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Revising economic priorities

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WE should revise our economic policy priorities to benchmark them against developed countries. At the Langkawi International Dialogue last month, I noticed that Prime Minister Datuk Seri Dr Mahathir Mohamad and Malaysia are highly respected by many African leaders. They want to learn from our achievements in socio-economic progress.

At the recent Myanmar-Malaysia Technology Conference in Yangon, I saw again the same admiration for Malaysia's economic model.

Hence it is easy for us to become self satisfied by comparing our considerable success with their lower levels of socio-economic development.

But we should instead compare our competitiveness with the industrial countries and strive to strengthen our resilience and economic relations with our major trading partners.

Regrettably, however, our failure so far to gain the Asean plus Three Secretariat for Kuala Lumpur indicates that our support in Asia is not as strong as in Africa. After all, it was Malaysia that initiated the East Asian grouping.

The opposition may be only from jealous neighbours, but we have also to ask what else has gone wrong?

Furthermore, the intensive drive by Singapore to set up Free Trade Areas with major industrial economies like the US and Japan, and some smaller industrial countries such as Australia and New Zealand, will undermine our ability to consolidate Asean's unity and cohesion.

Singapore could become a Trojan Horse and come in through the backdoor into Afta, with its newly found FTA partners, by just adding the required 40 per cent local content.

This could easily be done for instance by packaging imported rubber tyres from the US into Malaysia.

So where is the logic of Singapore's FTA's "complementing Asean's integration efforts"?

Thus, once again the nagging disagreement with Singapore over our supply of drinking water to them is distracting us from our priority to concentrate on our own socio-economic agenda.

So why don't we just ask Singapore to simply terminate the water agreements, if not immediately, then much earlier than 2011 and 2061.

Since Singapore has drinkable wonder NEWater, we can easily base the price of our water on the cost of its NEWater, instead of the miserly three cents per 1,000 gallons.

Also why should we go to a Third Party for settlement? Can't we negotiate on a bilateral basis, particularly when we are on a strong wicket?

We should, as a matter of priority, be more business-like in our negotiations and not be taken for a ride. Our maruah is at stake.

All Malaysians will watch how successfully our Government negotiates the price of our natural drinking water supplied daily to Singapore.

Indeed, Singapore should not be allowed to take advantage of our generosity and compassion.

While the philosophy of "prosper thy neighbour" is laudable, we should not pursue it to the point of prospering our neighbours at our expense.

At home some of our economic priorities also need re-examination.

Let's take the construction industry where the large number of illegal

immigrant workers are causing so many social problems of crime and diseases.

Why should we severely restrict the import of foreign labour when we need them badly at present?

Too many stringent controls lead to local contractors and foreign workers finding ways and means to get around them.

The trouble lies with our old fashioned labour-intensive construction techniques, requiring abundant workers, who will beat the system to stay in Malaysia - despite whipping.

Therefore the construction industry must be compelled to adopt capital intensive techniques of production, like modular and pre-fabricated construction to reduce the dependence on foreign labour, within a reasonable time frame.

The Construction Industry Development Board should use about RM600 million that it has collected in compulsory Cess to provide vital training and financial incentives for higher technology and productivity in the construction industry, instead of contemplating the building of a luxurious multi-million ringgit building for its headquarters.

This would be the wrong priority, which taxpayers should not tolerate.

However, in the meantime it is reassuring that the Government has been more pragmatic in allowing the rehiring of Indonesian construction workers. But unfortunately the "Stop Go" policies give the impression that the earlier decisions were not well thought through.

This may tempt foreigners to unjustly protest against Malaysia?

This new pragmatic policy should apply to the Agriculture, Services and even Manufacturing industries as well - until we get our act together, as a matter of priority.

Otherwise the planning and especially the implementation of our socio economic development projects will become inefficient and our economic growth for 2002/3 may be jeopardised.

Similarly in the Services Industry, the private sector has not given enough priority to become more internationally competitive.

Our professional organisations are still dragging their feet to open up to more international competition.

We should prepare ourselves to compete with foreigners on our own turf as well as theirs, as soon as possible.

We should make more "requests" under the WTO, to compete abroad and "offer" more market access for foreign competitors, instead of trying to maintain the relative protective status quo.

The Government could, as a matter of high priority, therefore push some leaders of our professions, such as accountants, doctors, engineers and lawyers, (who may have entrenched and narrow vested interests), to liberalise at a faster pace within a reasonable time table, which should be widely publicised.

Otherwise the whole economy will lose out in international competition - and then our economy will decline.

It is thus timely and commendable that the Chief Secretary to the Government Tan Sri Samsuddin Osman has honestly commented about the "hassles in dealing with the Land Offices" at the Launch of the 11th Land Administrators Conference. The public is well aware that these "hassles" happen repeatedly in many other places.

But how do we ensure top officials adopt "Hands-on" management?

Why can't Samsuddin and Cuepacs president Datuk Siva Subramaniam take up the challenge to develop a Smart Partnership, to step up productivity and to "struggle" against increasing corruption, instead of merely talking about salary increases most of the time.

Unless more priority is given to relate salary increases to higher

productivity, there could be a public backlash against the civil service and even against the Government for apparently condoning low productivity and inefficiency.

Hence Bank Negara estimates economic growth at only 3.8 per cent for the second quarter this year.

We therefore look forward with high expectations to the unveiling of the "New Strategies" and Policy Priorities for the 2003 Budget this month.

Hopefully, the Budget will enhance our economic efficiency, to compete more effectively with the Industrial Countries and to provide better opportunities for all underprivileged Malaysians.