



**PSM: Gov't clearly favouring employers over workers**  
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Parti Sosialis Malaysia (PSM) has accused Premier Najib Abdul Razak of contradicting his "People first, performance now" slogan by tailoring the amendments to the labour laws to suit foreign investors and local employers.

PSM secretary-general S Arutchelvan (*left*) alleged that Najib prefers to curry favour with the minority employer sector instead of safeguarding the interest of the majority of Malaysians who are in the labour force.

The social activist believes Najib's flip-flop labour policies will not be able to sustain the human capital necessary to make Malaysia a developed nation by 2020.

PSM along with other NGO groups including MTUC, the Bar Council, Jerit, Suaram, and leading women and student groups, want the government to get feedback from the public before unilaterally amending the labour laws that will endanger the livelihood of millions of Malaysians.

According to Minister in the Prime Minister's Department Mohd Nazri Abdul Aziz, the proposed amendments on the Labour laws during the coming Parliament sitting have been postponed.

During the October Parliament sitting a certain portion of the Employment Act was poised for its second reading while there had been plans to amend three other laws - the Industrial Relations Act 1967, the Employment Act 1955 and the Trade Union Act 1959.

In a media statement, Arutchelvan pointed out that each of these amendments is designed to attract Foreign Direct Investments (FDI) but will also further erode workers' rights.

#### Escape from paying benefits

The biggest amendment is on the definition of the term employer and the contractualisation of labour.

The proposed amendment recognises a new category of contractor - that is, the Contractor of Labour, whose job is merely to supply labour. Previously, "contractor" was also part and parcel of the work of the principal.

However, this proposed amendment recognises the Contractor of Labour as the "Employer" rather than subservient or responsible to the principal which will make it easier to summarily lay off workers.

Thus, the principal can escape from paying benefits because these wage earners are not his workers.

These NGOs are worried that this amendment, if passed, will take away whatever little protection the workers have, and will kill off the trade union movement and see an end to permanent work and job security.

Among other amendments on the Employment Act are the period of notice of Termination of Contract (Section 12), Section 19 - Time of Payment of Wage, Section 25A - Payment of Wages through Bank, Section 34 - Prohibition of night work, Section 44 and Section 61 on the need for a Register of allowances paid and Section 60A - Hours of Work.

Under the proposed amendment to the Industrial Relations Act 1967, the proposed amendments on Section 20 - Representations on dismissals - will now exclude employees with less than one year of service, employees earning a basic salary of RM10,000 or more and employees with fixed term contract.

Curbs on trade unions

Besides the amendment to the Employment Act and Industrial Relations Act (IRA), there seems to be further plans to curb trade union activities.

Under Section 5(2)(B) , executive & security categories are now prohibited from being members of trade unions.



Besides that there are plans to empower the director-general of Industrial Relations (DGIR) to review the status of unions which have been given recognition, upon request after a minimum period of five years.

The proposed amendment will enable employers to perpetually deny workers collective bargaining rights.

PSM said the modus operandi of Najib's government is all-out to implement neo-liberal policies.

Its NEM and its RMK10 plans to make Malaysia into a high income society in 2010.

"How is this possible, when the agenda in hand is to implement the GST (Goods and Services Tax), lowering of subsidies, lessening the government's role and enlarging the role of private sectors?" asked Arutchelvan.

"A move which will definitely lead to more neo-liberal policies to the detriment of the poor, and increasing the FDI (Foreign Direct Investment) which can only be carried out by regulating our market; depressing wages and imposing tighter labour control /laws.

"It is clear that it is the corporate agenda that is driving these amendments, not the needs or welfare of workers," he pointed out.

Another ploy

PSM sees the Human Resources Minister S Subramaniam's recent announcement on part-time work as yet another ploy to portray as if the government is assisting the workers.

But actually it is an exercise to assist the employers as labour flexibility goes against the notion of job security.

With regards to part-time work, questions are raised as why must workers work part-time jobs if their principle work can afford to pay them sufficiently.

PSM concludes that in the long run, the companies will do away with permanent jobs as it is easier to employ part-time workers as they are more vulnerable to exploitation and given lesser benefits.

The social activist warns that it will be also an avenue to further weaken trade unions.

Arutchelvan pointed out that the only benefit for part-time workers will be EPF and SOCSO and it is ironic because every worker should be protected at all times during their employment.

"We see this amendment as a class war declared between the majority workers in this country against the minority capitalist companies who seem to be calling the shots," lamented Arutchelvan.

"Sadly this government unabashedly continues to bow down to please the FDIs and perpetuate the neo-liberal regimes and plays to the tune of its political masters."

In view of these factors PSM calls for public feedback on the proposed anti-labour legislation and stop all amendments to our labour laws which erode workers' rights.

It also calls for introducing laws such as to regulate retrenchment funds, automatic registration of trade unions and priority of wages & termination benefits over other debts (to override the Companies Act).

'Introduce the Minimum Wage Act'

There is a need to immediately take steps to introduce measures to narrow the gap between the rich and the poor by introducing the Minimum Wage Act, reduce subsidies to industries and businesses, but maintain subsidies for the poor, and stop all measures to implement the GST and to maintain or increase the corporate tax, the party said.

In recent weeks, the government had said that they will be implementing the Minimum Wage Act next year, but PSM is not convinced.

"There is simply a lack of political will and it has been the practice of the government not to implement laws which are opposed by the employers federation," he concluded.

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