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MEF-Wage

EMPLOYERS FEDERATION SAYS MINIMUM WAGE OF RM900 NOT PRACTICAL IN MALAYSIA

KUALA LUMPUR, June 23 (Bernama) -- A national-level minimum wage policy is not practical nor applicable in Malaysia and should be best left to the industry and enterprise levels to decide, the Malaysian Employers Federation (MEF) reiterated today.

MEF president Jafar Abdul Carrim said today it preferred collective bargaining or contractual agreement (CA) at the enterprise level between the management, workers and their unions and not determined through flegislation.

"Some CAs have wages ranging from RM340 to RM450 for the lowest category of employees, and this clearly shows that the agreed rate is indeed the market rate," he told a press conference, here.

Jafar said the proposal by the Malaysian Trade Unions Congress (MTUC) that the national minimum wage be set at RM900 per month instead of the earlier figure of RM1,200 was a big departure from the current norm.

Instead, Jafar said, the government should come out with a strong policy statement on wage increase through productivity improvement for the country to remain competitive.

He said several companies had successfully implemented productivity-linked wage systems in the manufacturing, banking, service and agricultreul sectors.

"We are doing fairly well with the present system...we are able to compete with the rest of the world and everyone is benefiting now. Do we want to put this at risk?" he said.

Jafar, who is the managing director of DMIB Berhad, said that instead of formulating a national minimum wage policy, workers' pay should be based on industry, region and skill specifications.

He said that within the scenario of rapid technological innovations and new ways of doing business, the emphasis should be on flexibility and the ability of the wage system to adapt to change and not to introduce rigidities into the wage system.

"If a small businessmen is forced to pay a minimum wage of RM900, he will pass on the cost to customers or close shop. This is counter productive," said Jafar.

"It is not unrealistic to expect that if such a high national minimum wage is adopted, our favourite roti canai, nasi lemak and teh tarik would cost three to four times higher than the current cost," he said.

Jafar said the present economic development in the country enabled a worker to choose whatever job he deemed fit and he had the choice of switching to better paying jobs.

"So, the best system is something related to productivity increase. Workers should also strive to enhance their skills, especially with industries and enterprises moving towards computerisation and automation," he added.

Asked whether the federation was willing to meet the MTUC to find a solution, Jafar said they preferred the wage system to be handled by employers and their workers.

He said the MEF fully supported Prime Minister Datuk Seri Dr Mahathir Mohamad's statement in his Workers Day message that high minimum wage would lead to a compound increase in wages and salaries which neither the government nor the private sector could afford.

-- BERNAMA

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