

Failure To Enact Minimum Wages And Increase Real Wages Is BN's Doing
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Prime Minister Najib Tun Razak will not succeed in his new role as an agitator provocateur or "batu api" to try to goad PAS to fight with the DAP by saying DAP won just because of PAS' emphasis on a welfare state.

Elections are won in the centre and DAP can understand Najib's concern that PAS stand on the middle ground, especially on helping the poor who are affected by UMNO's subsidy cuts will cost UMNO and BN votes in the next general elections.

The latest subsidy cuts on daily essential goods such as petrol, sugar, gas, electricity tariffs and rice affecting 27 million ordinary Malaysians but not gas subsidies for the few Independent Power Producers (IPPs) has shown how the rich benefit from BN at the expense of the poor.

That is why DAP challenges Najib to enact a minimum wage and increase real wages in tandem with the subsidy cuts.

BN's failure to do so has forced PR states in Penang to use our limited resources to implement certain measures for the poor such as:-

- increase welfare aid,
- RM 100 yearly to 115,000 senior citizens, single mothers and disabled;
- RM1,000 one-off to beneficiaries of senior citizens, single mothers and disabled;
- Refusal to increase Penang domestic water tariffs for resulting in Johor's water tariffs 3-6 times more expensive than Penang;
- set up a RM 2 million dialysis centre in Balik Pulau charging RM30 per treatment; and
- allocate 150 acres of land for public housing in the new Batu Kawan Township ranging from RM72,500 to RM220,000.

Najib's attack on Penang giving RM100 yearly to all senior citizens regardless of race, religion and political affiliations can not hide the fact that the previous BN state government failed to give a single cent to Penangites. Even UMNO and BN leaders lined up to receive such grants whether RM100 yearly or RM1,000 one-off.

On the other hand, BN appears to be more interested in helping IPPs. Up to end 2010, Petronas has extended about RM131.3 billion in gas subsidy to both the power and non-power sectors.

The greatest beneficiaries of the RM131.3 billion gas subsidies are IPPs who also benefit from a guaranteed buyer through the compulsory Power Purchase Agreement signed by Tenaga Nasional Bhd. The Economic Planning Unit or EPU's role in this sorry episode resulted in Ani Arope resigning in protest as CEO of Tenaga, who also referred the EPU as the "Economic Plundering Unit"

That is why BN's failure to remove gas subsidies for IPPs does not lend credibility to Najib's assertion that BN's subsidy policy is to provide reasonable amounts of subsidy to the needy target groups. Are IPPs amongst the eligible and needy target groups when they earn billions of ringgit in extraordinary profits from enjoying RM131.3 billion in gas mega subsidies?

Subsidy reduction can improve competitiveness, efficiency and the living standards of the people if it is supported by measures such as the setting of a minimum wage, increasing real wages and removing gas mega-subsidies for the IPPs.

Reports show that 40% of households in Malaysia earns less than RM1,500 in average monthly income. How then can our poor maintain their standard of living with such rising costs when subsidies are removed but our wages have not kept up with inflation?

Between 2000 and 2010, wages increased by only 2.6 per cent, meaning that in the last ten years, there has been wage stagnation and our wages cannot match the rising cost of living.

A minimum wage and increasing real wages is necessary towards a fairer and more prosperous society. Najib's admission that less than two million of the 12 million workers pay taxes demonstrates the severity of wage disparities and caused by the lack of minimum wage and rising real wages.

There is a need to develop the services sector and a consumption-based economy to graduate to a high-income economy, therefore requiring economic policies that leads to job creation, wage increases, sustainable industries and innovation is essential.

Malaysia is seen to be running a budget deficit that is fast spiralling out of control in proportion to its growth. Household debt to gross domestic product (GDP) is highest in Asia after Japan, from approximately 64% in 2008 to close to 76% or RM581 billion in 2010. In other words, our budget balance and debt control is deemed to be unsustainable in the long run.

That is why DAP questions the rationale, logic and justice of subsidy cuts for small items like sugar and diesel that saves hundreds of millions but not big-ticket items like gas mega-subsidies to independent power producers (IPPs).

The Prime Minister claims that subsidies are akin to 'opium', then why not first remove the 'Big Opium' like corruption that costs RM 28 billion yearly or gas mega subsidies to independent power producers (IPPs) that would cost RM25 billion this year?

Any people-centric government would do that first before removing the 'Small Opium' of subsidies in sugar, diesel and petrol which hurt directly the masses, 10 million Malaysians who does not even earn enough to pay taxes.

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