

BOLD MOVE

'PROGRESSIVE WAGE POLICY A DISTINCT MODEL'

It is deeply rooted in the principles of the Madani Economy framework, says chief statistician

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IN a bold move, Malaysia's Progressive Wage Policy is forging its own path — distinct from international models — and is deeply rooted in the principles of the Madani Economy framework, said Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin.

He added that the policy would raise the compensation of employees, which currently stands at 32.4 per cent of the gross domestic product (GDP).

"Everyone has a role in producing a comprehensive policy for this purpose, including the industry and policymakers, academicians, experts and researchers."

"The involvement of all parties is being done by the government, with the hope that this policy can be implemented more comprehensively."

"The policy paper has been approved by the National Economic Action Council, and will be pre-

sented in Parliament," he said during a seminar titled 'Minimum Wage Policy — Towards Progressive Wage and Madani Economy' held at Universiti Kebangsaan Malaysia's Social Sciences and Humanities Faculty, yesterday.

Uzir was one of the panellists, along with University of Cyberjaya chancellor Professor Emeritus Tan Sri Annuar Ali; former Malaysian Institute of Economic Research chief executive Professor Emeritus Datuk Dr Zakariah Abdul Rashid; Workers Institute of Empowerment Selangor chairman Syed Shahir Syed Mohamud; and Persatuan Sains Sosial Malaysia (PPSM) special adviser Professor Emeritus Datuk Dr Abdul Rahman Embong.

The seminar was moderated by PPSM president Professor Dr Sity Daud.



(From left) Persatuan Sains Sosial Malaysia (PPSM) special adviser Professor Emeritus Datuk Dr Abdul Rahman Embong, University of Cyberjaya chancellor Professor Emeritus Tan Sri Annuar Ali, former Malaysian Institute of Economic Research chief executive Professor Emeritus Datuk Dr Zakariah Abdul Rashid, Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin, Workers Institute of Empowerment Selangor chairman Syed Shahir Syed Mohamud and PPSM president Professor Dr Sity Daud taking part in the 'Minimum Wage Policy — Towards Progressive Wage and Madani Economy' seminar held at Universiti Kebangsaan Malaysia's Social Sciences and Humanities Faculty, yesterday. PIC BY ROHANIS SHUKRI

Uzir said the progressive wage policy was being done collectively to better develop the labour market following the implementation of the country's Minimum Wage Policy (MWP).

"The MWP has a positive effect on unskilled workers, but not for semi-skilled and skilled workers."

"Therefore, this progressive wage policy is necessary, and it is expected to coordinate employees' wages in a structured and gradual manner."

However, Annuar, on the contrary, believed it was not time yet for the progressive wage to be given focus.

He said this was due to unresolved issues in the minimum wage structure, especially for the cohort of wages between RM1,600 and RM1,800.

"The increase in wages for this cohort is not as expected."

"If the minimum wage increases by 20 per cent, those earning

more than RM1,500 to RM1,800 should also get a similar increase."

"There are still many things we must thoroughly study, the same goes for the progressive wage model."

"I believe that we have to give attention to the minimum wage, those earning the minimum wage, the employer's ability to implement the minimum wage, as well as the ability to pay the cohort that earns above the minimum wage."

Annuar, who is a committee member of the National Wage Consultative Council, said another issue that must be scrutinised was the starting salary for graduates.

"Some employers use the minimum wage as a benchmark to set the starting pay for the group."

Meanwhile, commenting on the Madani Economy concept, Syed Shahir said it had the po-

tential to restructure the economy and offer a higher standard of living for the people.

He said the focused and holistic approach presented in the framework can ensure that each initiative implemented is more humanitarian in nature.

"We foresee that the Madani policy will be continuously improved upon via discussions, as well as feedback from the people," he said.

Last month, Prime Minister Datuk Seri Anwar Ibrahim launched the Madani Economy framework, which aimed to steer the country's economic direction and improve its competitiveness in the face of a challenging global environment.

The prime minister outlined targets Malaysia aimed to achieve in 10 years, based on two main pillars — restructuring the economy and achieving a good quality of life for the people.