

Munificent budget: Spending beyond our means
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COMMENT A prominent Pakatan Rakyat leader who enjoys a relationship with Prime Minister Najib Razak that allows for amiable banter called on the PM on the first day of the recent Adilfitri celebrations.

NONE Nattily dressed in his Bersih-yellow shirt, the Pakatan notable, after offering festive greetings, dispensed with preliminaries and went straight to the point.

"This year or next year?" he chortled.

"What good will it do for me to wait," dead-panned the PM.

Yesterday's 2012 Budget which the PM as finance minister unveiled is probably the most transparently electioneering budget ever tabled in Parliament.

It did not just sport the sign that 'Polls are near'; it came flat out and said 'These goodies are meant get me your vote.'

It would be naive to expect that the annual statement of how the incumbent finance minister wants to procure revenue and how he intends to defray it would be exempt from politics and wholly subservient to the imperatives of prudent bookkeeping.

But to proffer one that is as nakedly vote-enticing as Najib's 2012 Budget is an abdication of fiduciary duty.

Going bankrupt? Never heard of it

NONE It is as if the gloomy prognostications of Pemandu chief Idris Jala that current levels of revenue and expenditure would have us swamped in red ink by 2019 were unheard.

And it is as if the liquid gold that gushes from below and off our coasts contributing up to 60 percent of revenue for the annual budget is set to last for a long time instead of depleting in a few years.

There are essentially two schools of thought on the financial crisis now besetting the United States and parts of Europe.

One holds that the plague was brought on by a toxic brew of subprime mortgages and runaway speculation in financial derivatives, aided and abetted by market fundamentalism on the part of regulators.

The other is that even if irrational exuberance had not characterised the dabbling in new financial products, the ever-enlarging entitlements that some democracies ladle out to their citizens would eventually render their governments insolvent.

Fortunately, Malaysia had not ascended to the levels of financial sophistication that would have made it susceptible to the bank failures that assailed the economies of the US and other parts of the West in late 2008, recovery from which is proving elusive.

But in allowing the size of its public sector to grow and in treating with the civil service as a vote catchment area, Malaysia is careening into paths that pave the way to the sclerosis that presently assails

Greece.

Najib speak

With a bloated civil service of 1.3 million (for a population of 28 million) and counting, with both government and the opposition treating them as sacred cows that cannot be put out to pasture, the entitlement culture that warps fiscal planning in some western democracies is headed for entrenchment in Malaysia.

Combined with Umno-BN's partiality to a plutocratic few, the Malaysian political economy is set to become, more markedly than ever under the Najib Razak administration, crony capitalistic at the top and a proximate welfare state at the middle, at least.

NONE Presumably, those at the bottom of the economic totem pole would be left to try out Marie Antoinette's advice - "Let them eat cake" - to the hungry masses on the eve of the French Revolution.

That Najib is able to drape his erstwhile nostrums in the mantle of reformist labels - Government Transformation Programme, Economic Transformation Programme, etc, - only attests the prescience of George Orwell's warning of several decades ago about how language corrupts thought and vice versa.

A public that is not beguiled by these delusive labels would not be left in ignorance about the future costs of Najib's current munificence where over RM20.5 billion is to go for debt-servicing, up 60 percent over the allocation in the previous year.

Rather it would be determined to rid the country of governance that conceives of its role as responding to exigency expediently, as securing support through pay-offs.

In other words, it is a government that is for its survival as priority, for the people as afterthought, and for the future as amnesia.

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