

Govt urged to provide clear direction on progressive wage policy, avoid public uncertainty

By [Qistina Sallehuddin](#), [Nor Ain Mohamed Radhi](#) - October 19, 2023 @ 5:50pm



The proposed policy was also expected to improve the people's well-being and boost the nation's economic agenda. - NSTP file pic

KUALA LUMPUR: The government must provide a clear direction on its progressive wage policy and avoid creating uncertainty among the public.

Putrajaya member of parliament (MP) Datuk Dr Radzi Jidin said while the progressive wage policy had been widely announced by the Economy Minister Rafizi Ramli, the details of the model remained unclear.

He added that Rafizi's announcement was also contradicting as the policy was not included in the 2024 Budget tabling, despite the latter's announcement that an initial estimate of funds for the policy will be included.

"On Aug 7, it was announced that the policy will be voluntarily based on incentives and productivity. The economic minister on Aug 24 then announced that the prime minister has provided an initial estimate of the government funds, but further details will be announced in the budget.

"Fast forward, the economic minister on Sept 26 said employers will receive cash incentives from the government after submitting related documents as proof, which is essential to encourage employers to participate in the policy.

"Based on the announcement, it gives a message that employers that implement the policy will receive government subsidies. However, not a single thing was mentioned about the policy, let alone the model and implementation date during the budget tabling," said Radzi during his debate of the 2024 Supply Bill in Dewan Rakyat, today.

Following this, Radzi said the ambiguity of the policy had given negative signals to the workforce as well as the business community.

He also said that the announcement about the policy should not be done hastily by the government as the details were yet to be finalised.

"It is important for the 2024 Budget to provide a clear picture of the government's policy as any ambiguity will create uncertainty among the people, industry players, market analysts as well as capital market participants.

"We might perceive (the matter) as simple, but the impact on the external market, market analysts and investors is significant as they know that the government announced something unclear and uncertain.

"Hence, I advise that the government engage in more detailed discussions regarding the proposed policy before making any further statements about it."

The progressive wage policy involves a government initiative to reform the nation's labour market and ensure employees would not be burdened with the rising cost of living.

The proposed policy was also expected to improve the people's well-being and boost the nation's economic agenda.

The policy, however, was not included in the 2024 Budget tabled by Anwar last Friday, raising questions by certain parties, particularly after Rafizi reportedly said the financial allocation for the policy would be included in the 2024 Budget.

He also said the policy was expected to be implemented in April or May next year and had been approved at the cabinet level.