

Malaysia: Unions slam new Pakatan Harapan gov't over minimum wage

Thursday 20 September 2018, by [BOYLE Peter](#) (Date first published: 14 September 2018).

The Malaysian Trade Union Congress (MTUC), several other trade unions and the Malaysian Socialist Party (PSM) have slammed as “humiliating” and “beggarly” the new Pakatan Harapan (Alliance of Hope) federal government’s announcement that it would increase the country’s minimum wage by just RM50 (A\$17) a month to RM1050 (\$350) from next January.



Malaysian nurses on strike

Unions are considering calling a mass workers’ protest.

Pakatan Harapan had promised to raise the minimum wage to RM1500 within 100 days if it won the May 9 general election.

After Pakatan Harapan won the election, Human Resources Minister M Kulasegaran suggesting this was a good as done as soon as the tripartite National Wages Consultation Council delivered its recommendation on a new minimum wage.

Trade unions, employer groups and the PSM (which led the mass campaign that resulted in the former Barisan Nasional government reluctantly agreeing to legislate a minimum wage in 2013) all made submissions to the wages council in July.

PSM Central Committee member S Arutchelvan told Green Left Weekly the PSM proposed the minimum wage be raised to RM1500 and be backdated to July 1.

The MTUC has asked for RM1800, backdated, Arutchelvan said.

The wages council itself proposed a rise to RM1250 for Peninsular Malaysia, but if the minimum wage was to be standardised it proposed RM1170 across the country (including Sabah and Sarawak, where the minimum wage is currently only RM920).

However, new Prime Minister Mohamed Mahathir dismissed even the wages council’s recommendation. Instead, he totally accepted the bosses’ proposal for a measly RM50 increase from next January.

"This is a total sell-out and humiliation to the low-income workers of Malaysia," said Arutchelvan.

"During Mahathir's [previous] 22 years as a Barisan Nasional PM, he never allowed a minimum wage law to be legislated in spite of his own children becoming millionaires. When the minimum wage was finally legislated in 2012, to the joy of unions and workers, Mahathir was not at all happy.

"Now under Mahathir 2.0, nothing has changed!"

The MTUC declared that Pakatan Harapan had failed the poorest workers and the measure was "corporate exploitation through the government".

MTUC secretary-general J Solomon said: "Despite ratifying the ILO Convention 131 on minimum wage fixing, which came into force on June 7, 2017, the government has failed to take into consideration the needs of the workers and their families.

"The previous government did not take any steps to ensure an equitable distribution of wealth among Malaysians. It appears that the new government's attitude towards the poor is no different.

"We voted out the former government with the hope of having a government that would understand the predicament of the B40 population."

The MTUC noted that although the Pakatan Harapan government had abolished the hated goods and services tax (GST), the price of goods had remained mostly the same. The introduction of a new sales and services tax (SST) was likely to put the poorest workers further into debt.

The MTUC added that the new minimum wage would still leave workers in Sarawak and Sabah below the official poverty line.

Malayan Nurses Union president Nor Hayati Binti Abd Rashid pointed out that low wages had deep impacts across the economy, since stagnant wages lead to stagnant consumption.

In a joint statement by 10 unions on September 7, she said: "The World Bank has said that Malaysia will achieve high-income status by 2020, but our deeply unequal distribution of wealth means that many too many workers are being left behind.

"Lifting the wages of the lowest paid workers in the country does more to guarantee that capital will be pumped back into the economy, because low-paid workers spend their money, unlike wealthy executives."

Persatuan Sahabat Wanita Selangor, a support organisation for women workers, described the minimum wage decision as a "slap on the face for workers".

The PSWS Secretary Suguna Papachan said in a statement: "Women workers are at the bottom rung of the wage ladder, toil with meagre wages to bring up their families where they receive very little State assistance in child care benefits. Less than 50% of the informal labour workforce are women who earn minimum wage for several years, a poverty wage."

Most of these women are single mothers, toiling without any pension fund benefits, workers insurance, medical or annual leave, she added.

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P.S.

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