

Malaysia (January – March 2017)

Key partners	Ministry of Human Resources (MOHR) Malaysian Employers Federation (MEF) Malaysian Trades Union Congress (MTUC) Tenaganita
Target sites	Kuala Lumpur and Selangor, Penang, Johor Bahru
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Background Information

Although population growth has remained relatively high in Malaysia, its rapidly expanding economy, increasing urbanization and relatively low labour force participation among women continue to create a major demand for migrant workers. Most estimates suggest that there are 3–4 million migrants currently employed in Malaysia, which would constitute 20–30 per cent of the country's workforce.

With close to full employment since 1990 and high educational attainment among nationals, migrant workers have for many years filled substantial shortages in the supply of low-skilled labour for key economic sectors. Approximately one-third of workers in the agricultural, manufacturing and construction sectors are migrants and these industries collectively contributed MYR297 billion (US\$68 billion) or 35.7 per cent of Malaysia's gross domestic product in 2014. However, these high rates of sectoral employment of migrants are known to fall short of the reality as they do not account for irregular migrant workers.

In particular, the situation of the estimated 300,000–400,000 migrant domestic workers employed in Malaysia continues to be a major concern, particularly because of their lack of protection under labour law. Due to the physical isolation of their workplaces, restrictions on movement and inadequate mechanisms established to ensure accountability of employers, a large number of domestic workers suffer from abusive working conditions each year, including cases of forced labour.

For many years, targets have been set and policies introduced to reduce the number of migrant workers in the country in order to encourage economic restructuring. However, changing the composition of the labour force has proven to be difficult to achieve, with employers complaining of severe shortages in some industries when more restrictive policies have been applied. Pushback from the private sector has contributed to awkward policy shifts and incoherence in some cases, such as the abrupt decision to transfer payment of the migrant worker levy back to workers after instituting a minimum wage (this policy has now been reversed). The goal of capping employment of migrants at 1.5 million workers as of 2015 was again not attained.

Recent developments on international trade are likely to increase the need for workers in export-oriented enterprises. Malaysia became a party to the Trans-Pacific Partnership (TPP), an agreement that would form the world's largest free trade area along the Pacific Rim, though the future of this agreement is unclear. The Labour Chapter of the TPP requires states to adopt and implement laws in accordance with the ILO Declaration on Fundamental Principles and Rights at Work. As a result, Malaysia's record on eliminating forced labour, abolishing child labour, prohibiting discrimination in employment, safeguarding freedom of association, and the right to collective bargaining for migrant workers is receiving increased scrutiny from the international community.

Malaysia at a glance

 Population: 30.2 million

 Labour Force: 13.9 million

Migration to Malaysia

Main countries of origin:

Indonesia, Nepal, Bangladesh, Myanmar, India, and the Philippines

Regular migrants registered:

2.1 million (October 2015)

Migrants from ASEAN countries:

Indonesia 828,283

W272,572: M555,711

Myanmar 120,467

W22,589: M143,056

Viet Nam 51,169

W26,274: M24,895

Philippines 18,385

W45,658: M18,385

Thailand 12,442

W5,727: M6,715

Cambodia 8,548

W6,549: M1,999

Lao PDR: 61

W45: M16

Source: Immigration Department, Ministry of Home Affairs, Malaysia.

Main Activities (January – March 2017)

- On 12 and 24 January, and 10 February, meetings were held with MOHR, MEF and MTUC respectively on programme priorities for 2017.
- On 26 March, the MTUC MRC Penang conducted a labour rights training on occupational safety and health attended by 40 workers (M25; W15).
- On 10 March in Putra Jaya, TRIANGLE in ASEAN social partners, representatives from the Council of Anti Trafficking in Persons, Ministry of Home Affairs and Ministry of Plantation Industry and Commodities attended the Project Advisory Committee meeting and endorsed the project's one-year work plan. The TRIANGLE in ASEAN Programme Coordinator presented for discussion the 2016 inception phase progress report, ongoing research on the baseline survey, access to justice, and bans and restrictions on women's labour migration in ASEAN countries. (W10: M 16)
- On 12 January, a meeting was held with MOHR to discuss the TOR on the study on forced labour cases to enhance the capacity of labour officers to secure prosecutions. A technical working group consisting of MOHR officials, ILO and consultants was set up to oversee implementation of the study.
- From January – March, the ILO supported the UN Country Team – Economic Planning Unit, on the SDG Road Map (2016 – 2020) and provided inputs Goal 1: End poverty in all its forms everywhere; Goal 5: Achieve gender equality and empower all women and girls; Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work; and Target 10 Reduce Inequality Within and Among Countries.
- The Malaysia migration team participated in the TRIANGLE in ASEAN programme team meeting in Bangkok on 18 – 19 January, presenting key challenges and achievements in 2016 and the workplan for 2017.

Key Developments

On 1 January 2017, the Government announced under the Employers Mandatory Commitment that the levy payment is to be borne by the employer and who is also responsible to provide accommodation. Following the announcement, employers held meetings with the Government and the policy has been deferred to take effect on 1 January 2018.

On 17 January 2017, the Government announced that undocumented workers will be issued temporary work passes and companies employing undocumented workers are to regularize and legally retain them to meet labour shortage.

Upcoming Activities and Key Dates (April – June 2017)

Date	Event	Location	Attendees	Purpose
April-June	Study of cases of trafficking for labour exploitation	Kuala Lumpur	MOHR	Improve evidence gathering and conviction rates for prosecutions of trafficking for labour exploitation through increased understanding of the challenges involved.
May	Deliver training for labour attachés and consular officials on access to complaints mechanism	Kuala Lumpur	Bar Council Labour attachés	Improve support services provided to migrant workers from their embassies; and the strengthening of relationships to facilitate communication between the embassies, authorities, social partners and NGOs.
May/June	Launch and dissemination of Guidelines / Code of Conduct for employers of domestic workers	Kuala Lumpur	MOHR, MTUC, MEF, civil society, recruitment agencies, domestic workers	Encourage good practices among employers of domestic workers in Malaysia to improve their living and working conditions
June	Operationalize MTUC – VGCL MOU and work plan	Selangor	MTUC VGCL	Enhance the role of trade unions in the protection of migrant workers from Viet Nam
June	Training for employers within supply chain on the existing and forthcoming law and policy and voluntary standards Electronics Industry Citizenship Coalition (EICC)	Kuala Lumpur	MEF	Determine self-regulation benchmarks on ILO standards and EICC for sustainable solutions, and create space to operationalize the standard or voluntary code.

June	Training for all partners on gender sensitivity, responsiveness and empowerment	Kuala Lumpur	MOHR MEF MTUC	To create awareness on the gender dimension, responsiveness to specific needs and empowerment for women migrant workers and the challenges involved.
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Media Coverage

Date	Title	Media source/ Publication
1 January	'Bosses must be responsible'	The Star Online
17 January	Putrajaya offering temporary foreign worker cards to illegal workers	The Malay Mail Online
16 March	Behind closed doors: A tale of ongoing domestic servitude in Malaysia	Asian Correspondent

The **TRIANGLE in ASEAN** programme extends the cooperation between the **International Labour Organization (ILO)**, the **Australian Department of Foreign Affairs and Trade** and **Global Affairs Canada** on protecting migrant workers and enhancing development opportunities. **TRIANGLE in ASEAN** aims to ensure that the benefits of labour migration are equally realised by men and women migrant workers; employers and governments. In shifting emphasis towards leveraging the development potential of migration, **TRIANGLE in ASEAN** aims to shape labour migration opportunities to support inclusive and sustainable growth in the ASEAN Economic Community. **TRIANGLE in ASEAN** engages institutionally with **ASEAN** and focuses on delivering in six countries (**Cambodia, Lao People's Democratic Republic, Malaysia, Myanmar, Thailand and Viet Nam**).