

UN agency to study feasibility of fund
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By Masami Mustaza

PETALING JAYA: The Human Resources Ministry has asked the International Labour Organisation (ILO) to study the feasibility and impact of a retrenchment fund for workers in the country.

Its minister, Datuk Dr S. Subramaniam, said the government had toyed with the idea of setting up the fund for those who were forced into unemployment.

It, however, could not be executed because of concerns on the long-term feasibility of the fund.

Another option was to have an unemployment insurance, but Dr Subramaniam said it was "tricky" because if it were to be implemented in the Employment Act, then the retrenchment benefits would have to be removed.

He said as such, the ILO had been roped in to study the matter.

On the decision by the Malaysian Trades Union Congress (MTUC) to picket over amendments to the Employment Act 1955, Dr Subramaniam said he was saddened.

He said this was despite the ministry explaining to MTUC on the amendments the day the bill was tabled in Parliament last week.

"We explained to them that the amendments were made based on the National Union of Plantation Workers' request to give protection to their workers. This request was made a few years ago," he said after opening the Malaysian Employers Federation National Conference 2011 at a hotel here.

He said the ministry wanted to legalise the outsourcing of workers in a bid for companies to register themselves. This would enable the government to have control in monitoring these companies, as well as identifying the employers and their workers.

Dr Subramaniam said MTUC had twisted the matter by saying that the ministry was now giving the opportunity for employers to allow outsourcing of workers.

"We are not. The issue of outsourcing is something we hope to overcome with the cooperation of employers and workers," he stressed.

MTUC, in its general council meeting on Monday, had agreed to hold a nationwide picket on Nov 3.

On Oct 3, some 200 MTUC members held a brief picket outside Parliament against the second reading of the Employment Bill (Amendments) 2011. The bill was later passed.

On a report that local employers hiring workers from India would have to adhere to revised guidelines imposed by the Indian government, including a minimum wage requirement, Dr Subramaniam said it was a unilateral decision made by the south Asian country.

He said though it was the Indian government's right to enforce such measures, it was not a must for the Malaysian government to ensure that Indian workers are guaranteed by the salaries stipulated.

Dr Subramaniam added that the move was not something new as Philippines had imposed a similar requirement for quite sometime.

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