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What now after after the era of NEP and NDP?

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ON Thursday, 155 Malaysians from various fields of expertise huddled together at the Putra World Trade Centre in Kuala Lumpur for a momentous meeting. Their aim: to devise a replacement for the National Development Policy, which expires at the end of next year.

Divided into seven working committees, the members of the Second National Economic Consultative Council are tasked with completing a report by September next year.

That report will culminate in a yet unnamed development policy, continuing from the New Economic Policy and the NDP.

The NEP sought to correct racial economic imbalance, and the NDP laid the foundations for Vision 2020.

What will the upcoming policy stress on?

Prime Minister Datuk Seri Dr Mahathir Mohamad, when launching the NECC II, provided an insight: "We have to change our strategies into something which is different from those we adopted before so that the country will be able to adapt to the challenges of globalisation and liberalisation."

Deputy chairman of the the NECC II Restructuring of Society Working Committee Datuk Alex Lee said the main agenda is to find ways of dealing with new challenges facing the country.

Lee, a former National Unity and Social Development Deputy Minister said the NDP did not anticipate the ability of currency speculators to inflict damage on the national economy.

"We must ensure that the NECC II finds new approaches for the next millennium, and that we do not continue our policymaking decisions with mindsets stuck in the 70s and 80s," he said.

The provision of fresh input is facilitated by the high number of youth committee members in NECC II, with representation from student leaders of public universities, youth organisations and entrepreneurs.

People's Progressive Party president Datuk M. Kayveas, who is on the NECC II's Poverty Eradication Working Committee, said the new policy must incorporate a way to connect the globalisation process with the poor in the country.

"For those living in poverty, Information Technology and globalisation have little relevance ... they have more pressing priorities like finding enough money for food and shelter," he said.

Kayveas said the NECC II must make globalisation meaningful to the rich and poor alike.

Lee concurs. "Our objective is to create a development policy that prepares Malaysians for the challenges of the next millennium, in aspects such as a borderless market, e-commerce, and other manifestations of technology-led globalisation."

"As we move into the new millennium, we need to focus on creating a technology-driven economy to make us more competitive, while at the same time maintaining the interests of the consumer," said Federation of Malaysian Consumer Associations president professor Hamdan Adnan, who is on the Poverty Eradication and the Economy and National Competitiveness Working Committees.

The other aspect of the new policy concerns the equitable distribution of wealth among the races. The NEP, put into effect two years after the 1969 race riots, sought to correct the racial economic imbalance endemic at the time.

Although the Bumiputera population stood at 50 per cent, they controlled only 1-2 per cent of national wealth.

A target of 30 per cent by 1990 was set by the NEP, but the actual figure achieved was 19.3 per cent. The NDP sought to address the problem by stressing not only on the quantity, but quality of Bumiputera national wealth ownership (defined as outstanding share capital at par value).

Speaking in Parliament in 1991, Dr Mahathir highlighted the emphasis. "The former stress on quantity resulted in Bumiputeras owning 100 per cent of continually losing companies. It is the Government's view that they will be better off owning 10 per cent of profitable companies."

Chairman of the NECC II Restructuring of Society Working Committee Datuk Dr Rais Yatim spoke of the situation eight years and one economic downturn later.

"There are currently 12.3 million Bumiputeras in Malaysia, out of a population of 22 million. But they are still grappling to reach a mere 25 per cent ownership of national wealth," he said.

Rais said the economic downturn provides an important lesson in efforts to correct the imbalance.

"We must take two things into account: making Bumiputera national wealth ownership more representative of ethnic demographics, and at the same time maintaining inter-ethnic unity in a borderless market where competition rules."

In the end, although the policy might emphasise new approaches, the basic ingredients remain the same; continued growth, equitable distribution of wealth and unity.

This was why the NEP was successful and continues to account for the success of the NDP, even in times of economic or political difficulties.

Chairman of the National Unity Working Committee Datuk Lee Lam Thye said since unity is a prerequisite to realising Vision 2020, "what we are all ultimately trying to do is to formulate an economic policy that can contribute towards national unity and continued growth".

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