

Wealth-sharing Bt 25 JUL 2000 incorporated

NOT many Malaysians would have vivid memories of what living in disparity was like. The younger ones are told from time to time about uneven wealth distribution, about poverty and about the days when occupation was based on the racial divide, and vice versa. There was a time when the rubber tapper, for example, was usually an Indian, the merchant a Chinese, and the peon a Malay. Various economic policies and strategies, especially after the racial riots of 1969, were introduced with the aim of creating a more just Malaysian society. The consequences of these programmes are evident in today's vastly improved Malaysian living standards.

Malaysia Incorporated is one of the initiatives undertaken by the Government soon after Datuk Seri Dr Mahathir Mohamad became prime minister. Introduced in 1983, the concept has changed the way the entire country did business. Cooperation between the public sector and the private sector was given a precise definition and direction for the first time. Before Malaysia Inc, the Government had no business to be in business; since then, the Government has taken an interest in business from the viewpoint that business is a major source of taxes and government revenues. Malaysians were quite slow to grasp the concept, as Dr Mahathir recalled yesterday when opening the Malaysia Incorporated Summit 2000. In the 1990s, the concept was equated to Smart-Smart Partnership, which launched the Langkawi International Dialogue. Today this concept is accepted in other developing countries. Southern African countries are organising yet another annual Southern African International Dialogue in Mozambique next month.

Too many Malaysians, however, take Malaysia Inc for granted or are ignorant of its immense potential and contributions to the economy. Perhaps this is because of the greater prominence of some other initiatives, such as the New Economic Policy (NEP), which was created because of the 1969 riots, and the Government's privatization programme, which came into effect about the same time as Malaysia Inc. The role of Malaysia Inc in helping the domestic economy recover from the 1997 Asian financial crisis is also grossly understated. The formation — and success — of the Corporate Debt Restructuring Committee, Pengurusan Danaharta Nasional Bhd and Danamodal Nasional Bhd, for instance, was incumbent on the existing close relationship between the private and the public sectors. If Malaysia had submitted itself to the International Monetary Fund (IMF)'s prescriptions, which gave no regard whatsoever to government-business ties (in fact, the IMF called such ties crony capitalism), a majority of home-bred companies would have wound up on the corporate scrap heap in the last three years.

Malaysia Inc's success is due also to other initiatives, the NEP and privatization included. These programmes and strategies, most of which were started in the early 1970s, were aimed at fighting poverty, increasing exports, improving productivity and contributing towards growth and industrialisation. What is good to the nation, however, is often perceived negatively by outsiders. The danger is when Malaysian themselves start believing that the NEP, for instance, was created specifically to benefit one race or that Malaysia Inc and privatization were meant for cronies or relatives of leaders. The education for future Malaysians on what their nation did for them should start early and in earnest. Primary schools should tell pupils of the many happy-ending tales produced by these initiatives. At secondary and tertiary levels, more in-depth analyses of the various economic policies can be encouraged among the Malaysian youths, so as to ensure that they do not end up being ignorant about who and what they are indebted to.