

TWO LESSONS FOR TRADE UNIONS

WARNING ON RULES OF CONDUCT IN HIGHLY DEVELOPED COUNTRIES

The attention of trade unions was drawn to two important lessons by Tun Razak when he addressed the 18th annual delegates Conference of the Malaysian Trade Union Congress on 30th November, 1968. The first lesson is that for us and other countries, it does not pay to seek to imitate the rules of conduct developed more recently in the highly developed economies of the western countries. The second lesson is that, in the main, labour can attain a greater share of the value of its efforts only if it achieves a higher rate of productivity growth. His views follow.

This morning I would like to share with you a few thoughts concerning our mutual roles in nation building and national economic growth. Ever since our country gained independence 11 years ago, we have formulated our policies and their implementation with these two objectives very much in our thoughts. But 11 years is comparatively a short period in the life of a nation. Nation building and national economic growth are still, therefore, the great issues of today and they would become even more significant as we enter the decade of the seventies. Nation building in the sense of forging the various racial streams of our multi-racial society into a united community with like aims, aspirations and loyalties and in developing stability and strength in the social-political fields together with the economic growth of the nation are closely related as one reinforces the other. The one is difficult to achieve without the other. All our objectives and programmes have to take due account of this basic fact. Looked at it in this light, one can better understand the reasons for certain actions and government programmes which, when viewed in isolation, may not seem worthwhile pursuits in the course of our quest for accelerated economic growth.

Equally, in the light of the political commitments of our country enduring accelerated economic growth cannot be brought about

without due regard to the problems of nation building. This underlying theme is explicit in our First Malaysia Plan which spells out as our first objective and I quote "To promote the integration of the peoples and States of Malaysia by embarking upon a development plan explicitly designed to promote the welfare of all."

I have made reference to this subject for yet another important reason. There is a tendency in some quarters to view the problems and efforts of nation building and economic growth as a concern purely of the Government. There is a tendency for too many vital groups of the nation to participate in the process merely as bystanders and uninvolved critics. Such tendencies are, in fact, part of the very problems that we are trying to resolve.

The trade union movement and employers' organisations occupy a central position in resolving these key problems and you should be conscious of this. The task of providing for ourselves and those who come after us a secure and meaningful life, a satisfactory, decent standard of living, free from the threats of hunger, disease and want, is our common concern. We must approach this task as a common endeavour and, as such, with at least a consensus on the strategies and priorities to be adopted and the intensity of the effort that we are to make to realise our objectives. There can be no idle by-standers in the game serious and national in character—least of all the trade union movement.

It is natural for a person who is asked to put in additional effort for that matter, any effort, to ask "What is in it for me?~ But it is necessary that we understand "What is in it for all of us together and not as competing groups ever complaining about the size of their share. It is only very easy for the trade union movement to make this error of judgement as has happened in a number of developed and developing countries. The immediate gains in the "here and now" tend to be given too much a weight, the squabble over which is bound to blur or blind us to the substantive longer term gains that follow from balanced and sustained economic growth. The danger of a trade union movement which does not have the proper perspective and adopts too narrow a vision geared to its short-term interests are very real indeed in developing countries. And this can lead to a severe strain being placed on the development efforts and in negating the attainment of the very pursuits of the trade union movement itself.

I would like to develop this theme of the need for each and every one of us to bear in mind our overall national perspective

in our attempts to pursue our own sectional interests. In this context, the development plans of the Government have in a large measure helped the Government to identify the very nature of this national perspective in tackling our problems. I have always considered our development plans and their implementation as being of significant educational value in this respect and, as we progress from one plan period into another, we have come up with the greater and deeper perception of the problems of growth. Participation in the development effort in itself, therefore, has very high educative value. I can assure you that the view of the problems and prospects, the challenges and opportunities, seen from within are quite different from what they are thought to be from outside.

Let me give you only one insight which is an abiding concern to all of us and particularly to this gathering of the top leadership of the trade union movement. Above all else, as we move from one plan to another, one gets to sense the necessity for greater rate of growth than we have been able to achieve this far, if we are to make a significant dent on the unemployment problem. Undoubtedly we have reaped considerable benefit from our development plans which any elected Government would feel a sense of pride of accomplishment. Even so, there are certain problems which are still with us and call for greater vigour in our development efforts to overcome them. Despite the rate of about 6 per cent growth in the gross domestic product that we have achieved over the last few years, a rate which is respectable by any comparison, we have yet been unable to come to real grips in reducing the levels of unemployment and to provide sufficient employment opportunities for the increasing stream of youngsters coming into the job market. This is partly due to the very high birth rate of the early fifties and this problem is going to be with us for some years.

Ways and means have, therefore, to be found to accelerate our performance and our intensity of effort. While the Government is actively considering a number of major steps, both in the field of agriculture and industry, to generate even more employment opportunities, one of the more important steps to be taken is within your hands. This Government has all these years placed great importance on the trade union movement and has tried to assist and ensure its healthy development. The policy of the Government has been and will continue to be to encourage the formation and

growth of free, strong and responsible trade unions on a national basis. This has very much a conscious effort and is in consonance both in helping nation building and in economic development. It may well be that, perhaps, we could have achieved a somewhat faster growth of our economy if we had not intervened and legislated at various stages for a high level of labour protection and welfare and consequently kept labour costs down. Engrossed, as you are, with the task of obtaining better wages and fringe benefits for your members, perhaps, you may not be well aware of the distinct advantages in economic terms on investment, growth of output and consequently on employment levels of keeping labour costs low. But let me assure you that there is ample evidence in Asia and elsewhere of the benefits in terms of higher growth rate in a number of countries which have been rather less than progressive in respect of labour matters and labour legislation.

But we here in Malaysia cannot and must not put the clock back and seek refuge in paternalism as the chief criterion of our labour management and relationship. We have set too great a store by the dignity of the worker and need for him to have a bigger share of the fruits of progress in our democratic way of life for us to retreat to that position. We seek to build this nation to obtain higher growth rates within the framework of providing tangible benefits in the living standards of one and all. This is, admittedly, a difficult task. If we are to operate the democratic system successfully the situation we find ourselves in today has some important lessons for us. I will only touch on two of these.

The first lesson is that for us and other countries in a similar situation, it does not pay (in fact it is positively harmful) to seek to imitate the rules of conduct developed more recently in the highly developed economics of the western countries. Many of these rules were developed long after they had broken the back of development and achieved self-sustaining economic growth. In our present stage of growth it would not only be irrelevant but *be* a definite constraint in tackling our overall national problems. We must take into account our stage of economic growth, our national problems and set our heights in improving our lot within this framework.

The second lesson is that, in the main, labour can attain a greater share of the value of its efforts only if it achieves a higher rate of productivity growth. Both management and labour must, as an urgent necessity, ensure that practices and attitudes of mind which

hinder productivity growth are removed. Management techniques of many decades ago must go, as must malingering and other restrictive practices which are obstacles in attaining productivity growth. A greater degree of partnership between management and labour must be developed for the sake of progress and productivity.

The trade union movement, if it is to continue to be held in esteem and importance in our battle for progress and development, must have much wider horizons than have been demonstrated in the past. It must encompass in its strategies and objectives the improvement of the lot of all workers and not merely those who are now in gainful employment or in union membership. The increasing of productivity, the solution to problems of unemployment and underemployment and the like must engage the minds of its leaders and occupy an important place in their thinking and be reflected in their actions. The same prescription applies to employers* organisations. I am confident that our trade union movement, which has survived the test of those early difficult days in the fifties, will respond even more positively to these challenges of the seventies. I am sure that you have the men and means to achieve this.

It is in this hope that the Government has decided to establish an Advisory Committee to the National Development Plan Committee on the problems of the private sector of our economy. It is our intention that labour should be represented in this Committee so that you are kept in touch with our national problems and can make an effective contribution to their solution.

I did refer just now to the early days of the trade union movement when you struggled against greater odds to establish a free and responsible trade union movement in the country. I had in mind not only your battle to gain recognition from the less progressive employers but your fight from within to be free from subversion. Over the years the fight for recognition of trade unions has been won. But the battle to keep the trade union movement free from subversion still goes on. This requires a greater vigilance both by the trade unions themselves and the Government. As Minister of Home Affairs I can assure you that the Government would not shirk its responsibility to get rid of subversive elements from our trade union movement. We will continue to act, as we did recently, and take quick and preventive action to wipe out subversion in the trade union movement and

for that matter in any segment of the body politic of our society. It is indeed, a source of satisfaction to the Government that the trade union leadership of this country is alive to the danger of subversion. Equally it is a great source of pride and satisfaction to the Government that today, faced as we are with external threat to our sovereignty and territorial integrity, the trade union movement has given full backing to the Government on its stand to the Philippines' claim over Sabah.

In conclusion, I would like to reiterate the conviction and commitment of the Government in promoting the growth of free and responsible trade unions.

NO RACIAL INTOLERANCE FROM ANY SIDE

ROLE OF TRADE UNIONS STRESSED

Speaking with emphasis Tun Razak warned: "Any sign of racial intolerance from any side must be speedily checked for our salvation is multi-racial harmony and unity". He was addressing the third biennial delegates conference of the Railwaymen's Union of Malaysia in Kuala Lumpur on 2nd September, 1966.

Malaysia has just emerged from three years of uncertainty and anxiety—a period during which our national sovereignty, our democratic way of life and all that we cherish were threatened. It necessitated the spending of a greater proportion of our national income on military and security measures with correspondingly less funds being available for the implementation of national development plans. We are very happy that confrontation is now over and we hope to be able to push on with our development plans at greater pace and intensity.

What man is searching for is simple enough—security, a good standard of living, opportunity for advancement, self-respect and regard for personal dignity. The Alliance Government is pledged to work for the achievement of these objectives. We would like Malaysians to have the good things in life and at the same time