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The Future of Malaysian Chinese

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Dato' Dr. Ling Liong Sik
Dato' Kok Wee Kiat
Michael Yeoh Oon Kheng
Dr. Lim Lin Lean
David Chua
Chua Jui Meng



**MALAYSIAN CHINESE
ASSOCIATION**

Published by

Malaysian Chinese Association
Wisma MCA,
163, Jalan Ampang,
50450 Kuala Lumpur,
Malaysia.

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305.89510595

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ISBN No. 983-99527-0-6

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12 OCT 1994

Perpustakaan Negara
Malaysia

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List of Abbreviations

ASN	— Amanah Saham Nasional
BN	— Barisan Nasional
DAP	— Democratic Action Party
DARA	— Pahang Tenggara Development Authority
EPF	— Employees' Provident Fund
FELCRA	— Federal Land Consolidation and Rehabilitation Authority
FELDA	— Federal Land Development Authority
Gerakan	— Gerakan Rakyat Malaysia
Hamim	— Hisbul Muslimin
IADP	— Integrated Area Development Programme
ICSS	— Independent Chinese Secondary Schools
INSAP	— Institute of Strategic Analysis and Policy Research
ISIS	— Institute of Strategic and International Studies
ITM	— Institut Teknologi Mara
JPA	— Jabatan Perkhidmatan Awam
KEJORA	— Johor Tenggara Development Authority
KETENGAH	— Central Terengganu Development Board
KLSE	— Kuala Lumpur Stock Exchange

LI	– Language Institute
MARA	– Majlis Amanah Rakyat
MCA	– Malaysian Chinese Association
MIC	– Malaysian Indian Congress
MP	– Member of Parliament
MUCIA	– Mid-West Universities Consortium for International Activities
NADA	– New Village Development Authority
Nasma	– Parti Nasionalis Malaysia (Nationalist Party)
NEP	– New Economic Policy
NFPE	– Non-Financial Public Enterprise
PAS	– Parti Islam Se-Malaysia
PBS	– Parti Bersatu Sabah
PBDS	– Parti Bansa Dayak Sarawak
PERNAS	– Perbadanan Nasional Berhad
PNB	– Pemodalan Nasional Berhad
POL	– Pupil's Own Language
POR	– Pupil's Own Religion
PPP	– People's Progressive Party
PSRM	– Parti Sosialis Rakyat Malaysia (Malaysian People's Socialist Party)
PTD	– Perkhidmatan Tadbir and Diplomatik
RISDA	– Rubber Industry Smallholders' Development Authority
SDP	– Socialist Democratic Party
SNAP	– Sarawak National Party
SOCISO	– Social Security Organization
SPM I.	– Sijil Pelajaran Malaysia
SRJK(C)	– Sekolah Rendah Jenis Kebangsaan (Cina)
S K	– Sekolah Kebangsaan
SRP	– Sijil Rendah Pelajaran
SUPP	– Sarawak United People's Party
TAR	– Tunku Abdul Rahman College
TESL	– Teaching English as a Second Language
UKM	– Universiti Kebangsaan Malaysia
UM	– Universiti Malaya
UMNO	– United Malays National Organization
USM	– Universiti Sains Malaysia

"We must look at the nation as a multiracial community as a whole ... and not only strive and struggle for the betterment of Malays and Muslims.

We cannot and must not forget that we achieved independence from the British not by ourselves but with the help of other races as well.

When we achieved independence, we gave equal rights to all, irrespective of race and religion, and this should be carried on. We must spare a thought for their feelings... they are also citizens of this country."

Tunku Abdul Rahman (March 1987)

"We know that Malaysians of Chinese and Indian origins are not foreign immigrants and they have equal rights enjoyed by other citizens.

Historically, the Malays and other bumiputras are the natives of this country. This had been agreed to on consultation and the matter should not be brought up again".

Prime Minister Datuk Seri Dr. Mahathir Mohamad calling on Malaysians to stop questioning the status of their fellow citizens (November 1986).

Introduction

National unity is the natural aspiration of all peace-loving, moderate and tolerant Malaysian citizens. But, despite thirty years of independence, racial polarization still rears its ugly head threatening the peace and stability of the Malaysian nation. National unity remains an elusive dream. Malaysians born on *Merdeka* Day would have reached thirty years of age by now. More and more Malaysians belong to the post-*Merdeka* generation who know of no other home than Malaysia.

National unity is a dream that can be realized if there is genuine concern for each other's sensitivities, if there is respect for cultural and religious differences, tolerance for the other person's point of view, and real and open dialogue. Every Malaysian is duty bound to help bring about true national unity. Nation building cannot rest alone on the shoulders of any one particular group. It is a shared responsibility. A starting point is an appreciation of each other's concerns, aspirations and frustrations.

This publication is a compilation of seminar papers and brief commentaries presented at a National Political Seminar

on the theme "The Chinese Community Towards & Beyond 1990 in Multiracial Malaysia" organized by the MCA Headquarters. It is part of the MCA's effort to discuss and to promote awareness of some of the concerns and problems faced by Malaysian Chinese. The MCA recognizes that in a multi-racial country like Malaysia, the problems of any one community cannot be looked at in isolation. There must be an equal determination to solve the problems of all communities.

The Political Seminar was attended by over 1,000 participants including many non-Chinese and non-MCA members. The objectives of the seminar were to discuss the role of the Malaysian Chinese, to evaluate the challenges facing them and to shape their future directions and strategies.

The first part of the seminar sets out the problems and dilemmas of the Malaysian Chinese in politics, the public services, economics, commerce, education and culture. The second part of the seminar sets out some perspectives on possible new directions and strategies. It incorporates a panel discussion which involved active participation from the floor.

The speakers and panelists who participated in this seminar and contributed their respective views in the papers contained in this book did so because of their sincere desire to share with all Malaysians the salient facts of their research and analysis on various aspects of Malaysian Chinese problems. These papers show how various disunifying factors arising from over-zealous implementation of national policies have come about. The papers attempt to point out that whilst the New Economic Policy is an important tool for the attainment of national unity, new imbalances have occurred in other sectors. This book attempts to highlight the need for the growing concerns of a large segment of the Malaysian population to receive proper attention so that the necessary corrective steps can be taken, which will lead to a reduction in racial polarization and tension.

The MCA aims to contribute positively towards overall national development and nation-building through the publication of these seminar papers so that important issues

and trends can be objectively and rationally discussed and debated. The MCA believes that regular dialogues and consultation are necessary and vital in the political process. In seeking solutions to the problems of a multiracial society, there must be the widest possible consultation.

1

The Chinese Community and the MCA

Dato' Dr. Ling Liong Sik

Almost exactly one year ago, I spoke in this hall to a MCA Political Convention on the political future of the Chinese. Towards the end of my speech, I outlined the role of the MCA in the Barisan Nasional Government. I shall repeat this because it is important to remind those of you who are assembled here and the larger Chinese community what it is the MCA stands for.

My party and I see the role of the MCA as follows:—

Firstly, to provide a meaningful and constructive leadership to Malaysian Chinese and to be continually responsive to the needs of the community.

Secondly, the Party has striven and shall continue to strive for justice, equality and progress for all Malaysians.

Thirdly, the Party shall work with our partners in the Barisan Nasional to maintain continued peace and stability, and especially during this difficult period, to provide inputs to the government to lighten

the economic burden of the people, especially the poor and hard-hit.

Fourthly, we have pressed for and shall continue to strive for a more racially balanced civil service so that the government machinery reflects the multi-racial character of the Malaysian nation. We make no apologies for this demand which is entirely in keeping with the aims and objectives of the New Economic Policy.

Just as business and commerce have been restructured to bring about a share for the Malays, so also must public administration be restructured to provide non-Malays their fair representation. This aspect of the NEP has been neglected in the past but we will continue to voice the legitimate concerns of the Chinese community on it in a constructive spirit within the Barisan framework.

In economics, we are committed to economic liberalization and greater deregulation so that the private sector can continue to play a bigger role as the primary engine of growth. We are for a competitive and meritocratic ethic in business so that the most efficient, the most productive, the most deserving enterprises are rewarded. Let there be no doubt about our position on this. Any other economic policy will ultimately bring about losses and damage to the economic interests of the country and all Malaysians. We also believe the poor must be helped and our economic policies should have a strong element of poverty or inequality redressal.

Finally, the role of the MCA is to help in the evolution of a multiracial national culture that evolves naturally and includes elements of our rich and diverse heritage, Chinese, Malay, Indian, Kadazan, Iban and others. To this end, we have consistently made the case that primary education through the medium of the mother-tongue should not and need not hamper national integration. We have also driven home the point that culture cannot be legislated, nor can it be artificially manufactured.

For the MCA, the Malaysian reality is that there are various races, various religions and cultures in our plural society. National cultural goals and policy have to be defined in the light of the constitutional rights of all Malaysians to non-discrimination on the grounds of race, religion and descent and the right of every person to profess and practise his religion. We are glad that many of our colleagues in the Barisan Nasional support this position.

Having defined the role of the MCA and what it stands for, let me also stress that we are committed to a multi-racial, multi-cultural, multi-religious society and to a Malaysian identity and ideology that does not distinguish people on the basis of race, culture or religion. We make no pretense about having the support of or being able to speak up on behalf of all Malaysians. If other Malaysians share our views and wish to support us, that is well and good. We welcome it.

But whilst we have a special responsibility in speaking out on behalf of the legitimate concerns and interests of the five million Malaysian Chinese in this country, we will not be racist or chauvinistic. That is not part of our philosophy or ideology. Ours is a representation that seeks no dominance or superiority for the Chinese community, that wants no special privilege or favours, just fair play and equal treatment.

To this end, the MCA has, in the past and will in the future, continue to be a bold and frank spokesman for the grievances, fears and expectations of the Malaysian Chinese community whenever they are justified. That was our role in the past when we had to fight against a colonial government that put New Villagers behind barbed wire and suppressed their basic human rights and that failed to recognize the citizenship rights of Chinese and other Malaysians. It is a role which I promise you we will continue to play so long as the Malaysian Chinese community wants it.

We have declared that the building of a progressive and stable Malaysian society can only be on the basis of equality, justice and mutual respect and tolerance amongst all communities. We have spoken out against dominance or domination by any one race in any sphere of life.

We have spoken out and we will continue to speak out strongly on behalf of religious freedom. We have argued that there can be no ambiguity about the role of religion in Malaysia. Ours is a secular democratic country, governed by the rule of law and the Constitution. We will never accept any arrangement or be party to the undermining of the secular basis of our country by whatever religion.

We have consistently fought for the rights of non-Malay Malaysians to use and develop their ethnic languages. This is consistent with our position that, whilst Bahasa Malaysia in the *Rumi* script is the official national language and has through common usage become the *lingua franca* of our multi-lingual society, this should not prejudice the right of the Federal Government or State Governments to preserve and sustain the use and study of the languages of the other communities.

In fact, the records will show that over the past 30 years since *Merdeka* the MCA has been in the forefront of efforts to preserve and enhance the position of Chinese primary schools, to ensure a fair intake of non-Malays into the local universities and other educational matters that are of concern to Malaysian Chinese.

On the cooperatives, we have pledged to obtain for the depositors a dollar-for-dollar refund and have worked very hard to achieve a solution that protects the savings of the 588,000 people affected. It is not important to disclose the amount of effort and attention my colleagues and I are devoting to this issue to ensure that justice and fair play prevail. At this stage of the discussions and negotiations, claims of who is doing what for the depositors are counter-productive.

Let history be the ultimate judge of who has done what for the Chinese community in this matter. However, it is important and necessary that other groups and parties, especially those that claim to be concerned for the Malaysian Chinese, do not undermine and sabotage all the hard work that the MCA has put in towards finding a fair, just and

acceptable solution on the cooperatives' problem.

On many of the issues that I have brought up today, whilst the position of the MCA is principled and clear, our working methods to achieve the aims of justice, fair play and equality for the Malaysian Chinese community have to take into account the fact that we are in a multiracial coalition with partner parties that have their own interests and constituencies just as we have ours.

Shouting from the roof-tops, yelling at the top of our voices, throwing a fit everytime we do not get our way — these methods look good in the newspapers or at a mass gathering, but I can tell you that they do not solve the problem. There is no point being brave and foolhardy for a few hours or days, and regretting this conduct in the next few months or years. Our main method is therefore that of quiet, patient negotiations. Armed with facts and data, we have sat down at local, state and federal level to argue why it is that certain policies are unfair or unjust, how various policies adversely affect the interests of the community and how to work for suitable changes.

And when the changes are implemented, we do not call a press conference or crow over it. That is not our way. Other groups and parties have their pride and sensitivities; we should respect them. After all, we are not looking for personal glory, only to make sure that the ordinary people in our country do not suffer or are made the victims of unfair or unjust actions and policies.

I hope this *modus operandi*, this working style of the MCA: quiet, firm and principled action to guarantee a better future for the Malaysian Chinese, is not taken advantage of by any quarter. We are prepared to sit down quietly and rationally to resolve problems through the spirit of co-operation and goodwill. This has been the past tradition of the Barisan Nasional and we hope it continues.

However, should we feel that there is no spirit of give and take, should we feel that double standards exist or that the interests of the Chinese community are being sacrificed for

political expediency or to bring about the subordination of the community to others, then we shall not hesitate to signal our opposition. There is a bottom-line beyond which my colleagues and I are not prepared to concede: in religion, in culture, in economics, in education, on the cooperatives' issues and other matters that vitally affect the Malaysian Chinese community.

This should not be misconstrued as a threat in any way. Our position on these vital issues has not changed overnight — it has remained the same since the party was first founded: that of seeking equality and justice for the Chinese and ensuring moderation and fairness in government within the framework of the Constitution and Rukunegara. Whilst our position has remained unchanged, it should be asked whether the position of others is consistent or not with the spirit and content of the Constitution and Rukunegara.

Those who claim that our principles, our policies and our actions are a threat to the stability of the nation should look at themselves and their own utterances, principles, policies and actions and ask whether or not these are consistent with social justice, mutual respect and tolerance and the spirit of cooperation and goodwill that they espouse.

On the vital issues affecting this nation then, let me reiterate. The MCA stands for the broad principles of justice and equality that helped this nation to obtain independence and progress. We are convinced that the honour, self-respect and dignity of the Malaysian Chinese, ultimately the salvation of the community, rests with us firmly keeping to these principles.

Let me end on a positive note and this is to point out that there is now a post-*Merdeka*, post-1969 generation of Malaysian Chinese, indeed Malaysian Malays, Indians, Kadazans, Ibans, Dayaks, and others. Let us not divide them with the inherited bondage of communalism, racism or theories of superiority or dominance. For if we do, we will surely not bring about national unity and integration but disunity and disintegration instead. The MCA and my colleagues are sen-

sitive to our younger generation and to their ideals and commitment to the Malaysian community and nation.

We, on our part, will play our role in encouraging further their respect and tolerance for diversity in culture and religion, their commitment to a liberal, democratic society and their identity as Malaysians above any other identity.

2

Facing the Future

Dato' Kok Wee Kiat

As a member of the Barisan Nasional Government, the MCA has always subscribed to the New Economic Policy (NEP) and has stood firmly by its commitment in the full faith and belief that the NEP will be implemented in its stated spirit and intent such that no Malaysian group feels any sense of loss or deprivation in the process. If, in fact, there is loss, if there is deprivation felt by the Malaysian Chinese community, the MCA, as a political party representing the Malaysian Chinese community, holds itself accountable because of its partnership in the Barisan Government and its supporting role in implementing Government policies. The MCA cannot avoid accounting for the discrepancies and deviations in the implementation of the NEP. The MCA must bear the burden and responsibility to speak out and act on behalf of the interests of its members in particular and the nation's interests in general.

The Malaysian Chinese and other non-Malays are fearful that the years ahead will see opportunities for them and their children even more diminished. There is general concern that the NEP will be continued without consulting the non-

Malays, or will be renewed with modifications and changes that will excessively strengthen existing imbalances, or, unilaterally create new imbalances — all to the disadvantage of the non-Malays.

The feelings of deprivation and loss experienced by the Malaysian Chinese in the socio-economic aspects of life the NEP has infringed upon have been heightened by a sharp sense of political emasculation. Despite the rhetoric of power-sharing, the Malaysian Chinese see the reality as an increasingly Malay-dominated political administrative system which reacts harshly to the calls for greater political equality, justice and fair-play. Loyal Malaysian Chinese increasingly feel that the aim of restructuring Malaysian society and nation-building is to be borne solely through sacrifices made by the non-Malays, including the creeping erosion of their cultural identity. What perhaps underscores the political seriousness of this feeling is the prevailing dark mood blanketing all classes and strata of the Malaysian Chinese population in both the urban and rural areas. The inevitable result will range from declining and limited interaction among the Malay and non-Malay communities to racial violence as the outcome, and national unity as the casualty.

As a responsible component party of the Barisan Nasional, the MCA has taken the positive position that it must convince its partners in the Government to focus urgently on issues which negate efforts at building a united multiracial society. Any deviation from the spirit and intent of the NEP would cause increased "racial polarization".

The spirit and intent of the NEP is to achieve national unity. Thus the *Second Malaysia Plan* defined the two prongs of the NEP as:

. . . to reduce and eventually eradicate poverty, by raising income levels and increasing employment opportunities for all Malaysians, irrespective of race and to accelerate the process of restructuring Malaysian society to correct economic imbalances so as to reduce and eventually eliminate the identification of race with economic function [p. 1, para 2].

The intent of the first prong is unambiguous. It identifies the redress of poverty as the first priority, in both the rural and urban areas of the country, irrespective of race. Whilst it recognizes that there is a higher incidence of poverty in the rural areas where the Malays and other indigenous people predominate, it assures that there will be equal attention and resources provided by the Government to reduce poverty amongst the other races and to improve their employment opportunities.

The intent of the second prong is also clear in that it envisages "proportional participation, management and control [for all Malaysians] in the economic life of the country." [*Third Malaysia Plan*, p. 9, para 34.] This implies not only restructuring of the corporate sector such that the Malays and other indigenous people attain a share of 30 per cent of equity by 1990 and employment restructuring to enable Malays to participate in sectors where they are inadequately represented, but also similar employment, management and ownership restructuring to enable non-Malays to be employed in or to manage, control or own sectors where they are inadequately represented.

The promises given by the Government to pursue an even-handed and fair restructuring policy so as to prevent members of any particular racial group from feeling a sense of discrimination, whether real or imagined, on endeavouring to enter into fields of economic activity not commonly associated with that race are easily documented. From the *Third Malaysia Plan* alone, the following statements are evidence of the Government's solemn undertaking.

The NEP has set as its target . . . an employment structure at all levels of operation and management that reflects the racial composition of the nation by 1990. [p. 30, para 107.]

Progress was also made in restructuring employment by industry and occupation for other Malaysians, although not to the extent envisaged by the Outline Perspective Plan in respect of the agricultural and service sectors. [p. 33, para 118.]

Progressive reduction of existing imbalances in the ownership of assets and wealth in the country will require that Government policies focus on all financial as well as physical assets, including land, in all sectors of the economy. [p. 85, para 256.]

Similarly, the goal of restructuring society does not involve increasing the participation of the Malays and other indigenous people in commerce and industry alone. It involves the achievement of a multiracial structure in all sectors and at all levels in order to correct past imbalances and their inadequate representation in various fields. This will certainly imply an intersectoral movement of people and ownership on a multiracial basis. [p. 92, para 278.]

If the above statements and other government utterances of intent to correct imbalances in all sectors and at all levels wherever they exist are taken at their face value, the non-Malays would expect and are entitled to employment opportunities equivalent to their share of the country's racial composition in the public sector, state administrations, non-financial public enterprises (NFPEs), armed forces, the utilities sector and other major areas of Malaysian economic and social life where they are severely under-represented. Similarly, they would expect opportunities for management and control in all fields of the public sector in the same way that the Malays expect management and control opportunities in the corporate private sector. The non-Malays would also expect greater opportunities for them to participate in agricultural land ownership and in federal and state rural-orientated development schemes (including FELDA, FELCRA, RISDA, IADP projects, Regional Development projects and so on) so as to reach the goal of proportional participation in the economic life of the nation.

The NEP was designed to eradicate poverty, irrespective of race. It was designed to redress economic imbalances which, purely through historical circumstances, tended to be identified with racial imbalances. But the NEP was NOT meant to discriminate on the basis of religion, race, des-

cent or place of birth. To so discriminate would be against Article 8 — the Equality article — in the Federal Constitution. The NEP was intended to offer economic opportunities to all disadvantaged groups, not to guarantee economic advantages or rights to only one racial group.

As the Government moves ahead to assist the bumiputras achieve a higher level of participation in the key economic sectors, component parties of the Barisan Nasional must demonstrate a strong determination to resolve the concerns of other Malaysians. The MCA has consistently called for political and socio-economic programmes which will de-emphasize ethnic interests and lead to more common understanding and an evolution of common concerns necessary for national unity.

A whole generation of young Malaysians has grown up since *Merdeka* in 1957. They will find it increasingly difficult to accept discrimination on the basis of ethnic origin. Young Malaysians born and bred in this country expect to be treated equally and justly in the distribution of opportunities. They expect their legitimate constitutional rights to be protected.

1990 seems to be the crucial year of reckoning for Malaysians, especially for the Malaysian Chinese and other non-bumiputras, when the NEP may take on a new dimension. From now until 1990, approximately two and a half years, what should the Chinese community do? Sit back and wait for the judgement day? Or should we be pulling together all our existing resources and financial capabilities in a unified manner to tackle the prevailing erosion of the legitimate rights of the non-Malays as enshrined in the Constitution?

So what do we do before and after 1990? Before 1990, we must ensure that the NEP does not further widen the imbalances it is supposed to redress. Decisions on the NEP must be carried out with the sensitivity of fairness and reasonableness. What comes after 1990? Having lived with the NEP for 20 years can Malaysians of all races and creeds see Malaysia prosper economically, socially and politically without the NEP? I

say we can. We already have the constitutional structure for that eventuality. In fact we have had it since *Merdeka* in 1957. The wisdom of our forefathers, some of whom thankfully are still very much with us today, and the drafters of our Federal Constitution gave us a philosophy, indeed a just, fair and equitable social balance that is meant to last for all time. I refer to the fundamental right of equality and the Malay privileges articles in our Malaysian Constitution.

Article 8 of the Federal Constitution forbids discrimination against citizens on the grounds of only religion, race, descent or place of birth in any law or in the appointment of any office or employment under a public authority or in the administration of any law relating to the acquisition, holding or disposition of property or the establishing or carrying on of any trade, business, profession, vocation or employment.

Article 153 is an exception to Article 8 but only to a limited extent. It is not a complete exception. Article 153 reserves quotas in respect of some services and permits or licences. The drafters of the Federal Constitution never, in my view, intended a blanket, across the board, quota in the form of the NEP. What was then envisaged, and which would still work well today, was to reserve for the Malays and natives of Sabah and Sarawak such proportion or quota as the Yang di-Pertuan Agong may deem reasonable. And since the Yang di-Pertuan Agong must act on the advice of the Cabinet, the decision of a reasonable quota is with the Cabinet.

But, in the determination of reasonable quotas, the basis should not be just the race element but also other basic and equally important elements such as poverty in its various forms. Poverty exists among the farmers, the fishermen, the rubber tappers and some kampung folks. Poverty exists amongst urban Chinese as it exists amongst the rural Malays. On these universally accepted bases like poverty, any right-thinking Malaysian, be he bumiputra or non-bumiputra, can easily be persuaded to support what may otherwise be unacceptable discrimination.

The NEP came into being in 1970 with the tacit consent of all races. The consent was expressedly for 20 years. That 20-year period expires in 1990. When it expires in 1990, let it forever lie in peace. When it lies in peace, with it goes a terrible spectre of racial polarization. With it will be buried the "they" and "we" approach in our Malaysian way of life. Let Malaysians start all over again on the basis of unity, harmony and comradeship that gave us *Merdeka* in 1957.

With a clean slate, let us examine every relevant situation to pinpoint those where the Malay and natives' special position should be recognized, and those where a reasonable quota has to be set, particularly in matters of the public service, of scholarships, of educational or training privileges, of permits and licence for the operation of trades or businesses.

Some economic sectors are more important than others and appropriate weightage should be given in different sectors. Owning 69 per cent of domestic banking and financial institutions — considering the banking sector's weightage — does not seem a reasonable quota. Taking 96 per cent of the scholarships awarded by the Government for overseas' study from 1980-1984, which went to bumiputras, seems unreasonable. To allocate only \$75 million during the entire history of New Villages development under all the five Malaysia Plans when contrasted with \$5 billion in the Fourth Malaysian Plan alone for Malay-oriented land and regional development and irrigation projects seems unreasonable. The fact that 1.7 per cent non-bumiputras participated in the FELDA schemes as of 1980 seems unreasonable. 2 per cent non-bumiputra participation in the FELCRA schemes as of 1980 seems unreasonable also.

The Federal Constitution recognizes universal rights and speaks of specific racial rights only as an exception in an almost apologetic tone. No national policy should be discriminatory on grounds of religion, race, descent or place of birth alone. To have that formal discrimination will make nonsense of article 8 of the Federal Constitution because, in

my view, Article 153 does not allow an across the board quota of 30 per cent, 50 per cent or any per cent.

A very relevant point for us to remember is that by default or lack of vigilance, we Malaysian Chinese have allowed the erosion of our own socio-political position. Too often, rather than taking collective action, we individually resort to "back-door" methods to circumvent our individual difficulties, forgetting that such individual difficulties have wider implications for the community.

This individualistic approach to problem-solving can be only that effective. Ultimately, the problem of redressing imbalances must be resolved through a more united and galvanized approach. The MCA on its own can only do so much. It needs as much of the support of the community as possible. No longer can anyone stand by the sidelines and watch and hope and pray that something will be done. We all need to be involved to effect changes, to chart and determine our future, as well as the destiny of the Nation.

Let us voice our concerns loudly and clearly. Let us set our targets for progress objectively. Above all, let us unite ourselves within the Malaysian Chinese community and with other racial communities. Let us all come forward and play our part in shaping the history of Malaysia, *Negara ku yang dicintai*.

3

The Chinese Political Dilemma

Michael Yeoh Oon Kheng

At the last General Elections in August 1986, the urban Chinese delivered a strong protest vote against the Barisan Nasional in general and the MCA, in particular. Many felt that the Chinese political position was deteriorating and hoped that a stronger opposition could reverse the trend. That mood helped the DAP to win 24 seats, a gain of 15 from its previous 9 won in 1982. Today, almost one year since the last elections, the DAP, despite having more seats in Parliament, remains a mere paper tiger, with perhaps a louder roar but still no bite. A key question to ask is whether the Malaysian Chinese are better off or worse off since the Opposition DAP more than doubled its seats in Parliament.

More importantly, we should also ask whether the non-Malays were better off prior to May 1969 or after May 1969. The steady decline in the influence of the Malaysian Chinese in the overall scheme of things began after May 1969, when the MCA won only 13 out of 33 Parliamentary seats contested. The 1986 General Elections saw an almost similar outcome with MCA winning 17 out of 32 Parliamentary seats contested. As a result of the increase in Opposition votes in 1969,

the MCA's ability to influence the outcome of strategic decisions was further reduced. The MCA's bargaining position after the 1986 General Elections *vis-a-vis* UMNO was probably worse than in 1969, for in 1969 UMNO, like the MCA, did not do very well. But last year, UMNO achieved a remarkable victory, winning every Parliamentary seat it contested in Peninsular Malaysia, losing only in Labuan. Expectedly, this resulted in UMNO becoming even more dominant and perhaps even arrogant. The Opposition DAP, even with 24 seats, cannot reduce the UMNO dominance.

The impact of these political developments is to make the Chinese feel more trapped and helpless. Especially with the cooperatives' crisis, the economic recession and increasing unemployment, the morale of the Chinese community has further declined. There is a perceptible feeling that the Chinese dilemma is deepening and many in the community are increasingly afraid of the future.

Causes of the Chinese Political Dilemma

Malaysian history has shown that the Chinese in this country have a tradition of individualism — a history of disunity, factional squabbles and individualistic leadership. This accounts for the numerous different political parties trying to represent the Chinese — MCA, Gerakan, DAP, SDP and those in Sabah and Sarawak and the many thousands of Chinese Guilds and Associations, each competing for the same support within the same community. These divisive forces make the Chinese dilemma more pronounced and serious.

The Chinese dilemma can be defined as the inability of the Chinese community to move in a united, cohesive manner to overcome common problems. It is the inability to translate collective worries and collective frustration into constructive action. It is also the inability of the Chinese to stick to a particular course of action. This may account for the Chinese supporting the MCA strongly in one election and then the DAP in the following. This pattern of alternating the com-

munity's support between the MCA and DAP in succeeding General Elections has only served to weaken the Chinese community's bargaining position with UMNO which has been receiving ever increasing support from the Malays since the 1978 Elections.

As a former MCA leader once observed:

... the Chinese spend a lot of time quarelling among ourselves and very little time trying to solve our common problems. The major dilemma facing the Chinese is that we seem to be extremely good at complaining about problems, running round in circles talking about these problems but unable to reach a common consensus on how to deal with these problems collectively.

An extension of the political dilemma facing the Chinese community is the community's response towards Malay domination in Malaysian politics in general and UMNO domination in particular. Whilst the Chinese continue to bicker, UMNO has grown stronger as a result of the increasing political sophistication among the Malays. By giving strong support to UMNO, instead of hedging its bet, the Malay community has in effect eliminated PAS as a threat to UMNO dominance in the political scene. Even so-called multiracial parties have been unable to make any impact on the Malay community. The most obvious example of the UMNO hold on Malay politics is the recent statement by Tengku Razaleigh after he lost in the UMNO elections that he would die an UMNO member and a Muslim. With UMNO becoming more religious, its stranglehold on the rural Malay community is expected to grow stronger. Few Muslims have the tenacity or courage to resist a more-Islamic UMNO for fear of being branded un-Islamic, a serious charge in a Muslim society.

Another dimension of the Chinese political dilemma is the total inability of the Chinese community to choose the Prime Minister of the nation who, unless some fundamental changes come about, will be the President of UMNO. Two

months ago when UMNO held its party elections, the whole nation was tensed and highly expectant of the results, as the winner would be the nation's Prime Minister. Yet, the Chinese can do nothing to influence the outcome as the rules of the game are such that only the 1,600 UMNO delegates have a say in the decision-making. Hence, although the Chinese participate in the Barisan Nasional through MCA, Gerakan, SUPP, PBS, SNAP, only UMNO decides who is going to be the Prime Minister of the country.

In fact, the implications of the UMNO split for the non-Malays add a new dimension to the Chinese political dilemma. There is an inherent danger that one group might try to "out-ultra" the other in championing the Malay cause and suppressing the non-Malays. A case in point is the recent attacks on the MCA by elements in UMNO Youth, associated with Team B of UMNO, as a prelude to campaigning in the UMNO Youth elections next year.

The Chinese political dilemma can be expected to worsen in the longer term unless something is done to reverse the trend. The demographic trend does not favour a political breakthrough by the Chinese community. A recent demographic study has shown that the Chinese share of the Malaysian population could decline to as low as 13 per cent by the year 2100, while the Malay share will increase to 83 per cent. This population trend will have wide implications for the Malaysian nation where the appointment of political and economic resources tends to be based on the population proportion of each ethnic community. By the year 2000, the same study projects the Malay share of the population to be 62 per cent, up from 56 per cent whilst the Chinese share goes down to 28 per cent from 34 per cent. What will this mean for the negotiations for a post-1990 scenario? How will this impact on the Chinese political position?

In the light of the challenges ahead, particularly with the prospect of a declining Chinese share of the Malaysian population, the Chinese community needs to do some fundamental re-thinking. The inability of the Chinese to forge a consensus

on political issues and a common direction will worsen the situation for the Chinese, particularly when the Chinese will only constitute 13 per cent of the Malaysian population. Unless steps are urgently taken to achieve a political consensus, the Chinese will be highly vulnerable to the use of divide and rule tactics by other communities.

To overcome the Chinese political dilemma, Chinese political leadership at all levels must be upgraded. There must be the willingness to sacrifice narrow self-interests for wider community interests. There must be the will-power to reject the easy way out. There must be the commitment to strong principles. There must be the ability to stand up and say "no". At the same time, we must take cognizance that ours is a multiracial, multi-religious, multi-cultural society. Sometimes, leaders may need to compromise and negotiate but never must they capitulate. In the struggle for fairness, justice and equality, our leaders need the support of the entire Chinese community.

What the Chinese should realize is that with the growing attacks from some UMNO quarters on the MCA demonstrate that UMNO is worried about the MCA being an effective representative party for the Chinese. UMNO does not seem very concerned with the DAP for they do not see the DAP as a potential threat or a political force that can affect UMNO or national stability. In fact, even DAP itself has recognized this as reflected by its Secretary-General, Lim Kit Siang's recent support for the MCA's cooperatives stand.

Erosion of the Chinese Political Position

Following the May 1969 incident, the Chinese community had to come to terms with the new ground rules in Malaysian politics. Basically, as a pre-condition for a return to parliamentary democracy, the National Operations Council obtained the agreement of all parties for a National Ideology — the Rukunegara to be formulated and a new socio-economic programme, the New Economic Policy, to be launched.

The Rukunegara was accepted by all communities as a political framework which would lay down the foundations of National Unity. In expounding the Rukunegara, it was stated that how we respond to this challenge of achieving National Unity would determine whether Malaysia as a nation will survive and succeed. The MCA and the Chinese have responded positively to the Rukunegara and its concern for national unity.

The Rukunegara represented a national consensus and commitment to the tasks of creating a united, just, democratic and progressive society. One important implication of the universal acceptance of the Rukunegara is that all citizens of the country, irrespective of their racial origins, should be regarded as Malaysians. A second important implication is that it reaffirms Malaysia as a secular, democratic nation. Whilst recognizing Islam as the official religion, it endorses Constitutional guarantees of religious freedom. It further upholds the sanctity of the Constitution as the supreme law of the nation. Another important implication is that it rejects any notion of politically dominant or subordinate communities, subject to constitutional safeguards for Malay rights, the position of the Sultans and the place of Islam — rights which all Malaysians respect and accept.

If these political beliefs and principles are used as guidelines to measure political change in the nation, it is evident that deviations have taken place, deviations that reflect non-compliance with the substance and spirit of the Constitution and Rukunegara. These deviations have affected the political position of not only the Chinese community but non-Malays in general. A case in point is the increasing emphasis on Islamization. The active propagation of Islam is being perceived by many non-Malays as an encroachment on their constitutional rights, which provide for separation of state and religion and guarantees religious freedom. Whilst the non-Malays whole-heartedly supported and affirmed the Rukunegara, they did not bargain for whole-scale and widespread Islamization of our multiracial, multi-religious society.

The electoral system has also weakened the Chinese political position in the country as it provides for a much higher rural weightage compared to urban constituencies. Whilst, admittedly, rural weightage is an accepted practice in some democratic nations, the weightage should not be so skewed that in some places the value of a rural vote is more than double the value of an urban vote. To illustrate, the Tumpat constituency is 92 per cent Malay and has 16,760 voters whereas Petaling Jaya has 80,403 voters. Seputeh with 83 per cent Chinese has 75,153 voters whereas Setiu in Terengganu which is 99 per cent Malay has only 29,793 voters. Kuala Nerus which is 99 per cent Malay has only 31,682 voters compared to Kepong which has 71,767 voters of which 81 per cent are Chinese.

**Number of Parliamentary Seats
with Malay Majority in Peninsular Malaysia**

<i>Year</i>	<i>Malay Majority Seats</i>	<i>Total No. of Seats</i>	<i>Majority seats % of Malays</i>
1955	N/A	52	N/A
1959	N/A	104	N/A
1964	60	104	58
1969	60	104	58
1974	79	114	69
1978	79	114	69
1982	75	114	66
1984	92	132	70
1986	92	132	70

Source: Report on the General Elections by the Elections Commission, various years.

In the last General Elections, there were 92 Malay majority seats which accounted for 70 per cent of Parliamentary seats in Peninsular Malaysia. In the 1964 General Elections

there were only 66 Malay majority seats or 58 per cent of all Parliamentary seats. Chinese majority seats have declined from 33 in 1964 to only 26 in last year's General Elections, despite an increase of 28 Parliamentary seats between 1964 and 1986. The erosion of this one vote-one value principle has produced a lop-sided weightage in favour of rural, Malay majority constituencies. As a result, the proportion of non-Malay majority constituencies has decreased out of proportion to their share of the population, that is, the Chinese with 34 per cent of the population now have only 20 per cent of Parliamentary seats.

In each succeeding delineation of Parliamentary constituencies, the proportion of Chinese majority seats has been reduced. In the 1964 elections, 32 per cent of Parliamentary seats were Chinese majority. This declined to 28 per cent in the 1978 elections and in last year's General Elections, only 20 per cent of seats in Peninsular Malaysia have a Chinese majority. In fact, in the latest delineation exercise when 18 new Parliamentary seats were established in Peninsular Malaysia, 13 became Malay majority, 4 Chinese majority and one mixed. This is despite the fact that 36 per cent of the electorate in Peninsular Malaysia is Chinese, 9 per cent Indians and 55 per cent Malays. This situation has aggravated the Chinese political dilemma, heightened perceptions of political inequalities and worsened racial polarization which, in turn has undermined national unity.

Racial Breakdown of Parliamentary Seats in Peninsular Malaysia

<i>Year</i>	<i>Malay Majority</i>	<i>Chinese Majority</i>	<i>Mixed</i>	<i>Total</i>
1964	66	33	5	104
1974	79	22	13	114
1986	92	26	14	132

It is also a fact that erosion of the non-Malay share of effective and administrative power has continued. Various research studies have produced statistical and qualitative evidence to document the decline in the non-Malay share of political and administrative power. For example, an analysis of the superscale positions in the Perkhidmatan Tadbir & Diplomatik (PTD) shows that 80 per cent of all superscale officers in the PTD are Malays, compared to only 6.3 per cent Chinese and 4.5 per cent Indians. The non-Malays are also very much under-represented in the Police & Armed Forces, in Statutory Bodies and in key Service Commissions (for example, the Public Services Commission, Education Services Commission and the Judicial and Legal Services Commission).

The decline in the non-Malay position in the Public Services has strategic implications for the Chinese community for Tun Suffian in his book, *An Introduction to the Constitution of Malaysia* (1972), aptly wrote:

... employees in the public sector are most important for the well being of the country. They do not change with the Government and they are responsible for the day-to-day running of the administration. Whatever decisions are taken, are implemented expeditiously and efficiently.

It is crucial that in any analysis of the declining political position of the Chinese community, an examination of public sector employment be made for two important reasons:

- i) the public services play a dominant role in the formulation, interpretation and implementation of Government policies.
- ii) public service employment has more than doubled from 397,000 in 1970 to 819,500 in 1985 and now accounts for more than 15 per cent of total employment in Malaysia. A serious point for non-Malays to note is that about three quarters of new jobs in the Public Services created between 1970 and 1985 went to Malays.

**Ethnic Shares of Employment
in Government Services 1980 & 1985**

	1980 (%)	1985 (%)
Bumiputra	59.1	61.7
Chinese	29.7	27.1
Indian	9.8	10.0
Others	1.4	1.2
Total	100.0 (658,200)	100.0 (819,500)

Source: Fifth Malaysia Plan 1986-1990, p. 102.

Another aspect of the lop-sided position in the Public Services is that out of 22 Ministries in the Federal Government, 19 Secretaries-General of these 22 Ministries are Malays, with only 2 Chinese and 1 Indian, and of their deputies, 88 per cent are Malays, 5 per cent Chinese and 7 per cent Indians. The lop-sided employment structure is also evident in the non-financial public enterprises (NFPEs).

These employment imbalances in the public services aggravate the Chinese political dilemma since administrative power is the province of civil servants. Civil servants are directly responsible for implementation and interpretation of Government policies. Unlike elected political leaders, civil servants are not accountable to the people, and can therefore be more extreme or biased, though a great proportion are moderate and level-headed.

Another aspect of the Chinese political dilemma is the allocation of portfolios in the Cabinet and State Executive Councils to non-Malays. Cabinet portfolios allocated to Chinese Ministers are not strategic portfolios and increasingly are more "service" ministries. This is a far cry from the pre-1969 situation when the strategic Finance and Trade &

Industry portfolios were held by MCA Ministers. In the early post-independence years, the Chinese held 29 per cent of Cabinet positions. This has now declined to only 25 per cent, where there are 6 Chinese ministers in a Cabinet of 24, compared with 17 Bumiputras, 1 Indian. What the Chinese have lost politically would be very difficult to regain. Hence, it is crucial that we do not lose any more positions in Government. The urgent need is to safeguard and consolidate what we have at present and prevent further erosion.

The litany of problems may appear to be an indictment of the MCA. But the more important question to ask ourselves is what if there were no MCA? Would the situation be any better? Or would it be worse?

Response to the Chinese Dilemma: Role of the MCA

To focus on the challenges ahead and keep abreast of the dynamic changes taking place, the MCA cannot remain in a state of inertia. It needs to bring in new blood and new ideas to revitalize the party. It is encouraging that steps are being taken by the present MCA leadership to make the party more open, more accountable, more democratic and, more importantly, more responsive. The Party's willingness to accept responsibilities and admit mistakes will hopefully bring in new blood.

At the same time, in order for the Chinese not to further lose out politically, a strong force must emerge to guard Chinese rights. By responding more positively to the MCA, the Chinese community can help make the MCA into a strong, dynamic and major political force. It is the MCA that can achieve a political breakthrough for Malaysian Chinese. It is the MCA that can potentially prevent further erosion in the Chinese political position. If it cannot, no other Chinese-based party can. In this regard, the Chinese should recognize that the MCA's role is an unenviable one. It faces the taunts of Chinese chauvinists on the one hand and Malay extremists on the other. The MCA therefore needs to continually walk

a political tight rope and adopt a fire balancing act.

A strong and dynamic MCA can be more effective in seeking change and reforms within the Barisan Nasional. However, the MCA must not allow itself to be used merely for window-dressing purposes to provide a multiracial facade for the Barisan Nasional. The Chinese community and Chinese leaders must seriously think whether the MCA can be more effective inside or outside the Barisan Nasional. This is a time for serious consideration and debate on the merits of participating in or withdrawing from Government.

Whether the Chinese community will be better or worse off if MCA pulls out of Barisan, is a key question to ponder. It is a question which UMNO will have a self-interest in for a number of reasons. It is not widely known, for example, that the MCA helped UMNO to win a number of Parliamentary seats in last year's General Elections. From my analysis, MCA and the Chinese voters were the deciding factors in UMNO's win in at least 19 Parliamentary constituencies where only UMNO and PAS contested, that is, 23 per cent of all UMNO-won seats were ones in which the majority obtained was less than the number of Chinese voters in the constituency.

For example, in Kota Setar, where the majority of the winning UMNO candidate was only 1,394 votes, the Chinese votes which formed 22 per cent of the total votes in the constituency (6,614 voters) were decisive. Similarly in Pendang, the UMNO majority over the PAS candidate was only 900 votes but there were 3,005 Chinese voters, or in Kuala Terengganu, where the 6,806 Chinese voters exceeded the majority of 3,324 voters. In Kelantan, there were several Parliamentary seats which went to UMNO, like Nilam Puri (majority 552) and Bachok (majority 220), where the winning majority was very slim and Chinese voters held the balance. These figures show the potential that exists for the MCA to exert its influence and be more effective within the Barisan system.

Finally, to overcome the Chinese political dilemma, the MCA as the largest Chinese-based party in Malaysia, should

adopt long-range strategic thinking and have a strategic vision. It must be able to motivate the community with a shared vision of the future. Perhaps it is time for the MCA to forge new alliances with other organizations and political parties. As a beginning, a minimum common programme or a mutually acceptable platform could be developed to unite divergent interests into a cohesive, united force.

At the same time the MCA must be able to provide a visionary and progressive leadership. Through its active approach, it should introduce within the party whatever structural changes and political reforms are needed. We must re-orientate our appeal to centre on wider, Malaysian issues and chart a new political philosophy emphasizing participatory democracy, progress, justice and equality. The MCA needs continuity and stability. The people are tired of divisive and bruising power struggles. The party must therefore unite to face the many challenges ahead and not be split by factional fights.

On the community's part, the Malaysian Chinese must over the long-term adopt a broader political outlook. Such an outlook will need to take cognizance of the multiracial character of the Malaysian nation. We need a genuine recognition of common goals with other races and a willingness to mutually cooperate to achieve these goals. We need to recognize that political goals should be based on the attainment of social justice and equality of all, with merit and not race as the deciding factor.

Conclusion

The Chinese community lacks a common political philosophy to unite it. Perhaps, the destiny of the Chinese community is also due to a perception, rightly or wrongly held, that the MCA has not been more effective in preventing the erosion of the Chinese position. However, the present practice of fragmenting Chinese political support among the MCA, DAP and Gerakan has not worked. Even the DAP with 24 MPs

has not managed to exert any perceptible influence on the Government led by UMNO which has 83 Members of Parliament. Hence, an objective analysis would conclude that a Chinese-based opposition would not be able to check the erosion of the Chinese political position. It is the MCA that holds the key to the Chinese future.

But the MCA needs to be further strengthened, through internal reforms and revitalized through an infusion of new blood to exert a stronger influence on the overall scheme of things in Malaysia. More importantly, a responsible political attitude is required, taking cognizance of our multiracial, multi-cultural and multi-religious society and the various sensitivities involved. In resolving the Chinese political dilemma, we must keep in mind the need to hold the nation together, for if there is no peace and stability in the country, the Chinese will be equally the losers. We must not destroy the nation through emotional responses to our problems without considering long-term consequences.

Yet, the Chinese community needs a real political breakthrough. This requires political courage, a strong political will and a willingness to sacrifice. These traits will be crucial for the Chinese in the years up to and beyond 1990, a period when serious and tough negotiations would take place to shape a new economic programme after 1990.

And just as a family uses its combined resources and spirit to overcome a crisis, Malaysian Chinese should strive for common goals to achieve a common good. Malaysian Chinese must join hands together to strive for a shared vision of a community, united and strong. The choice before the Chinese community is therefore clear but daunting – to unite or suffer the consequences of disunity.

Appendix I

Profile of the 1986 Electorate in Peninsular Malaysia

1. AGE (%)	50+ 26	41-50 16	31-40 24	21-30 34
2. COMMUNITY (%)	Chinese 35.5	Indians/Others 9.3	Malays 55.2	None 23.3
3. EDUCATION (%)	Univ./Prof. 2.3	Secondary 35.3	Primary 39.1	None 23.3
4. EMPLOYMENT (%)	Employed Men 22.5	Employed Women 12.1	Unemployed 65.4	
5. OCCUPATION (%)	Prof. & Amin. 8.4	Office 18.7	Manual (Ind) 37.4	Agri. 33.5
6. LOCATION (%)	Metropolitan 23	Large Town 10.5	Small Town 9.1	Rural 56.7
7. SEX (%)	Male 50.4	Female 49.7		

Source: *Information Malaysia 1987 Yearbook*, p. 334.

Appendix II

Analysis of Seats Won, Votes and Percentages
(Peninsular Malaysia)

Party	Seats			Votes Received	(%)
	Contested	Won	(%)		
UMNO	83	83	62.85	1,471,798	35.46
MCA	32	17	12.88	589,289	14.20
MIC	6	6	4.54	104,701	2.52
Gerakan	9	5	3.79	149,644	3.61
Hamin	2	1	0.76	29,943	0.72
			84.82		56.51
DAP	54	19	14.39	858,420	20.68
PAS	95	1	0.76	710,545	17.12
SDP	19	0	0.00	45,400	1.09
NasMa	4	0	0.00	10,228	0.25
PSRM	4	0	0.00	59,156	1.43
Ind/Others	1	0	0.00	5,098	0.12
TOTAL	309	132	100.00	4,034,222	97.20
			Spoilt Votes	116,343	2.80
			TOTAL	4,150,565	100.00

Source: Information Malaysia 1987 Yearbook, p. 335.

4

The Erosion of the Chinese Economic Position

Dr. Lim Lin Lean

The issue before us is how the Chinese have fared in the seventeen years since the implementation of the New Economic Policy. To assess the economic position of the Chinese in the context of the New Economic Policy, I have used two yardsticks.

One yardstick is based on how much the Chinese poor have benefited relative to the Malay poor in the poverty eradication efforts of the government. Since poverty is a problem confronting all races and the first prong of the NEP is to be implemented "irrespective of race" [*Second Malaysia Plan 1971-1975*, p. 1], there should be no discriminatory or inequitable implementation of poverty eradication programmes. We therefore assess the Chinese poor to be worse off relative to the Malay poor where race rather than need is the basis for allocation of opportunities and resources for the poor, and inequality between Malay and non-Malay poor has widened.

The second yardstick is based on the stipulation in all the Malaysia Plans that in the implementation of the NEP, "no particular group will experience any loss or feel any

sense of deprivation" [*Second Malaysia Plan*, p. 1; *Third Malaysia Plan*, p. 52; *Fourth Malaysia Plan*, p. 31; *Fifth Malaysia Plan*, p. 5]. Insofar as we detect an unjustifiable loss or sense of deprivation, we could say that not only has the Chinese economic position been eroded but that this is contrary to the spirit and intent of the NEP.

Taking a realistic view, we have to agree that affirmative action programmes, even a certain amount of discriminatory policies, have been necessary to assist Malays to attain more equal opportunities and to get into the mainstream of economic activities. The non-Malays acceded to these affirmative actions with the implicit understanding that this was to be our contribution to national unity and not as the granting of a birthright or an entitlement in perpetuity to the Malay community. Some holding back or slow down on the part of the non-Malays is obviously crucial to the success of the NEP and the achievement of national unity. But our concern is the quantum of loss or sacrifice on the part of the Chinese and the extent to which the Chinese have been not only deprived of new opportunities but have also suffered a serious erosion of their legitimate economic interests. In the true spirit of restructuring to eliminate the identification of race with economic function, not only the Malays but also the non-Malays should be assisted to move into the sectors where they are under-represented. In the process of restructuring, "new imbalances" should not be created.

Both these yardsticks are equally important. Efforts since the inception of the NEP have been more enthusiastically focused on restructuring than on eradication of poverty regardless of race. But, as stated by the government itself [*Third Malaysia Plan*, p. 8], equal priority should be given to both prongs of the NEP. In fact, insofar as the attention has been on the restructuring prong which has laid claim to the bulk of government resources, the poor, both Malay and non-Malay, have been deprived in terms of the opportunity cost of resource utilization.

Our assessment of the economic position of the Chinese must be in the context of multiracialism in Malaysia. As Malaysians, we have to consider the progress of the Chinese community as well as the development of the Malaysian nation as a whole. What we should look at is not only the impact of the New Economic Policy on the economic position of the Chinese but also, and importantly, how the NEP has affected the economic growth potential of the economy as a whole. Insofar as the NEP has introduced fundamental distortions that have reduced investment incentives and the growth potential of the economy, all Malaysians will, in the final analysis, have lost out in terms of the smaller national income cake.

We must also acknowledge that the recession has compounded the economic problems of both Malays and non-Malays. While, on the part of the Malays, the recession should not be used as an excuse for the more vigorous implementation of the NEP; on the part of the non-Malays, as far as possible, an attempt should be made to isolate their economic woes due to the recession and those due to the implementation of the NEP. Of course, the problems have been magnified since the goals of the NEP were premised on an expanding economy. But to the extent that we can make the necessary distinctions, we might be more clear-headed about the sources of our problems and the needed solutions. To get us out of the recession, we need economically, and not politically, expedient decisions based on cost-effective productivity rather than ethnic considerations.

With these ground rules set, let me begin by examining how the Chinese poor have fared in the poverty eradication efforts of the government. The first prong of the NEP, to quote the *Third Malaysia Plan*:

... aims at progressively improving the economic condition and quality of life of the poor of all races by directly increasing their access to land, physical capital, training and other public facilities, thus permitting them to share more equitably in the benefits of economic growth [p. 7].

Official figures given in the various Five-Year Plans indicate that the incidence of poverty in the country has declined from 49.3 per cent in 1970 to 18.4 per cent in 1984 and that all major poverty groups and both rural and urban areas, and therefore presumably also the Chinese poor, have benefited from various poverty eradication programmes. But a major problem has been that the government has never made clear the basis for its estimates of the incidence of poverty. As was repeatedly emphasized at a National Conference on Poverty organized by the Institute of Strategic and International Studies last year, unless the government clarifies the exact bases on which it distinguishes poor from non-poor groups and measures their progress over time, there remain serious doubts as to the reliability of the statistics showing substantial decline in poverty. Without such clarifications, we have cause to suspect that while there might have been improvements in absolute poverty levels, relative poverty between Malay and non-Malay poor groups has worsened.

The official statistics do not indicate the extent and proportion of benefit for various ethnic groups. Our concern, however, is whether the Chinese poor have benefited fairly *vis-a-vis* the Malay poor from access to land, physical capital, training and other public facilities that are supposed to be given to help the poor "irrespective of race" [*Second Malaysia Plan*, p. 1]. Unlike the restructuring prong of the NEP, the poverty eradication prong is supposed to be non-discriminatory, to offer assistance, facilities and opportunities to all poor Malaysians. Understandably, poverty eradication efforts have been concentrated on Malay poor groups because they form the largest segment of the poor. But, unfortunately, such a focus on the Malay poor groups has tended to lead to relative neglect of the non-Malay poor (who number at least a third of the total Malay poor), and it cannot be said that the non-Malay poor have received proportionate opportunities.

For instance, in the entire history of New Village development under all five Malaysia Plans, less than M\$75 million

in public funds have been allocated. For the over one million Chinese in New Villages [actually 1.8 million in 1985 according to the *Fifth Malaysia Plan*, p. 91], this would work out to only about \$3 per person per year. In contrast, the Fourth Malaysia Plan alone provided more than M\$5 billion in development funds to Malay-oriented land and regional development and irrigation projects [*Fifth Malaysia Plan*, p. 329]. In terms of access to land, the problems of New Villagers who are essentially Chinese have been further exacerbated. Already plagued by protracted unemployment problems, they have also faced innumerable problems of access to alienated state land. They have also not had fair access to new land schemes. As at the end of 1982, the Chinese accounted for only 1.7 per cent of FELDA settler families [figures given by Minister of Land and Regional Development, reply in Parliament 31 October 1982], and about 2.0 per cent of those in FELCRA schemes [MCA Memorandum on Land and Agriculture for Malaysian Chinese submitted to the Government in 1980].

What about the Chinese poor who are concentrated in the urban areas? The *Fifth Malaysia Plan* [p. 91] indicates that urban poverty more than halved (from 17.9 per cent to 8.2 per cent) between 1976 to 1984. But such purported improvements are hard to reconcile with the harsh realities of unemployment and loss of income for the hundreds of thousands who have been affected by the shutting down of the tin mines in Perak and Selangor and the large-scale industrial and commercial retrenchments.

In these difficult economic times, more and more people have resorted to self-employment in the informal sector or in small-scale industry. But here again, the picture is gloomy. Public development expenditure to benefit petty traders has been minimal; the allocation in the Fourth and Fifth Malaysia Plans amounts to less than 3 per cent the total for trade and industry [*Fifth Malaysia Plan*, p. 374]. And even then, the Chinese in urban areas have been discriminated against in the allocation of hawker facilities, stalls, low-cost

housing, etc. There have also been countless complaints about unfair official treatment in the application for taxi licences, credit facilities, trade licences, import permits, utilities, etc.

A case in point is the World Bank credit for small-scale businesses. The World Bank scheme was only relaxed at the end of 1986 to allow non-bumiputra participation when it was found that there were insufficient bumiputra applicants. Given the fact the scheme was launched in 1980, the lack of progress in the allocation of credit to small-scale non-Malay businesses meant that an important opportunity for the revitalization of the economy -- through the creation of small businesses and small entrepreneurs irrespective of race -- was actually lost for the past six years.

In terms of access to educational and training facilities, the Chinese poor have clearly lost out. As the most effective avenues for eradicating poverty, education and training should be made freely and equally accessible to all poor Malaysians. But the position has been that the quota system in local universities has denied higher education to the Chinese poor who cannot afford to go overseas, that less than 4 per cent of the scholarships awarded by the government for overseas study between 1980 to 1984 went to non-bumiputras (figures given by Minister of Education in Parliamentary session), that residential schools and MARA junior colleges and off-campus programmes set up with American universities have been reserved exclusively for bumiputra children, rich or poor, and that mid-career training and skill development opportunities are increasingly restricted for non-Malays in both the public and private sectors. Understandably, these are issues of great concern to the Chinese community because increasingly limited educational and training opportunities mean the entrenchment of poverty among our generation and its perpetuation among our children.

Discriminatory implementation of the supposedly non-discriminatory prong of the NEP has created "new imbalan-

ces" between Malay and non-Malay poor. Such imbalances have been exacerbated by the subsidy approach used to combat poverty among select rural groups. Various subsidies and price supports given to predominantly Malay padi farmers, fishermen and smallholders not only lead to a sense of loss and deprivation amongst non-Malay groups of the poor that do not enjoy the same opportunities, but also encourage among the recipients an unhealthy dependence on "hand-outs" -- a dependence that implies a continuing drain on our nation's dwindling financial resources.

The government has placed great emphasis on the provision of basic facilities and social amenities for various poor groups. Admittedly, substantial progress has been made, but while electricity and water supplies and health services might improve the quality of life, what is crucial for the effective participation of the poor in economic activities is access to land, credit and other productive resources. The Chinese poor, and, it might be added, the other non-Malay poor, have been consistently denied equitable access to these factors. Very simply put, then, even if the Chinese poor want to pull themselves up by their own bootstraps, without the basic means to do so, their task is a formidable one.

Even at the time of formulation of the NEP, the Chinese poor accounted for at least half the total Chinese population [taking household income of below MS300 per month, figures from the *Post Enumeration Survey 1970*] and the wealth of the Chinese was actually concentrated in less than 10 per cent of the community [taking household income above MS1,000 per month]. The harsh reality is that the wealth of this small elite group of Chinese which was one of the rationales for restructuring has actually been used to discriminate against the large proportion of Chinese who are living in or on the margins of poverty. This is a moral issue that has not been addressed.

It is, however, the restructuring prong of the NEP that represents the primary cause of Chinese economic problems and insecurities. In itself, the NEP's objective to restructure

Malaysian society so as to reduce and eventually eliminate the identification of race with economic functions is a worthy one, certainly an objective to be subscribed to by all Malaysians concerned with the overriding need for national unity. The strategy is to assist the bumiputras to gain access to modern sector jobs, to own and manage business enterprises and to acquire a fair share of the increments in wealth through an expanding economy. The target is that within one generation, the Malays will own and manage at least 30 per cent of the total commercial and industrial activities of the country and that the sectoral and occupational employment patterns reflect the racial composition of the country by 1990 [*Third Malaysia Plan*, pp. 51-52].

The interpretation of these targets and the implementation of the policy have, however, been subject to various abuses, deviations and acts of discrimination, such as to fuel the fears of the Chinese that the NEP is intended to bring about Malay domination of the economy — that instead of restructuring to achieve a truly equitable society, new and more serious imbalances are being created that are both divisive and destabilizing for the country. Without corresponding attention to moving non-Malays into the sectors where they are currently under-represented, the identification of race with economic function will never be eliminated.

Before dealing with these "new imbalances", allow me to comment on the controversy that has been raging over the issue of the actual bumiputra share of the corporate sector. Such enormous importance has been placed on the figure because the legitimacy of the restructuring of corporate ownership and the continuance of the NEP after 1990 are seen to hinge upon the non-attainment by the Malays of their 30 per cent share of the sector. The *Fifth Malaysia Plan* [pp. 107-109] estimated the ownership share of limited companies held by bumiputra individuals and trust agencies to be 17.8 per cent in 1985, still far short of the 30 per cent target. The share of "Other Malaysian Residents" was estimated at 56.7 per cent and that of foreign residents at 25.5 per cent.

But there are strong reasons for suspecting that the Malay share has been under-estimated and that of the non-Malays over-estimated. Firstly, as pointed out in the Fifth Malaysia Plan, the corporate share assigned to the non-Malays includes that owned by foreign citizens resident in Malaysia.

Secondly, the proportion held by nominees and locally controlled companies amounting to 16.4 per cent of the total share capital of limited companies in 1985 [*Fifth Malaysia Plan*, p. 107] has been categorized as belonging wholly to non-Malays. Anyone who saw the chart of the Fleet Group stable of companies in *The Star* of Tuesday, June 16, 1987 must surely have been struck by how ownership through a single nominee company masked the Fleet Group interests in at least 150 companies. The data show Syarikat Nominee Bumiputra Sdn. Bhd. as the registered shareholder of these companies which include many public-listed ones, but the actual beneficial owner is the Malay-dominated Fleet Group. In other words, the Malay share has been under-estimated at least by the amount they own through nominee companies and their shares in the locally controlled companies (where the official statistics had not disaggregated ownership to specific ethnic groups). To at least the same extent, the share of non-Malays has been inflated.

Another reason for disquiet is that the official estimates themselves have been conflicting. *The Mid-Term Review of the Fourth Malaysia Plan* [p. 101] showed the Malay share of the corporate sector to be 18.7 per cent in 1983 while the *Fifth Plan* figure was only 17.8 per cent for 1985, yet how could there have been a decline when the *Fifth Plan* [p. 106] states that "ownership by bumiputra individuals grew at a fast rate of 32 per cent per annum"?

Given the conflicting and clearly biased estimates that blur the extent of bumiputra accomplishments under the NEP, it is not surprising that there is suspicion among many quarters that Malay ownership may have already reached the 30 per cent target. The Gerakan Party, for instance, has

estimated that the weighted average of Malay ownership was already 30 per cent in 1983.

To allay such concerns and do away with a proliferation of conflicting estimates, the onus is on the government especially as we get closer to 1990 to make available the data sources for examination by independent authorities or to conduct a serious exercise to arrive at a true picture of corporate ownership in the country.

**Estimated Malay Ownership of Share Capital in the
Corporate Sector by Industry, 1983
(in percentages)**

<i>Industry</i>	<i>Malay Ownership</i>
Modern agriculture	45
Mining	50
Finance & banking	70 – 80
Manufacturing	18
Construction & others	10 – 15
Weighted Average	30

Source: Parti Gerakan Rakyat Malaysia, *NEP Selepas 1990?* Table 2, p. 187.

Perhaps more important than the issue of whether the Malays have reached the overall numerical target of 30 per cent is the distribution among various sectors of the economy. We cannot deny that some economic sectors are much more important than others, and appropriate weightage should be given to ownership in different sectors. Obviously, ownership and control of the financial and banking sector and the resource-based industries carry more weight than ownership in, say, the retail sector. The financial and banking sector is most crucial in the economy since it is the source of loans and financing for the growth of other sectors; through their loans' portfolios, banks would have significant influence on

the functioning of other economic sectors. *Fifth Malaysia Plan* figures [p. 110] indicate that in terms of the overall equity share, bumiputras owned 69 per cent of domestic banking and financial institutions as of June 1985. In the plantation sector which has so far been the mainstay of the Malaysian economy, the *Fifth Malaysia Plan* estimates [p. 110] the bumiputra corporate share to be at least 32 per cent. If we add ownership through FELDA, probably the single largest "plantation" in the world, the Malay share in modern agriculture would be much higher. The mining sector is dominated by PNB through its majority control in Malaysia Mining Corporation. Even if non-bumiputras held disproportionate shares of equity in other sectors such as retail or personal services, the relatively limited economic clout of these sectors as compared to the financial and resource-based sectors must be kept in mind. In that some sectors are less lucrative or more effort-intensive than others, Malays may be less keen to enter them, thus making the equity restructuring target harder to achieve. Under such circumstances, it seems hardly fair to penalize non-Malays in their share of other sectors, and, worse yet, to impede the growth of the Malaysian economy.

One significant development has been that in this recession there has been a change in ownership and control of several flagship companies of Chinese entrepreneurs to Malay interests. To name some of them, Landmarks has gone to Peremba, General Lumber to Raleigh, Kesang Holdings to the Safuan Group, Cycle and Carriage Bintang to Kuwait Investment, Malaysian Resources to Yayasan Terengganu. Admittedly, the change in ownership and control has not been because of forced restructuring. But the point is that in our numerical assessment of Malay-non Malay shares of the corporate sector, these transfers must also be taken into account. Of course, the argument could be raised that Malay businessmen have also been adversely affected by the recession but what must be considered is that the way they have been affected is through a drop in the value of their shares, even

✓ bankruptcies perhaps, but there has not been a transfer of Malay companies to non-Malay ownership. In fact, the government has even gone in to bail out some Malay companies in financial trouble.

As officially stated, the NEP targets are clearly global targets or, at most, sectoral ones. In other words, overall, the Malays should own and manage 30 per cent of the entire corporate sector and the distribution of employment in all sectors should reflect the racial composition of the country. What has, however, happened in effect is that these targets have been applied at the level of individual companies. Each and every company seeking official approval for expansion or tendering of contracts, etc. has had to meet equity restructuring requirements. There have also been cases where firms that have complied with the 30 per cent bumiputra equity share requirement are subjected to NEP-generated pressures to further increase their bumiputra shares.

But as pointed out recently by Datuk Malek Merican, Managing Director of Arab-Malaysian Merchant Bank in a speech at the GEMAPUTRA Conference on the NEP ["Review of the NEP from a Private Sector Perspective", p. 9], making equity restructuring at the company level a precondition for official approval has had negative impacts on new investments and the establishment of new companies.

There have been many projects which were held up because there were no Bumi partners. Even listed companies were held up from making expansions and acquisitions because they cannot maintain their current Bumi ownership percentages.

In that NEP restructuring has discouraged new investments by non-Malays and foreigners and encouraged capital flight from the country; all Malaysians have been deprived in terms of the adverse effects on national economic advancement.

Local non-Malay firms have been penalized or discriminated against in at least four ways: First, they face more stringent restructuring requirements than foreign investors. (In an attempt to attract foreign investors who were scared

off by the requirements of the NEP, the government has altered its policies to allow foreign investors full or majority ownership and control over their Malaysian incorporated companies that export more than half their production or employ more than 350 full-time Malaysian workers. The government has also announced that the equity conditions relating to foreign investments made from October 1986 to the end of 1990 will not be changed in the sense that foreign investors will not ever be required to sell their shareholdings to Malaysians.) As citizens of the country, non-Malay investors are not even entitled to the same exemptions.

Second, to meet corporate restructuring goals, most non-Malay firms have had to allocate equity at par or below market prices to bumiputras. Through such a system of equity restructuring, non-Malays in fact immediately give the bumiputra beneficiaries a premium and windfall profit. But non-Malay companies that have complied with the NEP through special bumiputra issues have often found that they have to top up further their bumiputra shareholdings because those who were allocated shares at cheap rates divested in the open market for quick profits. Not only is such a practice unfair to the non-Malays but, to quote Datuk Malek Merican again:

. . . the final salvation of the Bumis is not to be found in a system where Bumis get cheap shares in ways which will force non-Bumi Malaysians and foreigners to share their economic rewards and become less willing to invest in Malaysia

To put the emphasis permanently on restructuring, the provision of cheap minority shares from non-Bumi companies, will only mislead the Bumis to a path of national economic stagnation, with all the implicit consequential tensions and risks [p. 20].

✓ Third, they have been subjected to a range of indirect interventions. This may be in the form of NEP compliance requirements before a commercial transaction is approved (e.g. a government agency will only buy from a company with minimum 30 per cent bumiputra equity) or during application for land use conversion, building permits, import

licences and other such pressure points.

✓ Fourth, non-Malay firms have had to cross subsidize bumiputra ventures, often in the form of hidden taxes. For instance, private importers engaged in the China trade have to pay a 5 per cent commission to PERNAS which uses the monopoly windfall gains for its pro-bumiputra programmes.

The most powerful vehicles for restructuring have been the bumiputra trust agencies which now own and control some of the largest plantations, banks, mining and trading companies in the country. Permodalan Nasional Berhad assets were estimated at some MS6.3 billion as of end July 1986. The Amanah Saham Nasional Scheme (with some 2.2 million unit holders) must be one of the largest unit trusts in the world. The non-financial public enterprises (NFPEs) that were set up as part of the NEP efforts pose serious competition, in view of their huge resources and legislative backing, to non-bumiputras (and sometimes even to private bumiputra firms) in almost every sphere of business and investment opportunity in the country.

But the point that is often omitted or glossed over is that all these agencies were set up through massive injection of public funds from tax payers' contributions. Non-Malay tax payers therefore make at least two sacrifices — they are the largest group of tax payers but they do not benefit at all from these trust agencies and there are clearly less public funds left over for other truly national projects. Worse yet, most of the NFPEs are not subject to public accountability since they are not accounted for in the government's annual budget for public scrutiny.

It has been observed that:

... the NEP strategy of equity restructuring by trusteeship has resulted in increased wealth concentration and much of this has been financed by mobilizing national savings. In fact, there has been extensive use of forced savings by such agencies as ASN, FELDA, EPF, SOCSO, etc. The system's major loophole is that the trustees have ignored accountability, typically (as we have seen in the case of ASN) by separating decision-

making and control of funds from nominal ownership. Without adequate checks and balances, there are always temptations and opportunities for the trustees to enrich themselves [Ozay Mehmet, *Development in Malaysia Poverty, Wealth and Trusteeship*, London: Croom Helm, 1986: 117].

Cartel-like domination of the NEP by inter-locking networks of ruling elites has had but a marginal net impact on poverty eradication up to 1983 while concentrating income and wealth among trustees and their associates [Ozay Mehmet, 1986: preface].

The other major area of "new imbalances" is in employment restructuring at the firm level. Even though the NEP's target of employment restructuring is meant to be implemented at the global level, there have been many reports of individual companies being pressured administratively to increase their bumiputra employment as a pre-condition for approval for work permits, expansion plans, eligibility to tender, etc. In some cases, such pressures have ensured the reservation of senior and plum positions for bumiputras to the exclusion of longer serving and more qualified non-Malays.

The employment position of the Chinese is increasingly precarious because in both the public and private sectors, opportunities have been systematically reduced. Of the increase in public service employment since 1970, about three-quarters of new jobs have gone to Malays. In 1985, the Chinese share of government service employment was 27.1 per cent as compared to 61.7 per cent held by Malays [*Fifth Malaysia Plan*, p. 102]. In the backbone of the public sector, the prestigious Malaysian Administrative and Diplomatic Service, the inequality is even more striking — the Chinese now hold only about 6.3 per cent of the superscale or higher positions. In occupational terms, the Chinese share in the professional and technical group has fallen from 37.7 per cent in 1970 [*Third Malaysia Plan*, p. 82] to 32.4 per cent by 1985 [*Fifth Malaysia Plan*, p. 104]. In this category, the Malay share has not only expanded from 47.2 per cent to

54.4 per cent, but more important, they hold most of the apex positions. The "new imbalance" is clearly evident in the fact that out of 22 Ministries in the government, 19 of the civil service heads (Ketua Setiausaha Kementerian) are Malay, 2 Chinese and 1 Indian and of their deputies, 88 per cent are Malay, 5 per cent Chinese and 7 per cent Indian.

Without corresponding efforts to effect a compensatory movement of Chinese and Indians into those sectors or areas where they are under-represented, such as in senior positions in the civil service and the armed forces, in agricultural land ownership, etc., there can be no just restructuring of the Malaysian economy.

In the private sector, not only have the Chinese found it increasingly difficult to get jobs or achieve upward mobility because of the restructuring pressures at the level of individual firms, government efforts to create a bumiputra commercial and industrial community have further eroded the Chinese position. While Malay businesses have made significant headway in increasing their ownership and participation in the small-scale non-corporate commercial and services sectors, the Chinese have faced increasing constraints. In the wholesale and retail trade, for example, the number of establishments owned by Malays increased by ten times and their turnover increased by almost 40 times during the period 1971-1981; in contrast, Chinese establishments managed to increase their number by less than three times and their turnover by only 5 times [*Fifth Malaysia Plan*, pp. 114-115].

Chinese entrepreneurs have been held back in a number of ways. They have to operate in an environment that is increasingly hostile — an array of NEP-generated interventions and controls have reduced free competition and stifled entrepreneurship. A few more indicators should make it evident why we have termed the situation that has evolved one of "new imbalances". Quoting from the *Fifth Malaysia Plan* [Table 3-12, pp. 116-117], credit assistance at subsidized rates given by Bank Pembangunan Malaysia Berhad and MARA went exclusively to Malays; only 11 out of 17,850

participants in entrepreneurial training schemes organized by various government agencies in 1985 were non-Malays; and of the total value of work contracts awarded, 64 per cent went to Malays with several NFPEs and government departments awarding more than 90 per cent of all contracts to Malays. All the privatization exercises in the country from the multi-billion dollar telecommunication projects to collection of car parking fees have also been awarded to selected bumiputra companies without any free-market competition from other groups.

The administrative practices such as reserving all government contracts of below \$75,000 exclusively for Malay companies, of calling for tenders by invitation only and of not announcing the results of a tender exercise have given further cause for fear that dishonesty and corruption will tend to proliferate.

The mood appears to be one of deepening despondency that hard work, honest labour and meritocracy are no longer enough to succeed in this country — one needs to not only be of the "right" race but also to have the "right" connections. The politicizing of the economic and business decision-making process and the commercialization of the political and governing process have changed the rules of the game to the disadvantage, if not suppression, of ordinary Chinese businessmen and job seekers.

The costs of the NEP to the Chinese community have been high, if not punitive. In part, perhaps the blame lies with ourselves — by default or lack of vigilance, we Chinese have allowed the erosion of our economic and also socio-political position. We have never really made an issue of defining and safeguarding our share of the NEP targets. Rather, we have allowed ourselves to be pushed to the point of often and individually having to resort to "back-door" methods to circumvent NEP restrictions. We have not made a truly consistent and coherent effort either as a communal group or as a component party of the ruling government to work out what the Chinese position should be in the evolu-

tion of the NEP, nor do we yet have a clear-cut strategy for achieving this position.

What, then, do we do, especially with 1990 looming up just ahead? Without pre-empting the panel discussion allow me to briefly share with you some ideas. As a community, the strength of the Chinese, if not our only hope, is in our unity and cohesiveness. We have to come together as a united community solidly behind the leadership to consolidate rather than further dissipate our energies and resources. I believe that if we stay a committed and cohesive force in the nation, that if we find ways to work closely with each other and with other non-Chinese Malaysians, we will not only preserve our legitimate economic interests but share also in the benefits of recovery and growth of the Malaysian economy.

A very important move that must be made is to thrash out with the bumiputra community in a reasoned and rational manner our perceptions and expectations of the NEP. A root cause of the problems has been that bumiputra-non bumiputra perceptions have tended to be diametrically different, in part because fundamental questions like what constitutes an appropriate share, what comprise the contents of that share, whether targets are global or micro, etc. have not been explicitly settled. Unless these issues are clarified, we cannot go on to renegotiate the position after 1990.

As Chinese Malaysians, our concern should not be confined to our own communal interests only, but should extend also to the plight of other non-Malays and even those bumiputras in Sabah and Sarawak and the Orang Asli who have been relatively neglected. As Chinese Malaysians, we must join with other right-thinking, loyal Malaysians to ensure that the future scenario in Malaysia will be one based on the principles that:

- i) national unity cannot be achieved through the creation of new imbalances and that the NEP-generated dominance of one community over

- the others cannot continue without a socio-political ricochet that could destroy our nation;
- ii) forced restructuring provides but a shaky economic foundation for the Malays and is a destabilizing force among the non-Malays. An increasing dependency syndrome among the Malays and increasing alienation from the government among the non-Malays do not bode well for the nation;
 - iii) cross subsidies from one ethnic group to another are not only unfair but also cannot generate entrepreneurship, technological innovativeness or higher productivity that we need for the long-term viability of the economy;
 - iv) while the principle of equality of opportunity is a fair one and should be observed even after 1990, equality of outcome is not and cannot be adhered to without incurring enormous costs to the nation;
 - v) our first priority in these recessionary times should be a national growth programme to at least give us something to redistribute; and that we can no longer afford politically-motivated decisions that are economically unsound;
 - vi) a more competitive economic order is what we need to ensure that our nation's creative energies and talents are directed not to the search for political dominance but to the development of entrepreneurial opportunities; and that
 - vii) economic need rather than ethnicity should be the overriding basis of future resource allocation. If the NEP is to be continued after 1990, then it is the poverty prong that should be emphasized. It is the under-privileged of all ethnic groups that should be the target of affirmative action.

Note: The views expressed in this paper are those of the author and do not necessarily represent those of the institutions or committees with which the author is associated.

5

The Chinese Education and Cultural Vision

David Chua

As Chinese political power in this country has waned, so also has the community's opportunities for the pursuit of education and cultural traditions. Education and culture pose interlinked issues of concern to the Chinese community. The system of education which the Chinese community is exposed to will directly influence the moulding of attitudes and values towards cultural pursuits, both in nurturing cultural elements as well as in sustaining and preserving the cultural heritage and system of values.

In the pre-*Merdeka* era, the Chinese community had little cause for concern over fundamental liberties in education and cultural pursuits. The *laissez-faire* environment coupled with the active promotion of Chinese education and cultural activities had institutionalized the educational rights, opportunities and cultural practices of the Chinese community — for instance, through the establishment of Chinese educational institutions catering for primary right up to tertiary schooling. English education was also available in institutions established by the British colonial government.

The British practised a liberal attitude towards cultural

institutions such as temples and other places of worship, clan associations, assembly halls, community associations, and the practice of social customs for birth, marriage and death, as well as the promotion of Chinese cultural activities such as the lion dance, martial arts, traditional Chinese arts and crafts, music and even operas.

But since the attainment of *Merdeka*, rapid transformations have taken place in these two important spheres affecting the life of Malaysian Chinese. The introduction of the National Education Policy actively promoted the use of Bahasa Malaysia as the sole official language and as the medium of instruction in all government schools, colleges and universities. Whilst Chinese primary schools were classified as national type schools, many Chinese secondary schools were compelled to become independent schools. Freedom of establishing post secondary educational institutions was curtailed.

In the cultural field, not only were there no active measures to promote the continued growth of Chinese cultural activities and practices, various constraints were, in fact, imposed to the extent that the Chinese community found its cultural activities seriously hampered. Alongside the implementation of the NEP, cultural freedom has been progressively controlled to give prominence to an essentially Malay-Muslim based culture. Thus, the scenario today is one of considerable dissatisfaction, discontentment and a sense of deprivation among the Malaysian Chinese.

The National Education Policy

The National Education Policy was formulated in the spirit of the 1957 Education Ordinance, which stated that:—

The education policy of the Federation is to establish a national system of education acceptable to the people as a whole which will satisfy their needs and promote their cultural, social, economic and political development as a nation, with the intention of making the Malay language the national

language of the country whilst preserving and sustaining the growth of the language and culture of the people other than the Malays living in the country. (Education Ordinance, 1957 p. 6.)

Similarly Article 152 of the Federal Constitution and the Education Act 1961 accordingly:—

- a) endorsed the principle of equality of treatment in the national education system for all young people;
- b) recognized the need to preserve and sustain the growth of the language and cultures of people other than Malays in the country, and
- c) called to the government to establish and develop national-type primary schools (SRJK) where the medium of instruction was to be the mother tongue of the non-Malay communities.

The National Education Policy confined the teaching and learning of the Chinese language within the national education system to the primary level. The continued existence of a handful of Independent Chinese Secondary Schools (ICSS) only provides limited avenues for secondary Chinese education and only a small number of students eventually succeed in pursuing tertiary Chinese education outside Malaysia.

Since language and literature are important media for the propagation of culture, most young Malaysian Chinese of the post-*Merdeka* generation do not have the depth in the Chinese language to appreciate the finer points of Chinese culture, let alone promote it. The magnitude of this phenomenon is enormous. Statistics show that almost 70 per cent of the Chinese population today belong to the post-*Merdeka* generation who are below 30 years old. The younger generation of Malaysian Chinese are not in a position to promote or sustain the same cultural heritage and values as their forefathers. This reality is indisputable. Whether by choice or circumstance, indigenous Chinese culture and values cannot

be expected to grow within the Malaysian environment. Although fundamental guarantees were given, at least for the teaching of the mother tongue within the SRJK, there have been considerable deviations in the implementation of the national education policy, not only in respect of Chinese education, but also in the availability of educational opportunities at all levels.

Some of the obvious cases of discrimination include the inadequate allocation of funds to Chinese primary schools in relation to the total allocation for primary schools. A glaring confirmation that the Chinese primary schools are being systematically discriminated against in the national education system is the recent disclosure that these schools which accounted for 27.3 per cent of total primary school enrolment in 1984 (Table 1) received only \$7 million or 3.4 per cent out of total allocation of \$208 million provided in 1983 for primary schools (Table 2).

Table 1
Enrolment Pattern in Various Types of Primary Schools, 1984

<i>Types of schools</i>	<i>Total No. of schools</i>	<i>Total No. of students</i>	<i>Percentage of students</i>
National primary schools	4,665	1,482,235	69.1
Chinese primary schools	1,296	588,836	27.5
Tamil primary schools	566	75,028	3.5
Total	6,527	2,146,099	100.0

Source: Kementerian Pelajaran, 1984.

Table 2

**Allocation of Funds to Chinese Primary Schools
in Relation to Total Allocation for Primary Schools, 1983**

	<i>Chinese Primary Schools (\$)</i>	<i>Total Allocation for Primary Schools (\$)</i>	<i>Percentage for Chinese Primary Schools</i>
Development funds	1,585,560 (1)	—	—
Running costs (LBPT, library funds for P.E., Arts, etc.)	5,570,350	21,371,600	26.1
Total	7,155,910	208,517,000 (2)	3.4

Note: (1) Deputy Minister of Education, 13 May 1984, *Kin Kwok Daily News*.

(2) Kementerian Pelajaran, 1983.

This disclosure provides the explanation for the rundown condition of many Sekolah Rendah Jenis Kebangsaan Cina [SRJK(C)], the lack of basic facilities, the over-crowded classes and the low morale of staff and students. There is absolutely no moral, social or political justification as to why these schools which have a legitimate and important position within the national school system (they are responsible for the early education of 600,000 young people annually) should not be provided with their rightful share of public development funds. This is, at least 27.3 per cent of the annual total primary education allocation. Any official attempt to do less may be construed to be reflective of a policy aimed at strangling these schools and discriminating against their pupils.

A severe shortage of teachers trained in Chinese has contributed to a lower standard of education in the SRJK(C) schools. It was reported in the *Sin Chew Jit Poh* of 17 March 1986 that there was a shortage of 3,978 teachers for the SRJK(C) schools. The slowness of the Education Ministry

in correcting this shortage contrasts with the well-staffed position of many national schools, in particular the residential schools. Together with the discrimination in funding allocation, this unfair teacher allocation policy has stunted the development of the Chinese primary schools.

Furthermore, the standard of Bahasa Malaysia in the SRJK(C) schools is extremely low. A study of the SRJK (C) schools in the Muar District over a span of 8 years from 1978 to 1985 indicated that the percentage of candidates who passed in Bahasa Malaysia range from a shocking 10.1 per cent to 15.9 per cent. Failure in Bahasa Malaysia results in failure in the whole examination so that between 85 to 90 per cent of Chinese school students in Muar dropped out early (see Table 3).

Table 3

**Muar District SRJK(C) Performance in Bahasa Malaysia
in the Standard Five Assessment Examination 1978-1985**

Per cent Passes (A + B + C)	(Total No. of Schools: 58)				(Total No. of Schools: 59)			
	1978	1979	1980	1981	1982	1983	1984	1985
0%	8	8	13	6	5	11	-	15
0.01-10%	27	18	21	16	26	22	-	22
10.01-20%	12	18	18	21	20	20	-	12
20.01-30%	7	10	4	8	4	4	-	5
30.01-40%	2	3	1	2	2	-	-	3
40.01-50%	1	1	0	4	1	2	-	1
50.01-60%	1	1	1	1	1	-	-	1
Total No. of Candidates	3,313	3,307	3,219	3,262	3,417	3,291	3,286	3,160
Average Per cent Passes in Muar	11.52	14.18	9.79	15.91	12.24	10.44	10.06	10.45

Source: "Our Education System - A Malaysian Chinese Perspective", a paper presented by Mr. Chua Jui Meng at the Education Seminar on 29 March, 1986 in Muar.

One of the main reasons for this low Bahasa standard and high failure rate is that the teachers of Bahasa sent to the schools where Chinese is the main medium of instruction are not trained to teach Bahasa as a second language. This is contrasted with the training provided for teachers in the teaching of English as a Second Language (TESL).

The standard of English also tends to be low in these schools. There have been persistent complaints about the lack of trained teachers in English assigned to the SRJK schools as well as the inadequacy of the hours provided for the teaching of English, with only 60 minutes per week allotted for Standard 3 and 90 minutes for Standards 4 to 6.

Another problem faced by schools of the SRJK(C) type is the short supply of *buku bantuan* (text books provided under the loan system). Unlike the situation in most SRK and SK schools where almost all pupils are able to obtain free textbooks, pupils of SRJK schools experience great difficulty in obtaining the textbooks. There is no reason to explain why the *buku bantuan* scheme should be implemented in an unequal way except to put it down to deviations in official policy.

The perceived official attempts to change the character of Chinese and Tamil schools have caused fear among the non-bumiputras. This is an account of the provision in the National Education Act which allows:—

The Minister when satisfied that a national-type primary school may suitably be converted into a national primary school to direct that the school shall become a national primary school.

Although a review of the Act was officially reported recently, the continuing presence of this clause is a serious cause of concern among the Chinese.

Besides official neglect, there are also other forms of discriminatory treatment. Among these are:—

- a) Schools receiving government financial aid and national-type schools are being controlled by the

- Ministry of Education. Principals or Headmasters of all schools including missionary institutions have no say or power to decide on student intake, teacher intake or transfer, allocation of financial aid, etc. The selection of pupils previously based on criteria of merit and residence is not made to apply to bumiputras whose intake into perceived elite urban schools has been dramatically enlarged by what is tantamount to a "quota system".
- b) Special English Language teachers are posted only to selected bumiputra institutions.
 - c) Pupils are required to attend classes in "moral education" which stresses Islamic values while Pupil's Own Religion (POR) is not allowed to be discussed or taught.
 - d) In many schools bumiputra teachers are teaching History and Civics with a racial bias emphasizing Malay dominance and the immigration status of non-bumiputras. Non-bumiputra pupils are told that they owe allegiance to Malays for their citizenship and the right to stay in Malaysia.
 - e) There is no provision at the moment for Pupil's Own Language (POL) in the school timetable. This should be rectified immediately. Moreover, the insufficiency of trained teachers to teach POL classes at the secondary school level has long been a complaint of Chinese parents. At present only the Language Institute (LI) provides training for about 30 teachers a year in *Bahasa Cina*. Together with about 20 more graduating from the University of Malaya, this means that the annual output of officially trained Chinese language teachers is a mere 50. There is no way that this number can cope with the language needs of over 300,000 Malaysian Chinese secondary school children.

The national-type vernacular primary schools and the Independent Chinese Schools have been and will continue to be crucial to the educational aspirations of a large segment of the Malaysian Chinese population. As at 1984, about 590,000 primary-level students, mainly Chinese but also including other Malaysians, were enrolled in the SRJK(C) schools. As much as 90 per cent of the children of school-going age of Chinese descent were enrolled in these schools and a substantial number of these students also prefer to go to the independent secondary rather than the national secondary schools.

It is imperative for national unity, socio-economic justice and cultural democracy that all unjust and unequal official policies and actions impeding the development of these educational institutions be immediately terminated. Speedy action should be taken to implement the national education policy in a fair and just manner in keeping with its true spirit so as to provide all Malaysians an equal place in this multiracial country.

New Economic Policy

The NEP, in its wider sense, does not confine itself to economic restructuring alone. It is also aimed at restructuring society, and its implications on the field of education and culture are enormous. Although the stated intent of the NEP is to bridge the gap of inter-racial disparity, serious deviations in NEP implementation have threatened the attainment of the overriding objective of national unity.

Since the implementation of the NEP, many educational institutions, such as residential schools and MARA junior colleges have been established with enormous sums of public funds, catering solely or almost wholly to bumiputra students. These institutions are not generally open to non-Malay student entry.

According to the *Fifth Malaysia Plan*, 30 residential schools had been established with an enrolment of 16,073 students, entirely bumiputras, whilst the Junior Colleges had

an enrolment of 6,927 almost all bumiputras (p. 498). Under the Fifth Plan, MARA sought an allocation of \$1.8 billion, double its allocation under the Fourth Plan and planned to build 45 mini junior science colleges and 14 mini vocational training institutes. It was estimated that 109,212 bumiputras would join the MARA vocational institutions and another 18,700 new bumiputra students would be sponsored by MARA at local and foreign institutions of higher learning.

Moreover, as of 1985, additional public expenditure allocations for bumiputras were provided through the JPA to an "Off-campus Universities Programme". Under this programme, 20 American Universities of the Mid-West Universities Consortium for International Activities (MUCIA), have sent over 100 American professors to Malaysia to prepare students for programmes leading to degrees in Arts, Science and Engineering. Students are also prepared for admission to universities in Britain, Australia and Canada. The programme is open to bumiputras only and an initial sum of \$300 million was allocated to benefit an estimated 5,000 bumiputras.

In contrast to the large number of state- and federal-funded education institutions catering exclusively for bumiputra students, there is only one institution for Chinese students at the post-secondary level, TAR College. Since its establishment, however, the College's development has been hampered by official neglect and lack of concern, so that the potential of the college in turning out trained and skilled manpower for the needs of the country has never been fully realized. The discriminatory official policies pursued towards Malay and non-Malay educational institutions can be illustrated by comparing the funds allocated by government to TAR and to ITM.

From Table 4 we see that whilst \$344 million was provided to ITM between 1971 and 1985, only \$7 million or one-fifteenth the amount was provided to TAR. In addition, it is planned to spend \$225 million on ITM between 1985

and 1990 whilst TAR will receive only \$15 million, so that while the total expended and planned expenditure on ITM between 1971 and 1990 is \$569 million, that on TAR is only \$27 million. If one assumes that an equal number of bumiputra and non-bumiputra students are eligible to enter post-secondary educational institutions, the government is only devoting 3.9 per cent of the public expenditure provided to bumiputra educational institutions, to the development of non-bumiputra institutions.

In addition to being denied access to the bumiputra residential schools and MARA Junior Science College network, the non-Malays have also been systematically discriminated against in the intake of students into local universities on account of the official pursuance of a pro-bumiputra policy in the form of a high quota for Malay students. This is apparent from Table 5 which shows student enrolment for certificates, diploma and degree courses in the local universities of higher learning to be largely skewed in favour of the bumiputras.

Table 4
Public Development Expenditure
on TAR and ITM: A Comparison
(\$ Million)

College / University	2nd Plan 1971-75 (Actual)	3rd Plan 1976-80 (Estim.)	4th Plan 1981-85 (Estim.)	Total 1971-85 (Allocation)	5th Plan 1986-90
TAR College	2.56	3.92	0.66	7.14	15.00
ITM	122.34	36.78	184.91	344.03	225.21
MARA SCHOLARSHIPS	N/A	N/A	679.09	N/A	690.00

Source: *Fifth Malaysia Plan (1986-1990)*; Table 19-6, p. 504.

Table 5

**Ethnic Composition of Student Enrolment in
Local Institution of Higher Learning
for 1980 and 1985**

Courses	No. of students	1980		No. of students	1985	
		Bumiputra (%)	Non-Bumiputra (%)		Bumiputra (%)	Non-Bumiputra (%)
C'ficate	2,603	61.1	38.9	6,878	65.8	34.2
Diploma	12,262	93.5	6.5	25,046	94.5	5.5
Degree	21,944	62.0	38.0	37,838	63.0	37.0

Source: Fifth Malaysia Plan, p. 552

The inadequate provision of places for the Chinese in local universities has long been one of the main concerns of the Chinese community. In 1970, before the introduction of the NEP, when admission was on the basis of merit, the Chinese had 3,752 students out of a total enrolment of 7,677, that is, 48.9 per cent of the total intake in the 3 local universities, [Universiti Malaya (UM), Universiti Sains Malaysia (USM) and Universiti Kebangsaan Malaysia (UKM)]. The bumiputras then had 40.2 per cent of the total enrolment. Even at that time a pro-bumiputra policy in university intake was in effect but it was relatively mild.

After 1970, however, this policy was intensified to ensure a bumiputra predominance in student intake. This intensification took the form of a high quota of places reserved for Malay students who were provided entry into the universities despite securing inferior results to non-Malays.

The effects of this policy deviation were devastating. From an enrolment of 48.9 per cent in 1970, the Chinese share dropped to 26.5 per cent in 1980, a percentage loss of 22.4 per cent. In contrast, the bumiputra enrolment increased from 40.2 per cent in 1970 to 66.2 per cent in 1980, an increase of 26 per cent mainly at the expense of the Chinese. As at 1980 the total enrolment of all non-bumiputra

students in the five local universities stood at 33.8 per cent.

In June, 1980, the MCA, after representations on behalf of the Chinese community, secured the agreement of UMNO that university places for non-bumiputras within the local universities would be increased by 2 per cent per annum until a ratio of 55 per cent and 45 per cent for bumiputra and non-bumiputra students respectively was attained. Unfortunately, this agreement does not appear to have been honoured by the Government.

Table 6

Enrolment in Tertiary Education by Race [Degree's (e) Courses], 1980, 1983 and 1985.

1980a

University	Malay	%	Chinese	%	Indian	%	Others	%	Total
UM	4,063	50.50	3,124	38.83	677	8.42	181	2.25	8,045
USM(d)	1,612	55.64	1,072	37.04	195	6.73	17	0.59	2,897
UKM	4,896	85.50	628	10.97	189	3.30	13	0.23	5,726
UPM	1,431	81.68	221	12.62	88	5.02	12	0.68	1,752
UTM	877	83.77	115	10.98	44	4.20	11	1.05	1,047
Total	12,879	66.16	5,161	26.51	1,193	6.13	234	1.20	19,467

1983b

University	Malay	%	Chinese	%	Indian	%	Others	%	Total
UM	4,675	51.85	3,303	36.63	815	9.05	223	2.47	9,016
USM(d)	2,961	53.09	2,083	37.35	470	8.43	63	1.13	5,577
UKM	6,408	77.98	1,351	16.45	361	4.39	97	1.18	8,217
UPM	2,295	69.67	715	21.71	214	6.50	70	2.12	3,294
UTM	1,543	78.17	318	16.11	85	4.31	28	1.42	1,974
Total	17,882	63.69	7,770	27.67	1,945	6.93	481	1.71	28,078

1985c

University	Malay	%	Chinese	%	Indian	%	Others	%	Total
UM	5,041	53.73	3,374	35.96	841	8.96	126	1.35	9,382
USM(d)	3,996	55.45	2,509	34.81	657	9.12	45	0.62	7,207
UKM	6,454	72.52	1,914	21.51	468	5.26	64	0.72	8,900
UPM	3,652	80.71	603	13.33	253	5.59	17	0.37	4,525
UTM	2,284	75.35	567	18.71	154	5.08	26	0.86	3,031
Total	21,427	64.84	8,967	27.13	2,373	7.18	278	0.85	33,945

Source: For 1980a & 1983b — From the *Mid-Term Review of the Fourth Malaysia Plan 1981–1985* (pp. 356–57).

For 1985c — From the *Fifth Malaysia Plan, 1986–1990* (pp. 490–91).

Notes: (d) Includes enrolment in off-campus courses.

(e) Includes enrolment in post-graduate courses.

According to the *Mid-term Review of the Fourth Malaysia Plan*, the proportion of Chinese in the five local universities increased marginally from 26.5 per cent to 27.7 per cent and the bumiputra enrolment dropped from 66.2 per cent to 63.7 per cent between 1980 and 1983 (p. 356, figures from Table 14-3). Total non-bumiputra enrolment then stood at 36.3 per cent which was well below the 40 per cent figure agreed upon. If we include TAR College and MARA Institute of Technology enrolments, the bumiputra percentage of students was even higher at 64.9 per cent with the Chinese percentage dropping to 26.8 per cent and the total non-bumiputra enrolment decreasing to 35.1 per cent.

By the beginning of the Fifth Malaysia Plan (in 1986) the number of Chinese students enrolled in the five local universities was 8,967 or 27.1 per cent of total intake, a further decline over the 1983 figure of 27.7 per cent. The bumiputra percentage, however, increased from 63.7 per cent in 1983 to 64.8 per cent in 1985. Table 6 shows how

the government's promise to increase non-bumiputra student intake into the local universities has not been fulfilled every year since 1980.

No less important than university level education is vocational and technical training and education, especially in view of the country's great need for a large pool of skilled blue collar workers. In view of the very large number of students (estimated presently at 150,000) who are unable to find entry to post-secondary level education, the just principle would have been that the intake of these technical-type schools be based strictly on merit, with socio-economic status being an additional consideration, so as to take into account the problems of disadvantaged students from poor backgrounds of all communities.

However, in the implementation of NEP-related policies on education, training and restructuring, vital considerations of merit, fairness to the various communities and national unity appear to have been dispensed with. Equally, if not more blatantly, pro-bumiputra intake policies are being pursued in post-secondary technical education as well as tertiary education. These policies, which are all clear deviations of the spirit and intent of the NEP, have resulted in the polytechnics, for example, having an enrolment of 21.5 per cent non-bumiputras, with bumiputras comprising 78.5 per cent of the total intake (*Fifth Malaysia Plan*, Table 19-3, p. 490). The Chinese total enrolment was only 17.2 per cent.

In terms of courses leading to diplomas awarded by local institutions the racial imbalance is even greater. Out of a total enrolment of 25,046 in 1985, 23,068 (or 94.5 per cent) are bumiputras with the Chinese numbering only 1,227 students (or 4.9 per cent). (*Refer* to Table 7.)

Of the total 27,311 Malaysian students sent abroad on government scholarships between 1980 and 1984, over 96.1 per cent were bumiputras with the non-bumiputras accounting for only 3.9 per cent (Table 8). In fact there was no single year when the proportion of bumiputras to total government-sponsored students fell below 90 per cent. This

is an extraordinary trend which can only be explained by a consistently applied official policy that discriminated against non-bumiputra students and favoured bumiputra students.

Another measure of the scale of government scholarships to bumiputra students can be gleaned from the case of MARA. According to its Chairman, Haji Tajol Rosli Tan Sri Ghazali (*The Star*, 23/3/86), MARA would sponsor 18,700 new students at local and foreign institutions of higher learning under the Fifth Malaysian Plan. Another 109,212 bumiputra students and new trainees would also join the MARA Junior Science Colleges and MARA Vocational Institutions, presumably all on scholarships. Over the past 19 years, 26,000 bumiputra students have received MARA scholarships and loans to further their studies at institutions of higher learning locally and abroad.

Table 7
Malaysia: Participation by Ethnic Groups
at Various Levels of Education Based on
Enrolment in Local Institutions, 1980 & 1985

1980					
<i>Levels</i>	<i>Enrolment</i>	<i>Bumiputra</i> <i>(%)</i>	<i>Chinese</i> <i>(%)</i>	<i>Indians</i> <i>(%)</i>	<i>Others</i> <i>(%)</i>
Primary	2,008,587	58.4	32.2	7.7	1.7
Lower Secondary	809,406	60.3	30.0	8.5	1.2
Upper Secondary	247,039	66.3	27.0	6.0	0.7
Post Secondary	27,017	61.4	32.9	4.7	1.0
Certificate	2,603	61.1	34.8	3.7	0.4
Diploma	12,262	93.5	5.5	0.8	0.2
Degree	21,944	62.0	31.2	5.7	1.1

1985

Levels	Enrolment	Bumiputra (%)	Chinese (%)	Indians (%)	Others (%)
Primary	2,191,676	61.0	29.7	7.6	1.7
Lower					
Secondary	914,434	65.2	27.3	7.6	1.8
Upper					
Secondary	329,950	68.1	25.2	6.0	0.7
Post					
Secondary	43,849	56.9	36.4	5.8	0.9
Certificate	6,878	65.8	30.5	3.2	0.5
Diploma	25,046	94.5	4.9	0.5	0.1
Degree	37,838	63.0	29.7	6.5	0.8

Source: *Fifth Malaysia Plan*, Table 19-4, p. 493.

Table 8

Fully and Partly Government Sponsored Students Overseas,
1980-1984

Year	Bumiputra	Non-Bumiputra	Total
1980	8,350 (96.8%)	275 (3.2%)	8,625
1981	3,551 (95.9%)	153 (4.1%)	3,704
1982	6,696 (95.2%)	335 (4.8%)	7,031
1983	4,890 (99.5%)	26 (0.5%)	4,916
1984	2,767 (90.6%)	288 (9.4%)	3,055
	26,254 (96.1%)	1,077 (3.9%)	27,331

Source: Figures given by Education Minister in Parliamentary session.

According to the *Fifth Malaysia Plan* (Table 19-6, p. 504) \$679 million was spent on MARA scholarships between 1981

and 1985, whilst another \$690 has been allocated for the same purpose in the Fifth Plan period.

The astronomical sums (\$103 billion) spent on scholarships for Malay students since the NEP implies the denial of scholarships to non-bumiputra students, who are, in many instances, both poor and with scholastic merit. This has bred bitterness in the non-bumiputra communities. This is especially so when scholarships have been given to the children of wealthy and influential bumiputras, a practice which is criticized even by segments of the bumiputra community. To award scholarships liberally to bumiputra students both rich and poor, and to deny scholarships to poor non-bumiputras no matter how deserving they are, can only heighten racial enmity and polarization.

A fair dispensation of scholarships with a fixed quota to the poor of each race and according to the racial composition of our country would be more in keeping with the spirit and intent of the New Economic Policy, the Constitution and Rukunegara.

Table 7, which enumerates the participation by the various ethnic groups in various levels of education (based on enrolment in local institutions in 1980 and 1985), confirms that the impact of official education policies in favour of Malays at all levels of education has been tremendous. As early as 1980, the bumiputras had secured a rate of participation in all the seven levels of education in local institutions that was above what could be construed to be the rightful share, based on their share of the population. In all but one of the levels (primary) the bumiputra share was above 60 per cent, and in the case of diploma level education it was 93.5 per cent.

By 1980 therefore, whatever targets might have been envisaged in education for bumiputras to enable them to have a "fair" share had already been exceeded, through the heavily partisan and interventionist policies of government. If anything, the educational situation in 1980 should have alerted the authorities of the over-restructuring that had taken place

at the expense of the non-Malays and of the need to restore a fair and equitable balance for the various communities through some sacrifices on the part of the Malays.

This in fact was the understanding behind the 1980 agreement between the MCA and UMNO with regard to the need to increase the non-Malay share of university places. By right, this agreement should have been extended to the various other levels of education where the non-bumiputras were under-represented in relation to their share of the population. A higher share of places should have been given to non-Malays in lower secondary schools, upper secondary schools, post-secondary institutions, certificate and diploma courses, besides in the universities. In this way, justice would have been served and the suspicions of the non-Malays that the NEP is being used solely as an instrument to secure Malay interests would have been dispelled.

Instead, the disparities with regard to educational participation amongst the bumiputras and non-bumiputras were not only not reduced in the five years after 1980, but were, in fact, widened in six of the seven enumerated levels. As of 1985 only in the case of post secondary education was there a drop in the bumiputra share of participation from 61.4 per cent to 56.9 per cent and a corresponding increase in non-bumiputra participation. In the cases of primary, lower secondary, upper secondary, certificate, diploma and university education, the bumiputra share of participation increased between 1 per cent and 5 per cent, so that the dominant bumiputra position found in 1980 was further reinforced by 1985.

A study of the Organization Chart of the Ministry of Education as of 1 January 1986 (Table 9) shows bumiputras in key positions in virtually all of the Ministry's divisions. Of 25 filled senior positions in the Ministry, only 2 are held by Chinese (one is the Deputy Minister of Education) whilst 23 are held by Malays. This pattern of overwhelming Malay monopoly of administrative power is repeated at virtually all State and District levels. The predominance of bumiputra

officers at all levels of the education service in the various state governments and in the federal government, and in the bumiputra monopoly of administrative and political power is among the main reasons why implementation of the NEP has been tipped heavily in favour of the bumiputra community.

Table 9

**Ministry of Education, Malaysia
Organization Chart — as on 1.1.80**

1. Minister of Education	Malay
2. Deputy Minister of Education I	Malay
3. Deputy Minister of Education II	Chinese
4. Secretary-General	Malay
5. Director General of Education	Malay
6. Deputy Secretary General I	Malay
7. Deputy Director General I	Malay
8. Deputy Secretary General II	Malay
9. Deputy Director General II	Malay
10. Director — Schools Division	Malay
11. Director — Teachers Training Division	(-)
12. Director — Examination Board	Malay
13. Chief School Inspectorate	Malay
14. Director — Education, Planning & Research Div . .	Malay
15. Director — Curriculum Development Board	Malay
16. Director — Technical & Vocational Education . . .	Malay
17. Director — Education (Media) Service	Chinese
18. Financial & Accounts Secretary	Malay
19. Director — Higher Education Division	Malay
20. Director — Textbook Bureau	Malay
21. Secretary — Development & Supply Division	Malay
22. Principal — Education Officer Training Inst.	(-)

23. Director – Islamic Education Division Malay
 24. Secretary – Scholarship & Training Division Malay
 25. Secretary – Foreign Affairs Division Malay
 26. Secretary – Service Division Malay
 27. Deputy Registrar of Schools & Teachers (-)
 28. Secretary – Malaysian Schools Sports Council . . . Malay

<i>Race</i>	<i>Posts</i>	<i>Percentage</i>
Malay	23	82.2%
Chinese	2	7.1%
Vacant	3	10.7%

Implications for the Future

Basically, all Malaysian Chinese perceive that, as citizens, they and their children should enjoy the inalienable right to fair and equal treatment in education. They expect that it is the duty and responsibility of the government to accord all groups and communities equal treatment in education consistent with the principle of equality as enshrined in the Constitution. The deviations in the implementation of the National Education Policy and the New Economic Policy with reference to educational opportunities are the root cause of the mounting discontent, dissatisfaction and a growing sense of deprivation among the Malaysian Chinese.

Although culture is not an aspect which comes within the purview of the New Economic Policy, it has become increasingly subject to the pressure of restructuring of society to fit a national mould narrowly defined in Malay-Muslim terms with limited admission of non-Malay, non-Muslim elements.

In fact, the experience of the last decade or so has seen the increasing interference by the State in matters relating to culture, contrary to the intent and the right of cultural freedom and democracy enshrined in the Constitution and

Rukunegara. This has given rise to many grievances and widespread alarm on the part of the non-Malay, non-Muslim groups as they see their fundamental rights being encroached upon and their cultural traditions being whittled away.

National culture goals in Malaysia, to have any legitimacy, have to be defined in the light of the constitutional rights of all Malaysians, irrespective of race, to equality before the law [Article 8 (1) of Federal Constitution], to non-discrimination on the grounds of religion, race or descent [Article 8 (2) of Federal Constitution) and the right of every person to profess and practise his religion (Article 11 of Federal Constitution).

The Rukunegara, formulated by the National Consultative Council in 1970, not only endorsed those constitutional provisions to cultural equality and democracy but also recognized that "... a nation of diverse races, religions and cultures . . . can be a source of strength". (*Rukunegara*, Introduction, p. 1.)

The Rukunegara goes on to affirm that:

... we are dedicated to ensuring the existence and growth of a liberal society in which its members are free to practise and profess their own religions, customs and cultures consistent with the requirements of national unity. The Malaysian nation is indeed unique in having rich and diverse cultural traditions and practices. We aspire to a society in which this diversity can be an asset and a source of strength. (*Rukunegara*, p. 9, para 4.)

From these two important documents, the Federal Constitution and the *Rukunegara*, we can draw the following conclusions regarding stated Government views on the issue of cultural development. There is:

- i) recognition of the plural nature of our society;
- ii) recognition of the legitimacy of other cultures in our society besides Malay culture;
- iii) recognition of the need to preserve and enhance the rich cultural diversity of our society;
- iv) recognition of the need for a National Culture

that evolves over time from spontaneous cultural development and integration and not from forced assimilation.

Unfortunately, subsequent Government efforts to foster a National Culture have deviated from the noble spirit and intentions of cultural equality and cultural democracy as spelt out in the Constitution and Rukunegara.

The National Culture Policy as it presently stands weights heavily against the inclusion of cultural elements of the non-Malay ethnic groups. It is also important to state here the many instances of over-zealous acts whereby the norms of Malay and Islamic culture have been forced upon Malaysians of other ethnic and religious origins. Such acts have spanned the whole spectrum of socio-cultural life from religious burial grounds right down to dressing norms and other aspects of cultural identity.

Infringements on the basic cultural and religious rights of the Chinese community include the following:

- 1) It is becoming increasingly difficult to obtain land and approval for the building of religious places of worship other than mosques, as well as for community burial grounds.

Discrimination has led the Malaysian Consultative Council of Buddhists, Christians, Hindus and Sikhs to appeal to the authorities "in all town structure plans the principle of justice be observed in allocating land for places of worship and also for burial grounds for the sake of planning. We request that the standards be applied to all religions, be it Islam or other religions" (letter to Setiausaha, Jawatan Kuasa Perancang Negeri, Selangor, 8 September 1986).

In the 1950s, when Petaling Jaya was developed, the authorities provided land for the development of mosques as well as for churches and temples. However, when Shah Alam was

developed in the 1970s land was made available only for the development of the Selangor State Mosque. No provision of land was made for places of worship of other religions.

- 2) Whilst the status of Bahasa Malaysia as the national language cannot be questioned, it is important that the *lingua franca* of the other ethnic groups be allowed to flourish to reflect the multi-ethnic character of the country and to truly foster diversity in cultural forms. A more liberal and democratic approach should be adopted to create more opportunities for the teaching and learning of other ethnic languages up to College and University levels.

At the same time, more literary works in the languages of the other ethnic groups, besides those in Bahasa Malaysia, should be encouraged and published by the Dewan Bahasa dan Pustaka. Malaysian literature should reflect the multi-lingual, multi-cultural reality of Malaysian society.

- 3) There have been instances of Indian ladies being told not to wear the saree to certain functions and non-Muslims being pressurized to wear Malay/Muslim attire. Such acts of coercion have unnecessarily aggravated racial sensitivities and are certainly not conducive to racial unity.
- 4) Whilst the sensitivities of Muslims regarding food have been accorded much importance at official and public places, the same sensitivities have not been displayed *vis-a-vis* other ethnic or religious communities. It has been cited that beef has been served, quite often without any alternative dishes, at official functions attended by Hindus.

At the same time, there have been many cases of official restriction on the sale of pork in public, an extreme example being the total

banning of canned pork at the Central Market in Kuala Lumpur.

It is clear that whilst tolerance and accommodation towards Muslim sensitivities regarding food are expected of the other ethnic communities, the reverse is not to be. This narrow attitude and very unmutual view of tolerance can only lead to further polarization.

The above-mentioned examples serve to highlight the importance and necessity for a truly democratic and fair approach in dealing with cultural issues if further racial and cultural polarization is to be avoided. It is incumbent upon the Government to heed the aspirations of the people, irrespective of their ethnic origins, in adopting a truly democratic and just approach to cultural development.

It is necessary for the Government to adopt a non-discriminatory attitude in its cultural policies. While it continues to emphasize Malay culture and expand a substantial proportion of the national resource on its growth and development, similar interest and commitment must be shown for the growth and development of other cultures.

Generally, Malaysian Chinese expect greater freedom in the pursuit of cultural activities. Especially for those who have a strong Chinese background, the preservation of Chinese culture in their lifestyle is of great significance. They feel more threatened about cultural erosion than the younger generations. Whilst there is no common perception as to the acceptable degree of preservation of culture, most Malaysian Chinese do, however, want a National Cultural Policy that gives equal opportunity in the process of nurturing and evolving a cosmopolitan flavour of national culture as against an attempt to define and impose cultural beliefs and practices by official pronouncement.

Malaysian Chinese Vision

Recognizing the political realities and the heterogenous character of the contemporary Chinese community, it is necessary for the Chinese to ponder seriously on the issues of education and culture for the future. The Chinese community should work towards a consensus on all important matters relating to education and culture. Only then will there be more effective collective bargaining in respect of remedies against unequal treatment and deviations in the implementation of policies affecting these two important spheres.

On Chinese education for example, there should be consensus as to the desired level that the Chinese language should be promoted. There would be no point demanding that the Chinese language be taught at the highest level if only a meagre minority would be making use of it, with the rest echoing support purely for emotional or sentimental reasons.

The different perceptions on Chinese education have been a major divisive factor creating an impossible task for the leaders. On the one extreme, there are those who clamour for the setting up of the university with Chinese as its medium of instruction and the recognition of degrees from foreign Chinese universities. On the other hand, there are those who consciously or unconsciously are gradually losing touch with even their own dialects, not to mention learning how to write their own names properly in Chinese.

In between, there are of course those who hold practical attitudes towards the social economic values of the Chinese language and are promoting it befitting the needs of their own environment or circumstances.

There is no doubt that the Chinese language is an important language being the *lingua franca* of nearly a quarter of the total world population. In the context of world politics and economic relations, Malaysia, by virtue of its geographical position, could derive considerable benefits by being able to communicate effectively with people of the

east in addition to the west.

Malaysian Chinese, being ethnically and biologically Chinese, must accept a common basis for the teaching and learning of Chinese language and the speaking of Mandarin — at least sufficient for social economic use. The preservation of a language involves two processes, teaching and learning. For the time being, teaching in the SRJK Chinese primary and the ICSS is still permitted, and as to learning, there are no official restrictions. Whether or not the status quo of Chinese SRJK schools will remain and the teaching of Chinese as a POL subject will be sustained, is a matter for the Malaysian Chinese community to decide. For example, sometime ago, there was a "Speak Mandarin" campaign but this was quickly forgotten. Meanwhile, the popularity of Hong Kong Cantonese video has spread the Cantonese speaking influence so much that it threatens to impede efforts to promote Mandarin speaking among the Chinese.

From the standpoint of the Chinese, a common system of values and perceptions towards their culture must be established. Admittedly, it is not possible for a Chinese community made up of members with diverse backgrounds to adhere strictly to an indigenous Chinese culture. But, in the modern Malaysian context, certain common acceptable cultural elements and practices must be agreed upon, such as those customs related to birth, marriage, death, festivals, arts and craft, music, drama, literature, language, food, architecture, recreation, social discipline, system of values, dress, religion, matters relating to the individual, family, society and nation. Although most Chinese tend to become emotional when any of these customs or cultural elements are encroached upon, many a time, the younger generation by their own choice (or ignorance), have not been concerned over the need to sustain their own cultural heritage.

Outside the realm of official policy and through spontaneous reaction and acceptance by the people, we have seen the gradual acceptance of certain Chinese food items and Chinese customs by other communities. For example, the

list of Chinese food items that has become a part of Malay cuisine has grown and in recent years, the giving of *ang pow* has been adopted while the firing of Chinese firecrackers has been officially permitted for the Hari Raya. The Chinese themselves have also accepted many cultural practices of other communities in food, dress and other aspects of life.

For Chinese who love "Chinese" culture, they must be seen to be practising it. A sure way of sustaining their culture is to popularize it so that it becomes spontaneously acceptable to other communities in the country. This is a practical approach towards the creation of a multi-cultural society for the future.

As Malaysia approaches the 1990s and the beginning of the 21st century, it is imperative that Malaysian Chinese adopt a clear vision with regard to Chinese education and culture as a common platform for the Chinese people. This is important, not only for bringing about a more cohesive community but, more importantly, for consolidating Chinese political strength. Within the context of multiracial Malaysia, the Chinese community must be capable of safeguarding its own educational and cultural rights for the generations to come.

6

The Malaysian Chinese — The Way Ahead

Chua Jui Meng

A question was asked 2,000 years ago — *Quo Vadis?* ("Whither goest thou?"). Today, we ask — "The Malaysian Chinese — *Quo Vadis?*", "What lies ahead for us and our children in the years ahead, towards and beyond 1990?"

In formulating some of the answers, I have drawn upon the thoughts and analyses of many good people. I think an analysis of this nature should not be a monologue — it should be an uninterrupted and continuous conversation with those of the past whose thoughts and actions we study, and with those whose task it is to build the future out of the heritage of the present and the past. And this conversation with the Malaysian Chinese community will go on, for the work of politics and community and nation building is never completed.

We, in the MCA, are committed to the decommunalization of Malaysian life and politics and for the building of a united nation based on the principles of moderation, consensus and multiracialism. However, we recognize that as a party of the Malaysian Chinese we have a duty to express the fears and aspirations of the Malaysian Chinese honestly and

calmly, however strong the message.

It must be clearly stated at the outset that the Malaysian Chinese and other non-Malay communities have since the inception of the NEP, accepted its aims. These are to attain the objective of national unity through, firstly, the eradication of poverty, irrespective of race and, secondly, the elimination of the identification of race with economic function.

However, the messages contained in other articles in this book show clearly that significant deviations have occurred in the implementation of the New Economic Policy and resulted in the creation of a sense of alienation, suspicion and discrimination amongst large segments of the Malaysian non-Malay population, including the non-Malay bumiputras of East Malaysia. There has been a strong perception on the part of the non-Malays that the NEP which has played a central role in directing our national life has been implemented almost wholly for the benefit of one community to the neglect, exclusion and detriment of others.

These articles, together with my own, are presented not only to bring coherence and order to the disparate grievances and feelings of resentment and despair within the Chinese community, but also to present the Malaysian non-Malay perspective of the workings of this country to the leaders of UMNO.

The results of the general elections of 1986 are an expression of the negative feelings within the non-Malay, especially Chinese, community. The MCA lost 47 per cent of its parliamentary seats contested (that is, 15 out of 32), the Gerakan lost 45 per cent of its parliamentary seats, while SUPP's failure rate was 43 per cent. Even the popular Parti Bersatu Sabah (PBS), which had just won magnificently under Joseph Pairin Kitingan in the Sabah State Elections of 1986, lost all 4 Chinese majority seats to the DAP. In short, the Chinese of Sabah, whilst supporting PBS as the State Government, were not in favour of the Barisan Nasional Government at the national level. The lessons of the 1986 Elections

show that whilst a booming economy can mitigate the negative effects of NEP misimplementation, in a recession economy, competition becomes more intense and sharpens the focus of non-Malay voters who feel deprived and alienated.

What perhaps underscores the political seriousness of these fears, insecurities and sense of outrage is that they pervade through all classes of the Malaysian Chinese population in both urban and rural areas. The spirit of the Malaysian Chinese community is low, its mood is dark and any further increase of their sense of alienation will not be conducive to the political and economic stability and well-being of our nation. As a responsible component party of the Barisan Nasional striving to contribute positively to the building of this nation, the MCA has taken the position that it must convince the government to focus urgently on these major issues which are negating our efforts at building a united multiracial society.

The dialogue and debate on the national policy to be formulated after 1990 has started and will continue. What directions should the Malaysian Chinese and indeed the Malaysian nation take in the formulation of that policy in the context of the need for a united and multiracial nation?

The Malaysian Non-Malay Understanding of the NEP

The following are some of the perceptions of the Malaysian non-Malays towards the NEP:

- 1) National unity is the overriding objective.
- 2) The NEP was to be based upon a rapidly expanding economy which offers increasing opportunities for all Malaysians as well as additional resources for development. Thus, in the implementation of this policy, the government will ensure that no particular group will experience any loss or feel any sense of deprivation (p. 1, para 3, *Second Malaysian Plan.*)

- 3) If there is a sense of loss or deprivation arising from the NEP's implementation, it is morally and politically incumbent upon the government to rectify the imbalances wherever they exist.
- 4) The NEP was to last 20 years which was the time-frame for the non-Malays to bear sacrifices to help their Malay brethren advance economically within a generation or upon attainment of the target of 30 per cent of the corporate and industrial wealth of the nation by the bumiputras whichever date is the earlier.
- 5) The promises given by government to pursue an even-handed and fair restructuring policy so as to prevent members of any particular racial group from feeling a sense of discrimination, whether real or imagined, on endeavouring to enter into fields of economic activity not commonly associated with that race are easily documented. From the *Third Malaysia Plan* alone, the following statements are reproduced as evidence of the government's solemn undertaking.

The NEP has set as its target . . . employment structure at all levels of operation and management that reflects the racial composition of the nation by 1990. (p. 30, para 107.)

Progress was also made in restructuring employment by industry and occupation for other Malaysians although not to the extent envisaged by the Outline Perspective Plan in respect of the agricultural and service sectors. (p. 33, para 118.)

Progressive reduction of existing imbalances in the ownership of assets and wealth in the country will require that government policies focus on all financial as well as physical assets, including land, in all sectors of the economy. (p. 85 para 256.)

Similarly the goal of restructuring society does not involve increasing the participation of the Malays and other indigenous people in commerce and industry alone. It involves the achievement of a multiracial structure in all sectors and at all levels in order to correct past imbalances and their in-

adequate representation in various fields. This will certainly imply an inter-sectoral movement of people and ownership on a multiracial basis. (p. 92, para 278.)

If the above statements and other government utterances of correction of imbalances in all sectors and at all levels wherever they exist are taken at their face value, the non-Malays, in the new Policy after 1990, would expect and be entitled to employment opportunities equivalent to their share of the country's racial composition in the public sector, state administrations, non-financial public enterprises (NFPE's), armed forces, the service and utilities sectors and other major areas of Malaysian economic and social life where they are severely under-represented. Similarly, they would expect similar opportunities for management and control in all fields of the public sector in the same way that the Malays expect management and control opportunities in the corporate and industrial private sector. Finally, the non-Malays would expect greater opportunities for them to participate in agricultural land ownership and in federal and state rural-oriented development schemes (including FELDA, FELCRA, RISDA, IADP projects, Regional Development projects) that are given to Malays to reach the goal of proportional participation in the economic life of the nation.

Evaluation of the NEP

The papers reproduced in this book leave no doubt that Malaysian society is more polarized than it was in 1970. Dr. Agoes Salim who was deeply involved in the formulation of the NEP was reported to have said in *The Star* of 4 October 1986:

Policies are not sacrosanct; they can and should be adjusted to suit the times and conditions. We shouldn't push a policy to its own absurdity. The NEP was formulated to strengthen national unity, not weaken it.

Any future policy will therefore have to take us back onto the track towards national unity by addressing itself towards the sense of deprivation and alienation amongst all races.

The *sine qua non* of restructuring is economic growth. This took place in the 1970s but since 1980 this country has experienced an economic recession. We are faced with the prospect of slow economic growth perhaps in the region of only up to 4 per cent Gross Domestic Product real growth for many years to come. This country has seen capital flight estimated at about \$10 billion over the last 5 years and an increasing unemployment rate. The Government itself has recognized that the precondition of rapid growth is no longer with us and has taken steps such as liberalization of the Industrial Coordination Act and the suspension of restructuring requirements for foreign companies in certain circumstances.

The cut-off point of 20 years is approaching and coupled with strong evidence showing that the Malays have in fact achieved their 30 per cent of the national corporate and industrial wealth, the government is strongly urged to formulate a policy of economic growth, poverty eradication and free enterprise with emphasis on the attainment of national unity and the eradication of racial polarization.

Poverty Eradication – An Evaluation

Although standards of living have generally gone up in the country since 1970, and the government should rightly be praised for having brought poverty levels down from 49.3 per cent in 1970 to 18.4 per cent in 1985, there has been concern that official figures have underestimated the level of non-Malay poverty in urban areas. The unavailability of data to explain how the government has arrived at the incidence of poverty in rural and urban areas has reinforced this concern. What is important to stress here is that poverty is not solely or even mainly a Malay problem but one similarly experienced by the Chinese, Indians, Kadazans, Ibans and

other bumiputras of non-Malay origin.

Figures from the *Fourth Malaysia Plan* indicate that the total number of non-Malay poor in East and West Malaysia as of 1976 was about 335,000 households and at least two-thirds of the total number of Malay poor. If we assume an average family size of five members, more than 1.5 million non-Malay Malaysians were living in poverty as of 1976. What is unacceptable is that government poverty eradication has come to be equated with rural-Malay poverty eradication. In the urban areas, a significant proportion of the population has to live in slums and other run-down areas. These groups need assistance as urgently as the rural poor. A proper understanding of the nature and extent of urban and rural Chinese and other non-Malay poverty is necessary if we are to help this important and substantial group when formulating a new national policy for the continued eradication of poverty. In the process, misconceptions and myths must be dispelled.

The Urban Poor

When one uses the notion of cash income, as do government statistics, it discriminates against the Chinese and Indians who do not have the same access as Malays have to traditional land areas and the ability to generate non-cash income for home consumption and barter trading. Because the majority of Chinese live in the urban areas, they incur greater expenditure and greater costs to achieve a similar level of living *vis-à-vis* the Malay counterparts who live mostly in rural areas. Thus the cash income concept overestimates the economic wealth of the non-Malays.

In 1984, a survey of 2,000 households in the urban areas showed that among Chinese households, about 63 per cent of the household participated in some form of economic activity. The corresponding participation rate was only 41 per cent for the Malay households. Because of the greater proportion of household members working in a Chinese

family, their total household income tends to be higher. However, on a *per capita* household working income basis, the income between Chinese and Malays is equal.

The survey also revealed that the secondary school enrolment rate is far lower among Chinese householders than Malay households. For example, only 40 per cent of the Chinese children between 16-19 years of age remained in school compared to 57.1 per cent for the Malays. Thus, the higher Chinese household income is achieved at the expense of long term cost, where children forego their education in order to contribute to the household income.

The New Village Poor

Many misleading statements have recently been made about the level of development attained by New Villages to show that they are more advanced than the traditional Malay kampungs. The effect of these statements is to justify the pouring of funds into traditional kampungs. Hence, a distorted picture of affluence, privilege and well-being in New Villages has become the standard version in some quarters.

The reality is quite different. There is an absence of any responsible federal or state agency that has New Villages' development as its main objective. This is clear from the terms of reference of the land and rural development agencies and organizations set up during the last 20 years (FELDA, FELCRA, RISDA, MARA, DARA, KEJORA, KETENGAH). None of these agencies deal with New Villages or list them as a target group for development. A good part of the \$8.4 billion allocated to agriculture and rural development was spent on these agencies and their programmes in the traditional kampungs.

As a result, New Villages have been left outside the mainstream of the country's economic and social development during the last 30 years. Amongst the problems faced by New Villages are:

- 1) Lack of access to land;
- 2) Lack of viable employment opportunities;
- 3) Lack of diversification of New Villages' economy;
- 4) Lack of upgrading of education and manpower skills;
- 5) Failure to integrate successfully into the mainstream of national life.

The poverty rate amongst New Villages is amongst the highest in the country. The *Fifth Malaysia Plan* [p. 91] noted that only 37 per cent of New Village households had an average cash income exceeding \$400 implying that fully two-thirds (or one million New Village inhabitants) were in households that were earning incomes below the poverty line.

The Economic Policy after 1990

In the interim period between now and 1990 a high powered NEP Commission should be established to supervise the implementation of the NEP and to ensure that deviations are corrected at the same time as it analyses the strengths and weaknesses in implementation and monitors the over and under achievement of targets. The Commission should be headed by a High Court Judge and should include both public and private sector representation. There should be representatives of the different communities of the country. The commission should have the powers of the High Court to subpoena persons and documents and to punish for perjury and contempt.

A council should be set up consisting of the Presidents of the Barisan Nasional component parties to determine the new national policy after 1990. In the formulation of the Policy, the Council should take into consideration the worsening racial polarization and increase in national disunity. The new Policy should seriously consider the following premises:

successful, there is a need to grant greater flexibility to the entrepreneur in the running of his or her industrial enterprise. Further deregulation will be needed if the manufacturing sector is to continue to grow and survive. The Industrial Coordination Act should be amended, if not scrapped. Restructuring of the manufacturing sector would be more effectively pursued with a system of rewards and incentives as opposed to restrictions and punishment.

c) Finance and Banking

This sector is already under the overwhelming domination of Malays and foreign interests. There should be provision for growth and specific targets for increased non-Malay participation in this sector to reflect social equity and justice.

d) Mining and Transport

Again, these two sectors are under the overwhelming domination of the Malays. Specific targets should be set for non-Malay participation. To increase non-Malay participation in this sector, greater encouragement ought to be given to domestic entrepreneurs to participate, particularly in petroleum-based activities and the transportation sector involving long-distance haulage, shipping and air-freight.

e) Communications and Utilities

With the privatization of telecommunications and the imminent privatization of utility activities, it is important that appropriate non-Malay participation in these activities be guaranteed. Specific targets for each privatization exercise should be included in the plan.

f) Education and Training

We should strive to achieve more equitable parti-

cipation in all educational and training activities, such as technical and vocational schools, teachers training colleges and universities. Scholarships to these institutions should be more equitably distributed. All mid-career training activities including training of civil servants in the public sector should be offered equitably to all races.

g) Defence and Police

This sector is overwhelmingly dominated by the Malays. To enhance national unity and security, this sector should be restructured to reflect the ethnic composition of the nation. We have to push for specific targets in recruitment policies.

h) Land and Housing

Land ownership, particularly in rural and urban areas, should be made available to all irrespective of race. Emphasis must be placed on the provision of low-cost housing to all poor.

i) Public Sector

The glaring imbalances now in existence in the employment pattern of the public sector contravene the NEP. Firm, immediate, medium-term and long-term solutions to the problem should be implemented. More immediately, we need to identify specific posts in some key ministries which we feel should be filled by non-Malays and to work out ways to find suitable persons to fill them. As medium and long-term solutions, we should push for an equitable recruitment policy in the public sector and ensure that promotions within the service are on the basis of merit alone.

j) Other Services

Specific targets for participation of the various ethnic groups in the private services — such as the profession, retailing and wholesale — sectors should be formulated.

National Growth Policy

At the recent seminar organized by GEMAPUTERA on "The NEP after 1990 — Role of the Public Corporate Sector" Datuk Malek Merican of the Arab Malaysian Merchant Bank Berhad presented a most thought-provoking paper. The thrust of his arguments was for a National Growth Programme after 1990 to emphasize the need for national economic growth because of:

- a) The very serious long term stagnation in private investments locally and abroad caused by NEP restructuring strategies;
- b) The even more ominous unemployment figures standing at about 8.7 per cent in 1986 and expected to hit 10.1 per cent by 1990. There is a current pool of some 40,000 unemployed graduates.

The above situation will hit non-bumiputras as well as bumiputras creating increasing social discontent and tensions. The answer according to Datuk Malek is to emphasize the need to promote national growth and include a realistic programme to assist bumiputra advancement, most important of which was education.

I think the government should seriously consider emphasizing the growth element in a new National Growth Policy after 1990. To achieve growth, there should be continued deregulation and increasingly minimal governmental interference in the market place. In fact, a hefty dose of free enterprise should provide the impetus for greater private capital investment from both Malaysians and foreigners so as to trigger off stronger economic growth in the years ahead. Consequently, this will diffuse the time bomb of accelerated unemployment. The Government should not be the major partner of any economic enterprise. It takes no responsibility for losses in commercial ventures but it has a substantial stake through taxation in all profits. The profits could then

be used for public expenditure, poverty eradication and restructuring.

Indeed, it can be said that the positive aspect of NEP implementation has been that the Malays are no longer handicapped as they were in 1970, having attained high educational standards, strong equity ownership and control of key sectors of the economy. Seen in that light the Malays are poised to take advantage of a free enterprise system based on strong growth.

Education — The Way Ahead

Datuk Malek's observation on the importance of education for Malays emphasizes the need for the Chinese community to take a real hard look into its own present educational system. The trend increasingly is for Chinese students to study at the primary level in the SRJK(C) schools. The present enrolment of such schools is about 85 per cent of the total available Chinese student population. This indicates the desire of the community in the face of a hardening Malay position in the formulation of a national culture policy based on Malay culture, to re-emphasize their own identity through their own language and culture. Perhaps more thought should be given to the liberalization of our national culture policy so that the present action-reaction responses leading to increasing racial polarization can be diminished.

Whilst protecting and nurturing our language and culture we should also understand that the greatest weakness in our SRJK(C) school system is the poor level of attainment in Bahasa Malaysia. A study of the 58 SRJK(C) schools in the district of Muar over a span of 8 years from 1978 to 1985 indicates that the level of passes in Bahasa Malaysia at the Standard Five Assessment examination ranges from a shockingly low average of 10.06 per cent to a high of 15.91 per cent! We must remember that as English was crucial in our school days, so too is Bahasa Malaysia a compulsory examination subject for the SRP and SPM examinations today.

Failure in Bahasa Malaysia results in failure in the whole examination.

The reasons for this low performance, which is prevalent throughout the SRJK(C) system, are:

- a) *Hua Yu* is the main medium of instruction. Inadequate hours are provided for teaching Bahasa Malaysia;
- b) the standard of Bahasa Malaysia teachers is generally low;
- c) Bahasa Malaysia is taught mainly by Malay teachers trained to teach the language as a first language and not as a second language. This is an important distinction and results in poor communication between teacher and student. It is enlightening to note that training is provided for teachers to teach English as a second language (TESL).
- d) A low level of commitment to the study of Bahasa Malaysia, in some cases caused by the language prejudices of parents or by the lack of opportunity both in school and at home to speak Bahasa Malaysia.
- e) Inadequate facilities.

The consequences of the above is a high drop out rate and lower academic performance by the Malaysian Chinese. A comparison of the years 1980 and 1985 indicate that our position at all levels of education from Primary to Degree courses except at the Post Secondary and Degree level has been declining. In 1980, the bumiputras constituted 58.4 per cent of all primary school students; 60.3 per cent of all lower secondary school students and 66.3 per cent of all upper secondary school students, that is, an increase at every ascending level.

In 1985 the bumiputra enrolment increased further to 61 per cent of all Primary School pupils, 65.2 per cent of all lower secondary school students and 68.1 per cent of all

upper secondary school students. The Chinese position, on the other hand, in 1980, has declined at every ascending level — from 32.2 per cent of all primary school students to 30 per cent of all lower secondary school students to 27 per cent of all upper secondary school students. In 1985 the decline continued with Chinese enrolment comprising 29.7 per cent of all primary school students, 27.3 per cent of all lower secondary school students and 25.2 per cent of all upper secondary school students. The main reason for the Chinese decline is the failure in Bahasa Malaysia at the SRP and SPM levels.

In Singapore a reverse situation exists. There the medium of instruction is in English. The Singapore Chinese, because of their strong commitment to that language, has attained a high level and high percentage of enrolment in education. The Singapore Malays, because of a lower commitment to the English language, now realize that they have fallen far behind the Singapore Chinese in educational and enrolment attainment. Last year and this year, therefore saw the Singapore Malay community taking a good hard look at itself. Malays discovered, for example that where the Malay student population at any school is above 30 per cent, because of their tendency to speak Bahasa Malaysia amongst themselves in school, their standard of English declined. As a result of a dialogue within the Singapore Malay community, the Malay community took a decision (which is now to be implemented by the Singapore Government) that the racial composition of Malay students in any one school should not exceed 20 per cent.

The Malaysian Chinese must, like the Singapore Malays, take a hard look at the inadequacies of the teaching of Bahasa Malaysia in their present school system. There must be a stronger commitment to the study of Bahasa in our SRJK(C) schools if we are to arrest the decline in our educational standards in the future. We must be committed to the study of Bahasa Malaysia because, like English in Singapore, it is the language that will deliver the goods for our commu-

nity. The reasons are:

- 1) It is the National Language and medium of instruction for government examinations;
- 2) Students cannot enter Teachers Training Colleges, government tertiary educational institutions, Sixth Forms, etc, unless they have a credit in Bahasa Malaysia;
- 3) It is the language of government; it is the language used in District Councils, Dewan Negeri, Dewan Rakyat and Dewan Negara and within the Councils of Government. It is therefore the language of the peoples' representatives and the language for intercommunal negotiations;
- 4) It will increasingly be used in the private sector as the Malays' stake in that sector increases.

In improving our fluency in Bahasa we call upon the government to set up a system of training in our local educational institutions to train teachers to teach Bahasa Malaysia as a Second Language in our SRJK(C) schools. Our SRJK(C) schools must devote more hours for the study of Bahasa Malaysia. Perhaps parents might wish to send their brighter children to SRJK(C) schools and the less bright children to SRK schools so that they would not be handicapped in the study of Bahasa Malaysia. Parallel with the need to uplift the standards of Bahasa Malaysia it is also important to uplift the standards of English in the SRJK(C) schools.

Politics

It is, however, in the field of politics that the most urgent and fundamental rethink must take place in the Chinese community. The declining Chinese position in every field of endeavour in this country since 1969 is the direct fruit of the debilitating trend of Chinese political divisiveness, just as the increasing effectiveness of the Malay community in every field is the direct result of their political cohesion up to date.

The point that must be pressed home with urgency and vigour upon the Malaysian Chinese is that to attain the targets we set for ourselves and the nation, we must unite politically behind our Chinese representatives in Government.

In every single General Elections before 1969 (1955, 1959 and 1964), the majority of Malaysian Chinese rallied behind MCA (*see* Appendix A). In consequence, we were in the forefront of every field. In terms of education about 50 per cent of all local university students were Chinese who also dominated in the fields of medicine, engineering and law. The majority of overseas' students were also Chinese as we were then economically strong having at 1970 34 per cent of the local corporate and industrial wealth contrasted with 1 per cent owned by the bumiputras. At every General Election, neither the Opposition Socialist Front nor even the PAP under Lee Kuan Yew in 1964 were able to breach the majority Chinese support for the MCA.

In as much as the Chinese Community was cohesive before May 1969 in support of the MCA representatives in Government, so were they rewarded by their strong economic position and by the incumbency of strong Ministerial positions such as the Ministry of Finance and the Ministry of Trade and Industry. Indeed, before the General Election of 10 May 1969, there was a Malay Dilemma but not a Chinese Dilemma. The situation has now been reversed!

The General Elections of May 1969

This was the turning point of the Malaysian Chinese's fortune in Malaysia. The Chinese threw their majority support behind the then opposition, that is, the supposedly multiracial parties, the DAP, the Gerakan and the PPP. The 1969 elections was the first General Elections in which the DAP participated.

As the Chinese fragmented politically, the majority of Malays coalesced behind UMNO. This therefore represents a double loss for the Chinese community. As a minority race

vis-a-vis the Malays, we have fragmented our political will, whereas the Malays, a majority race compared to ours, have largely consolidated their political will and direction. The weakening of the Chinese political will at each General Election since 1969 has meant that some of the ground rules have changed in accordance with the wishes of the stronger majority who see the Chinese community as a largely opposition community. An important ground rule that has changed was the increasing weightage given to rural areas in the delineation of constituencies, which has resulted in an increasing number of Malay majority seats. Therefore, after the recent constituency delineation the Malay majority seats in Peninsular Malaysia now numbers 92 (70 per cent) out of a total of 132 seats.

From then on began the Chinese Dilemma. In the General Elections of 1978 and 1986, the majority of Chinese have voted for the opposition DAP, whilst in 1974 and 1982 the DAP took 9 seats in each Election, thereby fragmenting Chinese political unity. At best, Chinese support of their Government representatives was vacillating and inconsistent. (see Appendix A.) The 1986 General Elections is a further illustration of what I have just said. MCA contested in 32 Parliamentary seats allotted to it by the Barisan Nasional and won only 17, losing 15 to the DAP. UMNO, with 84 seats allotted to it, won 83 seats.

The option before the Chinese community today is whether they should vote for their representatives in Government or for the Opposition DAP. Let us therefore analyse the nature of the political set-up in West Malaysia and the nature and character of the DAP.

The Malays

In every General Election since 1955 the majority of Malays have backed UMNO as opposed to the Malay opposition represented by the then PMIP and now PAS and the Chinese Opposition (the DAP). The majority of Malays have

demonstrated their rejection of a Malay opposition Party and backed their representatives in Government.

This has resulted in dominance in reality by UMNO. In short, the Malays have indicated that they support their party based on race but are also prepared to support a larger looser multiracial organization, that is, the Alliance and the present Barisan Nasional. In the face of this determination the DAP has eroded the Chinese political position which would have been advanced with the backing of the MCA by the Chinese, which is the party of the Chinese much like UMNO is the party of the Malays of Peninsular Malaysia. The conclusions that can be drawn are as follows:

- 1) The Malays are not prepared to be organized in a multiracial party (such as the Opposition DAP);
- 2) The Malays consolidate behind UMNO and have used Malay unity through UMNO as the basis to cooperate with the non-Malay communities;
- 3) The DAP's multiracialism is a veneer since it is rejected by the Malays who constitute the political majority in this country. The Malays even refused to support a Malay DAP candidate, Ahmad Nor, but threw their support behind a Chinese MCA candidate, Dr. Ting Chew Peh, in the recent Gopeng by-election. This indicates the political discipline and maturity of the Malays;
- 4) The DAP has therefore weakened Chinese representation in the government because as an Opposition it has no voice in the formulation or implementation of Government policies. It has never since 1969 been able to win Malay majority parliamentary seats. Worse, it has delivered parliamentary seats to Indian candidates at the expense of Chinese MCA candidates. This weakens the Chinese community's voice in the government;
- 5) The DAP itself, since it draws its support mainly

from the Malaysian Chinese and, in view of the fact that only 20 per cent of parliamentary seats in Peninsular Malaysia and 17 per cent of the total Malaysian parliamentary seats are Chinese majority seats, can therefore never form the Government of this country. Seen in this light, the DAP's slogan of "Deny the Barisan Nasional the Two-thirds Majority" was a deliberate attempt to mislead the Malaysian Chinese during the 1986 General Election.

A true opposition in the Westminster type of Parliamentary democracy plays the role of a watchdog against abuses of governmental powers and in the positive and proper criticism of government policies. But it must also have the organizational set-up and ability to formulate alternative policies for the setting up of an alternative government. Whereas the DAP has played the role of a critic and protest movement, a role which has also been played and will continue to be played by the MCA, the DAP has not been able to offer a creditable alternative system of government. Neither has it the essential Malay support to enable it to become an alternative Government.

It becomes clear, therefore, that in the existing political system of this country a vote by the Chinese for the Opposition DAP is a vote thrown away.

The Declining Malaysian Chinese Population

The Malaysian Chinese must be warned that research shows that the population ratio of the Malaysian Chinese in Peninsular Malaysia will continue to fall as we approach our target of 70 million people by the year 2100. On the other hand, the Malay ratio of population will increase because of their higher fertility rate and younger age structure. Out of four projections carried out by analysts all showing the Chinese declining ratio of population in Peninsular Malaysia, the best

projection indicates that by the year 2100 our ratio of population would have fallen from 34 per cent in 1980 to 23 per cent. Our worst projection shows that by the year 2100 our ratio of population would have fallen to 13 per cent.

Projected Ethnic Composition
As Proportion of Total Population in Peninsular Malaysia
(in percentage)

	1980	1990	2000	2025	2050	2075	2100
Projection I							
Malay	55.6	58.5	60.9	64.4	67.0	68.3	68.3
Chinese	34.0	31.5	29.6	26.8	24.7	23.7	23.7
Indian	10.3	9.9	9.5	9.5	8.8	8.3	8.1
Projection II							
Malay	55.6	58.7	62.4	70.2	76.9	90.8	82.4
Chinese	34.0	31.4	28.5	22.5	17.3	14.3	13.1
Indian	10.3	9.9	9.1	7.3	5.8	4.9	4.5

In view of the increasing Malay population and our declining ratio of population, it is therefore imperative for us to unite politically. As we become leaner, we should become fitter. A Chinese Opposition is, under the circumstances, a luxury that we cannot afford. If the MCA is given 32 seats to contest as in the 1986 Elections the Chinese must be convinced that it is in their interest to deliver all 32 seats to the MCA.

MCA Or Chinese-Based Multiracial Parties in Peninsular Malaysia in the Way Ahead

Penang, Singapore and Sabah have sometimes been used as examples to conclude that the Malaysian Chinese should support multiracial parties in Peninsular Malaysia. It must be made clear that in the case of Penang and Singapore, the

Chinese constitute the majority race as do the Kadazan (based upon PBS) in Sabah. The point must be stressed that multiracial parties can only attain political power when they are accepted and supported by the majority race. In such circumstances, the majority race in turn draws support from minority races who realize that their interests are best served by such a multiracial party.

A similar position is not to be found in Peninsular Malaysia where the Malay majority has shown consistently that it is not inclined to a multiracial party preferring to be consolidated under UMNO and then using UMNO to negotiate within the Barisan Nasional. It is in this sobering context that the Malaysian Chinese must appraise the role of Chinese-based multiracial parties which must, by definition, champion the cause of all races including the majority race. This consequently dilutes the Chinese political thrust. The MCA, on the other hand, knows no such constraints as it is clearly the political party of the Malaysian Chinese and for the Malaysian Chinese.

I would, however, agree that in the long term, it is in our interest and indeed the national interest to turn the Barisan into a giant multiracial party or for the Chinese together with the Malays, Indians and other races in this country to form a multiracial party. Paradoxically, the Malaysian Chinese and Indians must first unite behind their own racial parties and then consolidate behind the Barisan. Only then might the Malays be persuaded that it is in their own interests to go multiracial. As it is, in the context of the weakened Chinese political condition, the Malays perceive that their interests are still best served by UMNO. Only when we have ourselves achieved the unity of race, can we use that unity as a springboard to promote a great multiracial party.

Changing our Attitudes

In forging greater Chinese political unity, the Chinese will

have to effect changes within themselves. In short, as the Malays have since 1969 done their soul-searching, so, in like manner, the Malaysian Chinese will have to look within themselves for the necessary dynamic changes that will unite them into becoming a strong political force.

Our women, who constitute half our population, must be involved at every level of activity. UMNO has the backing of its womenfolk. The conspicuous aspect of UMNO meetings and *ceramahs* which I have attended is the fact that half and sometimes more than half of the participants are women. They have the same household responsibilities as Chinese women and definitely more children to take care of. Yet because of the almost total commitment to the political struggle, they participate in the political process. Our youths similarly must be organized politically as 45 per cent of the Malaysian Chinese population are between the ages of 14 and 45.

We have to change the trend of negative and fatalistic attitude of our people, as expressed by — "Why apply? We will never get it. It is only for the Malays." This is a deceleration of expectation as contrasted with the other negative aspect of the Malays which is the acceleration of expectation, that is, the government will provide almost everything for them.

We need to improve our command of Bahasa Malaysia to enable us to negotiate with the Malays and to help attain greater inter-communal understanding. This will further facilitate communication as we move towards the long term target of a great Malaysian multiracial party.

We need to change the negativism symbolized by our coffee shop critics, the Malaysian Chinese version of the Western armchair critic. Opinions, data, viewpoints and indeed criticisms should be channelled through local INSAPs or MCA "Think Tanks" to be set up by MCA Divisions. These mini-INSAPs will provide valuable feedback to INSAP which will also enable it to keep in touch with grassroot realities.

The community and the MCA must solve problems on a

pro-active basis and not on a reactive basis. We should not wait until a problem arises and then try to solve it on an *ad hoc* and localized basis, but we should rather anticipate these problems and have clearer visions of how we want our future to turn out and work positively towards attainment of those visions. In short, we should constantly be preparing and revising Master plans in the political, social and economic fields for the Chinese community and the nation.

There should be a greater commitment to the political cause of the Malaysian Chinese and towards nation building. Too many Chinese are caught up in the routine of their livelihood and families. If they join the MCA, many refuse to pay up their \$2.00 annual subscription. Political education is therefore important and, in this respect, INSAP and mini-INSAPs have an important role to play in raising the political consciousness and commitment of the Malaysian Chinese. We should encourage our people to participate more actively in political life which will enable greater interaction between us and the Malays. For example, we should participate in greater numbers at National Day gatherings, Sultan's Birthday gatherings, Barisan Nasional functions. The notorious self-orientation of the Chinese as evidenced by their almost total commitment to their economic advancement is no longer viable in the context of present political development. We must be made aware that in fact our economic self-interest can now only be advanced through greater future political commitment.

Chinese Unity within the Third Wave of Malaysian Politics — The Way Ahead

Malaysian Politics can be divided into three phases. The first was the period before and after Independence up till 1969. This was basically the honeymoon phase of inter-ethnic co-operation. The second phase, represented by the period after the May Elections of 1969, up till now can be characterized as a period of inter-ethnic rivalries.

As we progress towards 1990, inter-ethnic rivalries will give way to intra-ethnic rivalries leading to the third wave in our political development. This phase poses both dangers and opportunities for the Malaysian Chinese. As intra-ethnic rivalries develop within the majority ethnic group, it is important for the Malaysian Chinese to play their role in maintaining the political stability of this nation by uniting and throwing their weight behind the Government.

In this sense, the Chinese of Sarawak have set us an excellent example. As intra-ethnic rivalry developed within the Malay-Muslim political nucleus of the Sarawak Government, the Sarawak Chinese consolidated their political support behind SUPP (a Chinese-based Barisan political party) during the recent Sarawak State Elections of 1987. The results of the Sarawak elections for 1987 are as follows:

Barisan — 28 seats won

PBB (Party of Chief Minister

Dato' Patinggi Abdul

Taib Mahmud)

— 14 out of 19 contested

SUPP

— 11 out of 11 contested

SNAP

— 3 out of 8 contested

Opposition Maju

PBDS

— 15 out of 16 contested;

PERMAS (Party of Tun

Abdul Rahman Yaakub)

— 5

DAP

— 0

BERSATU

— 0

INDEPENDENT

— 0

The rewards of political cohesion for the Sarawak Chinese in supporting SUPP are reflected in the makeup of the new Sarawak State Cabinet. The Chinese, although comprising

only 29 per cent of the Sarawak population, now have 44 per cent of Ministerial positions in the Sarawak State Cabinet and 33 per cent of Assistant Ministerships.

Sarawak State Cabinet, 1987

<i>Ethnic Group</i>	<i>Percentage of Population</i>	<i>Full Minister</i>		<i>Assist. Minister</i>	
		<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
Iban	30	2	22	1	16
Chinese	29	4	44	2	33
Malay-Melanau	26	3	33	2	33
Bidayuh	8	0	0	1	16
Orang Ulu	6	0	0	0	0

The Chinese Ministers are:

1. Tan Sri Datuk Amar Sim Kheng Hong (SUPP), Deputy Chief Minister and Finance Minister;
2. Datu Amar James Wong (SNAP), Environment and Tourism Minister;
3. Datuk Wong Soon Kai (SUPP), Infrastructure Development Minister;
4. Mr. George Chan (SUPP), Minister in the Chief Minister's Office.

The Malaysian Chinese are approaching two important crossroads as they approach 1990 and head towards the year 2000 A.D. The destiny of the Malaysian Chinese, and consequently of the Malaysian nation, will depend upon the community's actions and responses in the coming years. This paper is an offering to the Malaysian Chinese. It will have achieved its purpose if it provokes a continuous dialogue and debate upon the means and strategies by which the Malaysian Chinese are to attain an honourable position in our national life.

Appendix A
Parliamentary Elections Results

Year	Total Alliance BN	Seats Won by UMNO	Seats Won by PAS	Seats Won by MCA	Seats Won by DAP	Seats Won by other Chinese Opp. Parties	Total Pen. Parliamentary Seats	Total Parliamentary Seats - Malaysia
1955	51	All but 1	1	All	-	-	52	-
1959	74	-	13	19/32	-	Socialist Front 8 PPP 4	104	-
1964	89	59	9	27	-	Socialist Front 2 PPP 2 UDP 1 PAP 1	104	104
1969	66 (Pen. only)	51	12	13/33	13	Gerakan 8 PPP 4	114	144
1974	135	62	14	19	9	SNAP 9/24 (Sarawak)	-	154
1978	131	70/75	5/88	17/27	16/51	-	-	154
1982	132	70/73	5/82	24/28	9/56	-	-	154
1986	148	83/84	1/98	17/32	24/64	-	133	177

7

Reflections on Religious Freedom

Woon See Chin

The earlier papers have covered a spectrum of topics that concern the Chinese community. I would like to share my thoughts on religious freedom in our country.

We are a multiracial, multi-cultural and multi-religious society governed by democratic rule. We are guided by the Federal Constitution and a National Ideology, the Rukunegara. In a democracy such as ours, the right to religious beliefs and freedom of faith is a fundamental right enshrined in the Constitution. This right is specifically provided for under Article 11(1) which states that "every person has the right to profess and practice his religion". In addition to the Constitution, the Rukunegara also reaffirms the intent "to ensure the existence and growth of a liberal society in which its members are free to practice and profess their own religions, customs and cultures consistent with the requirements of national unity".

Yet, despite these constitutional and legal provisions for religious and cultural freedom, the spirit of the Rukunegara has not emerged as intended. On the contrary, what has evolved is a scenario where racial polarization has intensified

as a result of discriminatory policies and long-standing neglect and indifference towards the racial and cultural sensitivities of the politically less dominant communities.

Undoubtedly, radical elements and political opportunists of various races have aggravated the situation by exploiting the grievances and dissatisfaction of the various communities and making racial and religious extremism their platform. An off-shoot of this is the build-up of subtle forces and attitudes amongst key implementors in both the public and private sectors advocating extremism and chauvinism. This is an extremely dangerous tendency which should be checked. The adverse results are already very noticeable as the politically less dominant communities have strong perceptions that they have been victimized in terms of biased administrative actions and regulations.

The list of grievances suffered by the politically less dominant communities includes the following:—

- i) Certain Christian schools being instructed to remove displays of the crucifix in classrooms;
- ii) Non-Muslim students being coerced to recite phrases or follow certain ceremonies which are repugnant to their personal religious beliefs or practices;
- iii) Negligible allocations or even complete lack of allocations of public funds for expanding or building new centres of worship for non-Muslim communities;
- iv) Absence of provisions for communal burial land for non-Muslims in the structure plans of several towns;
- v) Proposed legislation in certain states to subject non-Muslims to offences punishable under Islamic law, such as whipping for *khalwat* and alcoholic drinking;
- vi) Isolated incidents of "conversion" of non-Muslim children to Islam (the famous Suzie

- Teoh case) without knowledge or consent of the parents;
- vii) Non-Malays being compelled to adorn attire which make them appear to distinctively assimilate Malay or Muslim culture or religion, thereby causing them to feel a sense of humiliation and embarrassment;
 - viii) Restrictions imposed on the performance of "lion dances", the sale of pork items (raw, cooked, or canned) in certain public locations (e.g. markets and restaurants).

Lest I be misunderstood, let me reiterate that the special position of Islam in the country has been accepted by non-Muslim Malaysians. But this is not tantamount to accepting the conversion of Malaysia into an Islamic State. Over-emphasis on the process of Islamization without due regard to the cultural and religious sensitivities of non-Muslims is bound to generate adverse, even violent, consequences that do not augur well for national peace and unity. Using religion as an instrument for restriction, coercion or domination against other religious believers is inimical to the concept of cultural and ethnic pluralism which is the foundation of our society. It is also, needless to say, antithetical to the principles of a parliamentary democracy that enshrines the freedom of worship and religions.

There is a need for moderation and rationality to prevail. The Yang di-Pertuan Agong in his Royal Address on 13 October, 1978 cautioned:

Emphasis on ethnic, religious, cultural and political differences should not be done on such a scale as to destroy national unity. The spirit of tolerance should continuously be maintained.

The MCA is in full support of such a viewpoint. Official policy should not dictate or encourage forced-assimilation. Instead, a policy of "unity in diversity" must be actively promoted through mutual respect and tolerance.

On a more concrete level, the MCA will actively and morally support all inter-religious activities whose aim is to promote religious tolerance, harmony and understanding amongst the various races. There is a need for genuine inter-religious and inter-cultural exchanges at the grassroots, perhaps in the form of cultural and religious displays, seminars, gatherings and so on. I welcome other views on the issues I have raised and invite concrete suggestions for how we might all one day live as one united multiracial, multi-religious family under the Malaysian sun.

8

The Role of the Public Sector in a Multiracial Society

Loke Yuen Yow

Before we discuss why deviations in the implementation of the NEP that have created a lop-sided structure in the public service represent an area of great concern to the Chinese, allow me to start with a cautionary note. We must be sure that we are not blaming the system where human factors are often the real cause of failures. Without wanting to throw a wet blanket, I would like to suggest that we re-examine ourselves and plan ways and strategies to solve this very pressing problem.

Perhaps we should further ask ourselves: Have we truly made use of the facilities afforded? While we go about making adjustments and seeking transformation, should we also not examine how the present programmes and development of our public service could best be adjusted so as to meet the expectations of the groups that are not represented?

As we are aware, Government servants are most important for the well-being of the country. They do not change with the Government and they are responsible for the day-to-day running of the administration. The public sector also plays a very crucial role in the formulation, interpretation and

implementation of government policies. The public service, in short, can be one of the key assets of the government and the people.

You can imagine how serious it would be for the unity and security of any multiracial country if the employment pattern and promotion prospects in the public service sector were structured in favour of only one ethnic group. This seems to be increasingly the situation in Malaysia where we are all aware of discontentment and frustration within the service and the oft-lamented "brain-drain" to the private sector.

At the same time, we hear complaints of inefficiency, long delays, bad manners, poor public relations, etc, in the public service. We hear of "red-tape" and an arrogant bureaucracy that has lost support from the people. Clearly, there is an urgent need to bring about structural change in the civil service for the good of the country. An efficient and representative public service can help foster better inter-racial relationships in the country as well as bring faster economic growth and greater confidence in the government.

In effecting changes in the public service, one aspect that should not be overlooked is to ensure promotion based on merit, qualification and service rather than any other criteria. This will, in turn, bring about better efficiency and a greater degree of job satisfaction. A strong sense of "belonging" to all the races is very much needed today in the public service sector. Civil servants should be constantly reminded that their duties and responsibilities should not discriminate between the different communities.

In a *laissez faire* system, the public sector plays the role of fostering or safeguarding national objectives of efficiency, optimality, stability, welfare and justice for the people. The public sector can also be important in counter-balancing private interests which may sometimes be concerned only with high financial returns for exclusive groups. It is called upon to introduce the necessary regulations and measures to secure conditions of a competitive edge and product markets.

The functions which are taken up by the public service sector within a particular country depend on the national goals to be achieved and the nature of the economic system adopted. One can identify four major functions which are often served by the Administration and Public Service Sector.

The first function is allocation and development. It is the responsibility of the Administration to see that resources are equitably allocated by sectors and communities and the country achieves a socially desired rate of economic growth. The expansion that takes place must be accompanied by the creation of sufficient job opportunities to ensure employment for all. There should also be adequate provision for a physical and social infrastructure to underpin such development. There should be no discrimination against any racial group in this function as this is *ultra vires* the constitution and against the Rukunegara.

The second function is distribution. In our efforts to get rid of the problem of absolute poverty among the population, it is also our duty to ensure that in the development process, greater equality of income and better spread of wealth is effected. The public sector should ensure that all poverty groups, for example, fishermen, padi farmers, New Villagers, plantation workers and urban poor, are given equal emphasis in development programmes.

A third function is defence and security. The interdependence between economic development and the security of a country need not be stressed. It is quite obvious that the security function should continue to remain under the public sector, but the public sector should realize that internal security is based upon fair and just policies.

Finally, the Administration and public service sector has to provide the proper legal and administrative framework for the day-to-day operations of the society. This is the general administrative function.

I would like to stress here that the tasks ahead for the Public Service beyond the Fifth Malaysia Plan period are indeed challenging. There is still room for improvement in

the Administration and Public Service sector, not only in terms of functions and structures, but also in terms of composition.

Figures from the *Fifth Malaysia Plan* indicate that Malay representation in Government services has exceeded its ethnic share of the population. Of the increase in Public Service Employment from 397,000 in 1970 to 819,500 in 1985, about 75 per cent of new jobs went to Malays. This proportion far exceeds the original targetted 54 per cent of new job creation in the tertiary sector which was assigned to the Malays. Seen in this context, the recent protest by the Jelutong UMNO Youth over the appointment of a non-Malay as Senior Assistant District Officer is petty and unjustified.

Race should not be a factor in public sector appointments, regardless of whether the appointment is a promotion or a transfer. So long as the candidate is a Malaysian and is qualified to do the job, he should be given an equitable chance to be selected for the post. This is clearly guaranteed by the Constitution and we hope all parties will abide by this fundamental principle.

**Ethnic Shares of Employment in Government Services
1980 and 1985**

<i>Race</i>	<i>1980 (%)</i>	<i>1985 (%)</i>
Malay	59.1	61.7
Chinese	29.7	27.1
Indian	9.8	10.0
Total	100.0	100.0
	658,200	819,500

Source: Fifth Malaysia Plan, 1986-1990, p. 102.

9

Economic Strategy for the Nation Towards and Beyond 1990

Prof. Fong Chan Onn

That the Malaysian economy currently faces tremendous challenges need not be re-emphasized. The severity of the current global recession and the sharp decline in all of Malaysia's commodities has caused the country's economic growth rate to decline from about 8 per cent per annum in 1981 to -0.5 per cent in 1986 — the first negative growth rate in Malaysia's modern economic history. The nation's balance of payments in the current account deteriorated from healthy surpluses in the late 1970s to huge deficits in the mid 1980s, causing our total external debt to increase to about \$51 billion in 1986. The sharp reduction in public expenditure and the substantial contraction in business activities caused our unemployment rate to increase to over 8 per cent by 1986, resulting in massive retrenchment of factory and office workers and serious graduate unemployment.

The recent recovery of petroleum, palm oil and rubber prices and the pick-up in demand for our electronics exports have given the nation some new hope. There is now a renewed sense of confidence that perhaps the worst is behind us. This is reflected by the improved sentiment in the Kuala Lumpur

Stock Exchange (KLSE) and renewed inflow of capital into the country — whether for speculative or real productive investments, is, however, not yet evident. These improvements, notwithstanding, it cannot be over-emphasized that this renewed confidence merely represents somewhat of a windfall gain to the country for fundamentally there have been no changes in the nation's economic structure. The structural weaknesses of the economy so vividly brought out a year or so ago are still with us today. What has merely happened is the recovery of commodity prices which are not attributable to our own national efforts.

If these structural weaknesses are not overcome, I am afraid that the country's future will continue to be dependent on the violent fluctuations of commodity prices, with the result that purposeful economic planning will always be beyond the scope of our very able economic planners.

What are the various constraints in our economy that need to be rectified, and rectified urgently? The implementation of our economic programme over the past 15 years has revealed certain weaknesses, which could be ignored in the boom era, but which became very evident in the recession periods. These constraints include:

- i) Lack of application of new technologies to our agricultural and manufacturing sectors; to the extent that our traditional comparative advantages in these sectors have been seriously eroded by countries such as Thailand and Indonesia in agriculture and Hong Kong and Taiwan in manufacturing.
- ii) Over-regulation of the economy with the result that both existing and potential new investors, especially local, are subjected to cumbersome red tape before they are finally allowed to expand or to set up new businesses. This has stifled the development of domestic initiatives and entrepreneurship, both of which are crucial

for the sustained growth of our economy. Compounding the over-regulation issue is the ambiguity in interpretation of the numerous guidelines issued by administrators. For example, in many instances the NEP guidelines which are meant to be global in nature – and many Ministers have repeatedly stated this – have been applied at the firm level.

- iii) Lack of encouragement and incentives to small scale industries and businesses, and the absence of a coordinated vision to develop the small scale industrial sector as a pivotal sector of the economy. As many successful economies such as Japan and Korea have shown, small scale industries can form the basic foundation of any self-sufficient thriving economy. Without this internal "motor", without this internal generator of innovations and enterprise, the economy will tend to be always dependent on external forces.
- iv) Insufficient guidelines and incentives to foreign investments to promote the transfer of technology, as well as to require them to expand their economic linkages – such as through purchase of locally-produced raw materials and services – with the rest of the domestic economy. Further, there is a strong perception widely held by domestic entrepreneurs that, in many instances, they play second fiddle to foreign investors in terms of incentives and priorities.

I believe the major aims of our new economic programme should have both short-term and long-term goals. In the short term, it should enable the nation to overcome the various challenges facing the economy, including a halt on the erosion of our comparative advantage in agriculture and manufacturing. Further, it should accelerate the achievement of unity among all Malaysians, so that no particular group

assist them; through education subsidies, provision of infrastructure and housing, and assistance in job placements.

It is my hope that the new economic programme to be adopted by the government will be one that can contribute towards economic recovery, achievement of national unity, as well as effect the needed structural transformations to enable our nation to achieve its full potential as a country blessed with rich natural resources, rich in cultural heritage, and strong in the will of its people to want to show the world that diversity in ethnic roots and religious beliefs can be an asset, instead of a liability, in nation building.

10

The Problem of National Unity

Dr. Ting Chew Peh

National unity or national integration is an elusive issue. Different people may have different definitions. It is important that we define the term at the outset. In the most general sense, integration means the working together of parts of a system so that the result is a cohesive whole. In the Social Sciences, it usually refers to a social process — and the end result of that process — wherein diverse aspects of society accommodate to, and cooperate with, one another.

In the context of a multi-ethnic society, national integration should mean a process in which:—

- i) racial prejudice declines, and
- ii) different ethnic groups increasingly live and work together harmoniously and without regard to race.

In other words, in a truly integrated society race or ethnicity should have no social, economic or political significance.

In the field of race relations, there are at least three traditional perspectives in dealing with the problem of national unity. Each of these perspectives — assimilationist, amalga-

mationist and cultural pluralist — has been mooted over and over, but there has seldom been a consensus among social scientists over which represents the ultimate national objective for any particular nation.

Let us briefly look at these three perspectives. In the assimilationist view, the minority communities gradually lose their cultural distinctiveness and acquire the culture and identity of the majority, and finally become a part of the majority group.

Amalgamation means biological and cultural fusion, that is, various groups combine together both biologically and culturally, resulting in an amalgam, a new group and culture representing the combination of the original components. This is the melting-pot theory in its simplest form. In the Malaysian context, amalgamation refers to the occurrence of inter-ethnic marriages on a large scale resulting in the emergence of a new breed of Malaysians — related to but quite different in outlook and orientation from the original groups.

The third perspective is cultural pluralism, which stresses cultural heterogeneity among the various groups. In its modified form, cultural pluralism stresses uniformity in matters important to the nation, but at the same time ethnic groups are allowed to perpetuate their separate cultural identities.

The final objectives of these perspectives are quite different. Assimilation aims at the realization of "one culture, one language and one religion." Amalgamation stresses the creation of a new group with a new culture. Cultural pluralism emphasizes accommodation and the preservation of different cultural identities.

With this short introduction, let us now look at the situation in Malaysia after 30 years of independence. If we say we have no national unity or integration, that is not true. There has to have been some minimum amount of integration for our society to survive as a system. Two related questions arise here. First, are we happy with this minimum amount of

integration? Second, in the present situation, is there any guarantee that this minimum amount of integration can be sustained?

After 30 years of independence, despite some deliberate attempts by the government to foster unity and integration among the people, there are indications that our people are drifting further apart instead of coming together. The findings of some Social Science researchers are sufficient to testify to this. Socio-psychological research conducted by several UKM researchers in 1982, for instance, found that the Malays and Chinese lack inter-ethnic interaction, inter-ethnic understanding and have a low degree or sense of national unity (They are less willing to have close relationships with, or to trust people from other groups. Cf. *Negara*, Feb. 1984).

Why is it that we are still faced with the problems of national unity? There are bound to be many factors. Different people may even give different answers. However, I would like to touch on three issues which to me are the main sources of friction.

First, the dissatisfaction of the non-Malay communities toward some government policies — the NEP, Education Policy and Cultural Policy. This, coupled with the lack of sensitivities on the part of the government towards the feelings of the non-Malays, has alienated many non-Malays.

Second, there has been too much emphasis (in practice especially) on racial and ethnic differences in the allocation of opportunities — economic, educational and political. This only serves to remind the various groups about the importance of racial differences. It is a negative factor in fostering “we-feeling” and national unity.

Third, the attitudes of some groups who are still reluctant to accept the multi-ethnic nature of our society. These people also lack mutual understanding and respect for each other.

What should we do now? There is no panacea. However, if we accept what I have said to be the main sources of conflict, then as a long term solution, perhaps we should

consider the following steps:

1. Review some of our national policies, especially those related to education, culture and economy which are controversial.
 - identify sources of conflict.
 - rectify any shortcomings.
2. De-emphasize race or ethnicity. Substitute race with socio-economic criteria. This not only avoids offending the sensitivities of some groups, it is also more equitable since it benefits all groups that occupy similar socio-economic positions.
3. Change of attitude. It is high time that all groups:
 - accept our social reality.
 - accept and respect communal dissimilarities.
 - stop dividing ourselves into "they" and "we" on the grounds of ethnicity or descent.

Only then can we hope to achieve national integration.

Biographies of Authors and Panelists

Dato' Dr. Ling Liong Sik

Dato' Dr. Ling is President of MCA and Minister of Transport. He has served as Deputy Minister in the Ministries of Finance, Education and Information. He studied at the Royal Military College and graduated in Medicine from the University of Singapore where he was President of the Students' Union. He is chairman of the Malaysian Branch of the Commonwealth Parliamentary Association and ex-President of the Malaysian Rugby Union.

Dato' Kok Wee Kiat

Dato' Kok is a Vice-President of MCA and Vice-Chariman of the MCA "Think-Tank", INSAP. He is Deputy Minister of Trade and Industry. He graduated with an Honours Law Degree from the University of Singapore and undertook post-graduate law studies in Toronto, Canada. Dato' Kok was a senior partner in a legal firm before his appointment as a Deputy Minister. He was former President of the Petaling Jaya Rotary Club and former Paul Harris Fellow of Rotary International. He is presently chairman of the MCA National Publicity and Communications Bureau.

Michael Yeoh Oon Kheng

Mr. Yeoh is Chief Administrative Director of MCA Headquarters and Director of INSAP. He is an Economics graduate and has undertaken Senior Management Courses conducted by Wharton School and Harvard Business School. He was a former President of the Monash University Malaysian Students' Union and former chairman of the Australian and New Zealand Graduates Association of Malaysia. He was awarded a grant by the US Government to study the American Congressional Elections last year. He is also Chief Executive of a public company and a Director of Star Publications.

Dr. Lim Lin Lean

Dr. Lim is an Associate Professor in the Faculty of Economics and Administration at the University of Malaya. She holds a Ph.D. in Economics from the University of Malaya. Dr. Lim has written and edited various publications on Economics. She is Vice-President of the Malaysian Economic Association and has spoken at various conferences overseas and locally. Dr. Lim was a Visiting Fellow at Cornell University, U.S.A. and the Australian National University. She is also a consultant to the Socio-Economic Research Unit of the Prime Minister's Department.

David Chua

Mr. Chua is a Council Member of INSAP and Chairman of the MCA Seputeh Division. He is an Honours graduate in Malay studies. Mr. Chua is Deputy President of the Housing Developers' Association and former Secretary-General of the ASEAN Association for Planning and Housing. He is a member of the Advisory Board of City Hall, Kuala Lumpur. He is also Convenor of the Property Development Committee of the Associated Chinese Chamber of Commerce and Industry. He is also on the Board of Chinese schools and was the Barisan Nasional candidate in the Seputeh Parliamentary seat in 1986.

Chua Jui Meng

Mr. Chua is a member of Parliament for Bakri. He is a Council Member of INSAP. Mr. Chua is an Advocate and Solicitor by profession and is a partner in a legal firm. He is chairman of the MCA Bakri Division and a member of the Johor MCA State Liaison Committee. He is also a member of the MCA National Legal Bureau.

Woon See Chin

Mr. Woon is the Deputy Minister of Education and M.P. for Senai. He was formerly a Johor State Assemblyman. Mr. Woon graduated in law from the University of Singapore and practised law in Johor Baru before becoming a Deputy Minister. He is Deputy Secretary-General of MCA. He is also Hon. Secretary of the Johor MCA State Liaison Committee and Deputy Chairman of the MCA Senai Division.

Loke Yuen Yow

Mr. Loke is the Deputy Minister of Finance and M.P. for Tanjung Malim. He is an Honours graduate in Chemistry from the University of Malaya. He was an executive in a US multinational company (Monsanto) before going into politics full-time. In 1982, he was elected a Perak State Assemblyman. Mr. Loke is a member of the MCA Central Committee and Deputy Chairman of the Perak State MCA Liaison Committee.

Prof. Dr. Fong Chan Onn

Dr. Fong was a former Dean of the Faculty of Economics and Administration in the University of Malaya. He was recently promoted to be a full Professor and is now Chairman of the Applied Economics Division. Dr. Fong holds his first degree in Engineering before he obtained his M.B.A. and Ph.D. in Economics. He has also undertaken consultancy studies for United Nations Agencies and has authored various books and publications.

Dr. Ting Chew Peh

Dr. Ting was recently elected the M.P. for Gopeng. He resigned as an Associate Professor in Sociology from Universiti Kebangsaan Malaya to go into politics. He holds his first degree in Malay studies, a Masters degree from the London School of Economics and a Ph.D. in Sociology. He has written various books and publications on sociology and culture. Dr. Ting is actively involved with the Malaysian Chinese Civil Rights Movement and is a Committee Member of the Malaysian Chinese Research and Resource Centre.

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