

01/05/2000

PM: Boost productivity (HL)

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KUALA LUMPUR, Sun. - Datuk Seri Dr Mahathir Mohamad today advised workers that increased productivity and not a test of strength with employers was the way to better wages.

The Prime Minister said such tests, irrespective of the winner, would only lead to higher costs.

"Eventually, we will lose our competitiveness and revenue ... the country will also lose out," he said in his Workers' Day message.

Dr Mahathir said recent reports that it was he who wanted the minimum wage for workers to be set at RM1,200 a month were untrue, adding that this would only fuel production costs.

He hoped workers would be able to earn at least RM1,200 a month based on higher productivity within their ranks and if their employers were doing well.

Dr Mahathir said the Government could not immediately set the minimum wage at RM1,200 as all workers, including executives, would then have to be paid more.

Citing an example, Dr Mahathir said if a worker who previously earned RM400 per month was now paid RM1,200, then those earning RM1,200 will also demand that their salaries be increased so that the gap in remuneration between them would remain.

He said the worker who earned RM1,200 will demand that he be paid RM2,000 under the new formula as the difference in salary between them was RM800.

Dr Mahathir said the process would continue with those earning more being paid more.

"The Government or the private sector will not be able to bear this. I don't have to say how this will affect our economy and its competitiveness," he said.

He said the Government would increase salaries if it could afford to do so, even without workers pressing for it. This was evident in the 10 per cent increase in salaries for civil servants as announced in the 2000 Budget.

"The Government cares for workers and will do anything for their benefit. We too do not want to see a huge disparity in salaries earned by those in the lower income group compared to those in the higher wage bracket even after taking into account higher taxes paid by the latter," he said.

Two weeks ago, the Malaysian Trades Union Congress said it would propose a revised statutory minimum wage to the Finance and Human Resources Ministries after finding the figure of RM1,200 impractical.

It is learnt that the congress would propose an amount between RM600 and RM1,200.

Dr Mahathir also spoke at length on the effects of the economic downturn - including repercussions if the Government had submitted to the demands of the International Monetary Fund - and how the Government had successfully overcome it.

"If we were unable to control inflation, the people, including workers, would have suffered as they would not be able to buy essential goods. They could have lost their jobs too," he said.

He said the Government would continue to concentrate on ways to rehabilitate the economy.

"But we have to bear in mind that our economy depends on our exports and commodities. If our production cost is higher than our neighbouring countries, our exports will not increase and this will eventually affect the economy," he said.

Dr Mahathir also advised employers who made higher profits to share some of them with their workers. On the other hand, workers should increase productivity so profits would increase further.

"If workers are not happy with increments given by their employers, they should negotiate the matter with them. If this fails, they should then appoint a third party to help seek a solution," he added.

Meanwhile, Human Resources Minister Datuk Dr Fong Chan Onn, in his message, urged employers and workers to be prepared to face challenges brought about by the advent of the k-economy.

Higher productivity in future, he said, would be based on workers' ability to grasp new technology.

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