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Anwar-Workers

GOVT WORRIED ABOUT WAGE INCREASES EXCEEDING PRODUCTIVITY

KUALA LUMPUR, July 13 (Bernama) -- The country's economy has started to feel the heat from excessive wage increases compared with productivity and the government fears that this will adversely affect the economic growth, Datuk seri Anwar Ibrahim said today.

The deputy prime minister said the matter was serious because if the situation was allowed to continue, not only would the economy decline but the workers and employers would also suffer.

Anwar, who is also Finance Minister, said, for example, that in the manufacturing sector the average wage increase rate for the first four months this year was 11.7 per cent compared with a 6.1 per cent rise in productivity.

"This means that the wage rate is more than the productivity rate. In macro-economic consideration, this is an unhealthy trend," he said when addressing the 1996 Workers' Day Solidarity Gathering at Stadium Negara, here. About 10,000 workers from the public and private sectors took part in the gathering organised by the Human resources Ministry.

"This figure is not satisfactory because it shows that our country's economy is beginning to feel the heat from the problem of rising wage claims and stagnant productivity," he said.

He said there were several ways to tackle the problem. One way was for the public and private sector employees to ensure that if wages increase, productivity must also increase.

"If we want to continue to guarantee wage increases, the productivity rate must be further increased. For this to happen we must endure so that the wage rates do not increase until productivity rises higher," he said.

He said the public and private sectors must ensure that their workers were conscientious and thrifty and worked diligently so that productivity could rise.

Anwar said the government would continue to ensure that workers received fairness and enjoyed better and more comfortable health and educational facilities "but we also want the level of productivity increase to continue."

"We can ensure that wage rates continue to rise because our economy and development is not free, nor should it be free, from the principle of fairness and good for all," he said.

He said the government did not want to see a situation where the economic growth rate was high but the workers' welfare was neglected.

"Hence we want to ensure that there is a new spirit of cooperation and consensus, not opposition and tension because it can lead to instability," he said.

Anwar urged the union leaders to use this year's Workers' Day to foster unity and emphasise to the workers that Malaysia could become developed on condition that productivity increased.

He said employer-worker cooperation must be cultivated because of late there had been fresh attempts among the industrialised nations, including Europe, to include a social clause.

He said the move was aimed at forcing Malaysia to fix high wages to the extent that the local companies were unable to compete with the foreign ones.

"We should not be trapped by this agenda because while we want to uphold justice, we want to ensure that the lot of the workers is cared for."

We do not want to be tricked by the tactics of foreigners," he said.

He also reminded the local workers not to use the excuse that Malaysia had achieved full employment to the extent that it had to bring in foreign workers, to demand excessive salary increase.

He said there were excessive salary demands not only by low- and mid-level staff but also among the higher grades and some high corporate figures were getting wages which were excessive and totally unreasonable.

He said this point was also stressed by Prime Minister Datuk Seri Dr Mahathir Mohamad who wanted the group concerned to get "reasonable" remuneration.

"The wages for the management group are too excessive and this will not provide an incentive to raise productivity and also a clear message to the mid- and low-level workers," he said. -- BERNAMA

ES HAK JK