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Need to help the laid-off

MALAYSIAN workers should be grateful that the Government, unchanged since independence, cares for their welfare. It has amended the Employment Act several times to enhance workers' rights over the years. Among the assured benefits enshrined in this protective set of laws are the retrenchment entitlements. Companies do go bust even in the best of times. The Act ensures the laid-off staff are given a minimum compensation to at least put food on the table until alternative employment is secured. But the laws are not iron-clad guarantees. Companies do fold up and owners or shareholders melt away, leaving workers in the lurch. Enforcement of the law necessitates the long process of litigation in the courts. Meanwhile, retrenched workers, if not re-employed, suffer as do their families.

Such eventualities are not merely the conjectures. They are real sufferings encountered by thousands of workers in the past. No one, not even the caring Government can assure that they would not recur in the future. For this reason, the Government has realised the need to establish a national retrenchment fund, put forward by the Malaysian Trades Union Congress. But no law exists to found and exact contributions to fund such a scheme. So employers, especially the three main national centres - the Malaysian Employers Federation, the Federation of Malaysian Manufacturers and the Malaysian Agricultural Producers Association - have so far opposed the concept. They have argued that contribution to a national retrenchment fund would increase the employers' operational expenditure.

Their argument, to be sure, makes business sense. But it is, at the same time, moral nonsense. Profits of enterprises and corporations ooze out from workers' sweat, skills and ingenuity. In good times, owners and shareholders take home a sizeable chunk of the after-tax profits. It must be said that many companies also reward their employees with bonuses and increments. By the same token, shouldn't they set aside a portion, even a tiny portion, for exigencies. All thinking wage earners build up funds for contingencies as when the car breaks down, when flood causes household damage and when someone in the family falls ill, requiring hospitalisation and costly operations. Companies should do the same for the sake of the most valuable asset in their operations - workers.

That is the unspoken rationale in the Prime Minister's call to employers to support a national retrenchment fund on Saturday. Datuk Seri Dr Mahathir Mohamad said the Government intended to implement the scheme if employers contributed to it. As he explained, employers need not contribute a ringgit for every employee on their payroll. The amount could be 50 sen. The need is real and cogent to establish a retrenchment fund. Employers cannot expect the Government to fund the scheme with taxpayers' money. It would not be fair or just. It is true that the greater majority of employers pay compensation if they lay off workers either through voluntary separation schemes or if they close shop. But rascals abound among employers who renege their responsibilities. It is to help these retrenched a national compensation fund is required. We pray that such a fund would never have to be tapped; we pray that no worker in the land would be laid off without any compensation. But it would be a gratifying assurance to all workers if the fund is established. Employers should not shy away from the responsibility to fund the scheme.

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