

## **Why a minimum wage of RM1,500 is justified**

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COMMENT Since the government has started to state that the Minimum Wage Act will be announced in March, the bosses have started their "gertak-ing" and threats by saying the usual things that the implementation of the minimum wage act is going to make the country bankrupt, that there need to be more studies, many factories will close down, they need more time to implement and that productivity must increase first, etc, etc.

Previously the bosses had managed to stall the implementation of monthly wage by various means, including buying time by doing more in-depth studies. Most of these studies and researchers are funded by the bosses themselves to keep wages low.

They have also managed to create a cheap labour policy by bringing in migrant labour as well as many laws to curb trade union activities and keep wages low so that bosses can maximise profits. They will continue to pursue policies such as the goods and services tax (GST) so that corporate taxes will be brought down and tax burden will be transferred to the people.

In the name of modernisation and development, they will privatise anything they desire, from public healthcare to public schools. All in the name of profits. These capitalist bosses have neither loyalty nor any national interest. They will leave any country when they like and hold the government to ransom. The common people on the other hand, do not have much of that choice. It is a class question and it is not going to be resolved that smoothly.

I remember that during the plantation workers' monthly wage struggle, the plantation bosses association, the Malayan Agricultural Producers Association (MAPA) funded a study to establish if monthly wages were practical in the industry. When the research conducted by Universiti Malaya (UM) lecturers revealed that the monthly wage can indeed be implemented, the study was suddenly not made public and it was declared an official secret till today.

This goes to show that there is no way that the Big Bosses are going to compromise on any rational views when they have to compromise profits.

Today the BN government is in an odd position. It needs to announce the monthly wage to make the majority low-income voters happy, in order to get their votes. Meanwhile, it has to make sure not to alienate the bosses who may not fund their election campaigns. It is this dilemma which has kept the BN from announcing the minimum wage earlier.

We must remember that after all the hoo-hah about monthly wage for security guards, finally it was announced that the range was between RM450 to RM550. And the joke is, it is yet to be implemented and enforced properly.

So how is the government going to get away this time, after sort of announcing that the minimum wage is at RM900? Believe me; we will hear the announcement but not the implementation date any time soon. More studies will be conducted to study the impact of these new laws, most companies will not implement these laws and there is no way that the Human Resource Ministry is going to enforce it.

Another piece of candy hanging on a string

The Malaysian Employers Federation (MEF) has craftily said that the workers will lose their benefits if the Minimum Wage Act is implemented. No way are the bosses planning to take a profit cut to make their workers happy. So the minimum wage would just be another piece of candy hanging on a string waiting for the general election.

The MEF has gone on their campaign of rampage. They have enough money to buy advertisement spaces as well as funds to buy the editors. In days to come, there are going to be more voices of opposition to the Minimum Wage Act in the hope that Najib will do a "U-turn", which has been a constant feature in his administration.

It must be noted that the ruling Umno-BN has been always pro-capitalist and have used draconian measures to clamp down on workers, including the use of the Internal Security Act (ISA).

Let me now put some discourse to the argument that a minimum wage of RM1,500 is not only a decent thing to do, but we will also have money to spend as well which will spearhead our economy.

The Malaysian income per capita is RM28,000 annually, which works out to be RM2,300 per month. This means if we take the average household size in Malaysia, a household in the peninsula should be getting RM10,100 a month and in Sabah and Sarawak RM11,500 a month and RM10,800 respectively.

A minimum wage of RM1,500 will only result in a family getting around RM3,000 a month. The government proposal of RM900 would only mean a household income of RM1,800 per month. This is way lower than what is entitled to each household. Therefore the request is reasonable.

Now let's take a look at the income gap. The highest 20 percent of Malaysian earn 51 percent of the total income, while the bottom 40 percent earn merely 14 percent. The poorest 10 percent only control 1.7 percent of the total income.

This is very disgraceful. Malaysia has the highest income disparity in South-East Asia and one of the highest in Asia. Syabas CEO Rozali Ismail earns around RM425,000 a month, 283 times higher than the minimum wage proposed by us of RM1,500 and 472 times more than the figure proposed by government's RM900.

So the argument should not be, how not to give the minimum wage for the lower income group but rather how to distribute income evenly and equally. Every human being is entitled to a decent wage, decent home life and good medical care. Would MEF or the bosses they represent or their family members agree to a monthly pay of less than RM900? Why the double standards? Do they have extra stomach to feed or what?

On former premier Dr Mahathir Mohamad's warning on the minimum wage, I can understand why Mahathir is so upset with the minimum wage. When he was the prime minister, it was reported that based on searches made at the Registry of Companies at the end of 1994, his sons Mirzan Mahathir had interests in 98 companies, Mokhzani in 48 companies and Mukhriz in 67 companies. Imagine how much they have earned and contributed to the income gap.

Mokhzani Mahathir this year secured 15th place in the nation's 40 richest person with estimated wealth valued at US\$560 million (RM2.1 billion). He was in 26th place last year. I am sure a father like Mahathir will be much more concerned about his three sons than the 3.2 million workers estimated to benefit from the minimum wage.

#### Minimum wage fund

Recently the Selangor government agreed to implement a minimum wage of RM1,500 for all its government-linked companies (GLCs). In order to facilitate this, a minimum wage fund was drawn from a newly set-up Selangorku grant totalling RM300 million. This grant will assist GLCs facing problems implementing this minimum wage of RM1,500 in Selangor.

Likewise, I don't see why the federal government cannot assist small- and medium-scale industries who may face some problems in implementing this Minimum Wage Act. When companies like Lynas can get a 12 years tax exemption, why shouldn't small- and medium-scale companies be given more support? The

concerns by some small- and medium-scale industries are valid but that does not mean that there cannot be subsidies.

The annual budget of the Selangor government is only RM1.5 billion and they can give a minimum wage to all their GLCs amounting to RM1,500 and using RM300 million. Please compare this to the federal government which has a budget of around RM200 billion.

Now please compare this to the money lost in the Port Klang Free Zone (PKFZ) scandal - RM12 billion, submarine commission - RM500 million, Terengganu stadium collapse - RM292 million, Middle Ring Road 2 (MRR2) repair costs - RM70 million, value of Approved Permits (APs) given out in a year - RM 1.8 billion, Perwaja Steel losses - RM2.56 billion, RM100 million on renovation of the Parliament building and leaks, National Astronaut Programme - RM40 million, RM 2.4 million on indelible ink wasted in 2008.

In September 2006, the government paid compensation amounting to RM38.5 billion to 20 highway companies, Putra transport system bailout which cost RM4.5 billion, STAR-LRT bailout costing RM3.3 billion and RM17 billion subsidy to independent power producers (IPPs). Woh! And I have yet to speak about former Selangor menteri besar Khir Toyo's house and the prime minister's wife Rosmah Mansor's alleged diamonds.

It is estimated that RM10 billion to RM28 billion is lost annually because of corruption. With all this, we are crying to get a worker a decent monthly wage of RM1,500 so that they can feed their families and live a decent life.

Paying a worker a good pay will also help stimulate the economy and will bring much benefits to the lower-income traders and businesses as these workers would be spending on day-to-day expenses and not on luxury items. This will benefit a huge level of the lower strata economy and boost income to the lower-income group. This will help the real economy and assist the real people and not those trying to make fast money in the stock market casinos.

The final battle is which comes first - people or profits? Will the BN have the guts to go against their political masters and implement a RM1,500 minimum wage? I don't think so !

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