

NEP still 'hot' issue in politics

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PETALING JAYA: It is amazing how a 38-year old policy, which had ended 20 years later, is still a contentious issue, especially within the political realm.

The New Economic Policy (NEP) was launched in 1971 by the then prime minister Tun Abdul Razak with a two-pronged objective to eradicate poverty and restructure society.

It was supposed to end in 1990 but extended in 1991 in the form of another policy called the National Development Policy (NDP), and further in 2001 with the National Vision Policy (NVP).

After the 12th general election, there had been much talk about the NEP, specifically in relation to the principles underlying it but nothing was mentioned about the NDP or NVP, all which had the same principles.

On March 11, newly-elected Penang Chief Minister Lim Guan Eng decided he will run the state government administration free from the NEP as he claimed it had bred cronyism, corruption and systemic inefficiency.

This did not go down well with some people in Penang who held a protest although it was Umno's stand that street demonstrations are not the party's culture.

Sabah politician Datuk Yong Teck Lee said he was puzzled why the NEP is still an issue now and why politicians on both sides of the political divide in Penang were still harping on the policy.

Yong said the DAP-led Penang government's "so called cancellation of



Abdul Hadi

the NEP" was completely redundant as it no longer existed and it was equally disappointing that Penang Umno was still harping on a non-existent policy.

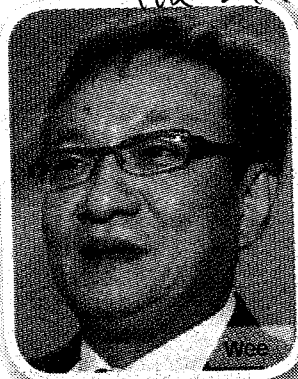
However, PAS deputy commissioner Dr Mujahid Yusof Rawa said the party is fully confident that Lim would look after the interests of Penang Malays.

PAS president Datuk Seri Abdul Hadi Awang said the good features within the NEP will be maintained while the unfavourable ones will be rejected, because he said the problem lies in its implementation.

PAS Youth chief Salahuddin Ayub said the NEP had played a role in reducing the gap between the rich and the poor but it has also been used as a political tool by Barisan Nasional to suppress certain quarters based on economic, political or racial sentiments.

Parti Keadilan Rakyat's Wangsa Maju MP Wee Choo Keong said he fully supported the NEP which had a noble objective but "it has failed miserably because less than 10% of the bumiputras had benefited from it".

"To put it bluntly, only the Umnoputras or those connected directly or



Wee

indirectly to the Umnoputras are the beneficiaries of the NEP," he said while claiming poverty eradication was never the priority of BN.

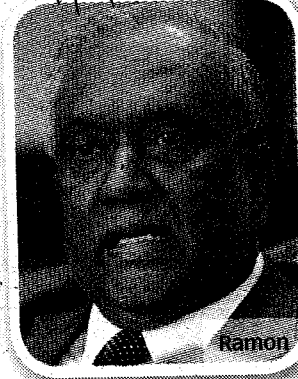
Wee called upon the BN government to review the NEP/NDP by setting a new condition whereby qualification for assistance under the policies is by way of mean test and not race-based.

Three non-politicians contacted by *theSun* said the NEP is still relevant because the special rights of the bumiputras, provided under the policy, has continued in concrete forms in the subsequent policies.

"It is strongly associated with the question of Malay rights, and has become the reference point for any regulations or administrative procedures, whereby race is given priority," said Dr Ooi Kee Beng, of the Institute of Southeast Asian Studies in Singapore.

He said the NEP is now short hand for race-based pro-bumiputra affirmative action, and this certainly exists at all levels of governance in Malaysia.

Economist Tan Sri Ramon Navaratnam, who is also Transparency International Malaysia



Ramon

president, said the spirit of NEP is reflected in the NDP and NVP.

"It is the same thing. The same food in different packaging. It is not wrong to keep referring to NEP. It is a matter of technicality, but a rose by any names smells the same," he said.

Ramon said it is a policy of preference of one group over the other and NEP is a good policy if implemented properly.

"The problem now is, they (politicians) are using the name of NEP but for their own personal benefit. I think they should just maintain the name NEP because it is good in terms of spirit and intent.

"But they should do away with the abusive authority part. I would very much like for it to be implemented sincerely by the government," he said, adding Lim had a commendable intention but had put his words wrongly.

Universiti Utara Malaysia political science lecturer Assoc Prof Dr Ariffin Omar said Umno politicians have their worries following the fall of five states to the opposition.

"They doubt the opposition will help the

NEP CHRONOLOGY

Prior to 1970

Malaysia's development policy was primarily aimed at promoting growth with a strong emphasis on the export market. Although the economy grew very rapidly during this period, there was insufficient emphasis on distributional aspects, resulting in socio-economic imbalances among the ethnic groups with negative social consequences in the form of a racial riot in 1969.

1971 - 1990: New Economic Policy (NEP)

It was launched with the objective of eradicating poverty irrespective of race and restructuring society by correcting economic imbalances. The initial target was to move the ratio of economic ownership in Malaysia from a 2.4:33:63 ratio of bumiputra, other Malaysian, foreigner ownership to a 30:40:30 ratio.

1990

Bumiputra share of equity amounted to 20.4% of total corporate equity share while other Malaysians' share is at 46.8% and foreigners own 25.1%.

1991 - 2000: National Development Policy (NDP)

- » it maintains the basic strategies of the NEP
- » it aims at balanced and sustainable development and promoting human resource development
- » it gives priority to the role of the private sector as the engine of growth.

2001 - 2010: National Vision Policy (NVP)

It incorporates the critical thrusts of the previous development policies (NEP and NDP). It also encapsulates new policy dimensions which include developing Malaysia into a knowledge based society, generating endogenously-driven growth, and achieving at least 30% Bumiputra participation by 2010.

Source: EPU, JPM

Malays. But, the argument by the opposition is, there are also non-Malays who need help. So, those in power should help the people across the board," he said.

"But, Umno is not prepared to give this (NEP) up for political reasons. They are using the NEP to get the Malay support which they need to get their power from. But, they end up helping only a certain class of Malays which is, those with political connection."

Ariffin said the Malays are also not happy with NEP because of the way it is

implemented by the ruling BN government.

"People can call it (NEP) by any name, but basically it is still the same, based on the way BN conducts itself. What many want to see is to do away with the racial categories. There should not be any privileges in terms of poverty," he said.

"Malaysians in Sabah and Sarawak, who are also mostly bumiputras and supposed to be part of the privileged community, are still suffering although NEP has expired almost 20 years back."