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**NEW DIRECTIONS IN BUREAUCRATIC CHANGE  
IN SOUTHEAST ASIA: A REEXAMINATION**

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**INTRODUCTION**

In the current epoch characterized by a worldwide promarket transition in the ideological, theoretical, and practical bases of governance, there has been a considerable shift in the nature of bureaucratic modernization pursued by various governments or regimes. This bureaucratic change not only includes the state-sponsored policies such as deregulation, privatization, and liberalization that affect the functional scope of the administrative system, it also encompasses the restructuring and reorientation of the whole public bureaucracy into a market-friendly institution based on principles such as managerialism, value-for-money, customer-orientedness, public-private partnership, and result-oriented management (Djamin, 1991; Haque, 1996b). In advanced industrial nations, the examples of such market-centered initiatives to transform public bureaucracy include Financial Management Initiative and Next Steps in the UK, Public Service 2000 in Canada, Financial Management Improvement Program in Australia, Renewal of the Public Service in France, Modernization Program for the Public Sector in Denmark, Program of Administrative Modernization in Greece, Fundamental Policy of Administrative Reform in Japan, and Major Options Plan in Portugal (OECD, 1993).

Similar bureaucratic transformation has been undertaken in many developing countries. Southeast Asian countries, for instance, have recently adopted various forms of bureaucratic change based on a market-centered approach under the contemporary promarket policy atmosphere (De Guzman and Reforma, 1992; Halligan and Turner, 1995). In general, these recent changes in Southeast Asian bureaucracies have been introduced in the name of efficiency and innovation (Salleh, 1996). In these countries, such bureaucratic reforms are being pursued under various government plans and programs, including the so-called Malaysia Incorporated Policy in Malaysia, PS21 (Public Service for the 21st Century) in

Singapore, *Panibagong Sigla 2000* (renewed vigor 2000) in the Philippines, and the Seventh National Development Plan in Thailand. Compared to the past tradition of state-centered approach to bureaucratic reform in Southeast Asia, the current business-like initiatives for bureaucratic change are quite unique and represent certain new directions in the nature of bureaucratic modernization. However, because of its recent origin, and perhaps, because of its market-friendly policy environment, the contemporary trends in bureaucratic modernization in the region has not yet been studied or examined in a comprehensive and critical manner. In this regard, this paper attempts to explore these emerging new directions in bureaucratic change in Southeast Asia. It also examines the favorable and adverse implications of this current bureaucratic transition, especially, for public bureaucracy.

### **NEW DIRECTIONS IN BUREAUCRATIC CHANGE: MAJOR DIMENSIONS**

In general, bureaucratic change encompasses both the proactive transformation and reactive adaptation of bureaucracy (including its objectives, institutions, structures, norms, attitudes, and target groups), although the scope and intensity of this bureaucratic change may vary according to the needs, constraints, and opportunities arising from specific sociohistorical circumstances. In Southeast Asian countries, the colonial and postcolonial changes in bureaucracy have often been reactive, incremental, and piecemeal in nature. However, as mentioned above, in line with the recent market-centered state policies in these countries, there have been more proactive and extensive changes in bureaucracy affecting its important dimensions. In order to delineate such unique, distinguishing features of the current bureaucratic transformation in Southeast Asia, this section will examine the following recent changes related to such transformation: (a) shift in the objectives and priorities of bureaucratic change, (b) adjustment in institutional measures of bureaucratic change, (c) transition in the normative guidelines for bureaucratic change, (d) flux in the attitudinal and structural focus of bureaucratic change, and (e) variation in the composition of targeted beneficiaries attached to bureaucratic change.

### **Shift in Objectives and Priorities**

Like most developing nations, the main thrust of postcolonial bureaucratic reforms in Southeast Asian countries was to replace the colonial bureaucratic structure engaged in law and order function to a more development-oriented bureaucracy with a view to accelerate socioeconomic progress, enhance nation-building, and ensure better living standards.<sup>1</sup> In other words, the Southeast Asian regimes assigned essential developmental tasks to various government agencies constituting the state bureaucracy. For instance, in Malaysia and Singapore, the government had put greater emphasis on public bureaucracy to carry out responsibilities related to socioeconomic development but without inhibiting the private sector (Chee and Lee, 1994:164). Recently, however, most Southeast Asian countries have shifted the objectives of bureaucratic change from this overall socioeconomic development to more specific economic concerns such as growth and productivity. In the case of Malaysia, these microeconomic criteria are becoming more significant than the macro-level societal development as the primary objective of bureaucratic reform (Mahmud, 1992:39). Similarly, in Singapore, the objectives of the recent initiatives of bureaucratic change such as PS21 are to ensure continual improvements in innovation, efficiency, and cost-effectiveness rather than the overall national development stipulated by the earlier reform measures.

In line with this shifting objectives, there has also been a restructuring of the priorities of bureaucratic change from local needs to international demands. Although in the past, the regimes in Southeast Asian countries adopted administrative changes that were not indifferent towards the significance of global market forces, their main priorities were to meet the local needs and demands related to health, education, infrastructure, industry, and agriculture. But more recently, under the market-oriented policy atmosphere, the priorities of bureaucratic modernization in these countries are the global market demands rather than the local needs and expectations, although these two are not necessarily contradictory. Thus, the new priorities of bureaucratic change in countries such as Malaysia, the Philippines, Singapore, and Thailand are to meet the emerging demands of global market and to enable the administrative apparatus to face international competition. In the case of Singapore, referring to the PS21 initiative, it has been suggested that the newly emerging global market has brought about many changes, which must be addressed by the civil service in order to meet new demands and to make Singapore internationally competitive (see New Code, 1995; Halligan and Turner, 1995). With regard to this new direction in bureaucratic transition in Malaysia, Sarji (1996) suggests that the civil service "has to be more efficient and effective in this borderless world and highly-competitive global

environment. We have civil servants serving both overseas and at home who are involved in this global experience."

Corresponding to these recent changes in the objectives and priorities of bureaucratic modernization in Southeast Asia, there has also been adjustment in the role of bureaucracy. Like other developing countries,<sup>2</sup> Southeast Asian countries are discouraging the active role of public sector in socioeconomic development, and encouraging the private sector to play the dominant role while assigning public bureaucracy with a more supportive role to facilitate the activities of market forces.<sup>3</sup> Even in Indonesia, where civil servants are strongly affiliated with the ruling *Golkar* party and considered as "servants of the state" (King, 1994:23), there is an increasing emphasis on the streamlining of bureaucracy or "debureaucratization", expansion of private sector initiatives, and supportive role of bureaucracy to enhance efficiency and creativity of the business sector (Kristiadi, 1992:102; Salleh, 1996:30). In the case of Malaysia, previously, the state bureaucracy was transformed into a form of development administration, and it was considered as the principal agent of socioeconomic development to implement long-term economic plans and policies such as the Perspective Plan and the New Economic Policy (Omar, 1980:253-54; Public Services Department, 1989:25). But today, the Malaysian government is aggressively engaged in pursuing business-oriented bureaucratic change, replacing the active developmental role of bureaucracy, and redefining its role as a facilitator of private sector activities (Salleh, 1992:35-36). Similarly, in Thailand, the emerging role of public bureaucracy is to facilitate promarket policies such as privatization and contracting out, and to deal with various activities related to the private sector such as business licensing, international trade, and fiscal monitoring (Aufrecht and Ractham, 1991:53). In other words, the recent bureaucratic change in Thailand is to assign bureaucracy with the role of a catalyst to facilitate economic development through private markets (Salleh, 1992:44). It has been mentioned that the Thai Civil Service is increasingly playing a supportive rather than active role.<sup>4</sup> In this regard, Thai Prime Minister Chavalit Yongchaiyudh has recently urged the private sector to contribute more to efficiency, encouraged public bureaucracy to play a supportive rather than active role, and advised public servants to adjust themselves from being leaders to being facilitators (Bottoms Up, 1997:21; Chavalit Plans, 1997:14). Similar changes in bureaucratic role--from an active agent of social change and nation-building to a facilitator of market forces and promarket policies--are being pursued in the Philippines and Singapore (Halligan and Turner, 1995; New Code, 1995). In the case of Philippines, the government has engaged the private sector to play a dominant role even in programs related to the modernization of its strategic sectors such as military (Philippines Looks to Private Sector, 1997:15).

### **Adjustment in Legal and Institutional Measures**

In line with above new directions in the objectives, priorities, and roles of bureaucratic modernization in Southeast Asia, there have emerged new institutional and legal measures in this regard. In the past, following the model of rational bureaucracy attached to Western liberal democracy, most Southeast Asian countries adopted various bureaucratic rules, procedures, and institutions to ensure the neutrality, accountability, fairness, and efficiency of public bureaucracy. They also established various planning agencies and development institutions to formulate and implement the state-initiated development policies, programs, and projects. But more recently, these countries have introduced a different set of legal and institutional measures in order to facilitate the realization of promarket policies and expansion of market activities. For instance, in the Philippines, the former President Aquino introduced the Proclamation No.50 highlighting the importance of privatization; in Thailand, the Civil Service Act of 1992 is in favor of market-oriented changes such as the sub-contracting of state activities to the private sector; in Malaysia, the government has introduced the so-called Privatization Masterplan and Guidelines on Privatization that explain the objectives and mechanisms of privatization; and in Indonesia, the objectives of the National Commission of Administrative Reform are increasingly being influenced by market principles.

The examples of the newly emerging promarket government institutions include the Public Sector Divestment Committee in Singapore, the Steering Committee on Reduction in the Size of the Public Service in Malaysia, the Public and Private Sector Committee in Thailand, and the Committee on Privatization and the Asset Privatization Trust in the Philippines. It should be emphasized that although these recently established committees are engaged in reducing the size and role of public bureaucracy, especially through various forms of privatization, they represent an essential component of this bureaucracy itself. In addition, there has emerged a new set of institutions that facilitates partnership between the public and private sectors. The Malaysian government, for instance, has established the Malaysia Incorporated Officials Committee as a consultative mechanism between the public and private sectors, and created the so-called Consultative Panels comprised of representatives from both the public and private sectors (Sarji, 1996:117). In short, unlike the traditional public institutions created to implement state-centered policies and programs, the recent bureaucratic modernization in most Southeast Asian countries has created a new genre of government institutions that are supposed to realize market-oriented policies.

In addition, some Southeast Asian countries have recently introduced some micro-organizational techniques often used in the private sector. In Singapore, for instance, the government introduced organizational techniques such as Work Improvement Teams, Service Quality Centre, Staff Suggestions Schemes, and Service Improvement Unit in order to upgrade the level of quality and productivity in the public sector (Halligan and Turner, 1995; Quah, 1996; Service Quality Centre, 1995). The Malaysian government has also adopted similar organizational techniques, including Total Quality Management and Quality Control Circles, with a view to improve the quality of civil service and the satisfaction of its customers (Commonwealth Secretariat, 1995:3; Sarji, 1993a:40).

### **Transition in Normative Standards**

Following the aforementioned transition in the objectives, priorities, and institutional structures of bureaucratic modernization, there has been a corresponding shift in the normative preferences guiding the process of such modernization. It is well known that in general, the traditional reform efforts on bureaucracy often reinforced certain core values of public service such as neutrality, impartiality, accountability, equity, representativeness, and justice, which are increasingly being replaced by or subordinated to market-oriented norms such as competition, efficiency, productivity, and profitability (Haque, 1996b:190). In line with this global trend, there have been considerable adjustments in the normative preferences related to bureaucratic modernization in Southeast Asia. In the Philippines, for instance, the guiding norms of bureaucratic transformation since the Aquino administration have been various promarket principles such as efficiency, effectiveness, economy, productivity, service delivery, public-private partnership, market responsiveness, and economic growth (see Halligan and Turner, 1995:118-119; Mendoza, 1996:187). These normative principles are quite different from the principles of political neutrality, merit-based competition, and equal opportunity, which provided guidelines for the earlier bureaucratic changes in this country. Similarly, in Thailand, the recent bureaucratic reforms adopted under the Civil Service Act of 1992, Seventh National Economic and Social Development Plan (1992-1996), and Eighth National Economic and Social Development Plan (1996-2001), are predominantly based on standards such as efficiency, effectiveness, and public-private partnership.

In the case of Indonesia, the Fifth Five Year Development Plan (1989/90-1993/94) emphasized bureaucratic modernization for more efficiency, productivity, and effectiveness (Kristiadi, 1992:97). In Brunei, the recent government initiatives to assess public service performance and pursue

administrative change put greater emphasis on the principles of efficiency and effectiveness (Salleh, 1996:27-28). In the case of Singapore, the government has introduced considerable bureaucratic reforms in areas such as personnel management and financial administration, and these reforms also emphasize the business-sector norms (Halligan and Turner, 1995; Ibrahim, 1995b). More specifically, some of the main normative standards guiding the recent administrative changes in financial and personnel matters (e.g. budgeting, recruitment, promotion)--especially the changes related to the launch of PS21 and creation of Autonomous Agencies (mentioned below)--include standards such as efficiency, performance, cost-effectiveness, competition, and entrepreneurship (Lim, 1997; Halligan and Turner, 1995; Koh, 1997).

A well-planned and organized framework related to this market-oriented normative shift in bureaucratic change can also be found in Malaysia.<sup>5</sup> Under the recent promarket ethos of the so-called *Malaysia Incorporated*, the principles of earlier bureaucratic reforms, including dedication, responsibility, neutrality, responsiveness, and ethnic representation, have been overshadowed by the emerging business-like standards such as productivity, quality, efficiency, cost-consciousness, and customer-orientedness (Chee and Lee, 1994; Government of Malaysia, 1994; Mahmud, 1992). This normative transition, which the Malaysian government considers a paradigmatic shift in public bureaucracy, is also reflected in the recent civil service code of ethics that specifically highlights efficiency and effectiveness (Salleh, 1992:37). The promarket transition in the normative standards of bureaucratic change in Malaysia and Singapore is also evident in the adoption of the above micro-organizational techniques (e.g. Total Quality Management, Service Quality Centre, and Service Improvement Unit) founded upon principles such as efficiency, productivity, and customer-orientedness (Halligan and Turner, 1995; Sarji, 1993a).

### **Flux in Attitudinal and Structural Focus**

In relation to the above changes in the objectives, institutional patterns, and normative guidelines of bureaucratic modernization, there have been some changes in this modernization process also in terms of its preference for certain modes of managerial attitudes and structures. With regard to bureaucratic attitude, following the customer-oriented management behavior found in the business sector, many developing countries have become interested to pursue a business-like attitudinal transformation in public bureaucracy. These countries seem to be increasingly convinced to adopt this client-centered or customer-oriented approach to bureaucratic change, which has already been used by Western countries such as the

U.S. and the U.K. in their administrative systems (Gore, 1993; Haque, 1996b). In Southeast Asia, Malaysia has a concrete agenda for transforming its public service attitudinally into a customer-oriented institution. In addition, the Malaysian government has introduced the so-called Client Charter that requires public agencies to deliver quality services to their customers. In the Philippines, the government introduced a campaign, known as *Mamayayan Muna, Hindi Mamaya Na* (the citizen now not later), which highlighted the importance of prompt decisions, management by courtesy, and clients' satisfaction (Halligan and Turner, 1995:122). Similarly, in Singapore, one of the main objectives of launching PS21 initiatives and transforming departments into Autonomous Agencies is to instill customer-oriented outlook in public bureaucracy (Ibrahim, 1995:32; Koh, 1997:1; Lim, 1996:38).

With regard to the shifting structural focus of bureaucratic change, there is a growing tendency to emphasize managerial autonomy in most Southeast Asian countries. For instance, the Philippine government has restructured public enterprise management towards further autonomy in activities related to personnel, finance, procurement, and production (World Bank, 1995:94-95). Both Malaysia and Singapore have decentralized their public personnel systems by transferring various personnel activities from the central personnel authorities to individual ministries or agencies (Meksawan et al., 1986; Quah, 1996). Recently, the Singapore government has transferred important personnel functions such as recruitment and promotion from the Public Service Commission to various personnel boards created at the inter-ministerial, ministerial, and departmental levels (Salleh, 1992:42). With regard to financial management, the Malaysian government has introduced the so-called Modified Budgeting System in 1990 in order to delegate decision-making authority to various ministries (Halligan and Turner, 1995:86). In Singapore, various government departments, ranging from the Supreme Court to the Hawkers Departments, are being transformed into Autonomous Agencies in the image of "business organizations" to provide them with more autonomy in financial and personnel matters (Chuang, 1996; Koh, 1997). As Koh (1997:30) mentions, these newly adopted Autonomous Agencies in Singapore are government departments or statutory boards that have "taken on a new management style that is more like that of a private company."

Similar tendencies towards more managerial autonomy or decentralized management can be found in some of the recent changes related to other micro-level managerial issues. Although most Southeast Asian countries have not adopted any considerable change in certain management issues such as job classification (e.g. Indonesia, Malaysia, and Singapore still practice the rank-in-person principle based on person's qualifications rather than job factors), there has been some transition in their performance appraisal and compensation systems. The Malaysian public service has introduced the New Remuneration

System that is claimed to be more flexible than the previous system (Halligan and Turner, 1995; Meksawan et al., 1986). In Singapore, the use of market criteria to determine public sector salaries has become more specified or defined as the salary benchmarks for senior civil servants have been set according to the incomes of top earners in the private sector professions such as banking, accounting, engineering, law, local manufacturing firms, and multinational corporations (Chuang, 1994:1). In Thailand, the government is increasingly following similar approach to salary determination in the public sector based on a comparison with the private sector (see Tunsarawuth, 1994, 1995). In this regard, it has been felt that in Thailand, "the government would need to cut the current number of civil servants by a-third in the next 15 years in order that salaries and benefits of civil servants can be raised to match those in the private sector" (Tunsarawuth, 1996:17). With regard to performance appraisal, recently, Malaysia has adopted the New Performance Appraisal System based on principles such as openness in appraisal, specific work targets, and detailed weightage for evaluation criteria (Commonwealth Secretariat, 1995:17). Singapore, on the other hand, has introduced a more job-related appraisal system for higher and mid-level officers, who will work with their supervisors to "set, review and achieve job targets", and these targets will "provide a framework to assess performance" (Osman, 1996:3).

In addition, the current bureaucratic reforms in Southeast Asia tend to emphasize structural openness to accommodate more lateral entry and public-private exchange of employees in order to enhance innovation. In the Philippines, for instance, under the ethos of *Panibagong Sigla 2000* (renewed vigor 2000), the government has a policy to facilitate the exchange of executives between the public and private sectors (Halligan and Turner, 1995:120). In Singapore, the government has opened top administrative positions (including the positions of deputy secretaries and permanent secretaries) to private-sector employees as long as they possess the required skills and qualifications. On the other hand, the Malaysian government has adopted the so-called Attachment Training Program under which government officers will be attached to private foreign (European, American, Japanese) companies, so that these officers receive exposure to business management, exchange views on business matters, and establish rapport with the private sector (Government of Malaysia, 1992:339; Sarji, 1993b:184). More recently, the Singapore government has started similar scheme to attach public employees to foreign private firms to expose them to the activities of the private sector (see Chuang, 1997:2). This approach to bureaucratic transformation, which encourages such lateral entry and public-private personnel exchange, is quite unprecedented in both Singapore and Malaysia where these provisions hardly existed in the past (see Meksawan et al., 1986; Omar, 1980:263).

### **Variation in the Composition of Beneficiaries**

The aforementioned changes in the objectives, roles, and focus of bureaucratic modernization in Southeast Asian countries imply, directly or indirectly, a considerable shift in the composition of beneficiaries who could gain from this modernization. In the past, the officially stipulated beneficiaries of bureaucratic reforms in these countries covered all citizens irrespective of their class, gender, and ethnic identity. In general, the central concern of these reforms was to enhance the overall socioeconomic progress from which all members of society would benefit, although in reality, the gains from such reform efforts were often unequal among various social groups and classes. However, what is unique about the current bureaucratic modernization pursued under the promarket policy atmosphere is the officially defined "customers", rather than "citizens", as the primary beneficiaries of such modernization. It indicates a significant shift in the nature of people-bureaucracy relationship: from one based on the mission of public bureaucracy to serve people as citizens irrespective of their economic capacity, to one based on its mission to serve mainly the customers who can pay, implying an emerging exchange relationship between the people and bureaucracy. This current transition in bureaucratic reform in Southeast Asian countries, especially in terms of the changing composition of its main beneficiaries, is similar to the recent shift in reform measures in advanced capitalist nations where public bureaucracy is being corporatized in order to serve the people as "customers" rather than as "citizens".<sup>6</sup>

In Malaysia, the term "customer" has become a central term in the process of recent bureaucratic transformation: the aim is to create "a business-friendly" public bureaucracy that facilitates conducive business environment and meets the needs of customers (Ng, 1997; Sarji, 1996). Malaysia has also adopted the so-called Client's Charter to upgrade the counter services for customers (Commonwealth Secretariat, 1995). Similarly, in Singapore, the main thrust of PS21 is to improve the quality of services provided by the public sector to its customers or clients (PS21 Office, 1995). In addition, the Civil Service Corporate Statement introduced in 1995 requires that "all civil service organisations adopt a customer orientation and an attitude of service excellence" (Civil Service College, 1995:3).

This redefinition of the scope of beneficiaries covering mainly the customers, especially the business community, is also reflected in the deepening partnership between the public service and private firms. For instance, the Philippine government established the so-called Government Productivity Improvement Program Council not only to enhance public sector productivity but also to strengthen partnership with the private sector in this venture (Mendoza,

1996:187-188). In Malaysia, public bureaucracy is being transformed not only to assist and interact with the private sector activities but also to establish partnership with business enterprises in order to maximize the mutual interests (Sarji, 1993a, 1993b, 1996). Although this new direction in bureaucratic change serves the business interests (both local and foreign) based on public-private partnership, it is likely to be less favorable to the working class, especially, due to their declining wages and diminishing power to bargain (Chee and Lee, 1994).

### **SUMMARY, ANALYSIS, AND CONCLUSION**

In this paper, it is stressed that there has been a considerable transition in the nature and mode of bureaucratic change in Southeast Asian countries under the contemporary policy atmosphere founded upon a market-centered approach. In line with the current state policies such as deregulation, privatization, and liberalization, there have been adjustments in the objectives, priorities, roles, institutions, norms, attitudes, and beneficiaries of bureaucratic reforms in these countries. More specifically, in terms of objectives and priorities of the recent bureaucratic modernization in Southeast Asia, there is a shift from the traditional focus on the overall nation-building and socioeconomic progress to more specific or narrower economic concerns related to economic growth and productivity. With regard to bureaucratic role, the recent reforms have highlighted a supportive role rather than an active involvement of state bureaucracy in socioeconomic activities while encouraging the private sector to play a greater role in such activities. In terms of institutional or organizational measures, the recent bureaucratic change has led to the creation of a new set of market-oriented government organizations and techniques such as privatization committees, public-private partnership programs, and quality control circles, which are likely to strengthen and expand the private sector and market forces while diminishing the size and significance of public bureaucracy.

The normative standards of the contemporary bureaucratic change in Southeast Asia are also in transition. For instance, the traditional normative principles of bureaucratic reform, including the principles of political neutrality, equal opportunity, public accountability, and representativeness, seem to have become less important than the market norms such as competition, profit, efficiency, and productivity. Similarly, the recent bureaucratic modernization has also shifted its preference related to managerial structures, attitudes, and commitments: the transition is from centralized to decentralized structures, from impersonal to informal attitudes, from people-oriented to customer-oriented commitments. Finally, there is a change in bureaucratic reforms in Southeast Asia in terms of their officially defined target groups or beneficiaries. While the

previous government efforts to modernize bureaucracy aimed to benefit all citizens irrespective of their incomes, the contemporary bureaucratic change tends to highlight the needs and demands of the so-called "customers" who, by definition, have the capacity to pay for goods and services.

It is essential, however, to seriously examine both favorable and adverse implications of these new directions in bureaucratic change in Southeast Asian countries, especially, for their overall public administration systems.<sup>7</sup> First, the current normative shift in bureaucratic change in Southeast Asia towards specific market values such as efficiency and productivity is likely to make the assessment of bureaucratic performance more conducive, because these normative standards are more tangible than the traditional public service norms such as fairness and justice. However, this market-based normative transition in bureaucratic reforms has also the potentials for certain adverse outcomes. For instance, the adoption of business norms is likely to diminish the normative identity of public bureaucracy as a distinctly "public" institution (Haque, 1996a, 1996b), and thus, may exacerbate the problem of its identity crisis. Second, as the contemporary reformers attempt to transform public bureaucracy in the image of the business sector, and as differences between the two diminish, it is likely that there will emerge a challenge to the motivation and morale of public servants. It is because, the job satisfaction of public servants depends not only on extrinsic rewards such as monetary compensation (which is often lower than that in the private sector) but also on intrinsic rewards such as their sense of pride of being public servants and doing something good for the people (Handley, 1989-90; Haque, 1996b; Perry and Wise, 1990). In fact, the motivational problem in public bureaucracy caused by the recent market-centered bureaucratic reform and reorientation, has already become a serious problem in advanced industrial countries such as the U.S. and Japan, especially, in terms of difficulty in recruiting and retaining the committed professionals in public bureaucracy (see Pempel and Muramatsu, 1995; Volcker Commission, 1990). In this regard, Southeast Asian countries can rethink these current market-centered reforms and its motivational implications, and perhaps, they can learn from the critical experiences of industrialized countries (e.g. the U.K., the U.S., and Canada) that went through similar reform measures much earlier.

Finally, the current trends of bureaucratic modernization in Southeast Asia may create both positive and negative outcomes with regard to the legitimacy of public bureaucracy, implying the rise and fall of public confidence in bureaucratic activities and performance. More specifically, the business-like bureaucratic reforms based on the criteria of efficiency, productivity, decentralization, autonomy, and customer-orientation, may strengthen public confidence in bureaucracy which, in the past, did not have much public support in developing countries due to its alleged inefficiency, waste, centralization, irresponsibility,

and corruption. But there are certain potentially adverse implications of these market-centered changes in bureaucracy for its legitimacy. More specifically, these bureaucratic reforms may be highly endorsed by their primary beneficiaries, especially the local and foreign private firms gaining from public-private partnership and customer-oriented services, but these reforms may not be popular among the low-income people who are likely to be worse off from these reforms that often streamline public welfare programs, encourage better services to customers who can pay, and show indifference towards the concerns of the poor. As a result, in the poorer Southeast Asian countries (e.g. Indonesia, the Philippines, Thailand, and Vietnam), the common masses may not endorse these market-biased bureaucratic changes, and they may lose trust in this newly emerging pro-business bureaucracy. It implies a further deterioration of bureaucratic legitimacy.

More importantly, as the current administrative modernization tends to transform bureaucracy in the image of business management, and as bureaucracy increasingly resembles the business sector in terms of its objectives, roles, structures, and norms, the people may find very little difference between the profit-seeking private firms and business-oriented public agencies. This may diminish people's confidence in public bureaucracy as a distinct public institution that is expected to meet the needs and demands of the general public beyond the concerns of specific groups and classes attached to the private sector. This decline in public trust in bureaucracy as an institution representing and serving the common public interests, implies a potential challenge to the legitimacy of the overall bureaucratic apparatus. In fact, there are already signs of such diminishing public confidence in bureaucracy in advanced capitalist countries that recently adopted the market-centered bureaucratic change.<sup>8</sup> This new legitimation challenge to bureaucracy posed by its recent promarket transition, has been recognized also in certain Southeast Asian countries. For instance, in the case of Malaysia, it has been suggested that the treatment of people as customers by public bureaucracy, as emphasized in the recent bureaucratic reforms, may diminish the "sense of connectedness", and create a gap, between the citizens and public employees (Zin (1994:204-205). In the case of Singapore, it has been observed that it might be necessary to introduce stronger behavioral safeguards for and scrutiny of public bureaucracy due to its more intensive interaction and partnership with the business sector resulting from the recent administrative changes (PS21 Lauded, 1995:2). The need for additional safeguards related to the emerging public-private partnership has also been recognized in the Malaysian case. According to Sarji (1993b:184), in Malaysia, it is necessary to have a clear code of conduct "to prevent any erosion, however slight, of public confidence in the traditional impartiality of the Civil Service, especially in a world where the public and private sectors increasingly interact"

In short, despite certain favorable outcomes of the current market-centered bureaucratic change in Southeast Asian countries, there are various potentially adverse implications of such changes for the normative identity, motivational foundation, and public legitimacy of public bureaucracy. In this regard, it is imperative for the top policy makers in these countries to take into consideration certain basic rules in pursuing bureaucratic modernization. They should take a more cautious and critical approach in adopting bureaucratic change based on market standards or business principles. More specifically, these policy makers must take into account that the aforementioned objectives, priorities, roles, structures, norms, and beneficiaries of public bureaucracy are quite different from those of the business sector,<sup>9</sup> and these unique functional, structural, and normative features of public institutions should not be sacrificed even when certain market criteria are incorporated into the public sector. This more careful approach is likely to function as a remedy to some adverse outcomes created by the market-centered bureaucratic change discussed above. For instance, a cautious and critical approach to bureaucratic change--which recognizes the unique objectives, roles, structures, norms, and clienteles of the public sector--may help retain the public identity of public bureaucracy and maintain people's confidence in its unique public (as opposed to business) character. Second, by recognizing and retaining the public identity of public bureaucracy, this cautious and critical approach to bureaucratic reform may also help reinforce the intrinsic sources of motivation among public employees in terms of their satisfaction from being identified with the common public interest rather than parochial business concern. Finally, since a cautious and critical approach to bureaucratic change would require public bureaucracy to be responsive to the needs of various groups and classes of people (not just the so-called customers), it might help strengthen the trust of the common public in bureaucracy, and thus, enhance its legitimation as a public institution.

In conclusion, the process of bureaucratic change in Southeast Asian countries should not be based on the imitation of promarket administrative changes in advanced industrial nations, pressures for such changes from international agencies such as the IMF and the World Bank, and any fetishistic market-centered and state-centered perspectives.<sup>10</sup> Without totally discounting the lessons of administrative changes in other countries, however, Southeast Asian countries should depend more on a realistic assessment of their own indigenous contexts, societal needs, and citizens' expectations in pursuing bureaucratic modernization. With regard to the contemporary market-oriented bureaucratic reforms in Southeast Asian countries, it is imperative that the reform policies are guided by a rational analysis and critical scrutiny of both favorable and adverse implications of such promarket administrative change for the identity and legitimacy of public bureaucracy, for the morale and motivation of public employees, and for the gains and losses of various sections of the population. In this regard, in planning and

designing bureaucratic change in these countries, the policy makers need to recognize the basic distinction between the public and private sectors in terms of objectives, roles, structures, and norms; conduct a critical scrutiny of the economic, social, administrative costs and benefits of bureaucratic transition; and identify the major gainers and losers, and redress the concerns of those who become worse off, from such bureaucratic change.

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## NOTES

<sup>1</sup>For instance, in Malaysia, the government took initiatives to enhance the Malayization of the public service, meaning the transformation of the colonially inherited administrative system to suit local conditions such as local personnel, customs, and practices (Halligan and Turner, 1995:66; Public Services Department, 1989:25).

<sup>2</sup>In most developing countries, within the current promarket context, a new set of roles and objectives is being assigned to the public service, which include functions such as the analysis and maintenance of market conditions, formulation of financial policies and standards, management and coordination of contracts, regulation of contractors and monopolies, supply of information to consumers, arrangement of finance for the investors, and supervision of the quality of goods and services (Bately, 1994:501).

<sup>3</sup>With regard to the recent public sector reforms in Southeast Asia, it has been pointed out that "The most drastic policy approach has been the *integration of the private sector into the mainstream national development*. The roles and contribution of the private sector have been increased . . . [emphasis original]" (Salleh, 1996:20).

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<sup>4</sup>According to Salleh (1996:51), "In response to private sector demands, the bureaucracy [in Thailand] is now a catalyst and guide in facilitating the development process."

<sup>5</sup>Increasingly, "private sector values such as customer satisfaction and productivity targets are advocated as appropriate for incorporation in the civil service culture" (Commonwealth Secretariat, 1995:4-5; Halligan and Turner, 1995:87). This promarket normative transition has been considered by Ahmad Sarji as a "paradigm shift" that requires a basic attitudinal change among public servants to become more customer-oriented (Sarji, 1993a:39-40).

<sup>6</sup>This idea of citizens as customers was introduced by D. Osborne and T. Gaebler in their book Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector (1992), and later, it was used by the US Vice President Al Gore in his report Creating Government That Works Better & Costs Less: Report of the National Performance Review (1993).

<sup>7</sup>There are multiple implications of the contemporary market-centered bureaucratic reforms, including various social, economic, political, cultural, and administrative consequences. Given the space and time constraints, the scrutiny of these diverse sets of implications is not feasible in a single paper. The focus of this paper remains mainly on the administrative implications of these promarket bureaucratic changes in Southeast Asia.

<sup>8</sup>In the U.S., for instance, during the promarket reform period 1978-94, the public trust in government institutions decreased from 34 to 20 percent while the public distrust increased from 58 to 80 percent (Gordon, 1992; Hastings and Hastings, 1996). In the U.K. between 1979 and 1994, the percentage of people satisfied with the way government was running the country declined from 35 to 12 percent, whereas the number of people dissatisfied with it increased from 54 to 81.7 percent (see Hastings and Hastings, 1981, 1996).

<sup>9</sup>For instance, the objective of public bureaucracy is not only to enhance economic growth and productivity but also to ensure the overall development and well-being of all citizens; its role is not only to take a passive role and facilitate market forces but also to undertake active measures to address crucial socioeconomic problems, including those created by the market forces themselves; its structure is not only a matter of managerial autonomy but also a question of how to maintain its accountability to the people and their representatives; its norms include not only efficiency, productivity, and cost-effectiveness but also other principles such as representation, fairness, and justice; and its beneficiaries encompass not only the customers who can pay for goods and services but also the underprivileged who cannot pay and (thus) may not fall under the definition of customers (Haque, 1996a, 1996b).

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<sup>10</sup>The central issue here is not to subordinate the role of public sector to that of the private sector and vice versa but to delineate "the right and proper configuration of roles between the public and private sectors" (Chee, 1992:68).

Journal of Southeast Asian Studies. Volume 13 Issue 1.Â Bureaucratic corruption is one of the most serious and embarrassing obstacles to national development in the developing countries, which include among others the members of the Association of Southeast Asian Nations (ASEAN) viz., Indonesia, Malaysia, Philippines, Singapore, and Thailand. According to an official of the Economic and Social Commission for Asia and the PacificÂ 81 Manurung, Cyrus, âœPublic Personnel System in Indonesiaâ€(Paper presented at the APDAC Workshop on New Policies, Developments and Trends in the Civil Service of Asian Countries, Singapore, September 1979), pp. 68â€70.Â Anti-Corruption Programmes in Post-Communist Transition Countries and Changes in the Business Environment, 1999-2002. The report urges Southeast Asia to play an important part in working toward a global solution to climate change, and to apply all feasible and economically viable adaptation and mitigation measures as key elements of poverty reduction and sustainable development strategies. It also argues that the current global economic crisis offers Southeast Asia an opportunity to start a transition towards a climate-resilient and low-carbon economy by introducing green stimulus programs that can simultaneously shore up economies, create jobs, reduce poverty, lower carbon emissions, and prepare for the wors