

**Study: 34% of workers earning below poverty line**  
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The Human Resources Ministry's study of 1.3 million Malaysian workers has found that a shocking 34 percent earn below the poverty line of RM720 monthly.

factory workers sweatshops 090107 child labourIn a statement today its minister Dr S Subramaniam said that the National Employment Returns Study in 2009 showed that there was a case for wages to be increased.

He adds that it was difficult for Malaysia to rely on market forces alone to determine wages because of the several factors, such as the influx of unskilled foreign labour.

"Skilled jobs are synonymous with higher wages. However, in many instances, employers do not pay for skills but instead rely on unskilled foreign workers. This has also largely dampened wage growth," he said.

He also cited the World Bank study which found that the wage trend in Malaysia had recorded only an annual 2.6 percent growth during the past 10 years, as compared to the increasing cost of living during the same period.

Minimum wage policy in the offing

Subramaniam said that a proposal on a national minimum wage policy would be tabled to the cabinet by the end of October.

NONEShould the policy be adopted, new laws would have to be formulated and a national council to implement the policy would have to be established.

Subramaniam (right) added that at this point, the ministry has not decided whether it was in favour of a national, regional or sectoral form of minimum wage policy.

"It is up to the cabinet to give us the direction," he said.

Malaysia is in a race against time to achieve Vision 2020, the goals of which include turning the country into a developed country.

Prime Minister Najib Abdul Razak's New Economic Model has also outlined the need to turn Malaysia into a high-income economy in order to break free from the middle-income trap.

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