

MINIMUM WAGE IN MALAYSIA: THE CHALLENGE ON THE IMPLEMENTATION OF THE LAW

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ABSTRACT

Minimum wage is the minimum sum payable to a worker for work performed or services rendered, within a given period, whether calculated on the basis of time or output, which may not be reduced either by individual or collective agreement, which is guaranteed by law and which may be fixed in such a way as to cover the minimum needs of the worker and his or her family, in the light of national economic and social conditions. This paper will discuss some issues on how the market conditions favors and not favors the government policy by looking at the effectiveness in decreasing rate of employment as an additional commentary. Thus, this paper also aims to identify the challenges in reducing rate of unemployment through minimum wage with a further lengthy discussion. Even in the neoclassical model, the effect of the minimum wage on any given set of workers will depend on, inter alia, the elasticity of substitution across different types of workers and cross elasticity of demand across different types of goods. The implementation of a minimum wage policy signals the government's commitment to greater inclusiveness and reduces poverty as the income of at least 30-40% of workers currently puts them below the poverty line. A minimum wage that is too high or above the market-clearing level would lead to employment reduction and an increase in unemployment. The minimum wage should not be increased when unemployment is high or rising and is concentrated among low-skilled workers.

Keywords: Minimum wage, implementation, effectiveness.

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INTRODUCTION

MINIMUM WAGE & LEGAL HISTORY

Minimum wage is the minimum sum payable to a worker for work performed or services rendered, within a given period, whether calculated on the basis of time or output, which may not be reduced either by individual or collective agreement, which is guaranteed by law and which may be fixed in such a way as to cover the minimum needs of the worker and his or her family, in the light of national economic and social conditions. The minimum wage constitutes a basic wage excluding overtime, existing allowances and other benefits. However, to avoid paying minimum wages some employers calculate other benefits as part of minimum wage and some force workers to sign that they received minimum wages, while actually paying them less.

In 1972, The General Conference of the International Labour Organization convened by the Governing Body of the International Labour Office and met in its Fifty-fourth Session on 3 June 1970 noting the terms of the Minimum Wage-Fixing Machinery Convention, 1928, and the Equal Remuneration Convention, 1951, which have been widely ratified, as well as of the Minimum Wage Fixing Machinery (Agriculture) Convention, 1951. The International Labour Organisation has defined minimum wages as the lowest basic wage guaranteed by law as an attempt to put a floor under the wages of a particular subgroup of the working population, that is, the working poor. In Article 7 of the ILO Convention no 131 on minimum wage fixing (1970) and its accompanying recommendation no 135, specify that the minimum wage should not be fixed at a lower rate than one which would ensure the subsistence of the worker and his or her family. Before the implementation of the national minimum wage, Malaysia did not ratify to this convention.

Ministry of Human Resources through the National Employment Studies in 2009 found that 33.8% of private sector workers were paid below RM700 per month, relative to the Pendapatan Garis Kemiskinan (PGK) RM800. In addition, a study by the World Bank found that for the past 10 years, wages in Malaysia was only a flattening of 2.6% per year while productivity increased on average by 6.7% in the same period. Salary increment as described above is not in line with productivity gains and cost of living is rising. This shows that there is distortion in the labour market where wages are determined by market forces fails to increase salaries in line with the rising of cost of living. Ergo, the Government has decided to take intervention measures by introducing a national minimum wage.

In July 2012 the Malaysian government announced that workers in Malaysia would receive minimum wages of RM 900 [USD291] (for Peninsular Malaysia) and RM800 [USD259] (for Sabah and Sarawak). The announcement came into force from 1 January 2013. Malaysian Government through its Minimum Wages (Amendment) Order on 28 December 2012, allowed employers to apply for the right to be exempted from paying the minimum wages.

In case of levy on foreign workers, the government allowed employers to deduct from wages of the foreign workers to recover expenses made by the employer for employing the foreign worker including the levy paid to the government. There shall no

discrimination because an employee's nationality, in accordance with ILO Convention No.100: Equal Remuneration. Malaysia ratified the Convention in 1997. If there is discrimination, it is contrary to section 60L of the Employment Act 1955, section 118B of the Labour Ordinance of Sabah or Sarawak Labour Ordinance and section 119B which does not allow any discrimination between migrant workers and local workers. This is also in line with the decision of the Industrial Court in the case of Chong Wah Plastics Sdn. Limited. v Idris & Others [2001] ILR 598, the state workers are entitled to the same wages for local workers doing the same job. Foreign worker must be ensured and preserved from affecting local jobs.

However, the government stopped this practice from 1 April 2009. Once again on 30 January 2013 the Malaysian cabinet decided to allow employers of migrant workers to recover the levy they pay the government by deduction of wages of migrant workers.

In a joint statement released on 5 February 2013, trade unions and civil society activists expressed serious concern that the government's move towards reintroducing the provision would merely shift the burden on to migrant workers. In an appeal to the Malaysian government, 75 civil society organizations and trade unions across the world stated, "that all workers, including migrant workers, are entitled to receive minimum wages, whereby this is the basic wage and should not include allowances, benefits and other work incentives. Employers should not be permitted to remove pre-April 2012 worker entitlements and benefits, being the date the Minimum Wage Order 2012 came into force, from existing and subsequent employment contracts."

NATIONAL WAGES CONSULTATIVE COUNCIL'S INVOLVEMENT

The National Wage Consultative Council or MPGN's membership is comprised of six employer representatives, six employee representatives, six representatives of public officers and five other members. MPGN is chaired by Tan Sri Datuk Amar Steve Shim Lip Keong, former Chief Judge of Sabah and Sarawak and the Deputy Chairman, the Hon. Datuk Dr. Syed Muhamad Syed Abdul Kadir, former Secretary General of the Ministry of Human Resources and assisted by a secretary.

Functions and powers of the National Wages Consultative Council established under section 3 of Act 732 is as provided under section 4 (1) of the Act as follows:

- (a) advise the Government on all matters relating to the minimum wage, including its development at the international level;
- (b) make recommendations to the Government about the rates and coverage of the minimum wage by sector, employment and regional areas, and other matters relating to minimum wages and salaries;
- (c) to consult with the public about the minimum wage rates and coverage;
- (d) collect and analyse data and information and conduct research on wages and socioeconomic indicators;
- (e) co-ordinate and supervise, and evaluate the impact of implementation of the minimum wage;
- (f) to review the order of the minimum wage;
- (g) to deliberate on all matters relating to the minimum wage;
- (h) disseminate information and analysis on wages, and
- (i) carry out such other functions as it thinks fit to enable it to perform its functions effectively or which are incidental to the performance of its functions.

In addition, MPGN has the power to do all things expedient or reasonably necessary for or incidental to the performance of its functions. MPGN is also empowered to review the Minimum Wage Order at least once in every 2 years.

Apart from that, Department of Labour is responsible for enforcing the provisions of this Act. Employers or employees who face any problem regarding minimum wages affairs officers can contact the Labour Department for assistance in close consultation.

PAYMENT OF WAGES

What is the difference between 'wages' and 'minimum wages'? Meaning of 'wages' for the Minimum Wage Order is synonymous with section 2 of the Employment Act 1955, the Labour Ordinance of Sabah or Sarawak Labour Ordinance while the interpretation of 'minimum wages' is referring to the basic salary as stated in Section 2 of Act 732.

There are three mechanisms that determine the wages of workers in the private sector i.e. 1) the Wages Council Act 1974 (WCA), 2) Collective bargaining (CA), and 3) market forces. The WCA and CA fall under the definition of minimum wage. But these minimum wages do not provide a decent standard of living and cover only a small number of workers. The existing CAs does not cover the majority of low-paid workers. As a result, wages in Malaysia are largely determined by market forces. Real wages have been low or stagnating because of price controls, subsidies and the influx of cheap unskilled foreign workers. In determining the minimum wage rate, two main criteria are taken into account the basis of criteria and criteria adjustment.

For basic criteria, two economic indicators were applicable that is Poverty Line Income (Pendapatan Garis Kemiskinan (PGK)) and the median wage. PGK is an indicator to determine the basic needs of workers and their families, and the median salary is an indicator of an employer's ability to pay salaries.

For adjustment criteria, those indicators that are taken into account in setting the minimum wage rate is the change in the Consumer Price Index, the growth of labour productivity and rate of unemployment.

In negotiating the salary restructuring, both parties shall endeavour to reach an agreement with the win-win spirit so that both parties know the impact on themselves if the restructuring of the salary cannot be made before the dates concerned. If the employer or employee / labour unions need any advice on business restructuring salaries, assistance can be obtained from the Department of Labour or the Department of Industrial Relations nearby. Information about telephone numbers and addresses of the Labour Department can be obtained from the website.

In Malaysia, employers which do not comply with the minimum wage policy risk a maximum fine of RM10, 000 per worker. For continuous offenders, they will be fined RM1, 000 per day and repeat offenders would face a RM20, 000 fines or five years' jail or both. The imprisonment is a last resort for employers who commit repeated offenses. Section 19 reads as follows;

If any person makes or causes to be made or knowingly allows to be made any entry in a record required by this Part to be kept by employers, which he knows to be false in a material particular, or for purposes connected with this Part produces or furnishes, or causes or knowingly allows to be produced or furnished, any wages sheet, record, list or information which he knows to be false in a material particular, he shall be guilty of an offence against this Act and liable to a fine not exceeding one thousand ringgit or to imprisonment for a term not exceeding three months, or to both such fine and imprisonment.

ANALYSIS OF LEGAL NECESSITY (NATURAL JUSTICE)

The status quo before the implementation of minimum wage is more favoring the employer. This is because the employer having the power and desecration to determine and decide on how much should each of his employee earn by the end of the month or upon completed of such work assigned to the employee.

As the implementation of the minimum wages strikes, most of the employers apply to delay the implementation of minimum wages. The employers stated that one of the reasons that they apply to delay the implementation of minimum wages is that their current economic structure and status of their company does not support the new law. In order to implement minimum wages, the employer mentioned that they need more time to restructure and fixed the structure of their company so that it fits and suit the new law because the implementation of such law are close related to their economical budgets. Here, therefore they need to keep a proper balance so that the final result will benefit both workmen and the employer.

Therefore, upon observing the current issue raised up by the employers, most of the employers are willing to sustain the implementation of minimum wages for local workmen but not for the foreign worker, this is however not how it should be because workmen is a workmen despites of his nationality as the weight of work bear to complete the task is more or less are the same. This is in fact to promote justice and fairness as whole and does not attract discrimination as the spirit of section 60 (L) suggest.

Recently in Malaysia, upon the implementation of minimum wages that laid down by the government actually derive from various sources that in their view will then provide assistance to build up the society. The legal necessity of the implementation of minimum wages on workmen includes ensuring their fundamental need to maintain their families fulfilled.

Logically, when the burden of maintaining fundamental needs of the workmen lifted, that particular workmen will then become more focus on their current work and does not need to crack their head and pull out all their energy to sort out solution to satisfy their fundamental needs by having part time job that requires their strength and effort which then distracted them from performing at their very best for the main job they are engaged to.

Parallel with our 2020 vision, the implementation of minimum wages is a necessity. Implementation of minimum wages had been exercise in most of developed country. Having our path towards a developed country status by the year of 2020, as an opinion it is a very fine step that the government had consider in welcoming the new and developed Malaysia.

All these years alongside with the massive economic growth and the stable currency rates (MYR Malaysian Ringgit), Malaysia had boosts its true potential and capable on attracting the foreign investor to invest in Malaysia.

This is in fact derives from the powerful supports from the human resources in Malaysia that contributes large portion in shaping Malaysia today. In order to strengthen the growth, Malaysia needs to distribute the fruit of its growth rather than hide it out. Entails with such, the welfare of human resources must be well maintained as these are the strongest asset that need to be preserved.

It is clear that the implementation of the law need to be enforce accordingly so that the benefit or fruit of success will not only favour one party but to the whole nation. The best way is to keep our human resources well maintain so that they will be able to perform and produce better result alongside with the correct exercise of the law that brings Malaysia forward.

EFFECTIVENESS IN DECREASING RATE OF UNEMPLOYMENT

In setting the minimum wage, the National Wages Consultative Council (NWCC) took into account social and economic considerations: cost of living, productivity, competitiveness and employment. Other points that it considered include geographic (different states, regions), economic sectors/industries as well as demographic. The extent to which these factors are balanced can be approximated by some rough indicators such as the level of the minimum wage relative to the median or mean wage or the proportion of workers whose wages are affected by the statutory minimum.

The RM900 minimum wage is a reasonable threshold, being 49.9% of the national mean wage. A minimum wage that is too high or above the market-clearing level would lead to employment reduction and an increase in unemployment. The minimum wage should not be increased when unemployment is high or rising and is concentrated among low-skilled workers.

As we can see even if the government have implement the new rate, this problem cannot be solved because the main issued not just on the minimum rate this is because the low skilled workers are the rising point but the government shall also looked at the important matter such as the by increasing the work rate by giving more company to employed the professionals and this shall help to boost the rate of unemployed in Malaysia.

As a rule of thumb, in developing countries, the national minimum wage should be probably less than 40% of the average wage and roughly not more than one-third of the average or mean wage. The proposed increase in minimum wage should take into account inflation, productivity as well as employment growth.

In the United States Policies to Reduce Supply Side Unemployment, the government looked this matter into many part not just on the implementation of minimum wage rate but the government also look at this particular firstly.

Education and training; The aim is to give the long term unemployed new skills which enable them to find jobs in developing industries, e.g. retrain unemployed steel workers to have basic I.T. skills which helps them find work in service sector. However, despite providing education and training schemes, the unemployed may be unable or unwilling to learn new skills. At best it will take several years to reduce unemployment.

Secondly, the also consider to reduce Power of trades unions. If unions are able to bargain for wages above the market clearing level, they will cause real wage unemployment. In this case reducing influence of trades unions (or reducing Minimum wages) will help solve this real wage unemployment especially on the employment subsidies. Firms could be given tax breaks or subsidies for taking on long term unemployed. This helps give them new confidence and on the job training. However, it will be quite expensive and it may encourage firms to simply replace current workers with the long term unemployment in order to benefit from the tax breaks.

Last but not least, to Improve Labor Market Flexibility. It is argued that higher structural rates of unemployment in Europe are due to restrictive a labor market which discourages firms from employing workers in the first place. For example, abolishing maximum working weeks and making it easier to hire and fire workers may encourage more job creation. However, increased labor market flexibility could cause a rise in temporary employment and greater job insecurity.

If we compared to the third world countries it is clear that the polar are different from the developing countries Where as many believe minimum wages reduce poverty in developed countries-albeit at a cost-this not the conventional wisdom for developing countries. Rather, the dominant view is the one outlined by the recent World Development Report on labor markets, "Minimum wages may help protect the most poverty-stricken workers in industrial countries, but they clearly do not in developing nation. Several arguments in support of this view are commonly cited. First, cover- age of minimum wage laws in developing countries is limited to a small formal sector and because the informal sector is large these laws are difficult to enforce. Second, poverty lines are lower in developing countries and workers who benefit from minimum wage increases are usually not the poorest of the poor.

Third, a large fraction of the poor work in the uncovered or self-employed sector is tantamount. Also, high inflation rates make it hard to set real minimum wages. Most of the arguments focus on variations of the Harris-Todaro model.' Under certain assumptions, the presence of a large uncovered sector means that an increase in formal sector wages pushes more unemployed into the informal sector, driving down informal sector wages.

However, as Edward Gramlich-and, more recently, Daniel Hamermesh and David Card and Alan Krueger-emphasizes, this argument depends on a particular constellation of elasticity. If formal sector labor demand is inelastic, a boost in formal sector wages may also drive up wages in the informal sector. However, as Jeffrey Williamson and others have emphasized, many of the empirical predictions of the Harris-Todaro model do not seem to be borne out by empirical studies of developing country labor markets. Hence it does not provide a solid basis for analysis of the impact of minimum wages in developing countries.

Therefore, there are many method and ways that can be used to settle this dispute of unemployed, by using the minimum wage rate will definitely help to reduce the problem but as we discuss above the ultimate answer to this matter shall be looked at the local problem because it is not only a global issues but it shall be tackle within the local remedy.

CHALLENGES IN REDUCING RATE OF UNEMPLOYMENT TROUGH MINIMUM WAGE: A FURTHER DISCUSSION

According to the National Wage Consultative Council (2012), the set of a minimum wage is RM900/month for Peninsular Malaysia and RM800/month for Sabah, Sarawak and Labuan. This will benefit 3.2m private sector workers (25.8% of total employment) other than those in domestic services. The minimum wage will take effect six months from the date of the Minimum Wages Order is gazetted. Small firms with no more than five workers will be allowed to defer it for a further six months.

The big disadvantage of the National Wage Consultative Council 2012 (NWCC) was unemployment. Has this happened? Well, not really. Unemployment is lower than it has been for 20 years, and there does not seem to be much evidence in particular industries of significant job losses. Perhaps the government was lucky that the National Wage Consultative Council 2012 (NWCC) was introduced at a time of rising employment and strong economic fundamentals. There is evidence that employers are, on the whole, adhering to the law and yet employment keeps rising. Perhaps productivity has improved, offsetting the rising wage, as some economists predicted.

Malaysian Government is really concerned to improve the circumstances of the working poor and unequal distribution of income. Since 1971, the government has implemented the New Economic Policy (NEP) with the aim of promoting national unity through the eradication of poverty and restructuring of the society. Malaysia has relatively had low unemployment rates since Independence compared to most other developing countries, and it has been government policy to keep unemployment down. Government efforts to maintain rapid economic growth and accelerate structural change from a predominantly agricultural economy to a developed, industrialized economy have created better employment opportunities for its growing labour force.

In Card and Krueger (1993) argue that minimum wages can increase employment in New Jersey. They evaluate the impact of minimum wage law that was implemented in New Jersey in year 1992 and present new evidence on the effect of minimum wages on establishment level employment outcomes. Due to New Jersey is relatively a small economy that is closely linked to nearby states, the authors use a control group of fast food restaurants in Pennsylvania for comparison. The researchers conduct a survey on fast food restaurants located in New Jersey and eastern Pennsylvania. The authors found no evidence that the increase in New Jersey's minimum wage reduced employment at fast food restaurants in the state. This finding is consistent with a growing number of studies. In fact, the study finds a slight increase in employment after the minimum wage law is implemented. In addition, the results are also unable to show that increase in minimum wage would reduce the opening of new fast food outlets in the state. In conclusion, they conclude that the prices of fast food meals increased in New Jersey relative to Pennsylvania after the increase of minimum wage.

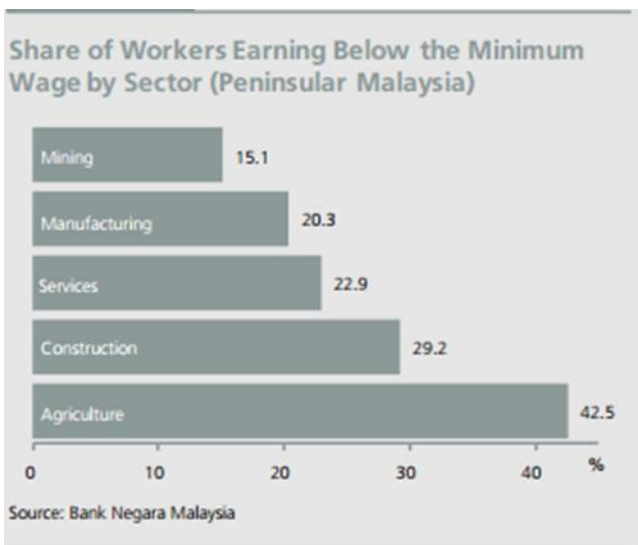
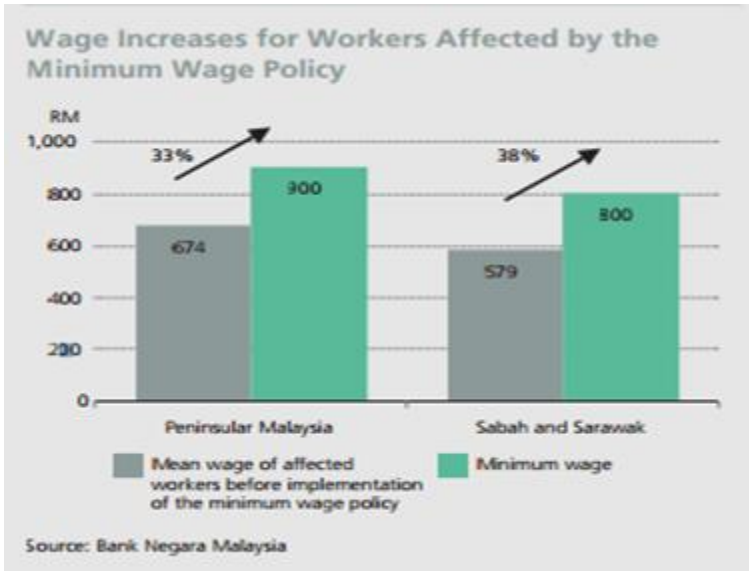
The minimum wage issue re-surfaced because the government is aiming for Malaysia to become a high-income economy nation, otherwise the issue would not have gained prominence. The Malaysian Employers Federations (MEF) opposes the minimum wage as it will reduce Malaysia's competitiveness. The challenges occurred for the implication of the minimum wages is that it does not guaranteed job creation, but may instead increase unemployment if the minimum wage is set too high, it will be costlier for employers to hire workers. However the minimum wage should take into account the type of employment, location, and the economic sector involved.

Although it is impossible to establish the existence of monopsony power in Malaysia, there are several pieces of descriptive evidence that workers may not be recovering a fair share of their productivity through wages. Stigler, 1946 proved that minimum wage will reduce employment in the monopsony case. Minimum wages will make the employer price taker up to the level of employment. A simulation done by World Bank suggests that monopsony power might not be serious issues because hourly rates tend to be highly correlated with productivity. There are some states where wages are lower than would be expected given the level of productivity such as in Putrajaya, Selangor and Malacca. In Malaysia, productivity does not depend on states and firms, so an alternative way to consider the relationship between wages and productivity is by looking across sectors. There are clear sector such as logistic, distributive trade, and especially agriculture, fishing and forestry in which workers earn less than would be expected given the productivity of formal firms in that sector. This situation implies that Malaysia only needs one national minimum wages policy to avoid regional biasness.

So, the concept of implementing the minimum wage needs to be understood in order to appreciate the reasons for implementing the national minimum wages. The rationale, objectives, coverage and technical details of its implementation have shown how thorough studies and considerations have been made and carried out before any decision related to it is made. The government has also learned from the experience of other countries and initiatives were taken to avoid problems faced by them. However, managing the implementation of minimum wage is not an easy task. With meticulous preparation for an optimal design of the minimum wage policy, Malaysia is facing its own challenges to ensure that it will be able to achieve the objectives set in the minimum wage policy.

**ADVANTAGES & DRAWBACKS OF MINIMUM WAGE: AN OBSERVATION
ONE-THIRD OF THE WORKFORCE IS AFFECTED BY THE MINIMUM WAGE**

Nationally about 27% of the workers are estimated to be benefited from the minimum wages. In Peninsular Malaysia the affected workers are expected to receive on average a 33% increase in wages, meanwhile in East Malaysia an increase of 38% would be granted. Agriculture industry is expected to be most affected because prior to the implementation of the policy, 43% of workers in the sector received wages that is below the minimal wage.



THE MINIMUM WAGE WOULD FACILITATE TRANSFORMATION OF THE ECONOMY AND AT THE SAME TIME IMPROVE WORKER WELFARE

This policy is expected to have an important role in tackling inefficiencies in labor market and also improves the social welfare of low-paid workers. Firstly, setting a minimum level on wages will maximize the efficiency of labor usage in the economy and will relieve labor market distortions. Artificial suppression of wages below productivity levels would cause a low labor participation rates as workers has less incentive to take part in labor market. There are instances where wages are suppressed at such low levels to the extent where locals are taken over by low waged foreign workers. In Malaysia, a slower growth is recorded in real wages compared to real labor productivity. In the manufacturing sector, wages has increased by 2.4% per annum over the decade while 5.0% of expansion of labor productivity over the same period. Following the implementation of this policy would encourage greater participation in the labor market and improve the utilization of labor in the economy.

In consistent with the government’s objective of changing Malaysia into high-productivity and high-income, this policy would help provide incentives to both firms and workers to undertake productivity-enhancing measures. Firms would be encouraged to invest in automation and newer technologies that could enhance production capacity as the relative cost between capital and

labor narrows, rather than rely on low-cost foreign labor. Also, firms would provide training for workers to enhance the skills and productivity. Firms may be encouraged to be competitive in regard to lower reliance on low-cost unskilled labors. The greater availability of jobs for worker with higher wages and also potential of acquisition of higher skills would encourage increased participation in industries that they previously avoided. This changes would eventually transform Malaysia as to what it aspires.

COST OF SHORT-TERM ADJUSTMENT IS TO BE CONTAINED

In the short run, firms who have been highly dependent on low-wage workers would be subjected to higher cost with this policy. Several possible adjustment could result from this such as by reducing in margins by absorbing the increased cost, inclines productivity level, through improves efficiency the overall cost is reduced, and also the numbers of labors are reduced. Consumers might be passed on some of the increase in cost by the firms although this might be an option in firms with strong market competition.

A small negative impact found on employment by several studies on impact of minimum wage policy in other countries, especially those young and low-skilled workers. Due to differences in labor market characteristic and the prevailing economic environment the magnitude of this effect varies. In Malaysia, with regards to some risk of lower employment, this effect is expected to be transitory and contained given the country's strong economic fundamentals. In the current environment of sustained growth and low unemployment the demand for labor is expected to continue to increase. Dislocated workers would be reabsorbed into the workforce given the relatively tight labor market so any adjustment to employment as a result of the minimum wage policy will likely be temporary. Since 2004 job vacancies have been on an increasing trend and with average of 3.3% over the recent two decades Malaysia's unemployment rate has remained consistently low.

In regard to the healthy profit margins of firms, Malaysia's low and stable inflation would further aid in mitigating the extent of the pass-through of costs to consumers. By the adjustments that are made by the larger firms, which are generally price leader and tend to be less affected by minimum wage policy, the magnitude of price increases would be constrained.

In May 2012, Bank Negara Malaysia conducted a survey that suggested that the impact of the minimum wage policy will be manageable. Over 90% of firms that would be affected indicated they would not retrench workers in response to the policy but only 25% stipulates a reduction in taking in workers. This survey also showed about half of the firms did not have plans to pass on the cost increase to consumers are the ones would be affected. Close to 50% had plans to increase training to enhance labor efficiency while to offset the increase in the cost of labor 40% of firms would expand automation. This survey results reaffirms the expectation that firms will be able to adapt to the minimal wage policy through handful of adjustment mechanisms without experiencing any significant economic disruptions.

CONCLUSION

As a conclusion, a positive impact as to implementation of minimum wage policy is expected to grace the Malaysian economy. The risk of the minimum wage policy on inflation and the short-term costs are expected to be well-contained. The increase in wages could be mitigated through improvements in productivity so the impact on business cost will likely be small. Increase in the incomes of the affected workers can be expected to result in higher consumer spending and economic activity; given that low-wage households tend to have a higher marginal propensity to consume.

This policy is expected to be a positive step in encouraging a fairer wage structure and also would help to contribute for higher-skilled jobs and also the promotion of higher value-added economic activities. The policy is further complemented by other productivity-enhancing measures to achieve its objectives, for instance in the improvements of the quality of education, workers provision for up-skill trainings and also facilitation of automation and advanced technology investments. The minimum wage policy is positively expected to realize its goal with the unconditional support of government and institutional support and not to forget, the vital supervision and enforcements.

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