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Expanding Bumi middle class

LAST Wednesday, Prime Minister Datuk Seri Dr Mahathir Mohamad expressed unhappiness with the evolution of middle-class Bumiputeras. The Bumiputeras in the corporate world have done well as have the petty and small traders. But sandwiched in between are many who cannot even afford to buy their own houses. Clearly then, concerted strategies must be worked out to create more middle-class entrepreneurs.

On Sunday, Entrepreneur Development Minister Datuk Mustapa Mohamed fleshed out the thoughts of the Prime Minister. He said six ministries would jointly draw up a programme to produce more small Bumiputera businessmen. To be chaired by Deputy Prime Minister Datuk Seri Anwar Ibrahim and to be attended by Menteri Besar and Chief Ministers, the March 17 meeting will assess existing entrepreneurial programmes and work out new strategies.

Such an integrated approach that ropes in the involvement of the State Governments is welcomed. But the authorities should heed some facts cited by two sociologists last week on why many Bumiputeras opt to remain salaried workers rather than venture into business. One is the fact that a large number of Bumiputeras who are in the middle-income bracket face debts arising from housing and car loans. Two, this group places a priority on saving for their children's education. Both factors deter Bumiputeras from taking risks that entrepreneurship necessarily entails.

As Mustapa pointed out, among the Bumiputeras are a large pool with substantial savings. An estimated 64,000 of them have the maximum investment of RM100,000 each in Amanah Saham Bumiputera and another 2,000 have savings of RM100,000 each in Tabung Haji. These six-figure savings can easily be used as seed money to establish small entrepreneurships.

Clearly then, the number of potential small businessmen is there. The small businesses, especially franchises of fast-food outlets and petrol stations, are there. But what needs to be done to create more middle-class businessmen is to instil attitudinal changes. Also basic management skills, like maintaining accounts.

Thus, the programmes that the authorities will work out should address the issue of risk-taking and the benefits it will bring about. If the middle-class Bumiputeras cannot be nudged to take risks, the Government cannot expect to expand the Bumiputera middle-class business.

Emphasis should also be placed on training the potential entrepreneurs to maintain accounts of their business. They should be taught that the cash in the till is not their own to be pocketed and spent on whatever their heart desires. They should be told that revenue does not equate with profits that could only be worked out at the end of the month, half-yearly or annually, after bills from suppliers, rental of premises and wages of workers are taken care of. More importantly, as Mustapa said, the potential businessmen should be warned not to rely on the Government. Rather they should be educated to use their initiative and take risks if necessary as they enter the world of business. The Government has created a healthy business environment which can and does nurture all kinds of small businesses. It can also pick and train potential businessmen. But only a right attitude, hard work, perseverance and discipline will create more middle-class Bumiputera entrepreneurs.

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