

Empowering the Malays
Malaysiakini.com
August 26, 2010

ACCIM president William Cheng is to be congratulated on the release of his half-yearly survey report. In response to my suggestion in 2007, it was welcome news that the association had undertaken important research on the contribution of the business corporate sector to the GDP.

I am, therefore, encouraged by the theoretical framework adopted by the study-which (as I see it) is that the Malays should be empowered to tie-up with Chinese entrepreneurs.

As it happens, the research-based observations by the Selayang MP William Leong was also posted almost simultaneously with those of Cheng, jointly affirming a 'breakthrough' for forward looking new policies to eradicate poverty and raise living standards for all Malaysians.

Indeed, these observations and recommendations are most timely because they can also be read as being a contribution towards avoiding a 'collusion course' on the interpretation of the NEP, towards which politicians on both sides of the divide now seem to be heading.

I believe well-informed readers will strongly endorse the contention implicit in the above reports, that the Malays must be empowered to become entrepreneurs through tie-up with Chinese enterprises.

The basic premise here is that the Malay position will be strengthened through the sharing of business acumen leading to economic resilience, rather than relying on a tie-up between businessmen and politics as presently seems to be the case.

As succinctly put by Cheng, 'Empowerment was more important than any guarantee of getting a sizeable cut from the nation's economic cake'.

But before such a situation can materialise there are at least two scenarios that must be taken into account. First and foremost, it must be recognised that the Malays had, in fact, been institutionally dis-empowered as primary producers in the economy since the imposition of colonial rule and must now be empowered, and second, to facilitate a tie-up with Malay entrepreneurs, institutional constraints to Chinese expansion in the business sector must be removed to accommodate Malay entrepreneurs.

I had tried to show in the book *Racial Polarisation in Malaysia* (based on my Oxford doctoral thesis) that the feudal, rural indigenous economy of the Malays was totally undermined by the introduction of the capitalist mode of production and the accompanying cash nexus between the economy and political power.

Colonial educational policy to deny an education in the English medium of instruction as well as to limit the occupations of Malays to that of farmers and fishermen, both acted as constraints against empowerment and upwards social mobility to the modern sector of the economy.

Indeed, even when Malays themselves seized the opportunity to cultivate rubber as a smallholder cash crop and overcome these constraints, they were discriminated from doing so by the colonial government.

Empowerment

Even as impoverished recipients of social welfare aid, Malays had no choice but to accept 'food parcels' When the policy was changed to cash grants to empower recipients, in one state where I was the director, it was severely criticised on the grounds that the recipients would now squander the money.

Indeed, contrary to expectations, this switch, although it involved limited cash amounts, did enable some flexibility, so that cash advances or outright grants could be provided to those who had skills in cottage industries or even to others seeking to start small scale business ventures.

Indeed, it was even possible to set up 'sheltered workshops' where there was a cluster of recipients (including the disabled) in the kampung in the periphery of towns for selected small- scale business enterprises. As an example, one such center in Melaka even supplied orchids to Singapore!

In the 1990's under the District Development Plan for Tawau (Sabah) we surveyed each and every small-scale business entrepreneur in the town with a view to ascertaining what was most needed to enhance the productivity of existing activities. The initial almost unanimous response was the need to acquire new technology and skills through government support.

Also in a very different setting during a fieldwork placement in Harlem, New York, (while enrolled in the Sociology of Development Masters programme) I learned a valuable lesson that it is more realistic to recruit unskilled workers for a job first, and then to train them for the job, rather than the other way around.

But it is an indictment against the government that the Malay rakyat continues to be dis-empowered in involvement and participation in the modern sector of the economy even after over 50 years of independence. It would be tedious to indicate specific policies but suffice it to say that paramount among these is the continuation of the colonial policy of denial of access to an education in the English language medium.

At the same time although a significant number of economic and social institutions were initiated to open opportunities for relevant participation for policy formulation and implementation from the bottom-up, these have been invariably dominated and controlled by the Malay political elite and the higher echelons of the bureaucracy.

The process of dis-empowerment therefore has resulted in a situation where it can be argued that, unlike the non-Malays, the Malays have in reality learned little by way of direct participation and hands on experience in creating a leveling playing field for their involvement in the modern sector of the economy.

As a reaction they have no other choice but to be forced into a politico-economic dependency relationship with the Malay ruling class.

Removal of restrictions in Chinese corporate sector

William Leong has done well to point out certain restrictions imposed by government policies that have been detrimental to the expansion of Chinese business. These need to be removed to accommodate tie-ups with the Malays.

This is not the place to specifically identify restrictions as contained especially in the NEP,

but perhaps the main impact on the overall investment climate and manufacturing would give some insights.

Leong has affirmed that because foreign investors are exempted from the obligatory bumiputera equity participation, the consequential result has been that Chinese entrepreneurs have tied-up with Malays 'who are more influential in politics or more influential bureaucrats (including the military).

The implication, as I see it, is that foreign investors (MNC's?) Are being allowed exemption from equity participation are themselves required to show bumiputera representation on their management boards and Chinese entrepreneurs consequently tie-up with these MNC's to expand their businesses without having to conform with the equity participation they would otherwise have had to.

Perhaps this is the reason why SME manufacturing (mainly Chinese) that amounts to approximately 90 % of all manufacturing should contribute only 10% to the GDP.

It is being argued that this is among the more important sectors where we can speak of a realistic tie-up between Chinese and Malay enterprises in terms of job creation, and it is imperative therefore that this leakage be stopped otherwise the Chinese will no longer be a 'driving force in manufacturing'.

As a concluding assertion it is well to consider the observations of Tan Siok Choo. The most effective way to empower the Malays is obviously through implementing appropriate policies in education and employment and an impressive nationwide PR exercise is needed to relentlessly drive home the point that there is no such thing as a free breakfast.

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