

Wage floor a boon for 'lazy' workers, says entrepreneur
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By Anisah Shukry

KUALA LUMPUR, March 7 — Putrajaya's proposed minimum wage of up to RM1,000 could act as a safety net for lazy and unproductive workers, said Richard Ko of the Malaysian Furniture Entrepreneur Association (MFEA).

"By proposing this minimum wage, is the government saying we should not only pay lazy people, but protect them through the law?" he told The Malaysian Insider.

Ko, who is a general council member of the MFEA, highlighted that the minimum wage could result in employees being unwilling to improve their skills and productivity as they could always fall back on the blanket floor wage of up to RM1,000 proposed by the government.

According to him, the some 2,000 unskilled workers in the furniture industry are currently paid a minimum of RM600 as starting pay — a far cry from the government's proposed minimum wage of RM800 for those in Sabah and Sarawak, and RM900 in the Malay peninsula.

Ko also stressed that the existing system enhances productivity and skill-building among the workers, as their wages are increased every few months to match their performance.

He added that workers in the furniture industry can easily raise their wages to RM1,000 in a year based on their own merit, without having to rely on a predetermined minimum wage that may be counter-productive.

Sixteen associations asked the government yesterday for more time and assistance in increasing productivity to match pay increases under the proposed minimum wage agreed by the Cabinet recently. The government has yet to make an official announcement, beyond saying an agreement has been reached on the policy.

Malaysian Plastics Manufacturers Association president Lim Kok Boon, who led the group, said "we recognise the need to be competitive" but called on the government to assist in training workers as the education system produces workers "that are not so ready for employment."

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, which is 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.

"Increasing incomes must raise the cost of production unless there is a corresponding increase in productivity," he had written in a blog posting.

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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