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Progressive wage model for workers?

PROGRESSIVE WAGE MODEL FOR WORKERS?

RM1,500 shouldn't be used as reference salary for skilled employees, says Rafizi

ASILA JALIL
KUALA LUMPUR
bt@nst.com.my

ECONOMY Minister Rafizi Ramli has stressed the need for a policy that ensures the minimum wage is not used as the starting pay for skilled workers.

He noted that the minimum wage of RM1,500 was set as a benchmark for unskilled workers.

"However, the statistics showed that wages for skilled workers are being dragged down because the minimum wage has been used as a guidance for fresh graduates and skilled workers," he said after the launch of Employee Wages Statistics (Formal Sector) Report for the first quarter by the Statistics Department yesterday.

"The minimum wage policy has its limitations. This is a problem that we need to rectify."

The report revealed that the median wages in March stood at RM2,600, up 8.3 per cent year-on-year.

The poverty line income (PGK) for last year was RM2,589 while

the living wage as at 2017 was RM3,047. PGK is determined by the average household income.

Rafizi said in Malaysia, the median wage had not increased in tandem with the cost of living.

"Why are we only talking about this now? It's because we need to gather accurate data and we are confident with the diagnosis that shows that we have a wage problem," he added.

Meanwhile, Rafizi said the progressive wage model that would be presented to the National Economic Action Council on Monday had received positive feedback from employers.

He said employers required a commitment from the government that it would set aside a special allocation for wage increase of private sector employees.

"I need

to convince the government to approve the special allocation for the private sector."

Rafizi had previously said the progressive wage model would be jointly developed by the Economy Ministry; the Finance Ministry; the Investment, Trade and Industry Ministry; and the Human Resources Ministry.

Economy
Minister
Rafizi
Ramli

