

With EPF cuts, Najib robs workers of their future

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COMMENT Far from jubilation, the rakyat should greet with concern and trepidation Prime Minister Najib Abdul Razak's announcement that workers' contribution to the Employees Provident Fund (EPF) will be cut by three percent.

For, first of all, he is robbing us of our future savings, no matter how noble he claims his purpose is.

First and foremost, the EPF is our savings for later years. It should not be reduced willy-nilly just because the government has no more money or refuses to cut its own superfluous expenditures elsewhere. Especially when it is not yet the means of last resort.

As some have pointed out, despite attempts to act out austerity by making much ado about no more first class tickets for senior officers or lavish events for government officers, the government did nothing to cut more extravagant spending of the cabinet members and bloated bureaucracies, such as the Prime Minister's Department.

In any case, we must admit that it may be true that cutting workers' EPF contributions can create more disposable income, and may even stimulate more local demand as workers have more cash to spend. It may even help reinvigorate our flagging economy.

However, the issue here is that we shouldn't be paying for economic stimulus, which is the government's job to handle.

That is what our tax dollars are for - to be used by the government to develop our economy and provide stimuli when needed, Not to spend on lavish dinners, overseas trips, or the occasional golfing appointments, official or not.

As such, taking out from our EPF contributions to create economic stimulus is the easy way out for the government, instead of truly streamlining its own expenditures.

Dip into the future

One may ask, where have all the extra monies from the goods and services tax (GST) have gone to, if nothing from it is being used to stimulate the economy - so much so that the government now looks to dip into our future savings.

Secondly, we should worry that our savings - in the EPF, as well as pilgrimage fund Lembaga Tabung Haji, pension fund Kumpulan Wang Amanah Pencen, and Armed Forces fund Lembaga Tabung Angkatan Tentera - are already being gambled away by the government in many less than tenable GLCs and GLiCs.

While dipping into our future savings is something new, we have long been taken for a ride as this administration has been given free reign to use our savings in the above entities. And that it did!

More often than not, the funds above are bandied about as institutional buyers to prop up often overvalued issues of stocks for local GLCs. Indeed, the funds above also became investors in debt-ridden entities such as 1MDB.

Taking away our future savings by cutting our EPF contributions adds more salt to the wounds that are already bleeding away public funds in untenable investments.

So yes, the prime minister, in his capacity as finance minister as well, should personally be held accountable for all of the above.

Najib's administration has already chipped away at our present savings and is now looking to rob us of our future reserve, to do what he and the government he leads is too lazy, too apathetic or just too incompetent to accomplish.

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