



## **KONGRES KESATUAN SEKERJA MALAYSIA**

### **PROPOSALS ON STRATEGIES TO REDUCE RELIANCE ON FOREIGN WORKERS - THE WORKERS' PERSPECTIVE**

#### **Sectors Which Need Not Employ Foreign Workers**

Based on experience and availability of local workers the following industries need not employ foreign workers:

- ***Manufacturing sector***

Based on figures as of December 2006, the manufacturing sector employs the largest number of foreign workers (35%). This is unnecessary because companies which implement decent wages and working conditions are able to find adequate number of applicants to fulfill their needs.

- ***Services/Hotels***

Representative from hotel industry unions cited clear examples to substantiate their argument that most hotels who make serious effort to recruit locals have been successful. Hotels which show preference for foreign workers merely go through the pretence of attempting to find locals and claim to have failed. Though there are many locals who are keen to take up jobs as croupiers, Resort World has brought in 450 foreign workers.

Services – Until recently stevedoring lashing and unlashng, prime movers drivers and forklift drivers in our ports were done by locals. Port services companies' insistence to impose long hours of work and exploitative working conditions have turned locals away from this sector. We have evidence to show that locals are denied the opportunity thus compelling them to seek jobs far away from their place of stay.

- ***Information Technology***

Large companies including MNC's have brought in substantial number of foreign workers thus leaving out duly qualified locals, who are forced to seek jobs in other sector which has no relevance to their qualification and skill.

- ***Plantation***

With 342,000 foreign workers, our plantation has virtually shut their doors to locals. They are doing this successfully by deliberately ignoring improvements to workers' quality of life in the estates. They enforce lowest basic wages which drives away young workers from estates to seek employment in the manufacturing, service sector and others: often commuting 30 to 50km daily.

- ***Construction Sector***

According to Bank Negara figures the construction sector employ's 252,000 documented foreign workers. We believe that including undocumented workers this sector have more than 500,000. Although construction workers are paid better wages than the rest, contracting system, temporary and casual status for prolonged periods, non payment of statutory contributions such as EPF and SOCSO, serves as a huge distraction to locals.

- ***Healthcare Sector***

We don't need to employ foreign workers in private hospitals. By ensuring decent wages and working conditions, we can retain sufficient Malaysians. Even long established and well know private hospitals who impose exhorbitant charges on patients, pay low wages to their trained and experienced nurses.

- ***Security guards***

In recent years we see security companies importing foreign workers to work as guards. In the past retired Malaysians, and ex service men were given opportunity to work in this sector: Now their positions are replaced by foreign workers.

## **Sectors Which May Have To Depend On Foreign Workers**

MTUC concede that locals are not keen to work:

- as domestic helpers, because they are not prepared to work 12 to 16 hours a day, seven days a week, 365 days a year to earn a meager RM400 to RM500 a month;
- as restaurant waiters, helpers and cleaners for 12 to 16 hours a day, seven days a week, without annual leave, with only 2 or 3 festival holidays each year to earn RM400 to 500 each month;
- cleaners with cleaning contractors who do not observe most of the requirements under the Employment Act and pay RM400 to RM500 a month.

We wish to highlight the widespread abuses practiced by recruiting agents in Malaysia as well as from sending countries, and by many employers.

- Government's current policy on recruitment of foreign workers effectively promote labour trafficking and exploitation;
- Discrimination against locals by denying job Opportunity – many companies have denied locals and offer overtime earnings to foreign workers;
- Labour suppliers

By appointing more than 220 labour suppliers or so called outsourced companies, recruitment of foreign workers have become free for all without any control;

- Our experience shows that there are too many vultures profiting through abuse of foreign workers:
  - ✓ Recruiting agents who impose exorbitant charges for their services – they charge the workers and employers as well;
  - ✓ Employers, especially restaurants, sub contractors, cleaning companies, some individuals who employ domestic helpers, who often short charge the workers and even cheat them of their wages for as long as 12 months;
  - ✓ Foreign workers are often subject to bullying, mistreatment, beatings, extortion, detention by authorities, wrongful arrest and conviction, jailing and caning;
  - ✓ Human Resource Ministry proudly proclaim that foreign workers have the right to join a trade union but in a direct contradiction the Immigration Authority impose a no union activity as a condition of work permit;
  - ✓ Reports of such shameful conduct by Malaysians often appear in newspapers of sending countries and NGO and human rights websites.

### **How can we effectively and urgently address these issues?**

#### **Ministry of Human Resources (MOHR) should have a more prominent role:**

- maintain a register of all employers who employ foreign workers and carry out statutory inspection on a regular basis in determining requirements and needs;
- in determining minimum wages
- and working conditions for all foreign workers including domestic helpers;
- to regulate and monitor all recruitments on government to government basis

- to ensure that the UN declaration on labour rights and workers rights under Article 8 of Malaysian Constitution are guaranteed.
- and issuing of license to all recruiting agents should be abolished;
- until such time recruitment on a government to government basis is implemented all licenses for recruitment should not exceed one year and should be subject to renewal based on reports and recommendation of MOHR.

### **Strategies To Reduce Dependency On Foreign Workers**

- ❖ According to report of Department of Statistic, as of 2006 only 46.1% of women and 86.1% of men are participating. This means 2 million women and close to 890,000 men are not working. Government should take serious measures to encourage the huge number of women to be economically active.
- ❖ Lack of child care facilities at convenient locations at reasonable cost is a major setback. MTUC supports MEF's call to the Government to set up community child care facilities in housing estates. Cost sharing can be studied so that Government, employers and employees who use the facilities can contribute.
- ❖ Retirement age for all employees in government and private sector should be raised to 60 years.
- ❖ Supermarkets, hypermarkets, restaurants, petrol pumps should be required to employ workers on a part time basis.
- ❖ Minimise subcontracting system, which threaten security of tenure
- ❖ MOHR should strictly examine all applications for foreign workers to ensure that the applicant
  - implements decent wages and working conditions;
  - has not go rid of their permanent workers through VSS or under other pretext
  - have genuinely attempted to recruit locals and offered opportunity to retiring employees
- ❖ Immigration authority should not issue any permit without the recommendation of MOHR.

As long as the current free for all unlimited recruitment of foreign workers remain, employers will not make any effort to employ locals. Strict enforcement of the original condition set more than 10 years ago is essential to get employers cooperation to reduce dependency on foreign workers.