

Corporatization and Privatization of Public Services: Origins and Rise of a Controversial Concept

K. L. PHUA

ABSTRACT

The Malaysian government has been implementing its policy of corporatization and privatization of public services (including social services such as health) since 1983. In this article, the concept of privatization of public services is traced back to the crisis of the welfare state in Britain and America and the influence of intellectuals and think tanks that favour free market policies and abhor government intervention in economic affairs. The growth in influence of this concept illustrates the impact that intellectuals can have when their ideas fall on the ears of sympathetic politicians and political movements under certain socioeconomic climates.

Key words: corporatization, privatization, crisis of the welfare state, free market, globalisation

ABSTRAK

Kerajaan Malaysia telah melaksanakan polisi pengkorporatan dan penswastaaan perkhidmatan awam (termasuk perkhidmatan sosial seperti kesihatan) sejak 1983. Artikel ini menyusur galur asal usul konsep penswastaaan kepada krisis negara kebajikan di Britain dan Amerika Syarikat dan pengaruh para cendekiawan yang menyokong dasar pasaran bebas dan membantah campur tangan kerajaan di dalam hal-hal ekonomi. Perkembangan konsep ini menunjukkan para cendekiawan berupaya mempengaruhi ahli-ahli politik dan pergerakan politik di dalam keadaan sosioekonomi tertentu.

Kata kunci: pengkorporatan, penswastaaan, krisis negara kebajikan, pasaran bebas, globalisasi

INTRODUCTION

The policy of privatization of public services was first introduced in Malaysia in 1983 (Jomo 1995). In the years that followed, major public sector entities such as Malaysian Airline System, Lembaga Letrik Negara and Jabatan Telekom were

