

03/04/2001

Winds of change blowing strongly

Tan Sri Ramon Navarathnam

ARE there winds of change slowly blowing through the Malaysian economy? Recently, there have been positive changes in the leadership of Bank Negara, then the judiciary and at Malaysia Airlines.

Then there have been impressive new policies introduced through the 10-year Capital Market Master Plan by the Securities Commission and the 10-year Financial Sector Master Plan by Bank Negara, both of which were launched by Finance Minister Tun Daim Zainuddin in early 2001.

The former ACA director-general, Datuk Ahmad Zaki, also announced that there are plans to amend section 32 of the Anti-Corruption Act to make it more effective in improving accountability and transparency in the public service.

Corporate governance is now being questioned much more by the concerned public.

In addition there have been big Government campaigns to master IT while ISIS is soon coming out with a report on the k-economy.

This will provide a major milestone for change in the advancement of our society.

The mass media has recently also become more open and critical. There are more dissenting columns and stronger letters to the editors today.

The recent clashes at Old Klang Road were reported without undue constraints.

In regard to strengthening the civil society, Suhakam, the Malaysian Human Rights Commission, has been established under the distinguished leadership of former Deputy Prime Minister Tan Sri Musa Hitam.

Privatisation has come under some public fire because of perception that a few businessmen have gained considerably from privatisation at the expense of the public who feel they are paying more but are getting less value for their money.

There are also charges that some inefficient privatised companies have been bailed out.

Hence Datuk Iskandar Dzakurnain Badarudin, the Economic Planning Unit director-general, has gone to great lengths to explain the benefits of privatisation.

To his credit, he has also admitted that there some serious shortcomings in implementing the privatisation policy that the Government is now addressing.

This admission is a welcome change.

However, the proposed strengthening of the 18 regulatory authorities, whose work is hardly heard of, must take place urgently since public confidence and Government credibility is at stake.

Only then will the rakyat be better assured that their interests are being seriously considered by the Government and that they will actually get the best deal out of privatisation.

The raising of water rates and other public charges have to be fully and publicly justified in a transparent manner if they are going to be accepted by the more discerning public.

Hence there are winds of change - but it is not consistent. It's not blowing in one direction. There are too many cross currents.

Sometimes the openness of Government is implemented inconsistently and in fits and starts. A case in point is the proposed privatisation of health services through the National Health Financing Authority (NHFA).

The Government cannot reasonably be expected to provide medical and health services at low and highly subsidised charges to both the poor and the rich as well.

Nevertheless the poor have to be subsidised. But those who can afford, especially the well off, should be able to pay more for their health care.

The challenge is to find the right formula to provide good basic health needs on an equitable basis especially to the poor and less fortunate while encouraging the better off to take up health insurance schemes that could qualify for tax concessions.

The complaint made by leaders like MTUC president Zainal Rampak and Consumers Association of Penang president S.M. Idris, that the Government's plans are being rushed through without much consultation or transparency, is troubling as it is against the Government's policy and the practice of the philosophy of Smart Partnership.

That is why more positive and substantive improvements are welcome to strengthen the momentum of the winds of change.

On the international front, there is no doubt that the onslaught of globalisation makes it a strong imperative for us to transform our mindset and to enable the Malaysian economy to become even more internationally competitive - if we are not to be marginalised as a nation and as a society.

Unfortunately, the less privileged and those who are the least willing to change will be the most marginalised.

The Government's best efforts to protect the weak and needy against the relentless negative forces of absolute globalisation will have serious limitations.

Unless the call by Prime Minister Datuk Seri Dr Mahathir Mohamad and other Third World leaders for a more caring, compassionate and a kinder and gentler World Order is accepted by the rich and powerful industrial countries, the poorest of our people will suffer most.

Unfortunately, on a proportionate basis, most of them will be from the majority Bumiputeras, followed by the Indian and the Chinese communities.

This can erode our socio-economic progress and stability unless we give greater priority to the problems of the poor and the underprivileged as a matter of urgency.

As Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi recently pointed out to State Governments, all villages, irrespective of the composition, must be given ample attention.

The recent tragic clashes in the kampungs near Old Klang Road indicate that there was neglect and delay in meeting the basic needs of poor Malaysians.

If we had a proper monitoring system, the frustration and resentment in these areas could have been quickly identified and overcome.

The best way is to form a new Urban Poverty Authority to prevent future clashes among the urban poor.

Abdullah, in graciously launching my fourth book Malaysia's Economic Recovery - Policy Proposals for Economic Sustainability on March 15, was obviously moved in his speech when he regretted the Old Klang Road clashes.

He empathetically felt that much more would need to be done to overcome urban poverty and deprivation.

He also urged government officials and others to write about their experiences in nation building and to address the challenges of the times.

The Prime Minister on March 23 in his address to the Malaysian Hindu Sangam strengthened the winds of change when he admitted that the Government had been a bit neglectful of the poor and that much more has to be done.

These serious statements will hopefully bear solid results soon and increase public confidence.

The poor do not ask for much and the Budget is strong enough to give more priority to the rural and especially the urban poor who have been left out of the mainstream of development.

In my article in the NST on Jan 1, 2000, the headline read Malaysia needs to change direction of socio-economic planning and policy, but unfortunately not much was done.

It is a pity that it has taken communal clashes and six deaths and many injured to bring about faster action to provide decent housing for about 250 squatter families in the Old Klang Road villages.

The Malaysian economy is unfortunately slowing down once again, so soon after its strong recovery from the 1997 Asian economic crisis.

The stimulative policy package introduced on March 27 by the Prime Minister, including a significant RM3 billion development budget boost, will help to fight the global recessionary trends.

However, I wish more of these and other funds would be provided to fight urban poverty to avoid producing an underclass because inequalities could cause conflicts and breed contempt as stated by Finance Minister Tun Daim Zainuddin when launching the Young Professional Chamber Malaysia Economic Lecture Series on March 28.

Indeed, the winds of change are blowing in our country.

But they have to blow more strongly to clean up the economy of its many constraints, inefficiencies and social inequalities if we are going to be more stable and competitive, not only to enhance national unity but also to withstand the recessionary trends from our major trading partners.