

Boosting people economy

IT has been more than a year since it was pointed out to us that the capital economy and the people economy are significantly different and that both must be managed equally well.

That was when Prime Minister Datuk Seri Najib Tun Razak presented Budget 2015 in October last year.

In his Budget speech this year, he raised that point again, saying that Budget 2016 and future ones would strike a balance between the capital economy and the people economy.

As explained in the 11th Malaysia Plan (11MP), the capital economy is built around aspects of macroeconomic stewardship and policies – for example, Gross Domestic Product (GDP) growth, big businesses, large investment projects and financial markets.

The needs of the *rakyat* and the realities of life form the foundation of the people economy. Therefore, it revolves around elements such as jobs, small businesses, the cost of living, family well-being and social inclusion.

Although distinct from each other, the capital economy and the people economy cannot be separated. In fact, they have a symbiotic relationship.

But the Government has decided that the final leg towards realising Vision 2020 should focus on the aspirations of the people.

This is why the theme for the 11MP, covering five years beginning 2016, is “Anchoring growth on people”.

“The 11MP is formulated with the *rakyat* as the centrepiece of all development efforts,” says the Government.

“The people economy will be given priority, reinforcing the Government’s commitment to bring further development to the people by enriching their lives, providing people dignity and uplifting their potential to partake in the prosperity that is generated.”

This is certainly something to look forward to, with New Year just around the corner.

The needs of the rakyat and the realities of life form the foundation of the people economy.

Many of us are uneasy about the state of the economy and where it is heading.

A lot of it has to do with the low prices of commodities (particularly oil), the weaker ringgit, China’s slowdown and the rising cost of living.

But there is also the sense that the power of the consumers is waning.

Due to frequent price hikes and the perception that businesses are far more concerned about profit margins than the country’s social well-being, the us-against-them mentality between consumers and traders seems to be deepening.

Such distrust and resentment is counterproductive. Considering that the Government has projected that real private consumption will grow at an average of 6.4% over the next five years, consumerism in Malaysia could do with a strong push.

It is time for a reinvigorated National Consumer Policy – perhaps not a lot of people know such a thing exists – to play a bigger part in our commerce and industry.

According to the Domestic Trade, Cooperatives and Consumerism Ministry, the policy was formulated to inculcate self-protection by the consumers and self-regulation by the traders and manufacturers.

The aim is to achieve a level of effective consumer protection that will “provide an environment that is conducive for the establishment of a fair market and sustainable developments in tandem with the local and global economic developments”.

This will surely boost both the people economy and the capital economy.