

# A GUIDE TO PSM POLICIES



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## Introduction

The PSM is a national party with a mission to transform Malaysia - to bring about a just, equitable, harmonious and economically sustainable society. To achieve these goals the PSM is continually formulating and fine-tuning plans and policies to deal with all the issues pertaining to the management of a society in the 21<sup>st</sup> century.

Although the PSM is better known for its work in helping marginalised communities facing eviction, organising workers and urban squatters, the PSM places a lot of importance on working with NGOs and individuals to draft programmes to tackle the everyday issues affecting the majority 99% of society.

This Handbook summarises the key elements of PSM's position on various issues so that the Malaysian public can better understand PSM's vision for a better society.

It should be borne in mind that PSM policy development is an ongoing process with ideas being refined and altered as we continue to debate the issues. The reader is welcome to play a part in this process - you can email to me or any member of the PSM CC your comments and ideas regarding any of the issues discussed in this handbook.

Let's work together to conceptualize a workable better alternative for our society. Salam Perjuangan!

Dr Kumar (e:rrani.kumard@gmail.com)

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## Education

For thousands of years, new generations acquired knowledge by working alongside their elders at home or in the fields, from the stories told by the older people in times of leisure as well as from the observation of religious festivals. There were specialised institutions of learning, but these were for a small group of scholars. Universal education for all children is a recent phenomenon (100 - 200 years) in human history. In modern society the system of education plays multiple roles apart from imparting the knowledge and skills for the younger generation to fit into their role as workers in the future. These other roles include

- building national cohesion by propagating a particular language (now in Malaysia most people below 40 years are reasonably fluent in BM);
- providing child-care services so that the parents can engage in the economy;
- legitimizing income disparity (he was smarter than you in school. You didn't work hard enough. So he deserves his larger pay);
- social engineering. This has been used to a great effect in Malaysia to develop a Bumiputra middle class.
- promoting particular narratives. Islamization has been promoted in our national schools since the 1980s.

Given these multiple roles of the educational system, it is not surprising that here has been so much conflict over it. And the main reasons are -

A) Education is seen as a passport to better jobs and income. It is the road to a better quality of life for the student and his family. Parents want their children to score good grades so that they can get the high paying jobs which are in short supply. Given the fact we have a steep income pyramid in the country with the professionals earning 20 to 200 times what the factory worker earns, there is a huge competition for good schools, varsity seats, JPN scholarships and the like.

B) We still haven't resolved what Malaysian culture should be. Should it be Malay dominated, or an amalgamation of many cultures? How Islamic should it be? The school syllabus has become the battleground for these different views on which direction Malaysia should head in.

C) The Malaysian political system with its ethnic based parties requires politicians to project themselves as the better spokesmen for their ethnic group as compared to their rival. UMNO has to portray itself as a better defender of Islam and Malays than PAS. Similarly MCA with respect to DAP. Even within supposedly multi-racial parties like the DAP and PKR, the Indian leaders have to win over the Indian masses from MIC by showing that they are better defenders of Indian interests. This leads to politicians playing up and accentuating issues pertaining to religion and language to score political points that sometimes makes the other communities apprehensive.

## PSM's Positions

1. In the longer term we need to work towards a system of education that produces all-rounded holistic individuals who are environmentally conscious, appreciative of other communities, not patriarchal, possessing the capacity to work with others in collective endeavors and well aware of their own history.

2. The stressful contest for places in prestigious universities and courses, and JPA scholarships, will continue as long as there is a huge differential between the top paying jobs and the rest of the jobs in society especially when the number of high paying jobs is restricted. (Currently only 30% of graduates aged 21 to 24 years of age are in jobs that require a degree or a diploma. 70% of graduates of this age group are unable to find jobs commensurate with their qualifications.) If factory workers and agricultural workers were paid a decent wage, and if there was a good social support system in place (universal health care and old age pension for example) the intensity of competition for the most prestigious universities and for the professional courses will ease off.

3. The Federal Constitution takes a balanced position with regard to languages and vernacular schools. Article 152(1) reads - *The National language shall be the Malay language and shall be in such script as Parliament may by law provide. No person shall be prohibited or prevented from using (otherwise than for official purposes), or from teaching or learning, any other language.* This means that

- Bahasa Malaysia is the national language and all Malaysians should be proficient in it. For the ordinary citizens it is crucially important to have a common language so that we can discuss and work together on issues.

- As children entering the education system do best when the medium of instruction is in the language that they use at home, there is a place for mother tongue education and this is expressly provided for in Article 152(1)(a).

4. The vernacular school system is not a cause of inter-ethnic disharmony. Ethnic politicking that mobilises people for and against vernacular schools is. This sort of politicking is driven mainly by the contest among the leaders of ethnic parties and NGOs for the leadership of these parties and NGOs. The proponents of a unified school system should focus on making the national schools so good and inclusive that parents choose to enroll their children there. Vernacular schools should not be forced to close.

5. Tertiary education should be heavily subsidized by the State. This is because we want the graduates to go and serve the people all over the country. Society does not have the moral authority to ask graduates to go to less developed states or to rural areas if society required students to pay the full cost of their education.

6. The commercialization of education has led to many institutions that offer courses of dubious quality and value, and churn out far more graduates than what the market can support. This disadvantages the young - not only are they burdened with huge debts, their bargaining power vis-a-vis their employer is

undermined by the existence of so many unemployed graduates who are desperate to get a job.

7. The development of a multi-ethnic people's movement to build a more fair and equitable nation would help create a common Malaysian culture that draws elements of the different cultural traditions in the country.

8. Creating a more inclusive world view should be one of the core functions of the national education system. Our children should be helped develop the capacity to deal with diversity such that we as a people become less susceptible to chauvinistic politicians who try to use race and religion to gain popularity.

(Many of these points are from the SPD that PSM held on Education in Kampar in January 2019)

## Health Care

Malaysia has a well developed Public Health Care System. But this is under a lot of pressure because of the following factors -

A. Insufficient funding for the past two decades. Although the Ministry of Health received RM 31.9 billion in the 2021 budget (making it the second largest recipient of Federal Funds) this isn't enough for the expansion of services necessary to meet current needs.

B. A belief in certain sections of the ruling elite that Health Care can be provided by for-profit private institutions and that the people who can afford it be encouraged to seek treatment in the private sector.

C. The massive out-migration of doctors and of paramedical staff from the Public Sector to Private Institutions due to the great differences in remuneration.

D. Budgetary constraints faced by the Federal Government as tax earning have decreased as a proportion of GDP for the past few decades.

The impact of these factors on the Malaysian Public include

- Overcrowded Government Hospitals and Clinic resulting in delays in obtaining appropriate treatment.

- Inadequate supervision of junior staff leading to lapses in quality of care. The proper training of young doctors is adversely affected by the shortage of experienced specialists in the government sector.

- A drop in confidence in the general public as to the quality of care in Public Hospitals. This has led many to take out health

insurance policies which put an additional strain on family finances.

### **PSM's Positions**

1. Health is a basic human right. It is not a commodity for businesses to make a profit out of. The delivery of health care to the population has many positive “externalities” in addition to having a more productive workforce. One of these externalities is the creation of a sense of social solidarity and a sense of belonging to the society. It enhances social harmony. Also reduces financial insecurity. It defines us as a nation.

2. There should be a Moratorium on the expansion of Private Hospitals. Building of new private hospitals or the expansion of existing ones should not be allowed for the time being. This would help the government sector replenish its stock of specialists and experienced paramedical staff.

3. Health Tourism expands the demand for private care and exacerbates the issues mentioned in (2). So it should not be encouraged.

4. There will always be a need to ration health care. A society's resources are finite. But the rationing should not be by the market - by the patient's capacity to pay. There should be other methods - boards of doctors and lay public - to make these decisions.

5. To retain specialists in government sector, the government should

- create a separate service commission for health care workers in Government Service. Just as there is one for Judges, teachers and the military. This service commission should follow the salary structure as IJN
- Award 3 month fully paid for sabbaticals to specialists for every 4 years of service.
- Provide grants to specialists interested in doing research

6. The Full Paying Patient system (FPP) in government hospitals should not be expanded. It creates conflicts of interest - patients will only opt for the paying system if the government clinics have a long waiting list! FPP undermines morale in the government health care system.

7. Improve Primary Health Care by working towards the concept of a Family GP who is paid a capitation fee for each patients assigned to him/her by the government. Gradually absorb the 7000 GPs in the country into a system based on capitation payment to give better care for our patients with the NCDs (non-communicable diseases).

8. Do not institute a pay-roll deduction for Health Services. A mandatory of 5 to 10% of wages has been proposed by some “experts”. We are in a low wage regime and are looking for ways to increase the disposable income in the hands of the ordinary workers. An additional pay-roll deduction will reduce disposable income for the working class families.

9. Do not create an “internal market” within the government health system. Reasons -

- It will cause perverse outcomes such as increase in interventions as hospitals will try to maximise income by increasing the proportion of unnecessary appendisectomies, caesarian operations and cardiac angiograms.
- It will lead to an increase in bureaucracy. This will be costly.
- It is premised on misconceptions regarding the efficiency of market relations and the nature of man (“Homo economicus”)
- There are a high risk of kleptocratic behaviour in handling a National Health Fund with a budget of RM 60 billion per year.

10. Migrant workers should be charged similar rates as Malaysian patients. - Levy collected from foreign workers is currently in excess of RM 3 billion per year. A portion of that should be used to pay for their medical costs. In effect, they will be subsidizing each other.

- Charging them high rates will tend to make them delay medical attention when they are sick. This will lead to the spread of infectious illnesses for example tuberculosis.

- They are also human beings and deserve fair treatment. Health is a human right.

11. The co-payments charged to patients treated in government hospitals is going up. Patients now need to buy catarract lenses, orthopedic plates and screws, surgical staplers and a whole lot of other equipment and appliances. The cost of these can run into thousands. Funds should be allocated to subsidize these expenses.

12. The Health Budget should be gradually increased from it’s current 2.2% of GDP to 4% of GDP over the next decade. This

would make it possible for the construction of a second general hospital in many of our State Capitals, as well the provision of new services such as community nursing that provides nursing and physiotherapy care to stroke patients and patients with disabilities in their homes.

## **Affordable Housing for all**

Taking into account the facts that

- Around 20% of Malaysia's 7 million households (1.4 million families) do not own their own houses. The majority these families earn less than RM 3000 per month;
- Most B20 families are not in a position to service a housing loan. To do so would require them to cut back on other essential necessities such as food and education;
- approximately 210,000 couples tie the knot each year. Many among them will need to buy or rent their own premise;
- there are thousands of families living as ground tenants in our towns and cities. They do not own the land their houses are built upon and consequently live under the threat of eviction;
- more than 700,000 low income families live in poorly maintained low cost flats;
- the housing market tends to cater for the investment needs of richer Malaysian and not the housing needs of the poorer. This results in property "overhangs" (of expensive units) alongside shortage of affordable houses for the majority;
- Land speculation on the part of State GLCs also drives up the prices of houses. Many States alienate land to their own GLCs which then enter joint venture development projects with private developers.
- Malaysia experiences an economic downturn every 8 to 10 years. Many house buyers tend to default on their loans during recessionary times and their houses are auctioned off,

The PSM recommends the following -

1. Wherever possible, Urban Pioneers (squatters) and

ground tenants should be given grants to the land that their houses are built upon. This will forestall the high probability that they will be evicted in the name of “development”.

2. Legislate that the management and maintenance of low cost flats (units priced at RM 150,000 or lower) be taken over by the local town council. The elected Residents’ Council should be maintained to provide feedback from the residents.

3. Set up non for profit Housing Trusts at State level to provide good quality, affordable houses (less than RM 50,000 per unit) to Malaysian families that do not own any house. To do this,

a/ The government needs to set up a national data base on house ownership as this scheme is meant for families without a house of their own.

b/ These houses cannot be sold on the open market. If the house buyer wishes to sell it he/she can only sell it back to the Housing Trust. This is prevent speculation in houses.

c/ These houses should measure at least 20 x 40 feet (in built up area). If possible, land measuring 400 sq feet should be provided behind each house for families to extend if they need to at a later date.

4. A special saving/insurance scheme should be set up to provide support for people who lose their jobs. 10% of each house buyers loan repayment should be paid into this fund to cover the possibility of income loss during recessionary times.

5. The non-profit Housing Trust should also build houses

for long-term rent to families in the B20 stratum of society as these families will have to cut back on more basic needs such as food and education if they took on a housing loan. Currently unused government quarters as well as the workers' quarters in some estates could also be acquired by the Housing Trust for this purpose. Community facilities such as spaces for kindergarten, tuition classes and meetings should be made available in these low cost housing scheme as an investment in the coming generation.

## Rural Poverty

Despite the huge and consistent allocations to alleviate rural poverty, our smallholders and fishermen remain among the poorest groups in Malaysian society. Government programmes have greatly improved the services enjoyed by the rural population – roads, schools, health clinics, safe water, electricity supply and others. But the monetary income of the rural population remains low.

The causes of persistent rural poverty include

- The small sizes of their farms – the majority are below 5 acres.
- Many smallholders are actually share-croppers sharing the product of their labour with the landowner (who is also poor, only owning 3 acres that he is now too old to till).
- The fact that agricultural commodities – padi, rubber, oil palm, cocoa, etc – fetch low prices in the world market as there is a huge difference in market power between the oligarchies that buy these products and the millions of small farmers who produce them. The prices of agricultural commodities has decreased dramatically over the past 60 years as compared to the prices of manufactured products.
- The failure of industrialization in Malaysia to absorb the surplus labour from the agricultural sector. This is because the government has allowed the factories to import cheap foreign labour who are prepared to work extra long hours.
- The unfair working conditions and the exploitation of foreign labour by employers and the labour suppliers has led to many of them running away to swell the numbers of the “undocumented” migrant worker sector. There are now an estimated 3 million

undocumented foreign workers in Malaysia compared to the 2 million documented ones. The undocumented foreign workers are to be found all over Malaysia and in rural areas work as agricultural labourers and in chicken and fish farms for very low wages. This has led to under-employment on a grand scale in the rural areas with many men only working 2 days a week or less.

A programme to combat rural poverty would need to combine the following approaches -

**1. Maintain the smallholder sector**

There is a strong tendency within the Malaysian government to promote large scale agro-business. This would exacerbate underemployment in the rural population, increase the use of pesticides and other agro-chemicals and accentuate monocropping. The government should instead endeavor to support the smallholder community.

**2. Continue with agricultural subsidies**

a/ Padi production has to be increased. Currently, domestic production only meets 70% of our demand. However we cannot increase the price of rice as it a staple that almost all families consume and we do have a large number of low income families in the country. Also, a large price differential between the price of rice in Malaysia as compared to Thailand will encourage even more smuggling. So augmenting the income of padi farmers through giving subsidies to them makes sense. However the mechanism of delivering these subsidies should be reviewed.

The padi price subsidy scheme which is being implemented through Bernas has problems. Under this scheme the farmer is credited 36 cents by Bernas for every kg of padi he sells to the

rice mill (The mill pays RM1.20 per kg of “dry padi”). However farmers complain that they are shortchanged by mills which over-estimate the quantity of moisture in the padi being bought. Padi farmers claim that sometimes up to 30% of the weight is discounted as being due to water and debris. The underestimation of the proportion of dry padi also helps Bernas save on the subsidy (given to it by the government) it has to pay out to the padi farmers.

Relying on Bernas, a for-profit company, to increase our padi production isn't quite smart. Currently Bernas imports about 1 million metric tons of padi each year to make up for the 30% shortfall in our production. This is highly lucrative as the wholesale price of ordinary rice in Thailand is about RM 1.60 per kg but it is sold for about RM 2.60 per kg in the Malaysian market. Bernas stands to lose a portion of its income if our self sufficiency level in rice improves from its current 70%.

About RM 400 million is spent annually on providing fertilizers to padi farmers but one hears frequent complaints that the companies handling this sometimes deliver the products late and often provide fertilizer that aren't quite appropriate for the farm. Providing the padi farmers with vouchers to purchase fertilizers on their own might be a better option.

b/ The rubber price subsidy. At present the government has a scheme where approximately 170,000 rubber smallholders receive a subsidy when the price of cup-lump falls below RM2.50 a kilogram. These payments are credited directly into the bank accounts of the rubber smallholders with holdings that are less

than 5 acres. This subsidy should be continued for the time being while attempts are made to help these farmers diversify away from rubber.

c/ The small fishermen subsidy of RM 300 per month should also be continued.

**3. Rubber smallholders should be assisted to diversify away from rubber.** The following options should be considered -Cattle or goat rearing is a lucrative industry, but it requires experience to manage the livestock. Malaysia's self-sufficiency in mutton, beef and milk is quite low. So there is a lot of demand domestically for these products.

-Fish rearing is another possibility, but it has its operational problems such as handling of wildlife that prey on the fish, the occasional flood that washes away all the fish and the contamination of the water by agricultural pesticides. Handling these problems sometimes requires capital intensive approaches.

-Fruit orchards are another option. But many farmers complain that the prices of their products drop dramatically because of the glut during the fruit season. This is where FAMA could play a role by going into forward contracts with these farmers – ensuring that at least a certain portion of the harvest will fetch a reasonable price. FAMA has to devise methods to can or otherwise preserve these fruits for the oversea markets.

4. The traditional fishermen. There are around 100,000 of these fishermen in the country. Apart from the monthly income subsidy of RM 300, the following should be done –

-The **intrusion of trawler into coastal waters must be stopped.**

Over-fishing by trawlers depletes the fishing resources that the traditional fishermen depend upon. The departments concerned should use modern technology including drones and GPS to track the location of trawling vessels (which are given permits to operate at 12 miles or more from the coast, but often come much closer).

- Fishermen complain that many trawling vessels, including some from neighbouring countries, are operating under licenses awarded to VVIP Malaysians who receive monthly payments for this service. This practice has to be investigated and stopped. The full list of fishing permits should be put up in Fisheries Department website so that people can point out cases of fraud.

- The Department of Fisheries should evaluate and intensify their efforts to **replenish the nation's fish resources** by promoting artificial reefs and by stopping further encroachment into mangrove swamps.

**5. The government should pay the SOCSO contribution for all food farmers and fishermen** based on an estimated monthly income of RM 1500 per month. This would provide some protection to the food producers if they happen to get injured at work or if some illness renders them incapable of working.

**6. Aid the rural population find employment in factories**

-The employment of migrant workers in industrial estates must be reduced. The Ministry of Labour should have a program to register working age adults in rural areas who are keen on getting factory jobs. Factories applying for permits to bring in foreign workers should be required to get a certification from the local

Labour Department that there are no interested applicants from the rural population in that or neighbouring districts.

-Factories should be penalized if they insist on 12 hour shifts for their workers. Workers should have the option of working standard 8 hour shifts.

-The levy payment for foreign workers should be equivalent to 13% of the foreign workers' pay and be borne wholly by the employer. Otherwise, the requirement to pay EPF for local workers predisposes Malaysian employers to prefer taking foreign workers.

#### **7. Tackle the issue of the “Reserve Army of Labour”**

-Many workers become undocumented when they run away from their original employer because of bullying, under-payment of wages or overtime and other forms of mistreatment. They are unable to complain to the Labour Office as this would lead to their sacking and deportation. Hence they have no option but to run away and subsist as an “undocumented” worker. The foreign worker's right to redress should be enhanced by providing them with a temporary work permit to work under another boss if their original employer summarily sacks them for complaining to the authorities. This would encourage more workers to remain “documented”. Assistance from the YBGK (Yayasan Bantuan Guaman Kebangsaan) should be provided for migrant workers utilizing the levy collection to pay for the legal service.

-A proper amnesty program should be launched. Foreign workers should be allowed to register themselves under the companies where they are currently working. Often the amnesty program specifies only a few sectors that they can work in. So many cannot register or they pay large sums of money to agents who

claim that they can produce the necessary paper work to get registration (by citing a fake employer). Amnesty programmes should be carried out by government itself and not contracted out to private companies.

- Once a proper amnesty program is carried out, the authorities must impose prison sentences on the employers who still persist in employing undocumented workers. The current strategy of being strict with the workers but letting the employers off lightly is clearly not working.

### **8. Empower the Kampung JKs**

It is estimated that between 30 to 50% of funds meant for rural development does not reach the target population. Over-priced quotations, multiple subcontracts and shoddy workmanship are the norm. The fact that at present, the chairpersons of the village committees are selected by the District Officer with input from the local UMNO leader renders the village committee quite incapable of questioning this misappropriation of the funds as in most cases the cronies of the District Officer or the UMNO leader is involved in the misappropriation. This problem can only be solved if

- Village Chairpersons are chosen by the kampung residents through open elections
- All details about development projects including the total allocations, the terms of the contract, the specifications of the projects are put up on a website that is accessible by the public. Currently it is entirely opaque. The allocation might be for 30 PPR houses to be built but only 20 are. The people are none the wiser as the details of the project were not made known to them.

- The BPA, the Public Complaints Bureau, needs to be strengthened so as to be able to respond to JKKs that are unhappy with the roll-out of certain projects in their village.

**8. A Pension Scheme for those aged above 70 years.**

This would be a great help to all those above 70 who are not on any form of pension. It would greatly enhance their quality of life in addition to providing some extra demand to the local economy throughout the nation.

(Source: Paper presented at the 2016 Congress of the PSM)

## **Labour Market “Liberalization”**

“Liberalization” of the Labour Market has been touted as one of the strategies to attract more investment, including foreign investment, to Malaysia. It is argued that greater “flexibilities” in the labour market will help employers trim costs and that this would make Malaysia a preferred destination for FDI. This strategy has led to the following practices

- a/ The increased use of contract labour even for jobs that are permanent in nature.
- b/ The out-sourcing of labour to private contractors. This has happened in both the government as well as the private sector.
- c/ Attempts to portray the worker as an independent contractor.

These practices have disadvantaged workers in many ways. When a certain category of workers in a factory are passed over to a private contractor to provide the same service that these workers were doing previously, these workers now

- Are no longer permanent employees. Their term is only as long as the contract that their new employer (the private contractor) has with the principal company – usually 3 years. The contractor has to re-bid for the contract after 3 years. As he has to compete with other contractors, he has to keep costs down by keeping these workers permanently at the minimum wage. No longer will they receive the small annual increase that they enjoyed when they were check-roll workers of the factory.

- Are now the responsibility of the contractor. The contractor is now the party responsible for meeting all the obligations of an employer as per the Employment Act. If they are laid off, they cannot claim against the principal employer – the factory they are working in. They can only claim against their current employer, the contractor, and as his/her financial resources are much smaller than the factory's, there is a high chance that he/she will prefer to declare bankruptcy rather than settle the retrenchment benefits due to the workers.
- Have interrupted service. If they are laid off, they would be only be able to claim retrenchment benefits for the past 2-3 years they have worked under the present contractor though they may have worked much longer at that same factory.
- Cannot remain part of the union for the factory because they are now under a different employer.

Similarly, there are now thousands of cleaners and security guards, who were formerly government staff in public hospitals, clinics, offices and schools. In the 1990s these services were privatized, and the employment of about 300,000 lowly paid workers has become much more precarious. In addition to the problems noted above with regard to private sector workers who become outsourced labour, the cleaners and security guards in government institutions lose their right to low interest civil service housing loans, retirement pension, and the avenue of referral to IJN (at government expense) if they need such a referral.

The tactic of portraying employees as independent contractors is practiced by some transport companies who try to evade their responsibilities to their workers by pretending that these are not workers but are independent contractors with whom the company contracts with to drive the company's lorries. As “independent contractors” these drivers are not eligible for overtime pay, annual leave, sick leave, EPF and SOCSO contributions. This has disastrous consequences to the lorry driver who gets maimed in an accident. The social protection net has been partially dismantled by this neoliberal tactic of “labour flexibility”.

Clearly, these euphemisms - “liberalization” and “flexibilities” – are attempts to give a veneer of respectability to questionable tactics that reduce the income and security of these different categories of workers. These tactics are regressive and they undermine several of the provisions of the Employment Act that were enacted to safeguard the interests of workers.

The PSM’s stand is that all these “liberalization” tactics are unacceptable and regulations should be enacted that clearly make them illegal. Our stand is -

1. Contract work should be limited to work that is intermittent or seasonal in nature. Work that is continuous in nature cannot be classified as contract work.
2. Outsourcing of labour should be outlawed. The principal employer should be responsible for ensuring that the

workers enjoy all the benefits laid out in the Employment Act.

3. The cleaners and security guards working in government hospitals, offices and schools should be absorbed back into government service and given all the benefits due to government servants. They are among the B20 in our population and it is morally repugnant to try and cut costs by pushing them deeper into poverty!
4. Only a person who owns the means of production (the lorry) can be considered an “independent” contractor. A driver who drives the lorry of the employer is an employee who deserves all the benefits and protection under the Employment Act, the EPF Act and SOCSO.

## **LGBTQ**

(Lesbian Gay Bisexual Trans Queer)

### **PSM's understanding of the issue**

1. There are a significant number of people in Malaysia who would consider themselves as belonging to the LGBTQ community. The number could be as high as 5% of the population. Many among them do not publicly declare their sexual orientation or their gender identification as they are fearful of the repercussions.
2. The people who are LGBTQ are not such choice. Most of them cannot just choose to revert to conventional heterosexual orientation or gender identification consonant with their biological gender. LGBTQ is not a psychological malady that can be "treated" or shamed into "normalcy". It is a way of being that probably has roots both in inherited factors as well as early childhood experiences. By the time it manifests when the person is a teenager or young adult it is quite entrenched as that individual's way of being.
3. Christianity and Islam both look upon LGBTQ as sinful aberrations. Some among the Christians and Muslims believe that these individuals can be counseled, treated or forced to become "normal". However there are significant numbers of Christians and Muslims who would agree that society should not be cruel or harsh towards LGBT individuals.
4. Generally Hindus and Buddhists are more open to the LGBTQ phenomenon and tend to accept the position that these are normal variants of human sexuality and gender identification.
5. LGBT individuals in Malaysia face a whole lot of problems including

- censure and rejection from their own families
- harassment and bullying in schools and in society, including physical violence which have on occasion resulted in deaths.
- poorer academic achievement because of the above factors.
- psychological stress. Many of them feel ashamed of being LGBT and feel guilty as they have “let their families down”. Many try to keep their LGBT status secret.
- Muslim LGBT face the risk of arrest and prosecution by the religious authorities.
- The public health care system does not cater to some of the specific needs of the LGBT community eg hormonal therapy taken by some trans people, gender re-assignment surgery, etc.

### **PSM Positions re LGBTQ**

A) The PSM should assist in creating a more safe environment for LGBTQ communities.

B) The current misconceptions regarding the LGBT communities have to be corrected. However this effort must be grounded in Malaysian reality where the conservative anti-LGBTQ opinion is quite strong at present.

C) Violence towards and harassment of LGBTQ individuals should be strongly opposed. It would be possible to build a broad based support for this effort focusing on the argument that they are human beings and deserve to be treated with respect and kindness whatever disagreements one has with regards to their sexuality or gender identification.

D) The PSM should continue to work with the LGBT community in planning a strategy to address the problems and the negative perceptions that they face. This strategy should be aimed at winning more Malaysians over to a position that is not antagonistic to the LGBT community.

## Youth Employment

The 19 - 30 year old age group is facing a serious set of problems with regard to employment including

- an unemployment rate in the 19 - 25 year old population of more than 12% (among those in this age group who are interested in finding a job). This rate is about 4 times higher than the national unemployment rate.
- We have close to 300,000 graduates from diploma and degree courses each year. That's more than 60% of their age cohort. Unfortunately, our economic system generates far more non-PMET jobs. (PMET = Professionals, managers, executives and technicians)
- More than 60% of the below 30 year olds with tertiary education who are working are holding "non PMET" jobs which do not require a diploma or degree.
- The pay of graduates and diploma holders is low, the hours are long and their bargaining position weak, given the fact there is a huge oversupply for this category of workers. In 2021, there were 169,000 unemployed graduates vying for 43,000 vacancies in skilled jobs. When the wages of graduates are juxtaposed with the debts they have incurred to acquire their diploma or degree, their financial situation is disheartening.
- The youth without tertiary education have to compete with migrant labour who are prepared to work harder, longer and for less benefits.

The PSM's position is

1. The Right to Life presupposes the right to work. Without gainful employment, those living in a market economy will not have the financial resources to procure basic necessities for themselves and their families. Therefore we need to commit to the Right to Work for all members of society.

2. Given the fact that machines and technology have made the production of goods that much more efficient, there is simply not enough work for everyone if we all want to work 12 hour shifts. Handling this technology induced unemployment would require us to

- a) Work less hours so that available work is shared out. We need to work towards a 32 hour working week so that the available work is shared by more people.
- b) Create more “caring” jobs to look after children, the old and the sick. To rebuild and “humanize” our communities.
- c) Create more “green” jobs to rehabilitate the environment, replant our forests, produce energy in a sustainable manner, clean up our rivers, etc.

3. The above is not impossible as our society has more than enough resources to do all those things. But there are serious obstacles that arise from the way our economy is structured at present. If the working week is shortened from its current 48 hrs to 32, wages per hour will have to go up by 50% to maintain the same take home pay as before. But any increase in the rate of

pay per hour will get employers quite upset as it will cut into their profits, and make it difficult to compete with the manufacturing and plantation sectors of other countries.

4. There is a great need for more “caring” jobs for example

- a) Nurse visits and physiotherapy for OKU people and stroke patients in their homes a few times per week.
- b) Respite care for families that are looking after bed-ridden family members
- c) Child care for lower income families so that the Mums can go out to work or do other chores.
- d) Youth programs in all regions so that youth have a chance to meet and mingle in healthy activities.

Our society needs these kind of services urgently. But at present the government does not have the funds for this - the Malaysian federal government annual expenditure is already about RM 98 billion more than it's revenue. There is a serious risk of capital flight if Malaysia unilaterally increase taxes on corporations and the super-rich (and the rest of ASEAN doesn't).

5. The problems that our young people are facing is only going to get worse given

- Artificial Intelligence, robotics and the advancement in technology.
- the race-to-the-bottom that ASEAN countries are engaged in in their desperation to attract Foreign Direct Investment. As their

governments want to seem “business friendly” they are afraid to legislate higher wages or taxes.

- the government lacks the political will to dismantle the cartels that make huge profits by bringing in excessive numbers of migrant workers who each pay RM 10,000 to RM 16,000 to the cartels. These cartels are linked to powerful politicians.

6) There is no easy, quick-fix solution to the problems faced by the young adults in Malaysia and in the rest of ASEAN. Apart from advancements in technology that make jobs redundant, the main causes of the problem are the maldistribution of national income, and the fact that countries need to remain business friendly to attract investments and jobs. The global elite comprising 0.01% of the world’s population have acquired too much wealth and power!

7) Conventional analysts who talk glibly about increasing soft skills, “marketability” and proficiency in English in our youth are barking up the wrong tree! Runaway neoliberal capitalism is the problem! And until we recognize the true problem, we cannot hope to overcome it. Unfortunately very few Malaysian political leaders recognize the true problem.

8) The exhortation for our youth to become entrepreneurs is wrong advice if not based on a realistic assessment of market demand. One hamburger stall in a taman with 300 houses might generate a decent income. But if there are 3 hamburger stalls in that taman, all 3 will be limping along financially. There is a need for businesses that sell goods to buyers outside that district. That will bring money into the district and deepen the local market for

the small stallholders in that district. A drive along kampung roads will reveal a large number of small stalls/restaurants dotting the sides of the road, most of them sadly closed. Opening businesses isn't the panacea to the problem of under-employment and a depressed wage rate.

9) The international economic order has to be re-calibrated so that wealth created is shared more equally between labour and capital, and ensure that the large corporations do not play off one country against the other. This is a tough long-term political project that will require mass mobilization of the people as the global 0.01% will not take kindly to any efforts to restrict their economic privileges or political influence.

10) The transformative program that the PSM is putting forward is the best bet for the youth in Malaysia and the ASEAN region. Unfortunately the vast majority of our youth are trapped in various shades of false consciousness premised on narrow ethnic or religious identity politics.

## **Universal Basic Income (UBI) / Universal Old Age Pension**

The Universal Basic Income proposal is quite popular among many young people and it would certainly make life more secure for many. But it will require an enormous sum of money to implement. Malaysia's 32 million population can be broken down into the following categories

- Below the age of 18 - 8 million
- Married couples – 13.5 million (7.5 million families)
- Above 18 single - 10.5 million

If the UBI we roll out provides RM 1000 per family per month and RM 300 per single person, the total monthly pay-out will come to RM 7.5 billion + RM 3.15 billion = RM 10.65 billion per month or over RM127 billion per year. This is equivalent to about 40% of our current Federal Budget! Our estimated Federal Budget deficit for 2021 is already RM 70 billion without the UBI. Passionate proponents of UBI will need to come out with realistic proposals to raise this amount of money without causing capital flight or currency depreciation. The MMT approach (Modern Monetary Theory) has its limitations. It cannot be touted as a panacea for all government expenditure though it certainly can and should be used to strengthen the Social Safety Net. (Please refer to section on Debt Monetization).

## Universal Old Age Pension

This is do-able in the near future. The PSM has been advocating for a monthly pension of RM 500 for all individuals 65 years and above who are not recipients of government or SOCSO pensions. Given the fact that there are approximately 1.6 million individuals in this category of our population, the annual outlay for this pension scheme will be  $RM\ 500 \times 1.6\ \text{mil} \times 12 = RM\ 9.6$  billion.

The arguments for such a scheme are

- According to En Nurhisham Hussein, Chief Strategic Officer of the EPF, 56% of EPF members aged 54 years have less than RM 50,000 in their account. (Star 23/9/2022) This amount can only last them for 4 years after retirement if they were to withdraw RM 1000 a month for expenses. According to EPF, currently, a member would require RM 240,000 in EPF savings to retire comfortably.
- The majority of EPF members use up their EPF savings within 5 years of retirement and thereafter have to depend on their children who often are struggling to meet the needs of their own families.
- There were 7.6 million active EPF contributors out of a working population of 15 million in 2019. About 40% of our working population are in the non-formal sector, or are small farmers and fishermen, or are owner operators of micro businesses. Very few among them are able to put aside any savings for their retirement.

- RM 500 a month will help these elderly citizens live their last days with some dignity and is just reward for the years they worked and contributed to the economy of the nation (in circumstances that grossly undercompensated them for their labour.)

There are some who argue that the monthly stipend increased to a higher figure. Our argument is that this would increase the amount required to launch this pension scheme and that would become a major impediment to its adoption. It would be better to start out with a modest program and review it after a few years before deciding that the nation can afford to expand it to younger cohorts.

## **The Market in a Socialist Economy**

Markets pre-date Capitalism. They have served as an useful institution for the exchange and distribution of goods and services amongst people. The post capitalist society will still require such an institution to produce and distribute goods and services to the people.

The Soviet Union experiment with centralised planning down to the various types of consumer goods was cumbersome and inefficient. It disempowered the consumer who was constrained to buy from designated stores. The free market gives the consumer the right to choose to not buy from outlets that sell inferior products. The Soviet system also discouraged innovation of new products.

However, the weaknesses of the market institution have to be kept in mind and specific steps have to be taken to limit these weaknesses which include -

i/ Market players can cheat their customers through supplying less than contracted for.

ii/ Market players can bully their employees

iii/ Market players can pollute the environment

iv/ Market players who become large enough can bully other players in the supply chain and in effect transfer part of the profits of other members of the chain to the larger players.

v/ Markets ignore those without purchasing power. Producing goods for the leisure or investment needs of the economic elite can take precedence over producing for the basic needs of ordinary citizens. (For example, developers can make much more profits producing luxury apartments that the rich like to buy as investments than low cost housing for the ordinary citizens.)

The first 3 weaknesses are recognised even within capitalist economies and there are a set of regulations to take care of these tendencies. These regulations need to be continued and perhaps enhanced a little in the post-capitalist economy. As for the 4<sup>th</sup> weakness mentioned above, we need a proper formulae to help determine when any firm is big enough to influence the prices in market it is operating. The size of the firm cannot be the only criteria as a small sized grocery store in a small rural community might have more monopoly power that a large departmental store in a big town. In such situations there needs to be some price controls so that smaller firms and customers do not get bullied.

Not all market players need to be for-profit firms owned by individuals or shareholders. There can be worker-run firms, cooperatives as well as trust institutions set up to manage society's ownership of assets that are natural monopolies because of their economies of scale. Trusts set up to manage the economic assets of society must be under democratic control of the people - a portion of their management board must be elected by the local populations and another portion from their employees.

Over-concentration of power in the government was one of the major problems with the Soviet system. It can easily lead to authoritarianism and to the erosion of democracy. The existence of an economic sector that is functionally independent of government would be an important part of the check and balances we would like to see in a Socialist Society.

## Sharing our Nation's Wealth

Malaysia's GDP has grown tremendously in the past 50 years. It was RM 10.3 billion in 1970. It is now 1.5 trillion. If we take cumulative inflation to be 500% in the past 50 years and population growth 3.3 fold, the increase in per capita income is 883% in real terms. However we have to take into account the following facts before we can conclude that the average Malaysia is living 8 times better than Malaysians were in 1970 -

A/ The increase in national wealth has not been enjoyed equally by different social strata. The current minimum wage of RM1500 is equivalent to RM 300 in 1970 ringgit (given the cumulative inflation rate of 500%). RM 300 is about 150% the wages that estate and factory workers received in 1970. An increase certainly, but much smaller than the 883% increase in per capita income.

B/ The cost of living has increased markedly as more and more aspects of life have been transformed into commodities that have to be purchased. 50 years ago, a family migrating to a city could build their own house on a vacant plot without having to incur a bank loan. That is no longer possible. Families now have to commit 20 to 30% of their total income to paying off their housing loan.

50 years ago, the extended family structure allowed for young children and old members to be looked after at home. Cramped modern housing has made that impossible, and families need to purchase child care and elderly care on the market. The advances in health care has made it much more expensive.

As a result, most B40 and M40 families are under financial stress with high levels of debt and a sense of insecurity for their children's education, their family's health care and their own care when old.

The PSM advocates that national wealth should be deployed to make families more financially secure by -

1. Increasing wages. The minimum wage should be raised in stages.

2. Given the ASEAN FTA Agreement that has reduced the tariffs on 99% of goods and services to zero, too large a wage differential between Malaysia and other ASEAN countries would adversely affect our manufacturing and plantation sectors. We therefore need to increase the **social wage** with measures such as

- **Universal Old Age Pension** of RM 500 per month for all those aged over 70 years who are not receiving government pension or monthly SOCSO payments.
- **Social housing** for the bottom 20% of the population – with low rentals
- Cheap **public transport**.
- More funding for our **Government Health Care** System.
- Highly **subsidised College** education

3. The right to decent work has to be recognized. Many in the Malaysian B20 are under-employed as they face stiff competition from undocumented migrant workers who are prepared to work at below the minimum wage and without proper payment of

overtime. The inundation of our job market by millions of desperately poor migrants must be addressed.

4. We need a **Guaranteed Basic Income** to handle the current (2021) downturn. The PSM proposes that a sum of RM1000 be transferred monthly to the account of the woman of families where both she and her husband have a total income of less than RM1500 per month. We estimate that around 1 million families will require such a program. This program will ensure that the bottom 20% do not end up hungry! We believe that such an income support program must be an integral part of any emergency economic package for the nation at this point in time.

5. We need a **long term plan to lobby ASEAN and the G77** countries to jointly increase the minimum wage gradually. Not only will this help the poor in all ASEAN countries, it will also boost aggregate demand within ASEAN and provide a deeper market for the businesses in ASEAN countries.

There is also a need for joint international action to close down tax havens and reduce tax evasion on the part of the richest 1%. (Such initiatives if taken by a country by itself will be punished by the world's richest corporations which will shift operations to "friendlier" countries.)

## **Food Security**

Malaysia is not doing too well in assuring food security for the nation. About 30% of our rice is imported (0.9 million metric tonnes per year). We also import 1.7 million metric tonnes of wheat yearly. We produce almost all the poultry and pork that we consume. But most of the feedstock (eg grain corn) for poultry and pork is imported. In 2017, Malaysia imported around 3.7 million tons of grain corn. Our self sufficiency is 22% for beef and 14% for mutton. Malaysia's food import bill in 2017 was RM51.3 billion. This was about 28% of total expenditure on food that year. Vegetables and fruit import made up RM 8.5 billion in 2018.

### **PSM Positions**

While food security is important, there should be no further clearing of forests for agriculture. Currently about 8.4 million hectares of land in Malaysia (about 25% of the total land area of Malaysia) is designated as agricultural land with Oil Palm occupying 5.7 million hectares, Rubber 1 million hectares and Padi 0.7 million hectares. If necessary, some of the land under oil palm should be converted for the cultivation of other food crops.

2. Malaysia should strive to reach 100% rice self sufficiency.
3. Plantations in Malaysia should develop the capacity to rapidly ramp up production of tubers – potato, taioca, yam, sweet potato, etc, such that adequate sources of calories can be provided if a severe disruption occurs in the global grain markets.

4. We should opt for food production strategies that generate jobs and incomes for many small farmers rather than relying on large agro-businesses which will be heavy on technology, pesticides and will argue for using foreign labour.

5. Big Agri businesses sucks away financial resources away from the rural areas. The profits that would have accrued to the small farmers who would boost the local market by buying goods and services for their families, would instead be siphoned out to Kuala Lumpur or even overseas by giant agri-businesses. There would be much less of a local “multiplier effect” with an agri-business approach.

6. We should consider FELDA type schemes for food production, where farmers are leased agricultural land for rice and grain corn production with a guaranteed buying price and perhaps even some subsidies. (Note - leased. They cannot sell the land to another party.) Farming should give a reasonable income if we want to encourage a new generation of farmers.

7. Producing meat has a much higher environmental footprint than does producing vegetable. If we want to ramp up cattle rearing then we need to allocate significant hectareage of land for grazing and to produce the grain corn that we need to make animal feed. We should not move in this direction.

8. Existing food producers should be supported and encouraged to increase their production. Our food security measures should not marginalize them. Our padi farmers and fishermen – are among the poorest in our society. Our

interventions in this sector should not reduce the prices of the foodstuffs they produce and make them even poorer. We should strive to increase their capacity and yield, have a guaranteed floor price for their produce, and/or pay them a subsidy for their efforts.

9. Bernas, a privately owned company, has been entrusted with handling our rice supply as well as the price subsidy for 170,000 padi smallholders in the country. (The government supplies BERNAS about RM 500 million per year to pay out 36 cents for each kg (dry weight) of padi that the farmer sells to the rice mill.) At present Bernas imports about 1 million metric tonnes of rice from Vietnam and Thailand at about RM 1.60 per kilogram but sells it at RM 2.60 per kilogram or higher. There are therefore good commercial reasons for Bernas to not want to improve our self-sufficiency level in rice production. The not-for-profit Lembaga Beras Negara should be reconstituted to take over the functions entrusted to Bernas.

10. Many vegetable and fish farmers are living precariously on government land. Land security should be assured by giving this set of farmers leases of 20 or 30 years so that they can invest in the infrastructure that can increase their yield. The land provided to farmers should not be alienated to them such that they have the right to sell it for some other purpose if the price is right. This land should be locked down as a national asset for food production. It can be leased to the farmer for a 30 year period. When the farmer retires, the land can be leased out to another person who is prepared to take up food farming. Provide the

farmers 10 acres each if possible, as this will allow them to make a reasonable income.

11. The government needs to intervene in the food supply market so as to stabilize prices so that food producers are not beset by gluts in the market. Introduce an online system to track estimated output of various vegetables over the following 6 months based on planting data (and perhaps sales of seeds data and perhaps satellite data) so that farmers can check this website before deciding which crop to plant. Currently the over-supply of certain vegetables leads to severe drops in prices and there are cases of farmers having to dump their produce.

12. Vegetable and fruit production and distribution is being carried out quite efficiently by small farmers, wholesalers and the market retailers. The entire supply line is running on the free market principles. As it is functioning quite well, it should be left to run as it is now, with the above two steps (8 & 9) to assist. Apart from monitoring for safety (pesticide levels etc), and for unfair labour practices, the government should abstain from any heavy-handed intervention in this sector.

13. There is a lot of land lying fallow in traditional Malay kampungs. If this could be mobilized for vegetable, fruit or fish production it will help our food security problems as well as provide a much needed source of income for the kampung population. But a difficult issue has to be dealt with - the Islamic system of inheritance that leads to fragmentation of agricultural land to non-economic sizes. This issue has to be addressed in a manner consonant to the beliefs of the rural community.

14. As for the problem of gluts during the fruiting season, FAMA or some other body should enter into forward contracts with fruit farmers – that FAMA commits to buy X tons kg of a certain fruit from a particular farmer at yy ringgit per kilo. So at least a portion of the harvest has a buyer, and the farmer is not left with a lot of rotting fruits on his trees. FAMA has to find ways to can or freeze the fruits, or make jam or bottled drinks out of them etc.

15. Regarding pork and poultry production, there are 3 issues need to be looked at

- Sanitation. Residential areas within 5 miles of poultry farms are plagued by huge numbers of flies. Many pig farms discharge pig waste into the rivers causing severe pollution. There is technology to deal with both issues. Poultry waste can be processed to fertilizer. While pig waste can be used to generate bio-methane for power generation. These have to be looked into and perhaps grants be provided to do the needful.
- Indiscriminate antibiotic use. This is widespread and is leading to antibiotic resistance in the microbial world. This has life-threatening consequences to humans if they get an infection as many of the antibiotics we use have become ineffective against these pathogens. Health experts and experts in livestock need to provide advice regarding this.
- Local production of animal feed – grain corn and other substances. At present about 20% of our food import is comprised of food stuffs for preparation of animal feed.

16. We are very dependent on milk, beef and mutton from other countries. The total value of meat and dairy imports in 2018 was RM 7.7 billion – almost 20% of our food import bill. At present most of our livestock producers do not have their own land and are being pressured by the development of towns. We should recognize their contribution and the expertise they have developed over 2 or 3 generations of cattle farming and lease them land to house their cattle. At present many cattle rearers rely on plantation land as the grazing grounds for their cattle. For the past three years Sime Darby has been trying to evict cattle rearers from their plantations. This issue has to be looked into and a compromise brokered by the government.

17. At present farmers and fishermen do not have any social security – no pension, no EPF savings, no Socso. Most are not able to put aside any savings. Yet they provide a crucial service to the nation. The following measures should be considered -

a/ State Pension - The Belatani (an NGO working with padi farmers in Kedah) have proposed that all padi farmers who have worked as padi farmers for more than 15 years should be designated as food security agents and be eligible for state pension after the age of 55 years. This could be extended to all food farmers and livestock rearers.

b/ Socso contributions could be made by the government on the behalf of all food farmers.

18. Our government should not accede to the UPOV Treaty which criminalises the sharing of seeds among farmers thus making them completely dependent on the big MNCs that sell

seeds, pesticides and fertilizer, the prices of which keep going up. The monopolistic stranglehold over development of seeds and varieties is leading to monocultures and a loss in bio-diversity. But the US, Japan and other advanced economies are trying to persuade our government that signing up to UPOV will send all the right signals and investors will have more confidence to come into Malaysia. This should be resisted.

## Fishing

About a third of the fish we consume is imported. Our catch from our coastal waters has been decreasing because of over-fishing and depletion of the mangrove and other environments that are necessary for breeding of certain species. The floating fish farms off the coast of southern Penang as well northern Perak are being threatened by large scale sand mining.

1. We need to replenish our fish stock in the sea. The Department of Fisheries have created artificial coral reefs for the purpose of breeding more fish. The effectiveness if these has to be assessed and the efforts to replenish fish stock intensified.

2. Efforts should also be taken to prevent trawlers from coming too close to the shore and from using destructive modes of fishing like the “pukat harimau” where 2 boats drag a huge trawling net. There is a need to improve our monitoring of fishing vessels. Every fishing vessel given a permit to operate in our territorial waters should be required to display a GPS signal. We should also use drones to patrol our territorial waters.

3. We need to preserve still existing mangrove areas and other sites that are important for fish reproduction. These sites should be designated as protected environments where development projects, sand mining and other polluting activities are prohibited.

4. Kampung people should be given some financial and

technical input as to how to venture into commercial fresh-water fish cultivation. There are some already trying this. But they have problems with capital, pollution of the water supply, losses of fish due to floods, poaching by iguanas, etc. They will need more hand-holding by the government agencies, but there is a huge potential here – and it would solve the problem of food security for the nation as well as boost the income of the rural community.

5. At present farmers and fishermen do not have any social security – no pension, no EPF savings, no Socso. Most are not able to put aside any savings. This needs to be addressed. An universal pension scheme that provides all those above 70 years of age (who are not recipients of any other pension) a monthly stipend of RM 500 would be of great help to all Malaysians. The government should also make monthly Socso contributions for all traditional fishermen based on an estimated monthly income of RM 1500. This will come to RM 350 per fisherman per year, and will protect them from income loss due to accidents and disabling illnesses.

## **Migrant Labour**

Migrant workers both documented and undocumented, comprise 28% of Malaysia's total workforce (6 million out of a total workforce of 21 million) and play a vital role in our economy. The failure to enact a comprehensive policy to regulate labour migration has resulted in a host of persistent problems: an undocumented workforce that is double the number of documented workers, and who have very little protection; modern day slavery and human trafficking. The inundation of the labour market with migrant workers has depressed the wage floor and the B20 of the Malaysian population are the most adversely affected - not only are jobs scarce, bargaining power of ordinary workers is also severely eroded.

The privatization of migrant labour recruitment is the root of many of the problems pertaining to migrant labour as the recruitment agencies, the labour contractors and government officials and politicians earn millions of ringgit by bringing in migrant workers. Migrant workers need to pay a total of RM 12 to 16 thousand to come to Malaysia. When you multiply that amount by the number of registered foreign workers coming in annually you get a huge figure.

**Recommendations of the Right to Redress Committee** (that PSM is a part of)

a) Recruitment numbers should be determined by actual manpower needs based on the principle of complementing the local workforce, and existing sources of labour such as refugees,

and foreign spouses. The G to G mechanism should be adopted in recruitment, and the role of private agents eliminated.

b) The Passport Act should be strictly enforced. Migrant workers should be allowed to hold their passports.

c) The MOHR (Ministry of Human Resources) should be the sole ministry involved in the recruitment and management of migrant workers. The Home Ministry plays a dominant role now.

d) A clear Right to Redress process should be established. Currently a migrant worker who complains to the Labour Office faces the likelihood of being rendered “illegal” when his employer cancels his work permit. How does he stay on to fight his case without work, income and a place to stay? He either has to return to his home country or run away and become another “undocumented” worker.

e) Rehiring programmes for undocumented migrant workers should be entrusted to the MOHR. The current approach of outsourcing this to private firms leads to a lot of abuse with migrant workers paying thousands of ringgit but many still remaining undocumented.

f) Ensure the management of detention camps is open and accountable, and allow access. The outsourcing of food provision to private contractors has led to outbreaks of nutritional deficiencies including beri-beri. A mechanism to regularly check the quality of food provided should be implemented.

- g) Review and completely reform domestic work with a separate piece of legislation.
- h) Ensure the protection of the rights of women workers, including their reproductive and family rights.
- i) The right to health should be safeguarded and access to healthcare guaranteed. The existing fee schedule for migrant workers should be withdrawn and the cost of providing health care to migrant workers be taken from the annual levy that is now about RM 3 billion. Placing financial barriers to health care is not only unethical but also injurious to the health of Malaysians because it leads to delays in the diagnosis of infectious diseases such as tuberculosis.
- j) All existing laws and guidelines related to housing standards should be strictly enforced

# International Trade Agreements

## 1. Trade Agreements should not restrict the capacity of our Governments to

- Improve the economic well-being of the bottom 60% of our populations;
- Provide affordable and good quality health care and education to our people;
- Guarantee food security for the country;
- Provide good quality affordable amenities such as transport, housing, electricity, water, etc;
- Protect the environment for future generations;
- Develop the technological and industrial capacity of our people;
- Deepen the local consumer market and expand domestic aggregate demand;
- Protect the financial stability of the national economy.

To retain the capacity to carry out these responsibilities, the following concessions to foreign investors should not be written into the Trade Agreement –

- i) Pre investment rights for foreign companies. (Even before investing a cent in Malaysia the foreign company (FC) can complain, and ask for compensation, because some other company was chosen for the project that FC bid for).
- ii) The demand for “National Treatment”. (FC should be given equal or even better treatment as compared to a domestic company.)
- iii) A prohibition of performance requirements such as manpower training, technology transfer, use of locally sourced components, etc.

iv) The loose definition of “expropriation” to include loss of expected future profits because of changes in the laws of the country.

(Incidentally, all of these requirements figure prominently in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP))

## **2. Trade Agreements should not curtail our access to medicines.**

The idea that knowledge can be owned by corporations which then use this “ownership” to create monopolies that jack up the price of medicines to astronomical levels is repugnant to us. This practice is nothing more than the “fencing of the commons”. Knowledge is something that is built on from one generation to the next. Every advance in human knowledge is predicated on the knowledge and technology created by previous generations. We call for, in the short term, for a rejection of any attempt to add to the TRIPS regulations on Intellectual Property Rights. Specifically

- “Data Exclusivity” should be rejected.
- “Evergreening” – the renewing of patents for a different use of the same medicine – has to be rejected.
- The patenting of techniques should be resisted.

Meanwhile the existing “flexibilities” within TRIPS such as “Compulsory Licensing” and “Parallel Imports” should be fully utilized to meet the health need of our people.

For the longer term we need to work to reclaim the commons. The current Intellectual Property Rights have to be replaced by

something more humane and decent. The TRIPS agreement itself has conceded too much to corporate greed.

### **3. Trade Agreements should not undermine Food Security.**

- Every country should have the right to impose tariffs on imported food so as to protect local farmers and fishermen.
- GMO labelling of food and seeds, etc must be strictly adhered to.
- Malaysia should not sign on to UPOV 1991 for this agreement makes the sharing of seeds amongst small farmers illegal.

### **4. Trade Agreements should not emasculate governments - The ISDS Provision should be revamped.**

- Investors do have rights. They deserve protection from arbitrary seizure of their assets and from any form of victimization. However the ISDS (Investor State Dispute Settlement) gives them far too much rights and results in a “regulatory chill” whereby governments are afraid to enact legislation to protect public health or the environment as they fear the MNC might sue them in an International Tribunal.

- Foreign investors should have all the rights that Malaysian investors enjoy. They should have the right to sue the government for breach of contract and file Judicial Review actions if they feel a particular government decision was prejudiced against them. But they should do this utilizing avenues available in the Malaysian Legal System.

- An International Court of Appeal can be constituted

if parties want to pursue their case after exhaustion of the legal processes within the country, but this International Court must comprise of senior Judges drawn from the countries that are party to the multi-national Trade Agreement.

- It should be clearly stated that health and environment concerns are more important than the profits of corporations.

**5. The role of Small and Medium sized business entities (the SMEs) in our national economy should be protected and enhanced.**

SMEs are a very important component of the Malaysian economy. They play an important role in distributing goods and services to all regions of our country and provide employment to about 65% of our work force and contribute 33% of our GDP. The presence of thousands of small owner-operated businesses augments aggregate demand in our rural areas and smaller towns and this in turn generates business opportunities and jobs for micro businesses in these regions. It also reduces the rate of migration to our cities and mitigates urban congestion.

Trade Agreements must not undermine the SME sector by giving huge marketing chains the license to compete with and undermine our SMEs.

**6. The Trade Agreements of the future should play a role in cutting down tax evasion by the Billionaire Class.**

Under the current system, large MNCs produce goods (and services) at low costs in Asian countries, and then sell these

products with a large mark-up in Europe and North America thus making a huge profit. These MNCs avoid paying taxes in both the Asian or African country where the product is manufactured or in their home countries where the product is sold by using “transfer pricing” to “declare” their abundant profits in a tax haven. In most cases, the product does not actually transit the tax haven – it’s all only in the “paperwork”. This widespread practice reduces government revenue and worsens the imbalance in wealth distribution between the top 0.01% of the richest and the rest of the world population.

Future Trade Agreements should have provision that restrict transfer pricing, the use of Tax Havens and the avoidance of paying taxes by MNCs.

#### **7. The Special and Differential Treatment Principle must be preserved.**

Malaysia is now a middle income country. Our per capita income is now about 10 times higher than the poorest 10 countries in Africa. So when dealing with these countries and other poorer countries in Africa and Asia, the Malaysian government must observe the “special and differential treatment principle” whereby the countries mired in poverty must be given more favourable terms with regards to access to markets, financing and technology, education, diversification of production, infrastructure, institutional development and human resources.

Trade should not be only about Malaysia benefiting especially if it is at the expense of a country that is more unfortunate compared to us. We should attempt to

- Upgrade the livelihood of the people in the poorer nations engaged in regional cooperation with us;
- Work towards a better minimum wage in the countries that we are engaging with;
- Prevent the race to the bottom, where countries compete amongst each other for FDIs and export markets;
- Promote Energy and Resource Democracy which allows local people, particularly women, to make decisions over the use of local resources and the best way to fulfil their needs.
- Advance the general welfare of all the inhabitants of the nations involved in Trade Agreements with us.

## **8. Full disclosure and Consultation with the People.**

The current practice of negotiating Trade Agreements in secrecy has to stop. Although the Executive Branch of our Government is empowered by the Federal Constitution to make Treaties with other countries, in the case of Trade Agreements where there is a tremendous impact on the lives of our citizens there must be disclosure and consultation. We propose that

– ***The Government be transparent*** in relation to its international trade dealings and negotiations. It must disclose which countries it is negotiating or planning to negotiate FTAs and BITs (Bilateral Investment Treaties) with; it must disclose the consolidated negotiating text or at the very least Malaysia’s negotiating proposals in the BITs & FTAs to enable proper analysis, democratic participation and government accountability.

– ***The Government hold widespread and systematic consultations*** with all affected sectors including patient groups, farmers, fisherfolk, SMES, environmental groups, tobacco control groups, trade unions etc. It must not conclude agreements before such consultations are held.

– ***Cost-Benefit analyses are carried out*** – the Government should retain an independent entity to carry out short, medium & long term cost-benefit analyses (CBA) before beginning negotiations and at the end based on the final text before deciding whether to sign it. The terms of reference and CBAs must be released to the public as soon as they are completed. It is important that these CBAs look specifically at how the provisions of the Trade Agreement affect different socio-economic classes. What might be good for a certain group of businessmen might be very disadvantageous to the Orang Asli or to women in the B40 segment of the population. The differential impact of proposed provisions on different sector and strata of society must be looked at seriously.

– ***Human Rights and Environmental Impact (HREIA) Studies*** must be carried out before beginning negotiations and at the end, based on the final text before deciding whether to sign it. The terms of reference and impact assessments must be released to the public as soon as they are completed.

– Methodologies for HREIAs must provide data disaggregated by sex and then further disaggregated by labour status. ***Women’s voices must be reflected*** in the assessments. Women’s groups must be consulted, and

they should be a key source of information for the assessment process.

- We need a ***National Referendum*** to set out the main parameters that our Government should follow when negotiating Trade Agreements.

(Source: PSM Position Paper on International Trade. 2017)

## **“Monetization of Debt”**

Governments need to borrow money whenever they wish to spend more than their revenue. They borrow by floating “Bonds” (or Government Securities - MSGs) which are basically IOU notes that promise a certain interest payment yearly and full repayment of the principal amount after a specified period depending on that particular bond (between 1 to 30 years). As Malaysia has been having budget deficits for the past 20 years, we have not repaid any of the government bonds that have matured since 2000. The way we have managed is by floating new bonds to cover the repayment of the old. This is what many countries do and it is an accepted practice.

The problem with this strategy is that outstanding government debt keeps accumulating. Ours is now (2020) about 55% of our GDP or about RM 800 billion. The annual interest we pay for this sum - termed Debt Servicing - is now about RM 35 billion per year. That is a bit more than 11% of our total budget and is a drain on our finances.

To circumvent the problem of increasing their Debt Servicing levels to too high a figure, many governments are using the Strategy of “Debt Monetization”. This fancy term refers to the strategy of selling Government Securities to one’s own Central Bank at a very low interest rate of say 0.1%. In other words the government borrows from the country’s central bank. This strategy would give the government the funds it needs without

saddling itself with a huge debt servicing burden. The benefits of such a strategy are -

1. The government will get the funds that it needs to strengthen the safety net for its citizens (eg starting a universal old-age pension scheme) as well as to finance programs to green the economy (eg a reforestation programme.)
2. These projects will rehabilitate the environment and improve the quality of life for all Malaysians.
3. And it would not increase our debt servicing burden significantly for we are borrowing from our own Central Bank at very low interest rates.

But there are downsides to this “debt monetization” strategy which we must be aware of. Some analyst warn that the pumping money into the economy will result in too much money chasing the available goods and services and that this will lead to inflation. This is a misconception. Extra money in the hands of the B40 and M40 will stimulate demand for food and other basic necessities for which there is sufficient capacity in the system. Domestic inflation due to scarcity of goods and services is extremely unlikely.

But the Debt Monetization can cause inflation through another mechanism by impacting the exchange rate of the ringgit. The value of the ringgit depends to a large extent on the balance between the supply of the ringgit and the demand for it in international markets. Increasing the disposable income in the

hands of the rakyat will lead to an increase in imports - for example about 1/3 of the food we consume is imported. This will increase the amount of Malaysian ringgit in the international markets and this will put a downward pressure on the ringgit's exchange rate.

The ringgit is now in a "controlled float" where its actual value vis-à-vis other major currencies is determined by market forces. So if there are significantly more people wanting to convert ringgit to foreign currency than vice versa, there will be downward pressure on the ringgit. If the ringgit is devalued, then all our imports including foodstuffs, medicine and essential machine parts and equipment will all become more expensive, and this will lead to inflation.

But we need to bear in mind that an increase in imports due to financing socially and environmentally useful programs through debt monetization is not the only source of ringgit in international markets. Richer Malaysians buy some 250,000 foreign cars every year. At an average price of RM 100,000 per unit, those purchases release RM 25 billion ringgit into the international markets every year. Our 5 million migrant workers repatriate money to their home countries. Estimating a conservative RM 400 per month per worker we arrive at a figure of RM 24 billion per year. There are ways to reduce the above 2 "leakages" if we wished to protect the value of the ringgit.

The other negative impact of Debt Monetization would be downgrading of our status by the credit rating agencies like Fitch and

Moody's. These are private companies that provide advice to investors as to the credit worthiness of governments and big corporations so that the investors (Eg wealth fund managers) can decide where to invest their wealth. (Moody's, Standard and Poor's (S&P) and Fitch Ratings, control around 95% of the credit ratings in the financial markets.) These Credit Rating agencies are financially conservative and have a dim view of expenditure on pro-people programmes. A downgrade in our credit rating would make it more expensive for our government and for corporations in Malaysia to borrow money in the international financial markets. So a credit downgrade is not something we can take lightly.

The good news is that many countries used Debt Monetization to handle the Financial Crisis of 2008. Many Western economies pumped in billions to keep their financial system afloat through "Quantitative Easing", another fancy term for the buying up of Government Bonds by the Central Bank of the country. Indonesia, India, Japan, Australia and several others are already using "Debt Monetization" to handle the Covid Recession.

What's good about this is that their imports will also increase and a portion of their imports would be exports from Malaysia. So that will tend to cancel out the negative impact of Debt Monetization on our balance of payment.

Debt Monetization is a certainly a strategy that Malaysia and other countries should consider as a long-term sustainable source of funds for socially useful programs and for programs to combat Climate Change. If a large number of countries agreed

that they will all use Debt Monetization to procure an annual fund equivalent to 5% of their GDP for socially useful and green initiatives, this would not impact any of their currencies too negatively as everyone's imports would increase as too will their exports. The Credit Rating agencies also will not take such a negative view as it is being done by many countries. In addition, this boost to aggregate demand will help create jobs and business opportunities in all these countries.

In the Malaysian context 5% of GDP is RM 75 billion. One could initiate a large number of programs with this including -

- increasing the Health Budget by RM 5 billion;
- RM 1 billion to rehabilitate the low cost flats in the country;
- RM 5 billion to build 70,000 low cost PPR units for rent at reasonable rates;
- RM 0.3 billion to pay SOCSO contributions for the food farmers and fishermen of our country;
- RM 5 billion to roll out an Old Age Pension scheme for all those 70 years and older who do not receive any form of pension;
- Improve our management of domestic waste by recycling the non-organic waste and using organic waste for bio-methane generation. And several other programs.

Of course, given the kleptocratic tendencies in our political elite, there has to be a separate legislation regarding the use of the funds procured through Debt Monetization, which mandates the creation of committees with oversight function and the requirement that the details of the programs funded by this fund be tabled separately in Parliament every year.

## Climate Change

a) The PSM believes that global warming and climate change represents an existential threat to human society. Climate change can worsen desertification of regions, disrupt food production, cause the inundation of coastal regions, increase migration of people in search of food and jobs, all of which has great potential to cause conflicts between different groups of people. As in all calamities, it will be the poorest people in each society who will suffer the most for these disruptions although they played the least role in the creation of the problem.

b) As such, the PSM fully endorses the Malaysian government's decision to ratify the Paris Agreement and to implement measures to operationalize it. PSM supports in principle the concept of "*common but differentiated responsibility*" which requires the advanced countries (who have much of the polluting before this) to cut their carbon dioxide emissions faster than nations that are only now industrializing. But the PSM believes that this should not be used as an excuse for not moving resolutely to reduce the emission of greenhouse gases in the developing world. Malaysia should do whatever it can to reduce our GHG emission while campaigning at the international level for others to do the same.

c) However our government should not mislead the public and the international community by using manipulated statistics - for example pretending that 53% of Malaysia's land area is still forested. (Two thirds of areas designated as forest have been

logged, some areas very severely. But even the severely logged area are classified as “forests” and included in the statistics as such.) Manipulation of statistics achieves “paper-successes” and may in the short-term create the perception that we are reducing GHG emission greatly. But it puts Malaysia in a weak position to pressure other nations to do their part.

d) The Government should set up an independent committee with representation from academics and environment groups to provide us with more reliable estimates of the parameters relating to GHG emission, energy use and forest cover. This committee should be empowered to ask for and receive relevant data from all the related Ministries, State Governments and other agencies. Reliable data is crucial for proper planning.

e) Malaysia must set itself targets that are more demanding than the ones we have pledged at the UNFCCC (United Nations Framework Convention on Climate Change). Example - we should aim to reduce by 2030 our GHG emission to 65% of what we generated in 2005. (Currently our pledge is to reduce by 35% our GHG emission per unit GDP by 2030 compared to 2005. But because GDP in 2030 is projected to be more than triple the 2005 GDP, Malaysia’s total GHG production will be more in absolute terms in 2030 compared to 2005.)

f) Many of the sectors that generate GHGs – road transport, landfills, sewage, biomass from oil palm and padi production and forestry - are outside the purview of the Ministry of Science, Technology and Innovation (MOSTI). As such, the

Malaysian Government needs to set up a high powered supra-ministerial committee to oversee and evaluate GHG mitigation as well as preparations for handling adverse climate crisis. This needs to be chaired by the Prime Minister or the Deputy Prime Minister. This committee must table an annual progress report in Parliament regarding steps taken to reduce GHG.

g) Being responsible with regards to climate crisis might incur extra costs to businesses and affect the capacity to compete with other countries producing the same products. Example electric powered trucks might be more expensive than diesel trucks. These costs are part of what investors (both domestic and foreign) look into before they decide regarding the location of their factories. This issue has to be tabled at regional (ASEAN) and international conferences so that solutions can be designed. Otherwise, developing nations that need to be “competitive” in the battle for investments and economic growth will be held back from implementing GHG mitigation efforts.

h) The shortage of funds is a major impediment to the roll out of programmes to reduce greenhouse gas emissions. The PSM believes that we should campaign that all countries (in whom this measure will not cause domestic inflation) should raise a sum equivalent to 1% of its GDP through Debt Monetization to fund projects focusing Climate Change issues.

(Refer to the *Green Alternative for Malaysia* Policy Document)

## **Forest Management**

Malaysia has a total land area of 33 million hectares and 53% (17.5 million ha) are designated as forest. But this figure includes 11.5 million hectares of forests that have been logged, some quite extensively, and some rubber plantations as well. .

### **PSM Position:**

a) Preservation of remaining primary forests should be top priority. Logging of these will not only lead to increased CO<sub>2</sub> emissions and reduce the capacity of our forests to absorb CO<sub>2</sub>, but will also degrade our water catchment areas, and lead to further loss of biodiversity. There should be an immediate moratorium on any further logging of primary forest.

b) The Federal Government has made commitments on preservation of forest cover in international conferences. However, federal government has little control over State Governments which have almost unfettered rights to approve logging . Thus amendments to federal and state laws need to be made so that an effective over-sight function can be established to over-see the granting of logging licenses. This can be done by establishing a bi-partisan committee with representatives from both government and opposition assemblymen and representatives from environmental groups and the Orang Asli community in that State. The permission of this committee must be obtained before any logging licence is approved. In addition, the Forestry Act should require that the site and size of logging concessions approved should be in the public domain.

c) An annual grant of RM 350 per hectare of undisturbed primary forest should be paid by the Federal Government to the State Governments with the proviso that there should be no logging activities in primary forests in that State for that year. The total would come up to RM 1.4 billion per year, which is equal to 17.5% of the total Federal transfers to State Governments in 2018.

d) Malaysia should use satellite images to map out the regions where there are depleted forests and together with the State Governments implement a program for reforestation. However currently, the excuse of developing a forest plantation is used to approve licenses to log natural virgin forest rich in biodiversity. Reforestation should be only carried out in areas already logged and should not be accompanied by any further logging.

d) A separate annual payment of RM 200 per acre reforested should also be paid to State Governments for the first 4 years after reforestation with the proviso that failing reforestation projects will be paid proportionately less. A successful reforestation scheme should have 300 replanted trees per hectare of land. A tree density less than this will lead to a proportional decrease in the payment amount. (Satellite data can be used to ascertain the size and success of the replanted areas)

e) A major problem is that in many States and the Agencies entrusted to protect our forests – the Forestry Department as well as the State EXCO – have become very close and comfortable with the logging interests in those States.

Hence, the Federal Government need to obtain and showcase satellite data on a website that is accessible by the public so that citizen groups can help monitor the situation of our forests. The Forestry Act 1984 should also be tweaked to enable citizen groups to file injunctions against logging in areas that have not been approved by the legal processes.

f) Enhance efforts and ensure that State Governments commit to protect Environmental Sensitive Areas (Kawasan Sensitif Alam Sekitar) Category 1 and 2 and Peninsula's Central Forest Spine. All development projects have to take into account wildlife passage corridors, and ensure that such passageways remain undisturbed.

(All these points are in the Green Alternative for Malaysia Policy Document)

## Power Generation

The main sources of Greenhouse Gas emissions in Malaysia currently (2018) are Electricity Generation (45%), Road Transport (20.5%), Fugitive Emissions from Oil & Gas (7.8%), Manufacturing (7.3%), Palm Oil Effluent (5%) and Landfill (3.2%).

PSM's stand on power generation is as follows -

a) Malaysia must implement a **permanent moratorium on new coal, natural gas and oil fueled generation** plants.

b) Malaysia should **aggressively expand Renewable Energy (RE) by tapping solar power** through

- Land based Solar Farms. It requires approximately one hectare of solar panels to generate 1 MW of electricity. So it would require 10,000 hectares of solar panels to generate 10 GW of electricity (1/3 of Malaysia's current generation capacity). To put this in perspective, 10,000 hectares represent less than 0.17% of the palm oil acreage.

- Floating Large Scale Solar (LSS) on existing hydro-electric (HE) dams has the advantage of saving on land. It also cuts capex costs as existing transformers and transmission lines (of the HE plant) can be utilised. In addition, surplus power generated on sunny days can be stored as kinetic energy of water pumped back into the HE dam.

- Solar panels deployed over railway tracks, federal highways and agriculture water canals if safety can be assured.

- Solar panels on the roofs of government owned and commercial buildings should be encouraged by increasing in stages electric tariffs for the commercial sector.

Malaysia should also plan to sustainably handle solar panel waste at end of its lifecycle .

c)Malaysia must set a definite dateline to **phase out electricity generation plants that are running on coal**. Terms of the contracts with the IPPs needs to be studied to ensure rapid phase out. Certain coal power plants could be modified to be fed bio-methane or natural gas for electricity generation. Coal power plant could also be converted into energy storage facilities as the existing transmission lines to national grid reduces capital expenditure.

d)**Ending the discounted price for natural gas for the power sector** will encourage the adoption of self-generation of Renewable Energy (RE) and energy efficiency. Between 2011 and 2015, the power sector received discount-based subsidy worth RM58.8 billion for natural gas. Subsidies for fossil fuel generation must be removed. The increase in generation cost should be passed to larger users through progressive tariffs without hurting lower income users.

e)It estimated that 85 million tonnes of **biomass** were

generated as the by-product from 421 oil palm mills in 2010. Currently, only 30% of mills are utilising biomasses for electricity generation, fibre or bio-fertiliser production. Plantations that are not utilising their solid biomass must be required to sell their solid palm oil waste to a biomass power stations.

f)The PSM is **against the use of nuclear power** for electricity generation. Nuclear reactors require high initial costs of about RM12,000-RM16,000 per kilowatt (kW). Nuclear also exposes the

nation to radioactive risk in the event of accidents. Nuclear power plants will leave highly radioactive waste for our descendants to manage for next several thousands of years.

g) Malaysia should also **focus on energy efficiency** to reduce its demand for electricity. Two immediate steps that that could be taken;

- Expand the Minimum Energy Performance Standard Scheme (MEPS) which was introduced in 2013 for 4 products - air-conditioners, fans, refrigerator and televisions – specifying minimum energy performance levels of these products. This should be expanded to other appliances.

- Enforce the Efficient Management of Electrical Energy Regulations 2008 (EMEER 2008) which requires any entity with energy consumption of more than 3,000,000 kWh for a six-month period to hire a specialist engineer to advise on electricity efficiency.

h)Malaysia needs to assess whether **other forms of renewable energy** such as wind, geo-thermal, ocean thermal and tide power can be tapped to generate electricity. The issue of **storage of surplus electrical energy** also has to be addressed.

(Green Alternative for Malaysia Policy Document)

## **Policy Recommendations for Managing Waste**

- a) Malaysia needs to work towards establishing a zero waste policy by developing a circular economy emphasizing waste reduction, recycling and bio-methane capture technology. Public education campaigns pertaining to these objectives need to be organised consistently.
- b) Local councils need to enact by-laws to make it mandatory to have waste separation bins. Paper, plastics, cans and bottles, which make up 28% of municipal waste should be recycled.
- c) Organic waste needs to be collected separately and used to produce bio-methane for the generation of electricity. The dumping of food waste together with other household waste should be penalised by fines after certain period of time.
- d) Malaysia should NOT build waste to energy (WTE) incinerators. Incinerating municipal waste will release toxic materials into the air as municipals waste contains plastic, glass, metals, e-waste, chemical wastes, etc.
- e) IWK plants should be consolidated and modified to either capture bio-methane or aerated thoroughly to convert methane to carbon dioxide which has a much lower greenhouse gas impact than does methane.
- f) Organic waste from oil palm such as empty fruit bunches and kernel shells could be used as fuel for boilers.

- g) Palm oil mill effluent (POME) should be used to generate bio-methane to generate electricity. Legislation should enforce this mechanism.
- h) Agriculture waste should be purchased from the farmers and used to produce electricity either by controlled combustion or through production of bio-methane.
- l) The use of single use plastics should be discouraged and alternatives should be made available.

(All these points are in the Green Alternative for Malaysia Policy Document)

## The Transport Sector

a) Malaysia needs to shift away from private transport by building a comprehensive network of public transport facilities. It would be fastest and least expensive to develop an efficient network of bus routes to serve our major towns. LRTs and MRTs are expensive and have a long construction time. The road infrastructure for Bus Mass Transport (BMT) is already well developed in Malaysia.

c) The implementation of BMT should be devolved to the respective state governments. Organizing bus routes is best done at local council level, due to the availability of firsthand information on upcoming city development plans, population forecasts and existing road connections.

c) The funds earmarked for construction of highways (like the Penang Pan Island Link Road) and tunnels should be diverted for the purchase of electric buses, building of bus stops and the development of the related information network.

d) Funds to develop BMT could also be obtained by requiring purchasers of new luxury cars to first procure an AP. There are 600,000 cars sold per year in Malaysia. If we were to impose an AP of RM 5000 for cars of more than 1.6L and RM10,000 for cars with 2.0L engines or higher, the government would rake in RM1 billion or more per annum.

E) BMT will requires thousands of EV buses. Hence, the

government should go into joint ventures with companies with the technology to produce such vehicles. The buses sizes should vary according to route demands to optimise cost.

f) Town and city planners should create dedicated bus lanes for BMT to become the efficient method of transport. Buses should not need to compete with cars for traffic space.

g) Once reasonably reliable BMT system have been developed in a town, the usage of cars could be discouraged by imposing charges for entering the city centre during peak hour, increasing parking charges, etc.

h) Private car ownership could be further discouraged by raising road taxes for households with multiple cars, reduction of the fuel subsidy, etc. However, care should be taken to avoid hurting the under-served rural population.

i) GLCs should pioneer the development of electricity powered trucks.

l) The lack of a reliable charging network is one of the key obstacles to adoption of pure EV. Currently, government owned GreenTech is sole developer of public charging network in Malaysia. TNB should absorb GreenTech and develop a holistic nationwide charging network by 2025.

(All these points are in the Green Alternative for Malaysia Policy Document)

## **Race Relations**

Many countries that attained independence post World War II have had to struggle to build unity among the diverse ethnic, linguistic and religious groups that made up these nations. We in Malaysia haven't done too badly (compared with other nations in SE Asia and elsewhere in the Global South), though mistakes were made and there are still many issues that need to be resolved. This fact has to be appreciated and the "demonization" of the Malay political elite has to stop.

Malaysia's consociational political system in which the different ethnic groups are represented by leaders of the different ethnic groups, enabled power sharing and it worked fairly well for the first decade after Independence. But the demise of the Left Wing parties which were organised on socio-economic and not ethnic lines, and their replacement by ethnic and religious parties led to a heightening of ethnic identification and inter-ethnic tension since the late 1960's.

The leaders of ethnic based parties, in their contestation for power within their own party and with their rival party, have to show their community that they are the best representatives of their community's interests. So there is a tendency to magnify instances of injustice, escalate demands and portray the "other" in a threatening light.

### **The PSM's Stand**

1. The main problems faced by Malaysians are socio-economic in nature and not ethnic - jobs, housing, health care, transport,

environmental degradation, etc. These issues can only be resolved if people of all ethnic groups work together as we need our collective strength to handle the vested interests that are currently benefiting from the existing situation.

2. The consociational political system has outlived its usefulness in Malaysia and has long become toxic. We need to build a genuinely multi-ethnic political movement which addresses the problems of all the people in Malaysia.

3. The Malaysian Constitution is quite fair in that it recognises the different ethnic groups living in Malaysia and provides specifically for the safeguarding of their languages, cultures and religion.

4. Both the Bumiputras and the Non-Bumiputras have their legitimate grievances and anxieties. The Bumis are still over represented in the B20 and B40 sections of our society. The Bumis also have problems penetrating the SME sector. Graduate unemployment is highest among the Malays and Indians. The non-Bumis are unhappy with the quota system, ethnic discrimination within the civil service and public institutions, the lack of assistance for the poor among them and the Islamization of society.

5. The affirmative action implemented by the BN government was impelled by the desire to address issue of low representation of the Bumiputra population in the modern sectors of the economy. This affirmative action has been successful in creating of a large Bumiputra Middle Class this has put ethnic relations in

Malaysia on a more stable footing. However the BN approach tended to neglect non-Malay poverty groups.

6. The existence of a tall income pyramid with a narrow top is not good for the development of ethnic harmony. If only 20% of the population can live comfortably and the remaining 80% have to live under financial stress, that's going to generate cut-throat competition to be part of the 20%. The contest for good secondary schools, matriculation, varsity places, scholarships, jobs, government contracts, etc will continue to be intense. A society that values human labour fairly such that the majority can get a reasonable life and sufficient social security will go a long way to build inter-ethnic harmony. A just distribution of society's resources is crucial to the development of inter-ethnic harmony.

7. The PSM will continue to mobilise people along class lines and not racial lines. Our aim is to build a multi-ethnic movement among the B80 Malaysians that looks out for the interest of all Malaysians. This does not mean that PSM will turn a blind eye to instances of ethnic discrimination. We should stand with the marginalised but mobilise them on the basis of their socio-economic position and avoid exacerbating ethnic tensions by mobilizing them using chauvinistic arguments. We will encourage the ordinary people of all races to lend a hand to each other in addressing the marginalisation that any particular sector might face. Only a multi-ethnic movement standing for justice for all can successfully navigate the path towards a more integrated and inclusive nation.

8. We need to encourage cultural exchanges and get people to appreciate each other's culture and religions.

9. Creating an understanding/appreciation of the diversity that exists in the world should be one of the core functions of the education system of the country. That would help make people less susceptible to chauvinistic politicking by irresponsible politicians.

## Hudud

### The Background

- Islamic jurisprudence covers a large range of issues including governance, financial matters, inheritance, family law and many others. It is a complete set of laws that Islamic rulers used for centuries to administer the vast regions under their control. The Hudud punishment of 5 offenses – stealing, robbery, adultery, consumption of alcohol and apostasy – is only a small part of Islamic jurisprudence. But it has become the rallying point for a faction of PAS politicians who use it to shore up their claims that they are the true defenders of Islam in the country.

- The Federal Constitution recognizes a parallel Syariah Court system in Malaysia which focuses on family law and matters pertaining to religious practices. The Syariah Courts cannot, at this point, adjudicate on issues such as stealing, robbery, rape and murder because these criminal offenses come under Civil Law. However, adultery, alcohol consumption and apostasy can be, and are, adjudicated in Syariah Courts as they are not defined as offenses in Civil Law.

- The Syariah Courts are, in Malaysia, currently restricted in their powers to sentence by the Syariah Court (Criminal Jurisdiction) Act 1965. At present the maximum punishment that any Syariah Court can order is a fine of RM 5000, a jail sentence of 3 years and 6 lashes. This is the aspect that Hadi Awang, the President of PAS attempted to modify by his Private Member's Bill that states "*In exercising the criminal jurisdiction*

*under section 2, the Syariah Court may pass any sentence allowed by Islamic Law other than the sentence of death”.*

- A recent survey by Merdeka Centre in 2015 reported that 60% of Malays stated that Islam was their defining identity, not ethnicity or nationality.

-Re-asserting their Islamic identity is an integral part of the post colonial narrative/vision of many countries in the Middle East, Africa and Asia. Unfortunately, Britain, France and the US have enhanced the influence of the more conservative and authoritarian Islamic factions as these could be used to attain certain geopolitical objectives like the replacement of leaders who try to nationalize western companies or who are too close to the USSR.

- There are Muslims in Malaysia who do not share Hj Hadi’s zeal to implement Syariah criminal justice. They argue instead for efforts to implement the principles of Islamic teaching of justice, good governance, welfare for the citizens, and the just and proper management of diversity in society. (Maqqasid Syariah = the higher principles of the Syariah)

Given the fact that the people have strong views for and against the expansion of the powers of the Syariah Courts, it is important that the PSM has to adopt a principled approach to the handling of this issues. The relevant principles are -

1.The right to religion. The Federal Constitution says

- Islam is the religion of the Federation. But other religions may be practised in peace and harmony in any part of the Federation. (Article 3(1))
- Every person has the right to profess and practise his religion. (Article 11(1))
- Every religious group has the right to manage its own religious affairs. (Article 11(3a)).

2. The principle articulated in Article 11(3a) might predispose some to argue that non-Muslims have no locus to intervene regarding how Islam is practised in the country, and therefore should not comment on the efforts to increase the punitive powers of the Syariah Courts. However, if the manner in which Islam is practised impinges on the lives and religions of non-Muslims, then non-Muslims have the right to bring this up for discussion. Effective, non-confrontational avenues to do this should be set up. Currently there are already a number of “sticky” issues which still have not been satisfactorily resolved including-

- a) The situation of children brought up as non-Muslims but given a Muslim name by the Muslim parent who subsequently did not partake in the upbringing of the child. These children find it quite difficult to get a declaration from the Syariah Court that they are not Muslims.
- b) Unilateral conversion of a child to Islam by one member of a civil marriage who converts to Islam at some point after the birth of the child.
- c) The ban on the use of the term “Allah” in prayer books of non Muslim communities and the confiscation of these religious books by the authorities.

d) The difficulty of converting back to their original religion for individuals who converted to Islam in order to marry a Muslim. Some of these marriages breakdown, or the Muslim spouse dies. In these circumstances the person who converted to Islam find that the attempt to convert out is considered apostasy, one of the more serious wrong doings under the Syariah system.

e) Tussles for the corpse of persons who have lived as non-Muslims but have been registered as Muslims in the records of the Religious Department.

There is therefore a legitimate fear in non-Muslim communities that the enhancing of the powers of the Syariah system might lead to further problems for non-Muslims.

3.A further caveat to the interpretation of (1) as meaning strict non-interference in the religious affairs of other communities, is the argument that as Malaysian citizens we have a responsibility for the basic rights of all Malaysians, including those who are from a different religion. This would mean that anyone can (and in fact should) be concerned about and speak up against harsh or cruel treatment of any person or group such as a member of the LGBT community or a religious minority.

4.Issues involving religion have to be handled sensitively and with a great degree of respect for the adherents of that religion. A sympathetic understanding of the issues at hand would aid in achieving a harmonious outcome. The involvement of the parties in the discussion in a common effort to address the socio-economic problems of the B60 of all ethnic groups is

crucial as that will help create the comradeship and trust that is required to manage these difficult negotiations.

## Limiting Executive Power

There is excessive concentration of power in the person of the Prime Minister of Malaysia. Not only does the Prime Minister (PM) get to nominate all the Ministers in the Cabinet, he also has a major say in the appointment of the Public Services Commission, the Chief Justice, the Inspector General of the Police, the Auditor General, the Education Service Commission, among others.

In addition, the Legislative branch of the government in Malaysia is quite circumscribed in its scope. 99% of Bills and Motions are brought by cabinet members. There are hardly any legislative initiatives arising from the ordinary MPs whether government backbenchers or opposition members. The PSM believes that this excessive concentration of power in the PM is not good for democracy or for governance. We suggest -

1. The **selection** of Judges and the Chief Justice, the IGP, The Public Prosecutor, Election Commission Chief, Malaysian Anti-Corruption Chief and SUHAKAM chief should be **by commissions that are independent of the Executive**, especially the Prime Minister. These commissions should directly advise the Agong regarding these appointments, as opposed to the current situation, where the Agong is obligated to follow the Prime Minister's advice. The Prime Minister should not have a say in these key appointments as these are the institutions that should play a crucial check-and-balance role. At times, this check-and-balance function will require them to question the Prime Minister or other high-ranking members of government. How can

they check the executive if they can be removed by the executive?

2. The **office of the Attorney General should be split**. The existing role of Attorney-General should be divided into two with the Attorney General acting as the Legal Advisor to the Government, while the Public Prosecutor is independently empowered to institute action against whoever breaks the law. In this case, it is acceptable to have the Attorney-General appointed on the advice of the Prime Minister, but the Public Prosecutor should be appointed by an independent commission.

**3. Strict two term limit** for the Prime Minister.

4. 10% of Parliamentary time should be set aside for for **non-Governmental initiatives** – Private Members Bills and other Motions.

5. **Bi-Partisan Standing Committees** should be set up to oversee each federal Ministry. All Legislation should be presented to these Parliamentary Committees for discussion and input before being finalized for tabling in Parliament. This will open up the process by which laws are made.

6. Parliament should be **independent** of the rest of the Civil Service. It should have adequate funds. The Speaker should be the head.

7. Provide funds to political parties to employ full-time researchers to look into issues and help prepare for parliamentary debate and Private Member Bills. (Source: Working Paper presented to the CC in 2020.)

## Local Council Elections

The PSM believes that

1. Local Council elections should be implemented as soon as possible at that would make the Councillors more responsive to the public and that would increase the quality of Council services. It is also good for democracy.
2. The setting up of Local Councils is a power conferred to the State Governments under List II of Schedule 9 of the Federal Constitution. There is nothing in the Federal Constitution or in the Local Government Act 1976 that bars a State Government from nominating some or all of the Local Councilors based on elections carried out at local level. It is not at all necessary to get Parliament to amend any legislation for a State Government to use the election process to shortlist a set of people to choose Councilors from.
3. The anxiety in certain quarters - UMNO and PAS - that local Council elections would result in Councils with little Malay representation, can be addressed by only opening up 16 of the 24 Council position for election by the Public. The remaining 8 including the post of Mayor (YDP) should be selected by the State Government that can use this to balance Council composition as necessary.
4. Council elections should be by “wards”. The city should be divided into 8 wards and 2 councillors chosen per ward. This would tend to make councillors more attentive to the needs of

their ward. It also will help ensure better ethnic representation in the Council.

5. There should be provisions for ensuring at least 50% representation by women among the elected Councilors. One way of doing this is to require that women candidates who lose by the smallest margin be accepted as the winner in that contest until a total of 8 elected Councilors are women (if there aren't already 8 or more women winning at the elections). This requirement will encourage political parties to field more women candidates.

6. The electoral rolls used for General Elections could be utilized for local council elections as these rolls are based on the residential status of the voters. The District Office staff as well as the school teachers who usually help the SPR conduct General Elections can be utilized to conduct these elections professionally. They have all the experience. District Office staff are under the direct control of the State Authority so they are available even if the Federal Government is not too keen on this initiative.

7. If manpower is a problem, these elections can be carried out in a staggered fashion - on different weekends - throughout the State.

## **Political Funding**

The current system of political funding in Malaysia is a major cause of corruption in the country. Political parties require funds to open offices, pay staff, hold seminars, carry out research, publish material and contest in elections. So, the leaders of political parties need to continually source for funds – several million ringgit per year for the larger parties. Membership fees and contributions from supporters are not enough. Therefore, politicians in power give contracts to businesses which later make big financial contributions to these politicians and/or their parties. Opposition politicians also receive funds from the corporations who want to hedge their bets and ensure that whoever comes into power will be favourably disposed towards them. As a result, there is considerable corporate influence over the political process as they are the main source of the funds that the political parties need. This tends to undermine democracy.

### **PSM's Position**

#### **1. Public funding of political parties.**

In addition to the ballot slips for MP and for ADUN, voters should also be given a ballot slip that lists all the registered political parties in the country. The voters have to select one party out of this list. Parties will receive RM 10 per year for each vote that they get based on this list. We have 15 million voters - that works out to RM 150 million per year - not too huge a sum given that the federal budget is now RM 300 billion, a miniscule 0.05% of the Federal budget.

Such a system will put pressure on political parties to explain to the voters how the funds allocated to them are being used to

develop better policies for the people. Overall such a financing system would make the political parties more people-centric.

2. Elected representatives should be given funds by the government to open service centres as well as to employ staff - both at constituency level and in Parliament to help in research and documentation. This will eliminate the need to look for corporate benefactors at the local level.

3. Once Public Funding for political parties is instituted, corporate contributions to political parties should be restricted, perhaps to a maximum of RM 50,000 per year.

4. Private financing of promotional material, of free gifts, meals and concerts should be outlawed from the day of nomination to the date of polling. We need to educate our people to choose candidates based on their policies and not on the handouts given during the campaign period

5. All elected representatives should declare their assets before running for office and annually if they happen to win.

6. Excessive accumulation of wealth by politicians (in excess of the amount they could get from their legitimate income) should be presumed to be due to corruption unless proven otherwise. These politicians should be charged in court.

## Handling Rohingya Refugees

The Malaysian Government should do the following –

1. Stop pushing refugee boats back to sea. That is inhumane and leads to loss of lives! The Covid Pandemic should not be used as the excuse for this callous policy.

2. Speed up the registration of Rohingya refugees in Malaysia. At present the UNHCR is processing their applications but as the process takes too long, the government should work with the UNHCR to speed up the process so that the Rohingya in Malaysia have documents that normalize their stay in Malaysia.

3. Provide the Rohingya in Malaysia work permits so that they can work. At present they are not supposed to work but as no one – the UNHCR or our government – is giving them money to buy food or procure shelter, they are forced to work “illegally”. This leads to instances where they are cheated of their wages or are abused in other ways. We need not worry about them robbing Malaysians of jobs. We have 5.5 million migrant workers in Malaysia. The Rohingya in Malaysia only number about 200,000, and only about 60% of them are of working age. 120,000 Rohingya make up less than 2% of the migrant worker population in Malaysia. Giving them the right to work and avail protection from our labour laws will do a great deal for their welfare and will not disadvantage Malaysians in any way.

4. Malaysia should work with other ASEAN countries to coordinate the humane handling of refugees coming to ASEAN. Small but rich countries like Singapore and Brunei can provide

funds for social services to refugees. For example, RM 200 million would more than cover the costs of providing free medical care for all the refugees on Malaysian soil.

5. At present many of the 600,000 Rohingya still in Myanmar have been driven from their villages and are interned in camps. ASEAN member states may be able to help improve the situation by participating in the economic development of the Rakhine province paired with diplomacy that draws in China as well. Resolving the problem in the Rakhine province is the key to the long-term resolution of the Rohingya issue.

It is said that the moral fibre of a society is revealed in the way it treats the weakest and most marginalized groups within it. The Rohingya represent such a group. We need to urge our government to do more to alleviate their suffering and work for a resolution of their predicament.

(Extracted from a Press Statement released on 24/4/2020)

