

## EPITOME OF A GOOD STATE: EXPLORING NICHE VISIBLE FEATURES OF MALAYSIA

Mohd Rozaimy bin Ridzuan<sup>1</sup>, Noor Amira Syazwani Abd Rahman<sup>2</sup>, Wan Sumayyah  
Syahidah Wan Mohamad<sup>3</sup>

*1, 2, 3 Faculty of Administrative Science & Policy Studies, Universiti Teknologi MARA Pahang, Kampus Raub,  
Malaysia*

<sup>1</sup>rozaimy@uitm.edu.my

<sup>2</sup>amirarahman@uitm.edu.my

<sup>3</sup>wansumayyah@uitm.edu.my

**Abstract:** After more than 50 years of independence, many successes have been achieved, which enable Malaysia to become a role model for other countries. Two decades of Mahathir's leadership have resulted in Malaysia becoming more internationally recognised as a model of stable, multicultural and developing country with a relatively impressive economy. Hence, this paper attempts to acknowledge and explore several visible features that makes Malaysia a country to be embraced and respected. Specifically, this study aims to find out why other countries see Malaysia as their role model in specific areas or fields. Methodologically, this study utilizes a content analysis of the primary sources. The findings of the study would be beneficial in contributing to the existing body of knowledge.

**Keywords:** Benchmarking, role model, niche, foreign policy

### Introduction

Malaysia is one of the developing countries which has achieved successes in various areas. The country needs to manage its successes to maintain its achievements. For about four decades Malaysia is able to achieve rapid economic growth and diversified its economy. Malaysia has sustained over four decades of rapid, inclusive growth, reducing its dependence on agriculture and commodity exports to become a more diversified, modern and open economy. GDP per capita is now better than other OECD economies, while poverty and income inequality have reduced significantly (Koen, Asada, Nixon, Mohamed Rizwan and Abu Zeid, 2017). Besides that, Malaysia could be regarded as a role model among ASEAN nations since it has focused on industrialization and modernized production approaches through sound policies to attract foreign investors.

### Research Methodology

The methodology used in this paper is library research. This method is carried out by gathering the relevant information related to the subject from various sources, particularly presentations and conference papers and analyzing them accordingly.

### Findings and Discussion

#### Haj Management

Islamic financial industry in Malaysia is well developed and other countries all around the world can choose Malaysia as a role model in the growth of such industry (Mohamad Akram, 2008). Previously, Muslims in Malaysia preferred to place their savings at improper places such as under the pillow, mattress or even buried for safety purposes. Some of the rural people also choose to sell their lands and livestock to finance their journey expenses to the Holy Land. After that, the Islamic Financial System was developed with the establishment of Pilgrimage Fund (Tabung Haji) TH in 1963 as the first Islamic savings institution (Mohamad Akram, 2008). Habibah Yahaya et al. (2016) contended that TH became a role model for effective and efficient hajj management for most Islamic countries in the world. Lembaga Tabung Haji Malaysia is the first financial Islamic institution in the world to manage the Hajj pilgrimage through savings services that are based on Shariah compliance (Habibah Yahaya et al.,

2016). TH is a good vehicle for the Malaysian Muslims to foster savings and investments. The incorporation of TH as a single pilgrimage organisation solely responsible for hajj management with branches throughout Malaysia and cordial working relationship with Saudi Arabia has provided the infrastructure to implement improvements efficiently for the management of the hajj pilgrimage of Muslims in Malaysia to Saudi Arabia (Mohd Shuhaimi, 2011).

Algeria is one of the countries that choose TH as a benchmark as they are interested in the way TH manages the Haj and its Islamic financial services (Suat Ling, 2018). Besides, Palestine also wanted to learn from TH since the institution expanding their business in excellence achievements and are obtaining world recognition. TH is suitable to be called a successful institution in the field of Islamic finance and banking. Its activities are divided into three major areas such as Depository, providing savings services based on Shariah compliance, Hajj Services in Malaysia and Mecca, and Investment. In addition, TH also organizes more than 500 Corporate Social Responsibility activities to help various groups of people such as asnaf, poor students, the contribution of medical equipment to certain hospitals and so on (Habibah et al., 2016). TH is the platform for Muslims to save their money without doubts and their major concern is to preserve the purity of the profits gained, and avoid trading in prohibited products (Habibah et al., 2016).

### **Malaysia is seen as a role model on anti-corruption**

Datuk Mustafar Ali who is the deputy commissioner on prevention of MACC contends that Malaysia is seen to be a role model for other countries in terms of the way the government combating corruption. It is proven whereby all prosecutions cases are attended quickly since Malaysia has 14 special courts for corruption (The Straits Time, 2015). Besides, a database known as 'name-and-shame' is also introduced and employed by the MACC to upload the details of those who have been convicted for corruption (Kaos, 2015). Besides that, the seventh Prime Minister Tun Dr Mahathir Mohamad was invited to address the 10th Annual Conference and General Meeting of the IAACA. It shows that the International Association of Anti-Corruption Authorities (IAACA) sees Malaysia as a role model in the fight against corruption (Raj, 2019).

Raj (2019) also further explained that Tun Dr Mahathir Mohamad has been invited to Vienna, Austria to give a speech at the 10th Annual Conference and General Meeting of the IAACA to highlight the efforts and commitment of the Malaysian government in the fight against corruption and to show Malaysia as a country which strongly upholds the principles of good governance. Besides that, Pakistan is keen to learn from Malaysia on how to fight against corruption (International The News, 2019). The government also introduced Whistleblower Protection Act 2010 to encourage the citizens to disclose information about any wrongdoings committed by other people. The Act will protect whistleblowers from any act prejudicial effect of disclosure has been made.

### **Public-Private Partnership (PPP)**

Tun Dr Mahathir who was the seventh prime minister has the distinction of being the only Asian head of government taking part in the Third International Conference on the Emergence of Africa (ICEA-III) at Abdou Diouf International Conference Centre (CICAD). The conference provides the avenue for him to share the achievements of the public-private partnership in Malaysia (New Straits Times, 2019).

In Malaysia, there are two main methods of PPP which are Privatization and PFI (UKAS, 2010). The 'Malaysia Incorporated Policy' emphasized the need of a new economic model whereby both public and private sectors are hand in hand in order to enhance Malaysia's competitive advantage. The public sector acts as a facilitator and complements the private sector. The government also enforces deregulation in order to reform public administration and to achieve rapid development for the country (Rahman, 1993). PPP was adopted in Malaysia to reduce the financial and administrative burden, improve productivity, ensuring rapid economic growth and to help meet the national economic policy objectives (EPU, 2006).

In 2009, UKAS was formed to strengthen and build up strategic PPP by emphasizing the principles of transparency and integrity in stimulating the economy of the country. The major roles of UKAS are to act as secretariat to PPP Committee. They will process and evaluate PPP projects and suggest potential projects to the government, negotiate the contract of the PPP, monitor the projects of PPP, Facilitation Fund and Corridors of Development in Malaysia (Khairuddin et al., 2016).

## Halal Products

Malaysia has been regarded as the example for the growth of the world halal food industry through the effective implementation of halal laws (Rokshana, 2018 and Musalmah, 2005). Italian-based World Halal Development (WHAD) President Anna Maria Aisha Tiozzo highlighted that Malaysia is highly respectable in terms of becoming the global leader in the growth of halal products standards. Italy had learnt a lot from Malaysia, which adopts the concept of halal that was very high in terms of quality and certification (News Straits Times, 2016). The President also further contends that Italy is facing problems in halal certification and the recognition of registration of the products and wanted to learn from Malaysia since Malaysia's halal products are famous all over the world (News Straits Times, 2016).

In Malaysia, the Government puts a priority on the cleanliness of the food products by enforcing a certain standard. Thus, Malaysia was known as the best example in the world in terms of halal food as the effort of enforcing the quality standard is recognized by the Codex Alimentarius Commission (Tajul Ariffin, Nik Hadiyan and Siti Hasnah, 2014). From the global halal perspective, Malaysia has been regarded as a role model in developing halal standards and institutionalization.

In order to respond to the demand of Muslim consumers, the Malaysian government has introduced halal certification in obtaining the renowned halal industry. According to Aiedah (2015), Malaysia's federal government is the only government in the world that supports halal certification processes. In 2004, Malaysia has also launched the Malaysia International Halal Showcase (MIHAS) as the largest halal trade fair in the world and it can be seen as a good indicator for the government to transform Malaysia into a global halal hub. Now, Malaysia has become a prominent player in the halal industry as the government plays a continuous effort in positioning Malaysia as the world's halal-hub (Aiedah, 2015).

## Integration among Ethnic Groups

Although some people might question that ethnic unity in Malaysia is fragile as the sensitive issues can easily trigger an ethnic dispute, Malaysia can still be seen as a model for a country that manages their ethnic relations effectively (Azeem Fazwan and Mohamad Zaini, 2007). Pakistan is one of the countries that wanted to learn from Malaysia especially in terms of the policies of the government to unite all races in the country (International The News, 2019). Although some might be doubtful about the racial unity possessed by Malaysia, the incidence of outward hostility among ethnic groups has been reduced significantly (Azeem Fazwan and Mohamad Zaini, 2007).

## Conclusion

Malaysia, once considered a poor country post-Second World War, had developed in leaps and bounds to what it is today. Many Muslim countries view Malaysia as a special and an admirable country and consider it to be the best example of an Islamic nation's development. Its unique experience can serve as a model to follow by other developing countries especially those countries with similar multicultural settings and natural potential. Malaysia can remain an exemplary nation in realizing a spirit of unity between people and religions if the people continue to adhere to the principles of good ethics and to obey the laws provided.

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