

Rakyat paying for gov't addiction to oil prices
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Once upon a time, I heard people say our Malaysian PM is a nice guy and a 'Mr Clean'. The camouflage has been exposed though and today there is no doubt that he is an incompetent man, a heartless man, an anti-MCPX rakyat man with no compassion for the poor and is just blinded by power and position.

I refer to the announcement of a sudden jump of 40% in the price of petrol. While an increase of 10% to 20% is generally accepted as necessary in order to help the country be a more fuel-efficient, a sudden 40% jump to RM 2.70 / litre is too much too fast. How are the people and the economy going to adjust to the sudden stress?

The oil price increases doesn't just affect the cost of driving - it increases the cost of many other things too - transport, food prices, electricity and so on. We are told the government can no longer afford the subsidy. What subsidy? Malaysia is still a net exporter of oil.

By removing/reducing the subsidy, what happens is that the government keeps the benefits of world oil price increases while the rakyat is asked to bear the higher cost of oil prices.

This is the attitude of gangsters and warlord governments not the wise policy of a people's government.

To support the government's decision, we are told by talking heads that it is necessary, that it is inevitable and that advanced countries let market forces decide the price of fuel. That the government will go bankrupt due to the subsidy scheme.

In Europe and America, the average wage and income is several times ours. In such environments, people can still get by when their fuel bills are increased. In Malaysia, a typical family may have an income of, say, RM4,000 (quite good already).

Their petrol bill before the increase is say, RM500, and will now be RM800 meaning it will be 20% of their income. If the income is RM20,000 like in the Western countries, RM800 or even RM1,000 petrol bills is still a small portion of the total income.

One can easily see from the calculation above that poorer countries cannot simply follow the policies of the rich countries. The fixed cost is just too high when the total income is low.

Being an oil exporting country, Malaysia has options. If the Malaysian government is a people's government, it would never have chosen this option. By keeping the export money from oil price increases and reducing subsidy to the rakyat, the government is telling us it is addicted to the higher incomes from the price increases and not willing to share this with the rakyat. This is immoral. This is bad governance.

The only effect is that the government is addicted to high oil prices. The government budget gets expanded, waste increases and it is the rakyat that suffers. Although, by right, when the country is blessed with oil, if the international price of oil increases, the rakyat should be the first to benefit.

Now, what happens after this increase is that the government gets more addicted to high oil prices and the government will suffer withdrawal symptoms when the high oil prices comes down. And if the oil prices keep going up, the government keeps getting richer while the citizens keep getting poorer.

Now even rich Americans are complaining that oil retailed at US\$4/ gallon is too high. At RM2.70/liter, this is equivalent to US\$3.5/gallon. While the working class Malaysian only earns about 20% of the working class American, we are asked to pay for oil at close to American prices despite that fact that we are a net oil exporter!

So, the citizens of this country are asked to pay American costs while we earn in Malaysian income and salaries. And when the citizens are asked to sacrifice, the government gets to keep the higher income from the high oil prices. Our PM has turned things on its head and we, the rakyat are very disappointed.

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