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RANI RASIAH takes up the theme by looking at the hypocrisy of the 'people first' slogan in a system which squeezes low-income workers on all fronts. Low wages without proper retrenchment compensation only results in poverty, she asserts

The one major crime Alice committed in her 23 years was to buy a house. Five years later

now, she is not only in almost certain danger of losing the house, but she is also heavily laden with toxic debts.

In 2003, Alice, a factory worker with an overtime-boosted income of RM800 per month, and her mother, a cleaner earning a monthly wage of RM500, decided to buy a low-cost house near Ipoh. The low-cost house which cost RM38,000 when it was built many years ago had over the years bloated to a cost of RM75,000, a mind-boggling sum for people in that income category.

The monthly instalment was RM500 and both mother and daughter felt they could cope by scrimping on basics and with some help from a brother who lived together with them. It may seem like a scary decision for some of us, but it is not uncommon for poorer people to make decisions that seem impulsive and reckless.

The commercial bank they approached was delighted to get a customer and eagerly signed them on. There was no armed debt collection or recovery officers visible; the jargon in fine print was glossed over and went over the heads of the poor sub-prime borrowers.

Then came the horror. The scandalous subprime crisis brought the US economy to its knees, and wreaked recession on the rest of the globalised economies of the world. Back home, the fragile financial set up of the Alice family fell like ninepins.

Read the full story [here](#) .