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Book Reviews

Gomez, Edmund Terence, and Johan Saravanamuttu (eds) (2012), *The New Economic Policy in Malaysia: Affirmative Action, Ethnic Inequalities and Social Justice*

Singapore: NUS Press, ISBN 978-697-5832-67-3, 412 pages

As much as Malaysia's New Economic Policy (NEP) and its successors appear to be a never-ending story, the amount of publications on this subject seems endless as well. What was designed more than 40 years ago in the Second Malaysia Plan as an affirmative-action policy to both "eradicate poverty [...] irrespective of race" and "eliminate the identification of race with economic function" has become a central pillar of Malaysia's socio-political system. It has numerous implications and impacts that have been looked at from various angles time and time again, albeit often from an isolated perspective; hardly any publication on Malaysia can afford not to at least touch upon the implications of the NEP. This certainly raises the bar when it comes to evaluating the benefits of another addition to this body of scholarly work.

The editors of this volume, Terence Gomez and Johan Saravanamuttu – themselves well known in the fields of Malaysian economics and politics – have made a commendable effort to extend the scholarly perspective on the NEP substantially by applying a multi-focused and multi-disciplinary perspective in a thorough way rather than merely examining the concrete economic and political implications. Throughout the chapters, the twelve scholars hailing from various academic backgrounds make a point of examining aspects of the NEP and its offshoots that otherwise tend to receive less attention in comparison to the NEP's role in political discourse.

The chapters are divided into five parts that focus on major aspects and impacts of the NEP: poverty eradication, enterprise development, the situation in the public sector, the impact on marginalised groups and as a reference point for 'new politics' in Malaysia. With each part consisting of two chapters on average, the authors had to set a – sometimes very specific – focus within the topic of each section. While this might bear the risk of incoherence, a thread can nevertheless be identified as most chapters specifically address the aspect of inequality as a result of the NEP, be it from an ethnic, social or economic perspective.

This thread is started in the introduction by Gomez, Saravanamuttu and Maznah, which gives a historical overview of the various implementations of the NEP, intertwined with the research questions of the subsequent chapter. What follows in part one is an analysis of the NEP's effectiveness

in poverty eradication by Ragayah and Maznah. Ragayah's findings, sustained by quantitative data, indicate a certain level of success in reducing absolute poverty, albeit at the cost of worsening income distribution, especially in the rice and rubber smallholding sectors. Contrasting these macro-level findings are Maznah's observations on the NEP's impact in the periphery. Among other things, her research based on qualitative interviews in villages in Kelantan, one of Malaysia's poorest states, shows the dystopian experiences to which top-down economic restructuring and industrialisation processes have led. This paper is not only a rich account of the NEP's everyday impact, but it also introduces a much-needed gender perspective that other chapters of the book do not reflect to the same extent.

In part two, Gomez and Aeria examine the growth of economic development under the NEP. Gomez questions the effectiveness of the NEP in advancing small- and medium-sized enterprises (SMEs) in which, despite comprehensive legislation, measures such as the Global Supplier Programme have proved to be ineffective and failed to yield the desired results. On the contrary, implementations based on ethnicised lines like the vendor systems in the heavy-industry sector bear the potential to undermine the development of thriving domestic businesses run by entrepreneurs.

Aeria's analysis of the NEP in Sarawak sheds light on the skewed patterns of development in the state, showing that despite a positive record overall, the beneficiaries of the NEP here (and probably elsewhere) have mainly been key Barisan Nasional (BN) politicians as well as the wealthy elite. Contrasting this apparent success are the 'hard-core' poor who remain, especially among the non-Bumiputera, as well as the encroachments of Native Customary Rights (NCR), which weaken the rural population further.

Part three brings together Chan Chee Khoon, Lim Hong Hai, Hwok-Aun Lee and Lee Hock Guan in their examinations of the role and impact of the NEP in the public sector. Chan's analysis of the health-care system in Malaysia only touches briefly upon the implications of the NEP and focuses rather on the development of the country's health-care system between interest groups advocating a public or a private system. Despite seeming a little detached from the overall theme, it certainly makes for an interesting read on Malaysia's health-care system.

Lim's paper deals with the ethnicised restructuring of the public service, which has led to a non-representative employment structure in this sector. Backed with substantial quantitative data, this article strikingly shows the development since 1969 with a focus on the small but measurable corrections that have been made since 2008.

Addressing a similar question, but with a broader perspective, Hwok-Aun Lee takes a closer look at the changing occupational representations

that have emerged in the context of the NEP. Backing his argument up with a compilation of interesting quantitative data, he highlights in a similar way to other authors in this volume the fact that preferential treatment has not led to an overall advancement of the beneficiary group. Rather, inequitable distribution and systematic exclusion have had serious consequences, especially in the context of tertiary education.

Lee Hock Guan expands on this latter aspect in his analysis of racial citizenship and the higher-education system. Public education, he argues, is torn between the effects of racialisation and privatisation and, similarly to other sectors, has been characterised not so much by equal educational opportunities for all, but rather by a process of widening class inequality, which disproportionately benefits the ethnicised Malay middle and upper classes, and by declining standards and competitiveness among local public universities.

The fourth section of this book questions the inclusion of the Orang Asli and the peoples of Sabah and Sarawak under the NEP. These groups all constitute sections of society that are not only marginalised in the Malaysian state despite the NEP's intentions, but are also often neglected in the coverage of the field currently found in academic research.

Ruslina analyses the socio-economic status of the Orang Asli under the NEP and takes a closer look at the rationales behind their neglect and discrimination, backing this up with solid quantitative data, and argues that both the focus on large-scale projects and the side-lining of the Orang Asli in policy-making have led to their socio-economic status deteriorating even further.

Zawawi looks at the question of identity regarding the indigenous peoples of East Malaysia and what impact *bumiputeraism* constitutes as a defining identity for the multi-layered and fragmented identity relations in Sabah and Sarawak. While this ideology comes with the promise of status similar to ethnicised Malays, he shows, backed by analytical commentaries from East Malaysian scholars, how the NEP is also in Sabah and Sarawak merely an enabling ideology for a bourgeoisie that relies on the political and economic machinery of the ruling coalition.

The last part of this volume examines the relation between the NEP and 'new politics'. While in a Malaysian perspective this term usually refers to the political changes in the context of the *Reformasi* movement and the watershed elections in 2008, in his paper, Ooi identifies the impact of the NEP on the political system right after its inception, leading to 'new politics' by establishing even stronger centralist powers in a nominally federal system.

Saravanamuttu's article then leaps forward to the 1990s and shows not only how the NEP led to a growing middle class of ethnicised Malays, but

that there is also a strong link between the NEP and the fact that a number of these people had been at the forefront of reform politics since at least the 1990s.

This compilation of aspects of the NEP is certainly an enriching and timely contribution to the existing body of scholarly work. However, what is missing in order for this volume to fully live up to the expectation of it being a “comprehensive and rigorous assessment of the NEP” (cover text) is a critical engagement with the racialised basis of this affirmative-action policy. It seems that in most articles the racial component is taken as a given or obvious wrong without challenging it any further. The most noticeable example of this is to be seen in the clashes of 1969, which are generally referred to as ‘racial riots’ in this volume, thereby reinforcing one of the central ideological pillars of the NEP’s justification. Other scholars (such as Clive Kessler, Sumit Mandal and the author of these lines) have shown that the ethnicised aspect of the NEP is more than just rhetoric; rather, it has formed and stabilised the ethnicised political, economic and societal system in Malaysia, probably doing so in a more substantial and structural way than the tangible impacts of this policy might suggest. Not taking this perspective adequately into account is therefore more than a minor oversight.

Nevertheless, this volume still stands out for bringing together a number of academics renowned for their research on Malaysia. Its composition also constitutes a multi-disciplinary approach and multi-layered perspective on the NEP that is otherwise hard to find, backed by a considerable amount of qualitative and quantitative data that is a valuable resource in itself and a sound point of departure for further research. The incorporation of gender perspectives as well as three articles on East Malaysia and a comprehensive 35-page index make this book an essential read for scholars working on Malaysia who want to broaden their understanding of the NEP.

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