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MTUC-Companies/BM

BANKS MUST STOP JOB CUTS AND OUTSOURCING- MTUC

KUALA LUMPUR, Sept 22 (Bernama) -- The move to cut down on employees and opt for outsourcing by some companies is viewed seriously by the Malaysian Trades Union Congress (MTUC), its president Senator Zainal Rampak said today.

The system of outsourcing jobs was inconsistent with the government's efforts to increase domestic purchasing power, as envisaged by the Prime Minister in the Budget for next year, he said.

Moreover, Datuk Seri Dr Mahathir Mohamad had on Sept 20 revealed that financial institutions made a profit of RM4.5 billion in 2001 and hence Zainal said he failed to understand the reasoning for job cuts, the introduction of outsourcing and voluntary separation schemes.

Identifying banks and financial institutions as the culprits he urged them to stop outsourcing and instead focus on developing their industries through active interest rate cuts and better human resources management.

"Outsourcing is no different from subcontracting which causes workers to lose jobs and fixed income," Zainal said.

"Workers do not enjoy annual leave, sick leave, weekends off, medical benefits, contributions to Employees Provident Fund (EPF) and social security (Socso) benefits. This leaves the workers' future in a quandary," he told Bernama.

"In outsourcing jobs, companies hired outsiders to provide goods and services to their clients. The workers' income then depended on the amount of work and payment from the hiring company. This created price competition for outsourcing services."

These practices showed employers ignored the government's proposal and efforts in looking after the workers' welfare, Zainal said.

"It is bad enough that borrowers such as small businessmen and Bumiputeras faced difficulties in trying to fulfil the many conditions set by financial institutions. Then they cut jobs using the economic slowdown as an excuse," Zainal said in taking the financial institutions and banks to task.

Zainal urged all financial institutions to act responsibly to make Malaysia a developed country whose wealth could be shared by all Malaysians.

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