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Study on civil servants' pay (HL)

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KUALA LUMPUR, Fri. - Prime Minister Datuk Seri Dr Mahathir Mohamad said today the Government was making a comparative study of wages in the civil service and the private sector to serve as a guideline to assess wage demands.

Dr Mahathir said the study would also determine whether the salaries of civil servants was inadequate to meet the cost of living as claimed by certain quarters.

He said the study's initial findings, however, revealed that civil servants at lower and middle level were better paid than their counterparts in the private sector if their perks, including pension, were taken into account.

The salary of high ranking civil servants was comparatively lower compared to executives in the private sector.

"We are pressured by claims that the salary of civil servants is not enough ... when in fact the position of the private sector employee is the same.

"People claim the private sector pays better and we are not fair to civil servants. We are carrying out research to determine whether this is accurate or not," he told reporters after performing the ground-breaking ceremony for the Islamic Arts Museum.

The Prime Minister said the Government was sometimes placed in a difficult position because the unions were making new demands.

"Each time we resolve one problem, a new demand comes up. We resolve one problem, immediately there is a new demand ... it appears that it remains unresolved."

The last salary revision for civil servants was made last year, after Cuepacs, the umbrella public sector trade union accepted the Government's proposal on Jan 31, 1996.

The revision was implemented in May last year, with arrears being backdated to January, 1995. It cost the Government RM2.096 billion to effect the revision for all 849,586 civil servants.

Dr Mahathir was asked to elaborate on his speech made earlier at the presentation of the 1996 excellence service award to 194 employees of the Prime Minister's Department at Pusat Islam.

Earlier, Dr Mahathir who is also Home Minister said adjustment of salary for civil servants depended on the Government's financial position.

The Government would not borrow funds to pay their salaries or accommodate requests for a pay hike because it would ruin the country's economy.

He said, however, the Government would borrow funds to finance development projects because it would generate revenue when completed.

Dr Mahathir said politicians, civil servants and the unions who placed their self interest and that of their group above national interests would jeopardise the country's development.

He gave the examples of politicians whose only priority was to assume power at the highest possible level and not whether they could handle the job, civil servants who abused their powers and union leaders who took a hardline stand to boost popularity to remain in office.

"A country could not develop if there is an attitude of putting individual and group interests ahead of the nation as in some countries," he said.

The Prime Minister pointed out that the Government's ability to meet the demands made by politicians, civil servants, unions and the people was based on its financial position.

He said it was not possible to fulfil their expectations if the country did not develop.

"We have to help ourselves by enriching our country. Only then can we fulfil our demands," he said.

The Prime Minister, however, said Malaysia was not plagued by such problems as evident in the country's ability to record a high economic growth continuously over the past eight years.

Even if the country's administration system and civil servants were not the best, he added it was much better compared to other developing countries.

This allowed the Government to undertake development programmes especially the major infrastructure projects, and complete them on time, he added.

On the New Remuneration Scheme, Dr Mahathir said there was a need for an evaluation system to encourage excellence.

However, he said it was impossible to have a system which could satisfy everyone.

"As in a football match, we have to accept the decision made by the referee whether it is in our favour or not ... and not punch the referee because we think he is unfair," he said.

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