

New Straits Time interview with Datuk Ishak Mohamed, Enforcement Director Immigration Department July 20, 2008

Q: Should foreign labour outsourcing be banned?

A: Outsourcing is the best solution for the government to manage foreign workers.

Q: *Why*?

A: There are two scenarios

One is that as companies get bigger, they will need more manpower and with outsourcing they can get workers in a more organized way.

Two, outsourcing is good as it will attract foreign direct investment. Investors will not want unions to be formed in their establishments.

Through outsourcing, it would be difficult for unions to be formed as the outsourcing company, and not the factory, would be the employer.

Government's strategy to deny decent work

Trade unions in the country have always been suspicious of Government's motive for flooding the country with millions of foreign workers in the last 15 years. Although Government says that foreign workers are needed to fulfill labour needs MTUC has repeatedly asserted that Government's action is deliberately aimed to help major corporations to suppress wages and curb trade unions' pressure for decent work.

The Immigration Department Enforcement Director, Datuk Ishak has now revealed that investors will not want unions to be formed in their establishments. Through outsourcing, it would be difficult for unions to be formed.

Government's actions are clearly in breach of article 10 of the Malaysian Constitution and makes a mockery of the provisions of the Industrial Relations Act 1967. In 1998, Government ratified the ILO Declarations on Fundamental Principles and Rights at Work: But their action seem to be in direct contradiction.

The new labour law amendments which came into force since February 2008 compels unions to organize foreign workers in order to secure union recognition but the Immigration Department continue to curb their right to join a union. This again is seen as a conspiracy between Government and employers to deny union recognition and collective bargaining rights.

G.Rajasekaran, Secretary General

Petronas to pay govt RM6b special dividend By using the special dividend of RM6 billion government can reduce the fuel price by 50 cents per litre which will remove a huge burden imposed on working families and industries.

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Whether Practice Note 1 of 1987 of Industrial Court prevents award of back wages exceeding 24 months

The applicant applied for an order of certiorari to quash the award awarding her back wages limited to 24 months.

The applicant, claimed that the learned chairman had committed an error of law in limiting the monetary award of back wages to a period of 24 months as this was a case in which reinstatement was ordered and was not a case wherein the court ordered compensation in lieu of reinstatement.

High Court finding:

wrongful and false accusation made toward an honest employee must have caused great stress to the applicant so that she is entitle for full compensate.

This is not a case to provide a win-win situation for the application and respondent by limiting the quantum of award. The award must reflect restitution for the contemptuous conduct of the respondent who had, without due care and regard of the employees' interest as a while, imposed on an honest employee who had diligently served the respondent for about a decade, wrongful and false accusation of misappropriation of RM500. As a result, the respondent has destroyed the self respect, esteem of the employee as well as that of her family members, which must have caused great stress to the applicant and her family members. In such cases, there is nothing inequitable or unconscionable for the applicant to be compensated in full. This is a case which warrant to do

The quantum of back wages is a matter within the discretion of the industrial court and must reflect the findings and observations.

• Practice Note 1 of 1987 of the Industrial Court cannot tie the hands of the tribunal when the justice of the case warrants not to do so. The quantum of back wages is a matter within the discretion of the industrial court and must reflect the findings and observations. In this case the awards was not reflective of the findings. It was the finding of the learned chairman that the applicant cannot be faulted at all and the learned chairman had in fact in an unusual manner given great salutation to the applicant.

The award is not reflective of the salutation and /or based on the said findings it is not consistent to restrict the quantum of the award.

• The learned chairman had rightly concluded that "the fair amount of monetary award must also reflect the punitive element on part of the bank". However, the computation of award and the limiting of the award to 24 months do not reflect any punitive element at all.

Therefore the high court ordered:

 An order of certiorari to quash that part of the industrial court's award no 74 of 2007 awarding the applicant back wages which were limiting to 24 months.

The award in respect of back wages is to be remitted to the industrial court for reassessment on the basis that the applicant is entitled to the salary and benefits she might reasonably have expected to receive during her period of dismissal; principally back pay or wages, including any improvement of terms and conditions which she would have received during that period had she not been dismissed, taking into consideration the collective agreement.

Mahkamah tinggi Sabah dan Sarawak telah menolak keputusan mahkamah perusahaan yang menghadkan award ini hanya kepada gaji 24 bulan.

Mahkamah memandang serius tuduhan yang dikenakan terhadap yang menuntut hanya untuk RM500 ringgit yang mengakibatkan beliau hilang kepercayaan di kalangan ahli keluarga dan masyarakat.

Had bayaran gaji kebelakangan adalah kuasa mahkamah perusahaan yang harus mengambarkan penemuaan dan pemerhatian.

JC: Hamid Sultan Abu Backer Judicial Review No. JR-02-07-11 Company: Hong Leong Bank Bhd Award: 74 of 2007

Dewan Rakyat & Isu Semasa

Berikut adalah beberapa persoalan yang diperdebatkan dalam dewan rakyat berkenaan hal-hal semasa.

Soalan oleh: YB Puan Teo Nie Ching

Apakah pelan bagi menangani kebanjiran buruh asing yang mengakibatkan pengganguran dikalangan penduduk tempatan?

Jawapan : Menteri Dalam Negeri

- Tidak membenarkan majikan memperbaharui Pas lawatan Kerja Sementara bagi pekerja asing yang telah bekerja selama lima tahun. Majikan digalakkan melatih pekerja tempatan untuk mengantikan pekerja asing.
- Melalui Unit Perancangan Ekonomi, JPM telah menjalankan penetapan had siling pekerja asing dan kajian pengurangan kebergantungan terhadap pekerja asing.-1.5 juta menjelang 2015, dan insentif pelepasan cukai.

Soalan oleh:

1)YB Puan Norah binti Abd Rahman

- 2) YB Dr. Che Rosli bin Che Mat
- Jumlah bilangan pekerja asing dan langkah kerajaan mencegah kemasukkan secara tidak sah?
- Status kemasukkan pekerja asing dan apakah tindakan yang diambil terhadap agen-agen yang membawa masuk pekerja asing?

Jawapan: Menteri Dalam Negeri

- Jabatan Imigresen Malaysia bertanggungjawab menjaga Pos Kawalan yang membenarkan hanya individu yang sah sahaja memasuki Malaysia. Manakala kemasukkan melalui lapangan terbang atau pelabuhan dikawal selia melalui sistem Jabatan Imigresen.
- Hukuman berat iaitu peruntukkan hukuman sebat, penjara dan denda berdasarkan akta Imigresen 1959/63(Pindaan 2002) menyaksikan penubuhan Mahkamah Khas PATI untuk mempercepatkan perbicaraan kes pendatang asing.
- Pihak Angkatan Tentera Malaysia menjalankan rondaan 24 jam di sepanjang sempadan Malaysia untuk memastikan tiada pendatang asing menyusup masuk. Namun demikian masih kekurangan anggota penguatkuasa dan mengharapkan dapat menambahkan bilangan anggota penguatkuasa dapat ditambahkan.
- Masalah agen-agen ditangani melalui penubuhan Pusat Kelulusan Setempat Pekerja Asing di KDN. Hanya majikan atau wakil syarikat yang sah sahaja dibenarkan berurusan di Pusat ini.
- Kerajaan tidak membenarkan pelajar-pelajar luar Negara menggunakan visa pelajar untuk bekerja di Malaysia secara sepenuh masa-tidak melebihi 20 jam sebulan.

Soalan oleh: 1) YB Dr Tan Seng Giaw

- 2) YB Datuk Richard Riot anak Jaem
- Apakah rancangan kerajaan untuk tidak membebani rakyat khususnya golongan berpendapatan rendah akibat kenaikan harga minyak dunia.
- Apakah tindakan bagi membendung Inflasi?

Jawapan:Perdana Menteri

- Meningkatkan jaringan keselamatan sosial melalui bantuan kepada golongan miskin dan yang memerlukan, -bantuan kanakkanak, bantuan orang tua, elaun kepada pekerja kurang upaya, program meningkat kualiti hidup masyarakat orang asli, peluasan skop dan operasi AIM ke kawasan bandar dan meningkatkan kadar kelayakkan pendapatan isi rumah daripada RM400 kepada RM700 sebulan.
- Mengekalkan subsidi gas masak pada RM1.75 sekilogram bagi mengurangkan beban isirumah.
- Memberi rebat tunai RM625 bagi kereta persendirian 2000cc ke bawah, jip dan pick up 2,500 cc ke bawah serta RM150 bagi motosikal persendirian berkapasiti enjin sehingga 250cc.
- Meningkatkan kuota kemudahan Fleetcard kepada pengusaha pengangkutan awam serta mengekalkan subsidi diesel dan NGV RM0.635 seliter.
- Mengekalkan tarif eletrik bagi kegunaan di bawah 200kwh.
- Mengekalkan harga siling beras

Beras	Harga (kg)
Super tempatan 15%	RM1.65 /RM1.80
Super special tempatan 5%	RM1.80
Super special tempatan 10%	RM2.70

Subsidi sebanyak RM725 juta untuk 500,00 tan metrik beras import.

Soalan oleh: Y.B. Tuan Kulasegaran A/L Murugeson Y.B.Dr. Micheal Jeyakumar Devaraj

- Apakah rancangan kontingensi untuk melindungi pekerja-pekerja yang dibuang kerja akibat kegawatan ekonomi antarabangsa yang semakin meningkat?
- Mengapakah faedah pengganguran tidak diberi kepada penggangur dan bilakah tabung pemberhentian kerja akan ditubuhkan?

Jawapan: Menteri sumber Manusia

- Di bawah akta kerja 1955, adalah kewajipan majikan untuk memberi notis 30 hari sebelum tindakan itu hendak dilaksanakan.
- Membantu pekerja-pekerja terlibat mencari kerja baru melalui program seperti Karnival pekerjaan, pendaftaran setempat bagi majikan yang memerlukan pekerja.
- Menyediakan bantuan kewangan bagi mengikuti latihan untuk meningkatkan kemahiran bagi memperluaskan peluang untuk mendapatkan pekerjaan baru melalui Skim Latihan Pekerja Yang Diberhentikan Kerja (KSM).
- Memberi pendedahan kepada pekerja yang diberhentikan mengenai peluang-peluang keusahawanan.
- KSM melalui PERKESO dalam proses menyiapkan draf akhir cadangan pelaksanaan skim Faedah Pemberhentian Pekerja (Retrenchment Scheme).



Workers cry foul as factory closes

Date: 1st July 2008

The Nikko Electronics Bhd workers were informed of the Hong Kong-based company's decision to cease operations here when they turned up for work on Monday.

They were told that the board of directors decided to wind up the company's operations as it had been running at a loss for the past three years.

Shocked by the news, the workers gathered at the Labour Office to seek advice on their next course of action.

Storekeeper M. Chandran, 43, said he was at a loss how he was going to feed his family now that he was out of a job.

Chandran, who is the sole breadwinner in his family, said he used to earn about RM1,000 a month working at the factory in the Prai Industrial Zone.

Supervisor T. Ravi, 43, said the company had offered to pay workers the June salary while the payment of other retrenchment benefits would be discussed with the Labour Department.

Meanwhile, state Malaysian Trade Union Congress (MTUC) representative V. Vijayan said apart from the salary, workers were also entitled to compensation on their annual leave and other retrenchment benefits.

He said the MTUC would help the workers get the appropriate compensation.

Meanwhile, Invest Penang executive committee chairman Datuk Lee Kah Choon said that the Labour Department was only informed on the 1st July that the company was halting its operations.

"The affected workers are expected to file their claims at the magistrates court on the 3rd July."

Lee said the state government would work with the Labour Department to help the 947 affected workers -- 73 of them foreigners -- to get everything that was owed to them. "What the management has done is irresponsible.

"We are trying to work out a solution for the workers and want to help the company dispose of its factory to other investors who may be interested to purchase the facility in Seberang Prai," he added.

The company has been operating in Penang for the past 15 years.

Source: NST 2nd July 2008

NUBE Members Get 17% Salary Adjustment

Jun 24th, 2008

After a long dispute and rounds of negotiation, an agreement has been reached between NUBE (National Union of Bank Employees) and the Malayan Commercial Banks Association (MCBA) over the salary and compensation issues .NUBE members will be given a salary adjustment of 17% beginning which will be backdated from 1 January 2006. In addition, all the members involved will get a fixed 2 months bonus on annual basis.

Labour Outsourcing Promotes Corruption, Cheating And Discrimination

Two Ministries are involved in bringing in migrant workers into the country. The Ministry of Human Resources has repeatedly asserted that under the Trade Union Act migrant workers are allowed to join a union.

But the Immigration Department vested with powers to issue work permits under the Immigration Act stipulate a series of condition in the Work Permit – one of which says migrant workers are not allowed to join any association.

Three years ago a group of workers from Bangladesh who were not union members, sought and obtained a favourable ruling from the Industrial Court which stated that wages and working conditions stipulated under the Collective Agreement should be accorded to all migrant workers as well, irrespective of their union membership status. Employer appealed against the decision all the way to the High Court and Court of Appeal and lost.

Following that case Government changed the recruitment procedure. Government licensed 226 Migrant Labour suppliers who have brought in more than 500,000 workers and supply them to many employers.

So the revelation of Enforcement Director on Sunday 20 July, 2008 confirms that Government deliberately created the Labour supplier system so that employers who actually engage their services will be permitted to apply discriminatory practices with impunity

Recent arrest of senior officials of Immigration Department and others linked with them by the anti corruption Agency appears to show that the Labour outsourcing system is promoting corruption at the expense of migrant workers. So it is understandable that Immigration Officials would defend the system.

It is now obvious that employers, especially major corporations, have played an influential role in the introduction of the labour supplier system. Source: grajasekaran.blogspot.com, July 26,2008,

Migrant workers issues

Recruitment System of Foreign Workers needs to be **Urgently Revamped**

The Centre for Public Policy Studies welcomes the statement made by the Immigration Department director-general Datuk Mahmood Adam that the department will be made a more efficient and transparent organization. In line with enhancing the Department's effectiveness and integrity, there should be an immediate revamping of the system that manages the recruitment of foreign workers. Outsourcing companies presently get their licenses from the Immigration Department to recruit workers. The current arrangement is unsatisfactory because the system of appointing agents is subject to and a major source of abuse and corruption. Instead, it is proposed that companies should seek their own foreign employees, subject to pre-determined

guidelines set by the Ministry of Human Resources and the Immigra-

tion Department.

The Centre for Public Policy Studies also calls for a reasonable wage scheme for workers. Low-income workers are currently subject to exploitation due to the poor employment conditions they undergo and are unable to afford decent living, especially with rising rates of There's a ready market here, says association inflation and an overall increase in the costs of living. Secondly, there would be natural preference for employment of locals who are presently unprepared to work for unreasonably low wages that are paid to foreign workers. In order for Malaysia to advance up the ladder of capital-intensive production and technology, it is necessary for the government to realize that companies now rely upon experi-

enced staff with high productivity as opposed to cheap labour. The government has consistently emphasized the need for the economy to move up the value chain. Raising wages to reasonable levels according to respective industries would ensure the country is investing into human capital for the benefit of the economy in the long run as promulgated by the Prime Minister in his announcement that "quality opportunities" should be made available to all.

There is a great deal of confusion presently about the management of foreign workers, the appointment of agents, renewal of permits and licenses and role of enforcement agencies. This is a poor reflection of a country intending to achieve developednation status. The Centre calls for a thorough and intensive revamping of the present system that would clarify matters for employers (both local and foreign) and instill greater public and investor confidence. The need to address this problem is important, as it would counter the perception as indicated by the

15 Indian workers stranded

FIFTEEN Indian workers from South India employed in three restaurants in Salak South and Kajang had sought refuge in the Indian High Commission in Kuala Lumpur after their employer had not paid their salaries for the past seven months, Makkal Osai reportant ed. One of the workers P. Palani, 40,

said they had arrived from India in 2004 and started work in the three restaurants, which was owned by one person. They were paid their

'Allow maids from China, Myanmar

By LOONG MENG YEE



20 held in detention camp riot

Malaysian Trades Union Congress (MTUC) that the government is against unionization of foreign workers. A more transparently efficient system is urgently needed to enhance the integrity of the Immigration Department and various government agencies in managing foreign labour in the country.



MTUC Training





MTUC education department organized 2 courses during the period of June and July. 35 trade union activities participated in each courses. The subjects that was introduced basically on:- overview of the important Laws, Effective Trade Union Management and Administration in accordance to the Trade Union Act 1959, delivered by two Directors from the TU Dept, Day to day administration of Trade Union offices, Basic Knowledge on Computers to prepare accounts in computers, Conducting Meetings effectively, Integrity in managing Trade Unions, Handling Trade Disputes and Industrial Action. We also had an external expert from ACILS Bro. Rudy Porter who also presented a paper on US- Malaysia FTA and Globalization.

Women workshop on Future Plan, Cameron Highland 13-15 Jun 2008

Ahli Jawatan kuasa Wanita MTUC telah mengadakan bengkel dua hari di Cameron. Lebih kurang 35 ahli jawatan kuasa wanita dan 4 ahli belia telah menyertai bengkel ini. Bengkel ini cuba mengenalpasti beberapa permasalahan utama yang dihadapi oleh ahli-ahli wanita dalam kesatuan sekerja dan membincangkan kaedah-kaedah bagi menanganinya.

Bengkel mengenalpasti bahawa isu gender masih kurang mendapat pemerhatian yang serius di dalam Perjanjian Bersama dan perlu dititikberatkan.





Add labour reforms in your agenda, PM told

While the federal government embarks on reforms to various government instruments and laws, it has conveniently neglected a crucial component for nation building - the labour laws and rights.

The Malaysian Trade Union Congress (MTUC) now wants the government to initiate urgent labour reforms to loosen its control on labour movements and allow more freedom to the country's estimated seven million-workforce to seek wage increase and other benefits from their employers.

The biggest workers' organisation, with some 300 affiliated unions comprising nearly 700,000 workers, wants the government to make several long overdue crucial amendments to the Employment Act 1955 to enable it to provide cover to all employment issues affecting each worker regardless of their positions and salary scales. At present the Employment Act only covered issues related to workers earning RM1,500 and below, while those earning RM1,501 and above are covered by the Industrial Relations Act (IRA) 1967, and that too only if they are unionised.

Non-unionised workers are left in cold at the mercy of employers, and they are allowed for an industrial court redress under Section 20 of IRA only on constructive or unlawful dismissal. Unionised workers were not worse off since they are being protected by their respective collective agreements with their employers. "Without law protection, non-unionised workers can easily be denied overtime payments, bonuses, public holidays and annual leaves according to the whims and fancies of employers," said MTUC vice-president Abdul Razak Abdul Hamid.

Allow unionists-cum-politicians

Employees in electronic industrial sector, estimated to be 150,000 in the country, are the largest group hit hard by the non-coverage of the 1955 Act. The Abdul Razak called on the government to relax the Trade Union Act 1959 which prohibited the formation of a national union for electronic-based workers in the country, estimated to be 150,000.

He also wanted the government to lift the ban on union leaders from holding positions in political parties, noting that "it deprived rights of the voters, majority of them workers, to elect unionistparliamentarians to struggle for their just cause at the highest legislative body in the country". He pointed out that denying these workers the basic rights to have a national union and elected representatives was a gross violation against international labour laws and human rights.

"The ultimate intention of labour laws is to provide fair and impartial remedies to issues, problems and unjust treatment suffered by employees. "However, we are still seeking minimum wage, labour protection and rights to form unions in this millennium when all these should have long been settled, dead and buried. "Urgent reforms must be carried out, especially on colonial laws of the Employment and Trade Union Acts, to keep up with rapidly improving international labour laws and rights," said Abdul Razak, also the Penang MTUC chairperson.

Unprecedented court action

He took a swipe at the government's plan to give halfmonthly wage for civil service without consulting Cuepacs, the union representing an estimated 800,000 public servants in the country.

"Instead of consulting its workers union on such as important employment issue, the government, being the nation's biggest employer, showed disrespect and disregard to Cuepacs existence," he told *Malaysiakini*.

Baffled by the premier's lukewarm attitude towards union demands to have better life for workers, MTUC is finalising an **unprecedented court action** to compel the government to either repeal or re-amend labour laws amendments passed by the last parliament. The MTUC court application would be based on the workers' rights that already exist in the country's human rights and constitution laws.

Among the key amendments, which were gazetted last February, was one that put a ceiling of 24-month back payment of wages plus deduction on postearnings as the maximum amount of compensation that an industrial court could award a worker for wrongful and unlawful dismissal. Previously, the Industrial Court has the discretion to award compensation as much as it deemed appropriate. Another crucial amendment that MTUC will seek to re-amend is the balloting process required among workers for the recognition of their unions in their respective workplaces. Source: Malaysiakini, Athi Veranggan 25 june 2008



International news

Iran Sugar Workers End 42-Day Strike by Forming Independent Union

Workers at Iran's Haft Tapeh Sugar Cane Plantation and Industry Company ended their 42-day strike on June 16 by forming an independent trade union, electing officers, and agreeing to return to work for 15 days to test a management promise to pay three months' unpaid wages. http://www.iuf.org/den5160

Landmark Contract for Seasonal Migrant Farmworkers in Canada

The first-ever collective bargaining agreement to apply to seasonal migrant workers in Canada has been overwhelmingly ratified by workers at Mayfair Farms, a fruit and vegetable producer in Portage la Praire, Manitoba.

http://www.iuf.org/den5154

Georgia: Labour code tears fundamental rights to shreds

The highly deregulatory labour code adopted by Georgia i8n 2006 has undermined fundamental workers rights. This "the market is king" policy has done nothing to create decent jobs and instead has led to rising poverty among Georgian workers two thirds of whom are still in the informal economy. The Georgian unions are fighting back. *Source: ITUC CSI IGB May 2008*



Rights for Working Women

Globalization has led to the rise of export processing zones (EPZs) in poor countries throughout the world. These industries are heavily dependent on cheap unskilled female labor, and women often comprise between 70-90 percent of the total labor force in EPZs throughout Asia, Latin American and Sub Saharan Africa.

While increased access to employment has provided new economic and social opportunities for poor women, the jobs they occupy remain unregulated and unstable. Women workers are systematically denied their rights to regular pay and regular working hours; equal pay for equal work; permanent contracts; safe and non-hazardous work environments; and freedom of association.

Sexual harassment in the workplace, and workplace-related sexual violence, is a particularly egregious and widespread form of discrimination against women. Forced sexual relations and pregnancy tests, which become a precondition for employment, significantly reduce a woman's ability to demand a living wage and break out of poverty. Organizing against such abuse is also particularly difficult for women, because of the highly gendered nature of subcontracting and other forms of flexible work.

Source: International Labour Rights Forum

Asian unionists, employers skeptical of dialog's effectiveness

Trade unionists and employers associations from developing Asian countries expressed their skepticism about the effectiveness of social dialogues with developed European countries in settling industrial disputes and creating decent work for all, saying economic, political and social disparities were the main stumbling blocks.

Speaking at the first-ever Asian-Europe Meeting (ASEM) Social Partners Forum (ASPF) trade unionists from Indonesia, Malaysia, the Philippines and India said that despite a series of ILO convention-based ASEM agreements and initiatives, the European Union has yet to show its commitment to encouraging their Asian partner countries to make sound regulations to create decent work for all.

They also said most multinational corporations in the region had not shown any commitment to complying with international core labor standards and local laws. Source: The Jakarta Post, Brussels 07/02/2008