Technocracy in Economic Policy-Making in Malaysia

Khadijah Md Khalid* and Mahani Zainal Abidin**

This article looks at the role of the technocracy in economic policy-making in Malaysia. The analysis was conducted across two phases, namely the period before and after the 1997/98 economic and financial crises, and during the premiership of four prime ministers namely Tun Razak, Dr Mahathir, Abdullah Ahmad Badawi, and Najib Razak. It is claimed that the technocrats played an important role in helping the political leadership achieve their objectives.

The article traces the changing fortunes of the technocracy from the 1970s to the present. Under the premiership of Tun Razak, technocrats played an important role in ensuring the success of his programs. However, under Dr Mahathir, the technocrats sometimes took a back seat because their approach was not in line with some of his more visionary ventures and his unconventional approach particularly in managing the 1997/98 financial crisis. Under the leadership of both Abdullah Ahmad Badawi and Najib Razak, the technocrats regain their previous position of prominence in policy-making. In conclusion, the technocracy with their expert knowledge, have served as an important force in Malaysia. Although their approach is based on economic rationality, their skills have been effectively negotiated with the demands of the political leadership, because of which Malaysia is able to maintain both economic growth and political stability.

Keywords: technocracy, the New Economic Policy (NEP), Tun Abdul Razak, Dr Mahathir Mohamad, National Economic Action Council (NEAC), government-linked companies (GLCs), Abdullah Ahmad Badawi, Najib Tun Razak

Introduction

Malaysia is a resource rich economy that had achieved high economic growth since early 1970s until the outbreak of the Asian crisis in 1998. However, growth has been moderate in the post-Asian crisis period. Malaysia began, in early 1960s, as an agriculture-based...