

Accept difficult decisions for the long-term benefit of the nation - Daim

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KUALA LUMPUR, Aug 20 (Bernama) -- The government and the people must be ready to make and accept difficult decisions for the long-term benefit of the nation, says Council of Eminent Persons (CEP) Chairman Tun Daim Zainuddin.

He said there was no quick-fixes to the problems identified by the CEP and many challenges still lie ahead.

Daim today announced that the CEP had completed its mandate and a report, containing recommendations by the council, would be submitted to the Prime Minister Tun Dr Mahathir Mohamed, upon his return from China.

Three key themes shaped the council's recommendations and it revolved around the need to improve governance, the well-being of the people and the need to ensure that the economy was inclusive and sustainable, Daim told a press conference here today after the completion of the council's 100-day mandate on Aug 19.

The CEP was set up by the Prime Minister on May 12 with the objective of advising him on socio-economic and financial matters.

Daim said the first part of the council's recommendation dealt with governance issues and institutional reforms where it looked into areas of parliamentary reforms, judiciary appointments, the concentration of executive powers, abolition of oppressive legislation, government agencies reform, human rights laws, as well as, communications and media.

"The recommendations include measures to strengthen the independence of Malaysia's

core institutions and enhance their respective governance framework with the objective to put an end to the era of widespread corruption and abuse of power that has plagued the country," Daim said.

He added that while the council took cognisance of the weaknesses in the financial condition and the level of poor governance in the government and government agencies, it did not expect the magnitude and severity of the problems to be "this grave".

"None of us thought it would be that pervasive and systemic," he added.

The CEP also looked into ways to address multi-dimensional poverty and imbalances in the society and ways to improve programmes and policies that are key to ensuring the well-being of the people.

The recommendations, among others, focused on issues related to poverty, inequality, and measures to reduce the cost of living such as housing affordability, fuel subsidy, social protection, the former 1Malaysia People's Aid (BRIM) and toll.

Daim said based on the council's review, the current over-emphasis on cash handouts did not promote upward social and economic mobility.

"The cash assistance provided is disproportionately large relative to the prevention and skills upgrading initiatives. In addition, it tends to create an aid-dependent culture, particularly among young and single persons," he said.

The recommendations also looked into the Bumiputera Agenda, which he said cannot be seen in isolation as it is part of the national agenda. It is not in contradiction to the national agenda of inclusivity and economic wellbeing for all Malaysians.

"Any programme proposed and developed should not be to the detriment of economic growth nor at the expense of other social groups. We want to get it right this time around,"

said Daim.

One of the key recommendations by the CEP on how to grow an economy that is inclusive and sustainable is to include the development of a new framework for investment incentives with the aim to reverse the structural decline of the economy.

“This requires replacing irrelevant existing incentives with new ones that are outcome-based and promote sustainable and inclusive growth,” said Daim.

The council had also looked into matters involving fiscal management of the nation, focusing on the importance of a responsible, effective and sustainable fiscal policy.

The fiscal reforms aimed to strengthen fiscal discipline and accountability, especially in debt management.

The report proposed ways to increase revenue, as well as, redesign the tax policy to ensure that it was progressive, fair and balanced.

It also looked at ways to optimise expenditures, with emphasis on efficiency and reducing leakages.

The CEP comprised former Finance Minister Daim, former Bank Negara governor Tan Sri Zeti Akhtar Aziz, former Petronas CEO Tan Sri Hassan Marican, tycoon Robert Kuok and economist Dr. Jomo Kwame Sundaram.

Daim said over the course of the 100-days, the council met with over 350 individuals from more than 200 organisations, ranging from regulatory enforcement agencies, bankers, trade associations, chambers of commerce, corporations, SMEs, consumers, producers, retailers, contractors, taxi drivers, hawkers, farmers, activists, artists, NGOs, the disabled community and many other stakeholders.

He added that after the formation of a full cabinet, the CEP had also worked in consultation with the relevant ministries to obtain their input and feedback, wherever necessary.

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