EXECUTIVE SUMMARY

A STUDY ON THE LEVEL OF NATIONAL INTEGRATION AND UNITY IN MALAYSIA

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INTRODUCTION

In Malaysia, over the past three decades or so, the government has introduced several major development policies in an effort to bring about rapid social and economic changes to the country. These policies among others include the New Economic Policy (NEP, 1971-1990), the National Development Policy (NDP, 1991-2000) and the current National Vision Policy (NVP, 2001-2010) as well as the various Five -Year National Development plans initiated by the Government to promote national unity and integration while pursuing the developed nation status as spelt out under the Vision 2020 Policy. These policies are being further entrenched in the Third Outline Perspective Plan OPP3, (2001-2010) and have resulted in significant progress in the socioeconomic well-being of Malaysia. Hence, it can be seen that the model of development adopted by Malaysia under various development plans was based on philosophy or "growth with equitable distribution". Growth has to benefit all groups in society in an equitable manner. The government emphasizes that steps must be taken to ensure this even if it might lead to a slower growth. This is seen as particularly crucial for heterogeneous society like Malaysia's wherein the potential for inter-group conflict is inherent.

As spelt out in Vision 2020, it is envisaged that by the year 2020, Malaysia can be a nation, with a confident Malaysian society, infused by strong moral and ethical value, living in a society that is democratic, liberal and tolerant, caring, economically-just and equitable, progressive and prosperous, and in full possession of an economy that is competitive, dynamic, robust and resilient. Achieving national unity and integration of the population of Malaysia as indicated in the second and third dimensions of Vision 2020 is important to Malaysia. This is because to achieve a developed nation status by 2020, the overriding objective is not merely rapid economic growth but also that this growth and development must also infuse with it the elements of social cohesiveness and cooperation among the multiracial and pluralistic community that Malaysia has in nation building.

In Malaysia, the diversities in terms of ethnic compositions, linguistics, and cultural and religious differences among others make unity and national integration the core element in the country's

dynamic progress in the future. Thus national Unity should be made the ultimate goal of socioeconomic development in the long run in Malaysia.

The NDP, National Vision Policy (NVP), and OPP3 are complementing the overall strategy of Vision 2020 by focusing on social capital issues, with emphasis on creating trust, sustaining norms, building networks, strengthening trust and partnership between the people of diverse ethnic groups between and within, Sabah. Sarawak and Peninsular Malaysia. One of the prime objectives of NVP, for instance was aimed at establishing a progressive and prosperous 'Bangsa Malaysia' (Malaysian race) that lives in harmony in full and fair partnership. This necessitates the need to look at the social capital and how to harness it for the nation's development.

OBJECTIVES OF THE STUDY

- 1. To do a study on the role of social capital and social cohesion as the main determinants of the national unity and integration of Malaysia.
- 2. To compile and analyse the human capital base and social cohesion of the major ethnic communities of Peninsula Malaysia, Sabah and Sarawak based on secondary data.
- 3. To conduct a survey to quantify the levels of social capital and social cohesion of all the major ethnic communities of Malaysia, at the micro-level (individual/family/friend), intermediate level (neighbourhood/community) and macro-level (region/division/state).
- 4. To design a composite measure of national unity based on the levels of social capital and social gap (social inclusion social exclusion) of the major ethnic communities of Malaysia.
- To do a comparative analysis of the bonding, bridging and linking social capital of the major ethnic community, between and within urban, rural and interior localities, with reference to the composite national unity index.
- 6. A System Dynamic model will be built to provide the framework and procedures for the qualitative and quantitative description, exploration and analysis of the level of social capital and social cohesion of the three regions of Malaysia.
- 7. The Model will be used to simulate the 2010 and 2020 scenarios of Malaysia in the context of national unity and integration based on current policies as well as the proposed range of policy options.
- 8. To develop a set of indicators for ethnic early warning system and conflict prevention.
- 9. To recommend appropriate strategies and action plans pertaining to national unity and integration.

FINDINGS AND CONCLUSION

The analysis of the hard and soft variables at various level of aggregation leads to the graphs of the growth paths of the majoThe low r ethnic communities up to 2050. The scenarios shows how much social capital (the bonding, bridging and linking relationship between and within the ethnic communities and government authorities) can combine with the economic hard variables to produce growth.

The main findings are:

Without Social Capital

- 1. The Chinese are maintaining a positive grow path from 1.453 in 2005 to 1.709 in 2050. Much of the growth is attributed to the decline in the overall percentage of the Chinese population.
- 2. The Malay growth path decline from 1.142 in 2005 to 0.9653 in 2050. Much of the decline is caused by high rate of population growth, lack of parity in Highest Educational Attainment and lack of parity in the Industrial sector Since the Malay population is simulated to account for about 60 per cent of the population of Malaysia, lack of parity will not lead to marginalization but to the widening of the income disparity between the rich and the poor within the community. In other words, the imputed economic cake is not large enough to be shared.
- 3. The Indian are making very sluggish growth from 1.046 in 2005 to1.178 in 2050. The low growth rate is marginally enhanced by the very insignificant reduction of the percentage of Indian population. Leveraging on the linking social capital with the oversee Indians and with India, the Indian community with the simulated population size of 6 per cent by 2050 will fit into the category of the dominated economic minority by 2050 and beyond.
- 4. The Other Bumiputera have a very low starting selectivity ratio of 0.517 in 2005 and as such they are not able to attain parity even by 2050. This is caused by their low educational attainments and the very sluggish rate of moving up Into the secondary and tertiary sector.

With Social Capital

- 1. With social capital at the bridging and linking network with the oversee Chinese and with China, the Chinese selectivity ratio will grow to 1.837 by 2050 and with their population declining to about 14 per cent, the Chinese can be termed as the economic dominant minority. The Chinese social capital at the bridging and linking level with other ethnic communities and government institutions is on the low side and such a scenario is not conductive for the national unity and integration of Malaysia.
- 2. The social capital of the Malay is assumed to grow at a compound rate of 4 per cent per annum and when such input is incorporated into the model, the Malay will attain an overall selectivity ratio of 1.367 by 2050 With such a scenario, the surplus human capital of the Malay could be channeled to the key sub-sectors of the tertiary sector such as Wholesale And Retail where the exit rate of the Chinese is increasing.
- 3. The Social capital will accelerate the growth path of the Indian and they will reach a parity of 1.287 by 2050. They may become the dominant economy minority earlier than 2040.
- 4. The growth path of the Other Bumiputera only attains parity by 2040. This is simulated by using a social capital growth path of 3 per cent per annum. The main reason is the low starting value of the Other Bumiputera. It should be noted that the figure used is an aggregated value of all the Other Bumiputera in Malaysia. When the Other Bumiputera are desegregated, there will be at least 10 groups and over 30 sub-groups. Some of them like the Iban of Sarawak and Murut of Sabah rank very low in terms of their hard economic variables and many of them by virtue of their low parity in the economic hard variable, are not making any significant upward mobility from the agriculture sector into the secondary and tertiary sector. In fact according to the simulation, their parity share in the agriculture sector is increasing. Currently, they are on the threshold of being classified as economically excluded and marginalized. Without any affirmative action plan in terms of enhancing the existing delivery systems, they will continue to lag behind in the primary sector while other ethnic communities are in the transition of moving from the production-based economy to the knowledge-based economy.

It should be noted that the simulations results are based only on historical data. The input variables can be adjusted according to different policy options of the Government. The Model can be used to determine the different rates of growth of the hard and soft variables so that the growth path for each ethnic community can attain a predetermined level of overall selectivity ratio, after a predetermined period of time. It is only possible to run such scenarios if a comprehensive survey which includes Sabah is done.

RECOMMENDATIONS

To face the challenges towards promoting national unity and integration of Malaysia beyond 2020, the following are the recommendations:

- 1. The declining parity of the Malay in the educational sector and in the key tertiary sub-sector of business and commerce need to be addressed through affirmative action plan.
- 2. The plight of the Other Bumiputera of Sabah and Sarawak cannot be viewed in an aggregated manner. This will prevent policy makers to see the trees for the forest. There should be a stock taking of their human capital base in terms of highest educational attainment, occupational hierarchy and distribution of their labour force in the industrial sector for each of the ethnic minority. There is no one size fits all in addressing their plights. Affirmative action plan or interventions for each ethnic community will be implemented so that they can reached a pre-determined level of parity.
- The bridging and linking social capital of the Chinese and the Indian need to be strengthen through the enhancing of the services delivery, in education, job training and employments and the issues of problem resolution in social status, land holdings and religion need to be addressed.
- 4. The above recommendations need to be monitored through the construction of a system dynamics simulation model. Such a model will be able to generate different scenarios in the future based on different policy options of the Government besides showing the interaction effects of all the key variables pertaining to national unity and integration.