

Mahathir Vs Najib Won't Fix Economy, Says Author

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By Admin-S

(FMT) – The battle between Prime Minister Najib Razak and Pakatan Harapan (PH) chairman Dr Mahathir Mohamad is unlikely to solve Malaysia's economic woes, warns author William Pesek.

The Tokyo-based journalist said this would be the case regardless of who wins in the 14th general election (GE14), which must be called by August.

“Entertaining for sure, Mahathir vs Najib probably will not end a 20-year drama and will exact a high cost on the economic future.

“Reversing course requires fresh thinking and an abrupt change in policy priorities – both in short supply this election season,” he said in a column on the Nikkei Asian Review.

Earlier this month, Mahathir was named PH's prime ministerial candidate if the opposition pact sweeps to victory in the upcoming polls.

Political observers say the veteran statesman is the best person to topple Najib, although others have questioned his ability to take on the ruling coalition and effect governmental reform at the age of 93.

Pesek said Mahathir, who led the country from 1981 to 2003, had transformed Malaysia from a “tropical backwater” to a “tiger economy”.

Following the 1997 Asian financial crisis, however, he said Mahathir's policies “cement Malaysia's trajectory toward today's middle-income-trap status”.

“As currency speculators pounced, Mahathir fought back. He pegged the currency, clamped down on the media, imposed capital controls and denounced traders.

“Thailand, Indonesia and South Korea strengthened banking systems, liberalised capital accounts and levelled playing fields for foreign investors. Mahathir went the other way, walling off the economy from outside forces in ways that undermined competitiveness.

“Rather than dismantle affirmative-action policies that, since 1971, give the ethnic Malay majority first crack at public jobs, business contracts and education, Malaysia went further with race-based quotas,” he said.

When Najib took over in 2009, Pesek added, he “doubled down on economic apartheid”.

Malaysia’s ranking in the World Economic Forum’s competitiveness index also fell five places from 18th to 23rd since the 1MDB issue went global in 2015, he said.

Noting that the election discourse was generating “no concrete ideas” on problems like inflation and lack of opportunities for minorities, Pesek said time was “not on Malaysia’s side”.

“While both men will almost certainly put on a dramatic no-holds-barred political show, neither the contest, nor the result, is likely to reverse the once-promising economy’s steady slip-slide off the world’s centre stage.

“Malaysia must reduce the stifling role of government, shift toward high-value-added production, increase innovation and halt a brain drain caused by Chinese and Indian talent fleeing to Singapore and Hong Kong. And yet this election is more about two political titans brawling over who is less shady than finding a new way forward.”

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