

**Teraju is just NEP in a new guise**  
**Malaysiakini.com**  
**Apr 26, 2011**

Like a phoenix rising out of the ashes of the NEP (New Economic Policy) a creature conceived in 1970 a new gargoyle named Teraju was launched on Feb 8, 2011. The newborn Teraju that was seen as the offspring of the 41 year old NEP, and drew much flack from naysayers.

Some said that the formation of Unit Peneraju Agenda Bumiputera (Teraju) will "dilute" the New Economic Model (NEM) and would likely send the wrong message to foreign investors who had been hopeful of reform. I totally agree except that I think the word "dilute" is too polite, perhaps "negate" would be a more apt description.

DAP MP for Petaling Jaya Utara, Tony Pua echoed the thoughts of many when he opined that "Najib had made NEM irrelevant with the new bumiputera unit while extending the implementation of the New Economic Policy (NEP) without clear deadline".

Eyebrows were raised as this contradicted the NEM's spirit which was to implement affirmative action programmes to assist the bottom 40 percent of income earners regardless of race and background.

Tony Pua was not alone in his critique, a member of the National Economic Action Council (NEAC), a former minister and the former US ambassador to Malaysia concurred that Najib seemed to be placing the race agenda above the egalitarian intention of the NEM.

When the NEM was first announced I was concerned at how it was arrived at that 40 percent of the population needed assistance, only failed states are in a situation where nearly half the population are unable to sustain themselves without government assistance.

Even without comprehensive research figures 20 percent would make more sense just going by Pareto theory. Unless off course the government of the day is ready to admit that we are a failed state. In any case would it not be more urgent and practical to help the bottom 20 percent first rather than make such grandiose proclamations?

As we know most of these statistics are shrouded in secrecy or at best opaque. For example the official bumi equity holdings is quoted at 18.9 percent (NEP target is 30 percent) while some like Lim Teck Ghee gave compelling arguments that the 18.9 percent figure is fallacious and that the 30 percent target had already been achieved.

The question to ask is this; is corporate equity meaningful to the man on the street? Does it make any difference to him/her that someone or some entity that happened to share their ethnic origins holds a certain proportion of the pie?

Let me give one more example to illustrate my point; ethnic Indians make up about 7 percent of the Malaysian population. MIC (Malaysian Indian Congress) had set a target of 3 percent for the community to achieve (currently equity holdings is said to be 1.5 percent).

If tycoon Ananda Krishnan quadrupled his net worth the macro figure of 3 percent will not only be achieved but be exceeded; but will this make any difference to Indians in the lower income bracket?

Or is 'Te-Raju' going to suddenly have a change of heart and help those called Raju?

Macro figures are only meaningful if you have got the fundamentals right but we apparently have not as every time the government announces some grandiose economic benchmark being achieved the Rakyat moan and roll their eyes as they cannot identify with these.

Simply put the inequality between the rich and poor has not been addressed. This can be measured by

the Gini coefficient.

To the uninitiated, the Gini coefficient is a measure of inequality ranging from 0 to 1, with 0 representing absolute equality and 1 representing absolute inequality. In 2007, Malaysia's Gini coefficient was 0.441, an improvement over the 0.462 in 2004 but lets not forget that in 1990 the Gini coefficient was 0.442, this means we have hardly made any sustainable progress in addressing the problem of income disparity for nearly two decades.

The government should be spending more money on education and health care programmes specifically designed for the lower income group to help narrow the gap and not overpriced military hardware and wasteful projects awarded to inept crony contractors and other ill conceived spending.

The bottom 40 percent of households have an average income of RM1,222 whilst the top 20 percent earn an average of RM8,157 thus some say that an inheritance tax, increased taxes for the higher income group and GST (Goods & Services Tax) will help narrow this gap; this is debatable.

However first the government must stop the leakages that are bleeding us to death. Show us first that you are prudent with our money before asking for more. You are answerable to the rakyat, this is not your fiefdom.

Other than this, entrepreneurship programmes for the young should be given attention in our quest to be a fully developed nation.

Recently I received a message from an irate parent in Klang, Selangor. His son and nephew go to a secondary school there and were excited when told that they could choose to be members of various clubs/societies. The boys had a keen interest in business and applied to join the Young Entrepreneurs Club. Their application was however turned down on grounds that the said club was for bumis only. Why not call it the 'Bumi Entrepreneurs Club' then?

What kind of message is this sending to the students? Did some bigoted and overzealous civil servant get over excited about Teraju and decide on his/her own? I would not be surprised as the prime minister himself had opened Pandora's Box when he reneged on his NEM pledges and tried to dress up old wine (NEP) in a new bottle (Teraju).

Within Pakatan Rakyat so far only DAP has roundly condemned the NEM and Teraju paradox. They have every right to do so as the DAP led Penang state government under the stewardship of Lim Guan Eng has reported that 70 percent of the two state firm's open tenders have been won by Malay contractors, showing that the community is not only able to compete but thrive in an open tender, no crutch, environment.

(Malay contractors won 16 out of 23 tender awards, or 70 percent, from the Penang Development Corporation (PDC) and 44 out of 66 or 67 percent of contracts issued by the Perbadanan Bekalan Air Pulau Pinang (PBAPP) in open tenders since Pakatan Rakyat took over Penang in March 2008.)

Be afraid Umno be very afraid, for sooner or later your lies that Malays need crutches will be debunked. In fact there is no need to wait another decade or so, I am saying it now: Malay contractors can compete, it is only Umno contractors accustomed to preferential treatment who cannot.

PAS deputy president Mahfuz Omar who is also the MP for Pokok Sena said last month that the establishment of Teraju is a sign that the previous established agencies have failed in driving the Malay and bumiputera agenda.

I quote him verbatim, "We already have MARA, Bank Rakyat, UDA, Ekuinas and many other agencies to help the agenda of Malay transformation. To include Teraju which has the same purpose as these agencies is not really helpful and only adds to the whole mess in the Malay and bumiputera transformation agendas."

This statement while true does not answer the question on whether PAS approves of the 'bumiputera agenda'. Does Islam which is the basis of PAS' struggle condone discrimination based on one's ethnicity ? It would be good if PAS can address that aspect of Teraju.

Not one at PKR's national leadership level has said one iota on the Teraju issue, they seem to be too busy bickering over who is going to teraju (spearhead) PKR Selangor, who is going to teraju PKR Wilayah etc.

What they need is a good "terajang" (kick) in the hind quarters.

Please remember your political power comes from the votes of the rakyat not party positions. Wake up and get your act together.

This blessed country is teeming with natural resources and good, hard working, decent people, if properly governed and not hijacked by selfish politicians we can turn Malaysia into a powerhouse that may even rival Hong Kong.

If that happens I would not be surprised that Singapore asks to rejoin the federation they left in 1965 but as it stands now I can hear the guffawing of Singaporeans from across the causeway right up to Putrajaya

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.  
<http://www.malaysiakini.com/news/162500>