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Social safety net does not include jobless benefits: PM

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MALAYSIA believes in "social safety net" but not in the form of paying dole or providing unemployment benefits to the people, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

"We believe in social safety net but it may not take in the form of dole or unemployment benefits. There are other ways of providing support for the people," he told newsmen after launching Permodalan Nasional Bhd (PNB)'s second Amanah Saham Nasional (ASN2) unit trust in Kuala Lumpur yesterday.

Dr Mahathir was asked on Malaysia's stand towards the international community's call for governments worldwide to pay dole to the unemployed. "We do not believe in paying dole or unemployment benefits because when we do that, people will not want to work. When people do not go to work, the country's economy gets bad and at that time, you have to pay more dole.

"That is why in the UK recently, the Government said it will pay dole but wants those unemployed to do some work. The idea that you should have free money from the Government is losing ground, even among the socialists," he said.

Dr Mahathir also said that the Government will have to set aside a substantial amount of funds for the dole and this will only be possible by raising taxes from those who were willing to work.

As far as Malaysia is concerned, Dr Mahathir said the Government prefers to create more jobs so that more people can then invest in trust funds similar to those managed by PNB.

"People must really work and we want to create more jobs. In fact, we have created so many jobs that there are two million foreign workers in the country.

"It (providing more jobs) is a safety net in the sense that we provide all with jobs. If they did not work, their family will have to support. Obviously, they will feel shame when they are being supported by their family," he said.

He explained that such talks about implementing the social safety net is actually another attempt by foreigners to ruin the country's economy after their failure to do so through short-term capital gains, specifically the speculative attack on currency trading.

"They will try everything, including making baseless allegations and wild accusations on cronyism, nepotism and others. But we know what will happen if the multiracial communities in Malaysia are deprived of the nation's wealth," he said.

Following this, he urged Malaysians to have confidence and support the Government in tackling whatever issues that arise.

When asked why the week of April 20 every year is announced as Unit Trust Week, Dr Mahathir said unit trusts play an important role in helping small investors invest in shares traded on the Kuala Lumpur Stock Exchange (KLSE).

"If there are no trust funds, only the rich will have the opportunity to buy shares," he said, adding that the Government will continue to limit the number of unit trust operators.

With strong signs pointing to the country's economic recovery, Dr Mahathir said the launching of ASN2 is timely as investors of such a trust fund will benefit because companies are also making profits in such a

situation.

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