



The Heavy Price of Saving the Wrong Things

Modern-day communications is a double-edged sword; you can disseminate information just as fast as you can be caught off guard by the fluff you are sending out. The recent fuel price hike is a case in point: not only did the *rakyat* get wind of the increase slightly ahead of schedule, but they were also quick to react to the inconsistent explanation surrounding it. Perhaps the Government should learn to conserve other things too besides subsidy savings.

THERE has not been a better example of the importance of communication or, to be exact, the importance of communicating correctly, than in the case of the Feb 28 fuel price increase.

The surprise element aside, what happened following the hefty 30 sen increase for a litre of petrol and diesel and per kilogramme of LPG was a classic example of what communication should not be.

Understandably, the Government was unable to warn the people of the impending price increase. The surprise element was important to curb hoarding and panic buying. Still, hours before the increase took effect, motorists sacrificed their sleep to line up for fuel.

Thanks to the short messaging system (SMS), the whole country was aware by the late evening of Feb 27 that something was going to happen to fuel prices.

The price of fuel has been raised many times before. The policy of progressively reducing fuel subsidies has been in force since Tun Dr Mahathir Mohamad's time. But in the past, the quantum was moderate and the Government was able to explain the upward revision generally to the satisfaction of the people.

In the case of the Feb 28 increase, the explanation came in bits and pieces, and only after it became clear that the 18.52% hike was too much for the consumer to stomach without protest.

And when the explanation finally came, it came from different people who gave different reasons, which, upon closer scrutiny, tended to contradict one another.

This was made more complicated and confusing when the different elements of the mainstream media spun their own yarn in their gallant efforts to justify the price increase.

I am not sure if the media big bosses, the majority of whom have been appointed to their august posts in Datuk Seri Abdullah Ahmad Badawi's era, were taken into confidence before the price increase was announced.

The importance of effective information management

JUDGING from the way they spun the yarn, I am inclined to believe that they were not consulted. And if they had been, it was apparent that they had not succeeded in fathoming the depth of the people's anger and have failed to convince them with their arguments.

In the past, editors were taken into confidence and their views were regularly sought on matters and issues which were likely to arouse the people's ire. It was a way for the Government to get feedback before implementing important policies and programmes.

It wasn't always the Prime Minister or Ministers who consulted with the editors. They did that only for the most important issues and at the most critical time. Otherwise, the task of liaising with the Press was left to their Press Secretaries or Press Liaison Officers. I consider myself lucky for having had the opportunity to work with some of the best and the most experienced in the profession.

When Dr Mahathir took over from the late Tun Hussein Onn in 1981, he not only took over the Prime Minister's post but also, literally, the entire office that Tun Hussein left behind.

Very few people were replaced and it was only later that he brought in new officers. He kept the late Tan Sri Azizan Zainal Abidin as his principal private secretary and Datuk Jalaluddin Bahaudin as Press Secretary.

Azizan went on to serve the Government in many critical posts until his death a year ago, when he was chairman of Petronas and Malaysia Airlines.

Jalaluddin served as Dr Mahathir's Press Secretary and later Special Assistant on media affairs until he retired some years ago. Before serving Tun Hussein, Jalaluddin was Press Secretary to Tan Sri Ghazali Shafie, when the latter was Information Minister. After that, he went on a transfer as Press Attache to the Malaysian Embassy in

Bonn, Germany.

Acknowledging the importance of effective information management, Dr Mahathir recruited Tan Sri Mohd Hashim Makaruddin, the-then Editor-in-Chief of Bernama, when Jalaluddin was promoted to Special Assistant.

Prior to joining Dr Mahathir, Hashim spent some years as Press Secretary to Tun Daim Zainuddin, when the latter was Finance Minister in the 1980s. He is now executive chairman of Utusan Melayu Bhd.

Jalaluddin and Hashim were assisted by a highly energetic and capable Press Officer, Sufi Yusof, who was a former *New Straits Times*' defence correspondent. He continues to serve Dr Mahathir as Press Secretary.

Those were the days when Press Secretaries and Press Officers were made up of experienced and respected journalists. It was not surprising that they were treated as advisers and, in some cases, confidants by their bosses. Some Press Secretaries were so trusted that they could speak on behalf of their bosses.

One such person was Abdul Samad Mahadi, Press Secretary to Tan Sri Musa Hitam when he was Primary Industries Minister and later Deputy Prime Minister. Musa's press relations suffered when Samad resigned in the mid-1980s.

Lacking in substance

THESE days, most Press Secretaries and Press Officers are either young or inexperienced. In some instances, they are neither seasoned journalists nor trained in mass communications. Yet, we see these greenhorns performing key communications and policy-making roles that affect not only their bosses but also the whole country.

So, when they are tasked with explaining Government policies or defending their bosses' decisions, they fumble. Not enough thought is given to issues and problems at hand, resulting in their explanations being shallow and incomplete.

Thus, instead of explaining the issues, their statements often add to the confusion and heighten public anger. The situation is made worse by the sheer fact that they exert great influence on journalists and editors of the mainstream media.

Take, for example, the statement issued by the Prime Minister's Department on the setting up of the *Kumpulan Wang Amanah Pengangkutan Awam* (Public Transport Trust Fund) on March 15. The fact that the statement clearly stated that the fund would be used almost exclusively in Kuala Lumpur did not attract any queries from the mainstream media until later.

For the benefit of the readers, let me quote verbatim the statement, which is in Bahasa Malaysia. It is sourced from the website of the Office of the Prime Minister of Malaysia. It reads:

'KENYATAAN MEDIA PENUBUHAN KUMPULAN WANG AMANAH PENGANGKUTAN A WAM

Berikutan kenaikan harga petrol, diesel dan LPG pada 28 Februari 2006, Kerajaan telah memaklumkan bahawa penjimatan subsidi daripada kenaikan tersebut akan digunakan bagi projek pembangunan khususnya untuk menambah baik sistem pengangkutan awam negara.

Sejajar dengan itu, adalah diumumkan bahawa pada hari ini, Jemaah Menteri telah meluluskan penubuhan Kumpulan Wang Amanah Pengangkutan Awam, gang akan disediakan dengan peruntukan sebanyak RM4.4 bilion iaitu anggaran jumlah penjimatan daripada pengurangan subsidi minyak. Dana yang diperuntukkan akan digunakan bagi membiayai projek-projek yang akan meningkatkan mutu perkhidmatan pengangkutan awam seperti:

Menambah baik sistem integrasi pengangkutan awam antara pengangkutan bas, LRT, monorel dan komuter; meningkatkan mutu perkhidmatan bas terutamanya dari segi liputan dan kekerapan perkhidmatan; dan memperluaskan jaringan sistem monorel atau LRT.

Kerajaan yakin usaha menambah baik sistem pengangkutan awam akan meningkatkan mutu perkhidmatan yang diberi dan akan memberi lebih keselesaan kepada pengguna. Ini secara tidak langsung akan menggalakkan penggunaan pengangkutan awam yang lebih meluas.

**PEJABAT PERDANA MENTERI
PERDANA PUTRA PUTRAJAYA
15 Mac 2006.'**

As can be seen, the statement says nothing about spending the RM4.4 billion estimated savings on other places. All the services mentioned, save for the KTM commuter service, are located in Kuala Lumpur.

It was several days later and after queries from various parties that Abdullah rectified the deficiency of the statement by promising to distribute the money among all states according to needs and priorities.

This has led many to conclude that neither the purported savings nor the plan to set up the fund was central to the Feb 28 price increase. They were introduced only after the price hike was greeted by widespread objections and protests.

At best, the RM4.4 billion savings are an estimate. Since both Abdullah and his deputy, Datuk Seri Mohd Najib Abdul Razak, have argued that the higher price was aimed at reducing fuel consumption, the savings would be proportionately lower if the higher price leads to lower consumption.

Furthermore, the price increase was introduced at a time when world crude oil prices were declining. On the day that it took effect, the New York price fell from US\$ 63 to

US\$ 61 per barrel. It has since fallen to around US\$ 60. The lower crude prices mean lower subsidy savings.

The inconsistency in the explanation did not end there. Both Abdullah and Najib also spoke about the need to conserve domestic oil reserves, which at the present rate of production (about 750,000 barrels per day), would not last beyond approximately 2015.

Yet, just days later - March 22 to be exact - Bank Negara Malaysia, in forecasting a higher 6% economic growth this year, cited the higher oil and gas production as one of the contributing factors.

So, who is right - Abdullah and Najib who say we have to conserve domestic oil reserves by consuming less, or the Central Bank which predicts that the mining sector will post the biggest jump as oil and gas production increases?

Tragic comedy of errors

STILL, it is better late than never. Abdullah's assurance that the subsidy savings would be distributed nationwide, no matter how tentative it might be, is welcomed.

While it is true that Kuala Lumpur is in need of improved public transportation, to pour the subsidy savings into just any one place is unfair and unwise. The savings come from the higher prices paid by consumers throughout the country.

Furthermore, spending the savings on an urban centre like Kuala Lumpur will deprive the majority of the people, especially the rural dwellers, of the relief promised by the Government.

For the oversight of this magnitude to happen at a time when the Prime Minister himself is gearing his Cabinet and the civil service for the implementation of the 9th Malaysia Plan is worrisome, to say the least.

If the Government remains committed to the New Economy Policy-type growth-with-distribution policy, it cannot afford to overlook the rural areas where the majority of the people, especially the Bumiputeras, live, and where poverty is at the highest.

Sadly, the irony and the comedy of errors may not end with the oil price increase. It may not even be the most stunning. The bigger one may very well be in the offing.

It concerns the debate on the proposed Independent Police Complaint and Monitoring Commission (IPCMC). The commission is one of the many recommendations of the Royal Commission to Enhance the Operations and Management of the Royal Malaysian Police that had submitted its report to the Government in May last year.

Reacting to the controversy over the alleged stripping and videotaping of a woman detainee - initially believed to be a Chinese national - at the Petaling Jaya police lock-up, the Prime Minister, on Jan 24, announced the formation of the IPCMC (*New Straits Times*, Jan 25). The paper quoted Abdullah as saying that the IPCMC 'would be established as soon as the Attorney-General's Chamber

fine-tuned the concept.'

The believers praised the Prime Minister for his firm decision. The friendly media provided the spin. Alas, transparency and accountability are being given shape and form.

But lo and behold, no sooner had the announcement been made that three associations representing the rank and file of the Royal Malaysian Police openly opposed it.

Soon, out of nowhere, Datuk Hishammuddin Hussein, the Umno Youth Chief and Education Minister, jumped on the bandwagon. He told the Press that the movement would meet the police to seek its views.

Ironically, neither Umno Youth nor Umno proper had made any representation to the Commission during its year-long sitting. Only the Pan Malaysian Islamic Party (Pas) and the Malaysian Indian Congress made formal representations, while the Democratic Action Party (DAP) and Parti Keadilan Rakyat Malaysia (Keadilan) participated through non-governmental groups.

Now, even some of Abdullah's Barisan Nasional (BN) Members of Parliament (MPs) are against it (*Utusan Malaysia*, March 21). They said so in Parliament.

They said the IPCMC should not be established 'as this would jeopardize the integrity of the police'.

At the point of writing, it would appear that the Prime Minister is left with a handful of outspoken supporters who are mainly opposition MPs, including the Opposition Leader Lim Kit Siang. The latter asked why it took the BN MPs so long to protest against the Prime Minister's decision.

Well, maybe they were asleep or were not bothered to read the commission's report. For others, making a monkey of the House was a lot more fun than reading a lengthy report about the police.

Abdullah's predicament reminds me of British Prime Minister Tony Blair, who received more support from the Conservative Party MPs than his own Labour colleagues when he enlisted Britain in the United States-led invasion of Iraq.

The flip side of this amazing development is obvious. If the police and BN MPs can go against the PM's decision, what is there to stop the less beholden souls from criticising him and disagreeing with him?

Don't you just love this freedom and openness business?

Oh, by the way, a securities research house, TA Research, was quoted by *The Star* (March 18) that Scomi Bhd's engineering arm, Scomi Engineering Bhd, was in the best position to bid for the integration of the Kuala Lumpur public transport system. Incidentally, on March 20, *The Malay Mail* reported that Scomi was believed to have won a contract worth RM 50 million from K T M Bhd to overhaul and maintain its wagons. mb

E-mail: akadirjasin@beritapub.com.my. Besides *Malaysian Business*, Kadir also contributes to local Bahasa Malaysia and English newspapers.