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Working towards stronger industrial relations

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FIRST of May, 1999, was a significant Workers' Day for Malaysian workers and their trade unions. Apart from being the last Workers Day of the 20th Century, it was celebrated with optimism, that the economic difficulties which have affected workers since the middle of 1997 would soon end.

It also marked 50 years of the Malaysian Trades Union Congress (MTUC), being the umbrella body for trade unions in the country.

The scope of Workers' Day goes beyond the world of work. It is meant not only for workers but also for employers and Government to appraise their efforts in building the country's industrial relations.

Apart from the massive strike staged by the now-defunct Airline Employees Union in 1979 and the nationwide plantation strike in the mid-1980s, industrial harmony has been a useful selling point for the Government in its efforts to attract foreign direct investment.

In his Workers' Day message on Saturday, Human Resources Minister Datuk Lim Ah Lek reassured workers of this stance. The Government, he said, is always concerned about the workers' needs, that it will move in as soon as it hears of any dispute between workers and employers.

The economic crisis that hit the country in July 1997 has been a severe test for workers and the labour movement in this country. More than 80,000 people lost their jobs and thousands suffered salary cuts and fewer benefits. Many trade unions had to opt for the unprecedented move of accepting wage reductions when collective agreements were renewed.

The economic downturn underlined the maturity of Malaysian workers and their trade union leaders. As South Korea, the Philippines and Indonesia, also hit by the crisis, battled with workers on the streets, the Malaysian workforce rallied behind the Government.

Workers' representatives have access to the Human Resources Minister's office anytime they want the minister to help resolve a dispute. This has been admitted by union leaders in the MTUC or the Congress of Unions of Employees in the Public and Civil Services (Cuepacs).

Under the Malaysia Inc concept, Government representatives are always receptive towards suggestions made by the workers towards the country's progress.

Despite the crisis and the fact that Malaysia has not been a source of cheap labour for many years, foreign investments keep on coming in. The investors are attracted by the productive, knowledgeable and disciplined local workforce, added by the excellent infrastructure that the country offers -a view supported by several international surveys. According to MTUC president, Senator Zainal Rampak, Malaysian workers' productivity is only second to Japan.

Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi, at the 50th anniversary dinner of the MTUC on Saturday night, said one of Malaysia's strong economic attraction is that we have educated, skilled and responsible workers.

In his Workers Day message, Prime Minister Datuk Seri Dr Mahathir Mohamad called on the workers to continue upgrading productivity to assist the economic recovery of the country.

He advised workers not to be choosy about jobs at a time when the country is trying to revive the economy, although the wages are not as in the good days.

He said the Government has taken steps to safeguard workers interest as

the country faces economic problems, such as intensifying construction and infrastructure projects so that the activities would provide employment opportunities for these workers.

According to the recent Mid-term Review of the Seventh Malaysia Plan (1996-2000), labour productivity - measured by gross domestic product per worker in constant 1978 prices - continued to grow albeit at a slower rate.

Labour productivity grew by 3.5 per cent in 1996 and 3.0 per cent in 1997. However, it dropped to negative 3.8 per cent in 1998 due to the economic slowdown which resulted in underutilisation of workers' capacity. The mid-term review has outlined the Government's Human Resource strategies, formulated by taking into account the experience from the economic downturn.

The strategies include increasing the supply of skilled labour to support the knowledge-based and capital-intensive industries, improving accessibility to education and training, encouraging self-employment through the provision of training, and promoting the implementation of productivity-based wage system.

The Human Resource Minister in his Workers Day message announced a RM500 million fund set up by the Government to provide loans to trainees at the vocational and training institutes.

The Human Resource Development Fund (HRDF), set up to upgrade the workers skills, has so far benefited 2.19 million workers with an expenditure of RM635.2 million since 1993.

The HRDF and its training schemes have received recognition from international bodies, including the International Labour Organisation and the World Trade Organisation.

Malaysian workforce has increased in line with the economic growth. The statistics from the Human Resources Ministry and the Economic Planning Unit shows that the country's workforce has increased from 7.204 million in 1991 to 8.256 million in 1995.

There were 8.641 million workers in 1996, up to 9.03 million in 1997.

The figure has dropped slightly to 9 million workers in 1998, following the retrenchment exercise due to the economic slowdown.

Meanwhile, the MTUC, during its Workers Day rally held in Shah Alam on Saturday had brought up issues affecting the workers towards the next millennium.

One of the issues is the minimum wage, which the movement has been advocating since its inception in 1949. Zainal said it is high time that the Government looks into the issue as the country is now back on the growth track.

MTUC expects the Government to implement the minimum wage by 2000 as the economic recovery will be in full swing this year.

Zainal argued that Malaysian workers are not choosy about jobs, but they are choosy about salary. Employers, after all, will be paying minimum wage to loyal and patriotic Malaysian workers, not foreigners.

He assured the opponents of this minimum wage that it will not cause Malaysia to lose its competitiveness in the global market as long as local products are of high quality.

Zainal said Dr Mahathir had informed the MTUC during a meeting in August last year that the Government would implement a minimum wage of RM1,200 when the economy recovers.

With the positive prospects of the economic growth for this year and the next, maybe it is high time that the Government takes a serious look at making this minimum wage official.

The implementation of the minimum wage will probably be an incentive for local workers to work in areas which they presently shy away, such as in

the services and plantation sectors, as the Malaysian workers are said to be only choosy about salary.

Other development which the workers community can look forward to is the setting up of the National Retrenchment Scheme (NRS) and the operation of the Workers Shop.

The Human Resources Ministry, on finalising its study on the proposed NRS, is now considering whether to engage experts from the ILO to do the actuarial study on it.

The NRS seeks to provide financial assistance to the workers of bankrupt companies where the owners cannot pay retrenchment compensation.

Meanwhile, the launching of the workers fair-price shop, which is supposed to be on Workers Day, has been postponed as the Workers Consumer Movement (3PMTUC) is ironing out the technicalities involved. Zainal, who is also the 3PMTUC president, when asked about the development of the Workers Shop, said it will be launched sometime this year.

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