

Trim government wage bill, economist tells PKR
The Malaysian Insider
November 26, 2011
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JOHOR BARU, Nov 26 — The chief economist for Bank Islam advised PKR today to slash the wages of ministers and top civil servants if Pakatan Rakyat (PR) comes to power.

Azrul Azwar Ahmad Tajudin, who is a member of PKR's Putrajaya division, told his party's national congress here that emoluments — which include salaries, allowances, bonuses and pension - make up 40 per cent of the government's operating expenditure.

"This is far more than any other component. Along with supply and services, it is the largest contributor to the deficit.

"But only a small number benefit directly, namely the Cabinet and top civil servants and those that secure procurement contracts," he said when debating the president's policy speech.

PR came under fire recently after DAP publicity chief Tony Pua was reported to have suggested trimming the country's 1.3 million-strong civil service.

The coalition later clarified that they will not sack government employees but make the public sector more efficient.

Support from Malays, who make up most of the civil service, has shrunk for PR since the last election in 2008.

PKR de facto leader Datuk Seri Anwar Ibrahim, PR's prime ministerial candidate for polls expected early next year, was also forced to repeat the pact's commitment in a press conference earlier today.

Azrul Azwar had only suggested in his speech that PKR cut the salary and allowances of ministers and top civil servants.

But he told The Malaysian Insider later that "there must be a hiring freeze and all wages above a certain grade must be frozen."

BN has struggled to keep the national debt, which hit RM407 billion (53 per cent of GDP) last year in check.

The government's operating expenditure has more than doubled from RM89 billion in 2005 to a projected RM182 billion next year.

The Najib administration has committed itself to reducing the fiscal deficit from a two-decade high of 7.4 per cent in 2009 and forecasts a 4.7 per cent shortfall next year.

PR has called for deficit reduction to be accelerated and has proposed an alternative budget that projects a 4.4 per cent deficit in 2012.

Azrul Azwar also said today that although subsidies were the second largest component of operating expenditure, "subsidy cuts are the easy way out that does not take into account

the burden faced by all especially the poor.”

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