

Talent Corporation Doomed To Fail
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The Prime Minister, Najib was extremely quick and swift to "refute" the conclusions of the World Bank Report on "brain drain" in Malaysia without providing any substantive evidence in doing so. He first denied that the New Economic Policy (NEP) which dictated priority for bumiputeras has led to brain drain. At the same time, he also denied that the NEP and brain drain has resulted in a drop in investment flow into the country.

Najib is obviously in denial because it was his very own "Government Transformation Programme" (GTP) which stated in no uncertain terms that

"An unintended outcome of the National Economic Policy (NEP) was a sense of deprivation, discrimination and even resentment felt by the non-Bumiputeras, which was attributed to the over-zealous attitude and approach in implementation by some officers in certain agencies. There has also been a widening of the income gap within the Bumiputera community, leading to rising discontent amongst certain segments of that community. These factors have pushed many Malaysians, especially professionals, to work and reside overseas, in economically more advanced countries with attractive pull factors such as higher income, wider exposure and opportunities, better quality of life and education for their children. Many have chosen to settle permanently, and there are signs that this brain drain has become increasingly serious. It is imperative that these issues [...] are addressed, as not only is our economy's competitiveness, stability and sustainability at stake, but continued widening and rising disparities will jeopardize national unity."

Is Najib now saying that the GTP got it completely wrong?

Is he also saying that World Bank study which conducted a survey on the three top reasons for brain drain in Malaysia where 60% cited "social injustice" as the key reason for brain drain?

Najib has also dismissed the role of NEP and brain drain on our foreign direct investment (FDI) by citing the statistics that FDI had increased to US\$9 billion in 2010 from US\$1.4 billion in 2009.

Firstly, the fact that a student improved his Mathematics score from 10/100 to 50/100 isn't something to be celebrated joyously. 2009 marked the 2nd lowest FDI Malaysia has received over the past 20 years, and making an improvement over the sum doesn't suddenly make Malaysia a super attractive FDI destination.

But more importantly, the World Bank Report conduct studies based on trends in Malaysia's FDI over the past 20 years, and not just the year where we "improved" the most.

For example, by comparing FDI over a 3-year period between 2007-2009 and 1990-1992, the World Bank showed that we were the only country in the region where FDI has declined and significantly so (Figure 1.57)! Malaysia's FDI dropped by 35.5% over the period while all the other countries increased - Indonesia (+23.3%), Philippines (+51.6%), Singapore (+53.8%) and Thailand (+119.0%).

The World Bank Report also conducted was a hypothetical model where it measured Malaysia's potential relative to performances of other countries in the region (Table 1.1 of

the World Bank Report, pp46). It was determined that had Malaysia retained its talent as well as implemented an open investment policy regime, our FDI should be closer to US\$15 billion instead of only US\$3.8 billion for the 2007-2009 period, or more than 5 times our actual achievement.

This proves the severe under-achievement of our potential under the BN administration.

Despite denying the role of NEP on brain drain, Najib did acknowledge that brain drain is indeed a serious issue which needs to be addressed and hence the setting up of Talent Corporation.

However, if Najib and the BN administration is steadfast in its refusal to recognise the impact of "social injustice" on talent leaving the country, then all the efforts by Talent Corporation will all go to nought.

Talent Corporation will suffer the same ignominy as the "Brain Gain Programme" under Najib's predecessor, Abdullah Ahmad Badawi which failed miserably in attracting returning and stemming the massive outflow of talent.

Najib's instant denial of such a comprehensive and rigorous study by World Bank, and even forgetting about his own GTP is a harbinger of Talent Corporation's fate.

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