

**Do away with subsidy crutches call
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While the issue of subsidy cuts may be hard to swallow for the general populace, a think tank said that the government should completely do away with it.

Using the argument of a night watchman state, Institute of Democracy and Economic Affairs chief executive Wan Saiful Wan Jan said that education subsidy and welfare for the poor should go too.

"Every time you allow yourself to take subsidies, you give up your liberty," he said at a forum on subsidies in Kuala Lumpur last night.

His rationale is that by letting the government subsidise certain things, the public inadvertently allows themselves to be dictated to.

Allowing education to be subsidised tantamounts to allowing that authorities decide on what education should comprise, he said. "You pass the responsibility to policy makers in Putrajaya, he added.

"Decades of subsidy funding have made us lose the aspiration for independence," he said.

A night watchman state is a libertarian concept of a minimal government, where the government functions at the barest minimum to simply protect its citizens from fraud, theft and coercion.

Helping poor not gov't's responsibility

NONE In fact, Wan Saiful also (right) said that it should not be the government's responsibility to help the poor.

"Governments, through their subsidies and welfare schemes are also depriving individuals of the charitable and philanthropy culture.

"If people are really concerned for the welfare of the poor, then they should go and help the poor. Why is the government forcing the people (through taxes) to pay for them?

"Like Robin Hood, they are taking from one income class, to pay another," he said, adding that "help" should be derived from "market forces".

His arguments drew heavy flak from the other panelists from both sides of the political divide which included Rembau MP Khairy Jamaluddin Abu Bakar and Klang MP for DAP Charles Santiago.

"If you want to rely on the good nature of individuals to cure all social ills, then my friend, you're screwed.

"I don't think that people are altruistic or charitable in that manner," he said.

Santiago also dismissed claims of market forces, saying that, in Malaysia's case, they are artificially driven by the government.

Malaysia addicted to FDI

NONESantiago (left) said later that the country is "addicted" to foreign investment as a means of driving the economy.

"The 10th Malaysia Plan and the New Economic Model are framed that way. In the past 12 years, it wasn't Foreign Direct Investment (FDI) that was pushing the economy, but it was a government-led growth.

"We should look into a domestic-led growth model," he said.

He also said that the government's move to liberalise 27 services sub-sector last year did not see foreign investors flocking to Malaysia to do business.

"It should be the way your manage the economy, and the kind of innovators heading companies," he said.

Khairy also said that FDI without technology transfer is meaningless.

"The top people in this foreign firms set up in the country are still expats. For example, Mitsubishi was propping up Proton when it was first set up. There was no real transfer of technology. Now that (Mitsubishi) has left, there is no more real innovation," he said.

The forum titled "No More Subsidy: What Do We Do Now" was jointly organised by IDEAS, Kuala Lumpur Selangor Chinese Assembly Hall socio-economic committee and www.akademimerdeka.org.

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