

Gov't has a role in fixing minimum wage
Malaysiakini.com
June 29, 2011

The Human Resources Ministry (KSM) said the government has a role and responsibility in jointly fixing minimum wage because its implication on economic and social development is wide, complex and uncertain.

intel factory workers malaysia 220109"Moreover, the implementation of minimum wage at national level is new to the country. Thus, the government can't shirk its responsibility," KSM said in a statement yesterday.

The experience of over 70 percent of countries that implemented minimum wage found that governments were given the role of fixing minimum wage.

The statement followed claims by certain quarters that the National Wage Advisory Council (MPGN) is not free in fixing minimum wage due to government interference in decision making.

KSM tabled the MPGN Bill on June 21 for first reading in parliament.

It is to establish MPGN which functions as an independent body based on tripartism between the government, employees and employers to and review and fix minimum wage.

MPGN will be assisted by professionals in the technical committee comprising experts in economics, statistics and social.

"In proposing reasonable minimum wage, MPGN must examine all socio-economic indicators comprehensively and from various aspects including labour market, inflation rate, cost of living, economic growth and family basic needs."

MPGN will submit recommendations on minimum wage to the government for consideration and having agreed with them, the government will gazette and enforce minimum wage.

Minimum wage is defined as basic salary so that employees earn higher when coupled with allowances calculated based on basic salary, and also to increase their contributions to EPF and Socso.

- Bernama