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ILO should make a stand

THE times that Malaysia and the International Confederation for Free Trade Unions have crossed paths have hardly been pleasant. On a few occasions in recent years, the Brussels-based ICFTU dragged the Malaysian Government to the International Labour Organisation (ILO) for the country's labour-related policies and practices, which Western trade unionists often thought were inferior to the so-called internationally-recognised labour rights. The ICFTU used to accuse Malaysia of undermining human and labour rights, torturing foreign workers, and discriminating against certain trade union leaders, among other things.

It is a pleasant surprise, therefore, to get the endorsement of the ICFTU for Malaysia's cause against hedge funds and the international currency speculators. Mr Bill Jordan, the ICFTU secretary-general, during a meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad on Wednesday proposed that it was time to take on the hedge funds and currency manipulators. Jordan said the near-collapse of US hedge fund Long-Term Capital Management last week made it plain that the continued freedom of hedge funds risk colossal sums of money by speculating against exchange rates of countries which are victim to such predatory attacks. The ICFTU is of the opinion that the hedge funds' activities cost billions of dollars to both the people of developing countries like Malaysia and to the taxpayers in the industrialised countries who are asked to pay the price for these funds' failures.

The ICFTU, which represents 125 million workers in both rich and poor democracies, is obviously concerned for the the welfare of its members as well as their families. It is heartening to note that while the confederation had criticised Malaysia in the past for what it thought to be sub-standard policies and practices, it did not fail to see that those were trivial compared with the harm that the Asian crisis has done and is still doing to the world of work in this region. According to an ILO report published just a week ago, unemployment in Indonesia could triple to 12 per cent of its labour force by year-end and real wages could drop 15 per cent. Thailand is expected to have 2 million jobless by end-1998, three times more than just two years ago. The impact of growing unemployment will extend far beyond urban areas, as the ILO recognises that many people in the rural areas, especially the elderly, rely on remittances from working family members in the cities.

The significance of the ICFTU's backing is not small at all. We need only to recall that when the confederation threw its support for Asean trade unions against a European Union proposal to link labour rights and trade, that proposal had to be scrapped by the members of the EU. As a consequence to the ICFTU's views on hedge funds and currency trading, it is safe to assume that the Malaysian Trades Union Congress (MTUC), which is affiliated to the international body, is also with the Government in the measures that have been taken to tackle the current economic problems caused by the Asian crisis. The MTUC, which represents directly and indirectly the 8 million-odd workforce in this country, can play a very effective role to win further backing for Malaysia's cause with its counterparts abroad and with the ILO itself.

The socio-economic impact of the Asian crisis has been tremendous. In Indonesia, overnight poverty due to loss of jobs and income has become a common phenomenon. If Malaysia had gone down by now as a result of the

crisis, nearly 2 million foreign workers employed in its factories, plantations and construction sites would have to be sent back immediately, causing even more suffering to those countries. By backing Malaysia's fight for greater transparency and regulations for hedge funds and currency traders, the ICFTU, the MTUC and trade unions of other countries would be supporting a move against powers that could destroy job markets over a very short period. In fact, given the damaging and disastrous impact of their speculative activities on workers, the ILO itself ought to make a very strong stand against hedge funds, currency traders and its own member countries who have been protecting and defending such operations.

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