

Dr M: Govt intervention can prevent rich vs poor conflict

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Former prime minister Dr Mahathir Mohamad, like his successor Anwar Ibrahim, appears to be wading into the debate between an interventionist government and unbridled capitalism.

The 99-year-old politician warned that in the absence of intervention, the disparity between the rich and poor could reach a boiling point.

“Conflict often occurs between the rich and the poor.

“In one study by an American professor, the rich consume 32 times more than the poor. It is not only consumption but the waste they produce would also be more by the rich as compared to the poor.

“In these days of climate change, the disparity between rich and poor is even more. The rich can deal with the problems arising while the poor are unable to overcome the disastrous effects of the change,” he said on X.

Mahathir, who during his first tenure as prime minister was said to have

spawned a long list of capitalists, said the poor feel they are as entitled as the rich to whatever is enjoyed by the latter in terms of government facilities and also expect more leniency from the government.

“There is a tendency for the rich to become richer and the poor to become poorer. The powers of wealth then accrue to the rich while the poor may be forced to sell their assets to mitigate the threats.

“The result may be more losses suffered by the poor as the rich gain from these losses,” he added.

Left to the natural progress of things, Mahathir, whose wealth and sons’ fortunes are on the MACC radar, cautioned that the increase in disparities would lead to social tension.

“The solution can only come from government intervention. The trend must be slowed if not stopped. Only the government can do this,” he added.

Socialism for the rich

In his speech at the launch of the Khazanah Megatrends Forum 2024 in Kuala Lumpur on Monday, Anwar, who is also the finance minister, noted that according to conventional wisdom, it is “not the business of the government to be

involved in business”.

This doctrine, he said, believes that the government must step aside to allow the movers and shakers of the corporate world to have free rein.

“But there are exceptions, it seems. For example, when it comes to big businesses that are ‘too big to fail’, then allowance must be made for interventionist policy, especially to bail out failing enterprises such as big banks and insurance companies.

“To my mind, no matter how you slice it, this approach looks very much like ‘socialism for the rich and capitalism for the poor’, where state policies assure that the rich and powerful get to have their cake and eat it too, while the poor and marginalised will be left to clean up the plate,” he added.

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