

IV. Conclusion and Future Research

The objective of this research paper is to study the presence and significance of rents and rent-seeking as a process in the Malaysian economy, via empirical estimates and analysis.

The study shows that the creation and development of rents and rent-seeking have changed throughout the years, from preserving the capital of the colonial masters to redistributing wealth along inter-ethnic lines and encouraging investments in new productive activities, structured by either one of the three rent-management styles, which are 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.

Nevertheless, each case study shows the significance of the prospect of accruing rents (through one of the three channels of rent-management) being the underlying factor in major economic decisions in the Malaysian economy. Thus, it can be concluded that rents and rent-seeking processes have played a significant role in the Malaysian economic development. However, this study has yet to prove any positive or negative correlation between the rents and rent-seeking processes and the respective economic performance.

Hence, this research paper can be a starting point for a further research in evaluating the underlying determinants in the rents and rent-seeking processes and the possible influences of microeconomic and macroeconomic factors and other policy factors that lead towards positive or negative trends in the economic performance.

Most importantly, there should also be a need to execute a proper and thorough analysis of the rents and rent-seeking processes, their creation, and also their management in exploring and utilizing it for the country's overall economic betterment.