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Beneficiaries of a high-income economy

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There must be commensurate rewards for sacrifices

NO Malaysian wants to live on the edge of -- let alone in -- a state of poverty. Most, if not all, see financial insecurity as a curse rather than blessing and aspire to be able to afford a comfortable home, good transport, leisure and entertainment and perhaps even an occasional trip abroad.

Some set their sights even higher to include many homes, cars and assets, and the means to do as they please.

The key is to attain higher real income and the drive to become a high real income economy should matter critically to all Malaysians. It ought to be a rallying cry, a celebrated cause and a consensus, for the whole country, and particularly so for those who are finding it hard to make ends meet.

Somehow, though, the goal of becoming a high-income economy seems to have less than complete traction and we should ask ourselves why. Is it because the goal is undesirable, illogical as that may be?

Are the means and methods viewed as questionable? Or is there some other, as yet unarticulated, reason?

It is critical to get to the heart of this matter as it is going to be next to impossible to achieve the goal unless enough people are on board.

If people really see themselves as stakeholders, that is, having a vested interest in the issue, this would not be the case. Perhaps, just perhaps then, they do not.

Let us put aside irrationality as a reason. Malaysians are, for the most part, a rational bunch.

So is it because they are just uninformed? Misinformed? Or is it because they are cynical and distrustful, perhaps because of past experience? Or is there some other, as yet unarticulated, reason?

If it is a case of being uninformed or misinformed, this is a relatively do-able task. Communication, however, is not a straightforward exercise, not when different ethnic groups and income classes are concerned. As the saying goes, "It's not just about what is said, it's also what is heard."

"What is heard" is a socially and culturally sensitive matter. Urban educated elites, who make up the middle- and upper-income classes in most if not all countries, have a strong tendency to believe that the rest of the country thinks and acts exactly like them. The latter do not.

In the case of misinformation, it is vitally important to put forward facts and information in an open and credible manner.

The key words are credible and open. Information must consist of hard facts, reasoned analyses and concrete actions, not just airy aspirations.

This leads us in to the second question: cynicism and distrust. This is a more challenging issue --if, indeed, it exists at all -- but it can and should be addressed within the realms of good policy consultation, formulation, implementation and feedback.

Here it is necessary to frankly face a reality. The benefits of economic and income growth that Malaysia has enjoyed thus far have been disproportionately distributed. There are, therefore, legitimate grouses and the data available clearly shows that.

If the bottom 40, 60 or even 80 per cent of Malaysians are to make the personal sacrifices to achieve high-income status, there must be more than a tiny trickle-down.

If they are expected to contribute ever higher value, there must, in actuality, be a commensurate reward and rise in their living standards.

In short, to begin the process, we need to make Malaysians integral stakeholders in the process. How exactly we get there is another matter.

It is impossible to address the many-faceted nature of what makes a country rich in one or even many short columns. Much has been written and studied on the subject for over two centuries and can fill whole libraries.

The fact of the matter is that incomes, real or otherwise, are a result of a multitude of interacting factors, of which the economic factor is only one part.

Income is the final result also of psychological, social, cultural and political factors as well. Thus becoming a high-income economy will involve a total bottom-up transformation and not merely a narrow and segmented one.