

**Search for flight MH370 reveals Malaysia's flaws, says Bloomberg columnist
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A Bloomberg columnist has criticised Malaysia's handling of the search for Malaysia Airlines flight MH370, saying that the chaos that marred the hunt has shown up the country's weaknesses.

William Pesek, in his column titled "A plane disappears, Malaysia's flaws emerge", questioned Datuk Seri Hishammuddin Hussein's credentials that made him defence and acting transport minister.

"How does someone like Hishammuddin Hussein become defence minister and acting transport minister in Southeast Asia's third-biggest economy?"

"Even with his nearly 20-year stint as a legislator and more than a decade in ministerial posts, it can't hurt that he's also the scion of a powerful political family.

"The lamentable manner in which he has fielded questions about the search underscores how unaccustomed Malaysia's leaders are to being questioned by anyone," Pesek wrote in his column.

He said it was this mindset which has caused Malaysia to be ensnared in the middle-income trap which countries like South Korea and Thailand had escaped years ago.

"Rather than free the economy from race-based quotas and business preferences, the party has expanded them.

"Never mind that these policies make Malaysia even less attractive to multinational companies and encourage so many of the nation's best and brightest to move to Singapore and Hong Kong. Or that the Philippines and Indonesia are surging ahead as Malaysia looks backward," Pesek said.

He said Malaysia had long been handicapped by a political culture which placed the ruling party's needs above those of the people.

"For six decades, Prime Minister (Datuk Seri) Najib Razak's United Malays National Organisation (Umno) has appeared to have only one goal: to maintain its hold on power.

"It's thus promoted – and recently reinforced – Malay-first racial policies that benefit its political base. The side effects, including stagnant living standards, waning competitiveness, and the humiliation of Malaysia's sizable Chinese and Indian minority populations, are all overlooked in the service of this larger goal," said Pesek.

He said Malaysia is proving to be all hardware and no software.

"For years, Umno acted as though top-quality roads, state-of-the-art ports and bridges, iconic skyscrapers and a swanky new capital in Putrajaya would inevitably pave the way to prosperity.

"But economic software is even more important. And on that front, Malaysia has never bothered to cut red tape, level the playing field for non-Malays, or introduce the competitive forces necessary to stimulate entrepreneurship," Pesek said in his column.

He also took a dig at the Election Commission's redelineation exercise, the government's financial aid, the religious tension in the country and Putrajaya's action against publications deemed to be "anti-government".

"Why bother when all the party needs to do to stay in power is redraw voting districts, bribe the masses with fat handouts, invoke religion when necessary, and muzzle any pesky publications that dare to write about corruption and privilege?"

"All this explains why per-capita income in a resource-rich nation with an enviable geographic position in Asia has stalled at near the US\$10,000 (about RM33,000) mark.

"Malaysia is stuck in the middle-income trap because its leaders are stuck in time.

"The families of the victims of flight 370 deserve better. But then, so do the Malaysians whom Najib claims to serve," said the columnist. – March 21, 2014.

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