

7.3 Dilemmas of a South-East Asian immigration country: Malaysia

As one of the emerging second-wave 'tiger economies', Malaysia has enjoyed very rapid economic growth. This has led to a migration transition: although some Malaysians still go abroad for work, immigration has grown sharply. Entries include highly-skilled expatriates from many countries, refugees from troubled areas of Southeast Asia, but the great majority are labour migrants – many of them irregular – from Indonesia, Bangladesh, the Philippines and Thailand. Malaysian policies have fluctuated considerably, depending on a range of economic and political factors.

Today, Malaysia is estimated to have (after Singapore) the second-largest share foreign share in its labour force of any Asian country - 12 per cent (ILO, 2007: 39). Malaysia is a multi-ethnic, middle-income country. Its complex ethnic balance is a result of colonial labour import for the tin mines and rubber plantations. In 2005 the population of 26 million was made up of 62 per cent Malays, 24 per cent Chinese, 7 per cent Indians and 6 per cent non-citizens (UNDP, 2007). Successful economic management has led to rapid economic growth and industrialization since the 1980s, making Malaysia into a 'second-wave tiger economy' with severe labour shortages, especially in the plantation sector. Malaysia made the 'migration transition' from mainly labour export to mainly labour import in the mid-1980s, relatively early in its development process. Lim attributes this to two special factors: the multi-ethnic population, which facilitated rapid reactivation of historical migration networks; and the open export-oriented economy, with high rates of foreign investment (Lim, 1996).

Malaysia experiences both emigration and immigration. Lower-skilled Malays work in Singapore, Taiwan and Japan, while middle-class ethnic Chinese and Indians migrate to Singapore, Australia and North America. But inflows far exceed departures: by 2000 there were 850 000 registered foreign workers in Malaysia (Abella, 2002). Nearly two-thirds were from Indonesia, with smaller numbers from Bangladesh, the Philippines and Thailand (IOM, 2000: 85). The number of undocumented workers was put at about 1 million. Migrant workers play a crucial role in plantations, construction, manufacturing and the services. The East Malaysian island states of Sabah and Sarawak are even more dependent than Peninsular Malaysia on foreign workers, with up to 700 000 migrants in 2000 - mainly

Indonesians and Filipinos. For centuries, these islands have been part of a geographic zone of free circulation between peoples linked by ethnicity and trading relationships (IOM, 2000: 87).

Government policies consist of a mixture of border control, attempts at regulation of foreign labour, and legalization campaigns. In 1998, in response to the Asian Crisis, the government announced plans to reduce the foreign labour force by up to 1 million (Pillai, 1999). However, the long coastline was impossible to control, and undocumented workers within the country proved hard to identify. Malaysian employers sought to retain workers in industrial and plantation jobs that were not attractive to local workers. Estimates put actual repatriations in 1998 at only 200 000. In August 2002, the government introduced a law to deter illegal migrants, through severe penalties including heavy fines, caning and up to five years in prison. Tens of thousands of Indonesians and Filipinos fled, with their home countries sending naval vessels to evacuate them. Human rights groups pointed out that deportees included asylum seekers such as Rohingyas from Burma and Acehnese from Indonesia, who face persecution at home (BBC, 2002). The Malaysian government introduced an amnesty for irregular workers in 2004-5. Irregular workers were deported back to Indonesia and then allowed back to Malaysia on a legal basis. However, only about 380 000 of the estimated 0.8 to 1.2 irregulars were regularized (ILO, 2007: 54). One result of the process was an overall increase in the estimated total foreign labour force to 2.6 million (Skeldon, 2006).

The failure to reduce the foreign labour force demonstrates the structural dependence of the Malaysian economy on labour import. Does this imply that long-term settlement is taking place? Research by Kassim (1998) in squatter settlements around Kuala Lumpur documented processes of community formation. Moreover, family migration is common in Sabah, while in Peninsular Malaysia more Indonesian and Filipina women are entering services such as domestic work and hotels (Pillai, 1999: 181-2). Increased female migration is conducive to family formation and long-term stay.

Migration became highly politicized in Malaysia after 1995, with frequent media debates and statements by politicians (Pillai, 1999: 182-6). This was linked to the realization that migration was not a temporary phenomenon, and might have unpredictable social and cultural consequences. The Malaysian Agricultural

Producers Association, the construction industry and some state governments support increased recruitment of migrant workers. The Malaysian Trade Unions Congress has opposed labour recruitment due to its effects on jobs and wages for local workers, while Chinese political groupings fear that Indonesian immigration might alter the ethnic balance to their disadvantage. The government party, UMNO, and the main Islamic opposition party, PAS, both support Indonesian entries as a potential boost to Malay and Islamic interests. Undocumented migrants are often portrayed in the media as a threat to public order and health. However, a growing number of NGOs are supporting migrants. The trial of Irene Fernandez, leader of the women's rights organization Tenaganita, for criticising conditions in migrant detention centres became a major public issue (Jones, 2000).

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