

10/04/2001

No gains from picketing

COMING at a time when the country is facing a host of problems, the Malaysian Trades Union Congress' plan to organise a picket in protest against the Employees' Provident Fund is disturbing indeed. Among its grouses is the reduction in employee contribution, the rate of dividend paid this year, EPF's investments, its annuity scheme and a reduction in the Fund's death and incapacitation benefits from RM30,000 to RM2,000 since July last year. The MTUC may have reasons to be unhappy, but is taking to the streets a wise thing to do? Is this the only way to be heard?

For all the years that this private sector umbrella union body has dealt with the Government, the MTUC should know better than many others the workings of government machinery and its concern for the country's workers. Communication and interaction are part and parcel of the process of managing problems and the door to consultation has never been shut. The MTUC could do better than cast doubts over the Government's concern for the welfare of the workers. It may well remember that during the recent recession, the Government managed to keep down the social costs of the crisis, at least in terms of retrenchment. In this respect, it did better than the other countries similarly affected by the recession.

One question that comes to mind is whether the union has gone through the relevant channels of communication and exhausted all avenues to have its grievances heard. If the MTUC is putting the cart before the horse, it only shows a lack of maturity on its part in issuing a threat - for this is what the planned picket constitutes - to the Government.

The proposed picketing at all EPF offices on May 12 is, according to MTUC president Senator Zainal Rampak, subject to approval from the general council. Such an action will neither benefit the congress nor the country. Instead, it will only send out the wrong signal to foreign investors about perceived industrial discord. Picketing, as much as street demonstrations, has never been and cannot be a solution to problems. It only creates a picture of unrest which will put the fear of perceived instability in the minds of investors. This will affect the country's economy which is facing a slowdown as a result of the softening of the US economy. In turn, the welfare of workers will be affected.

Obviously, the MTUC has not thought hard enough about the implications and ramifications of a sit-out. As it is, the Government has enough on its hands in trying to address problems posed by the present economic situation without having to deal with new ones. Prime Minister Datuk Seri Dr Mahathir Mohamad has chided the MTUC about its proposal. He also said the Government is willing to review the directive about the two per cent EPF reduction if that is what the majority of the people want.

As an institution that manages sizeable public funds, the EPF is well aware that it is always under public scrutiny. It must continue to exercise prudence in its investments in keeping with its objectives. The contributions from 9.7 million members amount to RM1.6 billion monthly. Although the EPF's fund has been growing over the years, the number of profitable investment opportunities has not been increasing in tandem. In view of changing needs, the EPF has had to review its investment guidelines over the years to ensure it makes viable and beneficial investments on behalf of its contributors.

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