

After minimum wage talks fail, workers union places last hope in Najib

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Upset that the National Wages Consultative Council could not come to a consensus on a new minimum wage for private sector employees, the Malaysian Trades Union Congress (MTUC) is banking on Prime Minister Datuk Seri Najib Razak to fix the ceiling rate at RM1,200 per month.

MTUC secretary-general N. Gopal Kishnam said the council failed to agree on an acceptable sum for an increased minimum wage despite holding three meetings.

"We now hope the prime minister will make an announcement in his Labour Day message to fix the minimum wage at RM1,200 until the end of next year," Gopal Kishnam told The Malaysian Insider.

He hoped that the government would also compel employers to pay another RM300 per month as a cost of living allowance (Cola).

"Employers will have no choice but to pay once the government has made its stand," Gopal Kishnam said, adding that he believed that the Human Resources Minister would have briefed the Cabinet on what transpired at the council.

Former Chief Judge of Sabah and Sarawak, Tan Sri Steve Shim Lip Kiong is the council chairman.

The council has five representatives from the government, and 18 more comprising six each from workers and unions, employers and economists.

A minimum wage for workers in Malaysia was introduced in January 2013, at RM900 a month for those in the peninsula and RM800 for those in Sabah and Sarawak.

Under the Minimum Wages Order 2012, the minimum wage must be reviewed once in two years and employers who breached the directive could be fined up to RM10,000 for each employee.

At present, wages beyond the minimum rate paid by the private sector are based on market forces or collective agreements between employers and unions.

Gopal Kishnam, who is a member of the council, said employers wanted the current minimum wage to be retained because the scheme was at its infant stage and they would have difficulty sustaining their businesses if the rate was increased further.

However, Gopal said many from the low income bracket were finding it difficult to cope due to the rising cost of living, and following the introduction of the 6% goods

and services tax (GST) on April 1.

"Wages of Malaysians have been further suppressed because employers rely on foreigners who are paid much lower.

"In fact, their minimum wage is inclusive of allowances when that should not be the case," he added, referring to wages for foreign workers.

There are 14.2 million private sector employees nationwide, including foreign labourers.

Gopal said MTUC's demands were reasonable as even the umbrella group of civil service unions, (Cuepacs) had earlier in the year suggested that the government raise the minimum wage rate for public sector employees to RM1,200 before GST came into force.

Cuepacs president Azih Muda (pic), too, said the increased minimum wage would help civil servants offset their expenditures due to the rising cost of living.

Azih said Cuepacs's analysis revealed that the average wage hike in the public sector was only between 2% and 2.5%, while the cost of living rate had increased from 8% to 10%.

"The margin of 6-8% is stressful, especially for civil servants in Grades 54 and below," he had said.

He said Cuepacs wanted the government to standardise the Cola rate nationwide, while the civil service's fixed allowance should be raised to a minimum of RM250.

Cuepacs is also hoping that the government will review the 252 salary schemes and allowances of civil servants prior to the Labour Day celebration on May 1.

Azih said the government should conduct a review of salaries deferred over the past 15 years due to the rising cost of living being so high at present. – April 27, 2015.

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