

Up to 35% pay hike for civil servants
Malaysiakini.com
May 21, 2007

Prime Minister Abdullah Ahmad Badawi today announced a hefty pay rise for civil servants which observers view as a strong indicator of a general election being around the corner.

Effective July 1, Abdullah said government servants will get a pay raise of between 7.5% and 35%.

The cost of living allowance, or Cola, will also be increased by 100%.

Meanwhile, members of the police and the armed forces will receive 20% over and above the announced increase in pay.

Abdullah's announcement at a Workers Day gathering in Putrajaya drew a huge round of applause from those present.

He was later given a standing ovation and the crowd chanted 'Hidup Pak Lah' (Long Live Pak Lah).

On the whole, the premier said the pay rise will amount to RM3.4 billion for this year or an additional expenditure of RM6.8 billion a year.

Whereas the increase in Cola will involve an additional expenditure of RM600 million for this year and RM6.8 billion annually.

Careful decision

Abdullah said the main factor behind the government's decision for the pay hike was the strong GDP growth over the past five years at a rate of 5.6 percent a year.

The second factor, he added, was the need to attract and retain qualified and motivated personnel in the public sector.

The third factor is the increase in the cost of living due to global oil prices which is impacting the lower income group, he said, adding that the fourth factor is the capabilities of the government's finances.

"In deciding on the pay rise, the government is careful on its impact on the country's financial situation. Any pay increase will also involve pension and other allowances.

"In view of this, the quantum of increase was decided carefully. The government has successfully reduced the its expenditure deficit from 5.3% in 2003 to 3.5% last year and this good fiscal management will continue," he said.

Not election goodies

Deputy Prime Minister Najib Abdul Razak at the same function told reporters the hikes were not calculated to raise spirits ahead of an expected early general election.

Malaysia must hold a general election by early 2009, but a poll is expected by the end of this year or in early 2008.

"It does contribute a feel-good factor. Civil servants will welcome any form of increment," independent political analyst Khoo Kay Peng told AFP.

"But at the end of the day, there will still be some people who can barely make ends meet given their low salary base," he added.

Mohammad Agus Yusoff, head of political science at the Universiti Kebangsaan Malaysia, said the salary hike was long overdue but added changes would not be enough of a sweetener ahead of an election.

"The cost of living has gone up. It's a logical thing for the government to do ... but they cannot rely on these sorts of goodies that they give.

Copyright © 1999-2007 Mkini Dotcom Sdn. Bhd.
Source : <http://www.malaysiakini.com/news/67508>