

Gov't: Wealth inequality now within all ethnic groups
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While touting the government's pro-bumiputera policy as effectively addressing inequity between the races, Minister in the Prime Minister's Department Nor Mohamed Yaakob admitted today that there exists an uneven wealth divide within the ethnic groups themselves.

"It's true that we've successfully reduced the inter-ethnic inequality... which is a good news.

"But the disparity among within the Malays, bumiputera, Chinese and Indian themselves seems to be rising, which we need to tackle," he told the 500-strong crowd at the 5th Annual Malaysian Student Leaders Summit in Kuala Lumpur today.

He also conceded that it is not good practice to create privileged groups within the races who own the majority of wealth amidst a population of predominantly have-nots.

Nor Mohamed was answering questions from the audience as part of a panel discussing what Malaysia needs to do to fulfill its vision of becoming a high-income nation.

The minister was referring to information presented earlier by assistant secretary-general for economic development in the United Nation's Department of Economy and Social Affairs, Jomo K Sundaram (right).

"Poverty has gone down dramatically while the Gini (coefficient) has gone down slightly... As the Gini coefficient shows, the inequality between the races has come down slightly," Jomo had said in his presentation earlier.

Though some have disputed the official figures released by the government, the economist viewed the figures as "robust" and "reasonable".

'Other inequities'

However, Jomo warned, all is not well in the country despite the encouraging figures.

"There are other inequalities. The inequality between the ethnic groups are only a small percentage. There are other sources of inequality that are not addressed," argued the UN official.

For one thing, said Jomo, the reason for the lopsided distribution of wealth is the political bent that weigh against the award of "jobs for the boys", in reference to the practice of doling out government contracts to politically-connected companies.

Referring to the problem of "ethnic patronage and clientelism" which continue to plague the economy, Jomo said racial re-distribution of wealth is thus not the biggest problem at hand.

"We need to break out of the (system) ethnic-patronage and clientelism to address the challenge that we face before us," said the economist.

In his address, however, Nor Mohamed said despite the apparent success in terms of the inter-racial wealth divide, bumiputera special rights must be maintained.

"Fundamentally, the moral is that, the government has the responsibility to bring everyone to the starting point of the race.

"The weaker and those who cannot come to the starting point, we must bring them to the starting point, then they can take part the race," explained the Umno politician.

The outcome, however, still depends "on how hard you work" and everyone at the start of the race stands the same chance so that no one is left behind, said Nor Mohamad.

This policy, in place since the late 1960s and 1970s, has been implemented inclusively and in consideration of everyone's sensitivities, he added.

"Of course, in the end the extreme inequality of the outcome is also not very good," he admitted.

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