

May 1, 2016

Dear Doris,

Thank you for your mail and the questions you have raised. First and foremost, we would like to express our sympathy for the pain that has been caused during AMRC's difficult restructuring process in 2011.

AMRC is a labour rights organisation that is part of labour movement building in Asia. For more than 40 years, we have been supporting the grassroots democratic movement in Asia and working with more than 100 organisations in the region.

As a labour rights organisation, we stand firmly against unfair dismissals and staff retrenchment for the purposes of maximising profits at the expense of labour. However, as a non-profit making movement-building organisation, whose main purpose is to support independent and democratic labour movement, the ability to pay the staff is often restricted by the limited resources that are available primarily for supporting the movement.

AMRC recognises and understands the concerns that you have raised. We would like to reiterate how through each step of this difficult process, AMRC has attempted to ensure that the rights of the staff were respected and that the maximum possible support was provided.

### **On Staff Retrenchment**

- In 2010-11, AMRC, like many organisations in Hong Kong, faced severe funding cuts, with a reduction of nearly 40% of its funding. It was difficult for AMRC to retain current staffing levels with such major reduction in funds.
- We adopted a careful process to address this crisis that involved extensive consultations and dialogue among staff members, board members, and Regional Council members. It was a structured, year-long participatory process. In the end, the staff as a collective made the final decision. It was not a unilateral decision.
- The restructuring process aimed at arriving at an appropriate organisational structure that would allow us to carry on our work to support the grassroots movement based on available resources. A task force was formed to help staff to arrive to the best possible solution. It proposed a staffing structure that would primarily be able to sustain

AMRC's support to national movements (i.e., by merging the functional divisions of publications, library management, and administrative work within the programme divisions). This was done to maintain the long-term sustainability of the support platforms for the grassroots labour movement.

- The restructuring was not based on gender, marital status, or any other denomination of the staff but purely based on the functional responsibilities and the ability of organisation to sustain such functions. It should also be noted that at that time, AMRC staff consisted of 2 men and 7 women.

### **On Recruitment**

- AMRC has always adopted an open recruitment policy. All vacancies are publicised via its website, through our networks, and on job forums, and everyone is welcome to apply. All candidates are assessed on their experience, calibre, skills and abilities.
- As an equal opportunity organisation, the AMRC observes a recruitment policy that obliges us to treat all applicants on equal terms in the vetting process, which, as always, includes the participation of both staff and members of the Board.

### **Offsetting of Long Service Payment from MPF**

- AMRC agrees with the political stance against the MPF offsetting mechanism that you and many of us in the labour field have raised. However, as mentioned above, AMRC did not have the capacity to pay the amount as there were no available funds.
- This is a practical situation of the non-profit sector, where funding is strictly available for programme spending and there is often meagre funding available left for benefits and welfare. In this regard, however, we can confidently say that AMRC does make efforts in ensuring the benefits of its staff members, by providing child support, education support, medical benefits and staff development for instance.
- In addition to this, we would also like to highlight that instead of the legally required 5% contribution to the MPF, AMRC has been making a contribution of 7.5% for its staff, in order to ensure that funds will be available for staff's long service payment.
- For 2011, as a result of the dire funding situation, AMRC had to temporarily withdraw certain welfare benefits such as – child support, education benefits for staff members with children and funds that were allocated for staff development.
- Yet, we recognised that some of the staff had special vulnerabilities and tried to mitigate those through our severance package, in spite of our limited means.

Dear Doris, I hope the above explanation suffices to answer your queries. Mainly, AMRC exists to support the grassroots labour organisations on the ground. In order to continue this role, AMRC had to go through a very painful process and make difficult decisions. It was very unfortunate and no one in AMRC wanted it to happen. Being a non-profit organisation, in those extraordinary circumstances, we had to strike a balance between maximising the very limited resources that we had and continuing our support to grassroots partners.

Again, we regret that we were unable to keep three of our valued staff members and the predicaments it has caused you three. We, with all due respect, appreciate your contributions to AMRC and the Asian labour movement.

I wish you very best for your future, on behalf of the board and staff of AMRC.

Yours Sincerely



Bruce Van Voorhis  
Chairperson, AMRC Board of Directors

