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Tripartite discussions on retrenchment scheme

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HUMAN Resources Ministry will meet employers and workers representatives today over the proposed National Retrenchment Scheme (NRS) and minimum wage issues.

Minister Datuk Dr Fong Chan Onn said both issues will be part of several matters to be discussed at the informal tripartite meeting.

Fong said during the closed door meeting, the ministry will try to convince the employers on the benefits of NRS for the workers.

"We want to listen to employers' specific reservations towards the proposed scheme (NRS) so that we can redress them.

"We are prepared to consider if employers could suggest the conditions to be attached to the scheme such as making workers contribute what they received from the fund when they have re-employed, making it a revolving fund," he told a news conference after chairing the ministry's weekly Cabinet meeting in Kuala Lumpur yesterday.

It is understood that the meeting will take place at the ministry in the afternoon, where representatives from Malaysian Employers Federation (MEF), Malaysian Trades Union Congress (MTUC) and the Federation of Malaysian Manufacturers (FMM) will be present.

During the Workers Day celebration last Saturday, Prime Minister Seri Dr Mahathir Mohamad said the Government is prepared to implement the NRS to assist workers who were laid off without any benefits, if the employers like MEF agreed to it.

Dr Mahathir also said that employers can propose a lower quantum of contribution like 50 sen if they feel the proposed RM1 is too costly.

Employers organisations such as MEF, FMM and Malayan Agricultural Producers' Association have objected to the fund when it was proposed by the MTUC two years ago on the ground that it will increase their operational cost and that the existing labour laws are adequate to protect the retrenched workers.

Asked whether the ministry will use force to get employers to agree on the scheme, Fong said: "We'll cross the bridge when come to it."

However, the minister was quick to point that the ministry will not force any party.

"We will use moral persuasion. We will discuss with employers and tell them that the retrenchment fund will not be a hand-out to the workers as they will be asked to contribute back to the fund once they are employed.

"We don't want the experience of four, five months ago in Penang where Applied Magnetics in Penang fold up, causing some 2,000 workers jobless without any compensation," he said, adding that the company now owes the workers about RM10 million in retrenchment benefits.

He said the NRS will be able to assist retrenched workers in this situation where the company that closed down due to genuine reasons does not have any reserve to pay compensation to their workers.

The Government, however, will take action against any company that takes advantage of the fund to lay off workers, he added.

MTUC president Senator Zainal Rampak, when contacted in Petaling Jaya, said the MEF should accept the scheme as the Prime Minister himself has agreed on it and that they should consider the sacrifices made by the workers during the economic crisis by agreeing to paycut and temporary retrenchment.

Zainal, who will attend the tripartite meeting with four other union

officials, said the proposed fund is not similar to the dole system (unemployment fund) in Western countries.

There are specific criteria attached to the fund and even workers contribute to it, he said.

"I want to ask the employers, if they are against the fund seeking to protect retrenched workers, do they want to see our local workers take it to the street like those in South Korea?" he said.

Asked on the minimum wage issue, Zainal said the MTUC is only prepared to talk about the quantum as according to him, the Prime Minister himself has agreed on the statutory minimum wage.

Fong had earlier said that the ministry will inform the MTUC on the implications of their proposed minimum wage of RM900 a month to the country's economy.

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