

## Research Article

# Good Governance and Strong Institutions in Achieving Sustainability for the Benefit of Society

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## ABSTRACT

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A sustainable society is based on peace and justice whereas poor governance results in chaos and deterioration of society. The given paper offers brief information about trends in sustainable development in the context of the seventeen UN Sustainable Development Goals (SDGs), specifically SDG 16: Peace, Justice, and Strong Institutions, which highlights the importance of governance and institutional integrity as the means to achieve society stability, justice, and people trust. Institutions are the protectors of the rights of citizens; hence their openness, responsibility and capability are the key priorities of the country. The SDG 16 target is to establish effective inclusive and trustworthy institutions to fight corruption and enhance public trust by 2030. In this context, two primary aims, 16.5 (reducing corruption and bribery) and 16.6-16.7 (developing accountable, transparent, and participatory institutions) are quite applicable to the situation in Malaysia. Within the Madani governance initiative, Malaysia aims at institutionalizing clean, responsive and inclusive practices of governance at the federal, state and local levels. Comparative studies to the world governance models show that institutional reforms are the key to sustainable development. Countries with integrity and justice in their institutions will be in a better position to keep a country at peace, equitable development, and win the trust of the citizens. Finally, good governance and good institutions are not only administrative requirements but also moral requirements to the maintenance of peace, justice and prosperity in the society.

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**Introduction**

*"Nothing is possible without men, but nothing lasts without institutions." – Jean Monnet*

There is a latest trend in governance literature and sustainable development which presents cutting edge knowledge from the available literatures on the emerging ideas, concepts, theories, and study trends on issue of poor governance and unsustainability due to lack of social justice. This motivated us to examine this issue at different levels of governance that may include but not limited to ethical governance but institutional management through public policy, green finance and sustainable economies, talents development across all industrial sectors through sustainable operations, information system management including AI, and international trade and business encompassing strategy and entrepreneurial renaissance. Henceforth the writing on wall that mismanagement and a weak governance becomes the primary source of bleeding for a call of

fair and just society. This study is an enabler for readers to gain quick insights to recent trends in sustainable developments across seventeen SDGs while providing extensive information and guidance in an area of peace and social harmony, in the interest of SDGs (sustainable development goals).

This particular sustainable development goal is meant to promote peaceful and inclusive societies. This is necessary for any sustainable development. This will also provide access to justice for all and build effective, accountable and inclusive institutions at all levels-federal, provincial and local governance. This is aimed to minimise, if not erase altogether any conflict is as simple that sparks a sense of insecurity due to a weak foundation of institutions, quite often due to power abuse, and limited access to justice, remain to be seen as main reason and great threat to sustainable development. This has created a catastrophic situation due to which number of people fleeing war, persecution and conflict recently had exceeded 70 million in 2018. This figure is highest level so far recorded by the UN

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refugee agency (UNHCR) in approximately 70 years. In the year 2019 alone, the United Nations tracked 357 killings and approximately 30 enforced disappearances of human rights activists, defenders, journalists, and trade unionists in 47 countries. And Israel is main source of these numbers alone during last two years. Furthermore, this number is not very accurately captured since the births of around one in four children under age 5 worldwide are never officially recorded. This scenario is often depriving them of a proof of legal identity crucial for the protection of their rights and place of births and for access to justice and social security.

The Merriam-Webster (*"Institution," 2025*) dictionary attempted to define the word an "institution" as an established agency or corporation. This may include agencies such as a bank or an academic institution and university) especially a policy matter of a public interest and character. From this simple definition it can be understood that institutions are large and powerful entities that can be either privately owned or public in nature. Publicly owned institutions are established by the government for the purpose of benefitting citizens. These institutions can take the form of universities, banks and enforcement agencies. The powers of these bodies are wide and their impact on ordinary citizens lives are large. They control either one or several important aspects of public life which could range from education, job security and financial freedom. Seeing as these bodies are extremely important their leadership is often the subject of hijack by irresponsible leaders that appoint their own people to the top instead of the most competent. In excess this practice of cronyism can lead to bad governance due to inefficiencies within the bureaucracy, corruption and misuse of public funds and criminal breach of trust.

In Malaysia public perceptions towards many governing bodies or institutions is mixed. According to a study by Ipsos in 2020 (Ipsos, 2025), the trust of citizens to many institutions has decreased over the past 20 years. Public trust in government is down to 59%, the media is down to 58%. Public figures in government such as ministers also rank low with 53% public trust. However, teachers, doctors and scientists rank much higher all crossing the 80% threshold. The judiciary has received 75% public approval and the armed forces at 82%. It seems that the less an organisation is dealt with by the executive branch if government the higher ranked it is. This would be logical as the people are aware that politicians can abuse power at any time and work for their own benefit instead of the public gratitude. This is why and the reason behind, SDG 16 was established by the United Nations (UN) in 2015.

The SDG 16 is stated in the UN documents for peace, justice and enabling strong institutions paving the way to better governance. It is a goal for strengthening the nations' justice system and provide justice to all classes of society. This is only possible through strong institutions. There are several SDG targets within this goal, nevertheless the most appropriate and relevant to the discussions of institutions in Malaysia particularly are 16.5, is close to our hearts. Government of Malaysia under the tag of 'Madani' form of governance is all out to manage this menace once for all. This is meant to reduce corruption and bribery in all their forms. The sub of this, sustainable goals is to develop effective, accountable and transparent institutions at all levels (16.6) to ensure clean governance and to ensure responsive, inclusive, participatory and representative decision-making at all levels of governance at federal, state and local levels (16.7). These three sub criteria and targets are the focus of this paper as they are essential and to tackle the root causes of challenges in administration of justice and able governance, otherwise happens because of weak institutions.

How to reduce corruption and bribery substantially in all their forms

The Sustainable Development Goals or SDG 16 (target16.5) aims to promote peaceful and inclusive societies. Moreover, it aims to ensure that justice is accessible to all with the efforts to build institutions that are effective and accountable.

SDG 16 has a total of 12 targets and 23 indicators, and we will be focusing on 3 of these targets which are 16.5,16.6 and 16.7.

The SDG 16.5 aims at significantly lowering and minimising corruption, misuse of power and bribery in any of its manifestations. Their forms are as follows:

1. Bribery: The act of handing over of money or any other thing of value in order to manipulate an act performed by another person.
2. Embezzlement: This is the theft or misappropriation of funds or utilizing of a property. This normally happens within the office or corporate environment.
3. Nepotism/Cronyism: The favouring of relatives or friends against non-relatives.
4. Extortion: Use of threats on someone to do something or we give him or her money.
5. Fraud: To cheat others in order to achieve an undue benefit or advantage.
6. Collusion: A crime where one partner conspires with another partner to commit some fraud.
7. Patronage: Making favors to other people like offering employment opportunities in exchange of political assistance.
8. Influence Peddling This is a situation where an individual uses his or her position or leverage to receive favors in exchange of other advantages.
9. Money Laundering: Converting black money or illegally acquired money into legal money by use of a chain of commercial transactions.

This SDG target has 2 indicators. These are first, 16.5.1 which indicates the proportion of people who had a minimum one contact with a public official and who bribes to a public official or were asked for a solicited monetary favour by those public officials, during the previous 12 months.

This indicator is very essential in knowing how often citizens deal with corrupt officials in return for favours or for them turning a blind eye.

Global trends show that about 19% of individuals reported that they were asked for a bribe or paid a bribe to public officials. This statistic was gathered from 138 countries from the years 2015 to 2022. It was noted that bribery was more frequent in low-income countries with an average of 32%, compared to 9% in high-income countries.

Bribery perceptions often change with time and Germany is the best example for that. In 2015, the proportion was at 4.65% but it declined to 3.66% in 2017 and rose back again to 11.56% in 2023. The reason for these fluctuations might be due to increased public scrutiny or changing political climates in the country.

On the other hand, there are some countries with consistently high percentages of bribery. Bangladesh is reported to have high rates of bribery such as 31.32%, 28.91% and 35.02% across different administration sectors. These numbers indicate the institutional challenges in both transparency and accountability.

According to the SDG indicator, Malaysia is classified as 'Partially Available, Need Further Development'. This proves to show that there is insufficient data required to analyse and monitor bribery in Malaysia but however, some data still exists. Surveys and other methods are used to better capture the rate of bribery in the country. Despite the limited information, Malaysia has implemented several initiatives to combat bribery. These include policy reforms which encourage transparency and

accountability. Furthermore, there are many campaigns to educate the public on the severity of bribery and how it affects the country across all sectors. Lastly, the Malaysian Anti-Corruption Commission or MACC are the main investigators of high-profile bribery cases which attract attention both locally and internationally.

SDG indicator 16.5.1 is not only a measure for good governance but it is also a requirement for a society with inclusive development and trust from the public as high rates of bribery shows the public that administration is weak and ineffective in institutions tasked with serving the public interest.

It is without doubt that strong institutions are the backbone of clean governance. Bribery has no place to thrive when legal frameworks are enforced with no regards to position and power as public services will be more transparent in delivery and management bodies will be more resourced and independent. Countries that have invested tremendously in anticorruption agencies have shown improvements in reducing bribery and thus, increasing the trust the public has in the country. As such, it is important to prioritize integrity, the enforcement of law and inclusive decision-making when combating bribery.

Data on indicator 16.5.2 is normally gathered by means of nationally representative surveys of businesses, such as, but not restricted to, Enterprise Surveys of the World Bank. These surveys also ask about whether the businesses were bribed by the governmental authorities or not, whether the bribing was done directly by the government or the companies were bribed willingly to receive better treatment and speed up the services (World Bank, 2024). The indicator is determined as percentage of firms that reported that they were asked or paid a bribe amongst the firms that had official dealings during the reference period.

The measure is essential in defining the institutional flaws and evaluating the honesty of the service delivery by the government. Bribery in high levels in business-government relations negatively affect the economic growth of a country. They cause inefficiency, increase transaction costs, distort market competition, and undermine trust of people in the governance (UNODC).

2020)4. Furthermore, corruption may act as a deterrent to domestic and foreign investment, subvert legal systems and may disproportionately impact small and medium enterprises that may not have enough resources to overcome corrupt systems.

Politically, Indicator 16.5.2 allows national governments, international organizations, and civil society actors to keep track of the progress in the anti-corruption process and develop evidence-based policies that can enhance the levels of institutional transparency and accountability. The indicator is also a good cross-country indicator to compare the prevalence of bribery and determine the effectiveness of reforms in the long-term.

### **Build strong, responsible and open institutions of all levels**

SDG 16 (target 16.6) a project that seeks to establish effective, accountable, and transparent institutions on all levels. Institutions form the basis of the government, and they are mandated to provide the people with the desired public services in a fair and efficient manner, rule of law and accountability. The institutional inefficiency and institutional failure types that SDG 16.6 attempts to rectify are:

1. Absence of transparency: When a government hides information on how they do their activities and make decisions, it makes it possible to be corrupt and make poor decisions.
2. Lack of accountability: Government officials/institutions failing to hold themselves accountable to their actions which may result in abuse of power and laxity.

3. Ineffective delivery of public services: Installing failure to deliver timely and quality services, which impacts on the welfare of the people and trust to the institution.
4. Weak oversight systems: In cases of inadequate checks and balances, it will be possible to have mismanagement or corrupt practices thriving unimpeded.
5. Political interference: In case institutions are not independent and guided by political interests, which compromises the impartiality and justice.
6. Low participation of citizens: In situations where communities and stakeholders are not involved in decision processes, the communities do not have the opportunity to have policies that suit them.

IND16.6.1 is a measure of SDG 16.6.6, which monitors the percentage of the population that believes institutions are effective, transparent, and accountable. This step is vital in that it indicates the performance of the institution as well as the rate of public trust and confidence in governance mechanisms (Transparency International, 2025).

The reforms that are needed to create strong institutions and include digitalization of the public services, independent audit bodies, oversight bodies, open data programs, and ways in which citizens can take part in the governance. Those nations that have afforded these changes have generally enjoyed a better civic turnout, less corruption and better social integration.

### **Clean and good governance**

Countries including Malaysia, governance is the important aspect that everyone needs to bear in mind because it portrays how the authorities act towards it. Many corruptions, injustice, and integrity have been compromised in these Muslim countries and these issues concern everyone. For example, our City Hall and local governance, has gone through many issues here were such as the funds from government had lost, missed, and untraceable. Thus, this issue needs to be dealt with some appropriate ways possible because it relates to corruption matters where people can see and realise them obviously. When this happens, everyone will trigger to point fingers at the enforcement and government because they have authority to make something illegal to fix it and this, otherwise will oppress people mainly for the low incomes. According to the recent news, allocated funds in about RM2.835 billion for the 2025 budget which is an increased amount of about 6.57 percent or RM175 Million compared to 2024. To be mentioned here are RM2.196 billion (77.5%), will be funded for local governance while RM638.65 million will be consumed for development. Lastly, about RM63.75 million of development expenses will be financed by the Federal Government grant (Izahar, 2024). All these things have not seen any progression of them which spark the people to ask about the tax payers' money. Surely, it is and issue and against the integrity of a clean and good governance which lead to a lot of problems and needs some good solutions.

### **Malaysia governance compared to other countries**

There are many countries out there that have clean governance with the practices and methods they used to maintain their countries in a good shape for many aspects. For some reason they are ahead of us and able to be a highly developed country in a long time possible compared to Malaysia in the past that is still struggling to handle the mess through anti-corruption commission agency with so many problematic things happening every year, months and weeks. Thus here, the study will highlight the comparison between Malaysia and other countries in clean governance aspects for us, Malaysian to emulate in the long term to achieve an image of clean and ethical governance by institutions enshrined in policies and our constitutions.



## Denmark

From the aspect of corruption, Denmark ranked 1st with the score of 90 in the world compared to Malaysia at the 57th place with the score of 50 in 2024 (Barua, 2025). This indicates a huge range between them to be a better country or at the very least there is a country with a stable governance structure. As it has been mentioned in the statistics that Malaysia at the very middle rank which we can recognise that it has a lot of issues regarding corruptions such as bribery, abuse of power, embezzlement, and many more that make Malaysia a backward country. Many people suffered with this problem in a long time. Also, Denmark was having a disparity between high income nations and upper middle-income nations where the strong welfare system plays a crucial role to support their economic life that make them more equal to the people (Causa et al., 2016).

## Japan

Other country that always with good environment is Japan. Apart from its cleanliness of environment, they also have a good rank in the index, which is 20th with the score of 70. At the very least in Asean countries, which close to Malaysia and able to be compared with. Japan has low corruption issues because of their close relationships between politicians, bureaucrats, and business people (Carlson, 2022). As for the people, they will take this as a good example for comparison that Malaysia can follow too. In order to make a huge change to the country, they must correct the governance structure first and make it in understandable way. Also, Japan has good ethical conduct in their culture. For example, workplace ethical where they are working with the high intense commitment, ethics, and extreme dedication to the company and the work with the high responsibility (Jain & Jain, 2025). These things that make the country better and developed rather than Malaysia.

SDG Indicator 16.6.1 is also an instrument of institutional effectiveness in addition to being a pillar to the development of public trust and social cohesion. When the government is responsive and accountable, effective and transparent delivery of public services will show this, which supports the principles of good governance (World Bank Group, 2018). On the other hand, poor institutional performance may be an indicator of unreliability, which tends to solidify the impression of negligence, favouritism and inefficiency.

The quality of governance in any country is a direct result of the effectiveness of the institutions that are in the public. System digitization, external control and responsibility of officials help to make systems resilient to abuse and mismanagement. Malaysia has a chance to improve reforms that focus on performance-based assessment, open data access and citizens participation in feedback of the policy. The nations which have strengthened their state institutions in terms of transparency programs as well as service provision reforms experienced increased civic engagement and satisfaction. Thus, it is important to invest on institutional capacity, established monitoring tools, and the administrative culture based on integrity, inclusivity, and responsiveness as key to clean governance.

**Make sure there is responsive, inclusive, participatory, and representative decision-making on all levels.**

This SDG target (target 16.7) means that the government should make decisions that are necessary to the people, policies enacted by the government should signify what the people need. The decisions arrived at should be inclusive of every class in the society such as social class, gender, religion and ethnicity. The government should not be left out to address their problems.

Inclusive and responsive decision-making leads to building of trust in institutions, allowing the voice of the marginalized to be heard, and making sure that the policies are

made with regards to the needs of the entire society. People are able to exercise their freedom by are able to vote, organize, protest, or be involved in policymaking. Governments have a higher probability to meet the needs of the society, be it eradication of hunger or a supply of clean water. Malaysia has shown a good commitment to SDG 16.7 in a well-planned way. The SDG Roadmap Malaysia Phase II (2021-2025) has put national development plans and SDG targets into alignment and established monitoring and evaluation structures to enable the tracking of development progress and empower the local authorities and communities to become the owners and participants of SDG efforts. The work of Malaysia is presented in Voluntary National Reviews (VNRs) and Voluntary Local Reviews (VLRs). As an example, cities such as Penang, Kuala Lumpur and Melaka have documented their SDG progress, and Selangor has created a Voluntary Subnational Review (VSR). All-Party Parliamentary Group on SDGs has also been established by the government to improve coordination and monitoring.

## Conclusion

To conclude, it is clear that institutions are the backbone of society that carry out the functions that dictate the lives of millions of people. Without them many of the processes that happen so flawlessly and effortlessly in a nation would be high impossible. It is clear that these entities are extremely powerful and influential. Thus, their importance is established.

What is more important than the institutions themselves are the integrity if the management of these places. Without a safeguard to ensure that there is no abuse of power or corruption havoc will run amok. A society will become unbalanced because they will not be able to trust the ones meant to work for their benefit. In this paper, we have observed that cleaner institutions lead to cleaner governance which benefits all levels of society. Our concluding statement is that all parties should work towards a more fair and just society thought the establishment of independent and cleaner institutions for the benefit of society.

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