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Scheme to protect workers gets support

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PETALING JAYA, Sun. - The Malaysian Trades Union Congress's proposal to set up a National Retrenchment Scheme today got the support of 19 of its 180 affiliates.

The union leaders also criticised the National Union of Bank Employees general-secretary K. Sanmugam's statement that NUBE was against such a scheme.

Sanmugam had said on Friday that the scheme proposed would discourage employers from paying out retrenchment benefits.

The MTUC general council had on Feb 14, after its symposium on the economic problems, unanimously decided that NRS was necessary to help tide retrenched workers over the hard times with a greater measure of certainty and provide long-term security for them and their families.

MTUC had proposed workers and their employers contribute RM1 each to the scheme, to be placed under the Social Security Organisation (Socso).

The NRS was discussed at the National Labour Advisory Council meeting on July 23 and its proposal was rejected by the Malaysian Employers Federation and the Malaysian Agricultural Producers Association.

Speaking on behalf of the affiliates, chairman of MTUC Selangor division, Kamaruszaman Mansur, said the 19 unions unanimously supported the MTUC's proposal for such a scheme to protect workers in the present economic situation.

"We also support MTUC's proposal to revamp the Employees' Provident Fund board and the appointment of a worker's representative on the EPF board through the nomination from country's labour bodies and not by appointment by the Finance Minister," he said at a Press conference at the MTUC headquarters in Subang Jaya.

He said the unions felt that the board chairman and the chief executive should not be the same person as this would cause a "conflict of interest".

The present EPF board chairman and chief executive is Tan Sri Sallehuddin Mohamed.

Kepak Bank Bumiputera Malaysia Bhd Officers Association president, Che Rus Hussin, said the effect of the economic problems and retrenchments would be felt by many people as there was still no immediate sign of a recovery.

"Retrenchment will cause a host of problems not only in the economy, but also the social structure and raise numerous social issues," he added.

On the NRS proposal, he said: "This is a scheme to be shared by both workers and employers and the money can be both a relief and protection for the workers".

He also supported Prime Minister Datuk Seri Dr Mahathir Mohamad's call that productivity must be increased through better discipline and training.

MTUC president Zainal Rampak, who was also present, welcomed the strong support for the NRS.

He said with five million workers in the country, this would mean RM10 million a month or RM120 million a year to be collected in a year for the NRS.

"It will continue to snowball and will be able to handle any economic problems in future," he said. Records showed a downturn would hit the country every 12 to 15 years, he added.

Zainal said the money would be kept in the banks and this would help to strengthen that sector.

"I do not see why Sanmugam has reason to oppose such a scheme," he added.

He also said MTUC was not against NUBE or its members but it must be stressed that the "NRS is not an unemployment scheme as practised by some developed countries".

Zainal added the NRS was in line with the caring society which the Government had set out to achieve under Vision 2020.

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