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PM's advice to the private sector

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KUALA LUMPUR, Mon. - The private sector should reward their employees with reasonable wages as too high a salary may entice many civil servants to leave, thus weakening the public sector.

Prime Minister Datuk Seri Dr Mahathir Mohamad said when the public service suffered, the private sector would also be affected as both sides needed each other.

"Therefore, the real solution is to prosper the country so that both sides will benefit from it," he said during a dialogue with delegates after opening the Malaysia Incorporated Summit 2000 at Hotel Istana today.

The event was organised by Asian Strategy & Leadership Institute and the Malaysian Administrative Modernisation & Management Planning Unit.

Responding to a question on the possibility of the country one day having a poor public service in contrast to a dynamic private sector, he said one way to prevent this from happening was for the Government to increase the salary of its employees.

But this will come to nought if the private sector was to follow suit with a pay hike, resulting in the disparity remaining the same.

He cautioned the private sector that although high salaries could attract skilled and knowledge workers, including those from the Government, it would not necessarily lead to better performance.

"In the United States for example, there are executives who strive for impressive annual reports for the companies so that they will be rewarded in the form of share options.

"But they don't care about the performance of the companies."

Dr Mahathir said the Malaysia Incorporated concept introduced in 1983 would only be successful if the impressive performance of the private sector was matched by an efficient public service.

The Government has limited resources and cannot easily increase the salaries of civil servants. The private sector must therefore exercise wisdom when rewarding their employees.

In jest, Dr Mahathir said he had sometimes thought of joining the private sector, lamenting that although he was the "chief executive officer" of Malaysia Incorporated, he was only paid RM16,000 a month compared to RM40,000 earned by some others.

The Prime Minister said the Government wanted to see the continued success of the private sector as a substantial amount of the profit by the businesses would be collected through corporate and other taxes.

To a question on franchise, Dr Mahathir said the Government encouraged the industry as it could be participated by all.

He advised Bumiputera businessmen to make franchise business a choice, adding that it should be opened to those qualified and not being monopolised by certain giant companies, which was the case now with several international franchisors.

"This approach will ensure a fair distribution of the country's cake, benefiting the majority and not a few selected groups."

Dr Mahathir was also asked by WWF executive director Datuk Dr Mikhaail Kavanagh on whether Malaysia Incorporated intended to make sustainable development a priority.

The Prime Minister said the Government was always concerned about the environment, and the fact that Malaysia had a ministry dealing with it reflected the seriousness.

However, it also wanted the private sector and the public to play their role in protecting the environment.

Dr Mahathir criticised certain quarters like the foreign media which seemed to champion environmental issues but actually had other motives.

"For example, when Malaysia was enveloped by haze for only one day, the British Broadcasting Corporation repeated the news for three consecutive days, implying that Malaysia was badly hit, one should cancel their flights to the country and it was not a good place for someone with asthma."

Dr Mahathir said one should not adopt the attitude and stand of some quarters which were only good at criticising Malaysia over environment matters.

"They have never appreciated the things that we have done in protecting the environment ... We should be moderate and accept the needs to do something although it might not be good for the environment."

He said one should not be fanatical like Bruno Manser, who instigated the Penans in Sarawak to go against the Government in the name of the environment.

Dr Mahathir said western environmentalists liked to create the impression that Malaysia did not care much about the environment whereas 56 per cent of the country was covered by natural jungle and 20 per cent more with planted trees.

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