

Stop the spanner-throwing activities

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DISMAL news greets us about the economy, probably part of our daily diet for the coming few months. The first quarter gross domestic product (GDP) growth, according to Prime Minister Datuk Seri Dr Mahathir Mohamad, is not as the Government would like it to be. Recession in the US has left its mark rather early. The Malaysian Institute of Economic Research has revised its GDP projection to 4 per cent this year, considerably less optimistic than the Government's revised forecast of 5 per cent. The manufacturing sector, still the economy's backbone, is expected to grow at a slower pace for the next six months.

But all these are nothing that the Government of the day could not overcome or deal with. Malaysia has survived rather well and without any outside help the worst regional economic crisis that wreaked havoc from the middle of 1997 until, in the case of some countries, press time yesterday. Malaysia did fairly well during the 1980s global recession, too. What is more difficult to handle is when Malaysians themselves decide to throw all sorts of spanners in the works that the Government is trying to put in place to excite the domestic economy. There are various examples, and of concern is the fact that these spanner-throwing activities are picking upsteam lately.

The proposed street demonstrations timed by parties in the Opposition with the current economic concerns in mind are a case in point. These demonstrations may be well within the ambits of democracy and tolerance, but with perception about the region at a low ebb because of street violence and fragile political situations in neighbouring countries, such an action, or rather the possible implications of such an action, could put off prospective foreign investors. This is not an excessive notion at all for one needs only to look at the situation in Indonesia to understand why its economy is still awaiting a fair chance to rebuild itself. In South Korea, trade union activists have not mended their ways: workers' rights to strike and down tools still take precedence over everything else. In yet another neighbouring country, who can say when the next so-called people's power is going to emerge and effect yet another change in the government.

And when the Government introduces measures necessary to spur the economy, such as reducing workers' contributions to the Employees Provident Fund (EPF), local trade unions decided to champion what they saw as workers' interests. Thus, the Government had to bend backwards a little and not make the proposed reduction from 11 to 9 per cent mandatory. Let's hope the Malaysian Trades Union Congress is happy with the outcome of their protest and their threat to stage nationwide pickets to oppose the move. Whether or not more workers may decide to opt for the 2 per cent reduction than those who would like it to be maintained at 11 per cent is a secondary issue. The concern here is the fact that the measure, explained at length by the Government, was not given a chance to take full effect.

That is a shame considering that Malaysia has a proud track record of implementing measures that may seem unorthodox or unfriendly at first, but which go on to prove that they are spot-on necessary for the economy and the well-being of the people. Take the mid-1980s austerity measures and then the selective capital controls of 1998 which were internationally condemned and ridiculed. If Malaysia had listened to those economic experts, its economy may still be in the doldrums. Now we have Malaysians in powerful positions doing what those foreign experts could not, which is to prevent the Government from implementing measures deemed necessary for the economy.