

Bumiputera Policy in Malaysia: Challenges before the Malaysian Leadership

Promod Singh

Ph.D. Scholar, Centre for Indo-Pacific Studies, School of International Studies, Jawaharlal Nehru University, New Delhi, India

Abstract

While the adoption of the Bumiputera policy in Malaysia was necessitated by the economic backwardness of most Malays at the time of independence; the policy subsequently gave rise to new kind of issues and challenges for the Malaysian society and leadership. On the one hand, the people of Orang Asli and Sabah and Sarawak are still in dismal state of poverty, while on the other hand, a feeling of discrimination has emerged among the ethnic Indians and Chinese, who do not get any privilege of reservation policy. Unless these are dealt with, the Malaysian Vision 2020 of becoming a knowledge society seems a distant dream.

Keywords: bumiputera, Malaysia, ethnic Indians and Chinese

Introduction

When Malaysia got its independence from the British colonialism in 1957, nearly half of its population comprised of the Malays while the other half included the ethnic Chinese and ethnic Indians. During their stay in Malaysia, the Britishers had framed such a policy that most of the rural Malays people were left into the job they had been doing for generations, i.e. agriculture. While the economy was mainly run by the Chinese, ethnic Indians served mostly at the lower rungs of the government. This led most of the Malays isolated from the main economic activities of the nation. Most Malays lagged behind in the modern economy system, and remained working in the rural areas. In the backdrop of such economic backwardness of the Malays, the founding members of the Constitution provided special provisions for the upliftment and to safeguard the interests of the Malays and other indigenous communities.

Constitutional Safeguards

Article 153: relating to reservation in services and permits for Bumiputera¹

It is the most important Article. It provides for reservation of quotas in respect of services, permits, etc., for Malays and natives of any of the States of Sabah and Sarawak.

- (1) It assigns the Yang di-Pertuan Agong (The Head of the State of Malaysia) the responsibility to safeguard the interests and special position of the Malays and natives of any of the States of Sabah and Sarawak.
- (2) The Yang di-Pertuan Agong should act as may be necessary to safeguard the special position of the Malays and natives of any of the States of Sabah and Sarawak and to ensure the reservation for Malays and natives of any of the States of Sabah and Sarawak of such proportion as he may deem reasonable of positions in the public service (other than the public service of a State) and of scholarships, exhibitions and other similar educational or training privileges or special facilities given or accorded by the Federal

Government and, when any permit or licence for the operation of any trade or business is required by federal law, then, subject to the provisions of that law and this Article, of such permits and licences.

- (3) The Yang di-Pertuan Agong may give directions to any Commission or authority to give effect to the reservations for the Malays and the natives of the States of Sabah and Sarawak for the purposes as provided in Clause (2) of Article 153.

Article 10 (4): restricting the freedom of speech

Introduced in 1971 as an amendment in the backdrop of the bloody racial riots of May 1969, clause four of Article 10 provides that Parliament may pass law prohibiting the questioning of any matter, right, status, position, privilege, sovereignty or prerogative established or protected by the provisions of Part III, Article 152, 153 or 181 otherwise than in relation to the implementation thereof as may be specified in such law.

Article 89: reservation in land

Any land in a State which is not for the time being a Malay reservation in accordance with the existing law and has not been developed or cultivated may be declared as a Malay reservation in accordance with that law, provided that:

- (a) where any land in a State is declared a Malay reservation under this Clause, an equal area of land in that State which has not been developed or cultivated shall be made available for general alienation; and
- (b) the total area of land in a State for the time being declared as a Malay reservation under this Clause shall not at any time exceed the total area of land in that State which has been made available for general alienation in pursuance of paragraph (a).

May 1969 Riots:

For the first time in the history of Malaysian politics, the United Malays Nationalist Organisation (UMNO) Alliance

¹ Bumiputera refers to the “sons of the soil” in Malaysia. It denotes Malays and other indigenous people as distinct from

Chinese and Indians. Bumiputera includes the Malays, the peoples of Sabah and Sarawak and the *Orang Asli* among several other groups.

(representing the Malays) suffered defeat in the general elections of 1969. The winner was tripartite alliance of non-Malay parties: Democratic Action Party (DAP), the People's Progressive Party (PPP) and the Gerakan Rakyat Malaysia (Malaysian People's Movement). To celebrate victory, the tripartite took out a victory march where they allegedly shouted slogans provoking Malays. Soon the whole country was engulfed in violence. Hundreds of people died and thousands injured. The provocation was seen as a trigger for the already flared up tension between the Malays and non-Malays, especially ethnic Chinese. As Liew 2003 argues the Malays had become increasingly impatient with the lack of progress in Malay economic welfare and the slow pace of implementation of Malay as the national language. Economic backwardness of the Malays was cited as another factor leading to the tension. Tun Razak, the Prime Minister soon declared a State of Emergency. Parliament was suspended. He soon embarked upon a re-structuring of the society with the aim of achieving social cohesion. He introduced a series of economic reforms known as the New Economic Policy (NEP) in 1971. According to Nesiah 1997, the NEP was designed to ensure that the distribution of the workforce in each economic sector should reflect the ethnic composition of the population. The avowed objective was to eradicate poverty among all Malaysians and to restructure Malaysian society so that identification of race with economic function and geographical location is reduced and eventually eliminated, both objectives being realised through rapid expansion of the economy over time. Though the provisions of reservation for the Malays were provided in the Constitution itself, it was introduced only in 1971 as New Economic Policy. Constitution was also amended in 1971 to prohibit people from questioning any matter, right, status, position, privilege, sovereignty or prerogative provided to bumiputera. To this end, clause four was added to Article 10. NEP was introduced for a period of twenty years. In 1990, National Development Policy (NDP) was introduced having similar provisions as NEP but with some modifications. Thereafter, National Vision Policy 2001 contained provisions of both NEP and NDP.

Challenges Ahead

Widening of Gap between the Rich and Poor

Scholars such as Pillay argue that the manner of implementation of the "special position" has only aggravated the gap between the "haves" and "have-nots" within the Malay community. Except the scholarships and the employment quotas, the special privilege has mainly worked to benefit a special class of Malays. Milne also points out "critics of the NEP have maintained that, although it was intended to bring benefits particularly to the Malays, these have been restricted to a small special class, coterie or elite".

Rising intra-ethnic inequality

Guan 2005 found rising intra-ethnic inequality in Malaysia and development of 'ethnic enclaves' in the economy and education system. He also argues that prolonged affirmative action policies on ethnic lines "might create a culture of dependency for the Malays that would further weaken the economic and educational competitiveness of the Malay

community". Reports such as UNDP Malaysia Poverty Report 2007, Malaysia Economic Monitor 2014, Malaysia Human Development Report 2014 and Malaysia Millennium Development Goals 2015 also make this point. This has been mainly attributed to the fact that the benefits of affirmative action has not gone down well to the poorer and vulnerable sections within the Malaysian society.

Deteriorating condition of the Aborigines

The Report World Bank Malaysia Economic Monitor 2014 argues that in spite of the significant progress achieved by the NEP, NDP and NVP in reducing poverty and uplifting the conditions of the Malay entrepreneurs, "measures of income inequality in Malaysia are high relative to advanced economies, and this is a serious problem. Moreover, according to the Pew Research Center Global Attitudes survey, 77 percent of Malaysians think the gap between rich and poor is a "big problem," a number that has increased from 75 percent in 2013". The New Economic Model 2010 and Malaysia Millennium Development Goals Report 2015 also endorse similar concern. The condition of the *Orang Asli*² has been deteriorating over the years. According to official statistics, 50.9 % of the *Orang Asli* population is below poverty line; 35.2 percent is classified as hardcore poor; compared to 1.4 percent nationally. Malaysia's infant mortality rate is at 8.9 out of 1000 live births, yet the *Orang Asli* infant mortality rate is at a high of 51.7. The average life expectancy for the *Orang Asli* is 53 years, while the national average is 73 years.

Gap in acquiring skills

Another is the issue of gap in acquiring skills. World Bank Report find that early half the managers at Malaysian manufacturing firms surveyed by the World Bank said that the ability of local skilled workers to handle information technology was either poor or very poor.

Conclusion

The challenge before the Malaysian leadership is to work out a comprehensive alternative to the race-based affirmative action policies. To address the issue of ethnic discrimination, the issue of inter-ethnic inequalities has to be dealt first. Most of the ruling parties, including Barisan Nasional, "have thrived on communal politics. In a sense inter-ethnic cleavages and competition are almost the *raison d'être*. With pretensions of an inter-ethnic consensus as its basis, powerful vested interests have been able to advance their particular interests with state support and protection. This has in turn contributed to economic malaise" (Sundaram 1989: 39)

There is urgent need for target-specific programmes to address the 'pockets of poverty' existing in the remote regions of the country. The Vision 2020 document of Malaysia envisages Malaysia as a developed and inclusive nation. In order to achieve this goal, the need of the hour is to urgently address the growing inequality within the Malaysian and other Bumiputera communities. At the same time, to attract the skilled Malaysians settled abroad and to increase the competitiveness and efficiency in the Malaysian market and economy, reform in the criterion of affirmative action policies is needed.

Recently, at the launch of the Bumiputera Economic

² The term 'Orang Asli' is a collective term introduced by anthropologists and administrators to include several sub-ethnic groups. The ethnic label *Orang*

Asli, meaning 'natural people' in Malay, replaced the term 'aborigines' used by the British colonial administration.

Transformation Roadmap (BETR) 2.0, Prime Minister Najib Razak announced plans to empower the Bumiputera community beyond just economic means in the second phase of a transformation plan for this group. However, he said this must be done in tandem with development for other ethnic groups, whom the government also has an obligation to. He added that Bumiputera should also only be awarded contracts and opportunities based on merit, not cronyism. It is still to be seen whether Najib is serious about ushering reforms or his statements are only targeted towards the Malay voters for the upcoming election.

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