

## Mix of politics with business fuelled economic woes, says Ku Li

Written by Tengku Razaleigh Hamzah  
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KUALA LUMPUR, Feb 16 — Tengku Razaleigh Hamzah today charged that years of political patronage and the long standing system of co-dependency between business and politics arising from the Mahathir era had led to neglect of the people's "real socio-economic problems".

The outspoken veteran Umno leader added that economic policies of the past, which kicked off from the 1980s onwards, had also widened inequality in Malaysia and would worsen if the present administration does not move to separate business from politics.

"With this pre-condition, Malaysia's economy can avoid a crisis worse than what we see in the West," he said during a luncheon talk today.

There is "too much money in politics", he continued, adding that this forced further disparities between those who benefit from this "dysfunctional system" and those who suffer from it.

"No democratic system, no institution as envisaged by our Constitution, can survive a political economy of this nature.

"There is just too much money in politics and it has become inseparable from power and the electoral process," said the Kelantan prince popularly referred to as "Ku Li".

Ku Li (picture), known to be one of the greatest critics of the New Economic Policy (NEP) and Tun Dr Mahathir Mohamad's handling of it, was speaking on the state of Malaysia's political economy during a luncheon at the Royal Selangor Club here.

The Gua Musang MP said what happened in the 1980s was a "deviation" from the ideals of promoting unity and equitable distribution of wealth, as enshrined in the 1971 Second Malaysia Plan.

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The NEP, he said, had “unfortunately” failed to survive the leadership prior to 1980 and faded before its full impact could be felt.

“What happened from 1980 onwards was an intervention of a new form of capitalism that was not obvious but reflected in the way the leadership that came after the mid-1980s conducted itself in the implementation of economic policies and the exercise of political power,” he said.

Eventually, said Ku Li, political power became a means to business and accumulation of wealth, thus creating a co-dependency between the two.

“All those in the hierarchy of the system also benefited and, in order to maintain that system, they supported the centralisation of power within the party leadership and the government,” he said.

To ensure its political survival, this “centralised power”, he said, had to feed those within the system with business opportunities.

As such, those on top enabled the discretionary use of political power to distribute public procurements, contracts and privatisations programmes and created a self-serving economic system, he added.

“In these circumstances, money became a dominant political weapon in political parties and the entire political process. This new culture of politics released forces within the political parties and the public arena unseen before,” he said.

But, added Ku Li, the system eventually led to neglect of the people’s socio-economic problems as essential changes to the economy were either ignored or misconceived.

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He pointed to the growing household debts of Malaysians across the racial divide and employment problems, caused by the alarming presence of foreign labour in the job market.

Ku Li also drew links between Malaysia's political system and the Arab Spring and urged the present administration to learn from the Middle Eastern uprising.

"The lesson we have to learn from the Arab Spring is that 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.

"That is the most important message, I think, that the Arab Spring has conveyed and we must take cognisance of it," he said.

By Clara Chooi February 16, 2012

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