

PSM warns of post-polls price hikes
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Parti Sosialis Malaysia (PSM) warned that the Budget 2012 unveiled yesterday was a tactical move to win the coming general election before unfavourable policies are revived.

"The handouts to rakyat are short term, just enough for the government to crawl through the elections.

"If re-elected to power, withdrawal of subsidies, implementation of goods and service tax (GST) and fuel price hikes are sure to follow," said PSM national treasurer A Sivarajan in a statement yesterday.

The cash assistance for low-income households, schooling assistance, book vouchers, pay hikes and payments for civil servants, as well as the proposed listing of Felda Global Ventures Holdings Sdn Bhd, he said, are clear election give-aways to woo support for the BN.

psm released penang bersih psm treasurer sivarajan These short-term payouts, Sivarajan (left) pointed out, fail to address the spiralling costs of daily consumable goods for the rakyat.

"Although at the moment, subsidies for rice, sugar, oil and petrol remain, but the rakyat are still struggling to manage the price hikes that took place in the last two years due to the withdrawal of government subsidies then... but seems like the government has no plans to return the subsidies as before and ease the people's burden."

While PSM welcomed the abolition of school fees, it remained unconvinced how this will really make a difference to parents' pocket books.

"It is important to note that for the last two years the Education Ministry has cut back on food and textbook assistance schemes for poor students.

Struggling households ignored

"The number students eligible for this schemes was trimmed to cut costs, thus many from struggling households were deprived of this assistance, he said, pointing out that the Budget 2012 remains silent on this matter.

Sivarajan noticed that the Prime Minister Najib Razak has played safe by not making key structural changes to the economy and development concept.

"As mentioned by (Minister in the Prime Minister's Department) Idris Jala, the nation's debts are still rising and in 2012 debt servicing alone will be RM20.5 billion.

earthquake indonesia padang sumatra 130907 kl pudu flat tenants "The budget 2012 nowhere addresses this critical issue as how it's going to remain afloat as world economies like United States and Europe are preparing for the worst."

Touching on housing, the PSM lambasted the government for the abject failure to address the rocketing house prices in the Klang Valley and other major urban centres.

"But rather it has played to market forces and increased the ceiling price for first-time house buyers from RM200,000 to RM400,000.

"Even though this eases the eligibility for loan, but wage earners will not be able to complete their loan

terms in their lifetime and will have to hand it down to their children!"

Low-cost home projects fail

The proposal to build 8,000 units low-cost houses for sale and 7,000 for rent, according to Sivarajan, is still falls far below the actual demand.

"Those currently renting People's Housing Project (PPR) homes continue to rent for more than 10 years, due to non-availability of affordable homes.

"The rent-and-purchase scheme introduced to the PPR residents, too, was a complete failure as the government failed to facilitate the buyers to own the units.

"Furthermore, an allocation of RM40 million for restoration and maintenance of public and private low-cost housing is an unacceptable amount.

"The majority of the public low-cost apartments are in deplorable state due to problems of maintenance fees and Joint Management Body (JMB) thus RM40 million is clearly insufficient."

On public healthcare which is allocated RM16.8 billion, Sivarajan described it as "disappointing" because it is only seven percent of the total budget.

He also pointed out that the budget speech completely avoided the implementation of the minimum wage for which the majority of the rakyat are still awaiting.

Major economic woes off radar

In another statement, PSM MP for Sungai Siput Dr D Michael Jeyakumar commented that the budget left out three major economic problems facing the nation:

* The real possibility of a serious recession in the next 12 months. The sovereign debt crisis in Europe and the US may precipitate this.

How would this affect us, a nation that exports almost 60 percent of what we produce? How should we prepare ourselves for such an eventuality?

* Liberalisation of the economy and the reliance on the free market to supply basic necessities such as health care, water, education and housing has led to financial hardships of the 80 percent of families earning less than RM5,300 per month.

How do we address this problem?

* The leakages are enormous. Many government procurements are at prices that are up to three times their actual market value. The development budget is about RM45 billion, and the allocation for supplies and services is another RM30 billion.

At a conservative guesstimate that half of this money will go to the pocket of cronies through over-priced contracts and quotations, the country will losing RM37.5 billion in the course of 2012.

On the first issue of global recession, Jeyakumar suggested quick implementation of the Retrenchment Fund that the MTUC, PSM, Oppressed People's Network (JERIT) and other labour groups have been asking for.

psm gst forum 210110 d jeyakumar"Another would be to put off expensive infrastructure works and keep those funds aside to ensure that the basic needs of the rakyat are met, perhaps through issuing food stamps in event there are people who cannot find re-employment for some months."

Jeyakumar (left) warned that the liberalisation of another 17 service sub-sectors will enable foreign companies to set up private hospitals in Malaysia which will accelerate the brain drain and weaken the government sector on which 75 percent of our population depends on.

As for the issue of plugging leakages, he condemned the move, pointing out that there is no new believable initiatives in the Budget 2012 to stem the haemorrhage of public funds.

"The Budget 2012 fails to address the crucial economic issues facing the nation. This can only mean one thing - those entrusted with the stewardship of this country and its economy, are certainly not up to mark! Its high time they are replaced!" he added.

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