

29 JUL 2000

Mahathir-Scheme

GOVT PREPARED TO IMPLEMENT RETRENCHMENT SCHEME

KUALA LUMPUR, July 29 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today the government is prepared to implement a retrenchment scheme to help retrenched workers get due compensation from their employers.

The prime minister said, however, that the government was waiting from agreement from the Malaysian Employers Federation (MEF).

He said although the government had made its stand, the MEF was still dilly dallying, forcing him to ask them to reconsider their rejection of the scheme.

"Don't reject it in toto...if a RM1 contribution is too much, we can reduce a bit...if not RM1, 50 sen is also okay," he told a media conference after attending a Workers Day gathering at Putra Stadium, Bukit Jalil, here.

Dr Mahathir said the scheme needed the agreement of the employers because it was to help the workers of these companies.

The scheme was proposed by the Human resources Ministry during the economic downturn when companies were retrenching their workers.

However, it did not receive the approval of the employers.

Dr Mahathir said although over 90 per cent of the workers received compensation, the scheme was still needed to give attention to and ease the load of those workers whose services were terminated without compensation.

Dr Mahathir said the government would hold further discussions with the MEF and was prepared to reduce the employer's contribution to enable the scheme to start.

"The MEF doesn't agree. Maybe if we reduce a bit, it'll agree," he said, adding that the government was acting in the interest of the employees and employers.

On the possibility of employers evading payment of compensation to their workers with the introduction of the scheme, he said that if they did this, the government would act against them.

"It's victimisation if these people (whose services have been terminated) are not paid any compensation. We just want to take care of their interest," he said.

Asked whether the proposed contribution of RM1 per worker for the scheme would burden employers, the prime minister said that if the employers could not pay RM1, surely they could pay 50 sen because the government was not asking for a big contribution.

In his address to the industrial sector workers who filled the stadium, Dr Mahathir reiterated the government's and people's thanks to the workers for their cooperation in efforts to revive the economy during the recent financial crisis.

He said the workers were not only prepared to shoulder the burden of the slowdown by not taking any negative action but had also worked to help the government restore the economy.

"If the workers had acted irresponsibly, held demonstrations and made unrealistic claims, the nation's economy would not have been successfully turned around," he said.

He said that for the first quarter this year the Gross National Product grew 11.7 per cent and he believed that with the cooperation of the workers, the rate would be even better.

He also thanked the workers for not being easily influenced by the ways of the westerners in resolving their problems.

Recalling the experience of a developed country whose economy had declined because of pressure from its workers, among things, the prime minister said wages must rise through increased productivity, not through industrial action.

He reminded the workers that fixing a high minimum wage could reduce a country's competitiveness and incur high costs because a minimum wage would involve a pay rise for workers at all levels.

"As such, the question of a minimum wage must be studied carefully in the interest of the workers," he said, adding that the government was conducting a study to determine the capacity for a comprehensive wage.

Present were Human resources Minister Datuk Dr Fong Chan Onn, Chief Secretary to the Government Tan Sri Abdul Halim Ali, Public Service Department Director-General Tan Sri Samsudin Osman, MTUC president Zainal Rampak and Cuepacs president N. Siva Subramaniam.

-- BERNAMA

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