

Post-Dr M, we are all racists
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Dr Mahathir Mohamad stressed that Malaysians are more divided than ever. Never assuming any culpability himself, he blames the situation on governmental mismanagement allowing for the rise of the opposition and the resultant voices criticising the NEP.

chedet mahathir blog 210508 In short, overnight, after some twenty-two glorious years of unity and peaceful nation building, we have, all of us, become racists!

The crux of the matter has less to do with nation-building and all to do with protecting the interests of the status quo. The wealthiest Chinese in the country did not become rich during the tenure of Abdullah Ahmad Badawi or Najib Abdul Razak. Of course, the CEO of SP Setia did well out of the NEP.

But it was not during the time of Abdul Razak Hussein's NEP but rather Mahathir's NEP, the ones infused with "free market" ideology and small government. Malaysia's merchant aristocrats are, all of them, the children of Mahathir.

In a most cynical and cruel twist of logic, Mahathir conflated race and class, stressing that any let-up on the NEP-like race-based affirmative action is "the rich non-bumis taking whatever little wealth the poor bumiputeras have". He gave two examples, the construction sector and higher education.

But as usual he did not tell the whole story.

muthu mariyamman hindu temple 150606 construction Mahathir said that the bumiputeras did not have the capacity to carry out the government contracts awarded to them and most would sub-contract out the work. The ultimate beneficiaries were the Chinese.

But why did his government not take measures to monitor and tighten the implementation process? Why did the government not nurture bumiputera developers, provide training and skills-upgrading for class F contractors?

In Abdul Razak's time, the government built affordable housing but Mahathir privatised this integral function of government and dubbed them "low-cost housing". All was done in the name of efficiency.

We are expected to put our trust in private developers, whose main duty is to make money to build affordable housing?

ijok revisit 220807 road works Mahathir also trimmed the civil service and the Works Ministry played a monitoring role instead of actually building roads and houses!

Of course, the unintended consequences is that today this same agency has very little "capacity" to build, monitor and implement national projects.

The Mahathir government did not tackle corruption as seriously as his predecessor Hussein Onn and allowed developers to do what they liked. Whilst Mahathir asked us to "Look East", he looked so far east that his policies resemble those of the US. His government "freed" the private sector and clipped the wings of local governments to regulate development.

The travails of the rentier class

Over time, these policies reduced the National Development Policy (NDP) into a worthless academic exercise. As for the bumiputera contractor, Mahathir's NEP created a class specialising in getting governmental contracts for the sole purpose of sub-contracting them out for a quick profit. Mahathir's NEP generated wealth for Umno Malays, but it swelled the ranks of the rentier class.

If one thinks it is easy to be in the rentier business, think again. There are so many political pitfalls, so much greasing of palms and egos to placate. So, after years of "closing one eye", we have an entire class of rentier-contractors who are not really interested in building bumiputera capacity to do anything except get the next governmental contract.

construction workers 250209 02If the analysis put forward is faulty, can Mahathir please explain why bumiputera capacity to carry out construction work still an issue in 2010?

If, as Mahathir himself admitted, the sub-contracting happens because the bumiputeras have no capacity to carry out the contracts given, how can he expect the private sector to give contracts to the very same firms he acknowledges as "not having the capacity to carry out the projects"?

Plus, some of the giant construction companies who benefit from huge governmental contracts are truly "Malaysian" in the composition of its board of directors. These firms have investors like the Employee Provident Fund as well as international investors. They also have a comprehensive work process from design to actual construction. There is no need to sub-contract any work out.

Did not Mahathir's government advocate efficiency? Did he not say that Malaysian firms needed to be more competitive? Did his government not advocate a free market ideology? The profits from these firms swelled the coffers of the government as well as retired civil servants and other governmental luminaries enriching the elites.

Higher education not the panacea

In higher education, the scenario is the same if not worse. In 1992, there were not more than six public universities, including ITM. Now there are 22 and at least a hundred degree-awarding institutions of higher education. Education was supposed to allow the bumiputeras to catch up. Instead, we have a lot of graduates burdened by student loans and doing jobs that do not need a degree anyway.

university malaya student demonstration 050210 12Meanwhile, those who have the means to go to foreign universities either do not return home at all or are working for multinationals.

In short, higher education has not been the panacea for race advancement that Mahathir had hoped for.

He also liberalised the sector, allowing for the devaluation of the degree, whilst affirmative action in academia has resulted in mediocrity. Mahathir knows this and that is why he seldom borrows any ideas or statistics from any Malaysian academic or locally-researched work.

One thing that Mahathir said is correct. No country should practice 100% free market enterprise. The government has a duty not only to grow the economy but to make sure that development is sustainable, does not harm the environment and most importantly, is equitable.

Meritocracy more about fairness

Mahathir should also point out that meritocracy is not all about grades but more so about fairness. Obviously if a person has no access to a proper library, he or she should be given a helping hand.

NONE However, the assistance should not be based on ethnicity. The NEM's objective of helping every Malaysian in the lower 40% of the income bracket regardless of race is laudable.

Affirmative action, studies worldwide have shown, is good for a while but in the long term the benefits diminish and the psychological scars damage the community or ethnic group it aims to help.

The framers of the NEP were not overly optimistic, they were realistic. If Mahathir had followed through with the policies of Abdul Razak and Hussein, we may not have developed so rapidly but we would have been a far more equitable country today.

NONEMoving forward, the government must live up to its responsibilities to protect the rights of every citizen. If the Malays are worried, the government need not side with the far right to assuage them.

It must instead demonstrate that it will protect the interests of the Malays and other Malaysians by getting competent people to head governmental agencies, come down hard on corruption and devise policies that will help build the community's capacity to participate meaningfully in the national economy.

Affirmative action should be continued in perpetuity so long as there are poor and marginalised Malaysians, but it must never only benefit one ethnic group.

The prime minister must find the courage and the tenacity to return to the policies of his father and break with the unsustainable "free market" enterprise associated with Mahathir's 22 years at the helm.

Mahathir's NEP created merchant aristocrats and some very wealthy bumiputeras. It is time that the Najib government made amends to the rest of us.

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