

## **Minimum wage 'cannot be a standalone policy'**

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**Kuek Ser Kuang Keng**

Responding to the federal government's initiative to implement a minimum wage, Pakatan Rakyat has stressed that this must be part of a comprehensive package with other supporting policies.

Among others, the coalition suggested a special facilitation fund to help small- and medium-scale industries to increase their productivity and automation in order to comply with the minimum wage requirement.

"The government can use the loan given to National Feedlot Corporation (NFC) to set up the facilitation fund. There are many bigger 'NFCs' in the pipeline," quipped DAP Bukit Bendera MP Liew Chin Tong (left).

He had called a press conference this afternoon in Petaling Jaya, together with Dzulkefly Ahmad of PAS and Rafizi Ramli of PKR to comment on the policy.

They are members of Pakatan's policy committee which is responsible for formulating the coalition's alternative policies.

Asked whether the Pakatan-ruled Selangor state government, which has implemented a minimum wage policy across its government-linked companies (GLCs), has put in place such a facilitation fund, Rafizi replied that the state government's hands are tied.

He explained that Pakatan state government provides financial aid to GLCs which have difficulties in paying a minimum wage to their employees - which is not the best option - but it cannot introduce a holistic package to upgrade their operations because it involves changing laws and policies under the purview of the federal government.

**Biggest difference between economic policies**

The PKR strategy director stressed that the biggest difference between the economic policies of BN and Pakatan is that the ruling coalition focuses on the 30 percent bumiputera equity target while the opposition coalition shifts the target to increasing the monthly income of every household to RM4,000 as stated in its Buku Jingga, the coalition's manifesto.

Although the Economic Transformation Programme (ETP) introduced by Prime Minister Najib Abdul Razak also emphasises on propelling Malaysia into a high-income nation, Rafizi (right) pointed out that the imbalance distribution of wealth between the rich and the poor remains, in line with the 30 percent bumiputra equity target.

"The ETP is just making a cosmetic change to the number but still does not address the problem of 80 percent of the people enjoying 50 percent of the wealth and the remaining 20 percent enjoying another 50 percent.

"They talk about if Malays get 30 percent of the equity; we are okay, it doesn't matter if the 30 percent is controlled by Syed Mokhtar Al-Bukhary," he elaborated.

On Pakatan's target of RM4,000 monthly household income, Rafizi said it is doable by increasing income through higher productivity and high skills, and involving more women into the workforce.

If two or three members of a family can be employed with fairly good pay, its household income can exceed the RM4,000 target, he explained.

To strengthen his argument, Rafizi cited the example of Turkey's Justice and Development Party, which managed to triple the nation's per capita income in 10 years after it took over the government.

ACCIM: Review implementation

In another related development, the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) requested the government to review the implementation of minimum wage.

"It is of the view that government should conduct more comprehensive and in depth study, and implement the decision by stages and sub-sectors to reduce the impact on businesses particularly the SMEs," said the umbrella body of Chinese businesses in a statement today.

It commented that the statement made by the human resources minister that once the minimum wage comes into effect, operating costs for businesses would only increase by one to two percent does not reflect the actual situation.

"The reason is, once the minimum wage has been set, it will not only affect the low income employees, but wages for all employees would need to be adjusted accordingly.

"Furthermore, this will also increase the quantum of payment for Employees Provident Fund (EPF), Socso, overtime allowances, etc. These will seriously affect the liquidity of most SMEs," it elaborated.

ACCCIM, in a memorandum to the ministry in 2010, suggested that factors that should be looked into before implementing the new policy include time frame given to businesses, coverage of companies of different sectors, sizes, and regions, and the proportionality between wages and productivity of the employees.

"ACCCIM does not object the setting of minimum wage to protect the welfare of employees.

"The government cannot just increase the salaries of employees simply because Malaysia wants to move towards high-income country by ignoring the close linkages between productivity and salary," it added.

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