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PM says `no' to dole as wider safety net

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KUALA LUMPUR, Wed. - Datuk Seri Dr Mahathir Mohamad said today Malaysia did not believe in the introduction of unemployment benefits as part of the wider proposal for a social safety net.

The Prime Minister said foreigners who exhorted the idea of a social safety net it meant giving allowance or dole to the unemployed, an action which did not augur well for the various economies.

Speaking at the launching of the Permodalan Nasional Berhad's Amanah Saham Nasional 2 at the Putra World Trade Centre here, Dr Mahathir said giving unemployment benefits to the jobless would further damage crisis-stricken economies.

"When those who are jobless are given dole, they will choose not to work," he said.

Dr Mahathir said in order to pay unemployment benefits to the jobless, the Government would have to raise taxes for those who were willing to work.

"Surely the cost of production and cost of living would increase.

"When the cost of living increases, the Government would have to also increase the dole. This means the taxes will have to be hiked further," he said.

Dr Mahathir said if production costs increased, the country would lose its competitiveness in the world market.

Later at a Press conference, Dr Mahathir said Malaysia believed in a social safety net which created employment for its people.

He said when people were employed, they could invest their money and improve their own standard of living.

Dr Mahathir said Malaysia had successfully created many jobs to the extent that it had to employ two million foreign workers.

"We do not believe in the payment of dole. When you pay dole, people will not work and this is bad for the economy.

"When the economy deteriorates, we have to pay more dole," he said.

Dr Mahathir said in Britain, although the Government had been paying dole, it now required the recipients to contribute something in return.

"So the idea that the unemployed must get money from the Government is losing ground even among socialists," he said.

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