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Foreign labour blunder

Experts: Proposal to add conditions, raise levy would increase costs instead of solve migrant worker issue

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PETALING JAYA: Two proposals – one to impose new conditions on the recruitment of foreign workers and another to raise the levy on them – have been quickly shot down by stakeholders and experts.

Rather than helping to solve the labour problem in Malaysia, they will only increase costs to businesses and even disrupt supply chains, both of which are unaffordable, especially in times of crisis.

Malaysia's over-dependence on foreign labour cannot be overstated. The 3D (dangerous, difficult, dirty) jobs are almost entirely taken up by foreigners given that Malaysians are reluctant to engage in such work, underling the significant role migrant worker play in Malaysia's economic and infrastructure development.

However, according to the Malaysian Employers Federation (MEF), the knock-on effect of higher levies, from runaway cost increases to businesses shifting operations offshore, would be too much to bear.

MEF executive director Datuk Shamsuddin Bardan told *theSun* that raising levies could force some companies to move their operations to countries where cheap labour is readily available.

He was responding to a proposal by former Federation of Malaysian Manufacturers (FMM) president Tan Sri Yong Poh Kon to gradually raise the levy on each foreign worker from RM150 currently to as high as RM430. He said this would discourage employers from looking offshore for workers.

However, professor at the Faculty of Economics and Administration in University Malaya, Evelyn S. Devadason, said in a recent report, a similar move in 2005 had failed to achieve the desired effect because rapid economic expansion continued to feed the demand for migrant workers.

The Malaysian Trades Union Congress (MTUC) and MEF also agreed that instead of raising the levy, the government should focus on "trimming the fat" in the migrant workforce, and that means deporting "unnecessary" workers rather than holding them at detention centres.

These "unnecessary" workers are presumably the undocumented ones who, according to MTUC president Datuk Abdul Halim Mansor, currently numbered around three million.

However, a proposal for businesses to pay for the deportation of illegal migrant workers has drawn strong objections from FMM. Its president Tan Sri Soh Thian Lai pointed out that employers who are bringing in foreign workers through proper channels are already paying for a bank

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guarantee of RM250 to RM1,500 per worker.

The bank guarantee is to cover the cost of repatriation when the need arises.

Soh welcomed an announcement by the government that businesses would now be allowed to fill up vacancies with new foreign workers.

However, the conditions are very restrictive and would tax employers financially at a time when the country is struggling to survive the economic fallout of Covid-19, he said in a statement issued on Monday.

He said allowing only big corporations to bring in foreign workers but denying small and medium enterprises (SME) the same privilege would not help to overcome the current labour shortage.

"Larger corporations still need the support of SME in their supply chain to support their operations," he pointed out.

On the one hand, migrant workers are essential. On the other, they are costly. With them also come their social problems and cultural differences, factors that have been disruptive to Malaysian society.

As MTUC pointed out, a comprehensive review of the entire process – from sourcing and recruitment to management and repatriation – is essential.

So is the political will to make that happen.