

Abdullah : a mandate with no economic reform
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Losing the two-thirds Parliament majority and four state governments was not part of the fifth prime minister's first plan, a.k.a. the Ninth Malaysia Plan. The rakyat stamped loud and clear on March 8th that we want our national development thrust in different directions.
MCPX

abdullah ahamd badawi investment malaysia 250308 03You would expect the Mid-term Review (MTR) to reflect a somewhat revised mandate. But it rehashed the same agenda, with add-ons to admonish or tantalise the disaffected back into the BN fold.

Maybe there wasn't enough time to address those concerns and rewrite some of the report. The MTR was launched just over three months after March 8.

No, I think it is more believable that the system is incapable of change, and unwilling to re-balance skewed scales, after 50 years in power.

Let's look at four major areas in which the development planning machinery under the BN retains its paternalism and resistance to change, despite the election results issuing a clarion call for a more responsive government and substantive reform in policy planning.

First, the electorate demanded more accountability and transparency from the government but these principles have gone missing.

Accountability got one honourable mention in Abdullah's Ninth Malaysia Plan speech in March 2006, conspicuously absent in this MTR speech. In it he made mention of an increased budget, then alludes to ambiguous notions of 'good governance' as fillers.

The Auditor-General's Report of 2006 - published by the establishment - shed light on exorbitant costs and abuse of public office.

There were no specific plans to stamp out taxpayers' money bonfires. He merely informed that an additional RM30 billion will be pumped in for "additional development requirements and the increase in construction-related materials cost" (p. 19).

Some increases are understandable and perhaps justifiable. But nowhere is the allocation of this additional RM30 billion adequately explained, nor is the "increase in construction-related materials cost" clarified.

northern corridor economic region 020807 crowd watching"Additional development requirements" we are told refers to the regional corridors and food production - but which regions, what projects, and how much spending, we are left in the dark.

We are asked to trust the government's intentions to eradicate corruption, exercise "fiscal discipline" and implement "people-centred development projects".

I reckon we have more trust in institutions if they are bound by rules of accountability and transparency, but they are woefully lacking in this requirement.

Blinkered approach

Second, the person on the street feeling economically aggrieved suffers from stagnating, even declining real wages, but employment issues are gleaned over only. Wage distribution has never been part of the development plan template, and at this point they never have been more important.

"Employment restructuring" remains reduced to what percentage of Bumiputera, Chinese and Indian are accountants, architects, doctors, engineers, lawyers, etc. The first problem with this blinkered approach is that other occupations and challenges are ignored.

johor baharu may day workers rally 010507 dramaWhat about the proportions in manual occupations, low-skill service jobs, and low-yield agriculture? Not to mention youth unemployment problems and floored wages of labour market entrants? A further problem is that our development planning pays no attention to productivity and wages earned, and how they correspond with occupation, gender, age, unionisation status, and other wage-impacting factors.

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Income distribution in MTR continues in the tradition of addressing poverty eradication - the prevailing poverty line shows 3.6 percent of the population being affected. And then it focuses on the Bumiputera Commercial and Industrial Community (BCIC) - which addresses the concerns of the upper crust - no more than five percent of Malaysians.

Poverty eradication and enterprise development are vital objectives, but enhancing wage earning capacity affects more people - the overwhelming majority of Malaysians - and is interwoven with all distribution issues.

The prevailing mentalities and political pressures are strong, reflected in the predominance of the BCIC, now coupled with the Bumiputera Science and Technology Community, agendas.

Not only that, but other ethnic groups are injected with the same formula of more access to unit trusts, increased favours in procuring government contracts and the vendor system, more taxi and bus permits - as though the needs and wants of the communities are all the same - and oblivious to the track record of these programmes in generating higher inequalities within the Bumiputera community.

Rest assured, only a few Indians and Borneo Bumiputeras will get rich.

Condescension for Indians

indian rights demonstration in putrajaya 220807 raised armsThird, while the rakyat have grown bolder to think for themselves, BN believes it still knows best.

This is most apparent on the issue of inequality and living conditions. Dissatisfaction is played down by the official view and statistics. Those in dissent are seen as mischievous. MIC leader S Subramaniam demonstrates this best by his condescending statement that the

government never intended to marginalise Indians.

There must be severe disconnection and fragmentation in our society if Malaysia can experience real GDP growth of 6.1% alongside real household income growth of a paltry 1.5%. (This figure was of course not in the MTR, but can be easily computed by taking household income growth of 4.3% minus inflation of 2.8% - assuming the official rate of inflation is believable.)

Something is seriously wrong here, but no one with access to the data is taking heed.

The splendid income growth of some Sabah and Sarawak Bumiputera is bound to get some attention. We should welcome greater recognition of the plurality beneath the Bumiputera umbrella. But the reporting of average incomes of ethnic groups, being motivated by a desire to tell folks feeling left behind that they are doing fine, compromises objectivity.

One indication of conclusion trumping evidence is the reported figure for average income growth of the Bidayuh community: a galactic 15.5% per year from 2005 to 2007. For one ethnic group to so far outdo the national average of 4.3% simply beggars belief, all but surely suggesting that a few high-performing outliers in a small sample are driving the result. Yet no questions were asked.

jahai orang asli 220807 village houseFourth, while we have witnessed Malaysians publicly uniting on various common causes, the MTR retains the 'divide and develop' mindset. The major socio-economic challenges we face affect people regardless of race or region, yet the BN blueprints are converse.

No surprise that these sorts of pronouncements appear: "employment and ownership restructuring programmes especially for Bumiputera, including Bumiputera of Sabah and Sarawak, the Indian community and minority groups, will be accelerated to ensure all ethnic groups benefit from the economic growth of the country" (p. 64).

Think about this. If Chinese, Orang Asli, and all manner of dan lain-lain are minority groups, the list covers every Malaysian.

It is also possible that Chinese are not considered a minority group, and the MTR is implying that the programme will cover all groups except the Chinese.

All Malaysians

Let us be charitable and consider the former.

The statement then amounts to a redundant, tortuous way of saying, "Programmes, especially for all Malaysians, will ensure that all Malaysians benefit."

Why can't the Report just say we will implement policies to help the poor and needy because they deserve the benefits most, regardless of race?

malaysia merdeka 50th anniversary 280807 youthsBut it has to rank them: Malay Bumiputera first, followed by Bumiputera from the East who are murmuring discontent (warning is served), then Indians who were misguided in their voting (if only they knew the government's good intentions). Minority groups complete the sentence for no other reason I can deduce except courtesy.

If you cannot do the right thing, at least do the polite thing.

Spearheading a scientific and technological community is highly relevant and important in these times. Our nation's capacities in these areas are low; we continue to depend on imported technology and have few home-grown research breakthroughs to show.

We all need to catch up with other nations who got on with the game sooner – perhaps they went ahead and developed without dividing. So why must the scheme be hatched as a Bumiputera science and technology community, onto which other ethnic groups latch? This idea surfaced in the Ninth Plan, but is given more prominence in the MTR.

Why can't we pursue a Malaysian Scientific and Technological Community?

The Mid-term Review of the Abdullah disappoints all who yearn for fresh change. Who knows if the first will be the last, but at this point it's tempting to hope so.
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