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Talks on national retrenchment scheme will continue: Fong

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EMPLOYERS, workers and the Human Resources Ministry will continue discussions on the proposed National Retrenchment Scheme (NRS), despite failing to achieve consensus yesterday.

Human Resources Minister Datuk Dr Fong Chan Onn, who is positive about the development, said he will hold another discussion with the employers today.

It is understood that the Malaysian Employers Federation (MEF) will go back to their members to get their feedback before the meeting.

"We have to work towards achieving it (getting employers' nod).

"I have agreed to meet with both sides and I'm confident we can find a solution to the matter," Fong told reporters in a news conference yesterday after chairing a two-hour meeting with representatives from the MEF, Malaysian Trades Union Congress (MTUC) and Congress of Unions of Employees in the Public and Civil Services (Cuepacs) at the ministry in Kuala Lumpur.

The meeting took place after Prime Minister Datuk Seri Dr Mahathir Mohamad, during the Workers' Day celebration last Saturday, said the Government is prepared to implement the NRS to assist retrenched workers who are left without any compensation, if the employers will agree to it.

Employers' organisations such as MEF, the Federation of Malaysian Manufacturers (FMM) and Malayan Agricultural Producers' Association had objected to the scheme when it was proposed by the MTUC in 1998 and since then had never changed their stance.

Fong said employers are concerned about allowing well-managed companies to bear the burden of looking after workers of "black sheep" companies which fold up and fail to pay compensation to the affected workers.

However, the MTUC argues that workers from the well-managed companies will also be contributing to the fund.

He said the ministry will hold discussions with both sides until consensus can be achieved.

The talks will also find way and means to allow the well-managed companies to benefit from the fund, he added.

"We'll come to a formula that address the objection and hope of both parties," he said.

Asked whether there is light at the end of the tunnel, the minister said: "Today is better than yesterday".

MTUC president Senator Zainal Rampak said he is hopeful that employers will agree to the fund soon.

Cuepacs president N. Sivasubramaniam, when met after the press conference, said, "There is hope".

MEF president Md Jafar Abdul Carrim, however, was tightlipped about it.

The meeting had touched on several issues under the scheme such as the quantum of contribution to the retrenchment fund, its implementation, repayment and the enforcement of related laws.

Under the proposed scheme, each employer is required to contribute RM1 per worker to a retrenchment fund, while the workers will also contribute RM1 each.

Retrenched workers will only be allowed to get financial assistance from the fund if they have been unemployed for more than three months.

Dr Mahathir had said that if employers find the RM1 contribution costly, they could consider paying 50 sen to the fund.

If all employes and employees contribute RM1 to the fund, it will collect about RM16 million a month and RM192 million a year, given that there are currently 8 million workers in the country.

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