

'Gov't can't afford to spend recklessly'

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By Koh Jun Lin

The country's growth has been driven by "goodies" and infrastructure projects, both of which are bad news for Malaysians because it increases government debt, said Kuala Selangor MP Dzulkefly Ahmad.

He said last night that on top of the government debt of RM477 billion (or 53 percent of the gross domestic product, out of the statutory limit of 55 percent), the government has also assumed RM116 billion in liabilities from statutory bodies and government-linked corporations.

This, combined with widening income disparities and over-dependence on oil and gas revenues would not allow for reckless spending, said Dzulkefly, who is also PAS Research Centre head.

"Even when it is close to the elections, it would not allow them to be recklessly giving goodies and handouts, as free as they would like to.

"But of course, it goes both ways and Pakatan Rakyat should not also do that," he said, before detailing the coalition's alternative budget, which aims to achieve 5.2 percent growth while also slashing the budget deficit by 3.5 percent.

The government is expected to table its budget at 4pm tomorrow.

Dzulkefly was speaking as a panellist during a pre-budget forum organised by Parti Sosialis Malaysia (PSM) at the Kuala Lumpur and Selangor Chinese Assembly Hall.

He also told the 50-odd members of the audience that an economic boom-and-bust cycle normally last about ten years, but Malaysia has been having budget deficits for 14 consecutive years, which he described as "strange".

"We have seen the boom and the bust times, while others - even Indonesia, Thailand and Australia - are having good times and enjoying not just a balanced, but a surplus budget...

"That tells a lot about how reckless and unscrupulous (we are) in terms of fiscal discipline in the development that we all choose," he said.

Issues of competitiveness, sustainability and the poor

Earlier in the forum, political scientist Ong Kian Ming gave the audience a run-down of the statistics to paint a grave picture of the economy.

This included a relatively high income inequalities, "pockets" of poverty especially in rural areas, a drop in the Global Competitiveness Report rankings and the Corruption Index and poor achievements in education.

All these take place while the government debt increases from RM267 billion (47 percent of the GDP) to the current RM477 billion, as well as increasing pollution.

"From these three issue of uplifting the poor, competitiveness and sustainability, they are actually very serious concerns.

"It has to be addressed not just by the budget, but also by larger government policies," said the academician, who had recently joined DAP as an election strategist.

Meanwhile, Sungai Siput MP Dr Michael Jeyakumar Devaraj told the audience not to expect a good budget from the government because "the ruling elite in the BN (Barisan Nasional) has not got clue there is a problem," he said.

He said this could be seen from the government's talk of liberalisation, privatisation, and lowering corporate taxes to draw investors, and questioned whether such measures are still viable.

The PSM politician said measures to protect workers rather than capitalist, such as a retrenchment fund, are needed instead in order to fuel domestic consumption.

This would in turn encourage investors and entrepreneurs to produce goods and services to meet demand, rather than investing excess funds in financial speculation.

No plans to deal with depletion of oil and gas reserves

The last speaker, Malaysiakini chief executive officer Premesh Chandran, said that Pakatan Rakyat's policies thus "had done well, but could do better".

Some areas of improvement include coming up with concrete plans for improving public transportation, making the spending of constituency allocations transparent and address healthcare issues, particularly in Pakatan Rakyat-led states.

He also warned that a "perfect storm" is forming, because Malaysia's population is ageing and does not have the wealth to support them, and there are no plans to deal with the eventual depletion of oil and gas reserves.

Prior to the start of the forum, a 30-minute candlelight vigil was also held outside the venue in solidarity with Suaram.

The human rights NGO is the subject of several ongoing investigations, which it claims to be politically motivated.