A striking fact of the Malay economy is that slightly more than 80% of the Malay population are found in the rural and coastal areas of Malaya. The remaining component is composed largely of government civil servants and officers of all grades and categories; members in the police and armed forces; school and religious teachers; hospital assistants and mid-wives in the rural areas, unskilled and industrial labourers in estates, mines and manufacturing industries and small time merchants, hawkers and vendors. In the rural sector traditional agrarian activities viz. small scale rice farming, rubber growing, fishing and the gathering of rural produce continue to predominate. Attitudinally, there has been little significant change towards modernization values. Low motivation and reliance on the government, an essentially feudal attitude, continues to be significant traits. Institutionally the traditional elite structure, composed essentially of political and bureaucratic elites (many of whom are recruited from members who belong to the traditional aristocracy) continue to dominate not only preference in occupational type in terms of prestige among Malays, but also they constitute the forefront in efforts to initiate economic reform among the Malays.

What ideological bases do they possess in respect of achieving economic modernization among the Malays? How relevant have their exertions been to the promotion of economic modernization among the Malays?

It has been argued that economic achievement and the advancement of science and technology in the West has been the consequence of a latent element in Western philosophical traditions that recurrently enquire into the problem of development and its aims.¹ This means the process of development and economic modernization at a point of time must necessitate a pervading rationality throughout the society for the pursuit of economic gain or advancement. What is entailed is not merely the expression of a desire for economic advancement but also the existence of widespread economic attitudes conducive to the acquisition of success in economic activities such as entrepreneurship.

In as far as the Malays are concerned, economic modernization has been more or less equated with the desire to acquire greater participation in the entrepreneurial and manufacturing sectors of the Malaysian economy. The culmination and so far the most categorical statement of this, is found in the second Malaysia Plan 1971-1975 where it is envisaged that within two decades at least 30% of the total commercial and industrial activities in all categories and scales of operation should have participation by Malays and other indigenous people in terms of ownership and management. This objective is one of the two dominating concerns of the Government's New Economic Policy. The other being "to reduce and eventually eradicate poverty, by raising income levels and increasing employment opportunities for all Malaysians, irrespective of race."

The declaration of the above mentioned intention is also reflective of the relatively slow progress made so far by Malays in the field of entrepreneurship. Hence the entrenchment of the objective to increase Malay participation to 30% in the next twenty years is both indicative of a determined effort to have more Malays in entrepreneurial activities as well as a lack of significant progress made so far by Malays in the entrepreneurial and manufacturing sectors of the Malaysian economy.

It is relevant to trace the various attempts made so far at formulating the institutional and ideological foundations with the intent to give leverage to encourage participation among Malays in entrepreneurship. It will be shown that attempts made so far to encourage Malays to enter the field of entrepreneurship has not been significantly successful principally because traditional values and groups continue to dominate the action and value consciousness of the Malays. By "value consciousness" is meant the tendency to evaluate prestige and honour by reference to traditional structural groups, that is, the aristocracy and the bureaucracy at both state and federal levels. Members of these two groups have largely shaped the economic awareness of the Malays, giving it a largely political emphasis and at the same time initiating the provision of capital and facilities for participation in entrepreneurship among Malays. Hence the mode of thought in regard to achievement and economic advancement that penetrates the value consciousness of the Malays are not attitudes with entrepreneurial foundations. Conceptualization of the status of the entrepreneur is still political, in the sense of being a goal to be achieved for the strengthening of the Malay political base, rather than a cultural

3 Ibid., p. 1
4 In a press report recently when announcement was made of the Second Malaysia Plan, the Prime Minister, Tun Abdul Razak said that the plan was "a last chance" for Malays to improve themselves economically. This is in a way an admission of the ineffectiveness of governmental efforts made so far to develop an effective entrepreneurial class among Malays in commerce and industry.