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**RENTS AND RENT-SEEKING  
IN THE MALAYSIAN ECONOMY**

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## **Abstract**

This research paper provides an estimate of the significance of rents and rent-seeking process as major underlying factors in the Malaysian economy. It was found that throughout the Malaysian economic development (from pre-independence to current), the Malaysian economy has experienced three types of rent-management, which are rent-management by the state, rent-management by state-initiated (public) enterprise, and rent-management by privately-controlled enterprise via politically influential business elites. However, there are no solid evidence that proves a negative or positive correlation between the level of rents and rent-seeking processes present in the Malaysian economy and the respective economic performance. Yet, these findings are consistent with the initial hypotheses, such that entrepreneurial and economic policy decisions within the Malaysian economy have always been stimulated by the prospect of accruing rents through various channels of rent-seeking.

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