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Mahathir-NEP

DR M ON SOCIAL JUSTICE THROUGH NEP AND PNB

KUALA LUMPUR, June 9 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today the New Economic Policy (NEP) and its most important instrument, Permodalan Nasional Bhd (PNB), are Malaysia's way of providing social justice and a social safety net for the country.

PNB was a unique creation not found in any other country, and it is better than the ideology approach normally employed to shape a just and fair society, said the prime minister.

He said PNB, which has succeeded in mobilising more than RM48 million from seven million investors, was the largest trust fund in the world.

"There are a number of foreigners talking about social safety net now. To them social safety net means giving unemployment benefits to those who are unemployed. They also want us to give salaries of the same level as their salaries and other things," Dr Mahathir said.

However, their ways would in fact ruin the economy because if the unemployed were given allowances, many people would choose not to work, he said.

The prime minister said Malaysia believed in the social safety net but not in the form of unemployment benefits. The people must work and the social safety net was in providing more jobs.

He said those given unemployment benefits in Britain were also asked to work by the government, and that there was now less interest in the idea of getting free money from the government, even from the socialists.

He said unemployment benefits needed a large amount of financial allocation and this was done by raising taxes from those who were willing to work.

With higher living standards, unemployment benefits and taxes would also need to be increased, leading to higher production costs which would reduce competitiveness in the world market, said Dr Mahathir.

"We may think that despite their approach not being that good, they are still developed. But their development come from their ability to reduce prices of raw material bought from developing countries, and selling their own products at prices which keep rising all the time," he added.

Meanwhile, the prime minister said PNB's new product, Amanah Saham Nasional Kedua, was launched at the right time as the economy was recovering.

Dr Mahathir also announced that the week of April 20 would be known as Malaysia's Unit Trust Week, to coincide with the launch of the first unit trust scheme on April 20, 1981.

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