Good Governance And Challenges Of Managing Malaysia’s Dependency On Foreign Labor

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Abstract

Good governance concept plays an important role in the modern government system through creating sustainable public policies. Good governance is a concept that has been used globally, including in Malaysia. Ironically, Malaysia has the highest number of foreign laborers in Southeast Asian countries reaching approximately six million. The dependency is shockingly becoming a major concern for the government in formulating policy. In formulating policy, it is important to consider various stakeholders such as employers and Malaysian people. Therefore, the government is trying hard to find an equilibrium point in managing and the best way to reduce dependency on foreign labor. This article examined various issues and challenges in managing Malaysia’s foreign labor dependency, including the good governance concept perspective. This study uses a qualitative research approach. There are 7 key stakeholders identified through purposive sampling. Semi-structured interviews were undertaken to identify and understand the issues and challenges faced in the foreign labor governance. The findings found out that Malaysia’s foreign labor governance has overlapping governance arrangement, vague job scope, poor governance management system, and lack of mutual participation. Therefore, it is important to improve the foreign labor governance and policy in Malaysia because shortcomings in governance arrangements hinder the implementation of effective policies. The improvements are crucial to reduce the dependency on foreign labor and Malaysia’s development efforts will progress efficiently.

Keywords: Foreign Labor Governance, Foreign Labor Policy, Foreign Labor Reliance.

Introduction

Both ‘government’ and ‘governance’ have similar meaning which is an authority in organization or state. However, both words are actually big difference where the Government only refers to an entity that exercises the authority, while governance focuses on how the government exercises their authority (Heywood, 1997). Governance has become a very important word which has been used widely for other similar concepts such as public management and coordination (Pierre & Peters, 2000). In studying how the government exercise their authority, good governance prioritizes structure and process of governing.

There are 8 important characteristics of good governance concept which are consensus oriented, accountable, transparent, responsive, equitable and inclusive, effective and efficient, follows the rule of law, and participatory. Participation in good governance needs various actors to participate and give their commitment. Various actors include participants from the minority which shows equitable and inclusive of the governance. The decision made and taken must be effective while using the resources efficiently since resources are always limited. Rule of law in good governance has indirectly promoted transparent and accountable characteristics. Good governance prioritizes fast response to the public through a proactive policy.

Rich and developed countries such as Germany, United States and Japan generally prefer expatriates who have permanent migration and expertise in their work, while most of the
developing countries prefer unskilled and semi-skilled foreign workers (Hatton & Williamson, 2005). Malaysia has the influx of foreign labor which amounted to 6 million including illegal immigrants, which has put Malaysia as the number one country employing foreign labor in ASEAN (Khatanah Research Institute, 2018). Estimated legal foreign labor in Malaysia is 2.96 to 3.26 million in 2019 while in 2020, since the COVID-19, there is no confirmed number (ILO Report, 2020). The dependency issue becomes more important since it is expected that Malaysia will receive more foreign workers since Malaysia is prosperous (International Migration Outlook, 2012).

Malaysia started to employ foreign workers when Malaysia had shortage of local workers especially in five formal sectors such as agriculture, manufacturing, fishing, construction, and services (Kaur, 2012). Over time, the temporary need for foreign workers has turned into a dependency since the number of foreign workers keeps on increasing (Karim et al., 1999). The increment number of foreign workers can be observed from Table 2 below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of foreign workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>627,426</td>
</tr>
<tr>
<td>2000</td>
<td>807,096</td>
</tr>
<tr>
<td>2001</td>
<td>849,829</td>
</tr>
<tr>
<td>2002</td>
<td>1,067,529</td>
</tr>
<tr>
<td>2010</td>
<td>1,683,000</td>
</tr>
<tr>
<td>2016</td>
<td>2,100,000</td>
</tr>
<tr>
<td>2017</td>
<td>2,235,000</td>
</tr>
<tr>
<td>2018</td>
<td>2,200,000</td>
</tr>
</tbody>
</table>

Source: Adapted from Immigration Report (2011) and KRI (2018)

There are many negative implications for the host country to be depending on temporary foreign workers. This has been discussed by many researchers, such as Zosa and Orbeta (2009), Athukorala (2006), and others. The negative implications impact Malaysia’s economy, societal security as well as politics. First is on societal security problems. The Royal Malaysia Police (RMP) has recorded an increase of crime between 1.4 to 4.6 per cent for every 100,000 of foreign laborers in the country (Ministry of Human Resources & ILMIA, 2013). Second, negative implications on economy include unemployment rate for local workers, reduction in expatriates and increase in remittance. It increases the unemployment rate of youths to 13.2%, which is three times the national unemployment rate (Department of Statistic Malaysia, 2017). Number of expatriates has been reduced from 80,000 in 1980 to 44,938 in 2013 (MOHR & ILMIA, 2013). Additionally, the other negative implications is that there it remittance of about RM32.1 billion every year and this number keeps on increasing (Department of Statistics Malaysia, 2017).

Foreign labor governance includes Ministry of Home Affairs as the policy formulator, Ministry of Human Resource advises on labor matters, and Non-Governmental Organisations (NGOs) act as check and balance (MOHR & ILMIA, 2013). Employers keep on choosing foreign laborers to get better profit. This has directly opposed the government’s initial objective for supporting employment of foreign labor, which is only to meet the demand temporarily (Ministry of Human Resource & ILMIA, 2013). In order to reduce dependency on foreign labor, the government has formulated and enforced several policies which are to ensure foreign workers’ temporality employment (Garce, 2012). Different policies have different short or long-term planning (Mason & Omar, 2003). In foreign labor issue, the government is focusing more on the development policy, encompassing many programmes and projects (Yusoff, 1999). Policies are the guidelines that help the government to design programmes and laws in regulating foreign labors (Omar, 2003). In 11th Malaysia Plan, the government targeted that the total employment of foreign workers should not exceed 15% of the total workforce or 2.3 million by 2020(Economic Planning Unit, 2010). Therefore, several policies have been adopted including time-specific work permits and visit passes with a mandatory return to their original country (Kaur, 2012; Nah, 2012).

Very few published studies have seriously
considered the relation between governance, policy and its challenges in overcoming the influx of foreign workers. Current studies focus more in the context of negative implications of the dependency on foreign workers (Ajis, Keling, Othman & Shuib, 2014; Crinis, 2010; Kassim, 2001). Certain studies focus only on foreign worker’s policies such as (Kanapathy, 2006; Wong, 2006, Kaur, 2012, 2014). In fact, there is still minimum research that connects the relation between governance, policies and its challenges in managing Malaysia’s foreign labor dependency.

The main aims of this article are to examine foreign labor governance arrangement and policies that have been implemented in Malaysia. Second is to present its findings on the challenges of managing foreign labor dependency. This paper also puts forward recommendations to improve governance, policies’ implementation while reducing the challenges in managing foreign labors. The contribution of this study is on the resulting outcomes which can be capitalized as the guidelines to formulate a better foreign labor policy and good governance, thus reducing the influx foreign labor indirectly.

Research Methodology

This study uses Qualitative content analysis. Semi-structured interview has been conducted to gain the data. As to ensure the reliability of the data, this preliminary research also uses data collected from relevant websites,

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Participant</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Makers</td>
<td>Immigration Affairs (MOHA)</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Human Resource Department (MOHR)</td>
<td></td>
</tr>
<tr>
<td>Policy Implementers</td>
<td>Border Security Department</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sekretariat Khidmat Imigran (SKI)</td>
<td></td>
</tr>
</tbody>
</table>

The data analysis consists of several phases. After the interviews have been transcribed, the first phase is the process of identifying the elements to be coded. The coding is needed for the formulation of research themes. The second phase will be the process of comparing the primary and secondary data. During this phase, the researcher will find relevant themes and patterns. In the third phase, after coding scheme was formulated, it will be checked and rechecked for consistency. Next, the data coded were then interpreted to answer the research objectives.

Data Analysis

(i) Foreign labor governance and policies implemented in Malaysia

The Ministry of Home Affairs has always taken the lead in policy and managing of foreign labor. Therefore, foreign labor policy slanted more towards security issue. Ministry of Human Resources collaborate with Ministry of Home Affairs by giving advice especially on labor matter. Malaysian Employers Federation (MEF) plays an important role where they are on behalf of the employer which holds the economy power and the need for foreign labor in various industries. The group of key stakeholders can be seen from the Table 3 below:
Table 3: Categories of Key Stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Unit of Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Makers</td>
<td>MOHA (Immigration)</td>
</tr>
<tr>
<td></td>
<td>MOHR (Human Resource)</td>
</tr>
<tr>
<td>Policy Implementers</td>
<td>MOHA (Foreign Work)</td>
</tr>
<tr>
<td></td>
<td>MOHA (Immigration I)</td>
</tr>
<tr>
<td></td>
<td>MOHA (Border Security)</td>
</tr>
<tr>
<td>Policy Check and Balance</td>
<td>Sekreteriat Khidmat In</td>
</tr>
<tr>
<td></td>
<td>MOHR (Institute of Labour Migrant International Agency)</td>
</tr>
<tr>
<td>Policy Impressed</td>
<td>Outsourcing Agency</td>
</tr>
<tr>
<td></td>
<td>Malaysian Employers</td>
</tr>
</tbody>
</table>

Malaysia’s foreign labor management has two main objectives and are working in line; reducing foreign labor dependency and protecting their rights. Both objectives seem to contradict each other; however, Ministry of Home Affairs does not forsake any of the objectives in order to achieve the other. The management of foreign labor starts from their entry until their return after completion of their contracts. This can be seen in the diagram 2 below:

Unskilled and semi-skilled foreign labor would need a working permit in order to work in Malaysia, whereas skilled foreign workers do not need a working permit. Skilled foreign workers might even get citizenship status if staying for certain years. Working permit will only be given after considering countries of origin, and age limitation. At present, 15 countries are allowed and current age limit for employment is between 18 years to 45 years. Working permit has two years duration and it needs to be renewed every two years. However, other than working permit, the foreign labor needs to be alert with the validity of the worker’s passport and employment period. Foreign labor will need to satisfy health check and security check upon arrival in Malaysia. Ministry of Human Resource has One-Stop policy in which they will choose any company from any sector to do the check up on employment law, which also include the working condition of the foreign labor.

In achieving the second objective; which is protecting foreign labor’s rights, Malaysia introduced an Anti-Trafficking in Person and Anti-Smuggling of Migrants Act (2010) aimed to criminalize trafficking for the purposes of labor exploitation. Plus, the government launched a minimum-wage policy. As in February 2020, the minimum wage is standardised to RM 1200.

In the third phase, a working permit for foreign labor usually would need to be renewed in every 2 years. The renewal can be done through online
or at any Immigration Centre. The renewal will be issued within 3 months. Foreign labor who renewed their working permit can stay working while those who did not renewed their working permit are considered as illegal and will be deported to their original country.

(ii) Governance issue and challenges in managing Malaysia’s foreign labor

Diagram 3: Governance Issues and Challenges in Managing Foreign Labor

First issue is on law enforcement problem. There are many illegal jetties used by the communities and illegal foreign labor. This is because many Malaysians have families or even businesses in Thailand, thus, making the communities around the border keep going back and forth. The challenging part is that, those illegal jetties could not be demolished as the state has exclusive control over land matters as provided by the Constitution of Malaysia.

Malaysia as a developing country which has numerous job opportunities has attracted people from undeveloped neighbouring countries. Illegal immigrants are paying expensive fees to third parties in helping them to cross into the country; thus, patrolling the border areas is not effective anymore.

The next issue is the tourists who become illegal foreign laborers when they did not return to their origin country even after their Visa expired. This issue can be reduced by fully enforcing the requirement of proving they have enough money for their visit. However, it cannot be enforced because of consensus problem between Immigration and Tourism Department on the basis of decreasing potential tourist.

The fourth issue is on high demand for foreign workers by employers. Foreign labors are cheaper and could work longer hours. Thus, to prevent discrimination on local employment, Human Resource Department would strictly follow the policy of abiding to Employment act before employing foreign workers. However, employers complained and wanted to have separate law between the application and the compliance on Employment Act, or else, they will resort to use illegal foreign workers.

Point of equilibrium for a policy between business-friendly while protecting foreign labor rights and the interest of local people seems to be almost impossible to be achieved. Furthermore, there are problems in policy implementation. The problems include outdated information system and high cost for policy implementation. High-cost programmes include legalization and back-for-good programmes. More than RM30 million are spent on the detention of illegal foreign labor every year. Additionally, there are concerns on abandoned jobs if the illegal foreign laborers are detained and deported.

Next issue and challenge are to be up to date with current policies. Government policies keep on changing without enough information blasting. Policies keep on changing because there are inadequate policy studies, problems in policy evaluations, and less participation from stakeholders.

There are also challenges on governance shortcomings. First, the procedure of managing foreign workers is very complicated and has numerous government agencies. In addition to that, these numerous government agencies have no common standard operating procedures (SOPs). Thus, the procedures for upholding foreign labor’s rights become more complex than ever.

Malaysia’s industries are still developing and need more labor to produce the favourable outputs. Therefore, in order to reduce foreign labor, employers are given only two basic options, namely: 1) to improve local workers employment in the industry; or 2) to change from labor-intensive to automation-based industry.

The first choice needs employers to encourage
local employment through paying higher wages. However, paying higher wages will reduce their profit; thus, not many employers would choose that option. Employers would rather choose to change to automation-based business since technology can improve productivity and quality, plus, they are easily available. However, to shift to automation business needs a lot of technology and money while there are insufficient budget and limited incentives for employers to do so.

**Discussion**

Good governance theory focuses on eight basic characteristics including participation, rule of law, transparency, responsiveness, consensus-oriented, equity and inclusiveness, effectiveness and efficiency, and accountability. Good governance theory is a universal theory used worldwide as the indicator for their governance. In order to be classified and be accepted by the worldwide as good governance, Malaysia’s foreign labor governance should satisfy all characteristics.

**Table 5: Foreign Labor Good Governance**

<table>
<thead>
<tr>
<th>Good Governance Characteristics</th>
<th>Foreign Labor Checked Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation</td>
<td>Various participation includes MOHA, MOHR and NGO.</td>
</tr>
<tr>
<td>Rule of law</td>
<td>Follow Rule of Law, incremental Immigration and Employment law, every bill debated and gazetted to become law and policy.</td>
</tr>
<tr>
<td>Transparency</td>
<td>Decision seem fit, does not have any proof.</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Reactive rather than proactive policy.</td>
</tr>
<tr>
<td>Consensus-Oriented</td>
<td>Take a long time to engage, unclear goal during engagement.</td>
</tr>
<tr>
<td>Equity and Inclusiveness</td>
<td>Malaysia protect both society and foreign workers.</td>
</tr>
<tr>
<td>Effectiveness and Efficiency</td>
<td>Detaining and deporting of illegal foreign workers takes huge sum of money.</td>
</tr>
<tr>
<td>Accountability</td>
<td>Response freeze and unfreeze of foreign workers in a tolerated time. However, still accounted to every unexpected event like COVID 19.</td>
</tr>
</tbody>
</table>

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The first characteristic is participation, which needs participation from various stakeholders such as Employers, Human Resource Department and others. The participation is highly needed especially during decision making. This is because during decision making or policy formulators, every insight from various stakeholders with their prioritization is important. Those insights assist coordination and implementation of policies. In order to assist with participation from various stakeholders, Institute Labor Market Information and Analysis (ILMIA) will engage with various stakeholders during seminar or meetings and take their opinion before any policy is implemented. Participation in foreign labor governance could also be seen through various ministry meetings such as Wednesday Meeting, Quarterly Meetings and Ad hoc meetings which involve many other agencies. Malaysia’s foreign labor governance also encourages participation through social media and feedback box. The Border Security Department, Customs Department (RMCD), Immigration Department, and police participate in Coordination Training in a timely manner.

The second characteristic is rule of law. Malaysia practices hierarchical system of control from federal to state power, and also top-to bottom decision making. The state government has to abide by decisions made by the ruling government at national level. Other than that, the governance shows that they uphold rule of law through the process of decision making. Every policy and law will undergo the same billing and debating process. Only laws and policies with 2/3 majority will be formulated and implemented.

The third characteristic is transparency. In this characteristic, the top officer should be able to declare all transactions regarding their work and follow the majority decision. However, there is a provision in the law, any decision that seems fit for the current situation may be taken by the minister which does not need majority insights. This provision of law overrides the other policy procedures; thus, opens to corruption. This provision also has opened the opportunity for corruption. There should be procedure and evidence for every transaction and decision made by the top officer. However, because of this provision, certain matters will remain silent and this has overridden the transparency characteristics in good governance.

Next is responsiveness. This characteristic emphasizes on problem-response to the public. It needs to respond as soon as possible, or if probably, create a proactive policy which acts as a defensive mechanism even before the problem occurs. This characteristic can be seen in the immigration entry requirement policy which includes health and security check. The government takes necessary precaution to ensure TB and Hepatitis B would not spread to local people who already have taken their vaccine injection. The responsiveness of the governance is proven through the implementation of minimum wages as one of the policy for foreign labor. This is in response to the basic needs of high living cost and to keep economy cycle running.

Another characteristic of good governance is consensus-oriented. It is a challenge to achieve consensus with various department since all protect their own priority. However, decision must be made, and there is always opportunity cost in every decision making. Consensus between various stakeholders can be encouraged through regular meetings.

Next characteristic emphasizes on equity and inclusiveness. There is a need to balance between four important elements which are human rights, economy which includes employer’s rights, job opportunity and political stability. The participation in Foreign Labor governance has included Malaysian Employers Federation, Associations for Local employment, and also MTUC for Migrant workers. This shows how the governance cares for all the minority and takes benefit for all into consideration. In order to care for local people, there is a policy which demands any job opportunity should inform Human Resources Department and prioritize the local people. ATIPSOM and Minimum Wages show the governance care for the foreign labor, while giving incentives and tax waive for employer shows the governance care for the employer.

Characteristics of good governance for effectiveness and efficiency are important since resources are always limited for all countries. Effective and efficiency of a policy or a program, still can be seen through use of tactical and well planning methods such as finding illegal foreign labor through intelligence agents. They collect all needed information before any
raid takes place around the border. Next, policy efficiency can also be seen through the usage of information system. The employment of foreign labor no longer needs the officer to collect all the documents, however, the system is paperless and all process is going through the system. The system is managed by One-Stop Approval Centre for Foreign Labor. All needed information by employers can easily be found in the system 24 hours. Furthermore, in order to make sure the policy is effective and efficient, the policy would go through policy studies. The policy studies on labor and employment have been conducted by Institute of Labor Market Information and Analysis (ILMIA). Inefficiency of a policy can also be seen in foreign labor policy in detaining and deporting illegal foreign labor. This is because, efficiency needs to have a better use of resources; however, detaining and deporting requires high cost.

Last characteristic of good governance is accountability, which needs the government to be accountable for every decision made and taken. We can see the accountability characteristics in Malaysia’s Foreign Labor Governance during the COVID-19, where the government takes care of the foreign labor health as well as their welfare. They are given a proper place to follow social distancing, quarantine and get needed medication. Illegal foreign labor have been safely deported to their origin country, and strict border control was done to make sure that they did not come back.

In conclusion, for good governance discussion, we can see that Malaysia’s foreign labor governance and policy can fulfil 6 out of 8 good governance characteristics. They had fulfilled the characteristics of participation, rule of law, effectiveness and efficiency, responsiveness, equity and inclusiveness, and accountability while did not fulfill the characteristics of transparency and consensus oriented. Therefore, governance arrangement should improve in line with well-planned policies by adhering to the principles of good governance.

Recommendations

Malaysia’s foreign labor governance has been discussed together with good governance principles. Therefore, several recommendations will be made to help the governance to achieve good governance as well as reducing the dependency on foreign labors by implementing effective and efficient policies. First recommendation is on governance, where, it would be less complicated with one single ministry and one single system managing foreign labor. Through one single foreign labor governance, it can decrease the problems such as coordination, collaboration, overlapping and consensus between ministries. Foreign labor governance is usually governed by Ministry of Human Resource only such as in Indonesia, Singapore, Australia, China and others. This recommendation has been agreed by Datuk Seri Dr Wee Ka Siong, who is an activist of labor group and employers’ federation (Chung, 2019). Furthermore, by using one single ministry to govern foreign labor, it can simplify the complicated procedures; thus, reduce illegal foreign labor.

Secondly, in order to keep up with the modern world, Malaysia’s foreign labor governance should have better information system; a system which could assist the officer to follow up on enforcement efforts in policy implementation. Policy should be blasted to all key stakeholders. The information on the policy could be blasted through communication, engagement during ministry meetings or even through social media which is the fastest way. This will help them to prepare mentally and physically before implementing new policy and adapt to its changes. Besides, the policies should really consider the findings of labor studies so that they can effectively address the targeted problems.

Third recommendation is on how to improve human rights issues and be on par with International Labor standards. Human rights can be improved through awareness campaigns and laws. Since Malaysia already adopted ATIPSOM as law for smuggling foreign labor, therefore, this recommendation focuses on awareness campaign. The campaign should involve various stakeholders such as employers and foreign labors. It should be included in the contract of foreign labor before their arrival. The campaigns can be conducted through social media, banner, talk show and others. These awareness campaigns could help the government to uphold the International Labor Standard for human rights.

Industries in Malaysia as developing countries are still labor-based, in which only few
companies are able to use technologies. Therefore, the demand for foreign labors would keep on increasing. In order to reduce the demand for foreign labor, first, the industry in Malaysia should slowly shift from using labor to technology. There will be less unskilled human efforts needed. The government can assist the industries shifting to technology by giving tax exemptions, funds, technology discounts and even business loans. Shifting to technology could never reduce dependency on foreign labors if this measure does not get support from training centre. Training centre should improve their syllabus and train local people to use technology to meet the industries’ changing needs. Higher wages for skilled workers will result in willingness of the locals to be employed. Furthermore, the technology existence in the industry could make 3D jobs less risky.

Fifth recommendation is on reward enforcement instead of punitive enforcement. The governance now is focusing on punitive measures to the employers who employ many foreign workers. They need to pay more levies, their request for new foreign labor keeps on pending. However, punitive enforcement does not make the employers reduce foreign labor employment, but instead, they choose to employ illegal foreign labor which does not need to pay for levy and go through complicated procedures. This has affected Malaysia’s economy and all other precaution measures that have been made by the government. Therefore, instead of focusing on punitive enforcement, the government can reward companies that employ fully local workers which may be in the form of tax exemptions and funding priorities.

Next recommendation is on productivity. There are many unskilled and low-skilled foreign labors in Malaysia who produce low productivity. Therefore, it is better for Malaysia to give basic test for foreign labors before they can come to work in Malaysia such as language test or simple test on their nature of work. This has been done by Australia which offers 457 different types of visas for temporary unskilled foreign labor which means they will need to take the relevant qualifying tests (Pandey, 2017). Malaysia can also reduce dependency on foreign labor by having a stricter immigration policy. Italy penalizes illegal immigrants from 5000 to 10,000 Euro while Japan gives incentives to foreign labor to never coming back to work in Japan.

Conclusion

The objectives of this study were to determine foreign labor governance and policies implemented and present the findings on the challenges of managing foreign labor dependency. The governance of foreign labor which consists of Ministry of Home Affairs, Ministry of Human Resource and Non-Government Agencies then analyzed with good governance theory. The basic policies that have been implemented were classified into Immigration Act and Employment Act. The policies formulated are to protect human rights, prioritize local people, improve economy, ensure security and political stability.

The common challenges faced by the governance are funds, knowledge, and policy dilemma. It is a policy dilemma whether to ease or tighten the laws to employ foreign labor since industry depends on foreign labor to reduce cost, while the local people need employment. Another dilemma is on punitive enforcement to employers who did not abide to Employment law but still wanted to employ more foreign workers. The alter effect of these punitive enforcements is that the employers choose to employ illegal foreign workers instead of legal foreign workers. Besides, both government and the industry need technology. The government needs technology for surveillance and management, while the industry needs to use technology to reduce human efforts. However, there is not enough funds to have all those technologies.

Good governance examines ineffective political bodies in providing the needs for the people. Therefore, good governance with their characteristics would enable foreign labor governance to improve better. Better foreign labor governance would formulate effective, efficient and sustainable policies. Thus, it can reduce unnecessary illegal foreign workers, reduce remittance, improve productivity and achieve political stability. Managing foreign labor who keeps on coming back even after deportation, harms Malaysia’s relationship with neighbouring countries. Therefore, good governance of foreign labor plays a pivotal role to reduce dependency on foreign labor, indirectly improve social, economy and political
relationships. Therefore, if the debate is to be moved forward, a better understanding of the policy and governance of illegal foreign labor needs to be developed.

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