

MEDIA RELEASE

MEF: GOVERNMENT MUST TREAD CAREFULLY IN CRAFTING AMENDMENTS TO TRADE UNIONS ACT 1959 SO AS NOT TO DISRUPT THE EXISTING HARMONIOUS INDUSTRIAL RELATIONS

PETALING JAYA: The government must adopt a balanced approach in deliberating the proposed amendments to the Trade Unions Bill 2022 to preserve existing harmonious industrial harmony.

The Trade Unions Bill 2022 – that was drafted based largely on the principles of the ILO Convention 87 on the Freedom of Association and Protection of the Right to Organise – is expected to be tabled in Parliament for second reading in July.

“There is a lot of anxiety among the stakeholders, Trade Unions and employers alike, over the government’s intention to implement freedom of association at workplaces, particularly in allowing more than one union at workplaces,” said MEF President Datuk Dr Syed Hussain Syed Husman, PJN. JP.

“The proposal to amend the definition of ‘trade union’ that would promote multiplicity of trade unions and omnibus trade unions can be harmful to the existing harmonious industrial relations, as compared with the current establishment of trade unions based on establishment, trade, occupation or industry or similar trades, occupations or industries.

He said the proposed deletion of paragraph (a) of Sections 2 and subsection 2(2) for the definition of “trade union” or “union” in the Trade Unions Act 1959 would open the floodgates as the Director-General’s Trade Unions power to refuse registration of a trade union would be removed. Therefore, it is critical that the powers of Director-General of Trade Unions be retained. The Director-General of Trade Unions must still have powers to decide how many unions is right to represent the employees and what is good for the employees and the country.

“The proposed deletions of the definition of “trade union” or “union”, if approved, will remove the Director-General’s power to refuse registering a trade union if there is already in existence of a trade union and the DG is satisfied that the formation of the new trade union is not in the interest of the workers. If there are too many unions at the workplace International investors may not be attracted to invest in Malaysia as such environment would not be conducive for employer and employee/trade union relations. We need a balanced employer and employee/ trade union workplace environment.”

“While MEF supports the principles of ILO Convention 87, we must be practical, and also be mindful that deleting such provisions from the Trade Unions Act would not be in the overall interests of the country”. Adds Datuk Dr. Syed Hussain.

“Such amendments, if approved, will drastically change the character of trade union which will over haul the existing harmonious industrial relations system in Malaysia and potentially cause industrial disharmony on a national scale with severe economic consequences.”

“Unions risk being used as a political tool that could detrimentally impact the economic stability, and any person including foreigners could form and organize union activities in Malaysia to pursue their personal, political or other interests that may not be in line with the national interests.”

“Under the new proposed laws, the risk of outbreak of strikes nationwide is real and could disrupt public order.”

“In contemplating the amendments, we must not lose sight that under the present system, Malaysia has enjoyed industrial harmony for the last 4 decades and there have been no strikes for more than 18 years. “

“The enactment of legislations on registration of trade unions by the Malaysian Government following independence in August 1957 was to promote the growth of strong, free and democratic trade union movement.

The combined provisions of the Malaysian labour legislations provide a framework of sound industrial relation system under which the employers, workers and their trade unions could regulate their relations through the

process of consultations, negotiations, conciliations, arbitration and best practices as enunciated under the Code of Conduct for Industrial Harmony.”

Datuk Dr. Syed Hussain states further that “MEF is of the view that such drastic change in our employment landscape could potentially cause a nightmare for businesses. If workers at any workplace were free to establish and join any trade unions of their choice, then employers would be left to manage multiple unions at the workplaces. These are pertinent issues that must be considered before we make any amendments to the Trade Unions Act 1959. Furthermore, for employers to be required to deal with these major changes during this period of recovery, instead of focusing on rebuilding the businesses, would cause major anxiety and challenges.”

For further information, please contact the MEF Secretariat at 03-7955-7778 or fax 03-7955-9008 or email mef-hq@mef.org.my.

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