

DISCUSSION PAPER 8/20 | 5 JUNE 2020

Covid-19: We Must Protect Foreign Workers

Tan Theng Theng, Nazihah Muhamad Noor and Jarud Romadan Khalidi



Khazanah Research Institute

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Authors' email address: tanthengtheng29@gmail.com, nazihah.noor@krinstitute.org and jarud.khalidi@krinstitute.org

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Covid-19: We Must Protect Foreign Workers

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Summary

- Learning from the experiences of other countries, to keep the Covid-19 transmissions under control in Malaysia, our national containment efforts must include protecting all vulnerable populations in the country. This must include extending protection for foreign workers. The emergence of clusters amongst foreign workers in Malaysia should serve as a red flag, calling for early intervention, or otherwise risk another wave of infections as seen in other countries.
- Taking care of foreign workers in Malaysia is not only humane, it is sensible. Firstly, because foreign workers are important to Malaysia's economy; secondly, neglecting foreign workers' welfare in a time of pandemic incurs significant public health and economic externalities to the country. Amongst others, it strains our public healthcare system, increases the risk of a prolonged lockdown and unplugs the economy's access to a large swathe of the workforce.
- To bolster the country against further impact from the pandemic, we must facilitate testing, treatment and isolation for foreign workers, step up job protection and strengthen regional cooperation and coordination with our neighbouring countries.

*“Covid-19 has shown how our economic world is rife with externalities,
where we ourselves rise by lifting others around us.”*

Danny Quah

Could it be time to swop fast car for slower, sturdier one?

Introduction

On Labour Day this year—a day where all workers regardless of age, sex, nationality and rank are supposed to be celebrated annually—hundreds of foreign workers and refugees in Malaysia were arrested in an immigration raid near Jalan Masjid India in Kuala Lumpur¹. The three buildings involved were known as part of the Covid-19 “red zones” in the capital city. A few weeks later, areas near the Kuala Lumpur Wholesale Market and Selayang Baru saw the second and third major raids, where more than thousands of undocumented foreign workers were detained in the government’s effort to “reduce Covid-19 spread”².

On one hand, these arrests have drawn criticisms from local and international human rights groups regarding the treatment of foreign workers³. It not only directly contradicts the government’s earlier announcement that undocumented foreign workers should have nothing to fear in coming forward for testing⁴, but also further exacerbates the risk of infection in overcrowded detention camps where they are held. On the other hand, some have applauded the move as a signal that the government is protecting Malaysians first.

Box 1: Documented and undocumented foreign workers

In this paper, foreign workers refer only to migrant workers who are low-paid and low- to semi-skilled, thus exclude expatriates who work in high-paying skilled occupations.

Malaysia’s foreign worker population includes those who are documented and undocumented. Documented foreign workers are those with a Temporary Employment Visit Pass (*Pas Lawatan Kerja Sementara*, PLKS).

¹ Sukumaran and Jaipragas (2020)

² Danial Dzulkifly (2020b) and BBC (2020)

³ For the purpose of this paper, foreign workers refer only to low-paid, low- to semi-skilled workers, both documented and undocumented (see Box 1). This definition includes foreign domestic helpers but excludes expatriates who work in high-paying skilled occupations. The definition of foreign workers in this paper also excludes refugees, who we define as those who fled their country due to fear of persecution for reasons such as their race, religion or political opinion, in line with the 1951 Convention relating to the Status of Refugees. While we acknowledge that refugees are also one of the vulnerable groups in this pandemic, it is beyond the scope of this paper to look into their plight, which is systemically different from that of foreign workers.

⁴ Radzi Razak (2020)

Additionally, Malaysia is home to undocumented foreign workers, including:

- Workers without the PLKS, such as those who did not go through the recruitment process e.g. remained in the country despite failing the medical test;
- Workers who entered with the PLKS but failed to conform to the rules and regulations of the foreign worker policy e.g. running away from employers or failure to renew work permit; and
- Workers with expired passes.

While there is no authoritative data on the whereabouts and employment of undocumented foreign workers, their undocumented status in Malaysia gives them limited options for work, as such they are likely to work in low-paid jobs in the informal sector.

Foreign workers have been left in the blind spot of policymakers in many countries during the Covid-19 pandemic. For example, Thailand, home to more than three million foreign workers, has been criticised for the government's lack of inclusiveness in its measures to alleviate the impact of the pandemic on the workers, leading many of them into situations of extreme precarity⁵. In the Gulf states, most of the foreign workers live in overcrowded spaces, leading to an outbreak amongst the workers⁶.

Across the Causeway, the trajectory of the pandemic in Singapore has provided a clear warning for other countries on the dangers of leaving their most vulnerable population behind. Whilst the island state was initially hailed as one of the model countries in containing Covid-19, it currently has the highest number of confirmed cases amongst the Southeast Asian countries⁷. The sharp rise in the number of cases in Singapore has been traced to an outbreak among foreign workers living in densely-populated dormitories. At the time of writing, more than 90% of the confirmed cases in Singapore are amongst foreign workers⁸, pushing the government to implement a series of desperate measures to protect the workers and their employers⁹.

⁵ Many of the foreign workers have lost their jobs, and there are concerns that unemployed workers would move around Thailand to look for jobs or cross borders to go home, which might increase the spread of the disease if these workers are infected. Source: Promchertchoo (2020)

⁶ The Saudi health ministry announced on 5 April that 53% of the confirmed cases are foreigners. Qatar was also pushed to seal off streets after an outbreak in a residential compound in the densely-populated Industrial Area. Source: The Economist (2020)

⁷ Roser et al. (2020)

⁸ These include work permit holders who live in and outside of dormitories. Work permit holders are low-skilled foreign workers in Singapore. Source: Ministry of Health Singapore (2020) and Ministry of Manpower Singapore (n.d.)

⁹ For example, on 1 June, the Singaporean government announced plans to build new foreign worker dormitories by the end of 2020, as part of efforts to reduce the current density in existing dormitories. Source: Ministry of National Development of Singapore and Ministry of Manpower of Singapore (2020)

Singapore's experience should provide a cautionary tale for Malaysia. While Malaysia has brought the Covid-19 pandemic under control for now, the country may see another wave of infections, worsened by our lack of sufficient protection for foreign workers. After all, Malaysia is a country with at least two million foreign workers whose living conditions are not any better than their counterparts in Singapore. Additionally, this pandemic has highlighted how widespread economic externalities can be—we can only protect ourselves by protecting others¹⁰. In other words, the failure to care for any vulnerable group among us—whether citizens or otherwise—puts the lives and livelihood of the greater population at stake.

Therefore, this paper seeks to discuss the importance of protecting foreign workers in Malaysia. The paper begins by providing an overview of the trends in Covid-19 cases in Malaysia and the protection measures introduced for foreign workers so far, then proceed to explain why we must care for the workers. It concludes by providing some recommendations to fill the existing policy gaps in relation to protection for foreign workers.

The spread of Covid-19 among foreign workers and Malaysia's response

The first confirmed case of Covid-19 in Malaysia was detected on 25 January 2020. While the pandemic first spread slowly in Malaysia, there was a rapid rise in the number of confirmed cases in March, from 29 cases on 1 March to 2,766 by the end of the month. Following the enactment of the Movement Control Order (MCO) on 18 March, the number of new cases began to decline by mid-April and shrunk to double digits in most of May, suggesting that Malaysia had begun to flatten its epidemic curve. As of 1 June, Malaysia recorded a total of 7,857 confirmed cases of Covid-19.

Initially, the Ministry of Health (MOH) released data on new cases by citizenship only intermittently. On 25 April, it was announced that out of the total 14,187 foreign workers tested for the virus, 676 tested positive. Compared with the country's tally of 5,742 then, this means foreign workers made up 11.8% of the total number of confirmed cases in Malaysia, proportionate to the size of non-citizens who make up a little over 10% of the population.

Infections can only be confirmed through testing, which is key to tackling the pandemic. As of 25 April, the total number of tests carried out in Malaysia was 3.9 per 1,000 people. Compared with countries known for their mass testing such as Singapore (17.1)¹¹ and South Korea (11.6), Malaysia still has much room for improvement in detecting the spread of Covid-19 in the country¹².

¹⁰ Quah (2020)

¹¹ The Singapore data is for 27 April, the closest date for the corresponding data for Malaysia.

¹² Hasell et al. (2020)

Testing foreign workers in Malaysia may be especially difficult as non-citizens are dispersed all over the country, with most being in Sabah (where 35.3% of non-citizens are located), Selangor (20.2%), Johor (10.2%) and Kuala Lumpur (7.5%)¹³. Covid-19 cases may be particularly difficult to detect amongst undocumented foreign workers¹⁴, as they fear making their presence known due to the possible legal ramifications¹⁵.

Worryingly, since May, there seems to be a rise in the new cases among foreign workers in Malaysia. On 1 June, the MOH announced that out of the total 35,811 non-citizens tested for the virus, 2,014 were tested positive, constituting 25.6% of total cases¹⁶. Though the data did not confirm that they were all foreign workers, this is likely the case given MOH's increased effort in targeted testing among foreign workers after learning from Singapore's experience^{17,18}.

In general, the Malaysian government has provided limited assistance for the care of the country's foreign worker population. Senior Minister Datuk Seri Ismail Sabri Yaakob has made clear that the welfare of foreigners is the immediate responsibility of their respective embassies¹⁹. Based on his comments, the Malaysian government will offer support in terms of coordinating and purchasing supplies, if necessary²⁰.

So far, one of the most prominent government initiatives related to the foreign workers is the 25% cut for foreign worker levy introduced as part of the Prihatin Plus Economic Stimulus Package. This is extended to employers for payments due between April and December 2020, introduced mainly to alleviate the financial burden on hard-hit small- and medium-sized enterprises (SMEs)²¹.

¹³ DOS (2019)

¹⁴ There are various estimations of the number of undocumented foreign workers, ranging from 1.2 million to 5 million. Source: The Borneo Post (2017), Embun (2017), Malay Mail (2016), Utusan Malaysia (2015), Lee and Idris (2018), Loh et al. (2019)

¹⁵ Loh et al. (2019)

¹⁶ MOH (2020b), Director-General of Health Malaysia (2020)

¹⁷ Non-citizens form the majority of cases in active clusters throughout May, including a factory cluster in Maran and Pemas, security guards cluster in Cheras, construction site clusters in two Kuala Lumpur areas and Setia Alam, a cleaning company cluster in Kuala Langat and Seremban, a plantation cluster in Bera, and clusters involving markets in Chow Kit, Pudu and Selayang. Furthermore, more than 400 cases were recorded in Bukit Jalil, Semenyih and Sepang immigration detention centers which are likely to house undocumented foreign workers. Source: MOH (2020b), Director-General of Health Malaysia (2020)

¹⁸ By 1 June, the total number of tests carried out in Malaysia was 17.3 per 1,000 people. Source: Hasell et al. (2020)

¹⁹ Timbuong (2020)

²⁰ Chan (2020)

²¹ Danial Dzulkifly (2020b), Danial Dzulkifly (2020a)

Several foreign institutions have stepped in to provide labour protection for foreign workers in Malaysia, given reports of unpaid wages and unfair terminations²² which have surfaced since the MCO. For example, the Bangladesh High Commission in Malaysia has been working with employers on salaries issues²³, while the International Labour Organization (ILO) has been documenting labour and contractual violations committed by employers²⁴.

As for access to Covid-19 testing and treatment for foreign workers, there has been somewhat conflicting messaging given by the Malaysian government throughout the pandemic. In January, the MOH released a circular announcing that foreign workers who are suspected of being infected with the coronavirus or are close contacts of Covid-19 patients are exempted from Covid-19-related outpatient fees²⁵. However, on 23 March, the Prime Minister stated that foreign workers must pay for testing and treatment of Covid-19, in contradiction to MOH's policy²⁶, although the statement was quickly refuted²⁷. Another measure related to testing among foreign workers is the introduction of a subsidy of RM150 to employers for each Covid-19 screening undertaken by foreign workers who are Social Security Organisation (SOCSO) contributors²⁸.

The Malaysian government has also changed its stance on detaining undocumented migrants. In March, Datuk Seri Ismail Sabri Yaakob announced that undocumented migrants would not be arrested during this crisis; however, the immigration raids that have taken place since May indicate otherwise²⁹. Indeed, on 31 May, Datuk Seri Ismail Sabri Yaakob confirmed that amnesty for undocumented immigrants to get tested without legal repercussions had ended, meaning that the government would continue detaining undocumented migrants³⁰. These migrants would be tested in detention centres and if found positive, will be moved to the quarantine centre at the Malaysia Agro Exposition Park Serdang (MAEPS) for treatment. For those not infected, they will be deported back to their home countries with the governments of Indonesia, Nepal and Bangladesh agreeing to receive them³¹.

²² As of mid-April, the Malaysian Trades Union Congress (MTUC) had reported several violations of migrant workers' labour rights, which include unfair termination, unpaid wages, poor living conditions, requiring workers to continue working in jobs that are non-essential, and uncertainty about employment status due to limited contact with employers. The MTUC has been following up on specific cases and filed complaints to the Labour Department for investigation. Source: ILO (2020)

²³ Alifah Zainuddin (2020)

²⁴ ILO (2020)

²⁵ MOH (2020a)

²⁶ CodeBlue (2020)

²⁷ Tee (2020)

²⁸ SOCSO (2020)

²⁹ The Straits Times (2020)

³⁰ Carvalho (2020)

³¹ FreeMalaysiaToday (2020)

Overall, help available to foreign workers in Malaysia have come in a fairly fragmented form, with the embassies, civil society organisations (CSOs), Malaysian Trades Union Congress (MTUC) and international organisations chipping in wherever the government has left out. This is not surprising given the assisting role the government has intentionally taken from the start when it comes to the welfare of foreigners. As such, despite the existing efforts taken by multiple parties, it is believed that without a systematic approach, aid is far from sufficient, and a large number of foreign workers, including those in hiding for fear of arrest as well as those in remote areas such as the plantation, manufacturing and domestic work, are bound to be left behind³².

The case for the protection of foreign workers

Foreign workers are important to the economy

According to the Labour Force Survey (LFS) reports by the Department of Statistics (DOS), Malaysia has historically been relying fairly heavily on foreign workers in our economy, with foreigners representing around 14 to 16% of the total employed persons in the country since 2010. This number includes both documented and undocumented foreign workers by the design of the household survey³³.

The heavy reliance on foreign workers can be largely attributed to Malaysia's economic structure that has transitioned away from a more capital-intensive model to a more labour-intensive model that is skewed towards low- and semi-skilled workers³⁴. This is marked by two trends witnessed within the two largest sectors in Malaysia's economy: the services and manufacturing sectors.

³² See Appendix A for a more detailed list of the protection measures available to foreign workers in Malaysia.

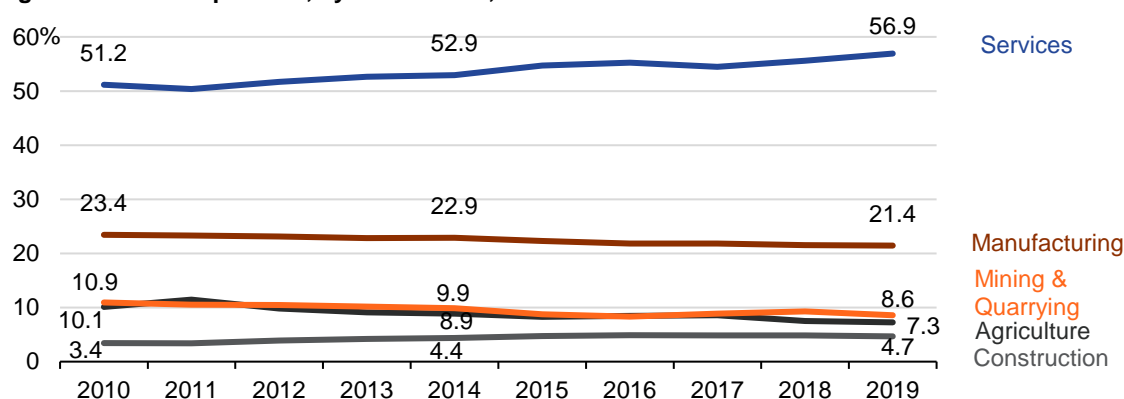
³³ Statistics from the LFS is derived from a household survey, where DOS interviews only those in private living quarters (LQs), and exclude those residing in institutional LQs, such as hotels, hostels, hospitals, prisons, boarding houses and quarters at construction work sites. Hence, by design, the LFS is not meant to capture foreign workers by their legal status. In other words, although the number reported captures both documented and undocumented foreign workers in private households, it does not account for institutional housing where foreign workers are likely to live in. No attempt was made to adjust for this exclusion. Based on the 2010 Population and Housing Census, those who live in LQs was less than 4% of the population and thus the population was small enough to not affect the estimates of the labour force statistics. Source: DOS (2020b)

³⁴ Ng et al. (2018)

Firstly, **the expansion of services sector through time has in large part been contributed by the growth of its more traditional subsectors**³⁵. Since 2010, the services sector has not only been the single largest contributor to our national GDP, but its share has been steadily growing as well (Figure 1). A closer inspection shows us that in fact more than 90% of the growth in the main sector was attributed to the rising significance of its more traditional subsectors, such as food and accommodation, wholesale and retail and the like, which are more labour-intensive. The size of modern services subsector, such as professional and financial activities, by contrast, has been stagnant within the same period of time (Figure 2).

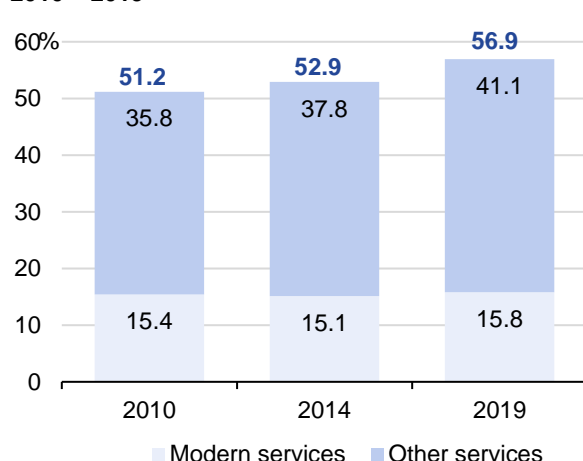
Secondly, the **manufacturing sector**, though slightly decreased in its overall importance in the economy, is **mainly made up of the low- and mid-tech subsectors**³⁶ (Figure 3). In 2019, these two subsectors jointly made up 63.9% of the main sector, up from 63.3% in 2010.

Figure 1: GDP composition, by main sector, 2010 – 2019



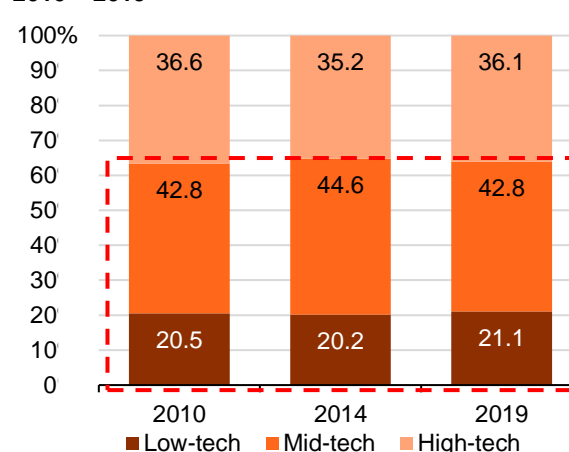
Source: DOS (2018), DOS (2020a), authors' calculations

Figure 2: GDP contribution, by services subsector, 2010 – 2019



Source: DOS (2018), DOS (2020a), authors' calculation

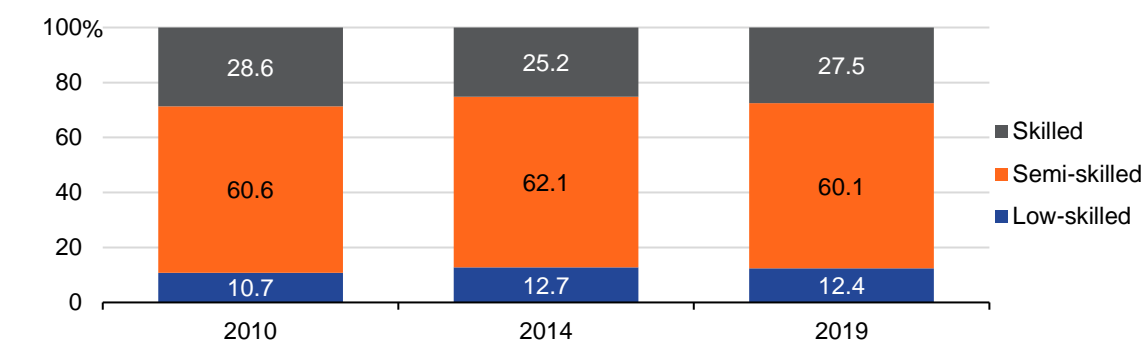
Figure 3: Composition of manufacturing sector, 2010 – 2019



³⁵ The classification of services subsectors is adapted from Ng et al. (2018). See Appendix B for the detailed classification.

³⁶ The classification of manufacturing subsectors is adapted from Ng et al. (2018). See Appendix C for the detailed classification.

Figure 4: Compositions of overall employment in Malaysia, by skill level, 2010 – 2019



Source: DOS (2011), DOS (2015), DOS (2020b) and authors' calculation

Driven by these transitions within the economy, it is no surprise that skilled employments have been fairly stagnant since 2010, while low- and semi-skilled³⁷ jobs remain dominant in the labour market. Particularly, the proportion of low-skilled jobs in the economy has increased by 1.7 percentage point since 2010.

At the same time, the Malaysian labour force is getting increasingly educated over time. Between 2010 and 2019, the number of Malaysians in the labour force with tertiary education increased the most by 1.8 million, followed by those with secondary education at 1.7 million. However, those with primary and no formal education decreased by almost 450,000 (Figure 5).

In contrast, the number of non-citizens in the labour force with secondary education increased the most by 425,800 between 2010 and 2019, followed by those with primary and no formal education, at 122,900. Those with tertiary education only increased by about 44,000, the least among the three categories.

Whilst it may not be entirely causal, the mismatch between the labour market demand and the rising education level of Malaysians is very likely to have a strong relationship with the growth in foreign workers workforce in Malaysia³⁸. In fact, 94.1% of foreign workers were hired in low- and semi-skilled jobs in 2019, a rise from 92.7% in 2010 (Figure 6). Although more than half of them were in the semi-skilled category, the proportion of those who worked in low-skilled jobs has notably increased by almost 10 percentage points between 2010 and 2019.

³⁷ The classification of occupations into skill level follows the LFS, which is based on the Malaysia Standard Classification of Occupations (MASCO) 2013. See Appendix D for the detailed classification.

³⁸ As the economy transitioned into a more labour-intensive model, it is likely that a considerable number of Malaysians have also been underemployed on a skill basis. Assuming that everyone can work in low-skilled jobs, whereas only secondary and tertiary educated individuals can work in semi-skilled jobs, and most tertiary educated individuals work in skilled jobs (KRI, 2018). When we compare Figure 5 and Figure 10—*Net change in employed persons, by skill level*, the charts imply that not all tertiary-educated individuals entered skilled occupations within the same period of time, because even though tertiary-educated Malaysians increased by 1.8 million between 2010 and 2019, skilled jobs only rose by slightly more than 860,000. This points towards a possible mismatch between labour demand and supply even among the native workers.

Within the same period of time, most foreign workers were also employed in the more traditional services subsectors and manufacturing sector (Figure 7). The share of foreign workers who worked in the more traditional subsectors, mainly the accommodation and food subsector, was not only the largest among all (37.4%), but it has also been increasing within the past nine years. Again, this is not surprising given the steadily-expanding traditional services subsector in the economy.

Manufacturing sector was the second largest employment destination among the foreigners, with more than a quarter of the foreign workers employed in the sector. Though the data does not allow breakdown by subsector, this could potentially reflect the surging demand for workers in low- and mid-tech subsectors discussed earlier.

In other words, foreign workers are typically employed in jobs that are deemed dirty, dangerous and difficult (3D)³⁹, such as working in factory floors, serving, cooking and cleaning restaurants, and building MRTs, houses and offices. These are also the jobs that are often shunned by the locals⁴⁰. Based on a survey conducted by the Malaysian Employers Federation (MEF) involving 101 member companies, about 78% of the companies reported that “shortage of local workers to fill vacancies” was the main reason for them to recruit foreign workers⁴¹. Though the results are not nationally representative, it is helpful to give a broad sense of the reasons behind firms’ reliance on foreign workforce.

Figure 5: Net change in labour force, by education level, 2010 – 2019

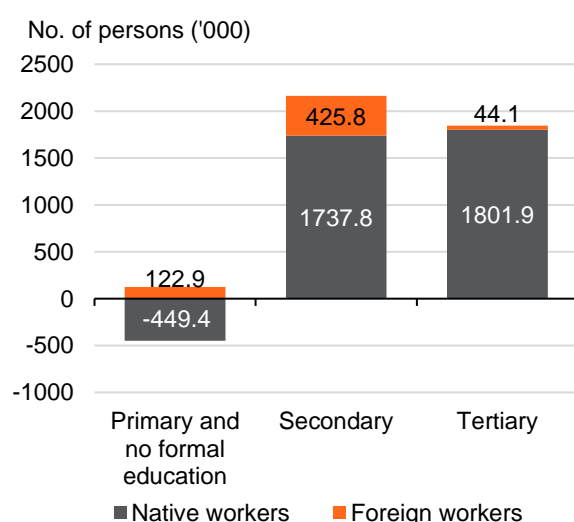
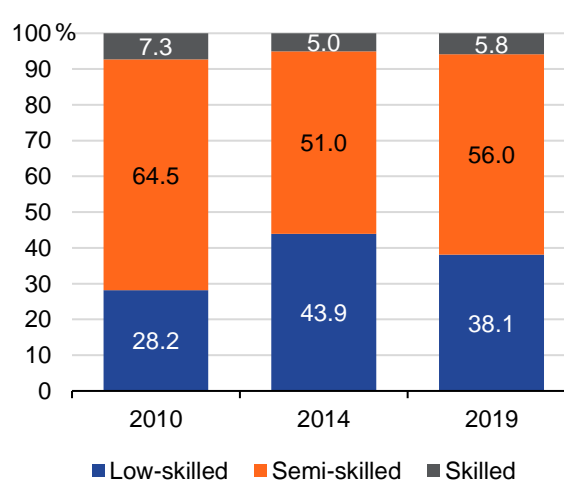


Figure 6: Distribution of foreign workers, by skill level, 2010 – 2019



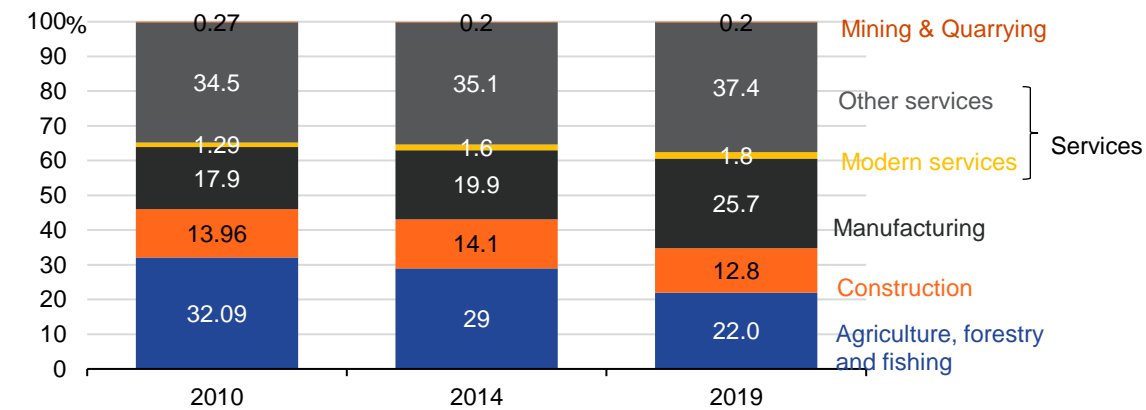
Source: DOS (2011), DOS (2015), DOS (2020b) and authors' calculation

³⁹ See, for example, Munoz Moreno et al. (2015) and Kumar (2016)

⁴⁰ According to Kumar (2016), the Executive Director of the Malaysian Employers Federation (MEF), Datuk Shamsuddin Bardan said that Malaysians turn down employment opportunities in 3D industries not because of the meagre salaries, but the social stigma that is attached to these jobs.

⁴¹ MEF (2014)

Figure 7: Distribution of foreign workers, by sector, 2010 – 2019



Source: DOS (2011), DOS (2015), DOS (2020b) and authors' calculation

However, public discourse on the employment of foreign workers has been largely negative, typically revolving around the claims that foreign workers take natives' jobs and suppress their wages. In a comprehensive study commissioned by the Malaysian government, the World Bank, in its *Immigration in Malaysia: Assessment of its Economic Effects and a Review of the Policy and System Report*⁴² found that the claim is indeed partly true. Using data between 1990 and 2010, the report found that the influx of unskilled foreign workers had not affected everyone equally. On one hand, older, male native workers with secondary education became the main beneficiaries as they were made the supervisors of the foreign workers; on the other hand, the least educated, lowest skilled Malaysians have had to compete directly with the similarly low-skilled foreigners, and thus have been significantly disadvantaged as they experienced job displacement and wage suppression^{43, 44}. In 2019, there were one million Malaysian workers who belonged to this category.

Undeniably, the plight of the one million Malaysians needs to be looked into extensively by policymakers for appropriate policy interventions. Yet, it is equally important to note that this does not reflect the overall reality of the impact of foreign workers on Malaysia's economy. On an aggregate level, the presence of foreign workers had marginally positive impact on native's employment and wages. The same report found that a 1% increase in foreign workers resulted in a 0.1% increase in full-time employment and 0.3% increase in part-time employment. In terms of wages, a 10% increase in the number of foreign workers led to a 0.15% increase in Malaysians' average wage. In fact, similar results were found in most published economic studies in the Malaysian context⁴⁵.

⁴² Del Carpio et al. (2013)

⁴³ KRI (2018)

⁴⁴ Using LFS data from 1990 to 2010, Ozden (2014) also found similar results, in that foreign workers displaced native workers "with at most primary education, while primarily benefiting those with a little more education, lower secondary or completed secondary education".

⁴⁵ See, for example, KRI (2018), Technical Notes 3 – *The Economic Impact of Foreign Workers in Malaysia*, Munoz Moreno et al. (2015), Ozden (2014) and NEAC (2004).

According to KRI (2018), three factors can explain the limited economic effects of foreign workers, which are summarised here. Firstly, foreign workers and native workers are in general imperfect substitutes. Even within the same skill levels, they do not compete for the same jobs because certain industries tend to employ more native workers than the others, for example services industry with jobs that require local language skills⁴⁶. Therefore, the effects on native employment tend to be limited.

Secondly, immigration leads to greater economic activity overall. Because foreign workers play a distinct role in the economy compared to native workers, certain businesses and economic activities would not have existed had there been an absence of foreign labour. Besides, foreign workers' low wages help firms reduce production costs and increase output. These workers also spend money in the domestic market, thereby contributing to an increase in demand for goods and services, as well as for the labour that produces them⁴⁷.

Thirdly, the employment of foreign workers can lead to task specialisation⁴⁸. With foreign workers now filling low-skilled jobs, new opportunities for native workers to be supervisors of these low-skilled workers arise. Whilst it is true that low-skilled native workers can be initially disadvantaged by the presence of foreign workers, they may not necessarily be worse-off in the long term as they take on better jobs.

In summary, our economy has created an expanding demand for low- and semi-skilled workers that has not been sufficiently supplied by our increasingly educated native labour force. The employment of foreign workers was therefore partly a solution to the labour market mismatch. Foreign workers have since filled the roles shunned by most Malaysian workers, yet essential for the continued development of the country.

⁴⁶ Peri and Sparber (2009) explain that foreign workers tend to work in occupations intensive in manual-physical labor skills, whereas native workers specialise in jobs that are more intensive in communication-language tasks.

⁴⁷ See Somerville and Sumption (2008), Ahsan et al. (2014) and Munoz Moreno et al. (2015), for examples. Evidence from Del Carpio et al. (2013), Ozden (2014) and Munoz Moreno et al. (2015) also showed that the scale effect of immigration outweighs the substitution effect in local labour market, whereby every 10 new foreign workers in a given sector-state created around four to six native employments. Source: KRI (2018)

⁴⁸ Somerville and Sumption (2008), pp 28 – 29 discussed this in greater length. Besides, Peri and Sparber (2009) provides an important, in-depth perspective on this factor in the US context.

Neglecting foreign workers' welfare gives rise to significant public health and economic externalities

Covid-19 has laid bare the pervasiveness of public health and economic externalities beyond what we once imagined. In the case of foreign workers, the externalities can be manifested in various ways, some of which are discussed in this section.

Firstly, the failure to manage foreign workers' exposure to the virus risks straining the public healthcare system and lengthening national lockdown.

Foreign workers in Malaysia are known to live in congested living quarters, making them one of the most vulnerable groups in the face of the deadly virus⁴⁹. To date, there have been several clusters of Covid-19 affecting foreign workers living in the same living quarters, such as a cluster amongst security personnel working at a mall in Cheras⁵⁰ and another cluster amongst construction workers in Setia Alam⁵¹.

Furthermore, foreign workers face significant barriers to accessing healthcare in Malaysia, even before the Covid-19 pandemic. In addition to financial barriers, migrant workers, especially undocumented workers, often fear arrests and deportation if they seek care at government health facilities, as these facilities are usually required to report undocumented migrants⁵². Thus, the threat of being detained is a major deterrent for foreign workers to access healthcare.

The immigration raids that have taken place since 1 May only serve to further deter foreign workers from seeking medical care, with wide implications for the rest of the country. If they are unable to get tested and treated safely, clusters amongst foreign workers in Malaysia are almost inevitable, just as they were in Singapore. An outbreak amongst this group stands a good chance of spreading to the greater population, especially as movement restrictions are being gradually lifted. This may lead to a longer nationwide lockdown, causing more businesses to be thrown into deeper waters, and many more workers unemployed.

Additionally, these immigration raids do nothing to improve the living conditions of foreign workers who are detained as they are forced to stay in further cramped quarters in immigration detention centres. The identification on 21 May of a new cluster affecting 35 detainees at an immigration detention centre in Kuala Lumpur was only to be expected, as are the subsequent similar clusters that have emerged since⁵³.

⁴⁹ Generally, employers in Malaysia are expected to provide accommodation for foreign workers. However, only plantation companies are required to do so by law. Thus, some foreign workers who are not provided accommodation by their employers become squatters and live in make-shift settlements when they are unable to find accommodation themselves. Source: Timbuong (2020)

⁵⁰ Shankar (2020)

⁵¹ Syafiqah Salim (2020)

⁵² Jarud Romadan Khalidi and Nazihah Muhamad Noor (2020)

⁵³ Kanyakumari (2020)

Furthermore, any outbreak has the potential to put a strain on the public healthcare system. And it will be strained the same way from every additional patient—be it a rich Malaysian or a poor foreign worker—occupying a hospital bed and receiving intensive care on a ventilator⁵⁴.

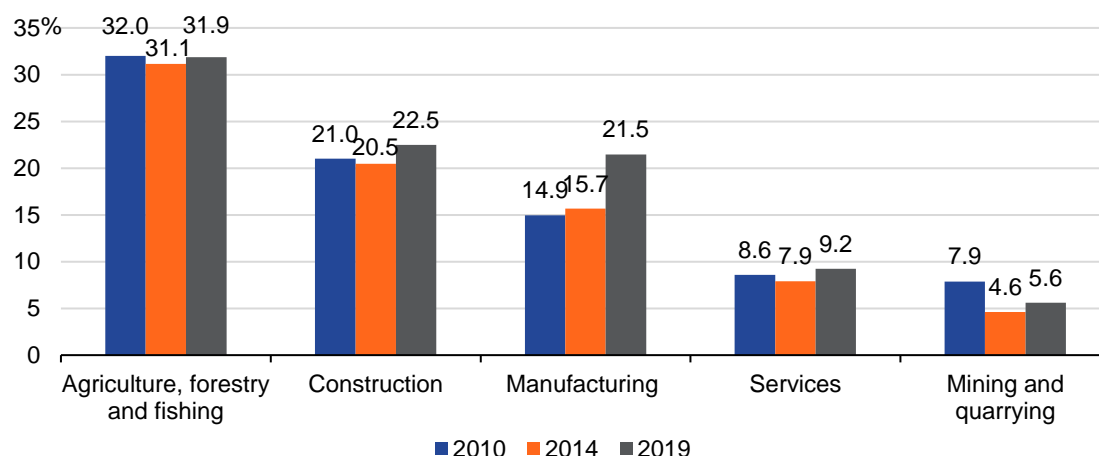
Clearly, neglecting foreign workers hurts citizens, too⁵⁵. Though some would see this as yet another reason to deport foreign workers, repatriation is not as straightforward a solution as many would think, simply because many of their countries of origin are also facing lockdowns and other desperate situations⁵⁶. India, for example, is too occupied with its own national problems that it is not cooperating with the Gulf countries' efforts to return its migrants⁵⁷.

Secondly, **inadequate support to protect foreign workers' jobs has a spillover effect on the survival of industries and businesses**. The effect can be especially prominent in sectors that rely heavily on foreign workers.

Figure 8 shows that in 2019, almost one-third of the workers in agriculture sector were foreign workers. In construction and manufacturing sectors, respectively, more than one-fifth of the workers are of foreign origins. These proportions have also been on an increasing trend over the years, including in the services sector, which has risen from 8.6% in 2010 to 9.2% in 2019.

Breaking it down by skill level, Figure 9 shows that low-skilled jobs had the highest share of foreign workers in 2019, with almost one in two low-skilled workers being foreigners. As for semi-skilled jobs, where the bulk of employments are, more than one in 10 were foreign workers.

Figure 8: Share of foreign workers out of total employment, by sector 2010 – 2019



Source: DOS (2011), DOS (2015), DOS (2020b) and authors' calculation

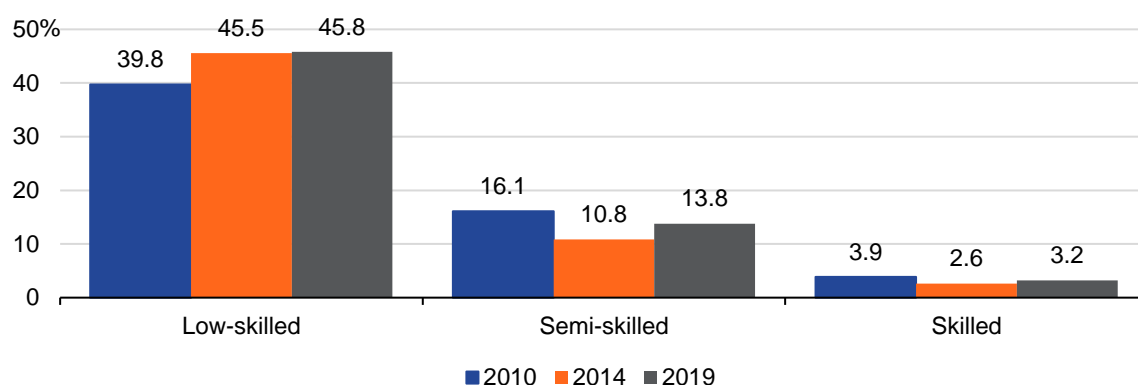
⁵⁴ Quah (2020)

⁵⁵ The Economist (2020)

⁵⁶ Ibid.

⁵⁷ Ibid.

Figure 9: Share of foreign workers out of total employment, by skill level, 2010 – 2019



Source: DOS (2011), DOS (2015), DOS (2020b) and authors' calculation

Based on the survey in the 2018 National Employment Returns (NER) report, Institute of Labour Market Information and Analysis (ILMIA) and the Ministry of Human Resources (MOHR) estimated that 22% of the establishments in Malaysia hired foreign workers⁵⁸. If we look by sector, more than 60% of the establishments in agriculture and manufacturing sectors, respectively, rely on foreign workers as part of their workforce⁵⁹.

In other words, without sufficient support given to preserve the employer-foreign employee relationships during this crucial time, we are effectively unplugging the economy's access to almost 50% of low-skilled workers, and hollowing more than 30%, 22% and 20% of the agriculture, construction and manufacturing sectors' workforce, respectively, leaving 22% of the businesses to struggle without much support.

What can we do?

Whilst the curve in Malaysia seems to have flattened for now, the pandemic is not yet over, and we cannot be complacent. The emergence of new clusters in countries that had previously brought the pandemic under control, such as China and South Korea, is a potential warning for Malaysia, as highlighted by the Director-General of Health⁶⁰.

Learning from the experiences of other countries, to keep the Covid-19 transmissions under control in Malaysia, our national containment efforts must include protecting all vulnerable populations in the country. This must include extending protection for foreign workers. The emergence of clusters amongst foreign workers in Malaysia should serve as a red flag, calling for early intervention, or otherwise risk another wave of infections as seen in other countries.

⁵⁸ The survey covered 4,028 establishments all over Malaysia, with the survey results weighted to estimate the information at the population level, unless stated otherwise. Source: MOHR (2019)

⁵⁹ MOHR (2019)

⁶⁰ Kaos (2020)

In this section, we discuss three broad strategies with specific policy options for protecting foreign workers in Malaysia that can be implemented as part of the overall national and global efforts to contain the Covid-19 pandemic.

Strategy 1: Facilitate testing, treatment and isolation for all foreign workers

To effectively halt the transmission of Covid-19 throughout Malaysia, the ability get access to tests and treatments and to isolate must be made available for everyone, regardless of their nationality. In the case of foreign workers, it is crucial that Malaysia moves from a “detention” to a “treatment” model of controlling infection amongst this group. To this end, this strategy must encompass the following measures:

Test: Incentivise testing by rolling out an amnesty programme for undocumented foreign workers

Increasing testing is necessary to identify clusters so that they can be contained before spreading to the wider population. However, as discussed earlier, many foreign workers, especially those who are undocumented, do not feel safe to get themselves tested for fear of being detained.

Thus, to ensure all foreign workers can access to testing regardless of documentation status, there is an urgent need to put an immediate stop to the immigration raids throughout the country. Although the raids are ostensibly being carried out to stop the spread of Covid-19, those detained would not have the ability to exercise physical distancing in the crowded detention centres, thus exacerbate the spread of Covid-19 amongst detainees. Additionally, the raids will likely drive the country’s undocumented population further into hiding and away from the healthcare system out of fear of being similarly detained. This can increase the likelihood of more clusters to emerge amongst this population.

As such, Malaysia must consider implementing an automatic amnesty policy towards all undocumented migrants for the duration of the pandemic, whereby the government must commit to halt all and any arrests of the undocumented population. This must be followed by a widespread campaign clarifying in the strongest possible terms that all migrants should feel safe to seek medical assistance should they need any, without any fear of being detained.

In addition to the public health case for granting amnesty, implementing this policy would be a strategic move for the country, as the current streak of immigration raids are unlikely to capture and test all undocumented foreign workers. Around 2,000 migrants were picked up from raids in May and more than 4,000 detainees were tested for Covid-19 in the Bukit Jalil, Semenyih, Sepang and Putrajaya detention centres⁶¹. In comparison to the size of undocumented foreign workers, estimated to be at least one million persons, the raids had only managed to capture a miniscule fraction of the population. Even at full capacity, the 14 detention centres nationwide would be able to accommodate only about 13,000 detainees at one time⁶².

To ensure the majority of this vulnerable population voluntarily access care, the amnesty programme must be properly incentivised, such as by providing temporary legal status in exchange for coming forward for testing, where necessary.

Even with an amnesty programme, the migrant population, especially those who are undocumented, are likely to have a significant level of mistrust of the authorities. To overcome any potential trust deficit between the migrant population and the government, the government can work more closely with CSOs to reach those in this vulnerable group to ensure they receive any medical assistance they may need.

Treat: Increase capacity for treatment facilities for foreign workers

Increased testing, combined with the current spike in cases among foreign workers, will make it likely that more designated quarantine centres and treatment facilities such as at the MAEPS may need to be set up by the MOH.

For treating cases amongst foreign workers, it is crucial to make clear that the aim of these treatment facilities is precisely to treat, not to detain. To effectively signal that the authorities' intent is to assist foreign workers, these facilities must run as field hospitals and recovery facilities equipped with the proper essentials and amenities. It is also crucial that immigration officers not be present at these facilities. This is again meant to incentivise foreign workers to come forward for testing and treatment.

Isolate: Provide alternative, improved accommodation for foreign workers

Given the subpar living conditions of foreign workers⁶³, all workers must be relocated to alternative accommodations to minimise the risks of being infected by the virus and of infecting others. These accommodations must meet certain standards to enable foreign workers to effectively practice physical distancing along with good hygiene such as washing hands with soap and water. Additionally, creating make-shift arrangements for immediate use would give authorities the required spaces to isolate those who are infected and recovering.

⁶¹ Fishbein and Hkawng (2020), MOH (2020b), Director-General of Health Malaysia (2020)

⁶² Each centre can accommodate around 13,000 detainees at one time. Source: The Sun Daily (2019)

⁶³ See Muniandy (2015) for ethnographic accounts on foreign workers' living conditions.

It is important to emphasise that the provision of alternative living arrangements should be accepted by the foreign workers as a measure to assist them and must be operationalised as such. This means that foreign workers should not be detained but are informed of the necessary rules and regulations that must be followed to safely enter and leave the residences, such as when going to and from their workplaces. This measure should be used as an additional incentive to push undocumented foreign workers out of hiding.

This is currently done in Singapore whereby upon the coronavirus outbreak among foreign workers in purpose-built dormitories (PBDs), the Singaporean government had urgently made alternative accommodation arrangements to reduce the population density at the PBDs. Foreign workers were relocated to military camps, floating hotels, vacant Housing Board blocks, sports facilities and several other alternative accommodations⁶⁴. This was mainly to separate those who are healthy and those working in essential services from the high-risk groups, as well as to enable all workers to practice safe distancing and maintain a hygienic living environment.

Strategy 2: Step up job protection for all foreign workers

As the country grapples with the economic consequences of the pandemic, it is unlikely that firm activities and employment can be maintained at pre-Covid-19 level. Whilst retrenchment is inevitable in many cases, it remains imperative that the government does its best to cushion the economy against any lingering effect from the previous wave of Covid-19, and any potential shock from a future wave that might just be looming around the corner.

Like all other firms with native workers, those that rely heavily on foreign workers for operation—such as palm oil estates, small- or medium-sized cleaning companies, or even mamak restaurants in towns—require adequate, if not aggressive, wage subsidy assistance to retain their workers before they could keep their businesses alive in the short run. In relation to this, three salient points are worth noting.

⁶⁴ Mei (2020)

Firstly, the assistance provided to ease employer's foreign labour costs should go beyond the 25% foreign worker levy discount that is given. The costs of foreign worker levy range from RM410 to RM1,850 depending on the sector, and is paid upon application and extension of the workers' Visit Pass (Temporary Employment), which is valid for 12 months⁶⁵. Hence, the discount actually amounts to only between RM103 and RM463 per worker for the rest of the year⁶⁶. For firms that have to cease operation for more than a month due to the MCO, this amount of assistance is unlikely to be at all sufficient.

Secondly, various estimations have shown that the number of undocumented workers in Malaysia could even surpass that of documented ones⁶⁷. If nothing is done to keep these workers healthy and in their jobs, even more employers than expected would be severely impacted. In an unprecedented crisis like this, protecting our businesses could mean a radical move to legalise all undocumented workers⁶⁸, and include them under any job retention measures for all foreign workers.

⁶⁵ Immigration Department of Malaysia (n.d.)

⁶⁶ According to the Immigration Department of Malaysia (n.d.), the following fees must be paid to the Immigration Department for VP(TE) extension applications. In other words, even with the 25% discount given, employers would still have to afford at least a total of RM493 to RM1,573 on top of their usual wages to keep the workers.

Sector	Levy (Peninsular) (RM)	Levy (Sabah/Sarawak) (RM)	VP(TE) (RM)	Process (RM)	Visa
Manufacturing	1,850	1,010	60	125	Based on nationality
Construction	1,850	1,010			
Plantation	640	590			
Agriculture	640	410			
Services	1,850	1,490			
Services (Island resort)	1,850	1,010			

⁶⁷ Figures on undocumented migrants vary depending on the source, ranging from 1.2 million to 5 million. Source: The Borneo Post (2017), Embun (2017), Malay Mail (2016), Utusan Malaysia (2015), Lee and Idris (2018), Loh et al. (2019).

⁶⁸ Apart from keeping our businesses afloat especially in this time of crisis, Yasmin (2019) lists other benefits from recognising undocumented foreign workers in the labour market and granting them labour rights: First, they will be paid more, become more economically self-reliant and able to spend more and pay more taxes. Second, the stigma from being undocumented can be somewhat addressed if they are recognised formally. Lastly, a national database for migrants can also be developed.

Thirdly, there has been a proposal to lay off foreign workers and employ native workers to fill the gap as a way to resolve unemployment issue, at the same time encourage automation to wean off reliance on foreign workers⁶⁹. This is unlikely to be a viable option, simply because native and foreign workers generally do not occupy the same occupational space to begin with⁷⁰, and the transition to a capital-intensive business model, though laudable, is not a short-term affair.

Figure 10 shows that almost 70% of the increase in foreign workers employed between 2010 and 2019 concentrated mostly within the low-skilled occupations. By contrast, the increase among the native workers happened mainly within the semi-skilled and skilled occupations⁷¹. Clearly, native and foreign workers have distinctive role to play in the economy. This echoes the discussion above about the mismatch between the education profile of Malaysians and our labour market demand—why we needed foreign workers in the first place.

Given the desperate situations many Malaysians are thrown into these days, some have argued that more native workers will take on the 3D jobs that were previously held by foreign workers. Indeed, there are some anecdotal evidence that have emerged which indicate that this is taking place⁷².

However, the long-term prospect of having Malaysians fill in low-skilled vacancies in the market remains uncertain. For example, following the government's directive to stop hiring foreign workers, market traders at a few wholesale and wet markets in Selangor and Kuala Lumpur have been facing difficulties in hiring native workers after resuming operations. These jobs used to be filled by foreign workers who were willing to do the "tough jobs", such as heavy lifting and cleaning, and did not mind working long hours⁷³. Now that many of them have been forced into hiding due to recent raids, the employment of native workers has proved to be challenging. Because native workers are only able to work half the usual load of what a foreign worker could do, it now takes two native workers to handle one foreign worker's workload. Now, the market is functioning at less than 20% of its full capacity due to the manpower disruption^{74,75}.

⁶⁹ Kaur (2020)

⁷⁰ KRI (2018)

⁷¹ Although there is also some 140,000 increase in foreign workers in semi-skilled occupations, overall, they represent only less than 15% of the semi-skilled employments.

⁷² See Nadirah H. Rodzi (2020) for examples of cases where Malaysians are willing to take any job that comes their way now.

⁷³ Jun (2020)

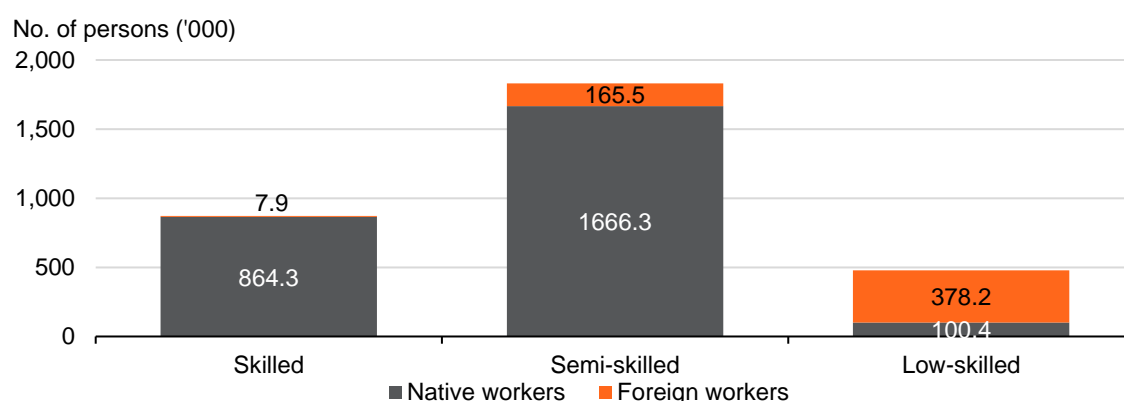
⁷⁴ Ibid.

⁷⁵ In order to attract native workers to jobs that were mainly done by foreign workers, the Executive Director of MEF has proposed to make these jobs "less dirty" (Kaur, 2020). Whilst it is a commendable move to improve the working conditions of certain jobs, it is only fair if such improvement is implemented regardless of who does the job—whether foreigners or otherwise.

Furthermore, according to Somerville and Sumption (2008), the argument that employers would simply upgrade their technology once low-skilled foreign workers are absent from the market is problematic. Firstly, labour-saving technology can be costly, and this cost is likely to be transferred to consumers, resulting in high consumer prices. Secondly, given the cost that entails, oftentimes only large firms can afford to mechanise their work, while others simply go out of business. Finally, not all types of production process can be mechanised—hair cutting service is an example. Therefore, while the aspiration to move towards a capital-intensive economic model is good, the process may not be as straightforward as it may seem.

In short, it is important to recognise that stepping up job protection for foreign workers is a short-term measure meant to shield Malaysia's economy from the impact of Covid-19, lest we lose viable businesses just because they hire foreign workers and thus fall through the cracks of government protection. This must be done in parallel with tightened scrutiny on employers to prevent further exploitation of foreign workers who do not have much bargaining power. By contrast, any overhaul or restructuring of our labour market, such as re-calibrating Malaysia's reliance on foreign workers, is a medium- to long-term affair which requires careful policy deliberations on many levels.

Figure 10: Net change in employed persons, by skill level, 2010 – 2019



Source: DOS (2011), DOS (2015), DOS (2020b) and authors' calculation

Strategy 3: Strengthen regional cooperation and coordination

Labour markets within the region are interconnected, not least because international migration of workers is a common phenomenon here. For instance, just as Malaysia accommodates millions of foreign workers from its neighbouring countries, including Indonesia, Nepal and Bangladesh, there are also a considerable number of Malaysians who seek greener pastures elsewhere and are currently in desperate need of help. According to the United Nations International Migrant Stock data, there are close to one million migrants⁷⁶ of Malaysian nationality in Singapore, followed by more than 200,000 in Bangladesh in 2019⁷⁷.

What this means is that, countries in the region are reliant on each other's policies and goodwill to care for their people in the host countries. For example, when Malaysia first announced the implementation of MCO in March, the livelihood of 300,000 Malaysian workers who commuted daily to work in Singapore were immediately affected. In an urgent response to the situation, the Singaporean government provided an allowance of SGD 50 per worker per night for 14 nights to companies to house Malaysian workers who chose to remain in Singapore⁷⁸. This was a crucial step taken by the Singaporean government to preserve the livelihood and viability of the workers and businesses, respectively.

Overall, the Singaporean government has arguably⁷⁹ taken commendable efforts to care for the foreign workers in the wake of the dormitory outbreak. Specifically, the government has been quick to assume a proactive role to advice, assist and provide for the employers and foreign workers alike, to protect the welfare of the workers whose contributions are publicly recognised as significant to the country's development⁸⁰.

⁷⁶ These numbers show the mid-year estimate of the number of people living in a country or area other than that in which they were born. Hence, they include people of all skill levels. Although it does not strictly refer to the main subject of this paper, i.e. low-skilled foreign workers, these numbers give a sense of the large population of Malaysians who depend on other countries' protection in this period of time.

⁷⁷ UN (n.d.)

⁷⁸ Following the extension of its MCO in April, although the SGD50 allowance was not extended, multiple ministries have extended assistance to companies to search for more sustainable housing options for their workers. Source: Ministry of Manpower Singapore (2020b), Ministry of Manpower Singapore (2020d)

⁷⁹ In the wake of the Covid-19 outbreak among foreign workers living in dormitories, the Singaporean government has drawn a series of criticisms from local and international communities about the mistreatment of the foreign workers in the country. Amongst others, the government is accused of turning a blind eye to the overcrowded living conditions in the workers' dormitories all along, overlooking the signal when the first Bangladeshi workers was tested positive in early February, as well as introducing Singaporean-centric anti-virus measures at the earlier stage of the pandemic. Source: Ratcliffe (2020), Sim et al. (2020) and Mahtani (2020)

⁸⁰ An Inter-agency Task Force (ITF) has been set up to provide support to foreign workers and dormitory operators during the Circuit Breaker period. Amongst others, the ITF has provided a full range of medical support to detect and treat infections among the workers, made arrangements for daily meals and basic amenities, as well as taken efforts to ensure salaries are paid and provided remittance services to the workers. For a summary of the approaches taken by the Singaporean government to care for the well-being

These efforts should be elevated to the regional level through concerted actions among the governments⁸¹. In a year where Malaysia is host to the meetings amongst the Asia-Pacific Economic Cooperation (APEC) countries, we are ably positioned to encourage regional cooperation for the protection of foreign workers. This is crucial not only to ensure the rights of these workers are upheld in their host countries, but also to keep regional labour markets, and hence economy, as intact as possible throughout the course of the pandemic. Amongst others, laws should be in place to protect these workers' rights regardless of where they are located, and an integrated labour policy should be formulated to deal with labour outflows and inflows in the event of inevitable retrenchment and repatriation.

Finally, it is worth remembering that the Covid-19 pandemic is, by definition, a global health crisis. While it may be tempting for each country to focus only on protecting its own citizens, due to the infectious nature of this coronavirus, as long as any country is overwhelmed by the pandemic, other countries remain at risk for future outbreaks, too. As noted by Bill Gates, "so long as there is Covid-19 somewhere, it concerns people everywhere."⁸² Thus, international cooperation is vital to effectively overcome this pandemic.

of foreign workers living in dormitories, see Ministry of Manpower Singapore (2020a). Source: Ministry of Manpower Singapore (2020c), Ministry of Manpower Singapore (2020a)

⁸¹ Dian Septiari (2020)

⁸² Gates (2020)

Conclusion

In a world wrecked by the Covid-19 pandemic, taking care of foreign workers is first and foremost humane. Foreign workers deserve protection not solely because of their economic contribution; they deserve protection by the simple virtue that they are human and basic protection should be part of their human rights. But unfortunately, human right arguments often fall on deaf ears.

Hence, in this paper, we highlight that caring for foreign workers is also practical. Spillovers are widespread in the systems that we operate in. Neglecting the basic healthcare needs of any human is a perfect incubator for a wider community spread. It risks straining the public healthcare system and lengthening lockdowns that hurt firms and workers. Similarly, if we fail to protect foreign workers' livelihood, we are essentially putting our businesses and economy on the verge of closures and collapse.

Therefore, as we learn from the experience of Singapore, it is important that we re-examine our priorities in the battle against the pandemic. Putting the blame on foreign workers for the way our economic structure has evolved and calling for their repatriation now is not only unjustified—our economic pathway is the result of a confluence of policy deliberations where they had very little representation—it is also untimely given the crisis we are currently in.

Instead, it is high time that we strengthen the weakest link in our society, regardless of age, gender, social status and even nationality. In so doing, we set ourselves on a path to build economic and social resilience that will enable the whole country to weather the storm together. Because in a world where externalities are rife, we help ourselves by helping others⁸³. And in this case, it is through lifting foreign workers who have little job security, and alleviating fear for them to access healthcare services.

⁸³ Quah (2020)

Appendix A – Highlights of assistance to foreign workers

Access to Covid-19 testing and treatment

About 14,000 foreign workers have been tested for Covid-19 virus as of 25 April, which is less than 1% of the total number of documented foreign workers in Malaysia at 2.2 million⁸⁴.

In general, there has been somewhat conflicting messaging on foreign workers' access to Covid-19 testing and treatment in Malaysia. In January 2020, the MOH released a circular announcing that **foreign workers who are suspected of being infected with the coronavirus or are close contacts of Covid-19 patients are exempted from Covid-19-related outpatient fees**. This means any registration, examination, treatment and hospital fees at MOH facilities would be free⁸⁵. This measure is designed to encourage foreign workers to seek care if necessary, by reducing the financial burden, which is a key deterrent for foreign workers accessing the healthcare system even before Covid-19⁸⁶.

However, the Prime Minister's statement on 23 March 2020 that foreign workers must pay for testing and treatment of Covid-19 seemed to be in direct contradiction to MOH's policy⁸⁷. The statement was quickly refuted by the Director-General of Health who reiterated that regardless of nationality, Covid-19-related fees at MOH facilities remain free as per the January circular⁸⁸. But the risk remains that the seemingly opposing directives may cause enough confusion amongst the migrant workers population that may be discouraged from seeking care.

Furthermore, although the Minister of Defence had given assurances in March 2020 that **the government will not arrest any undocumented foreign workers who seek care**⁸⁹, the major immigration raids that have since taken place are again sending contradictory message. These raids have raised concerns that more foreign workers will be scared into hiding, going deeper underground and putting themselves in more precarious conditions⁹⁰.

⁸⁴ DOS (2020)

⁸⁵ MOH (2020a)

⁸⁶ Jarud Romadan Khalidi and Nazihah Muhamad Noor (2020)

⁸⁷ CodeBlue (2020)

⁸⁸ Tee (2020)

⁸⁹ Radzi Razak (2020)

⁹⁰ The Straits Times (2020)

Food

Food provisions for foreign workers, both documented and undocumented, mainly come from the government, CSOs, the MTUC and consulates.

Initially, food aid could only be distributed through the Welfare Department, with support from the Malaysian Volunteer Corps Department (RELA) and the Malaysian Civil Defence to communities^{91,92}. However, concerns arose among the CSOs that the presence of RELA officers would hinder food aid from reaching undocumented workers, refugees and asylum seekers due to mistrust⁹³, and that JKM do not have complete data about this population's whereabouts to effectively channel aid to them⁹⁴. In light of this, the government has lifted the barrier that barred CSOs from reaching out to the needy, subject to guidelines that they need to follow⁹⁵.

On the part of the embassies, the Indonesian embassy in Malaysia has taken steps to distribute free essential food supplies to their citizens in Malaysia, though the amount is far from sufficient to feed the large number of workers in need⁹⁶. The Bangladesh High Commission has also been working with the MTUC to distribute aid to their workers in 400 locations within Peninsular Malaysia⁹⁷.

⁹¹ ILO (2020)

⁹² Wahab (2020b)

⁹³ ILO (2020)

⁹⁴ Wahab (2020a)

⁹⁵ Chen (2020)

⁹⁶ According to The House of Representatives of the Republic of Indonesia (2020), there are as many as 3.5 million Indonesian foreign workers in Malaysia, both documented and undocumented, who have been affected by the MCO. This population is not only large in number, but are also spread over various locations facing different predicaments. It is said that some have been surviving only by eating white bread or drinking tap water, while some others went to the forest in search for food. The House of Representatives of the Republic of Indonesia (2020)

⁹⁷ ILO (2020)

Appendix B – Services subsectors classification

Modern Services

1. Information and communication
2. Financial and insurance/takaful activities
3. Real estate activities
4. Professional, scientific and technical activities

Other Services

1. Electricity, gas, steam and air conditioning supply
2. Water supply; sewerage, waste management and remediation activities
3. Wholesale and retail trade; repair of motor vehicles and motorcycles
4. Transportation and storage
5. Accommodation and food and beverage service activities
6. Administrative and support service activities
7. Public administration and defence; compulsory social security
8. Education
9. Human health and social work activities
10. Arts, entertainment and recreation
11. Activities of households as employers
12. Other service activities

Appendix C – Manufacturing subsectors classification

High-Tech Manufacturing

1. Electrical, electronic and optical products
2. Transport equipment, other manufacturing and repair

Medium (Mid-) Tech Manufacturing

1. Petroleum, chemical, rubber and plastic products
2. Non-metallic mineral products, basic metal and fabricated metal products

Low-Tech Manufacturing

1. Food, beverages and tobacco
2. Textiles, wearing apparel and leather products
3. Wood products, furniture, paper products and printing

Appendix D – Classification of skill levels based on occupation

Skilled

1. Managers
2. Professionals
3. Technicians and associated professionals

Semi-skilled

1. Clerical support workers
2. Services and sales workers
3. Skilled agricultural, forestry and fishery workers
4. Craft and related trades workers
5. Plant and machine-operators and assemblers

Low-skilled

1. Elementary occupations

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