

Najib-Mahathir tussle unlikely to move Malaysia forward

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The government needs to institute bold moves, such as stopping its neglect of Chinese and Indian minorities, so as to increase competitiveness, says author.

KUALA LUMPUR: What does former prime minister Dr Mahathir Mohamad's return to active politics say about Malaysia?

Willian Pesek, writing in *The Nikkei Asian Review*, says it shows the dearth of young leaders to replace the old warlords. It also shows that the opposition is too feckless to provide Mahathir a plausible route back to the premiership.

He says the headline-grabbing tussle between Dr Mahathir and Prime Minister Najib Razak is unlikely to change the policies that are undermining Malaysia's living standards.

He adds that "even if Mahathir outmaneuvered Najib and reclaimed the crown, there is no guarantee things would change course significantly. To do so would be to water down the policies and laws that kept Mahathir in power – ones Najib is now using to cling on."

Saying the situation in the country is not good, given the slide in some international rankings and the continuing impact of the blow from the 1MDB debacle, Pesek says bold moves are needed to lift up the nation.

The main task is increasing competitiveness, says the author of "Japanization: what the world can learn from Japan's lost decades".

Since 2009, Najib has broadened affirmative action policies that benefit the ethnic Malay majority at the expense of productivity, deterring foreign investment, says Pesek, a former Bloomberg columnist.

"Najib's team is big on splashy conferences to tout success in raising Malaysia's game, even though the facts belie the claims.

"Only bold change will ensure Malaysia thrives in this Asian century. Its neglect of Chinese and Indian minorities, for example, is self-defeating economic apartheid.

"It encourages many of Malaysia's best and brightest to flee to Singapore or Hong Kong and increases the relative attractiveness of Indonesia, the Philippines and Vietnam for foreign executives."

He adds: “Instead of scrapping antiquated race-based quotas for hiring and business contracts and getting the state out of the private sector, Najib doubled down on 1971 – the year his prime minister father introduced this “New Economic Policy.”

“In 1991, Mahathir tried to augment it with a “National Development Strategy,” but Malaysia has done much more strategy-spinning than ensuring development keeps pace with Asian peers now pulling away from Najib’s economy.”

Pesek ends with: “Entertaining as he is, though, Dr M is a wildly imperfect messenger for what ails the economy. The time warp Malaysians should fear as Mahathir and Najib exchange blows is one that takes living standards backwards.”

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