PUBLIC PROCUREMENT
FRAUD IN MALAYSIA: A Political Economy Approach

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BIG PUZZLE????

WHY does procurement fraud PERSIST in the Malaysian Public Sector?
-to investigate the possible factors accountable for the persistence of public procurement fraud in Malaysia

0 - an understanding of the nature and extent of public procurement fraud in Malaysia
THEORETICAL FRAMEWORK: POLITICAL ECONOMY THEORY

1) Dynamic of political and economic institutional arrangements

2) Rational behavior of economic man

3) Public policy environment

4) Government-business interactions
1) DOCUMENTARY ANALYSIS
   - Secondary sources
   - Publicly available data

2) SEMI-STRUCTURED INTERVIEWS
   - Via Snowball Sampling Method (SSM)

{"network"}
1) 13 REGULATORS (procurement officers)

2) 13 PUBLIC PROFESSIONALS (public auditors, ACA, PDRM)

3) 5 POLITICIANS (both ruling and opposition party)

4) 4 MEDIA ACTORS

5) 5 ACADEMICS

40 in total
1) Political and Economic Forces
   - the practice of political business
   - Close and intimate relationship

2) Check and Balance Mechanisms
   - Not good enough
   - Independence
3) Procurement Practices
- Complexities
- Technicality of law
- Lack of evidence

4) Professionalism of Public Officials
- Vital role
- Fear of obedience

5) The Malaysian Society
- Successful ideology
- Money culture
1) To investigate a sensitive and controversial issue
2) Produce fear of ‘exposure’>SSM
3) Lack of publicly available data
4) Logistical challenges
5) Transcribe and translate>time consuming
6) Qualitative research
CONTRIBUTIONS

EMPIRICAL CONTRIBUTIONS
- complex, sensitive and controversial issue
- public sector settings
- Malaysia
- Literature: procurement fraud, business and government practice, governance, accountability
- Qualitative research

THEORETICAL
Pushes the boundaries of Political Economy Theory:
- Dynamic institutional arrangements
- Government-business framework
- Public policy process

BEST Ph.D. PAPER
- at 15th European Conference on eGovernment ECEG 2015 at University of Portsmouth, UK on 18-19 June 2015
THE STUDY IMPLICATIONS ON GOVERNMENT POLICIES

1) To improve Governance System

2) Strengthening the Existing Law

3) To Promote Accountable and Transparent Procurement Practices

4) Bolster the Civil Service

5) Change the Mindset
THANK YOU