms of their employment
 - Access of justice: the one stop agency on foreign workers must also ensure foreign workers have access to justice as an employee in Malaysia

A. MACRO-ECONOMIC POLICIES

REMOVING THE FISCAL DRAG ON GROWTH

- A drastic realignment within both the operational and development expenditures at all levels of government is urgently needed.
- The falling development expenditure ratios in the total budget should be urgently reversed to restore public sector contribution to GDP growth.
- With the ratio of revenue to GDP remaining high, the government is in a good position with better expenditure policies to continue reducing the fiscal deficit.
- Measures:
 - Invite the IMF and World Bank to undertake a comprehensive assessment of fiscal policy efficacy and undertake fiscal sector reforms.
 - Greater transparency in the composition of expenditure cuts is needed.
 - The government must address the decadent effects of corruption which is the main cause of the rising costs of doing business as well as undercutting efficiency.
 - Review the size of the government.
 - Reduce the subsidy on tertiary education with autonomy given to universities
 - Make funding for tertiary education contestable among public and even private institutions.

A. MACRO-ECONOMIC POLICIES

REFORM TAX STRUCTURE AND WIDEN THE TAX NET

- Set up a Panel for a Public Review of the Tax system, comprising mainly business leaders and tax experts.
- Keep GST and improve its implementation while reducing direct taxes.
- Make the GST rebate mechanism more efficient.
- Take advantage of GST by moving towards widening the tax net and restructuring the company and personal income tax regime.
- Consolidate all incentives into a common effective tax for corporations.
- Reduce excise duties and domestic tariffs on cars to help reduce the household debt burden among the younger city population.
- Review and reduce “sin” taxes to make it unattractive for smugglers to operate and lead to larger govt. collection.

A. MACRO-ECONOMIC POLICIES

ADDRESS THE NARROWING CURRENT ACCOUNT AND REVERSAL OF CAPITAL FLOWS

- Restrictions on foreign exchange trades in the NDF market has given rise to negative sentiments among long-term overseas investors and triggered fears of Malaysia's exclusion from the global bond index.
- Speculation that Malaysia may soon see external balance registering deficits, because of lack of dynamism in goods and services exports, slowing FDI and portfolio inflows, could ignite possible foreign exchange volatility.
- Policy measures must continue to emphasize shoring up the competitiveness of the export sector.
- Better financing of technology driven investments and innovation in technology-oriented delivery of goods and services will spur innovation.
- Adjustments in financing include moving away from providing loans to adopting the global practices of financing equity stakes and providing technical support to grow IT innovation.

A. MACRO-ECONOMIC POLICIES

REVIEW THE ECONOMIC EFFICACY AND IMPACT OF GLCS AND GLICS

- In some segments of the economy GLCs have become so dominant they are actually stunting growth with their uncompetitive and privileged behaviour.
- The government should not hold large blocks of equities in GLCs unless these GLCs are strategic.
- Non-strategic GLC should be privatised and government should focus its role as a regulator and facilitator.
- GLCs and GLICs must not be exempt from any provisions of the competition law.

A. MACRO-ECONOMIC POLICIES

ADDRESS INEQUALITY AND STRENGTHEN PROGRAMS FOR THE BOTTOM 40%

- Assistance programmes should place greater attention to promoting the building of capacity and capability of the disadvantaged.
- Revamp the management of access to education and business opportunities for the bottom 40% and other disadvantaged citizens.
- Other community assistance programmes must be based on market-friendly and market-based criteria taking into consideration the needs and merits of the applicants.
- Special attention must be given to those with physical or other impairments, requiring assistance, including orphans and refugees.
- Establish an Equal Opportunities Commission as recommended by the NEM, to ensure fairness and address undue discrimination when deceptive abuses by any dominant group are encountered.
- Introduce a legal framework to streamline non-discrimination in employment in all government departments and the private sector.

B. WORKFORCE AND WORKPLACE REFORMS

STRENGTHEN ACTIVE LABOUR MARKET POLICIES, ADDRESS DEPENDENCE ON FOREIGN WORKERS

- Review and implement worker safety net and flexible labour laws supportive of industry and job creation needs.
- Mandatory unemployment insurance and health insurance should be quickly put in place
- Better efficiency in allocation of resources and a conducive business environment to attract investments to generate the high-value added future jobs to match the higher skills required of Malaysians.
- The regulatory burden and the degree of corruption perception needs to be transparently addressed with bold measures.
- Reduce the presence of GLCs and GLICs in the market. Perceived preferential treatment, cloistered operating environment and competition unfriendly practices are the main obstacles holding back productivity improvements.

B. WORKFORCE AND WORKPLACE REFORMS

BETTER ALIGNMENT OF EDUCATION POLICIES TO EMPLOYABILITY

- Education policies must be strategically re-designed to ensure that academic and TVET training institutions provide workers with the skills and knowledge required for the current and future labour market .
- Government must demand that employers take an active role in moulding the workforce development plan consistent with the desire to sustain and raise labour productivity.
- Workers need to be directed to or given the opportunity to acquire new skills and competencies.
- Policy initiatives should focus on modular approaches in progressions towards higher levels of skills training, allow flexible pathways for transfers between qualification programs and promote recognition of prior learning on-the-job and experience.

B. WORKFORCE AND WORKPLACE REFORMS

DEMAND GREATER ROLE FOR INDUSTRY IN PROCURING WORKFORCE REQUIREMENTS

- The participation of industry representatives must be better institutionalized and their roles and responsibilities defined, if needed through regulations or legislation.
- Start-up funding to establish the administrative framework of the industry skills committee for each qualifying sub-sector should be provided to facilitate the proper channelling of the contribution of industry and employers to human capital development as well as push the productivity growth agenda.
- The Environmental Scan (ES) should become the primary instrument to assess the skill gaps and future job creation of key industry subsectors.

B. WORKFORCE AND WORKPLACE REFORMS

PRIORITIZE CONTESTABILITY AND PERFORMANCE-BASED COST EFFECTIVENESS

- Funding for all academic and TVET training providers, especially public sector entities, should be made contestable on the basis of graduate employability and employer satisfaction.
- The current incremental funding practice should be revamped to a performance-based-budgeting system.
- A central database which monitors and analyses information on graduate outcomes and operational components must be developed.

B. WORKFORCE AND WORKPLACE REFORMS

STREAMLINE QUALIFICATIONS, OCCUPATIONAL STANDARDS AND COMPETENCIES

- Impose a common set of accreditation standards that reflect the occupational standards and competencies developed.
- Separate accreditation processes must be developed for curricula plus training packages; training providers and instructors/lecturers.
- These accreditation standards should be transparently codified and disseminated on line.

B. WORKFORCE AND WORKPLACE REFORMS

IMPROVE EMPLOYABILITY OF UNIVERSITY AND TVET GRADUATES

- Expand employability programs (with greater employer participation) offered by HRDF, other agencies and TalentCorp. Fiscal incentives may be needed.
- Enhance employment services provided by government at JobsMalaysia locations and Urban Transformation Centres (UTCs) to help prospective and unemployed graduates in job search, join employability programs, upskill or reskill and access support for relocations to where the jobs are.

B. WORKFORCE AND WORKPLACE REFORMS

ADDRESS LOOMING CHALLENGES AND IMPACT FROM DISRUPTIVE TECHNOLOGY

- Focus greater efforts on the skills needed to fill the new jobs and occupations.
- Drive productivity arising from technological innovations, automation, robotics, and artificial intelligence stemming from big data analysis and accumulation.
- Use the Environmental Scans (ES) and the Critical Occupation List (COL) to gauge the impact on the future workforce profile and the new skills to bridge and attract digital age investments.

B. WORKFORCE AND WORKPLACE REFORMS

CONTINUE TO FAVOUR CLUSTERS AND CORRIDOR-BASED ECONOMIC ACTIVITIES

- Design practical policies to build up the ecosystem for entrepreneurship and application of innovative processes.
- These include easing the entry and exit of entrepreneurs, flexibility in the operations of venture and seed capital funds and simplification in bankruptcy regulations to promote vibrancy in entrepreneurship.
- Successes in the corridor approach should be replicated.

B. WORKFORCE AND WORKPLACE REFORMS

REVAMP GOVERNANCE OF UNIVERSITIES WITH MORE AUTONOMY

- Universities should be given the full mandate to operate independently within broad parameters across academic programmes and financial management with freedom to select all categories of staff.
- Vice chancellors and top administrators cannot be politically appointed.
- More collaboration with foreign universities must be fostered.

B. WORKFORCE AND WORKPLACE REFORMS

ENSURE HIGH PERFORMING PRIMARY AND SECONDARY EDUCATION TO BUILD PIPELINE OF A HIGH QUALITY WORKFORCE

- A total reform on the governance framework in policy design and implementation at the Ministry level and for governance at schools level is required.
- Measures are needed to significantly upgrade the quality of teaching.
- To retain the best teachers a teacher licencing system may be needed together with a better accreditation framework for the teaching profession.
- Autonomy and decentralisation of school management by freeing decisions on hiring teachers and determining salaries, textbook choices and curriculum flexibility will improve delivery outcomes.
- Ramp up the quality standards of national schools to close the quality gap between private and public schools.
- Foster equity in learning achievement by adopting a model similar to Finland.
- Government should replicate successful and working models tested in various locations and widen their application throughout the country. These include the Yayasan Amir Trust school model and the Teach for Malaysia program.
- Greater use of English language instructions in schools will restore proficiency in the language while fostering better ethnically balanced schools like in the past.

B. WORKFORCE AND WORKPLACE REFORMS

IMPROVING WORKERS WELFARE AND CAPACITY TO EXERCISE WORKER RIGHTS AND PRIVILEGES

- Malaysia has subscribed to UN conventions on workers' rights.
- Ensure protection of these rights to workers.
- Specific measures:
 - a) A National Wage Council based on the Singaporean model with participation of workers, employees and government to ensure that workers' wages are increased annually. Increase in wages must reflect cost of living as well as productivity and performance; and
 - b) Labour should be given rights to organise themselves to enable representation to employers and the government to make demands on work conditions including wages and fair labour market conditions.

PART II: STRUCTURAL REFORMS

DISTINCT SEPARATION OF PARLIAMENT, JUDICIARY, AND EXECUTIVE FUNCTIONS TO STRENGTHEN THE FOUNDATION FOR ECONOMIC GROWTH

- Malaysia is encumbered by a malaise of twin dynamics--growth sputtering at a moderate pace for nearly two decades and the asphyxiating emergence of poor governance which is threatening the upside of the growth potential.
- Poor governance has opened the flood gates for endemic corruption at high levels of government and government-linked business entities which erodes the efficiency and efficacy of the public sector and businesses, and promotes the improper allocation of resources and raises the cost of doing business.
- Malaysia must restore public confidence in good governance practices so that citizens and investors are confident that laws, regulations, procedures and processes will be implemented with appropriate checks and balances.

PART II: STRUCTURAL REFORMS

- The key areas most essential to rebuild the strong foundations for supporting sustainable inclusive economic growth are:

A. INDEPENDENCE AND STRENGTHENING OF THE JUDICIARY

- MEASURES TO ENSURE INDEPENDENCE OF THE JUDICIARY
- RESTORE LEGAL FRAMEWORK ON THE CLEAR SEPARATION OF POWERS
- TRANSPARENT PROCESS AND REFORMS IN THE APPOINTMENT AND PROMOTION OF JUDGES

B. DYNAMIC LEGISLATIVE SYSTEM

- MORE & EXPANDED ROLES FOR PARLIAMENTARY COMMITTEES
- MAINTAIN CERTAINTY IN THE ADMINISTRATION AND LEGISLATION OF ISLAM

C. IMPROVING PUBLIC SECTOR PERFORMANCE

- INDEPENDENCE AND GOOD GOVERNANCE IN PUBLIC SECTOR INSTITUTIONS
- RAISING STANDARDS FOR THE CIVIL SERVICE

D. REFORMS FOR CLEAN GOVERNMENT

- CLOSURE OF IMDB CASE
- PREVENT CORRUPTION IN THE PUBLIC SECTOR
- PREVENT CORRUPTION IN THE PUBLIC-PRIVATE SPACE
- STRENGTHEN THE ROLE OF THE INTEGRITY INSITUTE OF MALAYSIA

A. INDEPENDENCE AND STRENGTHENING OF THE JUDICIARY

MEASURES TO ENSURE INDEPENDENCE OF THE JUDICIARY

- Amend Art. 121 Clause (1) of the FC and restore the original provision that vested the judicial power of the Federation in the High Courts of Malaya and Borneo.
- See the judgement of the Federal Court in the case of *Semenyih Jaya Sdn Bhd v Pentadbir Tanah Daerah Hulu Langat* (and another appeal) which restores the judicial power of the Judiciary and affirms the doctrine of the Separation of Powers
- The Federal Court propounded two important principles of constitutional law, namely, (1) that the Independence of the Judiciary and the doctrine of the Separation of Powers are basic features of the FC; and (2) that Parliament has no power to amend the FC with the view to remove these two basic features.

A. INDEPENDENCE AND STRENGTHENING OF THE JUDICIARY

RECOMMENDATIONS TO ENSURE TRANSPARENT PROCESS AND REFORMS IN THE APPOINTMENT AND PROMOTION OF JUDGES

- Prime Minister plays no role at all in the appointment of judges.
- The JAC (instead of the Prime Minister) recommends the names to the Conference of Rules (for their views) and thereafter to the Agong.
- A constitutional amendment is required.

B. DYNAMIC LEGISLATIVE SYSTEM

PROPOSALS FOR EXPANDED ROLES OF PARLIAMENTARY COMMITTEES

- Establish a range of Parliamentary Select and Special Select Committees which should have oversight functions of government activities on a regular basis, as well as undertake special investigations when there are wrongdoings. This will trigger a restoration of powers to MPs when approving legislation and diminish attempts by the Executive to undermine the role and powers of Parliament.
- Specific proposals:
 - Set up Parliamentary committees for Legislation to consider bills, and other Parliamentary committees to oversee Executive activities; enhancing the PAC with chairman from the Opposition party as is the international practices;
 - Strengthen the legal framework and Parliament Standing Orders which define the processes cum procedures including the rules of best practices in appointments to plus functioning of parliamentary committees and their financing as well as independent administration.
 - Restore legislation for independent budget of Parliament to enable quality resources to MPs to undertake their functions.
- Other legislative reforms:
 - Enactment of a Freedom of Information Act to foster greater access to information.
 - Enhancing the compulsory declaration of assets and business interests prior to appointment of Ministers and senior officials through an independent audit firm to ensure integrity.

B. DYNAMIC LEGISLATIVE SYSTEM

RECOMMENDATIONS TO MAINTAIN CERTAINTY IN THE ADMINISTRATION AND LEGISLATION OF ISLAM

- Support efforts for a moderate Islam.
- Review powers and practices by religious authorities to ensure actions do not transgress the Constitution.
- Have open discussions between religious authorities and civil society to review how best they can achieve their objectives in manners that are supportive of the economic and social aspirations of Muslim themselves and the multi-cultural population.
- Have open debates on policies, laws, regulations and rules on the practice of Islam to ensure input from all quarters.
- Undertake regulatory impact assessments of proposed laws and regulations. Regulations and laws on Islamic matters affect all Malaysians and the implied processes of change must be treated in the same vein as processes on changes of other laws and regulations through a Parliamentary Committee on Religious matters.
- Establish proper governance and accountability in religious institutions. These institutions should be treated like any other public entity as they rely on the public budget.
- Subject institutions to audit by the Auditor General.
- Subject admin officials to key performance indicators like any other government agency.
- During periods of budgetary constraints, these agencies should share the burden of lower allocations like other agencies in the public sector.

C. IMPROVING PUBLIC SECTOR PERFORMANCE

RECOMMENDATIONS FOR INDEPENDENCE AND GOOD GOVERNANCE IN PUBLIC SECTOR INSTITUTIONS

a) Reform the office of the Attorney General:

(Problem: the AG performs 2 roles as Public Prosecutor and legal advisor for the government)

- Amend Art. 145 of the FC and Section 376 of the CPC to redefine functions of the AG and establish a separate independent office for the Director of Public Prosecution (DPP)
- AG should be appointed with security of tenure or terminated by His Majesty on the advice of an independent commission through a transparent, accountable and merit-based process.
- DPP should be appointed with security of tenure or termination by His Majesty will be upon the advice of the same independent commission adopting the same process based on the principles of accountability, transparency and merit-based.

C. IMPROVING PUBLIC SECTOR PERFORMANCE

b) Institutional reform for an independent *MACC*

- Set up the Independent Anti-Corruption Commission (IACC) as mandated through a Constitutional amendment.
- Establish the *MACC* as the investigative arm under the oversight of and within the IACC.
- A constitutional commission is beyond the scope and control of the executive with independent Commissioners holding security of tenure serving the commission.
- IACC commissioners will be selected or terminated by the Parliamentary Select Committee on Corruption and appointed by the PSC.

C. IMPROVING PUBLIC SECTOR PERFORMANCE

d) Improve governance for checks and balances in the police force

(Problem: The Malaysian Police System is highly centralised and States are not given any police mandate under the Federal Constitution)

- Decentralise and separate police powers according to several key areas of competencies for checks and balances and promote greater accountability. [recommendation from IDEAS]
- Establishment of the Independent Police Complaints and Misconduct Commission (IPCMC) to place it beyond Executive influence and reporting to Parliament, with mandatory investigative powers on police misconduct and the authority to recommend disciplinary actions.

C. IMPROVING PUBLIC SECTOR PERFORMANCE

RECOMMENDATIONS TO RAISE STANDARDS FOR THE CIVIL SERVICE

- Reform and diversify the civil service
 - Undertake a review to strengthen recruitment, training, career progression and performance
 - Examine the role of the civil servant – have subject matter experts rather than a jack of all traits
 - Optimise functions of the civil servant using technology
- Reform the structure in public sector governance for sound decision making
 - Reinstatement of the National Development Policy Group and Inter-Agency Planning Group, with a reengineered Implementation and Coordination Unit enhanced by drawing lessons from the work of PEMANDU

C. IMPROVING PUBLIC SECTOR PERFORMANCE

- Other Structural Changes in the Civil Service:
 - Strengthen efforts and revamp service norms, promotion processes and procedures to facilitate the recruitment of a more inclusive and diverse composition of the workforce in the civil service.
 - Similar objectives should also be extended to the workforce composition in the armed and security forces.
 - Improve technical and subject matter experts in the civil service
 - Stop appointing generalists into leadership positions within technical departments.
 - Special packages to redeploy surplus staff should be created in the face of greater automation and technological advancements.
 - Don't discriminate based on race. Employ the best and brightest.

C. IMPROVING PUBLIC SECTOR PERFORMANCE

- Openness and Transparency in Leadership Appointments
 - Civil service reforms should place strong emphasis on meritocracy and personal integrity.
 - This is crucial for appointments to top posts such as secretary generals and director generals without which leadership effectiveness will be compromised.
 - Special committees should be established under the Public Services Commission to screen the nominees to these posts following well publicised transparent procedures.

D. REFORMS FOR CLEAN GOVERNMENT

NEED FOR CLOSURE OF THE 1MDB CASE

- Government should release a full comprehensive transparent report on the official status of 1MDB.
- The report should contain explanations of the case and consistency with findings already in the public domain.
- Going forward, government would ensure that current regulations are strengthened to prevent a recurrence of such an incident.

RECOMMENDATIONS TO PREVENT CORRUPTION IN THE PUBLIC SECTOR

- Subject ministers and senior officials in the public sector to mandatory enhanced Asset Declaration System (ADS) prior to appointment to safeguard against conflicts of interest and illicit enrichment.
- Declarations must be done periodically and regularly with processes for verification of assets and secured exchange of information with tax authorities for cross reference purposes.
- A legal framework will govern and provide oversight of the ADS, establish sanction mechanisms and require an independent auditor to verify the integrity of declarations.
- The legal framework will also define where individuals or entities are the counterparts to the corruption.

D. REFORMS FOR CLEAN GOVERNMENT

RECOMMENDATIONS TO PREVENT CORRUPTION IN THE PUBLIC-PRIVATE SPACE

1) Better Regulations on Access to Political Financing

- Legislation, regulations and monitoring processes to address the financing of political parties are urgently needed.
- There must be adequate powers to monitor and enforce the laws and regulations on political funding.
- Champion equitable access to funding by all political parties with standardized dissemination of information on expenditures.
- Limits and disclosures on private funding from entities, individuals and foreign donors.
- Address political party ownership of businesses.
- Establish a proper entity (not the Registrar of Societies) for registering, monitoring and reporting on political party elections and their functioning as part of the remit of the Election Commission.

D. REFORMS FOR CLEAN GOVERNMENT

2) Legislative Framework for Political Financing

- Reform the functioning of the election commission to protect its autonomy and impartiality
- Ensure it is fully independent and reports to Parliament and not the PM
- Ensure a transparent process of appointments and the composition of its Commissioners through public hearing managed by a Parliamentary Select Committee.

D. REFORMS FOR CLEAN GOVERNMENT

3) Other Enabling Measures

- A Freedom of Information Act should be recognized and the government should pass legislation to enable greater access to information
- Reform Malaysia's regulatory framework taking into consideration best practice principles of proportionality and consistency with global developments aimed at reducing business costs and complexity, while enhancing the country's productivity and international competitiveness.
- Consider an Equal Opportunity Commission (EOC) to eliminate discriminatory and unfair practices. Give greater prominence to needs-based and merit as essential criteria. The EOC will be tasked with the responsibility of monitoring and considering cases of discrimination and unfair treatment in society covering the actions and activities of both the public and private sectors.
- Strengthen the Role of the Integrity Institute of Malaysia as the Independent Evaluation Oversight Office for the civil service. The Institute will put in place a mechanism for systematically evaluating the performance of the civil service, based on best practices in the OECD and the multilateral institutions.



THANK YOU