

MTUC welcomes minimum wage announcement
The Malaysian Insider
May 01, 2012
By Lisa J. Ariffin

SUBANG, May 1 — The Malaysian Trades Union Congress (MTUC) today welcomed Putrajaya's announcement of the private sector's minimum wage but said a cost of living allowance must be extended as well.

Yesterday, Prime Minister Datuk Seri Najib Razak announced the private sector minimum wage will be RM900 and RM800 per month for the peninsula and east Malaysia, respectively.

He also said employers will be given six months to meet what he called a "game-changer to transform the labour market", although "micro-enterprises" will be given a year.

"Minimum wage is just the start, but the figures doesn't just stop there. It is a start and should be revised every two years," MTUC president Khalid Attan told a press conference here today.

"It must reflect the increasing cost of living," he said, adding that his organisation will keep fighting for cost of living allowance to be extended to the private sector.

"It is still one of our demands. However, we want to do it gradually.

"Cost of living allowance must be extended to the private sector," he reiterated.

Despite describing the RM900 minimum wage as "not satisfactory", Khalid said "it is better than nothing".

"RM900 is a safe level for everybody. If it is any higher, maybe it would not be implemented well."

Khalid said his organisation will also fight for the implementation of a retrenchment fund.

"During economic crises, many lose their jobs and employment benefits. If there is a retrenchment fund, they can continue their daily lives while looking for a new job," he explained.

However, he acknowledged that this demand would not be met immediately.

"It is impossible to implement it fully, we have to do it in stages."

The Malaysian Insider reported early this month that employers and workers had argued in a recent National Wages Consultative Council (NWCC) meeting over whether allowances and other benefits could be included as part of a base wage.

The committee, which advises the government on wage policy, had met with small-medium industries (SMIs) who warned that 80 per cent of active businesses could fold under a

blanket wage floor, cutting four million jobs from the labour market.

Putrajaya had initially aimed to announce a base wage policy by the end of last year but the various stakeholders refused to come to an accord.

Najib was then slated to announce a minimum wage amount last month, after the NWCC made enough headway to agree on a floor figure.

But The Malaysian Insider understands that pressure from employers had forced the government to return to the negotiating table despite the risk of upsetting trade unions, which have said that a minimum wage is long overdue.

The Malaysian Insider also reported that the 16 mainly Chinese industry associations that called a press conference on March 6 to ask for a staggered implementation of floor wages, had first sought out MCA president Datuk Seri Dr Chua Soi Lek for help before lobbying Putrajaya directly.

The Barisan Nasional (BN) government, which has been unable to win back Chinese support so far, has since held several meetings with the associations that are largely made up of SMIs.

SMIs say they make up 99 per cent of operational companies and employ 59 per cent of all workers as they are the most labour-intensive outfits and will be hardest hit by a hike in wage bills.

Bloomberg reported last month that government officials are preparing for June 3 federal polls and Najib would announce a minimum wage of just under RM1,000 a month to win support from low and unskilled labour that makes up 75 per cent of the workforce.

Households earning under RM1,500 per month also make up 40 per cent of the population.

Najib added today that the policy will cover all private sector workers aside from domestic workers.

Professional firms such as dental and medical clinics as well as law and architectural practices will not be allowed the extra six months afforded to "micro-enterprises."

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