

## **LETTER | 'Keluarga Malaysia' rings hollow after 12MP announcement**

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LETTER | I think many citizens of this country felt very disappointed with the 12th Malaysia Plan announced by the prime minister in parliament on Monday.

Ismail Sabri Yaakob, who is from Umno, grew up under the New Economic Policy (NEP) that was first introduced in 1971 by another PM from the same state of Pahang, Abdul Razak Hussein.

When it was first introduced, economists hailed NEP as a positive discrimination policy and understood it as a means to correct the economic imbalance among the many races in the country at that time.

Foreigners seemed to control a larger portion of the economic pie during that era. Therefore, some form of corrective measures had to be put in place.

This was how the NEP came into being, which was meant to assist a particular

group of citizens, the bumiputera, who were considered economically disadvantaged, did not have the capital, skillsets and technological know-how to participate effectively in the economic and commercial activities in the country then.

### **Failed policy instruments**

This NEP policy, together with several other instruments, were supposed to be a short-term policy for only 30 years with certain targeted objectives that were to be measured and achieved.

The good intention of this policy of uplifting the bumiputera's (read Malays) economic position worked well in the beginning and was not opposed by other races too.

But its administration process by the subsequent PMs, notably by Dr Mahathir Mohamad (from 1982 onwards), who accelerated many of its programmes, took a totally wrong turn and towards a different course altogether.

The twin objectives of the NEP were to eradicate poverty and to redistribute wealth, and for the government to participate and intervene in enterprise, business, and commercial activities by the formation of the state economic

enterprises (SEDCs) and GLCs.

Mahathir combined the NEP initiatives with his own understanding of an industrialisation policy, thus the formation of Hicom, Proton, Perwaja, and etc, and invested heavily in industrial corporations.

Looking back, this singular policy of his and in the absence of any formal training and skillsets parted to the young and inexperienced workers in the country at the time actually failed substantially.

It did not manage to spearhead the country's economic growth and neither did it put Malaysia ahead of others in any form of commercial or technological trajectory.

By the early 1990s, Mahathir supplemented these two key policies with another initiative, the privatisation policy. This policy involved the disposal of government-owned corporations, together with government-owned assets and public services.

Among the many outfits that were privatised (and done in the spirit of the NEP, combined) included the ports, roads and highways, electricity generation, water supply, postal services, vehicle inspection, government lands and buildings,

government vehicle rental/maintenance and local authority services such as drainage, rubbish collection and many others.

As Mahathir pandered to his own party leaders and BN colleagues for support, in order to remain in power, his policy implementation was readily hijacked, abused and misused by those around him at the time.

## **Alibaba**

Those policies gave rise to the creation of the so-called Malay elites and party warlords that are prevailing until today. These are structural issues that need to be addressed at the policy level.

The product of the policy and the subsequent problems associated with bribery and corruption have also not been addressed for decades and are not discussed by this 12th MP.

There is a need to review where we went wrong, identify and admit the failures before we could discuss and debate the new plans. These have not been done.

Numerous examples and first-hand experience could be pointed out but that is not the intention of this paper.

In the course of over 40 years after its introduction in 1971, notable and glaring failures were many, in fact, too many to mention.

Government scholarships disbursement, public university quotas and funding allocations which were mainly taken up by rich bumiputera with the right connections rather than by the needy ones, are classic cases that need to be reviewed rather urgently.

That partially explains why urban and rural poor families remained poor until today.

Over a larger scale, many business opportunities such as vehicles import permits (APs), 30 percent share equities prior to the listing of companies, major government contracts, urban land development in local authorities and land conversion as well as high positions in government services continued to be allocated or given to senior party members, their families, relatives or cronies.

The term “Alibaba”, in which permits or contracts were given to bumiputera but the capital and business operations were executed by non-bumiputera, wasn’t coined for fun but rather for its dubious reality.

Many would have thought that this new government, having realised the

mistakes made, learned from those errors and now wish to put in place a proper and comprehensive plan for shared prosperity, with a focus on the needy group, the B40.

This should be done irrespective of their race or religious background. But we were wrong to assume that.

B40 strategy

We badly need to redesign and re-engineer our priorities; our economy, our social integration and our education systems. So, we anticipated all these to be addressed in the 12th Malaysia Plan.

We are supposed to focus on a need-based economic strategy rather than a race-based policy. Surely, we wouldn't want to reverse back to where we started in 1971?

That old New Economic Policy (NEP) is a bad chapter in Malaysia's history. It has not only failed to raise the economic status of the target group, the poor Malays, but it has also widened the gap between the rich and the poor Malays even more.

So, there is no good excuse on the part of this government to reintroduce NEP

and its contents that have failed not only the Malays but the entire nation.

Several weeks ago, Ismail Sabri prides himself with a new slogan, the “Keluarga Malaysia” (KM) concept. Obviously, there is a sharp contradiction between the slogan and the contents of the 12th MP.

After listening to him in Parliament on Monday, that concept now rings hollow indeed.

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