

# A passionate and excellent development economist

Upon completing his PhD in economics at Oxford University, Datuk Dr Zainal Aznam Yusof (who passed away on April 30) found Malaysia to be fertile ground for his life-long passion — development economics.

He had great empathy for issues of economic backwardness and justice. He contributed immensely to growth, macroeconomic management, poverty and income distribution while working with the public sector, think tanks and international institutions and through his writings. He began his work in the Economic Planning Unit (EPU) where he dealt with distribution issues and helped set up the foreign investment committee (FIC). The FIC's work includes guiding and monitoring the restructuring of corporate ownership.

He pursued his research while engaged with various government bodies and agencies. He expanded this interest by working with a group of economists who shared his passion for development, poverty and income distribution. This group included the late Professor Ishak Shaari, the late Datuk Ismail Salleh, Tan Sri Kamal Salleh, Tan Sri Sulaiman Mahbob and Datuk Dr Hamzah Kassim.

Zainal examined many aspects of economic growth. Development, to him, was only meaningful if it was well distributed. As such, good governance, competition and fairness were as important as foreign direct investment, savings and fiscal position. He helped prepare the Industrial Master Plans and the Second, Fourth and Fifth Malaysia Plans to this extent.

Among his published works are *Income distribution: Managing Economic Growth Amid Ethnic Diversity: Malaysia 1970-1990*, co-written with Donald R Snodgrass and Ishak Shari; and *Economic Growth and Development in Malaysia: Policy Making and Leadership*, with Deepak Bhattachali for the Commission on Growth and Development, the World Bank.

His work in public policy can be easily categorised as academic research. I suspect he was quite comfortable being a researcher and would have enjoyed academic freedom as he found bureaucracy burdensome. He could have

made a great professor but somehow never took up a full-time academic post.

A major part of his life was working on the New Economic Policy (NEP). His writings tracked the implementation of the NEP, debated its achievements and shortcomings and offered bold ideas on implementation and how to achieve its twin objectives. But he did not blindly follow set paths. He was concerned with furthering bumiputera interests but not through nepotism and rent seeking. He often spoke his mind on these issues and some people found this uncomfortable.

Zainal's views on the implementation of the NEP changed over the years, although he remained steadfast on its objectives. In the National Economic Advisory Council, he and other members of the council advocated a new approach towards affirmative action, one that took cognisance of the many challenges in achieving the objectives of the NEP, including those caused by globalisation.

He objected strongly to the rent-seeking activities that arose from the affirmative action and was searching for transparent, competitive and merit-based methods. Many did not understand some of these new ideas where opportunities for the marginalised and deprived were made more equal because it was difficult to ensure an equal outcome. He regretted that some groups had accused his ideas of jeopardising the interest of the bumiputeras.

After serving the EPU, he joined the Malaysian Institute for Economic Research (MIER) as deputy director. From 1990 to 1994, he was adviser of economics at Bank Negara Malaysia. He spent a short stint in the private sector as regional economist for Kleinwort Benson Research before joining the Institute of Strategic and International Studies (ISIS) Malaysia as deputy director-general from 1995 to 2002. While at ISIS, he coordinated the Knowledge-Based Economy Master Plan, among other major projects.



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His links with ISIS continued well beyond his time at the institute. He was one of ISIS' distinguished fellows and often participated in seminars, dialogues and discussions. His last collaboration was as adviser for a book entitled *Malaysia: Policies and Issues in Economic Development* to commemorate ISIS' 25th anniversary. With Datuk R Thillainathan, he gave valuable suggestions for the structure and content of the book and wrote its final chapter, which contemplated the future direction of the Malaysian economy. Sadly, he did not live to see the published book as the printed copies were only delivered a few days before he died.

He was respected by international institutions such as the World Bank, United Nations Development Programme, United Nations Industrial Development Organisation, United Nations Conference on Trade and Development, Asian Development Bank, Asean Secretariat, Overseas Development Institute (ODI) London and the International Growth Centre (IGC) London for his deep knowledge and wide experience on economic development and was invited to work with them.

He was also a visiting scholar at Harvard Institute of International Development (HIID), consultant to Oxford Centre for Analysis of Resource Rich Economies (OXCARE), Oxford University, and visiting research fellow at the Centre for Research on Inequality, Security and Ethnicity (CRISE), Oxford University. In return, he brought back many new ideas and approaches to Malaysia.

I came to know Zainal well when we were appointed by former finance minister Tun Daim Zainuddin to the working group of the National Economic Action Council during the Asian Financial Crisis of 1997/98. Other members of the working group were Tan Sri Wan Azmi Hamzah and Tan Sri Thong Yaw Hong. Those were unforgettable times because of the severity of the crisis and intense work to produce the National Economic Recovery Plan.

Zainal and I worked together again when Prime Minister Datuk Seri Najib Razak made us, together with seven others, members of the National Economic Advisory Council in 2009 to propose a new economic model for Malaysia.

Why did Zainal leave such a deep impression on many people? He was noted for his sharp, independent and forthright assessments of the Malaysian economy and was not afraid to debate issues on any level. An elegant writer, he contributed regularly to newspapers including *The Edge*. Moreover, he engaged the public through his writings, TV appearances and participation in conferences. I remember that even his comments during discussions were well written, as if they were ready for publication.

This trait for making his work public was evident when he initiated the Bank Negara discussion paper series for Bank Negara staff to share their work with the public. He also started brown bag lunches at MIER. He also suggested that the work of the National Economic Action Council and National Economic Advisory Council be published.

Besides economics, Zainal was equally known for his lifestyle. I used to tease him about his Kevin Costner dark glasses and superstar status as an anchor for budget discussions on TV. He had a great sense of humour and was unassuming. He cycled before it became fashionable. A keen sportsman, he participated in two Langkawi ironman events and completed Olympic-length triathlons and biathlons.

A competent musician and movie buff, he was as at ease writing for the *Life & Times* section of the *New Straits Times* as when writing about economics. And of course, he had great love for his family — he and his wife, Datuk Kaziah Abdul Kadir, the former deputy director-general of the Malaysian Industrial Development Authority, made a handsome couple.

He will be missed by many, not least the economic community. At the Lake Club, where he was a member, there was a general feeling of sadness when he passed away. We miss him for his ideas, openness and friendship. ■

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