

I REFER to news reports quoting Economic Affairs Minister Datuk Seri Mohamed Azmin Ali that the government will undertake a review of the New Economic Policy (NEP) to meet the aspirations of New Malaysia.

He deserves praise for taking one of the most important steps to lead the country on a sustainable growth trajectory.

As the New Economic Model report has stated, Malaysia needs to review the NEP to be competitive in the domestic and external sectors in order to grow at least 6-7% pa in the next few years. Only with steady sustainable growth can we expect to become a fully developed economy in the true sense of the word.

The review is part of Pakatan Harapan's reform manifesto to create the favourable conditions that will motivate all Malaysians to have confidence on the future of the country. The reforms on governance and rule of law will ensure that whichever party rules the country in the future, there will be justice and fairness for all Malaysians. The key institutions of government will be made independent to protect the people against abuse of power without fear or favour.

All these reforms will create a stable democracy, which is important not just for its own sake but as a necessary condition for sustainable growth.

The review of the NEP to make it needs-based instead of race-based will result in it being fair to

all races.

The Malays will still be the main beneficiaries of the revised interventionist policy, because they are the largest community and they form a higher percentage of the poor.

Whether its about business licences and permits, government contracts, housing, education, or public sector employment, all will get the opportunity to apply on the basis of their poverty and their need for government help. Thus, no one will feel a sense of loss or deprivation in the way the government helps the poor.

This phrase about avoiding "a sense of loss and deprivation" was introduced into the wording of the NEP when it was first written into the Second Malaysia Plan (1971-75) document to assure fair treatment for all races. It was further stated in the MP document that the NEP should not "kill the goose that lays the golden eggs", meaning that its second prong strategy of restructuring society through the creation of a Bumiputra Commercial and Industrial Community (BCIC) and the creation of state enterprises to support the BCIC objective, should not stifle the private sector, as it is the engine of growth for the economy.

The government took steps from the mid-eighties onwards, after the country was severely hit by the "twin deficits" recession, to relax on the equity conditions imposed under the NEP on foreign as well as local companies.

Privatisation was introduced to provide opportunities for private capital and entrepreneurship to take over certain public functions and thereby expand private sector scope in the economy. The Industrial Coordination Act and later the Foreign Investment Committee and the Capital Issues Committee were abolished as they added to the bureaucracy of doing business in the country. All these measures helped to revive private sector activity. The government should now go further to facilitate business decisions.

Malaysia needs to retain the best talents for its development efforts to succeed. I hope the revised NEP will lead to diversity of employment in the civil service and the public sector based on the principles of meritocracy and commitment to serve the nation. Those who are talented should be promoted to the highest positions in public service irrespective of race and religion.

At the same time, efforts should be made to implement the Equal Opportunities Commission in view of claims that there is racial discrimination in the private sector, particularly in the traditional family controlled Chinese companies. The Commission will help to dispel the racist suspicions and will be conducive towards implementing the meritocracy policy, with wide public acceptance.

The NEP has been implemented with so much politics behind it that the quality of services delivered to the public has deteriorated.

Undoubtedly, the review of the NEP will require strong political courage to bring about the structural changes as there will be opposition.

The reality is that these changes are essential to create a strong economy that will make us more stable socially and politically and act as a shield against racial and religious extremists. It

will inspire the poor of all races with hope that while it may be too late for some to change their life, their children's future will be much brighter.

*Tan Sri Mohd Sheriff Mohd Kassim
Kuala Lumpur*

Source from : <http://m.thesundaymail.my/node/566870>