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Fong to meet bosses over retrenchment scheme

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HUMAN Resources Minister Datuk Dr Fong Chan Onn will meet employer organisations to persuade them to accept the proposed National Retrenchment Scheme (NRS) to ease the burden of workers who are retrenched without any compensation.

He said the discussion with employers will also touch on the amount to be contributed to the National Retrenchment Fund under the proposed scheme.

To achieve its objective, the minister said he will have continuous discussions with employer organisations such as the Malaysian Employers Federation (MEF), Federation of Malaysian Manufacturers (FMM) and Malayan Agricultural Producers' Association (Mapa).

"Personally, I will at least try to persuade them to come around to the idea that it is okay and, in fact, it is good to provide some form of relief to some members of the workforce who are retrenched without receiving any benefits," he told a news conference after presenting two haemodialysis machine and Social Security Organisation (Socso) benefits to the Sau Seng Lum Haemodialysis Centre in Petaling Jaya yesterday.

He was asked about the ministry's follow-up action after Prime Minister Datuk Seri Dr Mahathir Mohamad expressed on Saturday the Government's willingness to implement the scheme, proposed by the Malaysian Trades Union Congress (MTUC) in February 1998.

Fong noted that employers are by nature responsible and would not retrench workers unnecessarily.

However, he said some companies such as computer hard disk maker Applied Magnetics, which closed its plant in Penang on January 14 without prior notice to the workers, still owes retrenchment benefits amounting to RM10 million to over 2,000 of its former workers.

"That is the social problem we have to address and the ministry will continue its discussions with employers ... to help those in need," he said.

He echoed the Prime Minister's suggestion that if employers felt RM1 for each workers was too high, they could consider contributing 50 sen instead.

He said the ministry was prepared to hold discussions with employers and listen to their suggestions.

The MTUC had proposed that each employer contributes RM1 per worker to the fund every month, while the workers contribute RM1 each.

Asked whether Dr Mahathir had given any deadline for the ministry to persuade the employers to accept the proposal, Fong said: "When the Prime Minister said that... we have to do it as soon as possible."

Employers representatives such as the MEF, FMM and Mapa have voiced their reservations towards the NRS since it was first proposed.

Apart from concerns about the high operational cost incurred if the NRS is implemented, the employers argued that the scheme could create a welfare state system in the country.

They added that there was no need for a special retrenchment fund as the existing labour laws were adequate to protect the interest of retrenched workers.

Meanwhile, MTUC president Senator Zainal Rampak has urged employers to respect the Government's willingness to implement the scheme.

He said the NRS is not an unemployment insurance scheme as it only offers temporary financial relief to retrenched workers until they find

themselves new jobs.

Under the proposal, workers are only eligible to claim from the fund if they have been retrenched for over three months.

Earlier, Fong presented the two haemodialysis machine worth RM80,000 to the Sau Seng Lum Haemodialysis Centre to help kidney patients seek treatment at a lower cost.

He also presented Socso benefits worth RM200,000 to 20 recipients.

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