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Ultimately, productivity is the key to higher salaries

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IT may look like the end of the fight for a statutory minimum wage when the union's demand was shot down by Prime Minister Datuk Seri Dr Mahathir Mohamad who said the minimum RM1,200 a month is beyond what the Government and private sector can afford.

The Prime Minister said yesterday the economy will face adverse effects that will subsequently affect the workers' welfare, if the Government accepts the RM1,200 minimum wage proposed by the Malaysian Trades Union Congress (MTUC).

The MTUC, which revived its call for the setting up of statutory minimum wage recently, said it is timely to implement such a move as the economy has recovered from the downturn.

The union argued that its proposed minimum income seeks to protect the interest of the low-income group in view of the escalating cost of living.

Dr Mahathir said while the Government empathises with the workers, it could not fulfil a demand which has adverse financial implications or one that will affect the economy and the country's competitiveness.

He reasoned that the setting up of a high level of minimum income will cause all workers, including executives, to start to demand for consequential pay rises.

He said if the Government increases the salary of workers who currently earn RM400 to RM1,200 a month, then workers who are earning RM1,200 a month would also ask for a pay rise of at least RM800.

Similarly, those who are getting RM2,000 a month would also want a pay rise of RM800 to maintain the wage difference from those who previously earned RM1,200.

The outcome from wage demands by way of test of strength would be costly to both employers and workers.

The Prime Minister believes higher productivity, not test of strength nor the RM1,200 minimum wage, is the key to higher salaries.

For the workers, this should not dampen their spirits.

The minimum wage is not the ultimate of all the workers' struggles nor is it the only way to solve the plight of low-income groups or to upgrade the workers' standards of living.

There are more in store for workers in the country.

Having a Government which is concerned about their welfare and listens to them is a good first step.

With good labour laws, workers in the country are guaranteed protection against errant and discriminating employers.

How many governments in the world or the region, open their doors to the unions?

Unions in Malaysia, be it from the private or public sector, have access to the Prime Minister, Finance Minister and many higher authorities.

Under the Malaysia Inc concept, workers are treated as one of the partners in the country's development.

The existence of pro-active Government is also conducive for healthy industrial relations.

This is evident in the "non-event" in the country's industrial relations scenario, where the Government would step in and try to find amicable solutions to disputes between workers and employers before they escalate into unpleasant rows that would disrupt production.

Harmonious industrial relations will create a happy working environment

which translates into higher productivity, efficiency and better returns that benefit both employers and workers.

Dr Mahathir had also asked workers to negotiate with their respective employers for higher salaries once productivity is up.

"If a desired increase in salary is not forthcoming, then a third party should be called in to mediate and decide on the merits of the case," he said.

The Government, on its part, had also tried to improve the workers' living standards such as 10 per cent pay rise for civil servants, a 1 per cent reduction in income tax and the abolishment of import duties for several consumer goods in the Budget 2000.

This year also may be the best year for some 250,000 estate workers, when the Government is expected to implement a monthly wage system.

The Government has also introduced a new ruling on the estate conversion that guaranteed the estate workers who are made homeless from the land conversion, proper housing or appropriate compensation.

The Social Security Organisation (Socso), that provides insurance for workers in the case of accidents at workplaces or during commuting, has been proven to be well-managed.

The agency has been able to increase its benefits between 6 per cent and 18 per cent without a corresponding increase in the quantum of contribution by employers and employees.

Socso has also set up a RM30 million revolving fund for study loans for the children of Socso's monthly pension scheme recipients and is now studying how to assist Socso contributors to buy low-cost houses.

In view of the challenges brought about by globalisation and the information age, the Human Resources Ministry is stepping up its effort to upgrade the skills of existing workforce and equip school-leavers with necessary skills to meet the needs of industries in the knowledge-based economy.

Millions of ringgit have been invested by the Government to improve the workers' well-being, educate and upgrade their skills so that they will not be left behind in the economic development.

Today, Malaysian workers are among the most knowledgeable and hardworking workforce in the world. They should use their experience to further improve the lives of their fellow workers.

On the first Workers Day of the new millennium, Malaysian workers should make a fresh resolution and look ahead with a new agenda which is in line with the changes taking place worldwide.

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