

# Govt salaries' high and low

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## 19.5 DIFFERENTIAL AMONG WIDEST IN THE WORLD

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**PETALING JAYA:** The salary of the highest-ranked civil servant in Malaysia is 19.5 times more than his or her lowest-ranked colleague, according to 2006 data, Dr Lim

Teck Ghee said.

The former director of Asli's Centre for Public Policy Studies (CPPS) said this figure was far higher than in other Asean countries, as demonstrated by a 2004 study by the United Nations Public Administration Network (see chart).

Malaysia did not take part in this study.

"Data from other countries in Europe, Africa and Latin America on total allowances as a percentage of total salaries further

**TOTAL DISTRIBUTION OF CIVIL SERVANTS**

Country	Workforce	Population*	Workforce per capita
Cambodia	166,381	14,144,000	1.18%
Laos	70,354	5,657,000	1.24%
Indonesia	3,928,658	219,883,000	1.79%
Philippines	1,445,493	79,999,000	1.81%
Thailand	1,296,688	62,833,000	2.06%
Malaysia	<b>899,250</b>	<b>24,425,000</b>	<b>3.68%</b>

\*2003 Population, UN estimates.  
Source: United Nations Online Network in Public Administration and Finance

**SALARY DIFFERENTIALS IN THE CIVIL SERVICE**

Country	Lowest		Highest		Differential
	US\$	LOCAL\$	US\$	LOCAL\$	
Cambodia	7.5	30,000	41.25	165,000	5.5
Indonesia	42.55	382,950	84	755,783	1.974
Philippines	108	5,082	1,031	57,750	9.546
Singapore	480	818	1,436	2,442	2.99
Thailand	102.50	4,100	1,477.25	59,000	14.41
Malaysia (2006)	<b>134.45</b>	<b>480</b>	<b>2623.53</b>	<b>9366.50</b>	<b>19.51</b>

Source: UN Public Administration Network survey (2004)

indicates that civil service salary differentials in Malaysia have been considerably widened by the payment - to higher scale civil servants - of generous supplementary allowances not normally available in other countries," he said in an e-mail interview.

Lim, who is also a former World Bank senior social scientist and UN regional adviser on poverty and social development, had said last week Cuepac's call for a salary increase was "well merited" and a review was needed because the salary differential within the Malaysian civil service was among the world's worst.

Cuepac, the umbrella union for the country's one million civil servants, said earlier this month it wanted a salary increase of between 10% and 40% because of the rising cost of living and their improved work performance. The last salary revision was 14 years ago.

Lim said civil service salaries were

revised annually or biennially in most industrial market economies. The practice of infrequent adjustments is usually found in poorer developing countries, he noted.

Because public money was involved, Lim said, a transparent, independent and fair review was necessary, especially by an independent commission with expertise, to assess - with the market as comparator - the content, skills and compensation necessary for civil service jobs.

"Unfortunately, the government is continuing to give the impression that it is 'an employer of last resort'," he said.

Lim said the perks of working for the government, for example, job security and cheap loans, did compensate for lower civil service wages but to ensure fairness, the monetary value of all in-kind allowances and the net present value of future

pensions should be computed.

"Because the basic wage is only one component of a civil servant's total rewards, comparison of base wages in public and private sectors is not a good methodology," he said.

"Higher grade civil servants cannot complain of being lowly paid compared with their private sector colleagues," he said, citing the allowances of senior university professors, which comprise more than 40% of the total take home salary.

Lim, however, disagreed with Cuepac's call for an additional 200,000 civil servants by 2020.

"In fact, the present size of our civil service needs to be reduced at all levels. The data (see chart) shows how bloated our civil service is by regional standards," he noted.

"There may be a case for selective increase in some strategic sectors but overall we need a considerably leaner, more efficient and productive, and representative civil service," he said.