

Limits of institutional reforms

[The Malaysian Insight](#)

IT has been more than a year after Pakatan Harapan took over the federal government.



There are many plans and committees set up for institutional reforms. These reforms address corruption, fair elections, clear separation of powers, and making parliamentarians and civil servants more accountable to the people and the like.

These are institutional reforms that the people want see and a chief reason people voted Pakatan Harapan into government.

Institutional reforms are crucial, undoubtedly to ensure transparency, accountability, rules are enforced without fear and favour.

To this end, the Institutional Reforms Committee (IRC) was set up to oversee and revamp Malaysian governance.

Members of the committee are credible individuals with their own merits. After deliberation, IRC comes out with seven recommendations, even though it is not publicly available, it is obvious overall reforms are to restore government institutions to be judicious, governed with rules of law and reduced corrupt practices.

There are few changes have been made so far, such as MPs need to declare assets, reforms in Malaysia Anti-Corruption Commission, credible personnel heading civil service and enforcement agencies, lowering voting age to 18 and more.

Even though change does occur, but many remain sceptical about deep

institutional reforms.

It is important to understand institutions in Malaysia before discussing reforms.

Institutions in general refers to 'rules of the game' that governs people. Institutional consists of formal rules (written rules, constitution and policy) and informal rules (embedded conventions, norms and culture).

The general perception is enforcing formal rules is crucial to ensure good governance. To carry out rules is not a something straightforward because informal rules such as embedded conventions, traditions and legacy have undue influenced in carrying out the rules and their formulation.

Policymakers can ignore the potent forces of informal rules when they want to enforce formal rules, especially when the rules contradict with the embedded conventions of the society. This can potentially affect the quality of implementing or formulating certain rules and policies.

In the Malaysian context, to enforce certain rules or policy, informal rules tend to influence formal ones.

Informal institutions in Malaysia can be associated with nationalism (which tends to associated with race and religion) patronage, uneven power relations held by political elites.

So any institutional reforms is likely hindered by informal factors. This can be seen in reforming government-linked companies and government-linked investment companies.

The Pakatan Harapan government pledge to reforms GLCs/GLICs, because it is dubbed as 'monsters', overcrowding the market.

They have also skewed from their primary objectives – instead of

facilitate disadvantage groups, they have evolved into helping the rich or the cronies (whoever are close to political power).

So far, there are no deep reforms.

Many GLCs and GLICs have been restructured so key ministries have control over them.

Such reforms raise the concern of patronage. The GLCs and GLICs have been the primary vehicles for channelling funds to specific companies and individuals.

Having control over GLCs are important to get political based support. It is also ways to award individuals who backed certain politicians during elections.

Another informal institutional constraint is ethno-economic development interest i.e. the Bumiputra agenda. This race agenda has deeply infused into our policy institutions.

Although this agenda is crucial for the country, it has been used by many politicians to push for self-interest agenda instead.

The ethno agenda has been associated with many aspects, among others, entry to university and awarding government contracts.

Putting racial quota for instance, in education entry is necessary in some aspects, given there are still poor Bumiputra, especially from Sabah and Sarawak.

But government needs to streamline the racial quota to make it more favourable in our plural society.

Government needs to target the real Bumiputra who need it the most, not as a 'blanket policy'.

This author is not against the Bumiputra agenda, but it has been politicised to compromise its core agenda i.e. helping the poor.

Institutional reform is not an easy task for politicians or policymakers considering the powerful influence they have on informal institutions.

Especially when race is embedded in the institutions, change can be limited.

Deep institutional reforms can only occur if political leaders put aside their interests disguised under racial consideration.

Political interest evolves around unnecessary racial demand will slowdown institutional change.

If decision is made with strong consideration to maintain political base power, it will compromise good governance.

Effective institutional change only happens if political elites put people's welfare first rather than political interests. – September 16, 2019.

** Firdaus Suffian is a lecturer at the Faculty of Administrative Science and Policy Studies, Universiti Teknologi Mara, Sabah.*

** This is the opinion of the writer or publication and does not necessarily represent the views of The Malaysian Insight.*