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| Event | Quick results expected from EAC |
| Date | 13 February 2019 |
| Publication | The Star |
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18 Views

Star Wed: 13/2/19

THE STAR, WEDNESDAY 13 FEBRUARY 2019

Quick results expected from EAC

THE formation of the Economic Action Council (EAC) by the government would be welcomed by all Malaysians who want progress. It's timely, given the world economic slowdown and the growing restiveness among Malaysians over our socio-economic wellbeing and future.

The EAC members are outstanding and would have the full support of the rakyat who expect them to deliver results fast.

The main aim of the EAC is to encourage and stimulate sustainable economic growth and equitable distribution of wealth, and to further enhance the wellbeing of the people. It will also look into issues relating to the cost of living, employment, poverty and home ownership.

We congratulate the government for this ambitious plan which appears to be a major review of our socio-economic planning.

The public will be encouraged and excited by the aims of the EAC and, hopefully, the government will exert its full political will to

deliver on the aims as soon as possible. Otherwise, disappointment would set in and dampen the mood and happiness of the people.

So how can we ensure good outcomes for the Malaysian society?

i) To stimulate sustainable growth (the first aim), there must be new policies and incentives to encourage both domestic and foreign private investment. This will call for more encouragement to the private sector to invest, with reduced protection to local industries and a smaller role for government involvement in business. Government-Linked Companies (GLCs), for example, have to play a lesser role in the economy.

Foreign investors also have to be fully consulted and allowed more liberal access to invest in our markets. However, all these new investments must be subject to more stringent sustainable development environmental policies and guidelines. At least, we would be able to attract better quality investments that will not damage the economy or cost us much more to clean up the environment

in the future.

ii) Equitable distribution of wealth is another laudable goal of the EAC. There is no point in going all out for economic growth while the income gap or Gini Coefficient worsens in our country. The rakyat will rightly ask why economic growth is for mainly the elite class to benefit. This question can raise, and reflect, a lot of social uneasiness and even social unrest.

To attain equitable wealth distribution, we can widen the welfare grants and safety net as well as provide more basic needs like housing, health and transport to the poor. To meet these additional public expenditures, we can raise more taxes from the top 20% of our income earners to provide more facilities for the poor. But how much more can we do?

Given our budget deficit and the high national debt, can our five-year plans and constrained annual budgets finance these higher expenditures? What more can we do to finance the equitable distribution of wealth and close the wealth gaps - nationalise assets or

better education?

One easy but questionable way to improve wealth distribution is to nationalise some of our assets and then redistribute wealth. But this is risky and an unprecedented and dangerous action to take. We could frighten investments away and Malaysia can become isolated!

If we want to pursue this topic, we will have to plan very carefully. Perhaps the most acceptable path to better wealth distribution would be through the provision of better education and training facilities for technical and vocational studies. This would enable our graduates from schools and universities to get better-paid jobs and thus narrow the wide income gaps in our society.

iii) To enhance the wellbeing of the people, we have to shift our emphasis from economic and gross domestic product (GDP) growth and move towards a happiness index to measure our wellbeing. We need to find out what would make the rakyat happier. Here again, it involves the provision of more basic needs and

stronger efforts to reduce the cost of living. Then, we go back to wiping out corruption, improving governance, cutting wastage of public funds and adopting moderate lifestyles. Efficiencies and a culture of meritocracy and competition should be encouraged by the EAC in all its new policies.

The EAC gives us all new hope for a better future but it must deliver fast so that we can be a happier and more content nation. At least go for the low-lying fruits, please. Help the poorest of the poor first - farmers, fishermen, the rising urban poor and those in isolated kampung and estates and new villages - and do it fast. The EAC will then win more credibility and support for its noble aspirations.

We all wish the EAC under the strong leadership of Prime Minister Tun Dr Mahathir Mohamad every success.

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