



# FKP POSTGRADUATE RESEARCH COLLOQUIUM 2021 *Virtual*

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## **The Impact of the Minimum Wage on Employment, Productivity and Poverty: Conceptual Discussion**

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### **ABSTRACT**

The minimum wage is a contentious debated issue which there are numerous studies and opinions on the minimum wage. Some argue that having a minimum wage has a positive impact but despite the fact that some research suggests that a minimum wage has mixed results. Therefore, the goal of this paper is to discuss about the impact of minimum wage on employment, productivity and poverty. Articles is a comparison analysis studies from various research about the impact of the minimum wage towards employment, productivity and poverty retrieved from various database. More importantly, the outcomes have varying effects on employment, productivity, and poverty and to achieve consistent economic growth, employers should consider either continuously raising wage levels or raising them every two years.

**Keywords:** Minimum Wage; Employment; Productivity; Poverty.

### **INTRODUCTION**

One of the most contentious issues in labour market economics is the minimum wage. There has been a large amount of international empirical research on its effects over the last few decades. In principle, minimum wage should act as protection to all labour in an employment relationship, including women, youth and migrant labour. Exclusions should be kept to a minimum certainly for vulnerable categories of labour. However, in practice, not all level of employees enjoys the minimum wage protection due to certain reason – for instance, domestic labour, informal labour, or non-standard forms of employment including self-employed or part timer.