

S Korean President Stresses On Maintaining Fiscal Health
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SEOUL, Aug 22 (Bernama) -- President Lee Myung-bak said Monday South Korea should maintain its fiscal health, warning that reckless welfare policies could lead to national default as seen in the case of the debt crisis in Greece, reports South Korea's Yonhap news agency.

Lee also said that fiscal soundness is also key to realising what he called "ecosystemic development" aimed at creating a "warm-hearted society in which the strong and the weak, the haves and have-nots, and big businesses and small businesses can work together for the sake of common progress."

The remarks came two days before Wednesday's referendum on Seoul's opposition-led free school lunch programme that Lee's ruling Grand National Party and Mayor Oh Se-hoon have denounced as a populist policy that should be blocked at any cost.

Oh said on Sunday that he would stake his mayorship on the result of the vote.

"The key to the success of ecosystemic development is the fiscal soundness of our nation. Only when our nation maintains sound finances would it be possible for the government to take care of low-income families who suffer first when the economy is bad," Lee said during his biweekly radio address recorded last week.

On Monday, Lee was in Mongolia as part of a three-nation tour to Central Asia.

"If we fail to secure fiscal soundness amidst the rapidly changing global economy, it would be tantamount to voyaging on a vast sea in a leaky boat," Lee said.

"We can learn a great lesson from some southern European countries, which are on the brink of national bankruptcy due to indiscriminately expanded welfare benefits instituted to win the favour of the public." Lee quoted professor Aristides N. Hatzis of the University of Athens as saying that the bankruptcy in Greece is attributable to two giant political parties that competitively engaged in welfare populism.

The professor also advised Korea never to follow the suit of Greece, Lee said.

"The entitlement policies that are being carried out already are hard to stop. When unreasonable policies result in wasting money, the consequence is government debt. The whole amount of which will then be turned over to our children, weighing them down," he said.

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