

Human resources minister shares Dr M's concern on productivity
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By Melissa Chi

PETALING JAYA, March 5 — Despite reaching an accord on a national minimum wage, Human Resources Minister Datuk Seri Dr S. Subramaniam has backed Tun Dr Mahathir Mohamad's concern about the policy impact on the nation's productivity.

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.

"He (Dr Mahathir) has a point as far as productivity is concerned, that should be considered above the min (minimum) wage," Dr Subramaniam (picture) said in a text message to The Malaysian Insider.

He explained that minimum wage is the base wage for a worker, and above that a worker will be paid based on experience, skill, performance and productivity.

"Hence minimum wage provides social safety, where else wages above that take into account performance and productivity.

"Both should complement and support each other," he said.

Dr Mahathir said on Friday 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.

"I fear Malaysia may be heading this way if we pay more for less work, as we are doing now," Dr Mahathir said in the latest post on his chedet blog.

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

Deputy Prime Minister Tan Sri Muhyiddin Yassin, however, gave an assurance that the decision to implement the minimum wage policy has been carefully studied.

"We took everything into consideration regarding the minimum wage policy. It has been discussed over such a long period of time and because of that, a lot of parties think that the government has to make a decision because this has been done in other countries as well.

"We believe there is basis for this but whatever it is, we are not doing this in haste, we will consider all factors, we will consider the cost of living, inflation, and the differences in Wilayah (the Federal Territory), Sabah, Sarawak, Peninsular Malaysia and the ability of employers to pay and the effect on the economy," he told reporters yesterday after the

launch of World Kidney Day.

Last November, Selangor became the first state to pass a law for a minimum wage to be set at RM1,500.

Dr Mahathir pointed out that the number of public holidays in Malaysia may lead to a decrease in productivity.

“But already we are having far too many holidays.

“When we work a lesser number of days our productivity must decrease. So it will not be easy to increase productivity with the increase in minimum wages which will trigger pay increases throughout, so as to maintain the parity between the different grades of the employees,” he said.

Both Muhyiddin and Dr Subramaniam said the Cabinet has not discussed reducing the number of public holidays.

“The important thing is to increase productivity so we are on par with developed nations,” Muhyiddin said.

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