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PRESS STATEMENT

Malaysia: MayDay! MayDay! Najib out to hoodwink workers on minimum wages!

Monday 30 April 2012, by [ARUTCHELVAN S., PSM \(Malaysia\)](#) (Date first published: 30 April 2012).

Najib's workers day announcement on minimum wage was a cunning election announcement to make the workers happy and not to make the employers worried. The workers were promised minimum wage which they are not going to see perhaps for the next one year or more and the employers get leeway not to implement this one year or so. In short it was a hollow announcement – a win win for Najib and a lose lose for workers.

Firstly the minimum wage announced for Peninsular has been set at RM900 while for East Malaysia; Sabah and Sarawak and Labuan, it was set at RM800. The poverty line of Peninsular is RM 764 whereas in Sabah it is RM 1048 and Sarawak RM912. How can then, the Peninsular get a higher minimum wage compared to East Malaysia. This is not only discrimination but sheer illogic. It seems the implementation of the minimum wage is not to overcome income disparity but rather widen the gap between Peninsular and East Malaysia

Secondly, the amount announced by the Government is also way below the minimum wage proposed by JERIT and PSM which is RM1,500. We have previously argued why RM 1,500 is reasonable and affordable. We have also proposed that the Government give subsidies to SME companies to help them pay the workers a minimum wage. PSM has also argued that the Malaysian economy will be able to absorb a minimum wage of RM 1,500 and it will boost the economy when workers have higher purchasing power.

The third most alarming feature of this announcement is that there is no actual time set to implement this minimum wage policy. With Najib's constant flip flopping, we would never see the daylight for this policy. Firstly Najib talks about that the rates will take effect six months from the date the Minimum Wage Order is gazetted, which we do not know when. Next, small enterprises are given another 6 months (1 year) to give them the space and opportunity. He then goes on to give the bosses all the excuses they need for implementing by saying "The Government is providing a flexible implementation mechanism so those who are really unable to implement the minimum wage can appeal for an extension." This means it is going to take such a long time before we actually see the implementation of the minimum wage in practice. This is delaying tactics.

For the record, In January last year, the Labour Department director-general Datuk Sheikh Yahya Sheikh Mohammed announced that more than 100,000 security guards nationwide were expected to get a RM700 minimum wage by the end of January 2011. This is yet to be implemented and there does not seem to be any enforcement. Therefore, workers and MTUC who welcomed this new announcement can dream on that it will be implemented soon.

The fourth worrying aspect of this popular announcement was Najib's statement that the Government is also prepared a mechanism where some allowances or fixed cash payments are allowed to be absorbed in the calculation for minimum wage. This proposal seems to be in line with

the wishes of the bosses who wanted to absorb some benefits into the minimum wage package.

At the end of the day, the Najib Government's game plan is to delay the implementation of the minimum wage without taking away the feel good factor. Najib hopes the feel good factor will be able to carry him forward. As long as workers do not have their pockets and stomach full, all this desire of implementing a minimum wage is just a satire for the election.

Until and unless this minimum wage is implemented immediately, PSM would like to call this a bluff. The struggle for a decent wage and quality life for the working class will continue.

Najib, you can hoodwink people some time but not all the time. May the workers really feel good some day. Happy Workers Day!

Released by,

S.Arutchelvan

Secretary General
