



FINANCIAL LITERACY **FOR YOUTHS**



History of Malaysia's Ministers of
Finance





What's the deal with Finance Ministers!?

You've probably heard of ministers at some point in your life. They're basically the head of a specific department of the government such as Education or Health (or for J.K. Rowling fans, the Ministry of Magic). However, there's one ministry that gets a lot of attention in media, especially recent ones, and that is the Ministry of Finance. The minister in charge of this ministry plays a key role in building the nation with their immense knowledge and tactful actions, albeit some resort to more controversial way of doing things including scandalous actions.

Colonel Tun Henry Lee Hau Shik (1957-1959)

Henry Lee Hau Shik was the first Minister of Finance of the land of Malaya even before the formation of Malaysia. After Tunku Abdul Rahman announced the symbolic independence of the Federation of Malaya from the British Empire in Dataran Melaka on 31 August 1957, Henry Lee Hau Shik was appointed as the first Minister of Finance of the Federation of Malaya. The position did not change its name to Minister of Finance of Malaysia until the formation of Malaysia in 1963. Henry Lee Hau Shik was one of the founding fathers who had made a significant contribution to the nation of Malaya and in building our economy. Henry Lee Hau Shik had successfully established Malaysia's financial policy and created the Central Bank of Malaya which got renamed to Central Bank of Malaysia to regulate the country's new-born financial institution, monetary policy, and credit system. Even after retiring from politics in 1959, Henry Lee Hau Shik took up the post of Financial Chairman for the Board of Commissioners of Currency Malaya and had established the Development and Commercial Bank, which eventually became Malaysia's fifth largest bank. Tan



Siew Sin succeeded Lee to become the Minister of Finance after Lee resigned due to an illness in 1959.



Tan Siew Sin (1959-1969, 1970-1974)

Tan Siew Sin was the second Minister of Finance of Malaysia and had taken the position for 15 years which was the longest period in the history of Malaysia. During Tan Siew Sin's tenure, the racial rioting that happened on 13 May 1969 had traumatized Peninsular Malaysia's Chinese Community and raised racial tension all around the country. After that, the government implemented a twenty-year New Economic Policy which aimed to socially restructure racial lines and reduce poverty within the Malay community. Tan Siew Sin backed up New Economic Policy publicly and tried to slow down the impact of the policy on the Chinese community. Tan Siew Sin also safeguarded the interests of non-Malays to prevent another tragedy similar to the racial rioting on 13 May 1969 from happening again. The success of calming the Chinese community and implementation of New Economic Policy had stabilized the economy of Malaysia. After the resignation from his 15-year tenure as Finance Minister of Malaysia, Tan Siew Sin continued to provide advice for the government regarding economic questions.



Hussien Onn (1974-1976)

Tun Hussein Onn, also known as Father of Unity was the third Prime Minister of Malaysia after the death of the second Prime Minister Tun Abdul Razak in 1976. Before that, he had earned the trust of Tun Abdul Razak and was appointed as the Finance Minister from 1974 to 1976. Tun Hussein Onn focused on stabilising and redressing the economic inequalities in Malaysia by launching the National Unit Trust Scheme. The National Unit Trust Scheme is set up with the purpose of transferring government-owned shares into the hands of the bumiputera. This policy has helped to equalise the imbalance of wealth between different ethnic groups and strengthen the relationship between races. This is one of the reasons why he is called the Father of Unity. Other than that, Tun Hussein Onn had also established ASEAN as the cornerstone of Malaysia's foreign policy by putting efforts to consolidate the South-East Asian countries. ASEAN's main purpose is to accelerate economic growth and promote trade between the Southeast Asian Nations. This foreign policy has raised a 40% growth in Malaysia's economy in 1978, which resulted from the vast amount of foreign investments flowing into our country. After becoming the third Prime Minister of Malaysia, Tun Hussein Onn appointed Tengku Razaleigh Hamzah as the new



Minister of Finance and Tun Hussein Onn himself continued to contribute to Malaysia's economy.



Tengku Razaleigh Hamzah (1976-1984)

Tan Sri Tengku Razaleigh Hamzah, was a descendant of the Kelantan royal family. Initially he started as a businessman and was taken in by then, Prime Minister Tun Hussein Onn to help build the economy of Malaysia. He brought major reforms and progressive policies in Malaysia. Under his lead, several initiatives were taken such as taking over major cooperates and major industries of foreign conglomerates. He also set up a few economic related firms such as the Bank Pembangunan Malaysia, Bank Islam, and Syarikat Takaful. In addition to that, he also became chairman and CEO of Petroliam Nasional Berhad (Petronas) by Tun Abdul Razak. Another small, but well-known fact, was that he was fondly called "Ku Li" by many Malaysians citizens and business men alike.





Daim Zainuddin (1984-1991, 1999-2001)

Tun Daim Zainuddin, a man of humble origin who was on the path of becoming a teacher but due to miscommunication errors, his life went the other way around. Perhaps, that misfortune became a turn of luck for him for he went on to build a reputable career for himself. At a young age he got to know that “time was money” thus propelling him to work hard to gain well. He started off by pursuing a degree in law at the Lincoln’s Inn London and upon returning, he practised law for a while before venturing into business. After a few failures he eventually got a breakthrough in the property business. He went on to develop Taman Maluri (located in Cheras), Taman Bukit Maluri (located in Kuala Lumpur) and other notable locations. He was known to bring continuous progress towards the economy of Malaysia despite the bad global market. He was not keen on the government taking high tax loans from foreign parties thus enabling the Malaysian economy to maintain its fiscal deficit during the hard economic years. Tun Daim however abruptly ended his first stint by passing his resignation letter stating he had completed his job and wanted to move on. His resignation was a bit strange to Malaysian and global viewers alike, as it was not usual for a Malaysian to leave the high office. He later ventured into the banking industry after passing his ministerial baton to Anwar Ibrahim.



Anwar Ibrahim (1991-1997)

Datuk Seri Anwar Ibrahim was the sixth Minister of Finance, and was appointed by Mahathir bin Mohamad in 1991. He had managed the position for 7 years until 1998. It was a heavy position to manage as during Anwar Ibrahim's works as the Minister of Finance, the 1997 financial crisis happened. The government of Malaysia had to take measures to minimize the impact caused by the 1997 financial crisis. Anwar Ibrahim had supported the decision to borrow from the IMF to finance local financial institutes. Anwar Ibrahim also hatched a plan to implement an austerity policy that massively cut government spending and deferred major projects which was the cornerstone of Mahathir's economy development strategy for Malaysia. Facing the financial crisis, Anwar Ibrahim advocated a free-market approach, including trade liberalisation which he believed that the bank will be able to self-sustain and protect, while local companies would be able to prevent themselves from facing bankruptcy. Anwar Ibrahim's policy was never implemented as his economic policy had clashed with the incumbent Prime Minister Mahathir bin Mohamad. Mahathir bin Mohamad favoured currency and foreign investment control as he believed that borrowing loans from IMF would let foreigners take control over Malaysia's economy. On 2 September 1998, Mahathir bin Mohamad as the incumbent Prime Minister dismissed the Minister of Finance, Anwar Ibrahim and took over the position himself. This brought

the end of the 7-year career of Anwar Ibrahim as the Minister of Finance of Malaysia.



Mahathir Mohamad (2001-2003)

Tun Dr. Mahathir bin Mohamad, was known as Malaysia's most prominent figure as he was the longest serving Malaysian Prime Minister (22 years) and still is, thanks to the fact that he was recently elected as Prime Minister once again. A medical doctor turned politician, Mahathir took on this position after Tun Daim Zainuddin's second stint at becoming the Minister of Finance. Prior to this role and under Tun Daim's tutelage, the Petronas Twin Tower, Sepang International Circuit and many other things was brought into the Malaysian scene for the furtherance of the economy. He modernized Malaysia to prove the "another poor Asian country" saying wrong. He made a few controversial moves during his stay, and shut opposing voices from his opposite end and on his own side, thus giving him the image of a dictator. Despite all of that, Malaysia enjoyed the benefits of economy because of what he did, his foresight and hard-working attitude made him a good captain of the boat. Malaysia not only became a major player of this region but much further in the eyes of the world. Perhaps, we have seen the glimpse of the historic

prosperity of the Malaccan Sultanate of our history books through him.



Abdullah Ahmad Badawi (2003-2008)

Tun Abdullah Ahmad Badawi or fondly called “Pak Lah”, was Malaysia’s fifth Prime Minister. Under him the economic perspective of the country was different compared to the previous ministers. He felt that the country didn’t require grandiose projects but instead, foreign investment, government contracts and privatisation. He was known for his role for by-trade-relationship with Japan where a free trade agreement was reached in late 2015. Through this historic deal between Japan and Malaysia, multiple tariffs were taken off, that enabled both countries to commence on mutually profitable foreign trade. Items such as industrial goods, agricultural products, forestry and fishery products were some of the many things that were part of that deal. He changed the economic landscape of Malaysia toward innovative agriculture without losing the industrial body with the added foreign investment, thus giving birth to new fields such as bio-technology. However, he ended his term as the Minister of Finance and Prime Minister of Malaysia abruptly after the 12th General Election (GE12) despite leading his coalition party, Barisan Nasional with a reduced majority. He passed on this ministry to the upcoming Prime Minister Dato’ Seri Mohammad Najib.

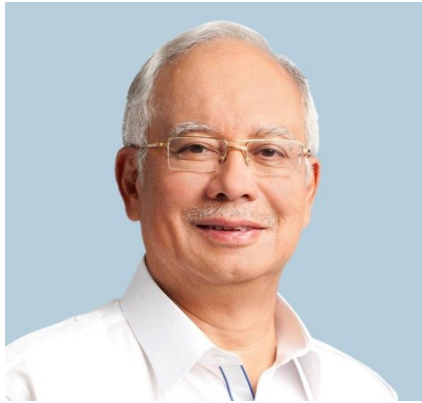


Najib Razak (2008-2018)

Dato' Seri Mohammad Najib, was the son of Tun Abdul Razak, the second Prime Minister of Malaysia. He took on this ministerial role as he ascended to become Malaysia's sixth Prime Minister. He was known for the 1Malaysia campaign, calling on for national unity for culture of excellence. As the ninth minister of finance, he reformed the economic policies with the introduction of the New Economic Model. This initiative was taken to ensure Malaysia made a quick transition from a low-to-moderate income to a high-income nation. One of his measurements was to reform government-based subsidies, where he cut subsidies on fuel and sugar that benefited the wealthy and foreigners more, compared to those who were in dire need of it. In return, he gave some incentives to the eligible citizens by BR1M (a government program similar to Universal Basic Income) to reduce their financial burden. He was a key figure for a strategic development company called 1Malaysia Development Berhad (1MDB). This company was endorsed or wholly owned by the Finance Ministry through its corporate body. He led this initiative to ensure the country benefited economically for the long run by forging global partnerships and directing foreign investment. However, 1MDB had mismanaged its funds and its capital was siphoned into



various sources. A myriad of scandalous measurements were taken and a dozen civil lawsuits was filed by the U.S. Justice Department. Even till today, there is an on-going investigation concerning the scandal.



Lim Guan Eng (2018-)

Lim Guan Eng was the son of a veteran politician Lim Kit Siang. He was a fellow graduate from Monash University had obtained a degree in economics. Prior to joining politics, he worked as a banker where he rose through ranks to become a senior executive. He started his political life by winning the Kota Melaka parliamentary seat going against Malaysian footballing legend Datuk Soh Chin Aun. After years in politics, he was chosen as Penang's fourth Chief Minister after winning the 2008 general elections, and under him Penang's debt decreased drastically and eventually making that state have the second highest GDP per capita within the country. He introduced a concept called Competency, Accountability and Transparency (CAT) in his governance, which propelled Penang to be called the best-handled state by the Auditor-General for a few times. Guan Eng also launched many welfare aids for the Penangites, especially for the benefit of the poor and lower income community. However, he is currently facing a case under the Malaysian Anti-Corruption Commission (MACC) for purchasing a bungalow under the market valuation. It is believed that it was done by the previous owner to

gain favour from him to obtain an agricultural land to be developed for lucrative housing property.



The Ideal Financial Minister

So now that you've gotten to know our super long line of finance ministers, you might be wondering if you would be able to take on the mantle as well. To start off, there aren't any perfect ministers of finance in the pool of politicians. However, you got to have someone take lead in steering the boat for the stability of our country's economy. Here are some ideal characteristics of a minister of finance.

Things to look into from their past acumen:

- (i) Economic policy – His/Her policy will be equally fair toward all citizens. All rakyat should benefit from their policy without any form of discrimination.
- (ii) Monetary policy – Their policy should reflect a stable inflation rate.
- (iii) Changes in the form of government – Their way of governance should not be focused on individual parties' agendas, rather the benefit of the rakyat first.



(iv) Corporate performance – Their past economic performance in their everyday transactions and dealings, should be taken into account as it is a microcosm for how they will manage the country's economy

So do you think you have what it takes to be a good finance minister?

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