

'Eradicate poverty among all races'

The Sun - 25/11/2007

by **Llew-Ann Phang**
newsdesk@thesundaily.com

KUALA LUMPUR:

Malaysia's socio-economic restructuring programme, the New Economic Policy (NEP), should give priority to poverty eradication regardless of race.

This point was raised in the second of a series of weekly lectures organised by the Bar Council's National Young Lawyers Committee and Youth 4 Change last Thursday.

Universiti Malaya's technology and innovation lecturer Prof Rajah Rasiah said the NEP was launched by the government under the five-year Second Malaysia Plan in 1971, after a decade of worsening inequality, ethnic polarisation that culminated in the May 13, 1969

bloodshed, slow industrial development and a near loss in national elections for the Alliance government.

"While significant progress can be associated with the NEP, it was flawed right from formulation as it restricted the economy's capacity to build efficient and effective mechanisms to address productivity-driven distribution," he said.

One of the NEP's flaws was the focus on one ethnic group rather than empowering the poor across the board, Rasiah said.

"Targeting an ethnic group does not guarantee that the resources go to the door," he said, pointing out that inequality, already high among Malaysians, has worsened.

"Inter-ethnic income disparity from 1970 to 2002 has

narrowed, but intra-ethnic income disparity has widened."

Rasiah said the ethnic-based approach was restricting the country's capacity to create a truly Malaysian society, effective and accountable institutions to support growth and development, and companies from moving up the technology ladder to compete at the frontiers of knowledge.

He said it was never too late to pursue an economically sound strategy. "I am of the opinion that the electorate will have a very important role to play if we are to push for such a strategy."

When the NEP expired in 1990, many of its approaches were carried on in the National Development Policy which was in place until 2000,

when it was replaced by the National Vision Policy, effective from 2000 to 2010.

PAS research centre director Dr Dzulkifli Ahmad also holds the view that the NEP should target the poor rather than ethnic groups.

He said the economic landscape has changed after 50 years of independence and Malaysia has evolved from an agriculture-oriented to an industrial economy, but the aim of bringing social and economic justice to society irrespective of race has yet to be achieved.

Dzulkifli said affirmative policies should emphasise more on income parity than on corporate equity ownership by the different communities, and promote healthy competition and initiatives.