

Continuing the Spirit of the NEP

The corporate sector should realise that racial balance must continue to remain an underlying principle.

HISTORY often repeats itself. That is because human beings either do not know history or forget the lessons it offers. Others think they can rewrite history.

In recent decades, American leaders have spoken eloquently of history but understood little and practised none of history's invaluable pointers.

Thus, they are condemned to keep repeating the darker side of their country's history, which unfortunately, also affects the rest of the world.

It would appear that in the 'dog eat dog' world of American politics, in which the president is literally an elected dictator, history takes a back seat.

And if nothing changes between now and the November presidential election, President George W Bush may very well repeat what had befallen his father – the defeat of a war president. The senior Bush lost his incumbency despite victory in Kuwait.

The junior Bush fared worse in his Iraqi adventure. His war is unpopular. It isn't backed by the United Nations (UN), the Americans are divided over it and more American soldiers died there than in his father's UN approved war.

But America isn't alone in not learning from history. We in Malaysia could very

well be as guilty, if not more, for ignoring history.

In fact, it would appear that we deliberately suppress certain aspects of our history. For example, we fear talking about the May 13, 1969 race riots, pretending that it never happened.

Thus, our young people have little or no knowledge of the event and the things that happened as a result of it, including the landmark New Economic Policy (NEP) and the *muhibbah* (goodwill) movement.

Sadly, it is in contemporary politics that history is so often ignored. Not surprising, therefore, fewer and fewer people remember the origins of the NEP.

BALANCING THE SCALE

MANY have forgotten or not realised that the late Tun Abdul Razak Hussain went against the norm to launch the NEP, when it became apparent during the May 13 riots that there was so much anger and unhappiness among the Malays.

They were angry and unhappy upon realising that they were left so far behind economically, 12 years after the country had achieved independence. This was made worse by the taunts and insults they received on the streets of Kuala Lumpur from jubilant supporters of opposition

parties during the riots.

But the NEP wasn't a dictatorial decision of one man. It was the crystallisation of the thoughts and views of prominent Malaysians of all races who sat in the post-May 13 National Consultative Council.

It was a modest attempt at balancing the economic interests of the various races and regions of the country.

Thus, while the *Bumiputeras* made up more than 60% of the population, the NEP only set a modest target of 30% for their share of the economic cake to be achieved over a period of 20 years.

Even that was not fully achieved when the NEP period expired in 1990. Although poverty was substantially reduced, the *Bumiputera* share of the corporate wealth had never exceeded 20%, even after taking into account the shareholding of trust agencies.

Still, the NEP was a miracle to all Malaysians. The *Bumiputeras* were better off and the non-*Bumiputeras* benefited as much from it.

Despite complaints of injustice, the non-*Bumiputeras*, in particular the Chinese, benefited greatly from the massive public sector expenditure and growing sophistication of *Bumiputera* consumers.

Today, it is almost taboo to talk about how large Chinese- and Indian-owned conglomerates and family businesses were

propelled to greatness by the massive contracts and franchises they received from the government during the NEP.

Tan & Tan Developments Bhd made money by pioneering low-cost houses, YTL Corporation Bhd by building schools and hospitals, Genting Bhd by being given a casino license and the Kuoks by being awarded the sugar monopoly.

GETTING RID OF POVERTY

THE biggest success of the NEP was reducing poverty – be it of the *Bumiputeras* or the non-*Bumiputeras*. When it started in 1971, 49.3% of Malaysia's 10.6 million people lived below the poverty line.

Despite inflation and rapid population growth, the number of households living below the poverty line has been falling steadily. By 1997, overall poverty has declined to 6.1% or 274,200 households.

Still, there was an imbalance between rural and urban economic growth resulting in rural poverty being more widespread.

Prior to the 1997 regional economic crisis, rural poverty stood at 10.9% and urban 2.1%. The crisis caused a significant increase in poverty.

By 1999, overall poverty level rose to 7.5% with the rural sector taking a heavier beating, causing it to increase to 12.4% compared with 3.4% for the urban sector.

The economy has since recovered sufficiently and recorded its highest quarterly growth of 7.6% in the first three months of this year. But economic growth alone is not the answer to the eradication of poverty.

As Malaysia's experience has shown, only with fair distribution of both economic resources and opportunities would inequality be gradually overcome.

After more than half a decade of efforts to put the economy back on its feet, it is timely that the new Prime Minister, Datuk Seri Abdullah Ahmad Badawi, should be making eradication of poverty the thrust of his development policy.

It is good that Abdullah recognises poverty as a problem. In fact, experience elsewhere has shown that poverty and inequality tend to become intractable as the economy matures.

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form as manifested by homelessness, malnourishment, an inability to compete and a rise in crime.

The continuing debate on crime, and more recently on low-cost housing, are a clear indication of the growing imbalance in our society.

Despite attempts by law enforcement agencies to present a healthy set of law and order statistics, the general feeling among Malaysians is that crime is on the rise.

Whether they are perpetrated by Malaysians or by the millions of immigrants now living in this country, media reports suggest that our safety and

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the safety of our property are under threat. It has to be when snatch thefts are resulting in deaths.

COMBATING SNATCH THEFTS

SOME months ago, while having *teh tarik* at Lucky Garden, Bangsar, I saw a Malay woman having her handbag snatched. We gave chase, but the thief jumped onto a waiting motorcycle and sped off.

Upon closer inspection, I discovered that the victim was a wealthy lady who is the sister-in-law of an important member of the Cabinet.

After informing her that snatch thefts were almost a daily occurrence in the area, I commented to her that, now that it happened to her, perhaps the authorities would do something about it.

Maybe she did not relate the incident to her powerful brother-in-law, or neglected to report the incident to the police. Even if she did, nothing was done because a couple of weeks later, I again witnessed another snatch theft.

This time, it happened to an elderly Indian woman as she was walking along Jalan Ara. She fell and hurt herself. She was bleeding when I took her to a clinic along Jalan Bangsar. She was a widow and was then working as a domestic helper. The thieves got nothing except her lunchbox.

Following that, I wrote a column saying the police should go undercover to monitor the activities of snatch thieves and apprehend them. But, since then, newspapers have been reporting several snatch thefts that resulted in the death of the victims.

Maybe I should say it again. This time, I would like to suggest that young police trainees from the Jalan Gurney Police Training Centre be assigned to be on the look out for snatch thieves when they go on their weekly outings. They should be taught to go undercover.

This way, I am sure they would be more than capable of apprehending the thieves who are mostly drug addicts and teenage hooligans.

Seeing how the victims were mangled and traumatised, I think High Court Judge Datuk R K Nathan had a point when he suggested that convicted snatch thieves should be subjected to mandatory whipping. I would not dare suggest that they deserve worse.

BENEFITING SELANGOR'S POOR

POVERTY could be at the heart of a recent debate on housing. It suggests that a segment of our population has fallen below the capacity to generate enough income to own or even rent a modest home.

The debate was sparked off when Selangor Menteri Besar Datuk Seri Dr Mohammad Khir Toyo suggested, rather naively, that well-to-do people should be allowed to buy low-cost housing units and rent them out to the poor.

It would seem that Mohammad Khir was more concerned with developers suffering big losses due to the unsold units. I hope and pray the Menteri Besar has the same amount of compassion for the poor people who could not afford to buy or rent these houses.

Apart from unsuitable locations, the poor uptake of low-cost housing units was caused, to a large degree, by our own penchant for measuring success with luxury items such as motorcycles, cars, TV sets and home stereos. A growing number of people are placing a greater priority on owning these items than on education, health and housing.

The practice of making the ownership of motor vehicles and household appliances easy through interest-free loans and other incentives, has contributed towards skewing further the expenditure priority of the poor.

While on one hand they will find themselves at the mercy of finance companies, and in extreme cases, the *ah longs* and an assortment of other illegal moneylenders, on the other, they will never be able to generate enough savings to even pay the down payment on a modest home.

Maybe a rich state like Selangor, which is aiming to become a *negeri maju* (developed state) soon, should consider starting a housing board-type of body to facilitate house ownership.

Otherwise, it will have the distinction of achieving the status of *'Selangor Maju'* but having tens of thousands of its residents living in squalid conditions.

Surely that is not what Mohammad Khir wants how his tenure as Menteri Besar to be remembered for.

Another aspect of the Prime Minister's policy that deserves a compliment is the improvement of the rural economy via agriculture.

It would appear that unless renewed efforts are made, the rural economy, including the plantation sector under Federal Land Development Authority (Felda), might stagnate or, in a worst case scenario, decline as more rural inhabitants

move to the industrial sector.

Thus, appointing a senior and experienced person like Tan Sri Muhyiddin Yassin to lead the Agriculture Ministry is a commendable move. But, that alone will almost certainly come to naught if the ministry itself is not treated as a priority for purposes of funding and manpower allocations.

The bureaucracy and the financial system, that in the past appeared to be impediments rather than catalysts for growth of the rural sector, must be overhauled if Abdullah wants his administration to achieve its people-friendly objective.

It would be tremendously helpful if, in the process, Abdullah also pays due attention to the environment. Much of today's agricultural and industrial practices are destructive to the environment and are unsustainable in the long term.

Charging Deputy Prime Minister Datuk Seri Abdul Najib Tun Abdul Razak with the task of supervising Felda will hopefully breathe new life into the land scheme.

It is a recognition that, despite its size and importance, Felda is lagging behind other plantation giants in terms of productivity and profitability despite massive injection of funds by the Government.

EVERYBODY TO DO THEIR BIT

IN the final analysis, the Government alone cannot achieve the objective of equitable development, either from the sectoral or racial aspect.

It must prevail upon the private sector to continue with the spirit of the NEP, although the policy itself has ended almost a decade and a half ago.

The Prime Minister must impress upon the corporate sector that racial balance must continue to remain an underlying principle. Restructuring, compulsory or otherwise, must continue to be a practice

of Corporate Malaysia.

There are enough good *Bumiputera* businessmen, professionals and trust agencies that can participate in the process. But, recognising that poverty cuts across racial lines, efforts must continue to be made to ensure that poverty is not identified with any particular race.

The habit of claiming that *Bumiputera* success is solely due to official policies is unproductive. Not every successful *Bumiputera* has born with a silver spoon in his mouth or spoon-fed by the Government. Many worked very hard and started at the bottom.

Well and good that the Government is appointing young people to lead important agencies and companies. Hopefully, they have not only the integrity but wisdom as well.

But, there are more Government-controlled companies, at both federal and state levels, that require management refurbishment and a change in business culture.

Unlike the Government where appointments and promotions are generally based on seniority, the private sector's key consideration is performance. A person's background will sooner or later be known, and can become either an asset or a liability to his or her

organisation.

A government-owned company may not be run professionally even by the best and most qualified of professionals if they have to put up with excessive bureaucracy, protocol and political interference.

It is noteworthy that many of these companies have ministers, menteris besar, and an assortment of other elected representatives as their chairmen.

Having acknowledged the importance of meritocracy, it is only to be expected that the Government will appoint only the best and most trustworthy, irrespective of race, to manage such companies. **mb**

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