

repetition correcting embargo time

Mahathir-privatisation '''

(EMBARGO: For Release After 10pm, Feb 18)

KUALA LUMPUR, Feb 18⁹ (Bernama) -- Datuk Seri Dr Mahathir Mohamad has asked civil servants working in departments which the government will not privatise not to despair over the big salary increase and other perks enjoyed by those who are now working in privatised ones.

He assured civil servants that as the government earned more money with the increasing productivity and competitiveness of the country's industries, they could expect better salaries in the long run.

Speaking over RTM's +Conversation with the Prime Minister+ programme tonight, he said in that some cases, employees of the privatised government agencies were being paid twice as much as before while their chief executives were drawing salaries even higher than himself.

But he said the same obviously could not be done for those who remained in government service, adding that if + we accept that life is not going to be fair to everybody, we will not be too frustrated+.

During the programme, the Prime Minister answered questions from three panelists on the Malaysian economy, the role of the government and the hard choices it has to make in facing the world economic situation now worsened by the Gulf war.-- more

♥18/02/15-11MST

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The panelists are Institute of Strategic and International Studies (ISIS) director-general Dr Noordin Sopiee, Bank Buruh chief executive officer Tan Sri Ramon Navaratnam and Malaysian Institute of Economic Research (MIER) executive director Datuk Dr Kamal Salih.

The Prime Minister said that in an absolutely fair situation where everybody would get as much as everybody else like under the communist ideology, even the most efficient people would begin to become inefficient because the challenge would not be there.

+ What we can do is to lift those who are less fortunate so that they will get a fair share of the economy. But we cannot guarantee that the man at the top will earn as much as some of the government privatised agencies where the pay is as much as \$25,000 which is higher than my pay and higher than the Chief Secretary to the Government but we have to accept this,+ he added.

Datuk Seri Dr Mahathir said the Government was pushing ahead to step up its privatisation programme because the experience of some of privatised agencies had shown that the same bureaucrats had become more efficient working under the environment of privatisation.

An example of this is the Telecoms which has made many times more money after being privatised compared to when it was a government department.-- more

♥18/02/14-50MST

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+ For example, the Telecoms Department would never think of opening a Kedai Telekom (Telecom Shop) and to promote the use of the telephone. But once you are in the private sector the same government servant begins to think that in order to justify his existence, in order to earn more money and to get a bonus and better pay, he must strive to promote the success of the company,+ he said.

Datuk Seri Dr Mahathir conceded that it was not the business of the Government to go into business, adding that +when we go into business, we do it very badly and extremely inefficient+.

He said that the Government was now taking a number of steps to update the skills and attitudes of civil servants with new ideas and suggestions.

In the past, civil servants were left to themselves to implement projects but now they have a workflow chart to enable the Government to know exactly what to do when the job is given to a particular department, in the same work pattern of pilots who pilot aeroplanes.

The Prime Minister added that it was wrong for civil servants to think that there was nothing to be gained by them personally by working closely with the private sector as required of them under the Malaysia Incorporated concept introduced by the Government.-- more

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He said although the concept had gained greater acceptance among civil servants since it was mooted, there were those who felt that if they approved a scheme which enabled an entrepreneur to make million of dollars upon signing a contract, they (civil servants) would get nothing.

+Although he gets nothing directly, the economy grows, taxes are paid, the Government has bigger revenue and we are able to pay them better salary,+ he added.

The Prime Minister said that because of the pressure on Government financing given its rising cost of social expenditure due to economic and population growth, it was necessary to reduce the size of the civil service.

With a smaller staff but without the any fall in revenue, the Government could distribute in terms of paying more as well as spend more money on infrastructure and other social needs.

The Government's strategy is to reduce its size but to increase revenue by means of running the economy efficiently and encourage investment.

Asked if rising wages for civil servants would lead to a wage spiral that could be problematic in the long run and trigger inflation, the Prime Minister said: +Rising wages is not a problem in itself. But rising wages without better productivity is a problem+.-- more

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Asked on public reaction against Government entities like the Telecoms and the Malayan Railway becoming private monopolies upon privatisation, Datuk Seri Dr Mahathir said although these bodies had gone private, they were still subject to Government regulations and +a little bit+ of Government interference.

For example, if road tolls were increased, the Government had to move in in order to protect public interest.

As he put it: + We are a democratic Government. If we don't protect the interest of the public we are not going to be re-elected. So that is always in the back of our minds+.

The Prime Minister said although these entities were free monopolies, they would not be absolutely free to do exactly what they liked.

+ On the other hand, Government monopolies can be just as bad, just as inconsiderate. Whether they are private sector or public sector, it really makes no difference. What makes a difference is the attitude towards governing and the attitudes of the people as a whole,+ he said.-- Bernama

♥18/02/15-01MST