

MY SAY: Speaking out for the poor

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US Secretary of State Hillary Clinton was recently quoted as saying that the rich must pay in order for the world to have fairer tax systems. In a policy speech in Quito, Ecuador, she reportedly urged the wealthy across the US to pay their "fair share" of taxes to eliminate poverty and promote economic opportunity for all.

"Despite progress in some places, tax and budget systems are ineffective and inefficient in much of the [Western] hemisphere," she said. "But in many places, including often in my own country, the simple fact is that the wealthy do not pay their fair share of taxes. We can't mince words about this. Levels of tax evasion are unacceptably high."

Reiterating that this was neither "class warfare" nor "us versus them rhetoric," she recognised "that this cannot be a zero-sum game".

"We cannot have a winner takes all approach to our economic future," she said, adding that such an approach was "shortsighted and obsolete".

She further emphasised: "Economies are growing, but prosperity reaches too few. Trade is flourishing, but extreme inequality persists."

Similarly, "democracy is growing, but still delivers too little for too many".

Many of these statements resonate with many in the world today where, indeed, it appears to be a zero-sum game.

Put in the context of the 24th Asia-Pacific Roundtable held in Kuala Lumpur from June 7 to 9, it is indeed relevant. For example, South Korea's former ambassador for climate change Chung Rae Kwon pointed out in an interview the wide gap in how the developed and developing countries perceive historical versus future responsibilities.

He was concerned that the gap could not be closed in time to arrive at a legally binding agreement at the 2010 UN Climate Change Conference (COP16). Already, many countries are not delivering on the Kyoto Protocol targets.

The Copenhagen Conference was a fiasco too where the situation was fundamentally similar to what Clinton implied in her Quito address. That is, the issue of the more fortunate — in this case countries — not doing their "fair share" while adopting a winner takes all attitude.

In fact, this was raised much earlier by Sir Nicholas Stern, an ex-World Bank economist and the author of *The Stern Report on Climate Change*, who said in 2007 that "the problem is deeply inequitable, with the rich countries having caused the bulk of current stocks of greenhouse gases and the poor countries being hit earliest and hardest — which means that the rich countries must take the lead".

And again, in a public lecture on *Climate Change, Ethics and Economics of the Global Deal* in Manchester, he said: "The problem of climate change involves a fundamental failure of markets: those who damage others by emitting greenhouse gases generally do not pay."

And so the problem drags on, getting worse day by day so that everyone loses.

Thus, it was very heartening to hear what Prime Minister Datuk Seri Najib Razak said on this in his 10th Malaysia Plan address. In reference to the 40% of households, about 2.4 million Malaysians, who are the most disadvantaged economically, he said: "I assure you that we will address issues of the less fortunate and free them from the poverty trap."

In other words, they will not fall into oblivion in our rush to become a high-income economy. Aptly, the 10MP's theme is *Towards Economic Prosperity and Social Justice*, negating as it were, the zero-sum approach.

Still, this will not be an easy task. Currently, the average Malaysian earns slightly above RM2,000 a month while the bottom 40% earn less than RMI,500. The official poverty line is set at an unrealistic RM700 a month.

So although many are not regarded "poor" officially, they still find it difficult to make ends meet, particularly those in the urban areas, who account for more than 70% of the population.

To be sure, they are the group that will be most affected by global warming and climate change, despite being

the least guilty, generally speaking. In fact, with the current polemics about reducing or abolishing subsidies, they will be the worst hit if the equation is not properly balanced.

That said, the reports about "soil-eating girls" carried by the local media earlier this month are a shocking testimony to how bad the situation can get if we fail to address the increasing economic disparity among the population. Happenings of this nature are supposed to take place in war-torn areas of the world, such as Afghanistan, not here.

In this sense, Hillary Clinton is right to not mince her words on this issue. Neither should we.

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