

Timely to Establish the Third National Economic Consultative Council (MAPEN III)

I read with interest the call by UMNO Youth for a new National Agenda during the recent UMNO Assembly. Having been a member of the First and Second National Economic Consultative Councils (MAPEN I : 1989 to 1990 and MAPEN II – 1999/2000), it was to me a sense of déjà-vu. Whilst it must be acknowledged that the Bumiputra equity has actually declined from 20% to 18% and yet to achieve the 30% target as envisaged by the New Economic Policy (1970 – 1990), it needs to be also elucidated that Bumiputra ownership in land such as in FELDA Schemes, the world's largest planted acreage have not been computed as Bumiputra ownership. It also needs to be clarified whether the shares held by Khazanah Nasional Bhd in Government-Linked Companies are classified under Bumiputra ownership. Having these computed and classified under Bumiputra ownership could substantially increase Bumiputra ownership.

Nevertheless, one can understand the feelings of disappointment by the Bumiputra community at large over the inability of the Bumiputras to achieve the 30% equity target as envisaged by the New Economic Policy by merely looking at the statistical figures. Yet one cannot deny the remarkable progress achieved by the Bumiputras in all sectors of the economy. In the Banking sector, out of 10 anchor banks, only 2 can be deemed to be under Chinese control. In the Plantations sector, besides FELDA, most of the large Plantation companies like Guthrie, Sime Darby, Golden Hope are Bumiputra controlled. In the Oil & Gas sector, most of the players are Bumiputra companies. Likewise in the Automobile sector.

Whilst we need to understand the grievances of the Bumiputra community over the under-achievement of the NEP targets, it will be useful to recall and restate some of the fundamental tenets of the New Economic Policy. The NEP had dual objectives – to restructure society so as to remove the identification of race with economic function and to eradicate poverty irrespective of race. No Malaysian can begrudge these noble aims which have benefited the country enormously in terms of social stability, peace and economic progress. The NEP also clearly stated that in the process of restructuring society, no one needs to experience a feeling of deprivation or a sense of loss. The NEP was predicated on an expanding cake and restructuring was to come out of growth.

Malaysia has over the years benefited from this policy of growth with equity. With the recent calls by UMNO Youth to revive the NEP, there is a vital need to understand the basic tenets spelled out above which underpins the NEP. The NEP addressed the historical injustices faced by the Bumiputras and rightly so. Whilst the NEP has a 20-year time frame (1970 – 1990), towards the end of the NEP period, the Government, in its wisdom established the National Economic Consultative Council (MAPEN I) to deliberate on the Post-1990 National Economic Policies to replace the NEP. The National Development Policy (NDP covering the period 1990 – 2000) was the consensus of MAPEN I.

It ought to be remembered that many of today's key political leaders were members of MAPEN I and were a party to the consensus reached at MAPEN I. The MAPEN I members included Prime Minister Dato Seri Abdullah Ahmad Badawi himself who was the Leader of the UMNO delegation to MAPEN I and Cabinet Ministers like Dato' Seri Nazri Aziz, Dato' Seri Syed Hamid Albar, Dato' Seri Sharizat Jalil, Dato' Seri Dr. Jamaluddin Jarjis, Dato' Seri Abdul Kadir Sheikh Fadzir, Dato' Seri Ong Ka Ting. Other members included Tan Sri Dr. Koh Tsu Koon, Dato' Seri Kerk Choo Ting, Dato' Chua Jui Meng, Dato' Ong Tee Keat, Datin Paduka Dr. Tan Yee Kew, Dato' Fu Ah Kiow and many others.

The consensus arrived at MAPEN I is very important as it laid down the key thrusts and broad principles of the Post-1990 National Economic Policies. Whilst MAPEN I proposes the National Development Policy (NDP) to replace the NEP, which so many Senior Cabinet Ministers of today who were members of MAPEN I agreed to, there was, nevertheless, an understanding that the NEP objective of eradicating poverty irrespective of race should continue. Whilst, there was also a recognition of the need to continue to restructure society, it was clearly recognized that whilst the 30% objective remains a “global” or macro target, there shall be no forced restructuring at the firm level. It was also felt that affirmative action programmes should also be extended to all deprived groups such as Orang Asli, Kadazan-Dusuns, the Ibans and Indians.

Whilst restructuring society to eradicate economic function or vocation with race was a noble objective and much has been achieved in creating a Bumiputra Industrial and Commercial Community, a lot more has to be done to enlarge the participation of non-Bumiputras in the Public Sector, particularly the Civil Service (PTD), Police (PDRM) and the Armed Forces. Non-Malay participation in these key services have declined substantially over the years. The ethnic composition of the Royal Malaysia Police as in the Report of the Royal Commission on Police is a case in point. To ensure that the noble objectives of the original NEP and its successor policy, the NDP is implemented effectively, there needs to be an effective monitoring mechanism to not only monitor policy implementation, but study weaknesses in implementation and identify deviations in implementing agreed upon policies.

It should be noted that the National Development Policy (NDP) has given way to the National Vision Policy (NVP which covers the current period 2000 – 2010). The NVP was the consensus report of the Second National Economic Consultative Council (MAPEN II) which met from 1999 – 2000. With the recent calls for a new National Agenda made at the recent UMNO Assembly, there is an urgent need for the Government to establish the Third National Economic Consultative Council (MAPEN III).

MAPEN III can debate and discuss, behind closed doors in an open, frank and candid manner all the various issues and strategies for the New National Agenda. MAPEN III must include not only representatives of political parties but also civil society groups, chambers of commerce, business organizations, women and youth groups, universities and think tanks so that the report produced will reflect the views of a cross-section of Malaysian society. More importantly, MAPEN III should also focus on Malaysia’s global competitiveness and how it can develop long-term sustainable advantage. The proposed MAPEN III can also do an in-depth analysis on the weaknesses of the Malays in holding on to shares allocated to them. There should also be a study on the total number of Bumiputra share issues since 1970 as well as the issued price and the listing price to determine the gains made in the cumulative Bumiputra share issue. Studies should also be made as to how Bumiputras can retain shares allocated to them for the long-term rather than make quick gains by selling them on the stock exchange for quick gains. MAPEN III can also make an objective rational study on widening income inequalities, particularly the problems faced by the urban and rural poor in this new era of globalization and international competitiveness. In short, MAPEN III can be a useful platform for constructive dialogue and rational analysis on the Way Forward for the nation in terms of its economic development strategies.

In formulating the New National Agenda, Malaysia must take into account the challenges of globalization and trade liberalization and whether we as a nation can compete globally among the world’s best. We cannot ignore the rapid progress made by our near neighbour Thailand, nor be oblivious to the rise of China or the emergence of India as an economic powerhouse. Even Indonesia, with its huge population can be a major competitor once it get its act together under the new leadership of President Susilo Bambang Yudhoyono.

As Chairman of the Jawatankuasa Dasar & Pelaksanaan (Policy & Implementation Working Committee) of the National Unity Advisory Panel, I am also pleased to inform that the Committee at its meeting held on Friday 22nd July, the same day as the UMNO General Assembly, has agreed, among other things, to draft a National Unity Policy, for ultimately whatever policies we pursue, National Unity, must remain the over-riding objective. Such a National Unity Policy will hopefully be able to chart out the strategic directions for us to become a united Malaysian Nation. In this regard, the assurances by Prime Minister Dato Seri Abdullah Ahmad Badawi that the Malay Agenda will not affect the rights of other races is very re-assuring to the non-Malays.

Dato' Dr. Michael Yeoh
Kuala Lumpur
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