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Abstract	The New Economic Policy (NEP) owes its genesis to a vision that sought to redistribute wealth among Malaysia's races and create a Malay middle class. Today, there are a significant number who believe that most of the benefits have gone to upper and upper-middle class Malays. As a whole, a vast swath of the Malaysian middle-classes remain relatively poor. It is the urban lifestyle that has brought this group to such a level - like America's middle-class, they are riddled with credit card debt and face rising costs of living.

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Slaying an Immortal Tiger: Malaysia's New Economic Policy

[Azly Rahman](#) | 16 Jul 2007

The New Economic Policy (NEP) owes its genesis to a vision that sought to redistribute wealth among Malaysia's races and create a Malay middle class. Today, there are a significant number who believe that most of the benefits have gone to upper and upper-middle class Malays. As a whole, a vast swath of the Malaysian middle-classes remain relatively poor. It is the urban lifestyle that has brought this group to such a level - like America's middle-class, they are riddled with credit card debt and face rising costs of living.

The NEP created the country's own Rockefellers, Vanderbilts, and Carnegies (dynasties of the 'old money'), as it continues to create its own versions of Bill Gates, Rupert Murdoch, and Warren Buffet (newer dynasties of 'new money'). In tandem, there are a growing number of millionaire Chinese and Indians that have benefited from the truncated structure of the NEP.

The NEP has also overseen the growth of a larger class of poor across all ethnic groups too, with Malaysia witnessing the rapid growth of an urban poor who live below the poverty line. Hypermodernity and rapid industrialisation, in the hunt for huge profits through expensive real estate projects have also engendered waves of immigration from Indonesia and Bangladesh, adding to the complex social dynamic in Malaysia's urban centres.

The NEP was quite ill conceived to begin with, although in fairness, it was not meant to continue indefinitely unlike what one observes today. It was premised upon the principles of ethnic segregation and a leg-up for the most disenfranchised community - the majority Malay-Muslim population. A noble policy then, affirmative action was also the dominant philosophy of human development in the 1960s and 70s.

Today, the NEP can hardly be appended to noble intentions. The only Indian and Chinese individuals that continue to support it are either found in political parties that are aligned to the ruling coalition, the *Barisan Nasional* or to those Chinese and Indians who rely on government patronage for contracts and tenders.

The state of Malaysian politics continues to worry. Even the Malay middle class - products of the Mahathir development philosophy are now in a state of confusion and contradiction. On the one hand, they have benefited from the policy of affirmative action. On the other hand, they are concerned about the depth of corruption in Malaysian politics and the number of incompetent public servants running the bureaucracy.

Concomitantly, Malaysian governments have successfully developed a strange brew of authoritarianism and contradiction while trumpeting the belief that it is doing fine in the areas of race relations and socio-economic justice. The nature of Malay nationalism is reaching a frightening apex with Malay leaders resorting to Malay nationalism as the panacea of choice when faced against anti-NEP sentiments.

A new philosophy is needed, a new paradigm needs articulation, underpinned by a new economic ethos that will benefit all ethnic groups and communities. All this, in response to a new Malaysian reality that should acknowledge the "non-bumiputras" as the "new bumiputra". Malaysians should not continue living with the sins of their fathers and continue the archaic legacy of colonialist ideology - divide and rule. Nonetheless, more than just a token act towards placating hitherto "second-class Malaysians", it is the technological imperatives that will probably force a review of the NEP, if it has not already.

Globalisation and the interface of new mass-reach technologies have redefined the boundaries of social justice. The international community is interested in the story of Malaysia's NEP, just as Malaysians are interested in the story of the Palestinian question. More than at any other time in this generation, we are in an age where "the center cannot hold", especially when the spine of its *raison d'être* was hosted on the back of information dominance by the state and a social contract that cannot last beyond one generation. One might ask: what are the implications for Malaysian politics and business should the NEP continue in its current form?

Quite simply, the perception of mass dissatisfaction will continue to grow, those marginalised by the system will continue to heckle and the middle class, especially the Malays will continue to protest. Politically, mass mobilisation in support of progressive political groups will increase. The futility of affirmative action and the ideals of equal opportunity will become popular rallying calls of the Malaysian civil rights movement. Citizen journalism will continue to challenge government-controlled media outlets and online platforms like Malaysiakini, Malaysia-Today and jefffoo.com, will probably end up as the first port of call for the news-hungry Malaysian.

The post-Mahathir regime thinks that it can still use the Mahathirist formula of maintaining power and wealth. It does not realise that Malaysians no longer wish to see a 5, or 6 or 7 term Prime Minister in power, as such as how the 22-year Mahathir rule. They want to see a government that serves the people and not one that makes the people modern slaves. They want to see corrupt politicians brought to justice. They do not want a government that is run by arrogant politicians who see politics as a dynasty-building vehicle and a conduit to build up a personal fortune. While the political system perpetuated by the NEP does not necessarily make the latter scenario a given, it has by default, sowed the seeds for it. The NEP is no longer serving the needs of Malaysia. The policy is hopelessly one-dimensional and short-sighted. It may be not be weeded out overnight, but its form can certainly be altered over time. Education is probably the best starting point. Children of poor Malaysians, regardless of ethnicity must be given equal opportunity funding for higher education. Children of wealthy Malaysians and members of the Malaysian royalty should not receive preferential treatment, for obvious reasons.

But there could well be a sliver of hope yet - a sure sign that the Malaysian government is aware of the travails facing the country. The government-driven Iskandar Development Region project may well be more important for Malaysia than ordinary Malaysians envisage. As the laboratory of a "no-affirmative action" special economic zone, its success may well be critical for a thorough review of the NEP, especially if Malay Malaysians do well there.

At heart ultimately in the fight to banish the NEP to the annals of history is a culture of insecurity that Chinese and Indian Malaysians need to appreciate too. As argued by Malay nationalists, the real reason the NEP was implemented in the first place was the economic

under-representation of the Malays in Malaysia. Until and unless a new social contract is written, one that is seen not to align disproportionate wealth to a minority, or unevenly among the races - real change for Malaysia, is a figment of imagination. Equal opportunity would mean nothing if a new socio-economic philosophy replaces purported Malay economic preponderance with that of any other race.

Azly Rahman, a Malaysian, is an America-based educator, who also a columnist for two of Asia's leading online portals, Malaysiakini and Malaysia-Today. He writes mainly on Malaysia's culture of hyper-modernity.

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