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An eventful, trying year for labour market

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WHILE the share market had shown a positive trend and the exchange rate had entered into a period of calm after the introduction of currency exchange rate controls, issues hovering the labour front continued to be volatile throughout 1998.

It was a trying year for workers and employers to adapt and survive as the country entered into the second year of the economic slowdown. The labour scene was dotted with exciting developments against the backdrop of the downturn.

Perhaps the most popular word this year was retrenchment, followed by payout; which to employers may be downsizing or closing down. This had brought the number of retrenched workers to date to 83,975 nationwide, where even senior officials, managers and professionals were not spared.

It was interesting to note that the vacancies that were reported voluntarily by employers to the Manpower Department had also risen at almost the same rate as retrenchment. Up to December 19, there were 71,686 reported job vacancies - which formed only part of the actual vacancies in the job market.

Taking early steps to prevent employers from taking advantage of the economic situation, the Human Resources Ministry had enforced a regulation requiring employers to report their retrenchment plan to the Director-General of Labour at least one month in advance.

While the proposal by Malaysian Trades Union Congress (MTUC) to set up the National Retrenchment Scheme was turned down by employers and later by the Cabinet, the ministry had responded to the rising unemployment by setting up a training fund for retrenched workers.

To be managed by the Human Resources Development Council, the fund, with an initial sum of RM2.2 million, will train retrenched workers through the Training Scheme for Retrenched Employees.

Under the provisions of the amended Employment Act 1955, employers now have to report to the nearest Labour Department on their plans for paycuts or temporary lay offs a month in advance. They are also required to report new foreign workers to the department.

The much-awaited amendments to the oldest labour law in the county were at last passed by the Dewan Rakyat in May, and took effect on August 1.

The amended Act will further safeguard Malaysian workers from being discriminated by employers who favour foreign workers.

The amendments, which include raising the fine from RM2,000 to RM10,000 for each offence, will ensure that workers will not lose out on benefits they are entitled to when their employers go bankrupt.

As the Employment Act has been updated, the ministry has repeated its proposal for the extension of this legislation to Sabah and Sarawak to replace their respective Labour Ordinance.

The objective, Human Resources Minister Datuk Lim Ah Lek said, is for the workers in the country to have equal protection under the Act and will assist foreigners in making investment decisions in Malaysia.

The Budget 1999 speech by Prime Minister Datuk Seri Dr Mahathir Mohamad in October had caused a ripple in the labour market. Dr Mahathir, who is also First Finance Minister, announced that income earned in 1999 would be waived from tax as part of the measures to modernise and streamline the tax administration system.

It is also laudable that the Social Security Organisation (Socso) has

recently announced an increase in its benefits, of between 6 per cent and 18 per cent, to be effective January 1 next year.

As the year drew closer to an end, the labour market was jolted with yet other surprises.

If the appointment of MTUC president Zainal Rampak as a senator was welcomed by the workers community, the sacking of the then National Union of Bank Employees (Nube) general-secretary K. Sanmugam startled those in the banking industry.

Zainal, who was sworn in as a senator in Dewan Negara on December 7, became the second unionist to be appointed to the Senate. The first was Encik Saiful Nathan, also a former MTUC president.

Earlier, the outcome of Cuepacs' elections on December 3 brought another surprise when National Union of Teaching Profession secretary-general N. Siva Subramaniam was elected Cuepacs president when he edged out Encik Mohd Yusop Harmain Shah of the Malaysian Technical Services Union.

The commotion in the private sector union which involves the country's largest labour movement, MTUC and its subsidiary, Nube, took an unexpected turn when on December 17 Sanmugam was sacked by Nube executive committee for alleged mismanagement of union funds.

Sanmugam refuted the allegation, saying that his only fault was that he had "failed to report" to the exco on the losses incurred by the union from its investments on the local bourse.

Earlier, Sanmugam was involved in a tug-of-war with the MTUC when he gave up his vice-presidency in the MTUC and chairmanship of the MTUC's industrial relations committee a few months ago.

Accordingly, MTUC secretary-general G. Rajasegaran wrote a letter to Lim to remove Sanmugam from the National Labour Advisory Council as he was nominated by the Congress to sit on the Council.

When the registration of the Federation of Bank and Financial Institutions' Employees Union was approved by the Trade Union Department in early November, Sanmugam had informed reporters that he was considering pulling Nube out from the MTUC. This, he had said, would enable the union to concentrate on the current issues affecting staff in the banking industry.

It is less than a week to 1999. The New Year may hold a promise of an economic recovery, but not without each and every Malaysian's cooperation.

Malaysia can be proud of its harmonious industrial relations climate as its workers are not easily given in to provocation. Our culture is to settle disputes amicably at the discussion table.

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