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The basis to build a political economy

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KUALA LUMPUR, Wed. - Malaysia must build a political economy based on merit, innovation, enterprise and talent, with government intervention only taking place when absolutely necessary to maintain peace and racial harmony.

New Straits Times Press (M) Bhd Group editor-in-chief Tan Sri Abdullah Ahmad said today since the New Economic Policy in the 1970s, it had been the intertwining of economics and politics that had been responsible for the nation's viability and success.

"The key, now and always, is economic management, and the nature and exercise of political control with which to achieve it. But the future that the key must seek to unlock has changed with globalisation," he said.

He was speaking at the Commerce International Merchant Bankers Berhad (CIMB) Speaker Series' luncheon talk attended by 100-odd fund managers at Sheraton Imperial Hotel here.

Abdullah said at the time of the NEP, Malaysia sought internal competitiveness and parity between the races, but now it had to strive for global competitiveness and a level playing field between big and small nations.

Malaysia must begin a gradual and careful process of separating politics from economics, he added.

"The process has actually begun. Announcing his resignation last year, (Prime Minister) Datuk Seri Dr Mahathir Mohamad grieved for the wasted opportunities heaped on the Malays. His valediction has been some of the most radical measures we've seen in decades upon the seedbed of the future - education."

The tilting of affirmative action towards meritocracy and the reprise of the use of English in schools required courage and vision, he added.

He said he was encouraged by Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi's speech to the Oxbridge Society two months ago, where he spoke on the malaise of the nation's "First World infrastructure and Third World mentality".

The reform that had been underway since 1997 was actually conceded and indeed praised by The Economist in its "contentious survey of Malaysia", he said.

"What stuck in my craw, however, was its condescending tone and harsh description of the Prime Minister and the Deputy Prime Minister, the typical arrogance of a know-it-all Westerner examining us through distance binoculars."

He said it was common knowledge that Dr Mahathir wanted to retire earlier if it had not been for the 1997 crisis and if the Prime Minister could be persuaded at all, he should stay on in a senior advisory capacity.

"(This is) not just as an expression of our gratitude for all he has done but frankly, because the habit and security of 22 years of strong leadership is hard to break. The country still needs him and he deserves to be around to witness our ongoing pursuit of his Vision 2020," he said, accompanied by applause showing approval.

Abdullah also said these were times of uncertainty and the Severe Acute Respiratory Syndrome (SARS) and Iraq war would not be the end of it.

Uncertainty, he said, would turn into something constant as Malaysia integrated further into the global economy and this would "create a

powerful need for distraction and the psychological comforts of belief and dogma."

He said Malaysians must not fall prey to over-simple formulas to complex questions, madcap religious fundamentalism, and the conceit and insolence of those who thought they knew better, such as mullahs or the likes of The Economist.

"Only intelligence, and the self-confidence that accrues from it, can stand up to the onslaught of the obtuse - in politics, Government, the Press, in business and the economy, and in civil society as a whole," he said.