

Academic: Pak Lah transformed GLCs, taking UMNO's hands off the wheel

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By Sean Augustin

UM lecturer Prof Terence Gomez says it was former Prime Minister Abdullah Ahmad Badawi who initiated many transformation programmes, but doesn't get enough credit.

PETALING JAYA: On Thursday, Prime Minister Najib Razak thanked his predecessor, Abdullah Ahmad Badawi for remaining loyal to Umno and Barisan Nasional (BN) at a gathering to celebrate the Malay party's 71st anniversary.

"Thank you, Pak Lah, for showing an example of how a former president should show loyalty to a party he once led," Najib said, calling the former prime minister by his nickname.

It isn't the first time Najib has shown his gratitude to Abdullah for his conduct after stepping down as prime minister and later UMNO president, following BN's disastrous showing in 2008.

But one thing Pak Lah doesn't get much credit for however, according to Prof Terence Gomez, an academic from Universiti Malaya, is the transformation of government-linked companies (GLCs), which was implemented in 2004, a year after Abdullah took over the reins from Dr Mahathir Mohamad.

The initiative saw an attempt to reduce, even prevent, elected representatives from serving as directors of public-listed GLCs.

Their presence in such entities, Gomez said, did not bode well for the economy and corporate sector as they did not have the "know how".

The GLC transformation programme on the other hand saw Idris Jala's appointment as Malaysian Airline System Berhad chief executive officer in 2005, and Azman Mokhtar brought in to Khazanah Nasional Berhad in 2004, which was also named as the secretariat for the programme.

Idris was MAS' CEO from 2005 to 2009 and had been largely credited for the national airline's turnaround.

Abdul Wahid Omar and Che Khalib Mohamad Noh, according to another report, were both brought in July 2004 to head the utilities groups Telekom Malaysia Bhd and Tenaga Nasional Bhd.

And unlike before, where UMNO was a key player in most sectors of the economy, the party now owns only one public-listed company, Utusan Melayu. There is also now a “paucity” of UMNO members and elected reps who sit as GLC directors, according to Gomez.

There are also no key UMNO members who are owners of major public-listed companies.

This major reform by Abdullah, Gomez said, was very important for the country as it ensured the survival of companies badly affected by the 1997 financial crisis that were taken over by the GLCs.

“Abdullah did a lot of good in terms of reforms to get the GLCs to be professionally run,” he told reporters after a forum here last night.

“The gradual shift of UMNO-owned companies to the government, especially to the Ministry of Finance Inc is a good thing, but only if this government holding company is professionally managed and operates in a transparent and accountable manner.”

Taking it a step further

To improve on the foundations laid by Abdullah, Gomez said Najib should also drop his finance ministry portfolio, repeating a call he made in April, because it would help avoid any conflict of interest.

“There also needs to be some check and balances, and this includes putting the GLCs under a parliamentary select committee. Preferably, one which is led by the opposition.”

Gomez said if the GLCs are autonomous and run by competent professionals, there was no reason why they can’t perform well.

“I have faith they can do it. If we bring about check and balances, then I feel the GLCs can be a vanguard in taking the economy forward.”

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