

MEF sticks to anti-minimum wage

By G. Manimaran

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KUALA LUMPUR, June 16 — The Malaysian Employers Federation (MEF) today denounced the government's promise to introduce minimum wage by yearend, rewarning that the move may lead to layoffs.

"Third parties should not set the salary rates that employers are to pay without knowing the actual nature of the job as well as the skills and performances of the employees.

"Only employers will know these factors, only employers will know what they should pay their employees," MEF chief executive officer Shamsuddin Bardan.

Prime Minister Datuk Seri Najib Razak promised on Tuesday to introduce minimum wage by yearend after Parliament passes the National Wage Consultation Council Act in the current June sitting.

But while lawmakers across the divide, including those from DAP and MCA, have been pushing for the policy, it has met with strong resistance from employers' groups like the MEF who are worried that it will affect their businesses.

Shamsuddin, who is presently attending the International Labour Organisation conference in Geneva, said a national minimum wage policy was unsuitable as it would trouble both workers and employers.

For example, he said, the minimum wage ruling for security guards which was supposed to come into effect in July last year, was abandoned January this year as the government realised employers were unable to foot the higher wage bill.

Shamsuddin also claimed that based on examples from other countries, instead of creating more job opportunities, a minimum wage policy would only result in more layoffs and worsen unemployment rates.

"Although in principle, the policy is to increase workers' wages and improve their living standards, it could very likely only cause job losses and that intention to improve their salaries will only be left as a hope," he said.

He agreed with the Najib administration's New Economic Model (NEM) and the plan to turn Malaysia into a high-income nation but insisted that introducing a minimum wage policy was not necessary to achieve this goal.

Instead, Shamsuddin suggested that the government concentrate on promoting skills improvement and certification of skills, skill and work variety, salaries according to worker and employer performance and increased productivity.

"These steps are important if Malaysia wants to compete on the global arena. These steps can ensure that workers' salaries will increase while at the same time, companies are able to foot the labour cost due to the corresponding increase in work productivity," he said.

Shamsuddin also said that the National Wage Consultation Council should be allowed to study the matter freely and offer its recommendations without any outside interference.

"MEF is sure that if the council plays its actual role of studying salary trends and introduces initiatives aimed at helping to increase the country's income per capita, that objective can be achieved without compromising the country's competitive edge," he said.