

Najib Must Show He Is Not "Bapa U-Turn"

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Less than 3 years into his term as the 6th Prime Minister of Malaysia, Najib Tun Razak has already been showered with the accolade of "Bapa Transformasi" courtesy of his many transformation programs. The litany of acronyms associated with Najib is like a never-ending alphabet soup – GTP, ETP, PTP, NEM, NKEA, NKRA, NEAC, EPP, SRIs.

One almost needs a reference dictionary to keep track of them. But despite his many programs, he is still very, very far from being a transformative Prime Minister. And his many programs are still very, very far from being transformative.

On the eve of what will be the most tightly contested general election in our history, Najib has shown a greater willingness to make U-Turns when faced with tough decisions that would have made Malaysia into a more progressive, liberal and vibrant country.

His various transformation programs are nothing more than expensive tax funded PR exercises that masks the business and politics as usual way of doing things that is taking place behind the scenes within the corridors of Putrajaya and within UMNO's headquarters at PWTC.

Before Najib can earn the title of 'Bapa Transformasi', he needs to show that he is not 'Bapa U-Turn' first.

Najib's U-Turn on Religious Freedom in Malaysia makes a mockery of his 1 Malaysia Slogan

Lets start with the most tragic U-turns made by our Prime Minister. Najib made a total mockery of his 1 Malaysia slogan when he not only failed to respect the High Court ruling against the Home Ministry for banning the Herald, a publication of the Catholic Church in Malaysia, for using the word Allah, he made matters worse by appearing to condone protests against this ruling.

The result was an unprecedented 10 attacks against churches (four in the Klang Valley, one in Taiping, two in Negeri Sembilan, one in Melaka, one in Johor, one in Miri), an attack against a Sikh temple (in KL) as well as one surau in Klang.

Najib could have done the right thing by not appealing against the decision of the High Court. Instead, he allowed his Attorney General to appeal this decision. Meanwhile, he tried to do damage control by contributing funds to the Metro Tabernacle church in Kajang, which was badly damaged by a petrol bomb.

This issue would raise its ugly head again in March 2011, just prior to the Sarawak state elections when custom officials refused to release 30,000 Indonesian bibles in Kuching and 5100 Indonesian bibles in Port Klang.

All this could have been prevented if Najib had not U-turned on his 1 Malaysia slogan but had respected the right of Christians, especially the native populations in Sabah and Sarawak, to use the word Allah, as they have done for generations.

Najib's meeting with the Pope and his push for a Global Movement of Moderates (GMM) are nothing but empty gestures if the basic religious freedoms of Malaysian Christians are not respected.

Najib's U-Turn on the New Economic Model shows that he is afraid of taking on groups like Perkasa in order to fundamentally transform our economy

Part 1 of the New Economic Model (NEM) was widely praised by a cross-section of society because it emphasized market friendly affirmative action programs that would target the bottom 40% of households, the large majority of whom are Bumiputera.

The move towards an income based affirmative action policy was a strategic departure from the race based affirmative action policy, which includes the 30% Bumiputera equity policy that has been a constant feature in past government policy documents.

One of the strategic initiatives required for this policy to be implemented was the establishment of an Equal Opportunities Commission to 'ensure fairness and address undue discrimination where occasional abuses by dominant groups are counter'.

Instead of supporting Part 1 of the NEM, Najib caved in to pressures from Perkasa and re-instated the language of the NEP in the 10th Malaysian Plan. The language of market friendly affirmative action policies was significantly watered down in the concluding part of the NEM.

More significantly, the Equal Opportunities Commission was shelved much to the disappointment of the late Dr Zainal Aznam Yusof, a member of the National Economic Advisory Council who drafted the NEM.

Where courage was required, Najib instead chose the path of cowardice.

If the proposals of the NEM were carried out in a comprehensive manner, our country would have been put on the path towards fundamental and necessary economic transformation.

Instead, what we have seen is the lack of political will and courage to do the economically necessary in favor of political expediency.

We have seen Najib making similar U-turns in favor of political expediency because he is scared of groups like Perkasa and also of elements within his own party, UMNO.

He failed to rein in the UMNO owned newspaper, Utusan Malaysia, which made baseless accusations against the opposition and civil society groups and individuals in order to create fear and feeling of ill-will among the Malays towards the non-Malays.

His wife, Rosmah, was also the guest of honor at a recent fund raising dinner for Perkasa, lending support to the accusation that Perkasa is an arm of UMNO.

This only goes to show that Najib will only be too glad to make further U-turns when any of these groups protest against economic policies which are in the interest of the country as a whole but not in their own narrow economic interests.

Najib's U-Turns on Economic Policies makes a mockery of his statement that 'the era of government knows best is over'

Najib's predecessor Abdullah Badawi made a mockery of the phrase 'Work with me, not for me'. Similarly, Najib is making a mockery of his often repeated phrase that 'the era of government knows best is over'. So many of his government policies contradict this philosophy that it would take the entire parliamentary session to list out and to debate. Here, I will just list a few for the attention of the Dewan.

The NEM outlines a strategy of government divestment in order to decrease the involvement of the government in the economy. But at the same time, we continue to see the establishment of new government agencies which are involved in significant sectors of the economy.

The most notable of these is 1MDB which has no property development experience or track record whatsoever but has been given the mandate to develop two major parcels of prime land in the heart of

Kuala Lumpur – the site of the TUDM air base in Sungai Besi and a major plot of land between Jalan Tun Razak and Jalan Sultan Ismail.

Why did Najib not parcel out these lots of land via open tender to the private sector instead of handing these lots over to a government agency? The sale of these plots via open tender would not only raise more revenue for the government but also allow different players from the private sector (including GLCs) which have more experience in property development to participate.

1MDB is not only looking at ventures in property development but is also interested in opportunities in the energy, tourism and agri business. Most recently, 1MDB paid RM8.5 billion to acquire the power assets of Tanjong Energy Sdn Bhd from Ananda Krishnan.

Another initiative announced by Najib is the establishment of the RM500 million government owned private equity fund called Ekuinas which has been tasked to take strategic stakes in certain companies in order to increase bumiputera participation in the economy.

Again, it is not clear how another government agency can add value to the many already existing programs including many which are run by various government ministries can contribute to the goal of increasing bumiputera participation in the economy.

Yet another agency called TERAJU, endowed with RM2 billion in taxpayer funds, was established in order to promote even more Bumiputera participation in the economy. Again, one fails to see how another such agency can add further value to this objective beyond the purview of existing programs and organizations.

These are just a few examples of how Najib's actions are a U-turn of his statement that "the era of government knows best is over".

Najib's propensity to make U-Turns has also infected Idris Jala who now says that Malaysia is no longer in danger of being bankrupt

Idris Jala, who is the CEO of PEMANDU, infamously warned that Malaysia would be bankrupt by 2019 if the country did not deviate from its spending patterns and decrease its dependence on subsidies.

But in a recent column, he seems to think that these dangers have subsided since 'by all measures the Malaysian government finances are good'.

Sadly, even a consummate and apolitical professional like Idris Jala cannot run away from playing politics. The truth is that there are even more reasons today for us to worry about the state of the government finances compared to May 2010 when Idris first made his dire warning.

Our spending on subsidies have actually increased from RM23.1 billion in 2010 to RM32.8 billion in 2011. Our spending on sugar subsidies have actually doubled from RM262 million to RM567 million despite a fall in global sugar prices.

The government's operating expenditure was projected to grow at 18.9% from 2010 to 2011 compared to revenue growth of only 14.9% in the same period. This operating expenditure will grow even faster under the newly revised salary scheme which some reports indicate will cost the government an additional RM6 billion per annum.

And all this does not even take into account the rise in contingent liabilities due to the bonds which have been issued by Prasarana for the LRT extension project and the bonds which will be issued by MRT Co for the massive MRT project, by far the largest public infrastructure project in our nation's history.

At the same time, our economy grew at 5.1% which is at the lower range of the 5% to 5.5% projected growth rate by the Ministry of Finance. This is below the 6% target set by PEMANDU.

A significant proportion of this growth was driven by increases in government spending and government activity. For example, final government consumption increased by 16.8% in 2011 compared to a 6.9% increase in private sector consumption.

During the same period, output of the government services sector grew by 11.6% compared to just 4.5% for the manufacturing sector and 6.8% for the entire services sector.

This kind of government sector led growth is obviously not sustainable in the long run since it is growth in the private sector that will contribute to economic growth and increased tax revenues.

In other words, our country's public finance outlook has worsened over the past 1 1/2 years without any noticeable improvement in the economic growth outlook of our country, the Economic Transformation Program (ETP) notwithstanding.

One cannot help but wonder if Idris Jala has spent too much time with Prime Minister Najib and in doing so, has caught the U-Turn bug.

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