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Mahathir-Disparity

MALAYSIA INC HAS HELPED REDUCE RACIAL DISPARITIES- DR MAHATHIR

KUALA LUMPUR, July 24 (Bernama) -- The Prime Minister said today the Malaysia Incorporated concept has helped reduce disparities between Bumiputera and non-Bumiputera communities.

The concept had made it possible for Malay-dominated government services and the Chinese-dominated private sector to downplay racial differences, Datuk Seri Dr Mahathir Mohamad said.

"With the Malaysia Incorporated concept in place, government bureaucrats were more prepared to be more patient with Bumiputera businessmen whose problems were usually more numerous and taxing than those of the non-Bumiputeras," he said when opening the Malaysia Incorporated Summit 2000 at the Istana Hotel here.

Their close working relations not only contributed towards facilitating business and easing bureaucratic procedures thus ensuring Malaysia's good economic growth but also promoting greater racial harmony as well, he said.

Dr Mahathir said the government and the private sector-people were no longer strangers to each other and annual events like the Malaysia Incorporated Golf Tournament helped cement the relations between the sectors and also the two major races in Malaysia.

Dr Mahathir said the Malaysia Incorporated concept which was introduced in 1983 took some time to be understood, adopted and 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 a financial and economic turmoil.

"The economic turmoil caused by the devaluation of the ringgit tested the Malaysia Incorporated concept to the maximum. If the relations between the private and the public sectors had been bad, Malaysia would not have withstood the pressures caused by the sudden impoverishment of the country," he said.

Dr Mahathir said although the income of civil servants was not much affected, their purchasing power deteriorated as the prices of goods and essential items were inflated with the devaluation of the ringgit and it would have been easy for them to blame the business community for price increases and their lower standards of living.

"But there was no animosity directed at the business community by government servants. In other countries racial riots broke out and the business community, made up largely of a different race, was attacked repeatedly," he said.

The Prime Minister said the government, which comprised civil servants and elected members, had worked hard to rehabilitate the economy during the turmoil by helping the private sector gain maximum profits.

The civil servants and elected members knew that the main beneficiaries initially at least would be the private sector but they seemed to realise that their own fortunes were tied up with the success of the private sector, he said.

Dr Mahathir stressed the need for the government and the private sector to maintain relations for their mutual understanding even after the switch to Electronic Government (E-Government).

"Perhaps more can be done in a given time but good relations between the people involved must contribute towards a better and more humane 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, he said was business-friendly by choice and at the same time was not being purely altruistic because it got good returns from the

business-friendly attitude.

"We do not discriminate between locals and foreigners unless there are good reasons but we favour the growth and wellbeing of our country and people all the time," he said.

The Prime Minister said the government felt that it had found good governance in the concept of Malaysia Incorporated to raise revenue for the administration and development of the country and give back to taxpayers benefits through good service.

"The revenue is not for the administration to enjoy exclusively. It is to pay for its contribution to the task of making possible the kind of environment in which the taxpayers can go about their business of wealth creation," he said.

Dr Mahathir said though the concept might lead to corruption and cronyism, the confrontational approach to government and private sector relations could also lead to the same kind of 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.

Malaysia decided to adopt the Malaysia Incorporated concept, following the idea of Japan Incorporated, even though the concept had been heavily criticised as something improper, unprincipled and considered bad practice and reprehensible.

Dr Mahathir hoped that summit would serve to re-invoke the spirit of Malaysia Incorporated as a vehicle of close public-private sector collaboration and stressed the need to continue educating the people and making them more aware of the benefits of the policy.

The education was necessary because there were still many misconceptions about the rationale and objectives of the policy, even though it had been in existence for a long while now, he said.

"The government is committed to building an open and business-friendly environment as we seek to reinvent the Malaysian business model for the 21st century."

"We must ensure that Malaysia Incorporated as a proven policy is not only maintained but that its implementation is constantly reviewed and fine tuned so that it will contribute to a fair and responsive public sector, a dynamic private sector and a productive and efficient workforce which together will serve the country better," he added.

The two-day summit, jointly organised by the Asian Strategy and Leadership Institute (Asli) and the Malaysian Administrative Modernisation and Management Planning Unit (Mampu), is being attended by some 600 people comprising key players in the business community and senior government officials.

-- BERNAMA

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