

## **CHAPTER III**

### **THE PROBLEM OF MIGRATION IN MALAYSIA**

Immigrants have played an important role in the economic development of Malaysia. About 2.1 million immigrants registered and over 1 million undocumented as of 2013. Education levels among the Malaysian population have increased remarkably over the last two decades because most of the local people do not want to get a low skilled and low wages job. Foreign workers have become one of the primary sources of labor for low-skilled occupations, most commonly in labor-intensive sectors such as construction, agriculture and manufacturing. The economic studies show that a 10% net increase in low-skilled foreign workers could raise Malaysia's GDP by 1.1% and create employment and increase wages for most Malaysians. The existence of foreign workers creates a competitive labor market and thus allows the employers to be effectively put to work. The foreign workers' biggest contribution to the Malaysian economy is by supplying a cheaper labor force and keeping manufacturing commodities low as foreign workers normally demand much lower payoff wages. As a result, with lower production costs business profits are raised and this certainly attracts more foreign investors to the country. In turn, these foreign investments will also benefit Malaysian society as more employment opportunities are created.

However the immigrant do not worried about the history of migration in Malaysia about riots that happened in 1969 and September 1970. In May 13, 1969 the riots exploded in Kuala Lumpur and in another place in Malaysia between Malay and Chinese ethnics. It was a political tragedy for Malaysia, but the conflict was successfully resolved. The riots was a momentum to reexamine the policies of the country since independence. After the ethnic riots, the government made some changes to resolve Malaysia's ethnic problems through affirmative action. The Malaysian government has worked hard to create peace and respect among ethnic and citizens. Malaysian government to empowering all ethnic and religious groups by giving them a political sharing during decision making process and position collectively (Baginda, 2005).

After the riots, the number of foreign workers in Malaysia promptly increases particularly in industrial sector. Foreign labor is a tool of national development that used by Malaysia, especially in the construction and industrial sectors. There were 1.8 million foreign workers in Malaysia consist of 38.2 % manufacturing sector, 16 % in construction, and 14.2 % in the plantation sector. In this context, local labor faced problems that made Malaysia employ foreign labor to boost industrial development in the country. Malaysia is one of the countries in Asia receiving so many semi-skilled, skilled labor and unskilled migrant workers. These workers are mostly from neighboring countries such as India, Indonesia, Pakistan, Bangladesh, Philippines and so on. Usually they work in various industries, whether local or international. Despite, it could have a positive impact on the development of the country, but could

threaten social life of society in Malaysia (Saiyidatul Saadah Ahmad Nizam, Rohanin Ahmad, Nur Arina Bazilah Aziz, 2012).

Immigration issue needs to be addressed immediately to local society so that local people can live in more comfortable situation. To overcome this issue, various sides should unite to give comfort to society, mainly the responsibility of government for which the entry of foreign workers in the country are involved. The immigration issues can be decreased by understanding the goal, the qualifications, and the background of migrant workers.

Country which becomes the focus of foreign workers to migrant cause the highest ratio of illegal foreign workers in its workforce is Malaysia. Moreover, the foreign workers that come to the country has left mark on the local society and may contribute in the industrial field. Usually, the income of foreign workers has left many negative effects than positive effect on society in the country. Their existence between local societies has quite threatened the life of the local society who can bring many problems. The immigrant come to Malaysia because to overcome the lack of labor in the Malaysia construction market, over-dependence on foreign workers and the negative effects induced have become a serious social problem. The coming of Migration may impact a country in term of social and economic, political, security factors. There are many fundamental strains that underlie the attempt to manage international migrant in a globalizing world. That made more foreign workers given priority to work over local workers. As we know, the salaries paid to foreign workers is cheaper than local workers. This means that migrant workers are beneficial to the

industry because can save on their operating costs. In the national economy context, the outflow of money to other countries has caused Ringgit currency fallen sharply nowadays. The Malaysia's government should take an action to overcome this issue seriously and to ensure that Malaysia is able to compete with other developed countries (Hamzah Abdul-Rahman, Chen Wang, Lincoln C. Wood, Shu Fung Lowa, 2012).

#### **A. Capital Flow, Social Gap and Diseases Problem**

One of the causes of Economic issues is because the country's dependent on foreign labor for the reason that there are differences between inflow and outflow of money. When the country is highly depending on foreign labor the amount of inflow currency is lower than outflow money. The country will face a problem that will decrease ringgit value points.

The increasing number of foreign workers makes social gap between local people and foreigner workers. Job vacancy more open to foreign workers which willingly to work with low wages and in the 3D sectors (Dirty, Difficult, and Dangerous). It makes local workers in Malaysia go to overseas to looking for a better job.

The ineffective policies have strong relationship with foreign workers and social instability (Pillai, 1995). The local media in Malaysia has massively portrayed migrant workers badly that causes some problems such as diseases, conflicts, crimes and influence to the public safety and security. The migrant workers also has been confused for their inability to integrate with local workers and community.

The bad settlement or accommodation (Kassim, Indonesian immigrants and Urban squatting in Kuala Lumpur, Malaysia, 1986) has influenced to the spread of diseases such as malaria, tuberculosis, hepatitis, whooping cough and the most dangerous diseases Acquired Immune Deficiency Syndrome (AIDS). And also the employers usually limit them to access public health. Ill-working conditions, give big impact to diseases spread amongst workers. The workers that infected do not seek treatment to cure caused some employers do not provide healthcare. Some cases in Malaysia, the diseases are carried from their home countries because of poor screening by local authorities. Generally, the diseases that spread by some foreigners due to their original places which usually dirty as consequence of low incomes. Some female foreign workers engage in prostitution, thereby exposing themselves to being infected by AIDS. Other notable criminal activities by foreigners in general include theft and burglary (Kassim, *Illegal Immigrants and the State in Sabah: Conflicting Interests and the Contest of will*, 2005).

The responsibility of employers, outsourcing companies, and recruitment agencies has caused the confusion of blaming social diseases on foreign workers. In social stability, the rights of foreign workers are the main point of all the issues. As long as foreigners contribute to domestic activities, their basic rights should be considered as the urgent thing to guarantee overall positive connections with the domestic market. Furthermore, recently foreign workers have been intimidated by unscrupulous private recruitment agencies that already provided fake information, imposed expensive charges and fake contracts for non-existing jobs. This has led to the emergence of illegal workers which forced them to involve in the sexual exploitation, abuse and human trafficking. The condition has triggered the violation of human rights. (Diana Wong and Gusni Saat, 2002).

The social health issues have relations with foreign workers as described above are basically related with the ignorance of human rights through regarding proper working conditions, adequate wages and benefits, transparency and proper enforcement of regulations. Some points can impact the productivity in Malaysia economic aspect that has relations with foreign workers. The issues are unskilled workers and undisciplined during working hours. Quoted from United Nations Committee on migrant workers, mentioned:

*"Where migration is seen only in economic terms, migrants may come to be regarded as commodities, rather than as individuals entitled to the full employment of their human rights"* (Devadason, 2013)

## **B. Negative Impact on Local Political Issues**

Certain numbers of foreign workers have successfully applied for permanent resident or even citizenship under Malaysia law. To be sure, it has affected to the local political issues. The usage of foreign labor seen has caused many negative effects rather than positive impacts. It can be seen in terms of foreign labor misappropriation in politics. In the administration of the country, there are always a few people who have a selfish attitude which in misusing foreign labor for political advantage. For example is like foreign labor and utilized them as a tool in election votes recently and provided valid citizenship to them. This is the example of how powerful an impact of million foreign workers can influence socio and economic, politics and security landscape of the country. This will definitely give an impact to the political outcome (Lau, 2016).

Malaysia Government creates a policy that mostly the foreign workers come from Indonesia as the nearest neighbor country. Few opposing political parties think that the government purposely takes foreign workers from Indonesia to strengthen the position of Malays political party. They also believe that the government has an

agenda to strengthen the position of Malays in Malaysia, thus they can create competition for non-Malays, particularly the Chinese which economically very strong. This is seen as something that is irrational because logically speaking, most of non-Malays especially Chinese have conquered economics activities in Malaysia such as in plantation, construction, manufacturing, farming, and many more. Usually, foreign workers was employed in the sectors which are totally controlled or owned by Chinese businessman. (Mohd Na'eim Ajis, Mohamad Faisol Keling, Zaheruddin Othman & Md. Shukri Shu ib , 2014).

It happened because the migrant workers are allowed to join a labor union, although at the same time they are prohibited to involve in any form of political activities as stated in the contracts. The example of agreement such as:

1. "The Employee shall not participate in any political activities and activities of those related to trade union in Malaysia; or instigate others to commit such acts".
2. "The Employee shall not participate in any political activities and activities of those connected with Trade Union in Malaysia. The breach of the restriction will entail a termination of service" (Dr. Rohani Abdul Rahim, Muhammad Afiq bin Ahmad Tajuddin & Kamaruddin bin Hj. Abu Bakar, 2015).

The above clauses are obviously contradict with the Employment Act. Nevertheless, immigrant labors still decide to join a union, although they cannot officially become union due to the membership restriction that only limited to Malaysian citizens. Government perceives that trade unions would threaten the national interest, politics and open for wage demands that will induce companies to move to the other location on their business. There was alleged that Anti-union legislation for migrant labor that Malaysia possess, caused low unionization levels in Malaysia 7.45 per cent in 2008 (Raduan Che Rose, Naresh Kumar & Nagiah Ramasamy, 2011). Economic protective policy with the argument that trade unions threaten the national interest with wage demands that influence companies to relocate their business.

Malaysian government realized by getting foreign workers from Indonesia was putting the government in a harmful position. On the other hand, Malaysia government have been advantaged by the immigration flow to support national economy and to gain political support from entrepreneurial class Malaysians. However, Malaysia government is reluctantly to prosecute and deport Indonesians to support among working-class Malaysians. Political instability affected the public's perception on illegal Indonesian immigrants. Public society feels frightened of joblessness among working-class Malaysians that can influence domestic politics. The working classes were a large voting bloc, and if the government failed to

recognize the concerns of a large constituency, then the consequences could be felt during the electoral process.

The problem with the conventional policy is that UMNO unsuccessful to utilize the assimilation of illegal immigrants. Malaysian government starts to realize that Indonesians were not assimilating. In the other hand, foreign workers from Indonesian have built settlements in urban areas. UMNO's disability to take an advantages from Indonesian society and Indonesian society failure to adapt into the ethnic Malay populace. If the entrepreneurial-class Malaysians were importing foreign workers from Indonesian, the working class perceived that their political ambitions through UNMO were not being realized and however the working class was losing employment chances to the Indonesians. Malaysia government should balancing divergent issues economy and society to maintain political power. Anti-Indonesian became commonplace, and many Malaysian people think that Indonesians were clearly lower than them and then began to filter into the political arena (Avila, 2015).

The Alliance can be the solution from Government to reduce political issues. UMNO, MIC, and MCA can contribute through inviting the illegal workers to became legal workers, thus can make the workers can join participation on election without any cheating from the government itself. However, it is not easy to control the flow of immigrant workers especially the illegal workers. The government of

Malaysia should create a new policy to reduce the flow of illegal workers, so political problem in Malaysia can be reduced.

### **C. Domestic Security**

Crime rate in this country is main concern particularly Malaysian women. Foreign workers involvement in criminal cases was about 2 % in 2002 or 3.8 case per 1000 foreigners. In 2006 foreign workers in Malaysia responsible for around 5.000 criminal cases then in 2013, 19.056 foreign workers were caught because of criminal cases that accounted 12 per cent of the total 147,062 criminal cases in the Malaysia. The data in 2014, 14.143 or 14 % of the total 97.393 cases. The inflow of immigrant in Malaysia have another goals. Crime rates are always high. Most of the victims are children and women. The large number of foreign workers is seen as a security threat as it was associated with the rise of crime rate and contagious diseases (Kanapathy, 2008). Social crime such as snatch theft, rape, robbery and murder can lead to death. This is happen because of irresponsible behavior by some individuals. Mass media have informed that the crime occurred in Malaysia can happen to anyone regardless of age. National statistics in 2005-2007 mentioned from year to year the number of robbery cases was significant. The criminal cases is statistically in 2005 is 65%, 72% in 2006 and by 2017 about 75%. The robbery cases is the second highest followed by rape and murder cases.

The Malaysian government perceives foreign workers are a national security threat. The government said that Malaysia needs to learn from the experiences of Germany and France. Malaysian government predict that almost more than one million foreign workers in Malaysia and one-eight or about 500,000 are illegal.

Malaysia's has new five-year plan, which inaugurated in mid-April. One of the plans is a solicitation for make capital-intensive increase by high-wage industries such as electronics, aerospace, education services, information technology, and biotechnology. The purpose is to enhance incomes and to limits labor shortages. The Malaysian minister for human resources condemns employer reluctance to give housing for the workers that made immigrants are setting up illegal settlements on government reserve land. In the Malaysian state of Selangor, there were about 343,000 foreign worker squatters.

In 1988, almost 23 settlements with large Indonesian society were found in Klang Valley. In Kuala Lumpur, foreign workers were found in 56 squatter settlements in 1989. Indonesian society in Malaysia estimated almost seven percent of the capitals and almost squatter population of over 180,000. The Malaysian government is intending to decrease all squatters' settlements on government land. In April 1996 the Malaysian government began to force employers to give housing for migrant workers to prevent squatting, and announced that it is enhancing the number of personnel responsible for devastating the squatters' (Team N. S., 2016).

Extra time should be given by Malaysian government as requested by Indonesian Embassy before Indonesian camps are destroyed that make Indonesian foreign workers do not have housing and to warn Indonesian foreign workers to find other housing. Despite the demolition of squatter settlements is heart-wrenching, it should be done to protect the security of the country's. The government should give ex-squatters good treatment to receive low cost housing (Team M. N., 1996)

The largest foreign work force among Asean countries is Malaysia. In 1995 almost 14 until 15 % of Malaysia population is foreigners. The estimation is that there are over half a million legal foreign workers, and between 500,000 and 700,000 illegal foreigners. The Malaysian government has been attempting to register illegal foreign workers through various amnesty programs, however the programs have not been very successful. One of the reason is the fees an Indonesian worker in Malaysia about RM460 (\$185) to get work through authorized system, and only RM 70 through a labor broker. In addition, usually illegal workers are not tied with only to one job and employer.

Malaysian government said that illegal settlements influence to national problems especially housing and health problems. Malaysia government found that the availability of foreign workers makes it hard for trade unions to increase wages and improve conditions. Malaysia were also experienced with an economic recession that occurred in 1930s. Malaysia is a multi-ethnic society in which each group is

worried about its share of the population. The influx of Indonesians is believed by Chinese community that the policy was allegedly seen as Indonesians as adding to Malay political power.