

**Rafizi on why GDP growth has not lessened people's hardship**  
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**PKR vice-president claims GDP growth under Najib driven by recruitment of more low-skilled and low-paid foreign workers rather than by upping productivity.**

PETALING JAYA: The 5.6% surge in gross domestic product (GDP) in the first quarter of 2017 did not touch people's lives because it was driven by the addition of low-skilled jobs and not by a productivity rise, said PKR's Rafizi Ramli.

"People ask me why they do not feel good despite Malaysia recording GDP growth every year.

"Not all economic growth brings benefits to the people. There are cases of growth being concentrated in the hands of some quarters, or because of the creation of more low-wage jobs," the PKR vice-president said in a statement today.

Bank Negara announced in mid-May that the economy grew 5.6% in January-March, the fastest pace in two years, led by an export recovery and stronger private consumption and investment.

Simply put, Rafizi said, GDP growth referred to the economy producing more goods and services.

He said this was achieved in two ways: by increasing employment and raising productivity.

Elaborating, the Pandan MP quoted figures from the Malaysia Productivity Corporation (MPC) Productivity Report 2015/2016 which showed that GDP during the 9th Malaysia Plan under 5th prime minister Abdullah Ahmad Badawi was driven by productivity increase of 59.07% and employment gain of 40.93%.

He said in the 10th Malaysia Plan period under current prime minister Najib Razak, the percentage rise for productivity dropped to 38.4% while employment growth rose by 65.2%.

The jump in the rate of employment resulted from the recruitment of low-skilled workers who were mostly foreigners, with the Malaysian Employers Federation estimating the number of legal and illegal foreign workers in the country at about six million in 2016.

“This factor was confirmed further by the drop in the rate of wage increase of employees from 5.3% in 2011 to 3.8% in 2015.

“That’s why growth must be scrutinised whether it is driven by an increase in low-paid employees or by the creation of high-value jobs with higher salaries.

“If growth is driven by productivity (rather than an increase in workers), each employee will receive a greater adjustment of pay because there is no need to increase the number of workers dramatically (by bringing in foreign workers) and economic yields are shared more evenly,” said Rafizi.

However, he said, the current situation showed many low-skilled jobs were filled by foreigners who were paid low wages.

“This explains why the GDP growth looks good on paper, but does not benefit the common people who are forced to accept wages which grew at a lower rate than the rising cost of living,” he said.

Rafizi said this was the reason he had called for a dialogue between the opposition and the organisers of the National Transformation initiative TN50 to discuss the issue of raising wages.

“I’m still waiting for an answer from Khairy Jamaluddin (minister of youth and sports who is the main organiser of TN50) and I will continue to harass him to get an answer although he is busy touring the country to sell the dream (of transformation) in 2050,” he said.

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