

**Economic crisis : government needs to be proactive**  
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Where is this nation heading to? This was the question that a friend of mine asked me during my Christmas visit. I only wish that I had a crystal ball to look into and find the answer to this simple and yet complex question.

I, too, have been asking the same question and have not found true answers. I am sure many readers have also been pondering over this very question and have not found the right answer.

Nine months ago the rakyat delivered their verdict through the ballot box through which the opposition performed better than expected. Since that day, this beloved nation of ours appears to have lost its direction.

What we read and hear from the print and electronic media is of the continuous bickering among politicians from both sides of the political divide, regarding their own whims and fancies. I am sure the rakyat, like me, are fed up with this circus.

It is often reported that in 2009 -2010 the economy would be badly affected by the financial and economic crisis created by the West. Yet we do not know how Malaysia would handle this crisis that is forecast to be worse than any other earlier economic crisis. It is also said that this 'plague' would reach our shores and it is just a matter of time

What we often hear is that companies are retrenching workers, scaling down production, investment is declining, a few thousand migrant workers were deported and yet 'the economy is stable and viable'. I wonder how this is possible given the prevailing scenario.

Does the government have any contingency plan to assist the rakyat if the financial and economic crisis hits us? From the little that we read in the media, it appears that the government is taking a lackadaisical attitude.

History has proven over and over that workers and their communities are the front-line victims of any crisis of this nature. We witnessed the mass retrenchment of workers during the economic crises in the seventies, eighties and nineties.

During each of these economic crisis, workers and trade unions had been screaming for some form of social safety net to protect and help them face the onslaught of the crisis. For more than three decades these demands have been made but unfortunately it falls on deaf ears.

Let me give a few suggestions on how the government could help the rakyat and at the same time improve the local market should the crisis hit us.

- 1 Reduce income tax by a further one to three percentage points so that the money saved from such a reduction will enable taxpayers to spend more and improve local consumption of goods and services.

- 2 Provide tax reduction for housing loans.

3 Increase welfare benefits for people living below poverty line.

4 Introduce a social safety net for retrenched workers

5 Improve enforcement of price controls on goods and services

It is norm that during an economic crisis and the following years after that, workers either get a nominal wage increase of none at all.

In such situations, it is inherent on the part of the government to help the rakyat cope with their burdens. I urge the government to be proactive rather than reactive in dealing with such a crisis.

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