

Dr M: Social equity vital for growth

MANILA: Tun Dr Mahathir Mohamad said promoting social equity is crucial for world economic growth, citing Malaysia's success as an example.

Speaking before the annual Philippine Business Conference here, the former prime minister said Malaysia's success in closing the gap between wealthy ethnic Chinese and poorer Malays had spurred economic growth while minimising class and racial tensions.

"On a world scale, we are witnessing today how the greed of

the rich is affecting the growth of the world and themselves because of disregard for equity in the distribution of opportunities and wealth between rich nations and poor nations," Dr Mahathir said.

"That, in essence, is what the present interpretation of globalisation is about."

He said that "achieving growth is relatively simple when the question of equity is ignored" but warned that this would soon result in class and even racial tensions as the gap

between the rich and poor widened. Dr Mahathir cited the experience of Malaysia where race riots broke out in 1969.

He also cited other measures to promote equity such as taxation of the rich, subsidies to the poor, control of prices of essential goods and promoting labour-intensive industries to create jobs.

At the same time, he warned that wages must stay competitive or workers would start to lose jobs as investment dries up. — AFP