

Najib's Bumi Agenda overturns NEM, ETP and GTP

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By Ong Kian Ming

MP SPEAKS Prime Minister Najib Abdul Razak announced an ambitious and far-reaching Bumiputera Agenda on Sept 14, two days before Malaysia Day.

Some of the highlights of this Agenda includes the setting up of a powerful Bumiputera Economic Empowerment Council, the announcement of an injection of 10 billion units of Amanah Saham Bumiputera 2 (ASB2), demands on GLCs and GLICs to increase bumiputera property ownership and to increase their respective Bumiputera Vendor Development Programmes (VDPs), 'carve out' policies to ensure bumiputera participation in big projects such as the Menara Warisan and Rubber Research Institute (RRI) projects, the creation of yet another bumiputera entrepreneurship fund entitled SUPERB and the creation of Bumiputera Development Units in all ministries to implement the Bumiputera Agenda initiatives.

azlanThis agenda overturns nearly all of the key aspects of Najib's transformation programmes, namely the New Economic Model (NEM), the Economic Transformation Program (ETP) and the Government Transformation Programme (GTP).

The strategy of the NEM was to use market friendly and transparent affirmative action programmes that would focus on the bottom 40 percent of households in order to narrow disparities between the rich and the poor, the urban and the rural, the bumiputera and the non-bumiputera.

Najib's Bumiputera Agenda makes no mention of targeting the bottom 40 percent that was a key focus of the NEM. What is more disappointing is the fact that Najib left out any mention the need to target the poor in Sabah and Sarawak, the vast majority of whom are bumiputera as well as the Orang Asli in peninsular Malaysia. These groups were specifically mentioned in the NEM as well as the 10th Malaysia Plan.

Important structural recommendations made in the NEM were given to Pemandu to monitor and implement under the six Strategic Reform Initiatives (SRIs). Najib's Bumiputera Agenda contravenes the initiative to increase competition and liberalize key service sectors by once again restricting the players who take part in the marketplace.

Najib's Bumiputera Agenda contravenes the initiative to reduce the government's

role in business by once again trying to influence the policies of the GLCs and GLICs. Najib would do well to remember that one of the institutions which he named in his speech as a government creation - Bank Bumiputera - no longer exists because of mismanagement and misplaced government lending directives.

He would also do well to remember that the entity that replaced Bank Bumiputera - CIMB - is a Malay-bumiputera led organisation that has become much more ethnically diverse in its make-up, has expanded aggressively around the region and is seen as a much better run bank with much less government intervention especially compared to its predecessor.

Najib's Bumiputera Agenda contravenes the public service delivery initiative by adding another unnecessary and inefficient layer of bureaucracy that are the Bumiputera Development Units that will be created in all ministries. This will inevitably slow down the decision-making process as policies and plans are constantly evaluated on whether they will achieve the desired Bumiputera Agenda.

These units are totally unnecessary since if each ministry carries out their responsibilities efficiently and transparently, their actions would naturally benefit the majority of the population, most of whom will be the bumiputeras since they form the 67.9 percent of the population as pointed out by Najib in his speech.

Contravenes public finance reform initiative

Najib's Bumiputera Agenda contravenes the public finance reform initiative by promising many billions of ringgit in new spending without a proper evaluation of whether funds in the past were properly spent or not.

For example, two years after the creation of the RM2 billion Facilitation Fund under Teraju, there has not been a single annual report documenting the effectiveness of this fund. But this did not stop Najib from announcing yet another funding scheme entitled SUPERB - Bumiputera New Entrepreneurs Starting Scheme - with an allocation of RM100 million for a period of three years.

His announcement of starting ASB2 is also irresponsible given that Bank Negara is trying to clamp down on personal loans and debt and there are signs that banks will most likely put a freeze on loans for the purchase of ASB schemes.

Najib's Bumiputera agenda contravenes the ETP by diverting it from a private sector driven transformation plan to a government led transformation plan. The 'carve out' policies to ensure bumiputera participation in what are essentially GLC mega-projects - Menara Warisan (PNB), Bukit Bintang City Centre (UDA), Rubber

Research Institute land (EPF), Matrade (Naza TTDI)[1] - means that the government can and will influence how these projects are carried out.

Najib's Bumiputera agenda contravenes the GTP by diverting it from its needs based and race blind KPIs. All of the KPIs identified under the six National Key Results Areas (NKRAs) do not incorporate affirmative action measures.

For example, the LINUS program to raise literacy and numeracy standards are done across the board with emphasising race. Even Muhyiddin Yassin's - who called last Saturday a 'lucky day' for the bumiputera population - National Education Blueprint (NEB) 2013 to 2025 does not have an explicit Bumiputera Agenda. The NEB certainly did not include the creation of a unit to oversee the implementation of the Bumiputera Agenda.

Instead of going back to the failed Mahathirist crony-led programs of the past, Najib should instead carry out a serious audit of all of the existing government programs which are targeted at the bumiputeras to find out their weaknesses, to plug the leakages and to improve on their performance.

He should think of new and creative measures to increase bumiputera participation in the economy such as a withholding tax for those allocated bumiputera lots in IPOs to discourage the selling off of these shares for a quick profit. He should acknowledge that the creation of successful Malaysian companies such as AirAsia can create more jobs and opportunities for Bumiputera professionals and contractors.

His announcement of the Bumiputera Agenda just two days prior to Malaysia Day is divisive, unnecessary and in the long-run damaging to the economic and social cohesion of the country.

[1] Naza TTDI is not a GLC but was given the land adjoining Matrade as part of an agreement with the International Trade and Industry Ministry.

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