

# MEF shocked at Rafizi's progressive wage remarks

The Malaysian Employers Federation says policies relating to salaries should be under the purview of the human resources ministry, not the economy ministry.

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*MEF president Syed Hussain Syed Husman said the federation has yet to see any 'concrete plans' from Rafizi Ramli to improve the economy. (MEF pic)*

**PETALING JAYA:** The Malaysian Employers Federation (MEF) has expressed shock at economy minister Rafizi Ramli's announcement of plans for progressive wage increases involving the private and public sectors.

MEF president Syed Hussain Syed Husman said it was not within the purview of the economy ministry, but the human resources ministry, to handle policies related to wages.

“The economy minister should instead be sharing with businesses and the rakyat plans to improve the economy, thereby raising the standard of living.

“Thus far, MEF has yet to see any such concrete plans from the minister to improve the economy,” he said in a statement today.

On Sunday, Rafizi said he hoped the private sector will also be committed to helping the government realise its policy on progressive wage increases to parry the rising cost of living.

Rafizi said the government needs a comprehensive policy involving the private and public sectors as it is now its priority to bridge the significant gap between the growth of wages and the increase in the cost of living.

On Tuesday, Rafizi also hinted that Putrajaya’s plan for progressive wages could entail making annual salary increments mandatory.

However Syed Hussain said Rafizi should take into consideration that in any economy, market forces determine the right price of labour, adding that the minister should not make salary increments mandatory.

“Industries all over the world have always relied on market data to determine compensation and benefits. The government should not dictate what should be done in terms of rewarding employees,” he said.

He said the government must first lay down the proper and adequate foundations for a progressive wage model to be implemented by discussing and consulting with relevant parties and setting up committees consisting of unions, employers and government ministries and agencies.

A progressive wage model should not only be about increasing salaries but ensuring improved productivity and profits as well as better products and services at affordable prices for consumers, he said.

Syed Hussain said if Putrajaya were to proceed with making annual salary increments mandatory, it should provide grants or allocations to employers to meet the government's determined salaries.

“Rafizi and the government can come up with a scheme that tops up market-determined wages if he is so concerned with raising the salary of employees,” he said.