

# Narrowing the WEALTH GAP

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*Abdul Khalid aims to ensure that all youths are gainfully and skilfully employed thus improving the per capita income of the people of Selangor*

## Q&A POLICY

THE new Mentri Besar of Selangor, Tan Sri Abdul Khalid Ibrahim, granted an interview to *The Malaysian Reserve* editorial team comprising editor Halim Wahab, corporate editor Ho Wah Foon and writer Jason Ng on Tuesday. In the 60-minute interview, Abdul Khalid talked passionately about his plans for Selangor, politics and outlook, his administration, state-federal relations and his personal life.

He was most delighted to look back onto his 15-year career with 30-year-old state-owned investment house Pemodalan Nasional Berhad (PNB). He said the role he had played in the famous Dawn Raid on the London Stock Exchange on Sept 7, 1981, to seize control of plantations group Guthrie from British investors, would take up half of his autobiography if he were to pen a book now. That was the most glorious and exciting moment in his life, apart from selling unit trusts in the forests of Sabah and Sarawak.



PHOTO: SHARIFAH MOHYA

BELOW ARE EXCERPTS OF THE INTERVIEW WITH THE MALAYSIAN RESERVE (TMR):

**TMR: What is your long-term and medium-term goal for the state?**

**Abdul Khalid:** My idea is to improve the per capita income of the people of the state, but with a view of narrowing the gap between the rich and the poor, and to help the low-income people to move at a faster rate to become the middle income group. Basically, I want the state to grow but the wealth distribution must be in a manner that is biased towards the low-income group.

My target is this. I am looking at our youth from ages 21 to 35. They must be gainfully or skillfully employed. If they are now employed as labourers, it is not good enough for me because they won't get a very high income. I want them to go for training to become welders, radiographers, etc. For the ladies, they may become nurses, X-ray assistants and all that so that they can move up higher.

If you are a specialised welder in the oil and gas sector, you have got a certificate for it. If you walk into Dubai, you can earn about US\$3,000 (RM9,454) a month. If I produce good welders, they can work in these countries.

If my training and skills building is effective and successful, everyone who enters my programme should earn at least RM2,000 per month by three years.

**TMR: But there are similar programmes now.**

**Abdul Khalid:** Yes, but you don't know where they go, how they do.

*When you make a decision to fund projects, you make the decision because of a need. It has nothing to do with politics, race or colour.*

Abdul Khalid

You give them training, then you kiss them goodbye. Here we want to move on with them. Have you heard about setting (an) income target for the youth? That's the big difference.

Ladies who are being turned into nurses in Malaysia need not necessarily work in Malaysia. With nursing certificates, they can go to Saudi Arabia and they earn about RM3,000-RM4,000 a month. What we do here is that we have to build up skills.

**TMR: You talked about centralised pig farming to overcome environmental pollution.**

**Abdul Khalid:** We have allocated Kuala Langat for centralised pig farming and all pig farmers will move there in a year. All existing pig farmers will be invited to be shareholders of this project.

This project will not be passed to a single entrepreneur. All pig farmers can become shareholders. It will be run more like a cooperative.

**TMR: Do you expect the Federal Government to cut allocations for Selangor?**

**Abdul Khalid:** I don't think so. Of

course, there will be noises by the Federal Government. In states like Selangor, Perak and Penang, the amount of tax paid by the taxpayers is quite substantial. It is not their business not to provide the necessary funding.

The Federal Government needs to fund infrastructure, because if you don't, then the whole Malaysian economy will suffer as these are the engines driving the economy.

And secondly, if the people feel that the government is not giving them a good deal, they may not want to pay tax. I think it's in the best interest of the Federal Government to act professionally.

They must know that when they use money from the consolidated fund, they cannot discriminate along political lines. They cannot, because that money comes from the tax payers in the country. If the money is Umno's money, then they can discriminate. If the money comes from the federal coffers, they cannot.

When you make a decision to fund projects, you make the decision because of a need. It has nothing to do with politics, race or colour. The Federal Constitution of

this country protects us.

We can bring a case to the High Court if the action or policy of the Federal Government is ultra virus or contravenes the Constitution, so I hope they understand the issue involved.

**TMR: Why wasn't this issue brought up before? Like Kelantan, for instance.**

**Abdul Khalid:** Kelantan was only one lone voice. Now it is five states. And the five states are the biggest tax payers.

**TMR: Is federal-state government relations a problem?**

**Abdul Khalid:** We have not seen a problem. The political football is quite normal even during the BN days. Among themselves, they play political football. Today, there is more political football in the BN than any other political parties. That is quite acceptable.

In terms of funding, we have the infrastructure funding from the Federal Government, services funding from the federal to provide services and administration and all that. But for the rest, the state has its own resources.

The state budget is about RM1.3 billion to RM1.5 billion. It's a balanced budget. We have enough income to cover our expenditure.

We can go into deficit if we fund new programmes. But we can work without. We already have had the allocations for most programmes.

**TMR: You are a Member of Parliament for Bandar Tun Razak and now Mentri Besar. How do you balance your time?**

**Abdul Khalid:** When you have this type of work, you have to rely on your assistants. Sometimes, politics is physical. I know it. During my PNB and Guthrie days, I also managed 140 and 200 companies. I don't have to be available and the companies are all over the world too, as long as you spread your responsibility quite broadly.

For example, I have assistants in Ipoh and Bandar Tun Razak.

**TMR: Do you foresee that your Pakatan would control the federal government in the next elections?**

**Abdul Khalid:** We are optimistic. Based on our experience, people initially thought that they would be falling out of their chairs if we could govern. But no, after one week, people are happy and getting delighted about it.

Now, they see that we know how to manage, we indicate the right direction. So, there is no big issue. So you really don't have to worry about that. The same thing will happen if we were in the Federal Government.

Initially, by giving us a victory in Selangor, the gossip was, oh there would be a riot all over the place. Now, I have not seen any riots. We are quite optimistic about the

acceptance of the people.

Even in the business group, it has become better. I met people who say "I would like to be with you in business".

No one asks whether you can govern or not. In fact, in the Middle East, I had been asked why I had not called them.

**TMR: I suppose people are not questioning you because of your background.**

**Abdul Khalid:** If you want to take over anything, you must show that you are capable. In some small ways, people voted us because they know we are capable. I am very proud of my excos, with all their background.

About 80% are professionals — engineers, doctors, lawyers, capable in their own right. And here, compare the former BN state government with our own excos, I think it's slightly lower in capacity.

Initially people would say "eh... not sure". But now they are sure. But of course you must perform.

**TMR: Are you adjusting to your MB life now?**

**Abdul Khalid:** In terms of work, I am adjusting. But getting mobbed by crowds, I don't really know.

**TMR: People have high expectations on your state government. What happens if any of your exco members were to carry out corrupt practices?**

**Abdul Khalid:** They would be sacked, that's all. There is nothing we can do.

But once you start to make your management very transparent, you will welcome it when (former Mentri Besar) Khir Toyo says they will set up a team to track us. I say that is a good sign. When we have people to do the check and balance, the chances of committing corruption will be reduced. I accept that. I say go ahead and do it. But the fact is, we are setting up the right environment.

**TMR: Are we right to say that the role you had played during the Dawn Raid of Guthrie was the one of the proudest moments in your life?**

**Abdul Khalid:** Yes. If I were to write an autobiography, this would at least deserve half of all the chapters.

Working with ASN (Amanah Saham Nasional) trying to promote the fruit trusts by going into the jungle of Sabah and Sarawak, would also deserve another chapter in my life.

Seeing the people getting the biggest dividend (60%) in their life is the satisfaction of my career in PNB.

This was in 1999 when people came into PNB to check their books and found that their investments have gone up to RM40,000 and they didn't know how.