

Busting the 11MP myths
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COMMENT The Eleventh Malaysia Plan (11MP) boasts two things: Big Results and Big Plans.

It highlighted the achievements of the federal government towards the end of the Tenth Malaysia Plan and building from there are the goals and strategies for the next five-year plan of our country.

In the middle, there are the so-called 'Game Changers', 'innovative approaches to accelerate Malaysia's development, that once successfully applied, will fundamentally change the trajectory of the country's growth'.

Universiti Malaya academic Dr Lee Hwok Aun has pointed out two fundamental flaws in the government's Big Plans, the unrealistic gross domestic product (GDP) growth goal and the dishonesty in gross national income (GNI) projection.

I will now show that even the Big Results exhibited by the government are at best skewed from the reality and aspiration of normal Malaysians, and at worst, are another dishonest attempt to mislead the people.

And if these are going to influence the fundamental policies of our country for the next five years, then the government is definitely barking up the wrong tree, again. I will highlight three of these Big Results here: Household income, unemployment rate, and female labour force participation.

Household income in Malaysia: Who is getting RM6,141?

A year ago, our economy minister, Abdul Wahid Omar, proudly declared that household income is now RM5,900 a month. I later wrote that this is highly unrepresentative of the real situation facing normal Malaysians.

Today, Prime Minister Najib Abdul Razak upped the ante and announced that the average Malaysian household income is already RM6,141. I will leave you to read my previous critique of Abdul Wahid's statistics which applies to Najib's as well.

But we really must ask, whose household income is RM6,141?

In the 2013 Malaysia Salaries and Wages Survey Report published August 2014 by the Department of Statistics, the average monthly income of Malaysian workers is RM2,052. The average monthly income of female workers is even lower, still below RM2,000 at RM1,992. 50 percent of Malaysian workers earn below RM1,500 a month.

More than a third of the workforce is young Malaysians below the age of 30. In September 2013, the government said that 83 percent of young Malaysians below 30 years old are earning below RM3,000.

Thus the question is, whose family gets RM6,141 a month? And if they do, how many people of that household must go to work?

When we look at the disaggregated data, we will be wondering, whose household income is RM6,141 as announced by the government?

Unemployment low, what about the quality of employment?

To be frank, the Eleventh Malaysia Plan said all the right things: the bottom 40 percent and the middle 40 percent (PM calls it B40 and M40 ala-pop economist), unemployment, multidimensional poverty index (MPI), work-life-balance, back to work programmes, the third age, post-retirement jobs, etc.

The report said that unemployment is at 2.9 percent this year, and thus “the economy continuing to be in full employment”.

That’s fine.

But again without disaggregated data, we only see the tip of the iceberg.

The Eleventh Malaysia Plan acknowledged that our workers compensation is about 33.6 percent in 2013. This means, for every RM100 earned, RM33.60 goes to workers (including high paid workers, director’s fee, bonuses etc) while about RM64 goes to capital or employers. Compare this to workers compensation in other countries in this region: Singapore (41.1 percent), South Korea (43.7 percent), Taiwan (46.2 percent) and Japan (51.9 percent).

The government aims to grow workers compensation to GDP to 40 percent by 2020. This means about 3 percent growth annually from 2013. Realistically is this possible when the trend is showing only half the growth rate on average since 2005?

Also, while unemployment is low, I have pointed out again and again, the high youth unemployment at 10.4 percent, higher than for example our immediate neighbours, Singapore at 7 percent or Thailand at 3.4 percent.

Earlier this month, on May 12, at a Business Leaders Dialogue Session with the prime minister, Abdul Wahid (photo) finally acknowledged the problem of youth unemployment. He said that currently, 161,000 graduates aged between 20 and 24 had yet to find a job.

Those who actually have jobs, however, suffer from underemployment, mismatched jobs to their qualification, low wages, and other bad career situations. For example, even based on the government’s conservative definition, youth underemployment is at 15.1 percent.

Meanwhile 21 percent of employed degree holders are working in jobs which do not require a degree.

The government has thus far refused to take these problems seriously.

Female labour force participation rate

Finally, let us look at the female labour force participation rate (LFPR). For 20 years from 1991 till 2009, female LFPR was almost stagnated hovering between 46 percent to 48 percent. Then suddenly, in 2014, the government announced that we are well surpassed the middle mark by achieving 53.6 percent female LFPR. In less than a year, the goal is to hit 55 percent as committed in the Tenth Malaysian Plan. What magic is at work here?

What happened after 2009 that rev up the female LFPR numbers so drastically? But let's assume these numbers are correct - just as I have not disputed the statistical integrity of the household income above - where are the 55 percent women working?

The Eleventh Malaysia Plan does not give us any disaggregated data on women. Business as usual, no game-changer here. Because without disaggregated data, we only get to see the 'big picture', and in our case, the Big Results. Sometimes, in the big picture, we do not see the problems.

In older reports on labour force in Malaysia, it was shown that women dominates the 'lower' end of the white collar job market, being clerical staff, service workers in shops and markets as sales persons as well as being 'associate' professionals - not even 'full' professionals. This is in contrast to men who dominates 'higher' jobs such as legislators, senior officials and managers, craftsmen and professionals.

Even if we do have the numbers, we only have quantity but not quality when it comes to women in the job market.

The Eleventh Malaysia Plan itself admitted to the low numbers of women in decision making position, only 10.2 percent in boards of public listed companies and 11 percent in Parliament and in the state assemblies.

And when women do have jobs, they are being discriminated over many things, most markedly their salaries. A 2008 report shows that in a senior managerial position, the average pay for men is RM4,300 while the average pay for women is only RM2,500. In other words, even in the same position, women receive only half the compensation as men.

No game-changer really

While the prime minister presented the six game changers to catalyse towards the goals of the Eleventh Malaysia Plan, things will remain business as usual if the government only paint a rosy picture without admitting to the problems.

It is understandable that the prime minister needed a feel-good boost when his government is facing the worst criticism ever with even his own cabinet ministers and former prime minister Dr Mahathir Mohamad attacking him from all sides. But what Malaysia needs now is really a frank assessment of the situation, not a report to make our prime minister feel good.

What Dr Lee and I highlighted are merely few examples of how the Eleventh Malaysia Plan is not an honest proposal. How does the government explain the exclusion of Penang from the city competitiveness master plan in the Eleventh Malaysia Plan? And 1MDB, potentially the biggest financial scandal in Malaysia is conspicuously left unaddressed.

Government debt is at an all-time high and we have pointed out that this is not even the full story with 'off-balance sheet debts'. The lack of disaggregate data and in fact the lack of transparency in general for that matter, sweep all the dirt under the carpet of beautifully-designed, infographic-laden, consultant-produced report.

Business as usual really, pi mai pi mai tang tu.

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