

KUALA LUMPUR: Business must be freed from politics for it to play a responsible and major role in creating a viable economy, said Tengku Razaleigh Hamzah, a former finance minister.

“The right to do business as part of the national economy must be a fundamental right, not subject to favours by politicians or bureaucrats,” he said at a luncheon talk here yesterday.

Tengku Razaleigh, who is the Member of Parliament for Gua Musang, was speaking on “Malaysia’s political economy and the international economic crisis” at the Royal Selangor Club.

“A dysfunctional democracy, however well-dressed by public relations exercises or subsequently by media, cannot withstand the realities that are the natural consequence of abuse of power and wanton accumulation of wealth,” he said. “That is the most important message that the Arab Spring has conveyed and we must take cognisance of it.”

On the likely effects on the Malaysian economy of the economic crises in the US and Europe and its political consequences, Tengku Razaleigh said: “Western capitalism that is now accepted as a failure is a capitalism that has had a long history, with very strong political and cultural underpinnings, particularly in the rule of law.

“It is for this reason alone that Western capitalism, for all its faults, has lasted so long. ... While there are similarities, the Malaysian version of capitalism unfortunately does not have the long history of political and cultural foundation. The significance of this cannot be underestimated.”

In an obvious reference to the administration of Tun Dr Mahathir Mohamad, in whose Cabinet Tengku Razaleigh served from 1976 to 1987, he said the capitalism in Malaysia took a decisive change in the 1980s.

“It is my contention that the changes ... were profound, pervasive and influenced the value

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Written by Tengku Razaleigh Hamzah
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systems in public life,” said Tengku Razaleigh.

Political parties and politics, he said, were transformed, as was the civil service, both in its workings and in its relations with the public.

Also public values, or “values associated with the public responsibility that goes along with the position that one assumes”, were changed, he said, which will have serious consequences on the future of the country.

“By privatising the public ownership of what is economically called ‘public good’, the values that went with public good changed to private profit accumulation of wealth and greed,” said Tengku Razaleigh.

The volume of money generated in terms of public expenditure and private gain arising from this policy has never been properly audited or revealed to the public, he said.

The reliance on statistical evidence can lead us to make believe that all is well when it is not, said Tengku Razaleigh. “The empirical evidence seems to suggest that over time the focus of growth was on accumulation of wealth rather than the realities of the socio-economic problems that the people face,” he said.

The demand for labour has been seen as an opportunity to create a rentier political class from those who are part of the political apparatus, he said. It has reached such proportions that there is an alarm that the employment opportunities have all been taken up by foreign labour.

This can be a turning point for the country if the nature of the problem is recognised, said Tengku Razaleigh. A fundamental change in the education system is required to produce quality and skills among workers, he said.

In addition, he proposed that a massive adult education programme to provide the necessary

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language and technical skills be undertaken to ensure that the present generation is not left behind. Non-formal education to bring about national cohesion and rejuvenate dormant economic sectors, such as agriculture, are also needed to bring about a green revolution, he said.

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