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Mahathir-Poor

RAPID POVERTY INCREASE IN ASIA, SAYS DR MAHATHIR

KUALA LUMPUR, Oct 22 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today Asia is experiencing a rapid increase in poverty, with its people reduced to a state of not only being poor but also socially deprived, as a result of the financial crisis brought about by currency speculation and manipulation,

The prime minister said the currency devaluation and subsequent economic recession following the crisis that began in Thailand last year had hit the rural poor most, particularly the women.

He cited an example of one Asian country with a very big population where the reduction in the number of people below the poverty line had been reversed.

"Where before only 20 per cent were below the poverty line, now almost 50 per cent have fallen below the poverty line," he said at the opening of the Third International Steering Committee (ISC) Meeting on the Economic Advancement of Rural Women themed "Poverty Amongst Rural Women, Their Families and Communities" here.

He said: "The theme poverty amongst rural women, their families and communities rings a warning bell in this trying times. It seems timely that a meeting on poverty is held at a time when Asia and possibly the world are in the throes of economic turmoil."

Dr Mahathir said the present situation was not helped much by self aggrandising pronouncements from speculators with sanctimonious attitudes making unjustifiable attacks on the stricken countries and urging the investors to pull out their money and invest in more lucrative markets.

"Their callous call betrays a cruel blindness to the plight of millions of people who have been impoverished by the economic downturn and dehumanises the social costs borne by the countries," he said.

The prime minister said businesses had slowed down or folded up and millions had lost their jobs in those countries while the people had less money for their food, shelter, health and education.

"Under-consumption worsens the business situation. People are reduced to a state where they are unable to participate actively in mainstream community life.

"Thus, people are not only poor but are also socially deprived. Joblessness, inflation, food shortages, mental and physical anguish contribute to the social unrest with devastating riots, strikes, protests and political instability increasingly being unreported in many countries," he said.

Citing the 1998 Human Development Report, Dr Mahathir said the report concluded that the financial crisis in East Asia had caused the biggest setback to the huge economic and social strides in human development made over the last three decades.

He said the impressive improvements in longevity, attainment of knowledge and a decent standard of living were being dwarfed or wiped away by the loss of government revenue due to the collapsed economy and recession.

The prime minister said no one had been spared from the impact of the credit crunch and the high interest rates had been paralysing.

"Credit is to business like blood is to the human body. The flight of capital, like haemorrhage, bleeds the business to death.

"The first thing we should do is to stop the massive bleeding. In a

situation where the credit dries up or, analogously, when the patient becomes anaemic, we should provide the right supplements such as iron pills or even blood of the right group," he said.

Such supplements, Dr Mahathir said, if denied by raising interest rates and prices to unaffordable levels, would surely kill the patient.

He said the rural poor could not understand what happened when the capital was suddenly pulled out of the country except to accept their sufferings.

"Worse still, they do not know how it happened and how they could prevent it from happening," he said.

Dr Mahathir said governments could not abandon their responsibilities to the people who elected them as they saw the immense misery inflicted on the people.

He said international response should be strengthened beyond mobilising financial support and focussed on preventing such crisis from happening again.

"The assistance of multilateral and bilateral lenders should aim at immediately overcoming poverty of the already poor directly. Endless discussions on the so-called 'new architecture' of the world financial system will not do much good for those who may die in the meantime," he said.

In Malaysia, Dr Mahathir, said much more could be done, especially by the private sector, research and development (R&D) institutions and international development agencies, in reducing the poverty level.

He said these sectors could invest in this important segment of human resource by incorporating them as target groups in the transfer of technology, in developing labour and time-saving technology that will increase productivity and in the application of information and communication technology.

The most important programmes were the ones that targeted humanitarian and gender-sensitive values towards the development of harmonious families, which tapped the potentials of family members to become proactive, creative, knowledgeable and productive members of society, he said.

Dr Mahathir said Malaysia had succeeded in reducing the poverty level from 49.3 per cent in 1970 to 16.5 per cent in 1990 and 8.9 per cent in 1995.

He said poverty was particularly acute among rural women, female-headed households, indigenous women, the urban poor and migratory workers.

The ISC, comprising the First Ladies from countries in Africa, the Americas, Asia-Pacific and Europe, focuses on rural poverty and the plight of poor rural women.

Dr Mahathir's wife, Datin Seri Dr Siti Hasmah Mohamed Ali, is its president and Queen Fabiola of Belgium, its patron.

-- BERNAMA

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