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Easing the Cost of Living for the Urban Poor (Part 2)

Views of a LLB/ LLM graduate with experience being an 'urban poor'

LAST month on the 7 September 2018, I was fortunate to be given the opportunity to attend the 'Mesyuarat Focus Group Bajet 2019 – Easing Living Cost for the Urban Poor' organized by the Ministry of Finance in Putrajaya.

When we hear or talk of the urban poor, I suppose we immediately think of the bottom 40 per cent (B40) of the population who perhaps are earning less than RM3,000 per month either individually or as a household income. We also may have in mind that the persons who come under this category are uneducated, menial workers and or the non-executive / blue-collar levels.

My own experience states that you could fall under this category or label as an urban poor even with a degree or a masters qualification as these higher level qualifications do not necessarily guarantee a five or six figure income immediately upon graduation or even after a few years of being in the workforce.

It took me many years, more than a decade in fact, to understand or even accept the fact that it was not lack of hard work on my part that kept me stuck as an urban poor but that it is the country's economic system which is skewed towards enriching the privileged few in society at the expense of everyone else.

The new Malaysia 2.0

We have all experienced the euphoria of the election results of 9 May 2018. The dust has now settled and business has resumed back to normal again. The 'Mesyuarat Focus Group Bajet 2019' was also attended by some well-known business icons that had the privilege of sitting closer to the Minister, who shared their input on certain areas of the economy as well as the cost of living for the urban poor.

In conclusion, we, the people, want real, substantive and sustainable change to ensure a level playing field for all Malaysians and not go back to 'business as usual' where the rich and privileged few are given more and listened to at the expense of the common rakyat which includes to a large extent the urban poor.

In addition, there must be a relaxing of regulatory control and mechanical implementation of the laws on businesses especially if we want to attract more foreign investors to come to Malaysia and stay permanently. These foreign companies provide income to the country not just through the corporate tax that they pay but also through the jobs given to the locals. Pedantic implementation of the Companies Act 2016 for example would not create a very attractive or conducive environment for these foreign companies/investors to remain in Malaysia for the long term.

The labor laws of this country would need a serious overhaul. Let us face the music – local employers are stingy. Malaysian employees receive a disgustingly low salary in general. Not many industries pay well. Employers make a lot of noise when the government tries to introduce minimum wage policies. Even the recent announcement of the minimum wage of RM1050 for Peninsular Malaysia is not immediately effective on employers.

To compound the matter the current labor laws have not had any improvements with enforcement capacity upon employers since the time the labor law was enacted in the 1960s. Improvements that could assist and benefit the employee and at least provide a level playing field to the employee who, in general, has a lower bargaining position compared to the mighty employer. Of course, the employers' argument is that there is a dearth of skilled workers in Malaysia that would justify a high salary but this is nonsensical.

Malaysians are skilled, hardworking as a whole and in general. I know, as I am one of such Malaysian employee. How do we resolve this impasse? The government would have to step in. As a nation that is known to regulate everything under the sun, labor laws on salary is one area that the government should look into with proper enforcement to ensure effective assistance and opportunity is given

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"I have both a law degree and a master's in commercial law from esteemed universities. I spent a large part of my career in the civil service but I could only afford to purchase a double storey terrace house 20' x 70' after almost 10 years of working. I only change cars once after 10 years. I take a holiday abroad once, if I am lucky every year and if not once every 3 years. Nonetheless, I remember the years when a holiday just meant staying home and catching up on sleep or doing spring-cleaning of my home. I have gone through change of jobs, retrenchment and wrongful termination. Of course I have obtained gainful employment that provides a salary far above the civil service income but I had to leave a career of more than a decade just to be able to afford the good things in life and to escape the cycle of urban poverty".

New Malaysia must generate effective and sustainable development

Well, my point is that after working hard for many years to get out of urban poverty, I wish to see that the current government take effective measures to improve the economy. This is not just by introducing new tax regimes and tightening spending. I would wish to see steps to generate effective and sustainable development that will benefit all Malaysians and not just those business icons sitting in the front row at the Ministry of Finance.

Measures need to be taken to realistically assist the B40 to have a reasonable chance to escape their plight of being an urban poor. Diversity in development is the key focus. We cannot just continue to invest in traditional businesses that are in reality mere white elephants that do not generate income whether through sale or rental. These white elephant construction also do not reflect the reality amongst the rakyat that many still are unemployed and even those who have jobs are earning much less than their counterparts in the neighboring country namely Singapore.

to the urban poor to have a fighting chance to escape urban poverty.

Our devalued Ringgit

Our Prime Minister has lamented the fact that it is not so much earning a high income but that the income earned is capable of sustaining an individual or household. The Malaysian ringgit has been suffering debased value ever since the Asian financial crisis in the late 1990s. I am speaking as a common rakyat here not an economist as I believe that you do not need a PhD in economics to understand the value of money or even how to appreciate when your country's currency has gone down the drain and remained in the drain for the last 20 years.

The devaluation in the ringgit is not just due to outside forces but internal forces have a contribution in ensuring the lousy state of the Malaysian ringgit. It is high time that Malaysians come to this realization and stop blaming others. Global markets will not respect our ringgit if we do not initiate the first step in improving its value.

I do not have specific details on the steps to improve the plight of the urban poor but I do believe that firstly, we must improve the value of the ringgit and for this, we need to introduce an environment that is conducive for both local and foreign businesses to strive long term — cut the bureaucracy and mechanical regulating practices. Cut the corruption and a mentality of dependency. Next, have laws that will ensure the salary of the Malaysian people is reasonable at par with the cost of things necessary for a reasonable level of livelihood.

These are the wishes of this Malaysian.

This article is written by an 'anonymous' person who does not wish to be named. These are her viewpoints and her perception of the current state of affairs with her experience being an 'urban poor'. It was contributed to the Real Spaces team by The National House Buyers Association and edited by Gunaprasath Bupalan.



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