

# A Country Is Fractured When The Majority Of Its People “Feels” The Threat But, Do “Understand” The Grammar Of Poverty!

By Matthias Chang – Future Fast-Forward

## A Cautionary Tale – A Generalised Composite Profile

### The Hard-Core Urban Poor – Your Grandfather’s and Father’s Generation

- The head of a family, years ago was on an hourly-rate (RM10 per hour), then at a day-rate, then received a monthly wage. Struggling! Single income.
- Then the mother is forced to go to work on a part-time basis / odd jobs, followed by a full- time employment (if any). Head barely above water. Two sources of income (hopefully).
- Consumer debts piled up just to maintain the hire-purchase of a motorcycle. The rental for a home. Eventually the burden of a low - cost housing loan. 20 years or more of debt service.
- Two-thirds of the joint-income is to repay the debts.
- The scourge of inflation. Cost more to buy less!
- Debt slavery for a life-time
- A nation of debt serfs.
- The delusion of prosperity.

### The Hard-Core Rural Poor – Your Grandfather’s and Father’s Generation

The poverty is far worse.

Royal Prof Ungku Aziz (the first Vice-Chancellor of the University of Malaya) had a yardstick – “The Sarong Index” as a measurement of poverty. The Malaysian Insight on 27<sup>th</sup> August, 2019 observed,

*“Not many will recall the “sarong index”, introduced by Professor Ungku Aziz as a measure of rural Malay poverty. Count the number of sarongs in a household, and divide it by the number of tenants (excluding infants). The smaller the number, the greater the poverty. He pinpointed “exploitation” and “neglect” by the British colonial administration as the primary causes of poverty. Others include exploitation by middlemen and moneylenders that affects the income of the rural poor.*

*“For a start, it would be good if the economic affairs minister can begin talking to the ministers for education; rural development; women, family and community development; and, youth and sports, to gauge the level of poverty in the country. Work with them and civil society groups to prove that the 0.4% rate stands good. Otherwise, take heed of the prime minister’s advice and the suggestions given by the UN special rapporteur. The prime minister’s economic adviser should be consulted, too. And of course, the prime minister-in-waiting, since he will be carrying the flag sooner or later, God willing.*

*“The previous administration was in denial mode, but in the last general election, we changed the government. For both poverty and debt levels, we need only one figure and definition, so that our beloved country can march forward with focus, and not worry and*

*confuse Malaysians and the world about which one to use. What say you? The rich may not know, or pretend to not know, the meaning of poverty or being poor. Either they were born rich, or they have forgotten their poor beginnings. Interestingly, the prime minister's economic adviser said one in five Bumiputera households is poor, while one in 10 Chinese and Indian households is living in poverty. Our poverty line index (PLI) is about RM8 per person per day."*

The issue is not to debate the accuracy, as the poor does not have the luxury of such a debate.

**This Report was publicised after the Pakatan Harapan came to power in Putrajaya in 2018.**

The state of affairs as at 31<sup>st</sup> October, 2003 was different, as the NEP, NDP and Vision 2020 brought transformative successes by the then prime minister Tun Mahathir Mohamad, notwithstanding big hiccups along the way. Those who deny these successes are morons and in self-denial. Count your blessings before you hurl stones at glass houses!

However, fifteen years have passed (2018-2003) during the premiership of Abdullah Badawi and Najib Tun Razak. Vision 2020 was for all intent and purposes ditched and substituted by the myopic and personal agendas of two failed leadership. The political infightings and an attempted "failed soft coup" between 2018 and 2020 paralysed the Pakatan Harapan government.

The failures were compounded by the global Deep State's Covid19 Plan-demic agenda from 2020 to 2023.

I had warned in my videos and articles that Malaysia is fractured and we are at the **edge of the precipice of the Logarithmic Decay Curve**



We are now in 2024. And we are prescribing old solutions that do not meet the demands of the challenges for the 2<sup>nd</sup> quarter of the 21<sup>st</sup> century and beyond.

We are in a quagmire of fossilised political narratives.

Malaysia is fractured, divided and in self-denial. Beneath the façade of calm and hunky-dory, the time bomb is ticking and may well explode in the near future as the present generation is impatient, as they have not experienced the heat from cauldron of fire - the intense struggles to build a nation.

The Millennials and Generation Z (approximately between the ages of 20s to 40s) are blaming the previous generations for the mess in which they are now facing – marginalised and losing hope that they have to compete inter-alia with the influx of immigrants arriving from Indonesia, Bangladesh, Myanmar etc. for the jobs which they assumed were for the under-qualified, even in the leisure industries. Holy smoke, OMG!

Parents are seething with anger when their children, so “qualified” from universities (public and private) are unemployed, and resorting to be “Grab Drivers” to survive in the “New Malaysia”, the supposed land of milk and honey.

The psychological and emotional trauma, the humiliation have shattered their faith that the government would back-stop their survival. It was a rude awakening!

Why?

In the previous years and decades, for the older generations,

- Every increment;
- Every job opportunity;
- Every advancement up the social ladder;

were accepted as a huge PLUS, and the government could be counted on in the provision of the safety net. No more!

Even now, viability of pensions for civil servants is being debated - can the government continue to provide pensions? This is but one of the Red Flags!

The transformation of the economy is slowly grinding to a halt. It used to be that RM1 invested would give rise to a RM3 return. Now, we may have to borrow RM3 to get a RM1 or less return. And we now have a huge debt burden in the RM trillions.

The RM Trillion question: How long can Malaysia sustain this imbalance?

This is a **structural challenge** and **subsidies**, regardless whether it is targeted, cannot and are not the solution. It is band aid at best!

- There is no urgency;
- We are no longer competitive;
- Immigrants have not structurally reduced costs;
- We are not as productive as before, when compared with our neighbours;
- Public sector and the private sectors are not in tune and or complementary;

In short, and if we are use an analogy, we are obese!

So, how are we to get rid of the excess fat in the economy?

We are in a very dangerous situation.

A country's growth and successes is about providing benefits. As soon as we are you divided into racial groups, the very fabric of country is undermined, and this division has always been the fundamental cause behind the fall of empires, nations and city-states. This is what is taking place.

Our country is fractured.