

## COMMENT

# Malaysia labouring for workers' rights

**I.L.O. DECLARATION:** Better labour laws will lead to decrease in wage inequality

**M**ALAYSIA has been a member of the International Labour Organisation for 58 years now since Sept 11, 1957. What does this mean to our workers? The core principles of ILO are highlighted by the ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998.

Since these principles are the core standards pursued by ILO, member countries like Malaysia are obliged to adopt and implement these principles for their workforce, whether the government of Malaysia has decided to ratify these principles or not.

The document covers four principles and rights of workers: a) freedom of association and the effective recognition of the right to collective bargaining; b) elimination of all forms of forced or compulsory labour; c) effective abolition of child labour; and d) elimination of discrimination in respect of employment and occupation.

Under each principle, there are

two provisions that member countries have to adopt.

On the bright side, out of these eight provisions, we have signed and ratified five of them. We have ratified provisions on effective abolition of child labour. The minimum age a Malaysian can enter the workforce is 14. Additionally, the government supports the elimination of the worst forms of child labour. We have also ratified one provision under each of the other principles.

On the downside, we have yet to ratify three important provisions that are as equally important. Those provisions are Convention 87, which covers freedom of association and protection of the right to organise; Convention 105, which covers the abolition of forced labour; and Convention 111, which covers discrimination in respect of employment and occupation. In 1990, the government officially rejected complying with Convention 105.

I believe that the adoption and implementation of these core principles will be the main ingredient for Malaysia to become a high-income nation as highlighted by the New Economic Model.

Let me explain why. As evident in

trade talks and negotiations, future regional free trade agreements will include non-traditional trade chapters, such as labour rights and standards. It will not be a surprise then that the standards and principles adopted will be similar to that of the ILO Declaration.

If Malaysia and its producers are serious in becoming more integrated in global value chains, like South Korea is with around 50 FTAs, we will need to take part in many more regional and possibly inter-regional trade pacts.

This is why there is a need for us to internally restructure our labour market along with our labour laws so that we have time to strengthen and educate our workforce.

There is no doubt that labour unions in Malaysia are weak. With the ratification of Convention 87, workers will be given the right to form associations, which will translate into greater bargaining power, be it for increased wages or better working environment. This provision will help unskilled workers more than skilled workers.

With a more liberalised trade regime, machines that embody technology will be more cheaply

available in a developing country like Malaysia.

Since skilled workers are more suitable in complementing these technologies, the demand for these workers will increase. This will translate into higher wages for skilled workers compared with that of unskilled workers.

An empirical study for Malaysia has highlighted that unskilled workers will not benefit as much in terms of increased wages.

This is where this provision will be an enabler. As workers are able to organise and bargain efficiently, unskilled workers are able to negotiate for better wages.

This will decrease the wage inequality between the skilled and unskilled workers in Malaysia in the long run.

But before this happens, our workforce needs to be educated and informed of their rights and boundaries so that upheavals in the workplace can be prevented from happening, like the ones in Indonesia and Vietnam.

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