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Fine-tuning privatization

SOME saw it as an admission by the Government of some past mistakes, but Prime Minister Datuk Seri Dr Mahathir Mohamad's statement that the Government will be "more careful" in selecting companies to undertake privatized projects under the Eighth Malaysia Plan (2001-2005) is actually more a warning to companies and individuals, including those in the Government, not to regard the programme as a short-cut and sure way to making tonnes of money.

Privatization projects have benefitted thousands of individuals and companies but, admittedly, a handful of people have gained more than the rest. And to make matters worse, some of these individuals and companies had been linked to certain powerful people in the Government. Take the list of privatization beneficiaries that was displayed to the public at the Umno general assembly two years ago. Up to that point, four individuals were linked to privatization projects worth some RM25 billion and all were also linked to an Umno and national leader who has since been convicted of corrupt practices. Combined, the four were enjoying benefits from the privatization of a television station, a satellite network services, a proposed railway terminal in central Kuala Lumpur, the KL International Airport, and several independent power producer (IPP) projects.

Clearly, it was not an inherent or structural weakness of the privatization programme that caused such a sad state of affairs; it was the abuse of power by individuals. The Prime Minister is right, therefore, in choosing to emphasise the need for the Government to be "more careful" in selecting companies to undertake future privatized projects. This will include adopting a more stringent project evaluation procedure and polls to gauge public opinion about a project. Too often, companies that were so eager to undertake a project have proved to be incapable of carrying it out as promised and would run back to the Government to seek assistance.

The privatization programme boasts of so many successful projects, many of which have directly improved the quality of life of all Malaysians. These are a tribute to the ability of the companies involved. The North-South Expressway is a fine example, even if the project also created a new weapon for the Opposition in the form of toll rates. The privatization of ports, IPP projects, broadcasting stations, more roads and highways, public transportation and telecommunications have given members of the public more choice, improved quality, better services, and a higher standard of living and quality of life.

For the Government, privatization saves it from having to invest billions in projects that are better handled by the private sector and channels the savings into other areas, such as rural development, information technology and the continuous fight against poverty and other social injustices. For business, there are opportunities where once there was nothing. Major league corporate names like Tan Sri Halim Saad, Tan Sri Tajudin Ramli, Datuk Seri Abdul Rahman Maidin, Ananda Krishnan and even Tan Sri Francis Yeoh were created by privatization or were given more prominence after their involvement with the programme. For millions of Malaysians, they generally pay less for services that would have cost them so much more if the projects had been implemented in a less efficient fashion than privatization. In fact, they might not have enjoyed some services in their lifetime if it had been left to the Government to

undertake all these projects.

Taking that extra caution in selecting the companies to undertake future privatization projects, therefore, is a natural course the Government must take for a programme that has such a extensive impact on the people. Call it good governance or an admission of part mistakes, it is the perfect way to re-start privatization in the new century.

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