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**Government and the Role
of Civil Service in Revitalising Economy**

INTRODUCTION

1. Good governance has been and will always be the key to a country's survival and success. Although a fully democratic political system is the more idealistic form of governance, sometimes it is elusive in practice. It is often difficult to convince the goodness of certain political system but what matter most is the delivery of the system. However, any type of political system can be appropriate governance if it can guarantee to maintain political stability, peace and prosperity as well as able to fulfil the needs and expectation of the people.

2. As for Brunei Darussalam, the administrative system is uniquely Bruneian and different from many western political systems. It is hoped that this paper will be able to describe clearly the Brunei Darussalam administrative system and its development, the present challenges that the country is facing and the role of Brunei Civil Service in revitalising its economy.

THE DEVELOPMENT OF BRUNEI ADMINISTRATIVE SYSTEM

3. Brunei Darussalam may be small nation but it has a long and vaunted history with Imperial Majesty. Its monarchic system of Brunei Darussalam has been in existence well over 1,500 years through the cycle of succession and the present king is the 29th Sultan of Brunei, who has been on the throne since 1968. Through this evolution, the monarchic system has developed a succession of spiritual leadership and brought along with it an undivided loyalty of its people, which arguably cannot be achieved over night. Looking around the world, it is interesting to see that the most stable countries and least violent and yet most caring are the monarchies.

4. The western bureaucratic practises were blended into the monarchic system through the Treaty of Protection in 1906 between the sultanate of Brunei and the British Crown. In this treaty, matters of internal affairs (other than those relating to religion) were the responsibility of the British Crown. A notable consequence of the treaty was the formation of the Brunei Civil Service, which started with modest five departments namely Treasury, Courts, Public Works, Postal Services and Police.

5. Further changes to the Brunei political-administrative system came into effect during the promulgation of the country's written constitution on 29 September 1959. This gave Brunei the internal self government and provided the sultan as the Head of State with full executive authority, assisted by five councils namely the Privy

Council, the Council of Ministers, the Religious Council, the Legislative Council and the Council of Succession.

6. When Brunei Darussalam gained full sovereign status in January 1984, His Majesty proclaimed that:

“Brunei Darussalam shall be forever a sovereign, democratic and Independent Malay Muslim Monarchy and based upon the principle of liberty, trust and justice and ever seeking the guidance and blessings of Allah (To whom we praised and name exalted) the peace and security, welfare and happiness of the people of Brunei Darussalam”.

7. There was also a notable structural change in the system of government. The sultanate adopted a ministerial structure with His Majesty's the Sultan and Yang Di-Pertuan of Negara Brunei Darussalam maintaining the supreme executive authority and occupying the Prime Ministerial Post. Ministries were created and headed by ministers appointed by His Majesty who are directly responsible to the Prime Minister for the formulation and implementation of policies in their areas of responsibility. The Chief Executive Officer of each ministry is the Permanent Secretary, who is responsible for the administration of his/her ministry and help the minister in the formulation and implementation of policies. At present, His Majesty also holds the posts of Minister of Defence and Minister of Finance. His Majesty's involvement as a working monarch reflects his commitment to a meritocratic, efficient, effective, responsive, dynamic, fairness and impartial government.

8. The government of Brunei Darussalam has twelve ministries and seventy-seven government departments and has about 50,000 employees, thus making it the largest employer in Brunei. The large number of Civil Service staff reflects the government's effort in taking care of the well being and welfare of the people through its extensive economic, social, education, health, religious, administrative and development programmes and projects.

9. Although the Brunei Darussalam administrative system is uniquely Bruneian, nevertheless the people are given freedom to express their ideas and expression through appropriate authorities. This was often mentioned by His Majesty through his titah (royal address) such as those concerning the National Development Plan:

“In the initial stages of the National Development Plan, people in this country are given wide opportunity to express their ideas, opinion and proposals to the relevant committees that have been formed. Conversely, the committees will also meet them and seek their opinions. In this context, I believe, the people are having their right for freedom of speech and expression. It has always been my intention that all my subjects will inform (relevant authorities) whatever their desires for the sake of our happiness in order to be accountable to Allah on our beloved land of Brunei Darussalam”.

10. One of the most effective avenues for the people to express their opinion, ideas and grievances is through the Village Consultative Committee, which comprise of village heads and leaders. They are elected by the people and act as a mediator

between the government and the people. Their role is also to ensure that the well being, welfare, safety and security of the people in the village of his responsibility are being taken care of. Each Village Consultative Committee has an advisor appointed by His Majesty. All of them are responsible to the Board of Organiser headed by the Minister of Home Affairs. They will meet at least once a month to discuss the current problems and issues raised at the village consultative level.

11. Under the present monarchic system of government, Brunei Darussalam is fast developing into efficient and modern state. The people of Brunei is enjoying peace, stability and prosperity, a reasonably equitable income distribution with no income tax, high employment, low levels of poverty, free education and health care, provision of land and houses for the needy. Although Malay is the majority racial group while Chinese and other races are minorities, they are living in harmony. Islam is the official religion of the country, other religions including Christianity and Buddhism can be practised.

12. Under the dynamic leadership of His Majesty, Brunei Darussalam also undertakes an outward looking policy by forging good relationships, mutual respects and bilateral co-operation with other countries through various organisations such as Association of South Asian Nation (ASEAN), Asia Pacific Economic Co-operation (APEC) and United Nations (UN). To further strengthen the bilateral relationship, His Majesty also made several working visits to countries such as the ASEAN nations, China, European and Middle East countries.

13. The new millennium will confront us with much greater challenges. Nevertheless, Brunei Darussalam will continue to strive for peace, stability and prosperity. In order to achieve these, the government is committed in strengthening and accelerating the process of nation building. It has embarked on various developments covering various areas such as socio-economic and structural reform programmes to improve the standard of living and quality of life of its people, as well as strengthening further its economy. At the same time, Brunei Darussalam is also striving to inculcate the national ideology of Malay Islamic Monarchy to its people. This does not mean to exclude non-Malays or other religions, but rather as a way of life philosophy. This is in order to protect and safeguard the people of Brunei from various undesirable social elements and illness that can challenge our country's sovereignty as well as from those influences that can trigger social disintegration and disharmony among the people.

CHALLENGES

14. In its continuous strive to improve the standard of living and quality of life of its people, the government of Brunei Darussalam have been confronted with many challenges. Its greatest challenge came from its economy, which was largely dependent on the production of crude oil and liquefied natural gas. Being too dependent on oil and its related industries makes the Brunei economy vulnerable to exogenous shock and therefore upgrading the economy remains a major task for Brunei Darussalam.

15. Brunei Darussalam has not been spared from the effects of the Asian Financial crisis. This crisis has prompted the government to cut back its spending on development programmes/projects. Improving efficiency and effectiveness of the civil service is paramount task for the government. Thus, a call towards greater efficiency, effectiveness and cost-effectiveness remains to be the main agenda.

16. The impact of globalisation as a result of strong linkages established between nations and regions through trade, investments, capital and labour flows presents every country with both threats and opportunities. Globalisation can become threat at the absence of equal players and the world become economic playing field where there are winners and disadvantaged players because of uneven power and financial status. The process of globalisation is complemented by the advancement of information technology that eases and expedites the flow of capital knowledge and information across national boundaries. This development requires every country to be competitive, thus requiring a constant review of its function and modes of operation.

17. Social changes including the increased expectation of the people as consumers of government services are challenging the quality, efficiency, effectiveness and productivity of public services. This is as a result of increasing educated citizen who are continuously exposed to outside world and who demand for higher standard of services and greater accountability. Civil servants should be held accountable for the efficient and effective utilisation of resources as well as the delivery of services. In view of this challenge, the Civil Service needs to be responsive and must learn to anticipate demands as well as able to meet the consumers' needs and expectations in a more innovative and creative manner.

REFORM AND STRATEGIES

18. The Civil Service realised that change is imperative to face the challenges. Essentially, there is a real need for the Civil Service to transform itself from its traditional role to a more supportive and catalytic role in the wake of growing regional and international competition.

19. Brunei Darussalam government is strengthening the process of nation building and to maintain peace, prosperity and stability as well as to continue the progress and development of the country. The need for enhancing elements of accountability, transparency, value for money (VFM), integrity, participation, effective leadership and commitment must be well considered by the Brunei Darussalam government.

20. To keep up with such enormous and competitive challenges, the Brunei's Civil Service have introduced and implemented various strategies designed to improve and upgrade the efficiency of the Civil Service such as:

I. Civil service reform

The government and the Civil Service in particular, needs to address what its role should be and how it should conduct its activities from time to time. This

requires a constant review of its function and modes of operation, so as to improve and upgrade the quality of services rendered to the people.

As for this reason, the Brunei Civil Service has conducted a frequent review of the current operating and administrative system, process and procedures. This is to identify whether they are still appropriate and applicable with the present situation. Any obsolete process, procedures, rules and regulation will be amended in order to bring improvement to the delivery of services and enhance the efficiency and effectiveness in government administration, which undoubtedly will promote a conducive environment for the enhancement of economic development and revitalisation. For example,

- a) The tax exemption for the pioneer status and several other licensing approvals, which formerly were under the auspices of Ministry of Finance, has been transferred to the Ministry of Industry and Primary Resources. Also, several units of the department of Economic Planning and Development (Ministry of Finance) such as Domestic Trade Unit and Tourism Unit had been transferred to the Ministry of Industry and Primary Resources in order to centralise and expedite the process of industrialisation. This is in line with the government's effort to diversify its economy so as not to be dependent on oil and related industries; and
- b) The Ministry of Finance is currently making some amendments to the country's financial policies, rules and regulations. This is to encourage more foreign investment in Brunei.

His Majesty, in his 44th birthday's speech on 15 July 1990, had also given directives to the Civil Services to review and improve their organisational performances. In response, the Prime Minister's Office initiated the Civil Service Review Programme. Its basic philosophy is to achieve improved performance in the Civil Service. The Civil Service Review Committee (JPPA) was formed on 16 November 1991. It is aimed at developing an effective, efficient, responsive, progressive and dynamic civil service. The Management Services Department (MSD) was given the responsibility as the secretariat of the committee.

At the same time, various initiatives that gear toward enhancing the culture of excellent and innovation, such as the Civil Service Excellent Award (CSEA) and The Quality Control Circle (QCC) have been introduced into the Civil Service. These efforts were not only enable the government to adopt to environmental changes, but also to continuously strive to improve the quality of services rendered to the public. On the other hand, they also encourage staff participation and ensure the sense of belonging towards change process. The CSEA and QCC also provide avenues for staff recognition and to inculcate teamwork.

The government has also provided an avenue for the public to submit their complaints and grievances in relation to the quality of service given by the Civil Service. For this, the Management Services Department (MSD) has been appointed as a complaint centre. This calls for greater accountability from the Civil Service agencies especially in fulfilling their respective client charter (a written pledge or promise made by a ministry or department regarding the quality of standard to be

delivered to the people), which has been implemented since 1995. In so doing, the Civil Service has become more customer and quality oriented.

Skilled, well educated, motivated and versatile civil servants are needed to run the government in order to achieve the government goal and objectives in developing Brunei Darussalam. The Civil Service Institute and the University of Brunei Darussalam have played an important role in formulating and implementing various training programmes for the development of skills, knowledge and quality of leadership of the civil servants. The Civil Service Institute is taking the training seriously. Those who have been selected to attend courses at the institute but failed show up are considered absent from their duties and will get salary deduction. Currently, the Civil Service Institute is looking for partners in providing “international excellence” in leadership, management and organisational development expertise and knowledge for its activities towards developing “vision driven and result oriented” leaders and organisation in Brunei Darussalam.

Apart from being well trained and knowledgeable, the civil servants also need to be very disciplined in performing their duty to the public. This is because good work ethic normally produces good quality service. They are undoubtedly crucial in projecting the image of the Civil Service as a whole. As for this reason, strategic measures has been intensified through training, seminars, publications and speeches by government leaders to inculcate positive attitude and progressiveness values among civil servants. A book entitled “Moral Pillars and Work Ethics of The Public Service of Brunei Darussalam” was also launched during the 1996 Civil Service Day. This book contains eleven key values for enhancing quality and productivity that should be subscribed by all civil servants when performing their duties and responsibilities. Similarly, a nation-wide “courtesy campaign” was launched in 1997 to create a climate of respect and team spirit as well as discipline and integrity among civil service.

II. Diversifying the economy

Appropriate measures to diversify the economy have been developed, such as through the industrialisation programme under the National Development Plan (1986-1990) and still continues to the present day. The diversification programme is spearheaded by the Ministry of Industry and Primary Resources. Among of its functions include generating conducive administrative environment for the development of economy; to encourage the active participation of the local in the development of economy; to ease and encourage the participation of foreign investors; and to ensure that the development of economy is in line with the national interest. It is also aimed at developing investment opportunities, creating jobs for the local and producing local products as not to be dependent on import.

The Ministry of Industry and Primary Resources has formulated the Industrial Development Plan (IDP) aimed primarily at promoting growth in the private sector so as to establish a wider-economic base for the country. Under the plan, the main strategic thrust is centred on four macro sector namely primary resources, manufacturing, services and human resources. The supports provided by the government included providing well developed and comprehensive infrastructure; providing more transparent rules and regulation; developing efficient

and effective processing procedures; enforcing new policies to encourage economic development; and providing financial facilities to local entrepreneurs.

The government has established industrial areas, which are provided with the basic infrastructure and utilities. Some sites have complete facilities offered at very low rates to enable entrepreneurs to venture into manufacturing industry. Sites are also been allocated for transshipment and warehousing of goods. Those companies that set up factories to produce certain products, will be given a pioneer status. They will be exempted with the 30% corporate tax for a basic period of two to five years with a possible extension of another three years, depending on the amount of fixed capital expenditure. These facilities are under the responsibility of Brunei Industrial Development Authority (BINA).

Small and medium enterprises (SME) have been identified to have a high potential in becoming major players in industrial structure in Brunei Darussalam. The Industrial Resource Centre was set up to enhance their development through the provision of financial and infrastructure assistance, entrepreneurship training, industrial incentive, technology improvement and other facilities.

The government has also set up the Semaun Holdings Sendirian Berhad, a corporate body under the Ministry of Industry and Primary Resources, to act as a government agent in accelerating the development of strategic industrial activities particularly those involving foreign investors.

The government has also identified that Brunei has a potential to become a tourist destination. Tourism policy of Brunei Darussalam centres around three concepts – local attraction, sports and ecotourism. Tourism is expected to increase the size of Brunei market depending on the volume of the visitors coming to Brunei. This will boost demand for goods and services.

Over the last few years, there has been a greater understanding locally about the viability of tourism in the country. As a result, more hotels had been built through the concession for land issued by the Ministry of Industry and Primary Resources. Efforts had also been made to train young people in upgrading their skills for work in the hospitality services.

The success of tourism has been very encouraging. In 1996, Brunei received about 840,000 visitors, a 68% rise from 1995. From January to September 1997, there were around 650,000 visitors to Brunei Darussalam. The year 2001 has been set for the “Visit Brunei Year” and currently, the Tourism Unit of the Ministry of Industry and Primary Resources is busy undertaking aggressive marketing and promotion of Brunei Darussalam through various event and media in Japan, Europe and ASEAN. Various tourism activities have been planned for the “Visit Brunei Year” ranging from food festival to shopping carnival. Nonetheless, since the benefit of this tourism activities is for private sectors, the government role is only that of the prime mover behind the quest to boost commerce in the country. Therefore, the success of the “Visit Brunei Year” is dependent on the participation of the private sectors.

The development of BIMP-EAGA (Brunei, Indonesia, Malaysia and Philippines – East Asian Growth Area) is also the Brunei Government's strategy in diversifying its oil-based economy. The concept of EAGA is to utilise various resources from different countries such as labour and capital in the production of goods and services. Brunei is already the secretariat of BIMP-EAGA. Brunei is aiming to become the Service Hub for Trade and Tourism (SHUTT) for the BIMP-EAGA region by the year 2003. This is because Brunei has the strategic position among the grouping as well having excellent infrastructure such as roads, telecommunication system, port and airport facilities and banking and insurance services. In relation to this, the government has privatised the management of the Muara Container Terminal (MCT) and awarded it to a joint-venture company of the PSA Corporation Ltd (Singapore) and the Archipelago Development Corporation (Brunei) on March 1999.

III. Expanding the private sector role

Most of the country's economic and physical developments were government generated and this has put so much strain in the government's account particularly at the present budgetary constraint. In response, the government has called for wider private sector participation in accelerating the economic growth. Among measures taken were to privatise, corporatise and contract-out some of the government functions and activities. The Special Privatisation Committee was formed in 1994 to study and implement privatisation project proposal submitted by ministries and departments.

There are several government entities that have been privatised such as the privatisation of domestic waste collection, the privatisation of cellular mobile network and the contracting out of several Port Department's functions. With the implementation of these privatisation programmes, the government managed to reduce the size of civil services, optimised the government expenditure, relieved the government from the administrative burden and at the same time improved the efficiency and effectiveness of the service.

The Brunei Civil Service's role will continue to respond reactively and proactively to the needs of the private sectors, that is by creating and providing a conducive environment for a rapid economic growth. The public and private sectors need to work together in establishing a competitive, dynamic and resilient economy through the notion of "Brunei Incorporated". What this means is that the private sector will be the primary engine of economic growth, whilst the public sector will provide the major framework and direction.

The closer collaboration and co-operation between the two sectors were further intensified with the formation of the Brunei Ministerial Economic Council (BMEC) in 1998. This special body comprises representatives from the government, the main chambers of commerce and the private sectors. The aim of this body is to help the country to deal with present financial crisis that affects the ASEAN region. The BMEC will also provide forum or open discussion for both sectors to discuss and exchange views on government policies, programmes and activities that affect the private sectors, particularly in matters pertaining to trade, investment, business and finance.

CONCLUSION

21. Good governance is essential for the creation of prosperity, harmony and stability as well as for maintaining continuous progress and development of the country. It is even more challenging in the current period of economic instability and financial crisis that are sweeping this region. Fortunately, Brunei is least affected since it has abundant resources. The people of Brunei Darussalam are still enjoying free education and health care and the subsidised housing project for the needy is still progressing well.

22. Depending on the irreplaceable resources of oil and gas alone may not guarantee our future success and survival. The previous experiences have indicated that too dependent on oil makes the country vulnerable to external pressure such as the fluctuation of oil price affecting Brunei's revenue. In response, the government calls for the Civil Service to be more prudent in their spending. At the same time, a comprehensive review of the government administrative system needs to be conducted in order to upgrade and improve out-dated systems and procedures, rules and regulation as well as ameliorating the overlapped functions of ministries and departments.

23. The dependent on the government for economic and social development as well as for a source of employment can put further strain on the government's purse. As for this reason, the government has been making efforts to transfer some of their activities and functions to private entities or corporate agencies. This is also to encourage more private sectors' participation in the development and revitalisation of Brunei's economy. On the other hand, the government's roles will then become a facilitator, regulator and catalyst that can provide a conducive environment for economic growth. A closer collaboration and corporation between both the public and private sectors is crucial in steering the country through the economic crisis. In this context, the formation of the Brunei Ministerial Economic Council (BMEC) is in the right time.

24. The government has also undertaken appropriate measures to diversify the economy such as through the industrialisation programme, which is spearheaded by the Ministry of Industry and Primary Resources. This measure is to establish a wider economic base for the country and to date, the result of all these concerted efforts has been encouraging. A progress report of the Seventh National Development Plan (1996-2000) had indicated a significant increase in non-oil sectors, in particular, in the commercial, services, construction and manufacturing sectors. The contribution from oil and related industries has declined from about 99% of GDP in 1985 to about 36% of GDP in 1996.

The future success of this programme can be further enhanced with the help of a well planned human resource development programme for both the government and the private sectors' employees so that they are equipped with the required skill. The present rules and regulations need to be reviewed in order to provide incentives for foreign investors to set up their industries in Brunei Darussalam. The small and

medium enterprises (SME) need to be assisted so that they can become major players in the future industrial structure of Brunei Darussalam.