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`Malaysia Inc bridges gap between Bumis, non-Bumis'

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THE Malaysia Inc concept has helped reduce the disparities between Bumiputeras and non-Bumiputeras, Prime Minister Datuk Seri Dr Mahathir Mohamad said. It has also made it possible for the private and public sectors to downplay racial differences.

Their close working relations not only contribute towards facilitating business and easing bureaucratic procedures, thus ensuring Malaysia's good economic growth, but also promote greater racial harmony, he said when opening the Malaysia Inc Summit in Kuala Lumpur yesterday.

Addressing about 600 participants comprising captains of industry, senior government officials, union leaders and representatives from non-governmental organisations, Dr Mahathir said with the Malaysia Inc concept in place, government officers are prepared to be more patient with Bumiputera businessmen, whose problems are usually more numerous and taxing than those of the non-Bumiputeras.

He noted that the different races in Malaysia are not equally developed, with the Bumiputeras, who lag behind in the business sector, dominating the public sector.

A racial element which influenced the thinking of the private and public sectors could lead to confrontation rather than cooperation between the sectors, he said.

"Left to themselves, the Malay-dominated government service would tend to obstruct the Chinese-dominated private sector. Under these conditions, a policy of close cooperation between the public and private sectors became even more critical," he said.

The Malaysia Inc concept, which was introduced in 1983, took some time to be understood, adopted, practised and to yield results, but by 1986 the economy began to turn around.

From then on, it continued to grow at more than 7 per cent annually and it would have continued to grow if not for the attack on the ringgit which precipitated financial and economic turmoil, he said.

Dr Mahathir said the economic turmoil caused by the devaluation of the ringgit tested Malaysia Inc to the maximum.

If the relations between the private and public sectors had been bad, he said, Malaysia would not have withstood the pressures caused by the sudden impoverishment of the country.

"It would have been easy for the civil servants to blame the business community for price increases and their lowered standard of living. But there was no animosity directed at the business community by the government servants," he added.

The Government - that is the civil servants and elected members, had to work out a remedy for rehabilitating the economy and the public servants implemented the recovery measures without any unrest and instability in the country, he said.

Subsequently, Malaysia's recovery is faster and greater than other countries hit by the economic turmoil, Dr Mahathir said, attributing it to the spirit of Malaysia Inc.

He said the Government has found a formula for good governance in the concept of Malaysia Inc as it raises revenue for the administration and development of the country and give the benefits back to taxpayers through good service.

Dr Mahathir acknowledged that the concept can lead to corruption and

cronyism, but he said the confrontational approach to government-private sector relations can also lead to the same situation.

"When people have bad values, any system will lead to abuses. Blaming the system does not help resolve the problem. It is far better to try to tackle the abuses than to reject or condemn a system which can yield good results," he said.

The Prime Minister pointed out the need for the Government and the private sector to maintain the human element in their dealings after the adoption of electronic-government (e-government).

"A robot government which deals electronically with the problem of human relationship may be efficient but it will destroy human society," he said.

The Government, the Prime Minister said, is business-friendly by choice and is not being purely altruistic as it receives good returns from the business-friendly attitude.

"We believe in a win-win formula. Both sides must benefit in whatever transaction.

"Certainly, in helping the business community, we in the Government expect to benefit ourselves and our country as a whole," he said.

The two-day summit is jointly organised by the Asian Strategy and Leadership Institute and the Malaysian Administrative Modernisation and Management Planning Unit in the Prime Minister's Department.

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