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# Persidangan Ketua-Ketua Perwakilan Malaysia di Seberang Laut

## GOOD GOVERNANCE

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**President of Transparency International Malaysia**

On 4<sup>th</sup> APRIL 2007 at Hotel Istana

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# Definitions

- Good Governance - by the UN Economic and Social Commission for Asia and the Pacific
    - the process of decision-making and the process by which decisions are implemented (or not implemented).
  
  - Corruption – by TI
    - “the abuse of entrusted power for private gain”
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- Role of Wisma Putra in projecting Good Governance



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# What is Transparency International?

- TI Movement

- World-wide network of national chapters
  - International Secretariat HQ in Berlin
  - Create change towards a world free of corruption
    - As of July 2006, 95 National Chapters and active in 107 countries
    - [www.transparency.org](http://www.transparency.org)
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# Transparency International Mission

- Challenges the inevitability of corruption and offers hope to its victims
  - Build momentum for the anti corruption movement
  - Raising awareness and diminishing apathy and tolerance of corruption
  - Implementing practical actions to address it
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# Areas of Corruption

- Corruption in Politics
  - Corruption in Public Contracting
  - Corruption in the Private sector
  - International anti-corruption conventions
  - Poverty and Development
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# Aims of Good Governance

- Promote culture of zero corruption
  - Curb corruption through national and international coalitions
  - Enhance accountability in the administration of public procurement
  - Strengthen public support for anti-corruption programs
  - Create awareness on the costs of corruption
  - Committed to the achievement of a socially just and equitable society within a sustainable, plural democracy that is free of corruption
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# TI-M's Goals

- An independent anti-corruption agency reporting to Parliament or an independent commission
  - Malaysia to ratify all major international agreements such as the UN Convention Against Corruption
  - Elected representatives declare their assets to Parliament or an independent commission
  - A new Information Act to replace the Official Secrets Act
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# TI-M's Plans

- National Integrity Systems Research Study
  - Integrity Pacts Workshop
  - Tan Sri Azizan Integrity Circles Project
  - Malaysian Transparency Perception Survey
  - EU- Asia URBS Project Handbook
  - Anti-Corruption Awareness campaign for Primary School Children
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# Costs of Bad Governance

## ■ **Financial**

- ❑ High cost of purchases/investments
- ❑ Low revenue (licences, permits, concessions, etc)
- ❑ Burdensome financial obligations for purchases/ investments not needed/economically justified
- ❑ Burdensome and unjustified remedial/maintenance costs

## ■ **Economic**

- ❑ Operational, maintenance and debt servicing liability for purchases/investments/costs that do not contribute/promote the economy
  - ❑ Resources squandered
  - ❑ Good investment opportunities forgone
  - ❑ Harm to external development assistance
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# Costs of Bad Governance (Cont)

- **Damage to competition / honest competitors**
    - Damages competition that could provide quality and best value for money
    - Damages honest competitors who rely on quality and competitive prices
  
  - **Damage to ordinary citizens**
    - Poor are often the ultimate victims
    - Resources squandered/wasted - not available for required social investments and spending
    - High prices
    - Low quality
    - Low public sector wages
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# Costs of Bad Governance (Cont)

## ■ **Environmental / Health**

- Environmental/health risks or damage, liabilities, adverse environmental impact from unnecessary/ non-compliance with standards or shoddy work or materials

## ■ **Erosion of Personal Values and Trust in Government**

- Personal standards of integrity are eroded
  - Quality and value for money are not valued
  - Perception that government is not to be trusted
  - Perception that corruption is not wrong
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# Prevention of Corruption

- Clear and transparent Process Rules
    - Committee decides major decisions
    - Functions to be separated
  - Clear Behavioral Rules
    - Codes of Conduct
    - Guidelines for gifts, entertainment
    - Avoid nepotism and cronyism
    - Training
    - Penalties / sanctions
    - Whistle-blower protection
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