

Alternative budget sans ethnic-based policies

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By Aidila Razak

The Pakatan Rakyat shadow budget will not have provisions for ethnic-based affirmative action, said Opposition Leader Anwar Ibrahim.

Presenting the budget ahead of the 2013 federal budget, due to be tabled on Friday, Anwar said this is based on the experience of Pakatan-governed states.

"The country must move to a new phase because bumiputera policies have been abused to enrich a few. Support (for the needy) through affirmative action will continue, but there is no need for it to be ethnic-based to be able to help the poor," he said.

In Selangor and Penang,, he said, policies like micro-credit programmes are not ethnic-based, but the majority of recipients have been bumiputeras anyway because they pass the means test.

"This means that ethnic Indians who qualify also get assistance, and this does not rob the rights of the Malays," he said.

The 2013 shadow budget also aims to abolish government company 1Malaysian Development Berhad (1MDB) with all of its interests to be taken over by the federal investment arm Khazanah Malaysia.

"1MDB is a trick to allow the prime minister direct powers over this mega-company, but a Pakatan Rakyat PM will not need this," said Anwar.

"We will surrender this to Khazanah, as there is no need for a (government-linked) company overseen by the PM and his family."

The shadow budget, themed Ekonomi Rakyat, Negara Berkah (People's Economy, Blessed Country) states that Khazanah will, in 2013, pay the government RM2 billion in dividends, when none is paid today.

Anwar said that, based on its budget, Pakatan will be able to cut deficit to 3.5 percent of GDP, which is projected to grow by 5.3 percent in 2013.

"We also choose to present a realistic and truthful account of the economy, and project that inflation will be 3 percent, as opposed to the 1.6 percent projected by the BN government," he said.

Project revenue according to the shadow budget is RM197 billion, while expenditure is estimated at RM234 billion, of which RM185 billion is operational and RM49 billion is development.

Anwar said there will be no rationalisation of subsidies, as the coalition will be prioritising on curbing corruption and leakages to create savings.

“We don't believe in starting with punishing the poor (by slashing subsidies) ... Not only will there be no rationalisation of subsidy, but we'll ensure the policy will be more transparent and assist the poor and middle income (groups) where possible,” he said.

Pakatan also expects its shadow budget to raise the average disposable monthly income of Malaysian households by RM930, either through allowances or by savings from policy changes in areas such as policy and transportation.

The shadow budget can be downloaded in full from the official PKR, PAS and DAP websites.

Salient points

- A pan-Borneo highway from Kuching to Kota Kinabalu, as well as upgrade and extension of the rail network in Sabah and Sarawak (Cost: “several billions”).
- A National Housing Board to build 100,000 affordable housing units priced between RM130,000 and RM300,000 in major urban centres nationwide; the homes will take a part-ownership model (Cost: RM5 billion seed fund + RM2 billion annually from the second to fifth year).
- Cut in excise tax by 20 percent (Cost: RM2 billion).
- Minimum wage of RM1,110 per month (Salary adjustments for civil servants to cost RM2 billion).
- Welfare payment of RM550 per month to 84,000 families living under the poverty line (Cost: RM554 million).
- Senior citizens bonus of RM1,000 a year for 2.8 million people annually (Cost: RM2.8 billion).
- Childcare allowance of RM1,000 a year for children aged 12 years or less, for families earning less than RM1,000 a month. (Cost: unquantified).
- RM600 a year for homemakers, to match compulsory contributions by husbands between RM120 to RM1,200 annually (Cost: RM3 billion).
- Higher wages for the police, redeployment of more personnel to crime prevention and investigation, establishing outposts in hot spots and improving in house forensic capacity (Cost: RM984 million).
- One-off welfare payment of RM500 to households affected by severe drop in rubber price (Cost: unquantified).

- An Unfair Public Contracts Act to break monopolies and cartels in key industries like rice, telecommunications, media, airline services, satellite television and taxi licences.
- 20 percent royalty payments for oil-producing states Sabah, Sarawak, Kelantan and Terengganu (Cost: RM12.5 billion).
- Establishment of state-owned second-tier oil and gas companies.
- Free higher education and the abolition of the National Higher Education Fund Corporation; cancellation of loan for a "substantial number of borrowers" who meet criteria to be determined by a special committee (Cost: RM2 billion annually over 20 years).
- Free public transport for the disabled (Cost: RM20 million).
- Doubling the number of buses; review all MRT-related contracts that have been or will be signed with intention of reallocating expenditure to expand bus networks (Cost: RM2 billion).
- Phase-out of tolls for selected highway concessions (Cost: RM6 billion).
- Ekuinas to conduct management buy-outs (MBO) of government-linked companies (Cost: unquantified).
- Supporting small- and medium-scale industries through a SMI fund, national innovation fund and tax breaks (Cost: RM1 billion).

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