Stopping the increase in cost

IN January last year, the then deputy prime minister (DPM) headed a Cabinet Committee on Tackling the Rising Cost of Living, which he declared was no political gimmick. Now, the incumbent DPM has formed another "high-level" committee to look into high living cost. The implication is obvious. Despite having a cabinet committee that is almost two years old looking into the issue, the cost of living is still rising. That it was the major grouse raised by delegates at the recent Umno annual general assembly says it all. So irate were some delegates that there was no mincing their words. The leader of the Youth wing sarcastically asked whether the government, of which he is part of, expects the people to walk given the petrol, toll and fare increases. And that was just about travel costs.

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The problem then is urgent. Clearly a single highest-level committee is not enough. Hence, the new high-powered panel of six cabinet ministers and their respective secretaries-general. Their findings arrived via dialogue with relevant non-governmental organisations (NGO) that will be brought to the cabinet committee to be deliberated upon. Both of these committees are chaired by the DPM, and he promises that there will be no overlap; naturally, if one reports to the other. Nevertheless, the cabinet committee set up in January 2014 must surely have done something. As the then DPM said, he was tasked to assist the domestic trade, cooperatives and consumerism minister and the thrust was to ensure stricter enforcement to stop profiteering and force traders to abide by the law. Going for the jugular then is the cabinet committee's strategy. But, last April saw the introduction of the goods and services tax (GST), almost the watershed of the current spike in prices of nearly everything, including the impending electricity tariff. To top it off, year-end news of a possible salary increase is non-existent. Instead, social media is abuzz with possible lay-offs.

An off-shoot of the Priority Declaration 2016 "Economy Is Our Priority" programme, this high-powered panel has several resolutions already on its plate. They include boosting the sustainability of graduates, empowering women through entrepreneurial training schemes and several other similar proposals that focus more on improving income rather than controlling prices. Furthermore, for the most part, these resolutions sound like "more of the same" — policies already carried out by several ministries. At best, these are long-term strategies that may or may not ultimately overtake the rate of inflation. At worst, they promise to be a waste of resources, because the cost of living problem is not arrested. Compounding this predicament is a rate of household debt that is the highest in Asean. Even though it is said to be under control because non-performing loans remain low, there is, nonetheless, the risk of shrinking disposable income if the cost of living is not stabilised. And, when push comes to shove, families will be making stress-induced, self-defeating choices. If at all this new high-powered committee is to be useful, therefore, there needs to be a clear focus on restraining prices without any distractions.