

**Government must help businesses implement minimum wage, says Pakatan
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By Shazwan Mustafa Kamal**

PETALING JAYA, March 6 — The introduction of minimum wage must be comprehensive and should include federal aid to small-medium industries (SMIs), Pakatan Rakyat has said.

Opposition lawmakers said today the issue of minimum wage cannot be approached in "isolation", and that "holistic reforms" also needed to be implemented to the labour market.

"Funds from the federal budget should be allocated to a special facilitation fund to help entrepreneurs, SMEs and small firms retool, mechanise and adjust their operations to create new jobs.

"This is to address concerns of most SMEs that the minimum wage will make these businesses close down," DAP international secretary Liew Chin Tong told reporters here.

SMI owners warned today that up to 80 per cent of operating companies may fold if a blanket minimum wage is introduced.

The SMI Association of Malaysia (SMIAM) told a press conference today that 99.2 per cent of active businesses are SMIs, which employ 59 per cent of the labour market, or seven million workers.

"When you implement minimum wage, there's definitely loss of jobs...but those losses (should be) unskilled jobs, reducing number of unskilled foreign labour" — DAP's Liew Chin Tong

PKR strategic director Rafizi Ramli said SMIs need to be "empowered" and be given incentives to increase productivity instead of relying on cheap labour to be competitive.

He also said that Putrajaya could utilise federal funds to help out SMIs instead of projects like the National Feedlot Centre (NFC).

"(For example) the government can (even) use the loan given to NFCorp (National Feedlot Corporation) to set up the Facilitation Fund," said Liew.

Rafizi stressed that a "comprehensive" minimum wage policy should also include a reduction of unskilled foreign labour, and that the current labour market was filled with "cheap foreign workers" which have "displaced" local workers.

"When you implement minimum wage, there's definitely loss of jobs...but those losses (should be) unskilled jobs, reducing number of unskilled foreign labour," added Liew.

Rafizi pointed out that PR's alternative budget had set minimum wage at RM1,100 per month, and that this would help towards achieving a basic RM4,000 monthly household income.

"Pakatan Rakyat's whole framework will shift away from 30 per cent equity to a RM4,000 per month household income.

"It's possible if minimum wage is set at RM1,100 a month. If two or three people within a household unit are working, that makes about RM3,300...this can be realised within the first five years of minimum wage policy," Rafizi said.

The Malaysian Employers' Federation (MEF) told The Malaysian Insider yesterday that 200,000 companies would be hard-pressed to continue operations if a blanket minimum wage was implemented, putting four million jobs at risk.

The Malaysian Insider reported over the weekend that the Cabinet has agreed to a minimum wage of below RM1,000 for the country, with a RM100 difference between east and west Malaysia, way below the RM1,200 to RM1,500 demanded by workers' unions.

This prompted the Malaysian Trade Unions Congress (MTUC), the umbrella body that represents 800,000 workers from 390 labour unions, to call for a minimum wage of RM900.

Tun Dr Mahathir Mohamad had said last week Malaysia may become bankrupt as is happening now in the West if the federal government caves in to public pressure and sets a minimum wage policy.

Still influential despite having retired from office in 2003, the former prime minister warned that the federal government's seeming haste to adopt a minimum wage policy without taking into account the spike in public holidays to include the weekends and the holy days of all major religions was a serious risk to the country's economy.

Despite reaching an accord on a national minimum wage, Human Resources Minister Datuk Seri Dr S. Subramaniam has also backed Dr Mahathir's concern about the policy impact on the nation's productivity.

Deputy Prime Minister Tan Sri Muhyiddin Yassin has also said the decision to implement a minimum wage has been carefully studied and insisted "the important thing is to increase productivity so we are on par with developed nations."

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