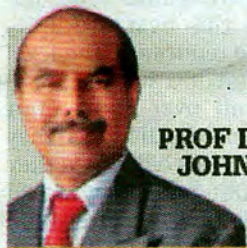


The right diagnosis crucial to correct outcome

PANACEA: Be it social, medical, economic or education problems, finding the real cause is the first step in the healing



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DR Andrew Weil, the American best-selling author on holistic health says, "The most crucial step towards healing is having the right diagnosis. If the disease is precisely identified, a good resolution is far more likely. Conversely, a bad diagnosis usually means a bad outcome no matter how skilled the physician."

Similarly, a wrong diagnosis of a social or economic problem can wreak havoc on an economy or on the social fabric of society. It can cause lots of good money to be wasted on redressing causes other than the true ones.

Take the case of Greece. Its economy is wobbly. Greece does not have enough income to pay its bills. Since the financial crisis began, its economy has shrunk more than most other countries'. Between 2008 and 2014, nominal gross domestic product — a rough indicator of an economy's ability to repay debts — fell by 22 per cent. Its debt stands at €315 billion (about RM1.3 trillion) or 175 per cent of GDP.

The pain at an individual level is equally acute. Since 2008, house prices have declined roughly 40 per cent and median incomes by 22 per cent. For the 18- to 24-year-old Greeks, the 38 per cent fall in median incomes is even more devastating. Public pensions and minimum wages have been cut. Massive retrenchment of public servants has occurred. Taxes are up but collection is poor. Public expenditure is flagging and unable to stimulate the economy.

What is the diagnosis for Greece's problems? The despised "troika" of the International Monetary Fund (IMF), European Central Bank and

European Commission (which has lent about 75 per cent of Greece's total debt) consider profligacy in public expenditure as the fundamental cause. Accordingly, it has imposed severe austerity measures upon Greece, thereby piling more misery on the Greeks.

We had been on that precipice before. It was during the 1997 Asian financial crisis. Tun Dr Mahathir Mohamad was then our prime minister. He was brilliant. He realised that we needed to pump-prime the economy rather than swallow the bitter pill of austerity that was administered by the IMF to Thailand and Indonesia. That contrarian masterstroke, now grudgingly accepted as right by the IMF, made us recover well. It made us escape the misery that our neighbours went through and what Greece is now suffering.

We consider the diagnosis of Greece's woes to be its lack of competitiveness. The 2014-2015 World Competitiveness Index ranks Greece 81st among 144 countries. (Malaysia takes a commendable 20th position). In the 2014 European Commission Innovation Scoreboard, Greece is only half as innovative as Sweden — the most innovative nation in the EU. Greece's productivity level is about half that of the US. And compared with Denmark, that ranks fourth best in the 2015 World Bank's ranking on the ease of doing business, Greece takes the unenviable 61st spot (Malaysia is 18th).

Therefore, the solution to Greece's lack of competitiveness is productivity growth through enhanced innovation capacity and reduced bureaucracy. Germany, the biggest creditor (and the biggest troublemaker) in this Greek odyssey, considers that austerity will make Greece more competitive and spur economic growth. It could even generate a budget surplus to repay debt.

As with the case of economic diagnosis, the problem of poor public services must also be diagnosed for its true causes. Then we can attack the cause rather than the symptoms of the problem. As Martin Fisher, an American physician once said, "Diagnosis is not the end, but the beginning of practice."

The poor state of public service delivery can translate into people behaving in ways that are not socially optimal, such as bribing public officials or using influence to secure better services. Or, it may lead to citizens seeking alternative services and bypass those offered by government. Education, that is at the heart all those with children, is a case in point. Negative per-

ceptions on the quality of the public education system have caused many a parent, especially those who can afford it, to seek expensive private education for their children.

Recently, our deputy prime minister-cum-education minister lamented over the poor performance of our students in international assessments. His grief is justifiable. Who will not in the circumstance? Tan Sri Muhyiddin Yassin has poured much money to bring our education system up to speed. This year, we are budgeted to spend one-fifth, or RM56 billion, of the budget on education. He has put in place a curriculum that matches international standards.

So, where resides the cause of this problem that evokes much anguish? The cause may not be the lack of teaching facilities. Taking advantage of education-technology advancements, we continue to upgrade teaching facilities in schools. Could the cause be the poorer standards of teaching? It might be that a culture of excellence has yet to take root in our educational ecosystem. Or, could the cause well reside in our homes: how we nurture and nourish children?

Just days ago, the Public Accounts Committee revealed that the first phase of the school e-learning project — the 1Bestari Net — consuming RM633 million has yet to produce the desired outcomes. One reason given is the poor Internet speed and connectivity in schools. That is most surely one source of failure. Yet, another might be that not all teachers and students are proficient in using the e-learning platform. This would suggest the need to build capacity especially in rural schools. A thorough diagnosis of the problem will enable the ministry of education to ensure that subsequent phases of this RM4 billion project will thrive where the first crashed.

Whatever the problem, we need a thorough diagnosis of the malaise that afflicts our education system. A superficial diagnosis will not do. That will only make us wallow in the murky pool of guesswork. It, therefore, behoves the authorities to determine where the binding constraints to educational excellence lie. Then, the real cause for the mediocrity in educational standards can be diagnosed and appropriate solutions worked out. That way, we shall not throw good money after bad.

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