

Restructuring Wealth Ownership^{*}

1. Introduction

The New Economic Policy (NEP) is framed in terms of achieving the twin objectives of eradicating poverty, by raising income levels and increasing employment opportunities, and of restructuring Malaysian Society, so as to reduce and eventually eliminate the identification of race with economic function. To restructure employment the NEP aims at a 50 percent Malay participation in the work force of all sectors of the economy by 1990, so as to reflect the racial composition of the population. To restructure wealth ownership the Plan sets as a target a Malay share of 30 percent in the ownership and management of all assets in commerce and industry by 1990.

The goal of restructuring wealth ownership and fostering a class of Malay capitalists is perhaps the most difficult to accomplish of all the component aims of the NEP. The magnitude of the task required is intimidating. For example foreign interests accounted for 61 percent of total share capital in the corporate sector in 1970, while Malay ownership was less than 2 percent. In order to reach the target of 30 percent Malay ownership within 20 years, the Plan estimates that

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