

# Solutions To Ease The People's Burden

The Government's relief package will help to defray some of the problems faced by the people, but much more has to be done in the long term.

**THE** tendency among our people is to take a debate out of context, either because they do not think wisely or because they think others can be fooled easily.

We are no longer debating the rising crude oil prices. That is a global phenomenon. Either caused by a real shortage or speculation, the fact remains that the price of crude oil has jumped to a record level - exceeding US\$ 70 per barrel at one point in recent weeks.

With the global stock markets in a state of flux, a growing number of speculators are hedging on commodities, including crude oil, in the belief that the rising demand from China and, to a lesser degree India, will continue to push the price of raw materials up.

There is, in fact, no real shortage of crude oil despite the war in Iraq and the US threat against Iran. The problem lies with the lack of refining capacity, especially in the US. Only recently, production in the Gulf of Mexico was mildly disrupted due to Hurricane Katrina.

Still, we in Malaysia should think about rationalising domestic fuel pricing with the fact that we are a net exporter of petroleum. We earn more from exporting our high quality light crude and importing the cheaper heavy crude for domestic consumption.

Even if domestic fuel prices have to be raised, the Government should first consider its effect on the people, especially the poor, and on the broader economy.

In line with its promise of transparency and accountability, it should appoint a knowledgeable spokesman to explain this to the people.

We cannot go on sloganeering about knowledge-based economy or k-economy and proclaiming that we care when the people are clueless about what is happening. All that they know is about being hit by rising prices of goods and services.

Surely we are not this helpless. We have experienced

worse predicaments before - once in the mid-1980s and again during the 1997/98 regional financial crises.

We managed to extricate ourselves fairly quickly and went on to do better.

The question is, where are the brains and muscles that pulled us out of these crises? If they are no longer around or are not welcomed because they are men and women of the past, where are the new crop of economic geniuses and saviours?

The situation has to be sufficiently dire for the *New Straits Times (NST)* to front-page a report that says more Malaysians are feeling the pinch of rising prices.

It quoted a survey by the Merdeka Centre for Opinion Research as saying that 25% of respondents of a recent survey indicated they found it difficult to cover their living expenses and 40% were not happy about the current economic conditions.

The *NST* deserves to be congratulated for the expose. Coming as it did from one of the staunchest media supporters of the government, it is hoped that it would trigger some serious thinking.

Events of the following days gave the impression that the newspaper had inside information. It was aware that the Government was on the verge of announcing measures to help ease some of the burden on the people caused by fuel price increases.

On Sept 7, the government announced a package of action comprising the reduction of road tax, a two-year freeze on toll rates, no fuel price increase for the remaining part of the year and higher financial assistance for senior citizens, the poor and disadvantaged children.

While these measures are welcomed, their effectiveness depends on the efficiency of implementation and monitoring.

In the long run, however, the relevance and integrity of

these measures have to be judged and measured against the larger economy.

## The Poor Suffer More

WHILE a gradual withdrawal of petroleum subsidy is causing considerable hardship to the people, the government is enjoying its twin benefits - a lower financial burden and higher tax revenue.

The multiple losers are the ordinary *rakyat*. They have to pay more for petrol and diesel. They have to pay more for foodstuff. They have to pay more for transportation.

Only with better implementation and monitoring will the people, in particular the poor and those with low incomes, benefit from the new measures.

The rich are also affected, but not too badly. When they own a 3,000 cc or 4,000 cc car, the assumption is they should have no problem paying the higher fuel prices.

Miles per gallon is usually not their concern. It's the horsepower that counts. They are also unlikely to be affected by the rising cost of public transportation. They do not ride buses, trains, commuters and mass transit systems.

Even if road tax is abolished altogether, the poor will not benefit much. Even before the reduction, the majority of motorcycle owners were paying as little as RM2 a year and owners of 1,000 cc motorcars were paying only RM128.60.

Reducing road tax and freezing toll rates will not solve the problem in the long run, neither for the Government nor the people.

The benefits are limited and temporary. The Government, on the other hand, loses substantial revenue - something that it could scarcely afford in its attempt to balance the budget.

In the case of toll rates, the Government's expenditure is bound to increase. It has to make use of taxpayers' money to make good the losses suffered by the concessionaires.

This is provided for in the concession agreements. Varying or dishonouring the terms of these agreements will cause investors, local and foreign, to lose confidence in us.

It also distorts the principle of pay-as-you-use, which is the basis of privatisation. Now, even the non-highway users have to pay when their tax dollar is used to compensate the concessionaires.

## Looking For Alternatives

IN the long run, the Government has to address the root cause of the current problem, that is the volatility of the energy market.

The Government has more or less decided that petroleum subsidies will eventually go. It has been

gradually reducing the subsidy and allowing the price to go up for a number of years now.

During better economic times, the people were not opposed to this. They had ways and means of offsetting the price increase. But the present situation is different.

As the *NST* report suggests, the people are not very happy with the economic conditions. There is a growing lack of confidence in the economy.

The positive side of the current development is that it offers the Government an opportunity to push for greater use of public transport.

It makes more sense for the government to divert its financial and regulatory resources towards improving the public transport systems, whether government-owned or private.

The expansion of the use of the more abundant and cleaner natural gas for vehicle (NGV) should be urgently studied. If buses and lorries can be converted to NGV, we may be able to overcome the constant problem we have with diesel both from the supply point of view as well as from the pollution aspect.

Even after taking into account modern diesel engines that are cleaner and more efficient, the NGV-powered vehicles are more environmentally friendly.

## An Administrative Issue

ENOUGH has been said about International Trade and Industry Minister Datuk Seri Rafidah Aziz hugging Tun Dr Mahathir Mohamad and crying during the Aug 31 Merdeka Day parade at Putrajaya.

After all, she did explain the next day that the hugging and the crying had nothing to do with her apologising to Dr Mahathir. She categorically denied apologising to him.

Dr Mahathir, on his part, promptly pre-empted the emptiness of the drama when he said whether Rafidah hugged or did not hug him was not important. What matters is that the AP (approval permit) issue is yet to be satisfactorily resolved.

More significantly is how the issue is being played out. What Rafidah said recently goes to show that she is both shrewd and audacious.

As such, I will not be hasty in joining her detractors and haters, if any, in writing her off from the Cabinet. She may yet survive the much touted and long-awaited Cabinet reshuffle should it happen.

This is not due solely to her shrewdness and audacity. Our collective inability to think straight and clearly contributes to the political longevity of the careers of today's politicians.

The newspapers recently quoted her as saying she was not totally surprised by the AP debate since she considered it to be part and parcel of politics.

I beg to disagree. The AP issue might have been hotly

debated in the political arena but it is not a political issue. It is an administrative issue.

The burden of responsibility is not one of politics but of administration, and Rafidah is the chief administrator of the Ministry of International Trade and Industry.

If something is wrong with the administration of the AP system, which is what the people now believe, Rafidah owes the apology not just to Dr Mahathir but also more so to all Malaysians, the voters and taxpayers.

This is not about being personal. I have not the slightest reason to be personal with Rafidah. I even like her. But this is about thinking straight and speaking up.

After all, it is the Prime Minister's wish that we tell him what he ought to know and not what he loves to hear.

## **An Abuse Of Power**

BUT not being able to think straight is not always bad. When one thinks less and, by extension, knows less, he or she has the latitude to say and do things that a thinking person cannot or will not.

Take for example the decision of Kuala Lumpur City Hall to designate an eight-storey residence as a bungalow. It is bad enough that we have two- or three-storey high 'bungalows'. But having one with eight is mind-boggling.

That is if we know that a bungalow in its original architectural form is a single-storey dwelling. The word bungalow originates from the 'Gujarati dialect borrowed from Hindi.

Never mind that we, being citizens of an independent nation and people of a certain intellectual prowess, have the unalienable right to misunderstand and bastardise any language that we want, but to designate an eight-storey residence as a bungalow is definitely a sign of madness.

It seems that whoever in City Hall who is responsible for this bizarre decision thinks that it is all right to allow an eight-storey dwelling for as long as the density is not increased. It does not concern him that a lot of people have paid a lot of money to buy peace and privacy.

The question is, who would build an eight-storey residence unless he or she has a super large family? The building density may not increase, but what about the population and vehicular density?

Who would build an eight-storey 'bungalow' with rooftop garden, formal dining hall and prayer room unless he or she intends to throw big gala parties or turn it into an apartment later?

That some landowners are shameless about showing off their wealth or have very questionable taste for aesthetics does not mean that the mayor should agree to their every whim and fancy.

Of course those concerned with their rights and with checking the abuse of power by the bureaucracy can take City Hall to court.

## **Losing Its Moral Authority**

IT took the poor Iraqis more than two years and a category five hurricane to provide them with the penultimate answer to their untold misery under the US occupation.

For a country that lectured the world on humanity and boasted the monopoly of military power and technology, including the largest stockpile of nuclear weapons, the US cannot even handle a disaster at its doorsteps.

At the time of writing, more than 10 days after hurricane Katrina struck on Aug 29, and the Mississippi - the 'big river' in the Ojibwa Indian language - breached its banks, bodies are still floating in flooded cities and communities.

Hundreds of thousands of victims were left unattended for days, some clinging dearly to whatever remained of their homes. Left without food and water, they were forced to take food, water and other necessities from abandoned shops and supermarkets. Some were desperate enough to resort to violence.

While submerging cities and communities, Katrina exposed the abject poverty - by the developed world's standard of course - of the African Americans and other non-whites.

When the tsunami hit Indian Ocean countries on last Dec 26, it was the poor coastal dwellers that suffered the most. The story is now being repeated thousands of miles away in one of the most developed countries in the world.

Now that the Iraqis know why their lot is worse under the US occupation than under Saddam's tyranny, they should not continue to count on George W Bush to save them from their miseries.

If they have any sense left, they should unite and take charge of their destiny.

In the foreseeable future, Bush will be preoccupied with rehabilitating the hurricane-hit areas after having been ruthlessly criticised for the initial poor handling of the crisis to pay too much attention to them.

Furthermore, Iraq is no longer the target of US hostility. Iraq, as it turned out, did not have weapons of mass destruction (WMD) and the link between Saddam and Osama bin Ladin was never established. So Bush moved on. It is now Iran's turn to suffer Bush's indignation.

With the bungling in Iraq and now in its own hurricane-ravaged states, there is nothing to stop the doomsday scenario (until now the stuff of Hollywood) from becoming a reality. A bumbling US general could accidentally launch a nuclear missile or release a deadly biological agent.

After the bloodshed in Iraq and the bumbling at home, the Bush Administration loses whatever little that is left of its moral authority. It has no right to tell the world what is good and what is evil. **mb**

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