



Socialist Perspectives

Parti Sosialis Malaysia

Special edition for Socialism
International Conference 2018

A compilation of PSM press statements and presentation papers





PREFACE

Dear Comrades,

It has been a historic year for Malaysians, overthrowing the 61 year old Barisan regime through the ballot box. However the task of activist and socialist is far from over after the 9th May, 2018 Malaysian General Elections.

Although the new *Pakatan Harapan* (Coalition of Hope) government attempts to implement reforms that it promised in its manifesto, but the heterogenic nature of the broad political coalition causes it to renegade on its own promises. The lack of clear cohesive political ideology and class analysis causes its leadership to be conveniently influenced by neoliberal policy advisers in favor of big corporations and capitalist.

The role of PSM and social activist in this new Malaysia has to be one of active engagement and close monitoring of governments policies.

In this series of Socialist Perspective special edition for the Socialism International 2018 Conference, we have compiled PSM press statements and articles on various current issues and struggles embarked by PSM and our partners.

PSM has been actively engaging and yet protesting against any attacks on peoples key issues by the new government. Among the issues are Climate Change, Malaysian Development Plans, Health, Sedition, Housing, Refugees, Wages and many more.

We hope that this special edition of Socialist Perspective, will give readers a comprehensive outlook of contemporary local socio-economic issues and our analysis and recommendations for the way forward.

Thank you
Sivaraian , PSM Secretary General,

*That is why people who pronounce themselves in favour of the method of legislative reform in place and in contradistinction to the conquest of political power and social revolution, do not really choose a more tranquil, calmer and slower road to the same goal, **but a different goal.** Instead of taking a stand for the establishment of a new society they take a stand for surface modifications of the old society. If we follow the political conceptions of revisionism, we arrive at the same conclusion that is reached when we follow the economic theories of revisionism. Our program becomes not the realization of socialism, but the reform of capitalism; not the suppression of the wage labour system but the diminution of exploitation, that is, the suppression of the abuses of capitalism instead of suppression of capitalism itself.*

*— Rosa Luxemburg,
Reform or Revolution*



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CLIMATE CHANGE DIALOGUE 2018, Do SDGs enable Climate Resilience among the B40?

Dr.Jeyakumar Devaraj, PSM

I will have to give an unconventional answer to the above question – no, the SDGs do not build climate resilience among the B40 whether in Malaysia or elsewhere. I realize that this goes against the beliefs of many well-meaning liberals and social democrats who keep repeating the SDG mantra. In this paper I will attempt to explain why SDGs are of no great help to the B40 in handling the adverse effects of climate change and offer some thoughts as to how climate resilience among the B40 in Malaysia and elsewhere might be enhanced.

Vulnerability of the Malaysian B40 to Climate Change

Malaysia is not as vulnerable to the negative effects of climate changes when compared with the drought prone countries of South Asia and Africa and the low lying countries like Bangladesh and the island states in the South Pacific. We are also insulated by our relative wealth - our per capita GDP is 7 times that of Bangladesh and 10 times that of Senegal. Our relative wealth will provide us some resources in dealing with rising prices of food should there be crop failure in any part of the world.

Table One: Selected Statistics of Several Countries

Country	Per capita GDP – PPP ¹ (USD)	Under 5 Mortality ² (per 1000 life births)	Life expectancy – men ³ (years)
Malaysia	28,900	8	72.7
Indonesia	12,400	26	67.1
Bangladesh	4,200	34	70.6
Nigeria	5,900	104	53.4
Senegal	2,700	47	64.6

1. CIA website. The figures are estimates for 2017. (PPP = Purchasing Power Parity)

2. data.worldbank.org

3. Wikipedia. The data is from 2015.

However, like many other countries, we cannot escape the adverse effects of climate change. In Malaysia these adverse effects would include



1. Extreme weather events

- a/ Much heavier rains leading to flash floods
- b/ Storms with high velocity wind leading to damage to roofs and houses
- c/ Hotter than normal spells.

These weather events will hit the B40 Malaysians hardest as a higher proportion of them live in flood prone areas, inhabit houses that are not strong structurally and do not have the means to change roof material from zinc to material that can reflect off the sun's heat or build effective ceilings or put in air conditioning.

2. Rising prices of food due to crop failure either in Malaysia or in any part of the world. Malaysia imports a lot of food as we only produce 70% of the rice we consume, 30% of beef and less than 10% of dairy milk. A lot of our animal feed is also imported.

Table Two: Malaysia Self Sufficiency Levels for food.

Food Product	Self-sufficiency level	Source
Rice	73.5%	Answer to Parliamentary Question # 13, 18/3/2014
Beef	30%	Answer to Parliamentary Question # 52, 17/3/2015
Fish	77%	Answer to Parliamentary Question# 16, 4/11/2014
Vegetables	57%	Answer to Parliamentary Question # 19, 18/3/2014

According to the Minister for Agriculture then, our food import bill was RM 45.4 billion in 2015^a. This constitutes about 40% of our total expenditure on food. Crop failure in any part of the world will push up the prices of food. Again the B40 will be more affected as they are already on a tight budget now. If the prices of foodstuff go up their budgets will be severely strained.

3. Flooding of coastal areas due to rising sea-water levels especially during tidal surges that coincide with rainfall in the interior. This phenomenon will again affect the families that do not have the financial means to shift to homes on higher ground.



Enhancing Climate Resilience in the B40

We have the technology to ameliorate many of the adverse effects of climate change. A sample of the steps we could take are tabulated below –

Adverse effects	Steps to increase resilience
Flash Floods	<ul style="list-style-type: none"> a. Create detention ponds and underground storage tanks to contain excess storm water – the “sponge city” concept. b. Construct bunds for rivers, dredge them regularly to remove silt c. Rehabilitate the banks of rivers in regions that have been logged so as to reduce erosion and subsequent siltation of rivers.
Flimsy houses that get damaged in storms	<ul style="list-style-type: none"> a. Provide grants for the affected B40 families to rebuild their damaged structures. b. Provide grants to B40 families to strengthen their houses.
Rising food prices	<ul style="list-style-type: none"> a. Increase the income of the B40 by increasing the minimum wage. b. Institute the “ration card” system as in India so that all families are guaranteed a minimum supply of basic food. c. Create larger stock piles of food to cover the eventuality of d. food shortages in the future.
Rising sea levels	<ul style="list-style-type: none"> a. Relocate the affected families to higher ground. Subsidize the cost of this exercise.

From the table above it should be clear that achieving greater “climate resilience” requires policy decisions and an outlay of funds. It is a societal issue and not something that individual B40 families can attain on their own if they have the “right attitude”. Measures to make us more climate resilient will require funds and government intervention.

Funds to enhance climate resilience

The shortage of funds to mitigate climate change is a major problem in developing countries. Though we are a middle income country, we are constantly trying to reduce our budget deficit. Our federal budget for 2018 is RM 280 billion, which is about 22.3% of the Malaysian GDP. Maintaining the level of services we already have in place takes up a lot of the current



budget of the government. We would need to augment government income if we wish to embark on ambitious programs to reduce our carbon footprint (e.g. switch to renewable sources of energy) and to enhance climate resilience in our population.

But we are in a quandary. We can't raise taxes too sharply. The international economic system that we are a part of has engendered a competition among ASEAN countries to reduce corporate taxes and taxes on really wealthy individuals. Our corporate tax rate was 40% of profits in the 1980s. It has been reduced in stages to its current 24% of profits^c. And our government plans to bring it even lower so that businesses and the super-rich will see Malaysia as a business friendly country and come in with investments. Singapore's corporate tax rate is 17% of profits and Thailand's, 20% for 2018. That puts further pressure on our government to abstain from increasing corporate taxes. Given the liberalization of the economy promoted by the IMF and the World Bank, corporations and the super-rich can move to lower tax nations in ASEAN but still continue all their business activities in Malaysia – courtesy of the ASEAN Free Trade Agreement that allows tariff free trade between the ASEAN members. So the government's anxiety that corporations and high value individuals might shift to other countries is not unfounded.

At present only the T20 pay personal income tax and the total amount collected is only about half that collected via corporate taxes. We could of course increase the tax rates for the T20, but 1 to 3% of the richer among them will then seriously consider relocating to a neighboring country.

The other option is to look to developed countries for funds. They have pledged to contribute funds for climate related projects in the developing countries. But the reality is that they have all under-performed in meeting this obligation. At the latest Climate Change Conference that took place in Bonn, Germany on 6 – 18 November 2017, there was a major tussle over funding for developing countries. Article 9.5 of the Paris Agreement (2015) requires the developed countries to communicate biennially the quantum of financial resources that would be made available to developing countries to deal with climate change. A total of USD 100 billion per year has been agreed to as the minimum amount and this should be made available to developing countries from 2020 onwards^e. South Africa wanted to initiate discussions on the operational details of Article 9.5 and this call was supported by the African group of countries, the G77 and China. However countries in the EU and the USA objected strongly. The compromise reached was the issue would be discussed at the next meeting of the Subsidiary Body for Implementation that was scheduled to meet in May 2018.

But if we wish to be fair to the governments of the OECD countries, we must take cognizance of the fact that they too are in a similar quandary as our government when it comes to taxing their corporations or their super-rich. The liberalized global economy allows the large corporations to establish headquarters in low tax countries and thus avoid paying taxes in their



home country. The super-rich too can play a similar game. George Soros once commented that something must be wrong with the system if he paid even less tax than his secretary did! According to the RT Newsletter 13/11/2017:

In 2015 Bloomberg reported that Soros' hedge fund paid \$962 in tax in Ireland on \$3,851 net income through 2013, while the remaining \$7.2 billion operating income was allocated to investors.

A year later, Soros shut down the Irish company and set up another in the tax-friendly Caymans. By the time the new company in the Caymans was created, Soros had reportedly funneled \$13.3 billion in fees, which means he had dodged almost \$7 billion in taxes if his business had been entirely located in the United States.

And all this is “kosher” – it is legal under the liberalized rules of the global economy!

Why the SDG approach is not helpful enhancing Climate Resilience?

The SDGs obfuscate! (make obscure, unclear or unintelligible). The SDGs are fine as a wish list. They constitute a comprehensive set of targets that all well-meaning people should support. But the problem with the SDG approach is that it has been so “sanitized” that it completely omits to point out the underlying causes of global poverty. Examples:

- The international system of trade has underpriced primary commodities for the past 60 years. One of the main reasons for this is that there are millions of primary producers selling to an oligarchy of 5 to 20 huge firms buying that particular commodity. The market power of the oligarchy is immense. It sets up its own stockpiles and uses this to leverage the prices downwards.
- The large multinationals outsource parts of the production process to third world countries and then use competition between multiple third world contractors to keep the prices of the intermediate products sold back to them as low as possible. This forces the third world contractors (the comprador capitalists) to squeeze their workers so as to keep costs as low as possible so that they can win more contracts. The MNCs make huge profits, and the compradors don't do badly either!
- The international financial institutions like the World Bank and the International Monetary Fund have played a major role in impoverishing African nations by insisting on “Structural Adjustment Programs”. They make emergency loan provision to desperate indebted countries contingent on the borrowing country agreeing to reduce social services – health, education, water - for its population so that the budget can be balanced and the loan paid back.

I could go on with a few more examples. But the crux of the matter is this – Poverty amongst 50% of humankind is causally related to the structure of the global economy that permits the



super accumulation of wealth in the coffers of the richest 0.1% of the world's population. But the SDGs keep very quiet on this issue. As Jason Hickel puts it in an issue of the Jacobin –

Basically the SDGs want to reduce inequality by ratcheting the poor up, but leaving the wealth and power of the global 1% intact. The SDG proponents fail to accept that mass impoverishment is the product of extreme wealth accumulation by a few. You can't solve the problem of poverty without challenging the pathologies of accumulation.

SDG goal 1 talks about poverty eradication; Goal 6 focuses on clean water and sanitation; Goal 7 is about affordable and clean energy and Goal 13 is on Climate Action. All laudable goals. But the facts of the matter are:

1. There is an urgent need to act on these issues and
2. Mankind now has the necessary technology to address these issues, but
3. The surplus funds of mankind are in the hands of the global 0.1%.

According to OXFAM's 22nd January 2018 Report-

Eighty two percent of the wealth generated last year went to the richest one percent of the global population, while the 3.7 billion people who make up the poorest half of the world saw no increase in their wealth, according to a new Oxfam report released today. The report is being launched as political and business elites gather for the World Economic Forum in Davos, Switzerland.

*'Reward Work, Not Wealth' reveals how the global economy enables a wealthy elite to accumulate vast fortunes while hundreds of millions of people are struggling to survive on poverty pay. **Billionaire wealth has risen** by an annual average of 13 percent since 2010 – six times faster than the wages of ordinary workers, which have risen by a yearly average of just 2 percent.*

- ***It takes just four days** for a CEO from one of the top five global fashion brands to earn what a Bangladeshi garment worker will earn in her lifetime. In the US, it takes slightly over one working day for a CEO to earn what an ordinary worker makes in a year.*
- ***It would cost \$2.2 billion a year** to increase the wages of all 2.5 million Vietnamese garment workers to a living wage. This is about a third of the amount paid out to wealthy shareholders by the top 5 companies in the garment sector in 2016.*

*Oxfam's report outlines the key factors driving up rewards for shareholders and corporate bosses at the expense of workers' pay and conditions. These include the erosion of workers' rights; **the excessive influence of big business over government policy-making**; and the relentless corporate **drive to minimize costs** in order to maximize returns to shareholders.*



Winnie Byanyima, Executive Director of Oxfam International said: "The billionaire boom is not a sign of a thriving economy but a symptom of a failing economic system. The people who make our clothes, assemble our phones and grow our food are being exploited to ensure a steady supply of cheap goods, and swell the profits of corporations and billionaire investors."

This is the crux of the issue – the resources to finance a campaign to slow global warming and to mitigate for its adverse effects are in the investment funds of the super-rich and cannot be drawn upon to address climate related problems. We need to address the entrenched power – both economic and political - of the richest 0.1% of mankind if we wish to release funds for the causes that are really critical such as addressing global poverty, reducing carbon emissions and enhancing climate resilience.

This is where the SDG approach fails us. The SDG approach pretends that these systemic causes of Third World poverty do not exist. It does not call out the imbalances in wealth and income distribution. Instead some SDG proponents are happy to rub shoulders with the global elite whenever they use a miniscule amount of their huge funds for some well publicized CSR program. If this isn't obfuscation what is?

What is to be done?

1. First of all we need to accept that the sanitized SDG approach is not going to solve the problems of climate change or help in enhancing climate resilience. We can accept the SDG goals for they are good targets for us all. But we need to recognize that the failure to identify the entrenched economic, political and institutionalized privileges of the global 0.1% is a major impediment to the solution of the problems we are facing.
2. We need to work on Bandung II. A project for the 99% (including the ordinary citizens of the EU and the US) to dismantle some of the privileges of the 0.1% and to reset the balance between the super-rich and the rest of us so that the resources of the world can be used for the benefit of the 99%.
3. But we need to work on climate change right here and now. We cannot wait for fairer income distribution to begin our efforts. And being a middle income country we have considerable "wiggle room" as compared with countries like Bangladesh and Senegal.
4. In Malaysia we should allocate some resources to address flooding.
 - a/ We should do simulation stress tests in all the districts in Malaysia to assess the risk of severe flooding if rainfall that is twice as intensive as ever recorded before were to take place. The local population should be involved in this process, and medium term plans to reduce erosion and siltation of rivers, build and maintain detention



ponds, ensure proper storm water management protocols in new projects, etc. should be set in motion.

- b/ Deforestation. This must be stopped whether it is due to logging or because of plantation activity. This will help preserve the “carbon sink” as well as reduce flooding downstream. Perhaps there is a need for a federal fund to give an annual grant to the states based on the acreage of unlogged forests existent in the state. (For often the excuse for approving logging licenses is that the State needs money for development.)
 - c/ Rehabilitation of deforested areas must be given top priority. The banks of rivers and streams need to be planted with trees and shrubs so that erosion and siltation can be addressed at source. Wherever possible the local population should be enlisted in this activity.
5. Enhancing food security should also be given very high priority. Among other initiatives,
- a/ The existing vegetable and cattle farmers who are utilizing government land should be registered and serious efforts should be made to grant them leases to the land they are using, but with the caveat that the land leased to them has to be used for food production. Our current trend of development is leading to progressive eviction of this category of farmers.
 - b/ Suitable land currently under oil palm cultivation should be acquired from the plantation companies to boost padi production to 100% self-sufficiency and to produce at least 60% of the animal feed that we need in Malaysia.
 - c/ Many traditional farmers complain that monkeys, wild boar and elephants make cultivation of vegetables and fruits very difficult. This has to be handled. Would building giant cages spanning a few acres within which food crops can be grown be a viable option? This, and other options have to be explored. There is also a need to look into the marketing of the fruit and vegetables being produced.
 - d/ Our fishing resources have to be protected. There is currently over-fishing in our coastal waters. There has to be stricter enforcement. GPS technology should be implemented to ensure that trawlers stay out at sea and do not encroach into coastal waters. Replenishment of fish through the building of artificial reefs and other measures have to be undertaken.
 - e/ Peri-urban farming of vegetables should be popularized. This mode of vegetable production has been used with great success in Cuba. We need to see if it can be



replicated here. The Consumer Association of Penang is already taking steps in this direction.

6. We need to strengthen our social safety net. That would play a part in enhancing climate resilience as with a more comprehensive safety net, people would be able to handle higher prices of food. Specifically, we should consider;
 - a/ Protecting and strengthening our Public Health Care system. This is so that people do not need to take expensive insurance packages to cover treatment in the private sector.
 - b/ Old age pension of RM 300 monthly for each person above the age of 70 years who is not receiving pension from any other source.
 - c/ Expanding SOCSO coverage to all informal workers and to small farmers. This would provide much needed relief if they happen to be injured in accidents or rendered disabled by illness.
 - d/ State level non-profit housing boards to provide low cost houses for first time buyers. One of the conditions should be that the buyer must sell back to the Board if he/she wishes to sell the house.
7. We need to promote greater awareness of climate change, climate resilience and other environmental issues. The Malaysian public must be drawn into a discussion on these issues. This dialogue by Cetdem is a good step in this direction, and I would like to congratulate Cetdem for taking the effort to organize this event.

Thank you.

- A paper presented at conference Climate Change Dialogue organized by Centre for Environment, Technology and Development, Malaysia on 10/7/2018.

Notes

a. *Star online 15/3/2016*

b. *The World Data Atlas states that Malaysia's per capita expenditure on food was USD 1121.60 in 2014. (1121.6 x 3.6 x 28 million = RM 113.1 billion)*

c. *The standard corporate tax rate is 24%, while the rate for resident small and medium-sized companies (i.e. companies incorporated in Malaysia with paid-up capital of MYR 2.5 million or less and that are not part of a group containing a company exceeding this capitalization threshold) is 18% on the first MYR 500,000 of profits. deloitte.com*

d. *Meena Raman's article in Third World resurgence Issue 326 – 327.*

e. *Wikipedia*



MID TERM REVIEW OF THE 11TH MALAYSIAN PLAN

By Dr Jeyakumar Devaraj, PSM



In the Foreword to the 11th Malaysia Plan, the then Prime Minister DS Najib Razak wrote "*the rakyat will be the centre piece of all development efforts*". In the next page he talks about "*inclusive and sustainable*" development. Nice inspirational words, but the effectiveness of national development plans depends a lot more on whether the plan is based on a sound assessment of where we are as a nation and the nature of the problems we are facing.

The 11th Malaysian Plan ignores or glosses over many of these problems. Let me give a few examples.

1. The Poverty Line

On page 3-3 the 11th Malaysia Plan document notes with pride that our poverty rate has been brought down to 0.6%. But the planners do not go on to ask:

- Are we setting the poverty line too low? Is RM 920 a month for a family of 2 adults and 2 children sufficient? Where would such a family live? How would the children go to school? Walk?
- Isn't it time we consider using the OECD standard of 60% of median household income as the poverty line? This is based on the notion that a family that cannot provide all its members a decent housing or education must be considered "poor". Our median household income in 2014 was RM 4585 (pg. 1-4). That would mean the poverty line should have been set at RM2750 in 2014, and that about 22% of our families were poor then.

Unfortunately this important issue was not discussed, and the problem of poverty was swept under the carpet in the plan document!



2. Health care

The plan notes that *“the government improved access to quality healthcare services by leading to an increase in life expectancy and a reduction in infant and mortality rates”*.

(Pg. 4-5)

However the planners do not go on to identify the major problems affecting our public health services namely:

- only 25% of the specialists in the country are in government service although 75% of inpatients are admitted to government hospitals. There is a serious shortage of specialists in government hospitals. The negative impact of opening new private hospitals (through increasing brain drain) is not addressed.
- the overcrowded wards in government hospitals in our major cities – Ipoh, Klang, and others.
- the leakage of the health budget through overpriced contracts for supplies, services and construction. A significant percentage of the RM 26 billion allocated for “health” goes to fatten crony developers and businesses.
- the high cost of co-payments for patients – for lenses, plates and prostheses for orthopedic operations, stent for by-pass operations, stapler equipment for bowel surgery and many others.
- the lack of training positions and supervision for housemen because too many private medical schools have been given the permission to set up and churn out doctors. This is certainly going to affect the quality of our future doctors.

If problems are not even identified, how will they ever get solved? Not through this 5 year plan definitely.

3. The oversupply of migrant workers

The plan hardly touches on the fact that there are now some 2 million registered foreign workers and about 4 million undocumented ones. It does not discuss the fact that the existence of so many undocumented migrant workers depresses the wage floor for Malaysian workers from the B40 stratum of society. Undocumented workers are desperate for work so they are prepared to work at wages lower than the legally mandated minimum wage. So many Malaysian employers employ undocumented migrants creating underemployment for Malaysian B40 workers. An honest discussion of this phenomenon would have led to a discussion of:



- the fact that bringing in foreign workers is highly lucrative both to the employment agencies and to the officials overseeing the process. Workers pay a fee of RM 14,000 per person to come to Malaysia. Even if RM 5,000 of this accrues to the Malaysian agent the total amount for 6 million workers is a staggering $5,000 \times 6 \text{ million} = 30 \text{ billion}$ (spread out over the past 10 years).
- the fact that many undocumented workers came with the correct documents but because of cheating by the agents or bad treatment by their legal employers decided to run away and become undocumented. A crucial contributory factor is that they do not have the right to redress. The moment they refer their employer to the labour department, their work permit gets cancelled and they are bundled off to their home countries – if they do not go underground first.
- the fact that our amnesty programs have failed largely because they have been outsourced to private companies that try to make another quick buck from the migrant workers by asking for large under the counter payments.

One has to lay out the facts and then discuss options for dealing with the issues. The 11th plan is very deficient in doing this!

4. Forest cover

The Plan states that forest cover in 2014 was 61%, up from 56.4% in 2010 (Pg. 6-4). We are expected to believe that from 2010 till 2014, the rate of successful reforestation efforts was much higher than the rate of ongoing logging! I find that extremely hard to swallow. When the plan document starts to play fast and loose with the statistics it becomes more of a propaganda exercise than a serious planning exercise!

5. Adapting to Climate Change

This is addressed in chapter 6 of the plan document and focuses mainly on the management of floods. It does not touch on food security. This is a serious omission, for Malaysia imports a lot of food -we only produce 70% of the rice we consume, 30% of beef and less than 10% of dairy milk. A lot of our animal feed is also imported.

**Table Two: Malaysia Self-Sufficiency Levels for food.**

Food Product	Self-sufficiency level	Source
Rice	73.5%	Answer to Parliamentary Question # 13, 18/3/2014
Beef	30%	Answer to Parliamentary Question # 52, 17/3/2015
Fish	77%	Answer to Parliamentary Question# 16, 4/11/2014
Vegetables	57%	Answer to Parliamentary Question # 19, 18/3/2014

According to the Minister for Agriculture then, our food import bill was RM 45.4 billion in 2015. (Star online 15/3/2016) This constitutes about 40% of our total expenditure on food^b. Crop failure in any part of the world will push up the prices of food. The World Data Atlas states that Malaysia's per capita expenditure on food was USD 1121.60 in 2014. (1121.6 x 3.6 x 28 million = RM 113.1 billion)

It is important to identify the major problems facing us. For then we can start debating our policy options. In the case of food security, the 11th Plan could have started a discussion on the following measures

- a/ The existing vegetable and cattle farmers who are utilizing government land could be registered and serious efforts be made to grant them leases to the land they are using, but with the caveat that the land leased to them has to be used for food production. Our current trend of development is leading to progressive eviction of this category of farmers.
- b/ Suitable land currently under oil palm cultivation should be acquired from the plantation companies to boost padi production to 100% self-sufficiency and to produce at least 60% of the animal feed that we need in Malaysia.
- c/ Many traditional farmers complain that monkeys, wild boar and elephants make cultivation of vegetables and fruits very difficult. This has to be handled. Would building giant cages spanning a few acres within which food crops can be grown be a viable option? This and other options have to be explored. There is also a need to look into the marketing of the fruit and vegetables being produced.



d/ our fishing resources have to be protected. There is currently over-fishing in our coastal waters. There has to be stricter enforcement. GPS technology should be implemented to ensure that trawlers stay out at sea and do not encroach into coastal waters. Replenishment of fish through the building of artificial reefs and other measures has to be undertaken.

e/ Peri-urban farming of vegetables should be popularized. This mode of vegetable production has been used with great success in Cuba. We need to see if it can be replicated here.

6. The Race to the Bottom

Governments need funds to strengthen the welfare net for the people, to pay for reforestation efforts, to invest in renewable energy and other socially beneficial expenditure. However our governments are cash strapped. The international economic system that we are a part of has engendered competition among ASEAN countries to reduce corporate taxes and taxes on really wealthy individuals. Our corporate tax rate was 40% of profits in the 1980s. It has been reduced in stages to its current 24% of profits. And our government plans to bring it even lower so that businesses and the super-rich will see Malaysia as a business friendly country and come in with investments. Singapore's corporate tax rate is 17% of profits and Thailand's, 20% for 2018. That puts pressure on our government to abstain from increasing corporate taxes.

Given the liberalization of the economy promoted by the IMF and the World Bank, corporations and the super-rich can move to lower tax nations in ASEAN but still continue all their business activities in Malaysia – courtesy of the ASEAN Free Trade Agreement that allows tariff free trade between the ASEAN members. So the government's anxiety that corporations and high value individuals might shift to other countries is not unfounded.

There is no mention at all of this issue in the 11th Plan document. The effects of the race to the bottom on government income or on our efforts to raise the minimum wage are not discussed because the issue is not even recognized.

For a Development Plan to be useful, it must be more than a propaganda tool. Sadly, that's basically what the 11th Malaysia Plan document is! We need to re-chart our economic course basing our efforts on a more thorough and honest assessment of our current situation. And that process would be enhanced if more of the public take part in the discussion.

- *Paper presented by Jeyakumar Devaraj at a rountable meeting by Centre for Public Policy Studies (CPPS) on 23rd July 2018*



STOP THE REPRESSION OF STUDENTS IN BANGLADESH !

Joint memorandum submitted to the Bangladesh Embassy, Malaysia

August 8, 2018



The undersigned Asia-Pacific left parties and organizations condemn the violent repression of the peaceful protests by students in Bangladesh.

These peaceful protests were sparked off by the killing of two students — and critical injury of several others — by a speeding bus in Dhaka on July 29. The students began protesting the poor regulation and corruption of the transport sector but they were violently attacked by police. Gangs of armed thugs were allowed by the police to attack the students with machetes and other weapons and sexually harass female students.

More than 100 students have been injured. Schools have been closed and university campuses have been under siege by police. Reporters and photographers covering the protests have been attacked and an award-winning photographer, Shahidul Alam, 63, has been arrested after he gave an interview to Al Jazeera. We call on the Bangladeshi government to:

- immediately stop its repression of the student protests
- stop allowing and encouraging criminal gangs to attack the students
- end its siege of university campuses, and to,
- release Shahidul Alam and all student protesters who have been arrested

Endorsed by:

- | | |
|---|---|
| 1. Socialist Alliance, Australia | 6. People's Democratic Party (PRD), Indonesia |
| 2. Socialist Party of Malaysia (PSM), Malaysia | 7. Partido Lakas ng Masa (PLM), Philippines |
| 3. Awami Workers Party, Pakistan | 8. Partido Manggagawa, Philippines |
| 4. Communist Party of India (Marxist-Leninist), India | 9. Partido Manggagawa-Kabataan, Philippines |
| 5. People's Liberation Party, Indonesia. | 10. Latin America Social Forum in Australia |



LONG DUE RELEASE FROM SEDITION CHARGE

By S.Arutchelvan

PRESS STATEMENT -15 August 2018, Jalan Duta Court



Today the Attorney General's office finally accepted my Lawyer's Representation letter dated 17 July 2018 and we were notified by Deputy public prosecutor Norinna Bahadun at around 10.45am that the prosecution wanted to discontinue its case against me and Eric Paulsen.

I welcome this long overdue decision. Yes long overdue. It is now 70 years since the Sedition Act was enacted by the British to suppress Independence Fighters after declaring an emergency in 1948. This same law which was used by the British to prosecute Gandhi in India was never repealed in Malaysia though it has been repealed in Britain, its country of origin. When Merdeka was proclaimed in August 1957, this act was not repealed. All Prime Ministers from Tunku, Razak, Hussein Onn, Mahathir, Badawi and Najib continued to keep the sedition Act. It is sad that the PH Government, which in its election manifesto pledged to repeal the act, till today as it marks its 100 days in power, has failed to repeal this draconian colonial law

What was even sadder was when after my release from this charge, a news item appeared that Hishamuddin Rais would be questioned by the police under the same act the PH Government vowed to repeal.

And in court today, again DPP Norinna Bahadun after stating that the AG was withdrawing the charge, asked for Discharge not amounting to an acquittal. Both my Lawyer Sin Yew and Eric's lawyer objected and called for a full acquittal citing some authority. Sessions Court judge Edwin Paramjothy then fully acquitted and discharged both of us.



Flashback

Just after noon on 10 February 2015, the court dismissed Anwar's appeal and Anwar was going to jail again for Sodomy². All International media called this verdict a charade. At 3pm on the same day, I released a statement as the Secretary General of PSM. It was an angry statement which captured the mood of the day and mood of the nation.

PSM Statement: 10 FEBRUARY 2015 - Political Judgment - Beyond Reasonable Doubt!

Parti Sosialis Malaysia (PSM) is appalled at the disgraceful judgment by the highest court in the nation on Anwar's sodomy II case. Any person following the trial in the Federal Court would have made an overwhelming foregone conclusion that Anwar is innocent and he will be a free man today. This hope was dashed and now in shambles.

The Judgment today further deepens our convictions that the courts are not independent and are politically driven. The Prime Minister's department which in normal circumstances responds late to any issues, has already issued a statement very promptly and efficiently. Was this statement already ready before the judgement? One would not need a genius to answer this.

The highest court has unanimously put to shame our criminal justice system and Judiciary beyond repair. It is time people realize that something is seriously wrong.

The decision today besides creating a political crisis as well as leadership crisis in PR, will also divert attention away from real issues faced by the normal rakyat such as the serious increase in prices of goods, the Floods, the dengue epidemic, the implementation of the GST and other pressing issues. The decision is designed to keep us away from addressing the real issues while the culprits continue to reap huge profits and immense power.

It is time to unite against this corrupt system. We stand in unity with PR and Anwar's family on this.

When injustice becomes law, resistance becomes a duty !

Released by

S.Arutchelvan

Secretary General

The very next day, the IGP issued a statement which was picked up by the SUN that he will investigate my statement and others. I knew it was a statement to create fear so as to curb any dissent resulting from Anwar's latest conviction.



Nevertheless, I never expected the police to arrest me on the first day of Chinese New year on 19 February 2015. I was away the whole morning and afternoon distributing the Party newspapers in Semenyih. At around 6pm, I was arrested by around 15 policemen from Dang Wangi police station. They also confiscated my laptop, my modem and my phone. ASP Redzaimo who was my investigating officer was also complaining that he wanted to take his family to PD for a holiday when he received instructions to arrest me.

Likewise, many of my friends had to cut short their holidays and return to campaign for my release. Party members came to my house. New Sin Yew my lawyer and friend abandoned his Chinese New Year family reunion dinner to come to Dang Wangi to represent me. A vigil was held outside the station where the PSM Leadership and others condemned the arrest.

The next day the Police requested for a four day remand saying among other things that they had 2 more places to raid - my party office in Semenyih and Brickfields to confiscate my other computers. The police said that that they were also investigating how come my statement came out so fast indicating that I had some heavy connections. Amer Hamzah represented me and did a pretty good job in ridiculing the entire remand request. I told the court that I was not denying the statement and in fact stood by it as it was the party's statement and it was released to the media. There was therefore no need for any further raid. The Police were unsuccessful in getting a further remand and I was told to be released by the court after my statement being taken.

On 18 November 2015, I was informed that they planned to charge me and on 23 November 2015, I was charged under Section 4(1) (c) of the Sedition Act which provided for a maximum fine of RM5,000 or a maximum jail term of three years, or both, for first-time offenders. I was also charged with an alternative charge under Section 233(1) (a) of the Communications and Multimedia Act (CMA) 1998 for allegedly posting a statement on Facebook with the intention of hurting the feelings of others.

I challenged the charge and was released on a police bail of RM 5,000.

On 22 January 2016, my lawyer made a representation to the AG to drop the charge since the Najib Government planned to amend the sedition act and one of the amendments was that critiquing a court decision could not be construed as sedition. But on 23 February 2016, the AG rejected my lawyer's representation and fixed trial for 13 till 17 June 2016.

The case did not move on from 13 June 2016 onwards as there were numerous postponements pending Mat Shuhaimo's challenge on a question of law to the Federal court. Because of this, many cases were postponed. Some people were convicted by then. Finally the end was coming for BN.



On 9 May 2018, The BN Government fell. Two days after that on 11 May, The Yang di-Pertuan Agong Sultan Muhammad V consented in granting Datuk Seri Anwar Ibrahim a full and immediate pardon. Anwar was released on 16 May 2018 where he said his appeal for the pardon was on the basis of a "miscarriage of justice" or "travesty of justice" and this meant that his convictions and sentences had been erased from the records.

If his convictions were erased from the records that meant my charge would not be able to stand at all. My lawyer on the 17 July 2018 again put in a representation to the new AG Tommy Thomas.

Outside the court I called for the Sedition Act to be repealed. I thank all my lawyers who did the case without any fees. To all PSM members and other supporters for their continuous support.

Thank you everyone. This is long overdue. Let me repeat the last Para of my statement which got me into trouble

When injustice becomes law, resistance becomes a duty!

S.Arutchelvan

11.09pm 15 August 2018



RECOMMENDATIONS FROM PSM FOR THE PUBLIC HEALTH SYSTEM



First of all we would like to congratulate Pakatan Harapan (PH) for its achievement in the past GE and on the appointment of YB Dr Zulkefry himself as the Minister of Health in the new Government. We strongly welcome YB's intention to increase the Health Ministry's budget from 2.2% this year's Gross Domestic Product (GDP) to 3.5% of GDP in the budget next year. This is a very important step in the pursuit of strengthening health services in our country.

However the statement by the Deputy Minister of Health as well as YB himself on Health Insurance has raised concerns among ordinary citizens. Because, as mentioned under the ninth promises?? in the Buku Harapan (PH Election Manifesto), "People are increasingly worried about rising health costs. There are still many Malaysians who cannot afford the necessary health insurance ". We hope the "Social Health Insurance" referred to by the Minister is just a new name for the "Health Care Scheme" and will not charge any additional contributions / payments to our people

Financing Issues for Treatment and other issues pertaining to the performance of the General Health System are analyzed in this Memorandum and our views on how to overcome the problem are presented. It is our hope that the acceptance of this Memorandum is the first step in establishing communication channels between us, PSM and the Coalition Against Privatization of Healthcare Services, with the Ministry of Health. In our view, our country's public health system should be protected and improved as it plays an important role in ensuring the well-being of the people and also building solidarity among the people.



Here is our analysis of the problems and some ideas on how to address them.

Problem 1: Shortage of Doctors in Government Hospitals

Even though 70% of all in-patient patients are treated at Government Hospitals, only 25% of the total specialist doctors in our country are in Government Hospitals. This has led to imbalance in the quality of treatment between patients in government hospitals and patients in private hospitals. A system with two classes of treatment exists in our country. Patients from the B40 and M40 are forced to rely on the public system and receive treatment that is occasionally not optimum. They have to wait a few weeks or months to be reviewed by an specialist. Meanwhile patients who can afford to pay, get expert treatment promptly in the private sector or in the Full Paying Scheme clinics in government hospitals. Please refer to the Table below which compares the situation of Ipoh General Hospital with Private Hospitals in Ipoh.

Table 1: Resident Specialist

Specialty	Ipoh General Hospital	Private Hospital in Ipoh
<i>Cardiothoracic Surgeon</i>	None	2
<i>Urologist</i>	None. Visiting from KL	4
<i>Oncologist</i>	None. Visiting from KL	3

The same situation exists in almost all Government General Hospitals other than the Government Hospitals in the Klang Valley, resulting in delays and weaknesses in the treatment of certain cases requiring the attention of specialists.

Recommendation from PSM

1. Implement a detailed study to identify the number of specialists in each field in government hospitals and in private hospitals according to the following breakdown of experience: (i) Less than 5 years after specialization, (ii) 6 to 10 years, (iii) 11 up to 15 years and (iv) more than 15 years after specialization. In order to take steps to overcome the problem, we need complete information that will give us a better understanding of the actual situation.

2. Freeze the building of private hospitals. This is an important step, as new Private Hospitals will lure specialist doctors from Government Hospitals by offering far better financial incentives than salaries in the public sector. The emigration of specialist doctors from Government hospitals to the private sector will be accelerated with the creation of new private hospitals.



3. Creating a **Special Service Commission for health staff** so that salary schemes and incentives can be improved. Perhaps the salary scheme implemented by IJN can be modified for use by the new Commission. Also incentives such as 4-monthly "Sabbaticals" for every 5 years of service may be offered to government specialist doctors to deepen their expertise.

4. **Freeze the "Full Paying Patient" (FPP) scheme.** Do not extend this scheme to other hospitals. Do a professional study by a third party to study the impact of the scheme on non-paying patients and on the training of young doctors. What about harmony among specialist physicians? How do junior specialist doctors feel about the extra work they are landed with when their heads of department take off time to see full-paying patients?

The FPP Scheme also has the potential to create conflict of interests among specialists who are leading the units. Because, if the unit functions efficiently and the patient can be treated promptly, no patient will choose the full payment scheme.

The government should explore the option of paying specialists who choose not to join the Full Paying Patient scheme a special allowance (maybe RM 2000 per month) to encourage them to continue to focus on non-paying patients.

5. The government should **stop all forms of health tourism promotions** as private sector growth drives specialists to private hospitals and this directly undermines the public sector and affects the quality of treatment for our people.

Problem 2: Congestion in Government Hospitals

Government hospitals, especially hospitals in the state capitals such as Georgetown, Ipoh, Klang and Seremban are too crowded. This situation creates various problems affecting the quality of treatment for our patients including:

- the process of admission to the wards is slow because there are no empty beds
- patients are discharged before they are properly recovered to give up their beds for new admissions
- increased risk of infections from other patients
- a stressful working environment for nurses and doctors due to the overcrowded wards

Recommendation from PSM

1. Conduct **studies on occupancy rates** at all government hospitals in the country and compare these rates with optimum occupancy according to the adopted standards in the EU and Australia.



2. Build second Government Hospitals in our major cities including Ipoh, Klang, Seremban and Penang.
3. Study the "step down" care concept where patients requiring physiotherapy and other rehabilitation are sent to government hospitals that focus on rehabilitation, patient education and so on. **"Satellite" hospital should be built** in every major city to reduce the burden of patients in the wards at General Hospitals

Problem 3: Additional Fees For and Implants That Are A Burden

At this time, patients at government hospitals are required to purchase some of the necessary tools for their treatment. Often the patient's surgery is delayed because the implant has not been purchased. Examples of equipments and implants that are purchased by patients at Government Hospital:

- Intra-ocular lens (For cataracts) - RM 500 per lens
- Implants for tibia bone fractures - RM 2000 to RM 3000
- Knee replacement tools - RM 5000 to RM 10,000
- Spinal rod implants - RM 5000 - RM 10,000
- Surgical staplers for bowel surgery - RM 1500 to RM 2000
- self-expanding metallic stents for intestinal cancer - RM 3000
- Surgical mesh to accommodate incisional hernia - RM 500 - RM 1500
- Drug eluting stent - RM 7000 per stem
- Cardiac pacemaker – RM 25,000

Even though other services are at a very subsidized rate, the fees for these tools are a high financial burden for the B40 and M40 families. They are already experiencing economic pressures because the "breadwinner" is sick or "breadwinner" is forced to take leave to take care / visit / bring patients for treatment.

Recommendation from PSM – Provide more funds to assist families in the B40. This is among the reasons PSM fully supports the New Health Minister's call for a larger budget for the Ministry of Health.

Problem 4: Increased Tuberculosis Infection in the Country

The number of new cases of tuberculosis has increased from 10,000 in 1990 to 26,168 in 2016. One factor that causes this increase is the high charge imposed on migrant workers coming to government hospitals for treatment. They come from countries where the rate of tuberculosis is much higher than Malaysia. Due to the high cost of treatment, they come to hospital late



after their attempts to treat themselves fail. Therefore, the chances of spreading tuberculosis to others including Malaysians increase.

Recommendation from PSM

1. **Abolish the high fee system for foreign workers** in Malaysia. If necessary, increase the levy and use part of the levy collection (RM2 billion in 2016) to subsidize their treatment at government hospitals so that they pay the same rate as locals.
2. Do not use tuberculosis as an **excuse to terminate their work permit** and send them back to their home country. Such an approach prevents the sick from coming forward to seek treatment, as many of them do not want to return to their country until they are able to settle the debt they had taken to come to Malaysia.

Problem 5: Congestion In Outpatient Clinics

Government hospitals and health clinics are treating more than 60 million outpatients every year. This situation has resulted in shorter consultation time and reduced care offered by doctors in outpatient clinics due to overwork.

Recommendations from PSM

1. Increase positions for doctors in the Ministry of Health and place more doctors in outpatient departments. (We are now facing "oversupply" of medical graduates!)
2. If space in the outpatient department is insufficient, create a two-shift system for the outpatient department - 7am to 3pm and 2pm to 10pm.
3. Implement a new scheme in which patients with chronic illnesses such as diabetes, hypertension, fatigue, gout and heart disease are given the option of receiving treatment at private clinics registered in the scheme. Medicines for patients in this scheme are supplied by the government to the private clinic free of charge and the private clinic doctor is paid for each patient he is looking after on a capitation system calculated from the number of patients being treated and not the number of visits or treatment type. So patients who choose to follow up with private clinics are only charged RM1 as at the Government Outpatient Clinics. Private doctors who wish to participate in these capitation schemes should be subject to requirements to attend further educational sessions from time to time where the protocol of care for patients with chronic illnesses is discussed.
4. The treatment scheme at these private clinics can be modified to encourage private clinic doctors to conduct health education for outsourced patients. For example, the efficacy of



diabetes treatment can be monitored through the HbA1c blood test. HbA1c is a substance in the blood that reflects how well blood sugar control for diabetics is. If a clinic can reduce HbA1c in 60% of its diabetic patients below the 7.5% level, the private clinic is paid a bonus. If the clinic achieves this goal in 70% of its patients, larger bonuses can be given and so on. To achieve this goal, the patient must regulate food intake, exercise and lose weight besides taking medicine regularly. All this should be noted and encouraged by the doctor if he wants to get the relevant bonus.

5. An effective channel should be created so that the patient in the scheme can be referred back to the specialist if new complications arise. Current practice in which patients referred from private doctors are charged at higher rates compared to referrals from government health clinics should be set aside for private doctors registered in this scheme.

Problem 6: Inadequate Budget

The allocation for the Ministry of Health in Budget 2018 is RM 26.58 billion. This represents 9.5% of the total Federal Government budget - RM 280.2 billion. (Or 2% GDP if it is assumed to be RM1.337 trillion for 2018). But this amount is not enough if we intend to implement the recommendations described above. The health budget should be increased.

Recommendation from PSM

1. We strongly support the press statement of YB Dr Dzulkefli on 25/5/2018 where the Minister said that the **health budget will be increased from 2.2% GDP to 3.5%** of GDP. This is a good suggestion and must be done in stages over the next five years. 3.5% of GDP of RM 1.337 trillion is RM 46.8 billion.

2. We reject the general health insurance suggestion. The contribution to this insurance scheme will be a huge burden for B40 and M40 families in our country. There is also a possibility that the health insurance scheme will:

- perpetuate differences in the quality of treatment between those who can pay for themselves and those assisted by the government
- increase the total cost of treatment if the "fee for service" method is applied
- reduce attention given by the healthcare system to prevention and the promotion of a healthy lifestyle.

Any effort to bring in the health insurance scheme should be discussed in depth with all "stakeholders" before finalizing.



The PH Government should also take into account the fact that the international economic system is restricting our efforts to increase the minimum wage, as significant increases may affect the competitiveness of Malaysia's manufacturing sector.

Therefore the government should look for other means to share the wealth of our country with our B40 and M40 people. An effective method is the implementation of "social wages" where public facilities are highly subsidised. An important component of "social pay" is a high quality medical service.

3. It is expected that almost 15% of the health budget is spent on overpriced contracts for the supply of goods and services. The Ministry should **implement forensic audit to ensure leakages do not occur** in the:

- Procurement of drugs and other items
- Procurement of housekeeping, laundry, medical equipment maintenance etc.
- Construction of new clinics and hospitals

All overpriced contracts should not be extended after their terms expire, and in-house units should be developed to take over the work.

PSM's stand is that efforts to build Bumiputra entrepreneurial capacity should be given priority in our country. But the health budget should not be wasted on overpriced contracts to achieve this goal. The provision for public health should be used 100% for health purposes.

4. The Ministry of Health should **monitor discussions on Intellectual Copyright** which is an integral part of the international trade agreement. The MOH must take part in this discussion and ensure that our country does not agree on a framework that allows the giant pharmaceutical companies to increase drug costs by patent. Malaysia should stand with India and South Africa which adopt tighter standards in the issue of patents for new drugs. We must work with other developing countries to ensure that effective new drugs can be obtained at affordable prices for our people.

Conclusion

As we have mentioned earlier, a country's health system plays an important role in ensuring the well-being of the people and also in building solidarity among the people. That is why we, PSM, have outlined some of the recommendations that could address the six major problems that exist in our Public Healthcare System.

Memorandum submitted to the Health Ministry, Putrajaya on 29th August, 2018 .



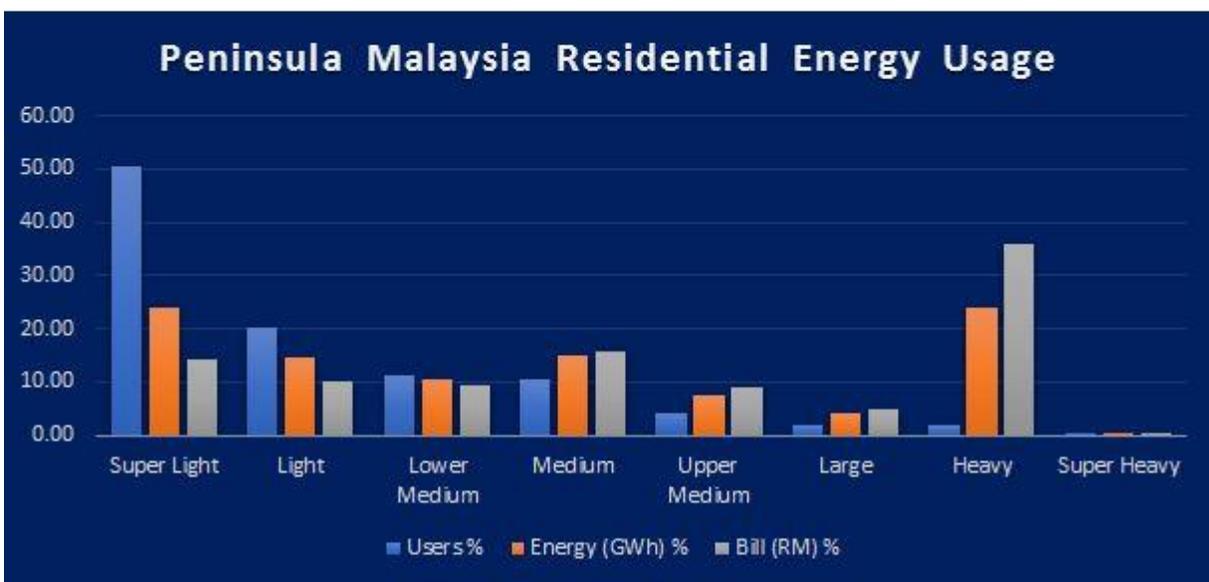
TAX THE POLLUTER, DON'T EXPLOIT EAST MALAYSIA'S COAL

Dr Mahathir's recent announcement of the decision to exploit coal resources in East Malaysia is extremely disturbing. Malaysia's energy sector has become heavily reliant on coal in the past decade. The BN administration had attempted to copy success stories of other nations' renewable energy (RE) schemes such as Feed-in-Tariff (FIT), interest-free loans, Energy Efficiency and tax rebates. Yet, Malaysia's renewable energy penetration is a mere 2%, excluding the large hydropower sector.

The large polluters are not willing to adopt solar or energy efficiency voluntarily although they benefit from higher profits due to energy savings - unless the government provides subsidies. Malaysia must implement the Environmental Credit Transfer Act (ECTA) to push for the adoption of renewable energy. ECTA is a mechanism to tax the polluter and use the revenue to support environmental friendly behavior.

B) Tax Higher Block Electricity Consumption

User	Energy Block (kWh)		Energy Bill (RM)		Number of User		Total Usage		Total Bill	
	Min	Max	Min	Max	Million	%	GWh	%	RM'mil	%
Super Light	0	200	3.00	43.60	3.250	50.37	650	23.98	141.70	14.30
Light	201	300	43.93	77.00	1.310	20.30	393	14.50	100.87	10.18
Lower Medium	301	400	77.52	128.60	0.720	11.10	288	10.62	92.59	9.35
Medium	401	600	129.12	231.80	0.670	10.44	402	14.83	155.31	15.68
Upper Medium	601	800	232.35	341.00	0.260	4.03	208	7.67	88.66	8.95
Large	801	1000	341.55	457.70	0.110	1.75	110	4.06	50.35	5.08
Heavy	1001	5000	453.27	2736.70	0.130	1.98	650	23.98	355.77	35.91
Super Heavy	5001	>	2739.27	>	0.002	0.03	10	0.37	5.48	0.55
Total					6.452	100.00	2,711	100.00	990.72	100.00





The Top 2% of Peninsula households consume the same amount of electricity as the Bottom 50% of the households. In short, one high income household uses electricity equivalent to 25 low income households. ECTA could impose additional levy on the higher block of electricity which in turn will raise the energy price for the high income people households. The higher electricity price will improve the motivation for the Top 2% to adopt energy efficient appliances and install rooftop solar panels.

This will increase demand for rooftop solar panels pushing the price down. The lower entry price will motivate lower income households to adopt solar panels. The revenue from the levy could be used to install energy efficient equipment (EEE) and solar panel on schools, hospitals and community centres places benefiting local communities.

C) Tax based on Commercial Building Energy Intensity (BEI)

Commercial customers make up 17% of TNB's clients but consume 35% of the energy demand whereby a large proportion goes to large commercial outfits such as office towers and shopping malls. All large energy users should be given 24 months to improve their building energy intensity (BEI). BEI is the measure of energy usage per square metre of floor area per year.

Commercial spaces must improve their BEI through any measures deemed necessary such as installing LEDs, district cooling, solar panels, biomass etc. Commercial buildings that improve their BEI can be exempted from ECTA. Levy can be introduced on commercial buildings that fail to reduce BEI. The revenue will can be used to build renewable energy generation to replace/displace their energy wastage. ECTA on BEI will also force new development to pay attention to BEI in their design to avoid the penalty

Conclusion

The low energy prices due to mass adoption of cheap coal technology have prompted energy wastage and slowed down the adoption of renewable energy. However, regressive taxation on consumption will push larger users and those in the high income bracket who are high income to adopt renewable energy and energy efficiency. Subsequently, the entry cost of EEE and RE will drop allowing small users and low income households to adopt renewable energy. The increased demand for EEE and RE will develop the domestic supply chain and create local jobs.



Malaysia cannot continue to burn coal and exempt polluters from taking responsibility claiming our economy is very fragile because our planet is more fragile. Coal mining has become a major source of human rights abuse and virgin ecosystem destruction. Mining of coal in Malaysia will only distress the anger indigenous population further exacerbating exaggerating the secession sentiment.

Written by;

SHARAN RAJ

Environmental Bureau,

Parti Sosialis Malaysia (PSM)



THEY ARE URBAN PIONEERS NOT SQUATTERS! PAKATAN HARAPAN TOLD

By Ilayabarathi Panneerselvam

PRESS STATEMENT. 27TH SEPT, 2018.



Staggering hope and euphoric celebrations of changing a kleptocrat government still ring the bell of joy in most of us, a fruit tasted after 60 years of seeding and grooming. However, as any Tom, Dick and Harry might say governments may change, politicians may change, but the plight of the marginalized and oppressed remain the same. Well, looking into the current scenario, it's a hard-hitting fact in an ever changing and evolving society.

It is 100+ days since the highly awaited Pakatan Harapan walked into office as the federal government with the promise of championing people's dreams for a better nation. A definite promise was they would be anything but a resemblance of UMNO/BN but sadly enough, several unexpected events are proving us wrong. Day by day they are reminding us that the darker days of UMNO /BN are set to continue. Irony at its epitome, or shall I say in the words of the late British historian, Lord Acton; *"power tends to corrupt, absolute power corrupts absolutely"*.

It is a funny and devastating feeling, that even with the change of government led by a bunch of social activists, human rights advocates and staunch democrats, the downtrodden urban pioneers are living in fear of losing their homes to greedy capitalists, silently observed by the trusted elected politicians. Interestingly, today's Federal Territory Minister, YB Khalid Samad



was once detained by the police in the fight against forced eviction cum demolition in Kg. *Rimba Jaya* back in the year 2007. In spite of that, a group of poor people of Kg. *Padang Jawa* Lot 626 & 1416 are now facing an eviction threat jeopardizing their livelihood and blatantly violating their basic right to shelter.

Today, the livelihoods of 35 Kg. *Padang Jawa* villagers are bleak and threatened as their future is anything but bright. Resident in the locality for up to 50 years now, the place which was once home for three generations of settlers has become uncertain since the developer, Ehsan Bina Sdn Bhd slapped them with a court order demanding they evacuate by or on 4th of October 2018.

Living in fear of being stranded on the streets has been haunting the villagers, since the last negotiations were not even close in meeting the villagers' demands. It was merely another delaying tactic to frustrate and discourage the people

The lack of resolve and commitment of PH elected representatives in helping to obtain alternative housing for the villagers has been disappointing, and has once again reminded them of the need for all villagers to unite and fight for their rights instead of relying on saviours from outside.

Before going into the polemics of Kg. *Padang Jawa* residents, it is vital to understand the concept and roots of Urban Pioneers.

Who are the Urban Pioneers?

They were and still are the backbone to the development of today's sophisticated cities featuring hundreds of skyscrapers, high-end residential apartments, government infrastructures, multi-story shopping complexes and many other developments that have benefitted the nation's economy. Nevertheless, they have been legally tainted as 'squatters' which leaves them sufficiently vulnerable to rich and powerful developers. Despite the law, this obvious injustice should not and cannot be accepted as an unquestionable fate.

In the book, *Urban Pioneers: Struggle for Justice* (1995), Dr. Nasir Hashim the current President of Parti Sosialis Malaysia has diligently noted that, "*these urban settlements did not arise as a matter of coincidence or beyond the knowledge of the authorities, but were actually part of the government policy under the national industrialization and development plan*".

He further explained that the rural-urban migration by the villagers was a consequence of the government's encouragement in the early seventies in order to provide the labour power for the factories. For this, they (people) were allowed to build settlements in areas around the cities and were even provided with basic amenities.



What were the policies driving them to the cities?

It was the noble intention of the then government to eradicate poverty, and lessen the divide between the rich and poor, between the town and village, and most importantly between the ethnicities (notably between Chinese and Malays). In the hope of making their lives better, these villagers resorted to migration, thus, as Nasir Hashim (1995) related, idle and reforested lands, ~~old~~ disused mines, hillsides garbage dumps and swamps were developed year after year, expending much energy and hard earned money to raise a community.

However noble it was, the New Economic Policy (1971) was vehemently criticized for not staying truthful to the agenda of uplifting the poor in general, but successfully creating a handful of elites and capitalists among the Malay community, leaving the poorer Malays to struggle for a decent living and adequate wages.

Since then till today, the government leaders of the day have acknowledged their presence only during every election campaign when the people are fooled with false promises of ownership (titles) to the land. Like Tun M's auspicious words that manifestos cannot be completely followed, so too promises to the poor.

They are squatters; they don't have rights over the land.

Or do they?

Malaysia became an official member of the United Nations in 1957, and therefore we, as a nation are obliged to professionally adhere to the universal principles and rights championed by the UN. Under those circumstances, on 10th March 1993, Malaysia along with 53 other countries signed a historic resolution on forced eviction, stressing the point that demolition of houses by force was a gross violation of basic human rights. 25 years have passed, yet, forced eviction is still a shameful norm without a civilized solution.

Commission on Human Rights Resolution 1993/77 further urges the government to undertake immediate measures, at all levels, aimed at eliminating the practice of forced eviction; to confer legal security of tenure on all persons currently threatened with forced eviction and to adopt all necessary measures giving full protection against forced eviction, based upon effective participation, consultation and negotiation with affected persons or groups.

Most importantly, the urban pioneers were not trespassing, but they were properly allowed and authorized to build settlements on government and vacant land, and most importantly, as Nasir Hashim (1995) mentioned, they were provided with basic amenities like any other village including water supply, electricity, roads, postal services, telephones, community halls



and mosques. Their houses were also accounted for in the census to enable them to vote in the elections. In this sense, it is clear that they were treated exactly like any other rightful residents of the land which was not merely on moral ground but as a reciprocation for their contribution to the development of the country.

Urban pioneers cultivated and developed not only the land where they settled, but they were instrumental in developing what we are seeing today as urban cities. Disregarding their contribution and evicting them without a rightful compensation as soon as their settlements become prime land is a total injustice and disgrace served in the name of legality, rules and regulations.

Why is it more disappointing now?

Failing to find a reasonable compensation based on pure natural justice under the Pakatan Harapan is an absolute disappointment to many, especially the people who have poured their trust and votes with the hope of not having to endure the same fate as they had in the hands of UMNO/BN. If this is a film, then this is a badly written script with a totally turn-off climax.

The trust on PH government would be shattered if reasonable compensations on the basis of natural justice and humanity do not materialize for these downtrodden masses. It is an unavoidable responsibility of the people in power to utilize their power and position to take sides with the voiceless, not stamp on them.

Alternative housing is a ridiculous demand?

History has recorded many strong precedents of the offer of alternative housing. This may sound impossible and ridiculous to law enforcers, lawmakers, and corporate capitalists, but alternative housing has been achieved through the long and passionate struggles of countless urban pioneers and estate workers who were threatened with displacement and forced eviction in the past.

To cite a few struggles, the people of *Kg. Berembang*, *Kg. Rimba Jaya*, *Kg. Sungai Putih*, *Kg. Bumi Hijau*, *Kg. Pasar Baru (Kg. Pandan)*, *Kg. Lindungan*, *Kg. Udara* and many more won their alternate houses at the same place where they stayed before the eviction. Estate workers too have struggled and won alternative housing after facing eviction. The workers of *Ladang Braemar*, *Ladang Brooklands* and *Ladang Bangi* are living examples of the fact that those who fight for their rights, will win. They secured alternative houses as their rightful compensation, ignoring the odds with perseverance.

By *Ilayabarathi Paneerselvam, PSM*



FIGHTING THE EMPIRE ; THE CASE OF SUBRAMANIAM VS US EMBASSY, MALAYSIA

Written by S. Arutchelvan



Industrial Relation Department, Jalan Ampang, KL (September 28, 2018). This morning I was denied entry to the reconciliation meeting conducted by the Industrial Relations Department (IRD) in the case between a former employee of the US Embassy and the US Embassy. I was told that by the officer that the US Embassy protested against my presence. I was surprised because I have attended previous meetings as well as the meeting held at the Embassy itself. Nevertheless, I stayed outside because after ten long years, this case has been finally called to be heard.

More than ten years ago, on a rainy day -2 April 2008, Subramanian a security guard working in the US Embassy for more than 10 years was not feeling well. He was wet from the rain and went to a clinic. In spite of the heavy rain, he presented himself to the US Embassy in Jalan Tun Razak to pass his medical certificate (MC) which the Doctor gave him for 2nd and 3rd April 2008. He passed the MC to a supervisor named Mr. Prakash (ASO) who logged it into the logbook and told him to take care and go back. On 4th April 2008, Subra received a shocking telephone call from Mr Darshan who was his supervisor. He was told that he had been terminated and was instructed to return all equipment to the Embassy.

He was shocked and did not believe it. On the 7th, when he went back to work as usual, he was not allowed to enter and was stopped at the Guard house. He was told to return all the equipment and was sacked immediately without any notice, without any explanation. The very next day, he wrote a letter seeking clarification. He pleaded with the Embassy to reinstate him as he had not done anything wrong.

On 23 May 2008, after consulting legal opinion, he made a report to the IRD under Section 20 which is unlawful dismissal. Under the law, one has to make the complaint within 60 days. In normal circumstances, the IRD will call for a reconciliation meeting within 3 weeks but in this case the reconciliation meeting officially only took place today – 28 September 2018 which is 10 years and 4 months after he lodged the report. Why is it so? Yes he was fighting the Embassy of the United States – the world Superpower.



Why 10 years?

Three weeks after his report to the IRD, he didn't get a reconciliation meeting; instead his case was surprisingly referred to the IRD HQ - Director General (DG) in Putrajaya. For the next few months and years, nothing happened or moved. Lawyers he met had done their part but it was now up to the Minister to refer the case.

Frustrated, Subra then came to the PSM office in Bandar Rincing. That was in 2010. After checking on the legal status, we were convinced that there was nothing stopping the IRD in pursuing the case. We then assisted Subra to write a letter to the HR Minister whose name was also Dr. Subramaniam. We asked him to direct the IR department to refer the case to the Industrial Court.

Five months after that on 1 March 2011, finally the Director General of IRD, Hj Md. Yunus Bin Razaly wrote a letter to the Chairman of the Protocol and Consular- Ministry of Foreign Affairs Malaysia. In this letter basically the IRD DG said he could not take action because he claimed that the US Embassy had diplomatic immunity under the Vienna Convention 1966 which Malaysia rectified. The letter also further claimed that under Article 31 Act 636, the US Embassy has legal immunity from criminal and civil suits when they are conducting official duty. Basically it means the US Embassy can get away with murder in Malaysian soil as long as it is in line of duty. Finally the letter said that the IRD should not handle this case and asked the Foreign Affairs Ministry to assist and advice Subramaniam.

We then followed up with the Protocol and Consular department of Foreign Affairs, Wisma Putra. There was total silence. After 16 months on 28 July 2012 we wrote again to the Chairperson Protocol and Consular and again a year later on 30 July 2013. In the second letter, we expressed our frustration and gave them 2 weeks notice to respond. We spoke about how we were passed from one person to another – Cik Kusaima, Cik Mira, Cik Mimi and Cik Malar. Yet no response.

On 24 September 2013, we filed a complaint to the Public Complaints Bureau under the Prime Minister's Department against the Chairman of the Protocol and Consular as well as the DG of the Industrial Relations Department. The complaint was about inaction and of being kicked around like a ball.

This finally yielded some positive results. Finally Mr. Istaq Nadzril from Foreign Affairs called for a meeting and finally a meeting was held in Wisma Putra on 23 January 2014. In the meeting, The US Embassy was told that they had been instructed by the PM's office to handle this case. In the meeting, the US embassy reps said that they had hardly any knowledge about this case and said all the records had been sent back to Washington DC. They also asked us if we had



any information to pass to them to assist them in the case. In the meeting, Mr Istaq told us that the Embassy needed to follow our Malaysia law.

Following this, on 25-4-2014, we wrote to the US Embassy and furnished them with the chronology between 28-8-2007 till 23-1-2014. For the next 6 months, the file became cold again. On 14 July 2014, I sent an email to Istaq because he had not responded. I told him that the Embassy HR officer Mr Jared P. Webber had agreed to meet as they had got the documents from Washington. I sought the help of the Protocol Dept to arrange the meeting. A date was also proposed - on the 26 August 2014. But suddenly a day before on 25 August 2014, Mr Istaq said our proposed meeting on 26 August 2014 could not be held and that he had been instructed not to involve in this case. He even claimed that it was a mistake for him to call the earlier meeting on 23 January. I was annoyed with this U turn and told him to express his unwillingness to call the follow-up meeting in an official letter. Of course he didn't write back officially.

Finally because we could not get a neutral venue, we agreed to meet at the US Embassy on 17 October 2014. I was not very happy to have the meeting in their embassy and wanted a neutral ground but since the protocol department had now abandoned us, we therefore had no choice. In the meeting, the US embassy was represented by Mr Jared Webber – HR officer, J.Kentv Stiegle – Overseas Management Counsellor and Ms Sangeetha. Subra and I attended the meeting held in a huge room. The meeting was short and a huge disappointment. The US reps said based on their records, the termination was done correctly based on their standard procedure. I highlighted that there was no termination letter, no show cause letter, no domestic inquiry and so what kind of standards was the US talking about? I told him that I am sure the labour practice in the US would be much better. But they were not interested to discuss and when I asked about any form of settlement or compensation, they said there would be no settlement. So I told them that I had to pursue this matter further. We were not ready to surrender now after 6 years.

We then went back to meet Ragu, our lawyer. He agreed to file a legal suit – make a mandamus application to direct the HR Minister to refer the case under Section 20 of the IR Act. We then initiated another letter to the HR Minister dated 17 December 2014 informing him that there was no settlement and again asking the Minister to reopen the case. We also copied it to the DG and the new Human Resource Minister, Richard Riot. On 7 December 2015, our lawyer issued a legal letter to the IRD asking if they to refer the case or not. The matter was later pursued by Prof Gurdial who also through his lawyers initiated some letters, representing Mr. Subra.

This prompted some response. Mr Subra and I started to get calls from the Department. They wanted information and from time to time told us the matter was still under their purview. In



2017, we still got letters saying that it was pending action by the department. Then finally Subra received a letter from IRD on 5 April 2017.

On 30 March 2018, a month and half before the general elections, we wrote an angry letter to Richard Riot- the HR Minister, DG IRD Yunus Razzaly where we said they had no guts to take on the US Embassy. We also attached a NST newspaper article dated June 10, 2016 titled "Embassies, High Commissions not above Malaysia laws, court rules." In that landmark case, done by Edmond Bon, the court ruled that the Australian High Commission was not protected under the 1966 act as the law only applied to "diplomatic agents" such as the person of the High Commissioner himself. The court also did not accept the DGIR's argument that the Australian High commission was protected under the International organization (privileges and Immunities) Act 1992. In that particular case, the Industrial Department had informed that it had no jurisdiction on the grounds that the Australian High Commission was protected by Diplomatic immunity. This appeared to be the same scenario as Subramaniam's case.

After the fall of the BN regime, we wrote again to the new Minister Kulasekaran on 12 July 2018. We told him to resolve this 10-year story by just referring the case under Section 20. Finally on 18-9-2018, a conciliation meeting was called and again today on 28-9-2018. The Embassy has asked Subra finally what he wanted as a settlement and we told them that we will get back on this.

Finally the might of the US Embassy, its immunity as well as the inaction of our Bureaucrats has come to an end. Subramanian told me many people have been previously sacked arbitrarily and perhaps his case will bring some relief to future workers facing similar problems.

S.Arutchelvan
28-9-2018.



ISN'T IT TIME WE "WALKED THE TALK" TUN? THE ROHINGYA ISSUE

An open letter to the Prime Minister YAB Tun Dr Mahathir Mohamed –8/10/2018



Dear Tun Dr Mahathir,

I would like to congratulate you on the well-crafted speech you delivered at the 73rd session of the United Nations General Assembly on 28th September. You called out the failure of the West to curtail Zionist expansionism and highlighted the ongoing oppression of the Palestinian people. You pointed out that the existing rules governing the global economy constrict the capacity of governments to address poverty and marginalization within their countries and you criticized the archaic system that grants each of the five permanent members of the Security Council of the United Nations the right to veto any resolution tabled there. Your forthright stance on the world stage made us all proud to be Malaysians.

However there was one issue where I felt you were on thin ice – the Rohingya issue. You were absolutely correct in stating that gross injustice is being perpetuated on the Rohingya community by the authorities in Myanmar. But is our own handling of the Rohingya and other refugees who come to our shores beyond reproach?

I am sure you would know that Malaysia still does not officially recognize the category of "refugee". We group them together with economic migrants without documents – the PATI, "Pendatang Asing Tanpa Izin" and routinely harass them by arresting and detaining them. Even when they manage to get an UNHCR card that attests that they are indeed refugees, we do not grant them the right to work. But as no one gives them a stipend to live on, they



have to work “illegally” which opens them up to abuse by some unscrupulous employers and further harassment by the enforcement agencies. Their access to health care is limited by the high charges in government centres and the risk of being arrested when they go there, and their children are barred from our schools.

Isn't it time we “walked the talk” Tun? If ratifying the UN Convention on Refugees is too big a step to take all at once, can't we at the very least implement a few of the provisions from that convention? I would suggest that Malaysia immediately recognizes the category of “refugee” and empower the Immigration Department to speedily evaluate all those claiming to have run from their countries to avoid persecution along ethnic, religious or political lines. Those found to satisfy the criteria should be given Identity Cards that attest that they are indeed refugees. We should also grant work permits to refugees so that they can work legally and be protected from abuse in the work place. Just these two steps would greatly alleviate the problems that the Rohingya and other refugees in Malaysia are facing.

We already have 2 million migrant workers with valid documents. There are only 180,000 refugees in our country at present, and a significant number of them are children. An additional 150,000 work permits can be easily absorbed by our economy, and it would greatly help the refugee community.

I know it is now only 5 months since the Pakatan Harapan came to power and that there are many pressing issues to look into. But the above two suggestions listed above have been brought up many time by diverse groups and they are not that difficult or costly to implement. I really hope that you and your administration will act resolutely to reduce the victimization of refugees and asylum seekers within our borders. That would also enhance our credibility on the world stage.

Thank you.

Jeyakumar Devaraj

Former PSM MP and PSM CC Member



SOCIAL HEALTH INSURANCE

Talk at the Galen Centre -. 20/10/2018 by Dr Jeyakumar Devaraj

First of all I would like to thank the Galen Centre for inviting me to share my views on Health Insurance with you.

Introducing some form of revenue collection from the rakyat to help defray health care costs has been on the Government's agenda since the 1980s. They have toyed with the idea of a special health tax, a separate Health Financing Authority, a payment system that covers both the public and private sector, and other related issues, but so far, despite many studies, no definite plans have been finalized.

This present episode of sponsoring health insurance for the B40 appears to have started from the "Peduli Sihat" Scheme that was implemented by the Selangor Government in 2017. That is scheme which provides families with a household income of RM 3000 and below a debit card which will pay for treatment at any private health care facility in Selangor up to a maximum of RM 500 per year per family, limited to RM 50 per treatment episode. This idea was incorporated in the Pakatan Harapan Manifesto which listed this "Peduli Sihat" scheme as one of the 10 targets for the first 100 days.

However the idea seems to have morphed into something bigger and more harmful. In August this year, the new Health Minister YB Dr Dzulkifli Ahmad announced that the government would introduce a "Social Health Insurance" for the B40 families, and that these families would not be asked to pay towards the scheme. This insurance will pay for a total of RM10,000 worth of treatment in Private Hospitals for that family for one year. According to Dr Dzul, this new plan will be rolled out in January 2019.

Impact on Federal Health Budget

We now have about 7.5 million households in Malaysia. 40% of that would be 3 million families. If all of them were utilize their entitlement to insurance cover, that would come to whopping RM 30 billion for a year. (3 million x RM 10,000). This is bigger than the Federal Health Budget for 2018 – RM27 billion. Of course not every family will use their entitlement in a year, but we should not underestimate the innovative approaches that private hospitals might take to milk this cash cow! Patients can be easily persuaded or frightened into getting themselves admitted for scopes, MRIs and angiographies as there is a huge asymmetry in knowledge between patients and their doctors. Health expenditure will go up, but it may not really add appreciably to better health for the population.



YB Dr Lee Boon Chye, the Deputy Minister of Health, commented a few days later, that families that wished to do so could purchase additional cover if they wished.

Types of Insurance Schemes

But things are not all that simple. There are many kinds of health insurance. Let's look at 2 aspects –

Firstly what type of insurance will be permitted to develop?

- How are insurance payments to be determined? Will insurance premiums be community rated? This means that every family pays an amount irrespective of the medical history of the family members. This is the system adopted in South Korea, where people have to pay 5% of their income to the insurance fund.

- Will there be a single not-for-profit insurer as there is in South Korea, or will it a number of private companies competing with each other for the market as is the case in Malaysia now? And in Malaysia the premiums are risk- rated. In other words if you have diabetes, or if you have a history of certain illnesses, then your premiums will be higher.

The South Korean System: The National Health Insurance Corporation is the main supervising institution.

- Employed contributors are expected to pay 5.08% of their income
- Self-employed contributions are calculated based on the income and property of the individual.
- The national government provides 14% of the total amount of funding and the tobacco surcharges account for 6% of the funding.

Physician Compensation

The second issue that we have to consider is how this insurance scheme will compensate the health care provider. There are 2 ways this is done – one is by a fee for each service provided. The other is by a capitation scheme. The UK GP system is by capitation – each GP is allocated a number of patients to look after, and the GP is paid monthly by the number of patients he is looking after whether or not they come to see the GP that month. One benefit of the capitation system is that it makes sense for the GP to do health education so his patients' chronic conditions are well under control so they do not develop complications that require them to come and see him/her.



The **fee-for-service system** pays the health care provider based on the number of visits, procedures, type of intervention that he provides. If not properly audited patients may end up being over investigated and subjected to procedures and operations that they might not really need.

Example 1: For a child presenting with pain in the right lower quadrant of the abdomen, mesenteric lymph node inflammation has to be considered as the differential diagnosis to appendicitis. But as charges for managing the former conservatively are much less than operating as the latter, a fee-for-service will influence doctors to go for the latter diagnosis.

Example 2: Not all patients who present with chest pain need an angiogram, especially if the pain is not related to exertion and there are no other risk factors. But reassuring a patient is not as lucrative as performing an angiogram – and quite a few doctors will succumb to that temptation.

Some of this is already occurring in the private sector in Malaysia. And there are many other examples.

Impact on Quality of Care in Government Hospitals

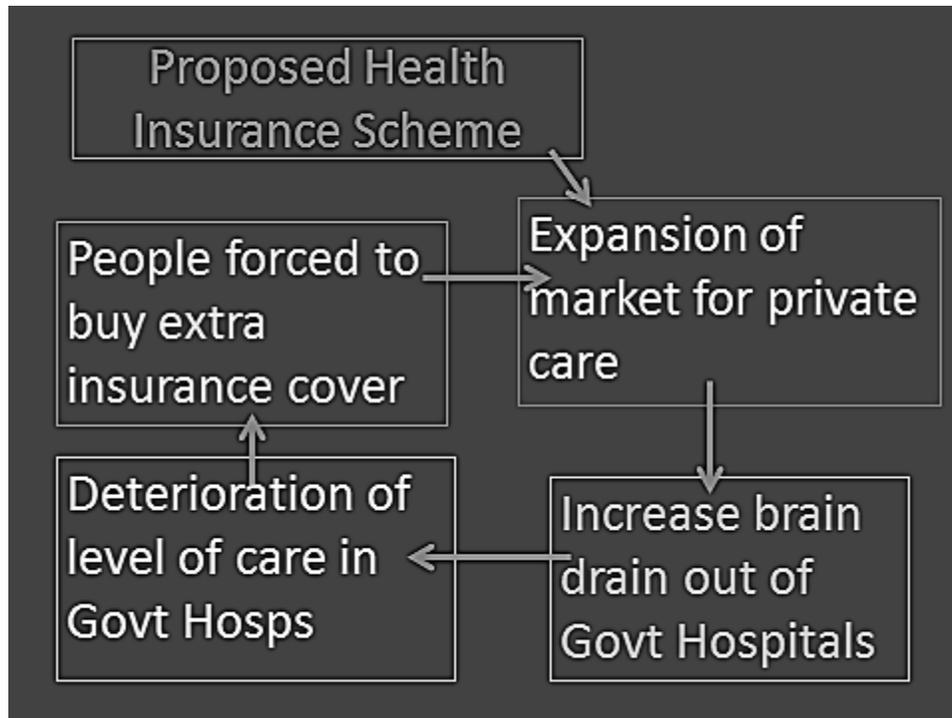
Government Hospitals	Private Hospitals
10% of the specialists with >10 yrs experience after specialization	90% of the specialists with >10 yrs experience
75% of all admissions	25% of all admissions

A 2-tier system of Health Care

The slide above demonstrates how the development of private hospitals has undermined the public health care system. We already have a 2-tier health care system in Malaysia where those who can pay for treatment in private hospitals get to meet specialists promptly and get



treatment much faster than those relying on the government hospitals. This is one of the reasons why several health activists are alarmed by the Health Minister's enthusiasm in pushing for this new insurance scheme without taking more time to evaluate all its potential ramifications. We are anxious that the following set of events will be set into motion –



The PSM believes that at this point in time we need to take every step to preserve and strengthen the Public Health Care System in our country. We feel that, in addition to playing an important role in treating the sick, it also builds a sense of social solidarity among the different classes of people in this country, reduces anxieties regarding catastrophic illnesses and old age, and creates the conditions for people to be more generous to each other. In short it makes Malaysia a more happy and harmonious society.



PSM's call

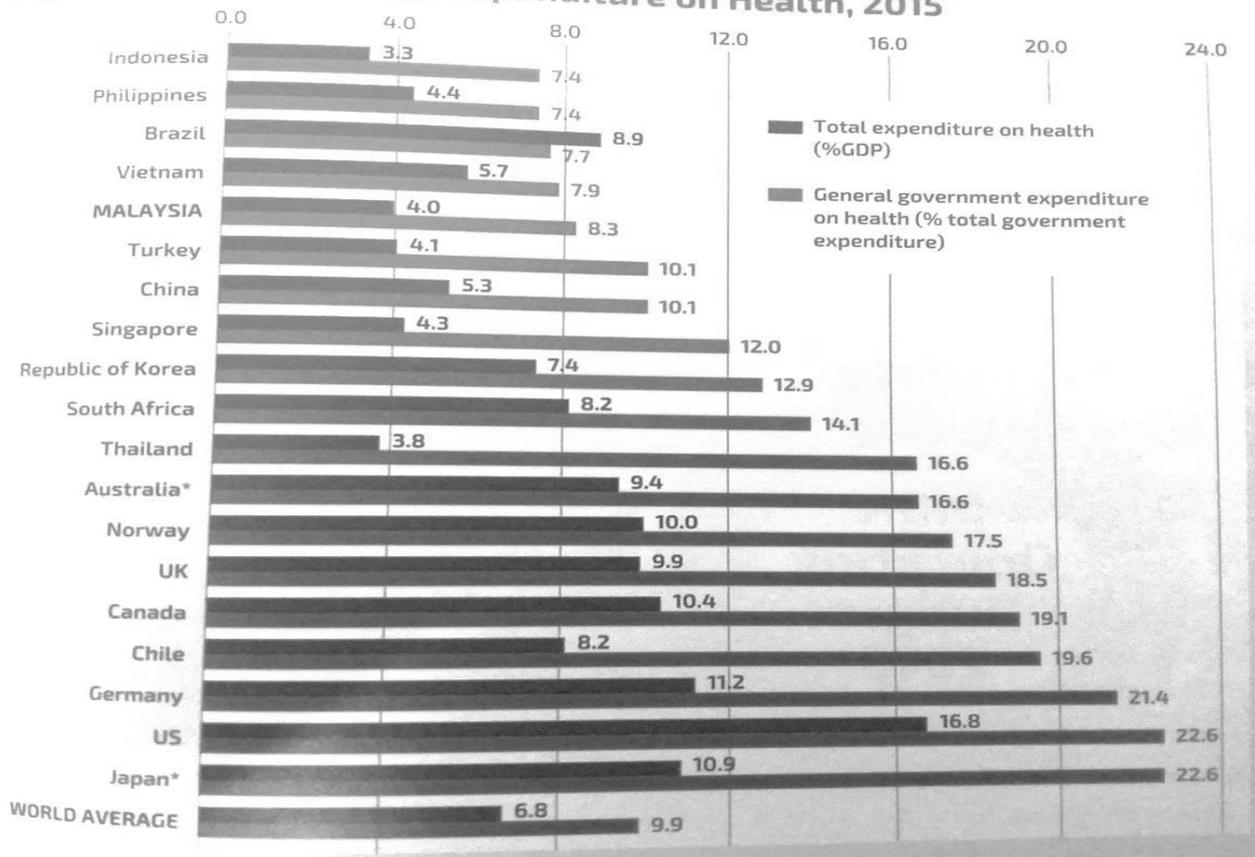
1. Submit the Health Insurance idea to much more scrutiny and discussion before taking any definite decision. We would be doing a disservice to the poorer half of the population if we were to rush to implement this new insurance.

2. Increase the Federal Health Budget in stages over the next 5 years to 4.0% of GDP from its current 2.2%. Use the extra funds to

- Build a second General Hospital in all our State Capitals that have over-crowded wards.
- Provide plates, screws, operating staplers, cataract lenses, drug eluting stents with minimum co-payments.

We claim to be aspiring to be a high income country. Britain, with its per capita GDP of USD 44,100 (PPP) spends 9.9% of GDP on health care while we on USD 29,000 per capita spend only 4% of GDP overall (Public and private). (GDP figures for 2017 from CIA World Factbook)

Figure 3: World Average Expenditure on Health, 2015



(Source: Penang Monthly May 2018)



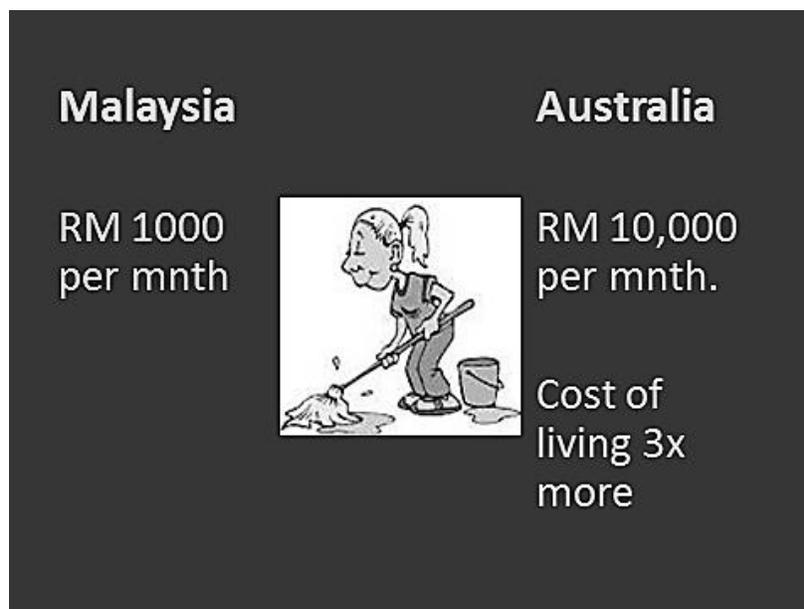
3. Declare a Moratorium on the building of new private hospitals as these will continue to suck away specialists from the government sector. This Moratorium could be lifted once a better balance in deployment of our specialist doctors is achieved.

4. Introduce a new Service Commission for Health Care Personnel in Government Service with features that will help retain senior and experienced people

- Perhaps the pay scheme in UJN can be adopted
- Give 3 month sabbaticals to specialists every 5 years of service so that they can go overseas and pick up new skills and procedures.
- Give enhanced pension for those specialists who put in 20 years or more of service in the government sector.

Would this make our B40 lazy?

This might be what some Malaysians might think. But at the PSM we believe differently. Apart from the “externalities” that I mentioned above, one other reason is that Malaysia is trapped in a low wage economy where ordinary workers are paid much less than their compatriots in advanced countries despite having similar productivity. The slide below contrasts the wages of our school cleaner with that of an Australian. There is a 10 fold difference. Even if the cost of living in Australia is 3x ours, real income for a cleaner in Australia is still 3x higher than for our cleaner.





Similarly in our factories –



Workers in the electronic factories in Bayan Lepas receive about an eighth of the pay of a worker in an US factory in California even if they are producing the same component product. This differential has little to do with “productivity” (as the World Bank and IMF would like us believe) but is due largely to the “market power” of the large firms outsourcing production of components to developing countries. They use their massive “market power” to rob our subcontracting companies and our workers of our fair share of the wealth we are helping to produce by threatening to relocate to lower wage countries. (But this is not the place to go into a detailed discussion of that!)

Since we are unable to pay fair monetary wages to our workers given our subservient position in the international economic system, the least we can do is to provide them essential services – health, education, public transport - at subsidized rates. A sort of “social wage”.

I hope I have been able to communicate the reasons why the PSM sometimes takes a contrary position to the mainstream – it stems from a different understanding of the current situation. I would like to hear responses from the audience.

Thank you

Jeyakumar Devaraj
Parti Sosialis Malaysia



PAYA TERUBONG CONSTRUCTION SITE LANDSLIDE IS ANOTHER WAKEUP CALL FOR PENANG THERE SHALL BE NO BUSINESS AS USUAL

Media Statements 22 October 2018 – by Choo Chon Kai and Rani Rasiah.



Parti Sosialis Malaysia (PSM) Penang is deeply saddened and troubled with the deadly landslide tragedy at the construction site of the Paya Terubong bypass road project on 19 October 2018. To date, it has confirmed that 8 workers were killed and 2 more are still gone missing after the landslide incident. This is the second deadly landslide which has taken the lives of construction workers in Penang for just within a year.

Despite warnings from civil society groups like Penang Forum over the Bukit Kukus hillside clearing, the Penang State Government seems to have never taken seriously warnings and advices from the civil society. How many more lives will it take for the State Government to realize it and stop such tragedies from happening again?

What is more worrying to us is the Penang Island Mayor Yew Tung Shang insistence that “the road project must go on, regardless of anything”. (refer to news report: <https://www.freemalaysiatoday.com/category/nation/2018/10/22/penang-mayor-says-roadworks-to-continue-despite-landslide/>)



Does the mayor think that a road project is more crucial than the lives of workers? Does the development model pursued by the Penang State government put the completion of (profit-driven) development projects before the lives of ordinary people?

PSM Penang echoes the call from the Malaysian Trade Union Congress (MTUC) Penang Division, that all construction works on hill sides and elevated slopes in the state be stopped immediately so as to ensure that such tragedies do not occur yet again, as well as a commission of inquiry be formed to investigate the tragedy.

A life that is lost will not be restored, and every life equally counts. This tragedy was definitely a manmade one as it took place at a construction site. All parties involved in the project, including the principal developer, as well as those who responsible for decision making in the government, and those who are supposed to monitor and enforce the laws, should be made accountable for the tragedy and their negligence in safeguarding the lives of the workers.

We reiterate our call to the Penang State Government to impose immediately a moratorium on the approval of ALL hill slope development projects and initiate investigation into ALL hill slope construction sites.

The Government has to seriously rethink, review and revise the current development model it is pursuing which puts the profit of corporations and developers before the people at the moment. We need a genuine people-centered development model to ensure sustainability of people's lives. The government must take concrete steps to prevent such tragedies from recurring and should not allow anyone else to be killed or injured by such tragedies. It should not be "business as usual"!

Released by

Choo Chon Kai

Central Committee Member of Parti Sosialis Malaysia (PSM)

Chairperson of PSM Bayan Baru Branch



Penang hillside construction tragedy: Are construction workers lives too cheap to matter?

The PSM supports the call to issue a stop work order on all hillside construction projects. The number of lives lost is far too many for the usual knee jerk reaction of threats and warnings that eventually fade into inaction and silence.

According to the National Institute of Occupational Safety and Health (NIOSH) the landslide on 19 October 2018 at a paired road construction site in Bukit Kukus in Paya Terubong that has taken 7 lives was the result of poor occupational safety and health practices. Meaning, the construction company did not take occupational safety and health regulations seriously, and placed his workers' lives in danger - even after receiving a stop work order.

Many construction site deaths have been due to defiance of worksite safety regulations. So why does it continue to happen? Are construction workers lives too cheap to matter?

Indeed, even before all the bodies have been found, the contractor has tried to abdicate responsibility for paying compensation for the deaths and injuries. He has declared that the dead are all illegal workers. Therefore there will be no compensation.

Thanks to gaps and inadequacies in our migrant labour policies, the construction sector has a large concentration of undocumented workers. A migrant worker entering the country with a work permit under a particular construction company becomes undocumented once the company completes its project/s. Working for any other employer renders the worker undocumented or 'illegal'.

The PH government is now in the process of meeting stakeholders to collect recommendations to improve the labour migration situation. More than ideas on what can be done, we need the political will to boldly set right a sector of the economy that is often highly exploitative and inhumane towards workers.

The 11th Malaysia Plan spells out the fundamental changes needed to revamp the situation of migrant workers. The previous government paid little regard to its own Plan recommendations, and in fact, made decisions that contradicted them. The PH should take the proposals seriously and urgently act on them.

Rani Rasiah, PSM Central Committee Member, Migrant Biro Coordinator.



HIGHER WAGES CRUCIAL FOR THE FUTURE PROSPERITY OF MALAYSIA AND ASEAN

Press Release – 15th October 2018 – Dr Jeyakumar Devaraj

There was a time when Malaysia could leverage its relatively low wages to produce cheaply for the affluent societies of Europe, America and Japan and thus grow our GDP at a high rate. Dr Lim Chong Eu, then the Chief Minister of Penang, recognized that opportunity in the early 1970s and he pioneered the establishment of “Free Trade Zones” in Penang, and Malaysia entered a period of export led growth.

However things have changed quite a bit in the past 30 years. We are now a higher middle income country and are aspiring to join the ranks of developed countries within the next decade. We can no longer rely on a low wage policy to produce cheaply for the export market. For one, there are other countries in the region and farther afield who can beat us in that low wage game – Thailand, Vietnam, China and quite a number of African and South Asian countries whose per capita GDPs are lower than ours. Secondly, and more importantly, the golden goose – the affluent consumer market of the developed world which used to absorb the bulk of our cheaply produced exports – is now quite sickly, having been seriously enfeebled by the continuous off-shoring of manufacturing jobs to the developing countries over the past 30 years.

What this means really, is that we have entered a new era where we in the ASEAN region cannot just focus on producing cheaply and hope that consumers in some other country will buy our products. We need to encourage the growth of our own consumer markets within ASEAN, in China, South Asia and in Africa so that there is sufficient aggregate demand for goods and services to create investment opportunities for our businesses, and employment opportunities for our youth.

And how do you grow your consumer market? Quite simple – you pay higher wages to your workers. Because household consumption is the largest component of aggregate demand – perhaps around 50 to 60% for the case of Malaysia. Higher basic wages to our workers – and there are some 9.5 million of them at present – would immediately boost the income of the micro-businesses in our country, the stall holders, the *pasar malam* (night market) traders, the small businesses in the wet markets etc. There are around 1.5 million small and micro business operators in Malaysia at present. They too benefit from an increase in the basic wage. All this will in turn expand business opportunities for the bigger businesses in Malaysia and in ASEAN. This is precisely why it is important that we increase our minimum wage significantly and continue to do so at regular intervals! Not only is it socially just but it is also an essential step towards consolidating the nation's and the region's economic growth.



I do agree that it is not that simple to implement massive wage increases, for we are a part of an increasingly integrated global economy. There are, for example, hardly any tariffs for the export of goods among ASEAN countries. So if we increase our wages too drastically, the prices of made-in-Malaysia goods would go up, and cheaper goods from our ASEAN neighbours might result in closure of some local manufacturing firms and the retrenchment of our workers.

But what is "drastic"? I would think that an immediate doubling of the minimum wage to RM 2000 per month could be considered "drastic". But an increment to RM 1170 as recommended by the National Wage Council is quite conservative and far from "drastic"! Of course businesses will cry crocodile tears and sob that they are going to go under – it is in their DNA to keep costs as low as possible and not worry at all about creating the market for their goods. But why did the PH Cabinet buy their story?

Moving on, acknowledging potential setbacks arising from large wage increases does not absolve our government from strategizing how to overcome these – for there are ways to do so. We have to ask our leaders in Putrajaya –

- Do you agree with the Keynesian analysis put forth above regarding the importance of boosting domestic demand so that we can have sustained economic growth in the ASEAN region? Or is the PH Government saying that we need to continue the low-wage policy for the "good of the nation"?
- If you agree that boosting domestic demand is an important objective, have you studied ways of overcoming the possibility of cheaper imports drowning some of our manufacturers if our wages are raised too much?
- Have you begun talking with other ASEAN countries about how we could deepen the internal ASEAN market without undermining each other? Have you broached the same idea to the group of 77? And if not, why not?
- Why haven't you, the government, included civil society in these deliberations?

I would submit that it is not unreasonable for us to ask such questions of our elected leaders. For they should strive to be one step ahead of the situation, and work on a roadmap for the 21st century. They cannot continue applying yesterday's solutions to a situation that has changed quite dramatically. They certainly should not ask our B40 families to continue accepting poverty level wages so that Malaysia can win in the race to the bottom that the global economic system has trapped the ASEAN countries in. We need to seek a way out of that trap! And our leaders have to lead in this effort! We do hope they rise to this challenge!!



PADANG MEHA ESTATE : A STORY OF CORPORATE DECEIT

Press Release – 24th October 2018



In 1994, the East Asiatic Company sold 5000 acres of plantation land to MBf Holdings Berhad for RM 115.9 million. 460 workers were retrenched. Slightly more than half of them accepted the retrenchment benefits of 20 days wages per year of service as mandated by the Employment Act, and vacated their quarters. However as this only came to about RM 8000 for a worker with 20 years of service, and since they were not only losing their jobs but also their homes and their community assets (temple, hall, playing fields, etc) as well, the remaining 207 workers said that they were not moving out until they got better compensation.

MBf Holdings had registered the land it had bought from East Asiatic under Alamanda Development Sdn Bhd, a fully owned subsidiary of MBF, to develop the land into a new township. Alamanda initiated eviction proceedings but the Padang Meiha workers won the first round as the Alor Setar High Court ruled in favour of the workers. Alamanda then changed tack and in 1997, negotiated a settlement with the workers and promised to

- a. pay, in addition to the retrenchment benefits mandated by law, an extra RM200 per year of service;
- b. build 240 low cost houses for the workers and sell these to them at RM 12,500 each;
- c. Allow the workers to continue staying in their current estate houses until the construction of the alternative houses was completed.



In exchange Alamanda Development Sdn Bhd got to start "development" work on a part of the estate land that they had bought.

However there was no progress at all in the construction of the low cost houses for the workers. So in 2003 (6 years later), the workers decided to take Alamanda to court. The court proceeding started in August 2003 with the pro-bono help of CAP lawyers, Tetuan Meena Raman & Partners and the workers won again – the Court agreed that the ex-worker should be awarded an additional RM22,500 each as Alamanda had failed to provide low cost houses at half price.

But MBf Holdings Berhad had a few tricks up its sleeve. Alamanda went for voluntary winding up in 2005, and two liquidators (Mustapha Raj and Dato Jeyaraj Ratnasamy) were appointed. The workers were told that they would have to wait till the assets of Alamanda could be sold before they could be given the compensation promised to them by Alamanda. Neither the workers nor their lawyers were invited to the several meeting that the liquidators called with the other creditors. The unsold portions of the estate land were subsequently transferred to Vintage Developers Sdn Bhd, another fully owned subsidiary of MBf Holdings, but the obligations to the ex-workers remained parked under Alamanda.

The ex-workers sent many letters to various parties to solve this long festering issue. Some groups, both from the government and the opposition, intervened to try and settle the problem, but MBf and its group of companies turned a cold shoulder. Finally, in 2016, the ex-workers decided to take the matter to the Court again. They engaged Hakem Arabi, which agreed to represent them pro-bono. A case was filed against 6 parties – the 2 liquidators, Alamanda Development Sdn Bhd, MBf Holdings Berhad, MBf Equities Sdn Bhd and Vintage Developers Sdn Bhd.

Several interesting things happened after that

1. The lawyers for the liquidators said that they were prepared to pay the ex-workers a total sum of RM 1.03 million immediately with a promise that an additional RM 0.64 million would also be paid if funds could be mobilized from liquidation of remaining Alamanda assets. This was recorded as a consent agreement between the workers and the liquidators in April 2018.



2. The lawyers for MBf Holdings and its subsidiaries argued that the case against them should be thrown out as the 6 year limitation period had long passed.
3. The lawyers for the workers, Hakem Arabi, discovered that the former employer (East Asiatic Company Berhad) had actually paid RM 7.06 million to MBf Holdings in 1995 to help defray the costs of compensating its former workers. However this fact was never made known to the ex-workers by MBf all these years – and it's now 22 years since they lost their jobs!
4. MBf's lawyers argued that the entire sum of RM 7.06 million had been passed to Alamanda. However this assertion was contested by the liquidators who testified in Court that the Alamanda financial records they had, did not reflect the transfer of the RM 7 million.
5. MBf Berhad tried to portray itself as the “innocent” third party as it was never the employer of the 207 workers, and that the 1997 settlement promise was by another party (Alamanda), not MBf Berhad itself.
6. To overcome the 6 year limitation barrier, the Hakem Arabi lawyers argued the payment of RM7 million to MBf by East Asiatic Company in 1995 had created a “trust” in favour of the former workers. (The 6 year limitation rule is for contracts and does not cover trusts.)

The KL High Court judge was sympathetic, but he ruled that he was not convinced that a “trust” had indeed been created in favour of the former workers, and he “dismissed the plaintiff's claims in its entirety”. He then allowed MBf's counter claim against the workers that they should vacate their estate quarters within 2 years from the date of the judgement. Hakem Arabi has filed a Notice of Appeal.

So there it stands. Wealthy companies can hire the best legal and accounting brains available, use a subsidiary company to make sweet promises to retrenched workers, but wind it up later, transfer its assets to another subsidiary and then use the Statute of Limitations to escape paying retrenchment benefits to the former workers. Well done MBf Holdings for your smart “footwork” and your exemplary display of “Corporate Social Responsibility”!!

What can Padang Meiha workers do now? Throw in the towel?

Vintage Developers profit after tax in 2016 was RM 120 million. MBF Holdings probably netted much more. Why wasn't a part of this used to settle the workers' compensation?



The Padang Meiha ex-workers have decided to take their issue to the Court of Public Opinion. They feel that they have been too passive for the past 23 years and that it is high time the Malaysian Public is informed how the hugely wealthy group of companies comprising MBf Holdings played underhand tricks on plantation workers who were only asking for reasonable compensation for losing their jobs and accommodation. Perhaps pressure from the Public might lead the MBf group of companies to do something decent for a change!

Jeyakumar Devaraj



ARE THE POLICE INTIMIDATING TRADE UNIONIST FROM CONTINUING STRUGGLE FOR HIGHER MINIMUM WAGE ?

Press Release - 26th October, 2018 – Sivarajan.



PSM condemns the intimidation by the PDRM (police), namely by OCPD Dang Wangi calling participants and organizers of the Bantah 1050 coalition whom handed over a memorandum to the Human Resources Minister YB Kulasegaran on the 17th October at the Parliament building. Officers from the IPD Dang Wangi have called the Malaysian Trades Union Congress (MTUC) president J.Solomon and other trade union members to go immediately to the Police Station to give statements to the police.

J Solomon informed that the police are summoning him in based on a police report made by Dang Wangi police officers themselves. This is nonsensical! Several trade union leaders, including the driver of the 4 wheel drive used for the rally has been summoned for questioning.

Bantah 1050, which MTUC heads, complied with the Peaceful Assembly Act 2012 (PAA2102) and sent in their papers to the Sentul District Police Department whom is in charge of the Parliament premises and surrounding areas. Even the letters to the Minister to meet Bantah 1050 and MTUC delegates was given to the police, but why is IPD Dang Wangi police opening an investigation on the matter?

PSM strongly feels that this is purely to intimidate the workers movement and trade unions from continuing their struggle for a higher minimum wage. If the Dang Wangi police wants an investigation, they should start with the Minister first, since he is the one whom greeted the peaceful protesters outside and escorted the union delegation for a meeting inside the



Parliament building. When the Minister himself has confirmed an appointment and arranged for meeting to hear the grouses of the trade unionists and activists, why are the police playing gatekeeper now?

What is the purpose of submitting in our papers as per the PAA 2012 if we are treated like criminals? This intimidation of trade unions and worker activists has to stop now! When Pakatan Harapan has an intention to review the PAA2012, why is the police enforcing it whole heartedly now?

The Home Ministry and the Human Resources Ministry has to look into this matter seriously, as these anti-labour, anti-union attempts by the police in intimidating workers exercising their right to picket and express themselves is contradictory to Pakatan Harapan's promise to repeal and review oppressive labour laws.

A Sivarajan.
Secretary General. PSM



THE STRUGGLES OF PSM IN ATTEMPTING TO REMAIN RELEVANT IN NEO-MALAYSIA.

Interview with Arutchelvan by Thayaparan for Malaysiakini.

INTERVIEW | It does seem strange. Ideologically, Parti Socialist Malaysia (PSM) and this writer have very little in common, yet I have persistently advocated the party as an alternative to mainstream Malaysian politics.

I have always wanted to interview S Arutchelvan, PSM's indefatigable former secretary-general. Indeed, it is amazing how many in the state security apparatus, and especially amongst the "working class", have a great admiration for this activist.

In this, the first of a two-part interview, Arutchelvan describes with candour the struggles of a grassroots party attempting to remain relevant in neo-Malaysia.

Could you describe your experiences when you were detained by the Umno state for your various political activities?

Arutchelvan: Some say I hold the record as one of those most arrested, competing with people like Tian Chua and Hishamuddin Rais. Most of my arrests happened while fighting evictions or participating in public assemblies. I am so used to this and I understand I will be one of the targets even when I am not the main organiser.

So when I go for these events, the rule is to wear proper underwear, carry very little cash and documents in your wallet and let the people outside do the worrying on how to campaign to get me out. Most of the times, the police officers handling us in detention are kind, as they know why we are there. It is only when they get bad instruction that they have to follow, then we have a tough times.

Though I have been arrested more than 40 times and charged a number of times, I have only been convicted once and that was later overturned in the High Court. This was for a case of criminal trespass in a temple in Brooklands Estate.

Being detained and seeing the others being detained, why they were there, has been a great educational process for me. It teaches us humanity. Every time when I come out, the support and solidarity we receive have always made me stronger and more prepared for the next round. When one is put on a single cell, then one has the time to rest and the challenge will be on how to pass your time. Anyway, it is a nice time to do some reflection and plan the next move.



Getting arrested with a team of other activists in spite of the anxiety and having one's freedom curbed, is always a pleasure, full of laughter, songs and storytelling and listening. There is a nice song, 'Buruh, Tani, Mahasiswa', the lyrics are:

*Marilah kawan mari kita kabarkan
Di tangan kita terenggam arah bangsa
Marilah kawan mari kita nyanyikan
Sebuah lagu tentang pembebasan
Di bawah kuasa tirani
Ku susuri garis jalan ini
Berjuta kali turun aksi
Bagi ku satu langkah pasti*

This is the best song to sing under detention.

PSM is derided by Harapan supporters, so how does PSM become a mainstream alternative to the politics of Harapan?

True. The height of it was during the campaign period but post-election, this ridiculing by Harapan supporters is becoming less as they come to terms with reality. As the euphoria fades, I think people become sober and that helps us in becoming the alternative which people hope for.

PSM has put forward many candidates which should appeal to the disenfranchised, but as yet they have been unable to garner popular support. What do you think is the reason for this?

In 2004, 2008, and 2014, we only fielded four candidates until people inside and outside started to ridicule us as "four-seat party". Therefore, it was good that we broke the curse of the "four-seat party" in 2018.

We realised before the election that unless we were to get a straight fight, we would lose all our seats. So our internal goal was to try not to lose the deposit but sadly we did lose the deposit in all seats. Therefore, losing all the seats was not a surprise but losing the deposit in all the seats was not expected. All our postmortem reports and discussion showed that the Harapan wave and using one logo did make a serious impact on voters and Dr Mahathir Mohamad was a factor in urban seats.

Most of the older voters in our areas told us that, at the last minute, they were told by their children who came from outside to vote Harapan this one time and some of them fell for this. After the election, in all the places, we stood including mine, people continue to show support and admire us. Many have come and even apologised to me saying that they were forced to



vote for a Harapan candidate but kept saying we are actually the best. It is sad when they tell us all the excuses on why they didn't vote us.

So on a personal level, I am extremely happy that 60 years of Umno rule is over. The next time we go to polls, people will have no reason to call us the splitters/spoilers, etc. I think this process is good for the country and for PSM. In hindsight, some felt we should have at least been a bit flexible and that would have allowed at least (former Sungai Siput parliamentarian) Dr Michael Jeyakumar to win. But now when I look at things, I think even if Kumar did win, it would have been difficult for us to operate under this new government. If we want to build an alternative political system, we need to break free and this is the best time to do it.

How does PSM compete with the media that Harapan has at its disposal, mainstream and online?

We have formed a new young team to deal with this. We have now reduced our print copy of the party newspaper and have moved online. We have also started to have fortnightly live talk shows in Malay and Tamil while (talk shows in) Mandarin will start in January. We are also in the final process of revamping our website.

All our branch leadership will also be trained in social media skills. These were decisions made in our last congress in July and it is being implemented. Having done that, propaganda itself cannot help us but our agenda on various people-centred issues does get us into headlines from time to time. We seem to get a reasonable amount of coverage on issues and the statements made by us.

How do you as an activist/political candidate keep going on with all the rejection from the mainstream public?

I continuously get calls on a daily basis from all over, from people asking for help. Some say my number was given by the police, some say my number was given by a journalist and some say, by civil servants. Most times, these people tell me, they have tried everything else and someone says, "Why not call Arul?" These people feel we can help solve problems. Others in the party have similar experiences.

Even many Harapan leaders admire our work. We in PSM are not political animals that we will lose sleep or get depressed after an election loss. Elections come and go but the struggle continues. Though we have lost elections, we have won many local struggles in estates, squatters, and at work sites and these victories keep us going. Our track record in the grassroots struggle cannot be challenged by any other parties. Today, some good policies are there because of our long struggle.



I continue to be humbled when everywhere I go, there are people who want to take a photo with me. When I eat in restaurants, the bill is mostly paid by some stranger and there are even few people who have named their newborns after me. All this gives recognition to the small work we are doing and that keeps me going.

Why do you think that the socialist message of PSM has not garnered popular support, especially among the disenfranchised of the mainstream political parties?

Socialism has been a bad word. The state calls us communist and some Malays feel it is anti-religion while others feel it is anti-business. So these are the main reasons and these are not new ones. So we have to live with all of this but again considering the two decades PSM has been around, we actually have more Malay members today, many young members. I would consider that PSM and socialism have made some inroads.

When we talk about good healthcare, affordable housing, local government election, good transportation, alternative energy... a lot of people are with us. The only thing we have failed to do is make the link between these policies and socialism.

After the fall of the Berlin Wall and mantra of no alternative, the world had only capitalism to save them. But today, even in western countries, capitalism has failed and we see important gains by the left-wing politics in the US under Bernie Sanders and Jeremy Corbyn in the UK. There were also changes in government recently in Mexico and some inroads in elections in Belgium. Therefore capitalism, which promotes profit and individualism, may face its biggest challenge in the years to come. I believe many youths in Malaysia are looking for an alternative and we have to make PSM relevant to them.

*S THAYAPARAN is Commander (Rtd) of the Royal Malaysian Navy.
Excerpt from Malaysiakini online news page.*



JUSTICE FOR JANITORS ! THE UNPAID JANITORS AT THE KL HIGH COURT COMPLEX

Press Statement - 30/7/2018



The media spotlight on the 'gotong royong' activity at the Kuala Lumpur High Court Complex has been on people in high places doing lowly jobs, and misses the plight of the janitors who were not paid by their contractor for weeks past pay day.

This is not an isolated case of contract employees in government premises going without pay for days or weeks. Neither is it the only injustice suffered by contract workers in the B40 income band, such as cleaners, security guards and gardeners. The entire contract system adopted by the government for jobs such as the above in its many premises, is unjust, exploitative, and in violation of the rights of workers.

In the first place, the contract jobs in the government sector do not meet the criterion for contract work, in that the jobs are not temporary in nature. All of us are familiar with the notion of contract work, as work that is seasonal or temporary and so, that is mutually understood by worker and boss to be over when the job is completed. Work such as cleaning, gardening and providing security at schools, hospitals and other government departments is permanent in nature and needs to be done for as long as the relevant premises are operational.

It matters a lot when permanent jobs are packaged as contract work and offered to women and men at the bottom of the employment ladder trying desperately to earn a decent wage



to feed their families. This is because under the contract system wages remain stagnant, and there is no job security. There is no yearly wage increment, and every three years (if that is the contract term) the worker becomes jobless, and if reemployed, starts again as a fresh employee. A contract cleaner with 20 years of service remains a new worker, at the starting wage, and in addition, is deprived of all the benefits of length of service such as higher EPF and Socso contributions, more days of annual and medical leave, etc.

Further adding to the misery of contract workers in government departments are the contractors, a significant number of whom further squeeze their workers by pocketing part of their workers' wages, paying workers late, deducting but not contributing towards workers EPF and Socso, and dismissing workers at will.

The government is the paymaster for hundreds of thousands of contract jobs in its many departments and premises. These fake fixed term contract jobs were created by the previous government, and while it benefitted its cronies and adherents, did nothing to lift workers from the B40 out of poverty.

This situation needs to change, and as this wrongful practice is also the trend in the private sector, the PH government should take the lead and set an example by ending the contract system for permanent jobs, and directly employing the workers in its premises.

Rani Rasiah

PSM Central Committee member and
Co-coordinator of the contract workers network



THE 2019 BUDGET – OUR VIEW

By Dr Jeyakumar Devaraj

The 2019 Budget that was presented by LGE on 2nd November gives an interesting insight into how our Pakatan leaders think. And it has poses several issues that we need to debate amongst ourselves.

Some of the main issues that struck me are –

1. **It is not an austerity budget.** Total budgetary allocation had grown to RM 314.5 billion, an increase of 8.3% over the past year's budget – 5.4 percent in real terms if we take the annual inflation rate as 2.8%. This is commendable because the government has inherited a financial system where
 - There is a shortfall of RM 20 billion in revenue becos of stopping the GST
 - RM19.4 worth of GST rebates have yet to be repaid
 - RM16 worth of income tax rebates have to be paid to companies
 - There is between RM 10 – 43.9 bil of outstanding 1MDB debts that may have to be settled.

Total Federal Revenue for 2019 is estimated at RM 261.8 billion (para 63). That means RM52.7billion has to be borrowed. This represents an estimated Fiscal Deficit of 3.4% of GDP for 2019. (Our GDP is RM 1.55 trillion in 2018 dollars)

Why should socialists worry about the **Fiscal Deficit**? Would this be an issue that we would be worried about when we eventually take over?

Our government raises money in the international capital market by floating Government Securities. The richest 0.1%, the sovereign funds, pensions funds etc buy these securities which guarantee a certain percentage of interest every year and a full payback of the principal sum at the end of the security period which might be 2 to 10 years. The terms of these securities – especially the interest we have to offer to get the rich to buy them – depends on the “risk rating” of government's finances. If we our finances are strong, then we are low risk and the interest we offer can be lower. The Malaysian Government will have to raise RM120 billion this year – about 65 billion to settle Government Bonds that are maturing this year and another 55 billion to cover the budget deficit.

So if we envisage that we too might need to raise funds through government bonds and securities, because we might need to run a deficit budget, then we would have to worry about seeming “prudent” and safe. Otherwise our “cost” of accessing capital will go up!



So I would look at LGE statements like “We have appreciated agst the Indian Ruppee by 12.3% . . . ” (para 10) and “the Malaysian equity market has also proven to be resilient . . .” (para 11) and “our exports have continued to grow at 6.9% . . .” (para 12) “ Over the medium term we expect the deficit to be reduced further to the region of 2%” (para 23) as efforts to assuage fears of the international wealth club so as to protect our borrowing position in the capital markets. And I do not think we can fault them on this. We might sing the same tune if we were in power!!

2.Fiscal Administration –

Some of the **steps taken to strengthen Fiscal Administration** are quite ok.

- Plan to table Fiscal Responsibility Act, a Government Procurement Act and a Debt Management Office, (paras 17, 18, 26)
- Cancellation of Trans Sabah Pipeline, ECRL, MRT3 and KL-S'pore High Speed Rail

However **some of the ideas are dangerous** –

a/ In para 36, there is an idea that the government will **sell part or whole of “non-strategic”** companies to help pare down debt. Which companies? Selling to who?

We (PSM) have taken a stand saying that the government should use the GLCs to implement pro-people policies eg, child care in work place, a higher minimum wage, promote unionization, promote worker participation in management, institute vendor programs for Bumiputra SMEs etc. Would para 36 work against our vision?

b/ Para 37 talks of **Public Private Partnership (PPP)** for public projects which would be paid for using **land swap transactions**. Very often such PPP deals benefit the “private” partner much more than the public! There are studies from other countries regarding this. (And witnessing LGEs rapport with the biggest Developers in Penang – there are I think, sufficient grounds for us to be concerned) It might be more beneficial for the JKR to handle the public projects – we would save money from not going into a PPP even if we have to sell some government land to raise the capital.

These are a couple of areas which we might have to highlight because it will go over the heads of most people. If we make it simple and people understand the issue, that awareness will serve as a check and balance on the government in its PPP effort.



Real Estate Investment Trust (REIT) as a modus for “Fiscal Consolidation”

This is an interesting idea. It is brought up in para 40 of the budget – “*The investors in the Airport REIT will receive income arising from user fees collected by Malaysian Airport Holdings .*”

What this means is, I think, that the government places all the physical assets of all airports in the country under a separate company. This company will sell 30% of its shares to the public, while 70% will be held by the government or the MAH. From the money paid by the public for these shares, the MAH will develop the physical assets into car parks, hotels, shop lots, restaurants, taxi bays etc and charge businesses rental for using these facilities. A part of the rental accruing from these assets will have to be paid to the shareholders as dividends, while the other part can be used for maintenance works, payment of salaries of airport staff etc.

How? Isn't this a reasonable way of reducing the fiscal burden on the government? But then the burden will fall on the public using the airport – the tourists, those going on business – and why not? They have excess funds!

This REIT idea was also mentioned by the Minister of Health for physical assets of government hospitals. (This is not in the budget. It was something he spoke about in the Press – probably after Mahathir told him off for asking for a larger Health Budget!) I would be against a REIT for government hospitals – for it would raise the cost of food, parking, etc for the families of patients at government hospitals. And the people going to government hospitals will be poorer people. So transferring the costs of maintenance to the public through the REIT concept would not be right. But the Airport REIT idea involves people who have excess funds. So why should we use too much of the tax dollar to serve their needs?

2. There are some promises in the budget that do not make much sense;

a. EPF i-SURI contribution scheme where housewives under the e-Kasih program will get a RM40 contribution each month if the husband puts in at least RM5 per month. (para 68)

The problems are

- There are only about 185,000 families registered with e-Kasih. (para 72). Only a small portion of the 3 million B40 families.
- Many of the women under the e-Kasih program would be widowed, divorced or have husbands in jail or in rehab centres.

So how many will really be benefited by this program? So I think the inclusion of this program is just to satisfy one of the promises in the PH Manifesto regarding the 1st 100 days. (Anyway, we in the PSM already pointed out in our Press Statement dated 18/7/2018 that it wasn't a great idea. So no big loss!) But it is a reminder that our election manifesto must avoid making promises that we cannot keep!



b) Para 99 talks of a fund of RM 1 billion to give out loans at 3.5% interest per annum to families earning less than RM2300 per month so that they can buy “affordable houses” priced up to RM150,000. This does not make any sense!

- How many families earning less than 2300 per month can afford to put aside money to buy a hse?
- They definitely cannot buy a house priced more than RM25,000. Are there any such houses in the market?

So it is likely that this fund will not be drawn upon. There will be very few takers. So why put it in the budget in the first place? Is LGE that ignorant? Or is it to create the impression that the government is concerned about the poor?

5. The **rationalization of the petrol subsidy** is a good move. Hopefully it will lead people to consider using public transport. We should lobby that some of the money saved thus should be put into public transport.

RM 500 million has been set aside to develop public transport. We need to lobby that this spent outside KL to develop bus-based systems. Can the planning and development of regional bus services be devolved to the States instead of facing bottle-necks by being concentrated in Putrajaya? Perhaps the RM 500 million shd be divided up among the States on roughly a per capita basis?

6. Some innovative ideas in this budget

a/ An additional **tax incentive for companies which employ ex-convicts** (para 78)

b/ Public-listed companies will be required to disclose the **ratio of the lowest wage** to median wage to topmost wage in their company. (para 83)

7. The Health Sector

a/ The allocation of **RM28.7 billion** – an increase of about 2 billion over last year is good. Compare with Ministry of Primary Commodities which saw its budget being slashed by 50%! (Star 4/11/2018). But 28.7 is not enough to repair the public health care system. Lots of old equipment, not enough hospital beds, acute shortage of specialists. 28.7billion is only 1.85% of our GDP. The PSM is asking that the allocation be increased to 3.5% of GDP by the end of 5 years. That's clearly not happening.



b/ The **Health Insurance Idea** (para 86) is terrible and it shows that

- the government either does not appreciate how growth of the private hospitals undermines the public hospitals, or, alternatively, does not care if the public sector is undermined.
- the big insurance companies have good access to the Finance Minister
- The Cabinet didn't think it necessary to consult "stakeholders" even though there were numerous calls asking for a deeper discussion before implementing this scheme. Arrogant! "We know what we should do!" kind of mind set.

c/ *"The government will allocate RM 20 million for the Msia Healthcare Tourism Council to generate a 25% growth of medical tourism"*. (para 178). The PSM has spoken loudly and clearly about this. So it means that the government either thinks that development of health tourism does not affect public sector adversely or else knows it does but does not care too much. Clearly we need to mobilise the public on this issue if we want to resist this approach.

8. Housing

a. Para 98 talks about "**affordable housing**". We need to challenge the definition of "affordable".

b. See 4(b) above

c. Para 104 gives good empirical evidence that the market isn't that great in regulating supply of houses. The **overhang of RM 22 billion** in residential property represents about 44,000 units if we assume that the average prices of the unsold units are RM500,000 each. And the figure has gone up 65% from last year. This is a good empirical argument to use when we encounter people who think the market can do no wrong!

9. A novel idea

Para 105 talks of "**Property Crowdfunding Platforms**" described in para 106 as *"Ah Chong will be able to own and stay in a RM250,000 property by paying RM50,000. While Ali who is interested in investing in a new property for capital appreciation will fund the balance RM200,000."*

Hmmm! How will this work. What if Ali suddenly gets a good offer to buy the property, can he evict Ah Chong? Or if Ali finds out that Ah Chong is not fixing the leaking roof how would he handle the fact that the property value might be downgraded? How will Ali realize the value of his property when it appreciates? Can he sell his portion of it? But won't the selling price be affected by Ah Chong being in it?? Hope LGE and his team explain this intriguing suggestion.



10. The government has backed away from their idea to abolish highway toll. (See para 113)

This, we should support. I think many of us felt that this election promise was too populist and bad for the environment. We need to gradually take steps to make private transport expensive while developing public transport.

11. Small and Medium Industries

11. Quite a number of incentives for SMEs

- para 145 - RM 2 billion for Business Loan Guarantee Scheme where the govt guarantees 70% of the loan.
- para 146 – RM3 billion for fund to help adoption of automation, robotics and artificial intelligence.
- para 156 - RM 4.5 billion SME Loan fund that provides 60% guarantee for loans.
- para 157 – reduction of corporate tax to 17% for small SMEs
- para 160 – RM 1 billion SME Syariah Compliant Financing Scheme
- para 161 – RM 200 million for purchase of business premises for rental to Bumi SMEs
 - RM 100 million to TEKUN

The government should have mechanisms to check that the SMEs are not milking the system without developing the capacities they are supposed to develop with this assistance! Should there be some form of reporting mechanisms to Parliament and to the Public? After all it is public funds that are being expended.

12. No mention of padi subsidies. Or of monthly support to **traditional fishermen.** Maybe just not mentioned, but the allocations are there in the budget proper? Need to check this.

13. Para 153 states quite proudly that our ranking in the **World Bank's Doing Business Report** jumped from 24th to the 15th place globally. The para ends stating "*we will send the signal to the world that we are investment friendly and that we are open for business*".

Most of us on the left are wary about foreign investors, but given the integrated nature of the global economy, and the absence of a left block that we could trade with, would we want to drive foreign investors away? Can we generate enough jobs and enough export income in their absence? How would we deal with them?

Consider - the value of Malaysia's exports in 2017 was RM 935.4 billion. (Star Online 7/2/18). This was about 74% of our GDP in 2017. (By the way this does not mean we exported 74% of the goods and services we produced in 2017 because we also imported a fairly large amount of intermediate goods eg electronic components, which we worked on and then re-exported –



so total export value includes the value of these imports. My guestimate is that we export about 37% of the “value added” in the country. But I have no empirical data to support that.) But even 37% is a very high figure and it underlines how deeply integrated we are into the global economy. So the question facing a socialist party that comes to power is - can you disengage from the global economy which we know is extremely exploitative of 3rd world countries, or because it is too traumatic a break for a small country, do you stay connected but try to renegotiate your position within the global order while implementing social democratic programs, developing grass roots democracy and people's capacity in self management? This is a crucial question that the movement has to develop a consensus on.

14. In Para 190 the government pledges RM 295 million to maintain / improve infrastructure in **FELDA settlements**.

This indicates that the government is aware that there is a political need to show the rural Malay community that this government will look after their basic interests. We know that only about 20% of the Malay community voted PH in PRU14. This generous allocation reveals that the government is on the ball on this issue.

At another level, the fact that the government has to invest in FELDA which is the largest plantation company in the world shows how horribly wrong that privatization / monetization exercise went. A lot of money has been bled out of FELDA in the process. Someone should do a good write up on this.

15. Para 194 says something that is puzzling – “**raising women's employment level by 30% would raise Malaysia's GDP by around 7 to 12%**”

How? Only if additional women's participation creates new economic activity will GDP go up. If additional women's participation is at the expense of youth employment or the above 60 year old, then total value added will not go up. If part of that 7 to 12% is due to the commercialization of child care, yes, technically GDP will go up, but total “use value” produced by the country will not increase. Or is it because greater women participation will reduce the need for foreign workers who tend to repatriate much of their earnings back? Must ask Khazanah Research Institute re this!

We, as a movement that harbours intentions to take over the country, need to familiarize ourselves with the major macro-economic issues. **How would we govern? What are the constraints we would be working under? What are our options?** What are the compromises we might have to make? How do we increase wriggle room? Should we temper the expectations of our grassroots – so that they do not get too disappointed with the slow rate of progress after we come into power?

Analyzing and discussing the budget with these questions in mind will be an important part in the process of building up our capacity to oversee a modern economy. The expression of this capacity/understanding in our public statements will play a big part in convincing the public



that we know what we are talking about and that we represent safe hands that will not wreck the economy and that they should vote for us!

Hope these notes will stimulate a discussion among us.

Salam Perjuangan!

Jeyakumar Devaraj



HABITAT DAY DECLARATION 2018: HOUSING FOR ALL

Habitat Day Declaration made on 30th September, 2018.

Happy Habitat Day!

Malaysia is celebrating the fall of the Barisan Nasional government and is now looking forward to a better deal. The People hope that their basic needs will be accorded higher priority. Housing is a fundamental basic need of the People and thus far the People have not been able to enjoy affordable ownership/rental of housing due to provision of housing being made a business. The problems the people are currently facing with regards to housing are -

a) Sky rocketing house prices due to land and property speculation.

The steady increase of house prices over the last decade is mind boggling to say the least. Ordinary citizens are not able to purchase newly built homes. The price for a terrace house has exceeded RM200,000 in smaller towns and surpassed the RM400,000 mark in larger cities like Kuala Lumpur, Johor and Penang. A regular worker/employee with wage of between RM1000 to RM 2500 a month will never be able to fulfill the criteria for a bank loan for such a purchase. To make matters worse the new government recently made a mischievous decision to raise the minimum monthly wage by a miserly RM50. It is obvious that the failure of the ruling class to recognize housing as a basic need and its failure to take over the provision of basic housing for ordinary citizens are the main reasons why ordinary citizens are unable to afford home ownership.

b) Auctioning of the Homes of B40 and M40 families

Day in day out we see houses of ordinary citizens being auctioned due to their inability to service their housing loans. Banks do not practice social responsibility and do not take into account the fact that ordinary citizens are beset by ever rising prices of essentials, inadequate and stagnant income, retrenchments and a whole load of other economic burdens. Banks see auctioning off of houses as the only solution to non performing housing loans. The government, through Bank Negara Malaysia is not firm in trying to resolve this issue by establishing adequate regulations to compel banks to be proactive in resolving housing loan crisis by offering restructuring schemes or more flexible payment at least for a certain period of time.

c) Ongoing forced evictions of urban settlers.

A recent case of forced eviction is Kampung Padang Jawa, and this took place despite the change of government. Malaysia's National Land Code uses the Torrens Title system which is not equity based. Essentially what that means is, whoever holds the land/property grant (usually awarded by the government) is the absolute owner of the said land and while those occupying the land for generations have absolutely no rights! In most of our towns, in the



period prior to independence, the urban elite were able to buy large tracts of land at the peripheries of those towns and rent them out to “ground tenants“ who build their houses and stayed there. However after several decades development companies have purchased the land from the grant holders (often the grandchildren of the original absentee landlord) and thus win exclusive rights over the land. Our Land Law at present enables these new investors to get court orders to evict the ground tenants and forced eviction takes place all over Malaysia from time to time. State governments have been ignoring calls for the creation of compelling enactments that will ensure that those being evicted will be compensated with housing or alternative land.

d) Maintenance problems in low cost flats.

Ten of thousands of low income families staying on government or private land have been evicted and forced into cramped low cost flats over the past 30 years. Many of these low cost flats are poorly planned and do not have proper rubbish disposal facilities, no multipurpose halls for community activities, insufficient playground spaces and insufficient parking lots. Our existing legislation places the onus of repairing and maintaining these flats squarely on an elected committee, the Joint Management Body (JMB). In many low cost flats these JMBs are unable to collect the maintenance fees from flat residents. This results in poorly managed flats and to the steady outmigration of the better-off families who have the resources to find better accommodation. Over time the conditions in many of these low cost flats have deteriorated terribly and they have become urban slums which foster many other social problems.

In line with the principles of the Universal Declaration of Human Rights and the Federal Constitution, we urge the government to commit to -

1. Provide Affordable home ownership/rental for all by

- Formulating a national housing policy to ensure suitable housing for all. This policy should be formulated through consultations with citizens at all levels.
- Setting up non-profit Housing Boards that will provide the first house for ordinary families at reasonable prices and control speculation in houses by requiring that these houses can only be sold back to the Housing Board concerned, thus removing public housing from the broader property market.
- Housing for the poor should come with reasonable bank loan guarantees with low interest from the authorities to enable affordability of home ownership.
- Compulsory MRTA home insurance for each unit sold. This will protect the family should the breadwinner pass away or become incapacitated.
- To provide affordable rental housing schemes for the marginalized so that they too can have a roof over their heads.



2. Recognize Urban Pioneers and put a stop to Forced Evictions.

- The government needs to recognize the economic contribution of urban pioneers to the development of their cities and give them some equity over the land they occupy. If the land belongs to the government, then the land should be offered to urban pioneers at nominal prices and not sold to property developers for profit.
- Establish an Enactment/Act where the state/federal government will automatically provide alternative housing or land if the settlers are forced to be evicted for government projects.
- The same Enactment should ensure that for private development projects, the cost for alternative housing of the settlers should be shared by the developers and the development be delayed until such obligations have been fulfilled.
- Tun Abdul Razak's Own Housing Scheme for plantation workers needs to be formulated as law.

3. Stop the banks' cruelty towards the poor by

- Creating a Loans Insurance Scheme where the buyer will pay a sum of money (say 10% from total repayment of loan) to a provident fund that can be used to service monthly repayments should the family be faced by a drop/loss of income. This Loan Insurance Scheme will also help reduce default in payment caused by economic recessions.
- Implementing the Retrenchment Fund advocated by PSM/Jerit that will assist retrenched workers meet their financial obligations including the servicing of their housing loans.
- Legislating that In the event of a recession, buyers should be offered a flexible restructured loan repayment scheme for a certain period. (a year for example) where they might be only required to pay half the usual loan repayment amount. This period will be helpful for the survival of the affected buyers together with the Loans Insurance Scheme and Retrenchment Fund.

3. Get Local Town Councils to take over the maintenance of low cost flats.

- Low cost flat dwellers to only pay 2 types of taxes; Land Tax (once a year) and assessment (twice a year) at a rate similar to that paid by owners of low cost terrace houses.
- Payment to be made to directly to the Local Town Council and Land Office. These payments should include cost of rubbish collection, cleaning of flat corridors, cleaning of drains, maintenance of playgrounds, maintenance of street lamps and roads within the flat vicinity. All these services should be taken over by the local council.



5. To enact Progressive and Strategic Property Taxes.

- We propose a progressive and strategic tax on real estates, especially on expensive homes second, third and fourth homes as well as primary land value tax and property gain tax on primary real estate sellers.
- Taxes collected can be channeled to build more affordable homes. We also propose additional taxes on unoccupied houses and apartments that are priced RM 250,000 and above (under occupancy tax). The under occupancy tax will reduce speculation in the housing market and keep a lid on housing prices.

We are of the opinion that the above demands are reasonable as ordinary citizens have a right to own their own homes. Our national housing policy should not be drawn up for the benefit of the developers! Capitalists usually like to build and sell expensive houses as this is the segment with the highest profit rates. However, the new government needs to accept that affordable home ownership/rental is a basic need and that it is the responsibility of a caring government to see that this need is met. Housing for the Rakyat should not be made a commodity that earns massive profits for the developers and the banks. Remove the provision of housing for the Rakyat from the market.

Housing is a Right of the People, Not a Commodity to be Traded!

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1/10/2018

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ICERD, Allay fears first! Class based policies Needed!

PSM Statement on the International Convention for the Elimination of Racial Discrimination- Dr Nasir Hashim.

Over the past few weeks there has been quite an uproar on whether Malaysia Baru should sign and ratify the UN Convention, the **International Convention for the Elimination Racial Discrimination** (ICERD). Both sides, that is those who strongly believe that signing the ICERD is the way forward and those opposing it fearing that the special position of the Malays as enshrined in the Federal Constitution will be eroded, have only exchanged media statements, hurling accusations against each other and calling for mass protest. Recently those against the ICERD have called for the Unity Minister, Senator Waythamoorthy to step down.

Unfortunately, there has been a failure to promote honest dialogue between both sides to hear each other's concerns and fears.

PSM strongly feels that the biggest challenge to the Pakatan Harapan government is to allay fears amongst the majority Malays that their special position would be undermined when the ICERD is signed. It is wrong to assume that the concerns against ICERD are solely raised by right wing UMNO and PAS leaders seeking political mileage. These are also the real fears of the, Malay Marhein (farmers, smallholders, workers, small businessmen, lower level government employees) who, after 61 years of race based policies feel that they are still left out of the economic progress of the country. They are not fully wrong either.

UMNO-Barisan Nasional's race based policies only enriched the top 20% leaving the Malay Marhein community no better than the other races. Income disparity within the ethnic Malays too has widened. Thus it's a legitimate fear of the Malay Marhein, who did not make it in business to uplift their socio economic wellbeing. Even though they did not make it to the top 20%, but at least they can still fall back on the special position that is guaranteed under the Federal Constitution like, higher education quotas, licenses, Malays Reserve Land. But with the ICERD, they fear that these too could be challenged and taken away from them.

PSM believes that ICERD is the way forward for Malaysia, where we strive to eliminate all forms of discrimination based on race, but there must be affirmative action based on class. A social inclusion agenda which is truly color blind will truly solve the socio economic disparities in society and weed out the Malay rentier class who has benefited all these years through UMNO style race based policies.

This is exactly what was proposed by Malaya's left political and social organizations 71 years ago in their All Malayan Council for Joint Action (AMCJA) - Putera (Pusat Tenaga Rakyat) Peoples Constitutional Proposals for Malaya in 1947. Racial barriers were broken down even then, when the Peoples Constitutional Proposals for Malaya 1947 proposed that all those born



in Malaya and accepted citizenship of Malaya will be known as 'Melayu' even though they were of Indian or Chinese descent. Thus all affirmative action, in terms of quotas, licenses, allocations, subsidies would have been class based and not race based according to the AMCJA_PUTERA proposal. The needy working class, farmers, smallholder Malays and fisherman would have directly benefitted without the rentier UMNO cronies abusing these affirmative programs.

In the same spirit, PSM's sole ex-MP Dr Michael Jeyakumar Devaraj, Member of Parliament, Sungei Siput submitted a motion to the Secretary of the Dewan Rakyat to table a Private Member's Bill entitled the Social Inclusion Act 2014 (SIA, 2014) during the Parliament sitting in March 2014. The private members bill rationale was the need for a new paradigm that focuses on long term solutions to bring about a socially just and more inclusive society. In order to address the root causes of poverty and marginalization in a non-partisan and non-race based manner. Such an approach would ensure that government resources are not "hijacked" by well-connected Bumiputras and that the full benefits of affirmative programs goes to the Bumiputra marhein as well as to the smaller number of the non-Bumiputra poor. Unfortunately the bill was shot down by the Speaker.

The Pakatan government has to ensure that it does not repeat the mistakes of UMNO BN's race based policies which only succeeded in increasing the class disparity amongst the majority Malays. PH has to realize that in the last GE14, they only received 20 to 25% of Malays votes and that the remainder was divided between UMNO (about 50%) and PAS (30%). This shows that the Malay electorate are cautious and wary of PH, fearing that they will be "giving in too much" to the Chinese and Indians.

PSM suggests that the PH has to 'turun padang' to the grassroots level amongst the working class, farmers, tappers, small holders and petty traders to gain their confidence that class based affirmative action will be continued to assist them in a more targeted and effective manner.

If the PH successfully rolls out such plans and proves its effectiveness, the majority masses will begin to see the fallacy of race based policies. At the end of the day, whether we sign or do not sign the ICERD, what matters most is whether the government executes concrete policies, regulations and programs to truly achieve social inclusion. There are many nations that sign the ICERD but never bother to take any measures to stop racial discrimination. Many nations fail to report to the UN on their progress and ignore their commitments.

The Minister's plan to postpone the signing of the ICERD and to have more discussions and consultations will only partially ease the tensions. UMNO and PAS will definitely capitalize on this issue to reinforce their support, and in so doing, heighten inter-ethnic tensions. We need immediate actions and policies that can convince and allay fears of the Malay majority. The PH has to prove that it is really serious about tackling Malay poverty. Only a class base approach can succeed in addressing Malay poverty, and such an approach will also help the



non-Malay poor who are caught in the same situation (e.g. poorly maintained low cost flats, fresh graduates with low salaries and huge debts, deteriorating standards in government hospitals). This class based approach will truly unite Malaysians irrespective of their ethnicity.

But such an approach can be only achieved if the politicians themselves drop their race based analysis and beliefs and take on the challenge to advocate a class based narrative educating the masses. If we fail to do this, the political narrative will be filled by right wing forces building hatred, pitting one race against another.

Dr Mohd Nasir Hashim.

PSM National Chairperson

20th November,2018

