

Minimum wage: MCA bureau says urban life costs more
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KUALA LUMPUR, March 9 – A MCA bureau wants the government to take into account the different cost of living in urban and rural areas before implementing the minimum wage policy.

The chairman of MCA Young Professionals Bureau, Datuk Chua Tee Yong, said that those living and working in urban areas may be dissatisfied with the proposed floor wage of up to RM1,000 as the cost of living there is much higher compared to small towns and rural areas.

“Does this mean all workers have to shift back to small towns to search for employment? Has the government considered this?” he said in a statement.

He urged that the government consult industry players and employee unions before implementing the minimum wage of up to RM1,000.

Sixteen associations asked the government on Tuesday 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 last 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.

Tun Dr Mahathir Mohamad had stated that 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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