

MEF voices opposition to Bill seeking to remove restrictions on formation of trade unions

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June 18, 2022 00:20 am +08



KUALA LUMPUR (June 17): The Malaysian Employers Federation (MEF) is opposed to the proposed amendment to the Trade Unions Act 1959 aimed at removing restrictions on the formation of trade unions.

The Trade Unions (Amendment) Bill 2022 — which was drafted in line with the principles of the the International Labour Organisation (ILO) Convention 87 on Freedom of Association and Protection of the Right to Organise — is expected to be tabled in Parliament for second reading in July.

Among others, the Bill seeks to remove restrictions on the formation of trade unions based on certain establishments or similarities in trade, occupation or industry to allow for the diversity of trade unions.

In a statement, MEF president Datuk Dr Syed Hussain Syed Husman said the move to promote multiplicity of trade unions and omnibus trade unions can be harmful to the existing harmonious industrial relations.

“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,” he said.

According to Syed Hussain, the proposed deletion of paragraph (a) of Sections 2 and subsection 2(2) for the definition of “trade union” or “union” in the existing Act would open the floodgates as the director-general of trade unions' power to refuse registration of a trade union would be removed.

If the Bill is passed in Parliament, the director-general will no longer be able to refuse to register a trade union if there is already a union in existence and he is satisfied that it is not in the interest of the workers that there be another union, he noted.

“If there are too many unions at the workplace, international investors may not be attracted to invest in Malaysia,” added the MEF president.

“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,” said Syed Hussain.

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

Syed Hussain went on to caution that unions are at risk of being used as a political tool which could detrimentally impact the economic stability, and that 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 national interests.

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

“These are [amongst] 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,” he added.

Edited by S Kanagaraju