



THE 10TH ISHAK SHARI MEMORIAL LECTURE

DEVELOPMENTAL STATES: LAND SCHEMES, PARASTATALS AND POVERTY ALLEVIATION IN MALAYSIA



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**BILIK MAJLIS
BANGUNAN CANSELORI
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9.00AM-11.00AM

Abstract

Except for oil palm, Malaysian agriculture has since the 1980s began to decline in significance. The food and beverages current account in particular has faced a trend worsening of trade deficit since 1989. Although not as spectacular as Singapore, South Korea and Taiwan, Malaysia's per capita income also grew rapidly to transform the country to an upper middle-income country by the 1990s. More importantly, the incidence of poverty in the country fell consistently from 49.3% in 1970 to 0.4% in 2016. The shift to oil palm cultivation in Malaysia has not achieved such a spectacular average annual economic growth rates as in South Korea, Taiwan and China, its record on poverty alleviation is still remarkable. The New Economic Policy (NEP), launched in 1971, was the first broad-based attempt to address ethnic imbalances following increased social tensions in the country culminating in bloody ethnic riots in 1969. Although political stability was a key consideration in the formulation of the NEP, its success depended heavily on rising yields, and falling unemployment rates and poverty levels. While there were severe dislocations and disruptions to the social structure of the population, including external shocks from oil crises, the rapid integration of the rural economy with urban and external markets ensured that unemployment and poverty rates fell sharply over the period 1971-81. Adaptive innovation played a key role as the custodians of parastatals driving rural development focused on improving farm and fishing yields. While poverty levels continued to fall since, unemployment faced mixed fortunes as capitalist integration with the global economy exposed Malaysia to the vicissitudes of volatile external economic swings from 1982. Whereas the Razak and Hussein administrations had focused on alleviating poverty the Mahathir administration went on to target technological transformation to shift economic specialization from low to high value-added activities. Serious efforts were taken to create the requisite science, technology and innovation infrastructure since 1991 to achieve this goal. However, not only was the emphasis overly concentrated on the manufacturing and services sectors, it also seriously lacked an appraisal framework to ensure that the selection of firms, directors and focal areas were vetted and monitored to restrict rent dissipation. The Badawi and Najib administrations too did little to galvanize the agricultural sector. Consequently, the agricultural sector has continued to face a trend decline in value added intensity of gross output. The slide is particularly serious among the small farms and rural farmers. Hence, whereas the incidence of poverty has continued to approach zero levels, incomes of the less advantaged population (below 40%) have not improved significantly.

Biodata

Rajah Rasiah is Distinguished Professor of International Development at the Asia Europe Institute, University of Malaya. He obtained his doctorate in Economics from Cambridge University in 1992, and was a Rajawali fellow at Harvard University in 2014. He was the first holder of the Khazanah Nasional Chair of Regulatory Studies, and served as Dean of the Faculty of Economics and Administration, University of Malaya in 2009-2010 and 2013-2014. He was a member of the GLOBELICS scientific board over the period 2012-2017, and an advisory member of the Industrial Development Research Centre, Zhejiang University (2010-2015), professorial fellow at UNU-MERIT, senior research fellow of the Technology Management and Development Centre at Oxford University.

His policy-oriented work includes research in several countries in Asia, Africa and Latin America. Among the major contributions he has made for the benefit of society include the conceptualization of technology, and its link to development, and methodologies designed to capture clustering, technological capabilities and industrial policies. In recognition of his competence the United Nations Conference for Trade and Development, United Nations Industrial Development Organization, World Bank, International Labour Organization, the World Intellectual Property Organization, United Nations Educational, Scientific and Cultural Organization, United Nations Development Programme, the Asian Development Bank and the Economic Research Institute for ASEAN and East Asia have commissioned the writing of several reports for guiding industrial policy in the developing economies. The UNDP appointed him in 2007-08 to evaluate the capacity of leading universities in Indonesia, Malaysia and India to support sustainable development among the developing economies. He was also one of the principal authors of the United Nations Industrial Development Organization's (UNIDO) 2009 flagship report, and one of the editors of the 2015 UNESCO Science Report. He has also led country technology and industrial reports for Cambodia, Lao PDR, Malaysia, Myanmar, Viet Nam and Timor-Leste. His research and policy work has produced over 300 publications in international journals and book publishers.

While the prime focus of his research is on technology and international development, he has also worked extensively on foreign investment, human capital, public health and environment. He is the 2014 recipient of the Celso Furtado prize from the World Academy of Sciences for advancing the frontiers of Social Science (Economics) thought. In 2017 he was appointed a Distinguished Professor in Economics by the High Education Ministry of Malaysia.

TIME	PROGRAM
8.30 am	Arrival of the guests / Registration and Refreshments
9.00 am	Arrival of YBhg. Prof. Tan Sri Dato' Seri Dr. Noor Azlan Ghazali (Vice Chancellor, UKM)
9.05 am	Welcoming address by YBhg. Prof. Dato' Dr Rashila Ramli (Director, IKMAS)
9.10 am	Opening address by YBhg. Prof. Tan Sri Dato' Seri Dr. Noor Azlan Ghazali (Vice Chancellor, UKM)
9.20 am – 10.00 am	Lecture by Prof. Ulung Dr. Rajah Rasiah <i>Developmental States: Land Schemes, Parastatals and Poverty Alleviation in Malaysia</i>
10.00 am	Question & Answer Session Presentation of Souvenirs & Photography Session
11.00 am	End of Lecture



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