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*Global Health Security
COVID-19 & Its Impacts*

Malaysia's Vulnerable Migrants: Key to Economic Recovery?

By Jose Ricardo Sto. Domingo

SYNOPSIS

Malaysia's third wave of COVID-19 infections has highlighted its longstanding challenges in managing the migrant worker population, which is indispensable to the country's economic growth and recovery from the pandemic.

COMMENTARY

IN DECEMBER 2020, Malaysia reported record-high COVID-19 cases in the thousands, prompting the government to announce the second Movement Control Order (MCO 2.0) within weeks, on 11 January 2021. A day later, the government declared a state of emergency.

Malaysia had kept the pandemic relatively under control during its first two waves of COVID-19. It reached 2,552 active cases in April 2020, and gradually approached 200 by end June. Despite this, the third wave is Malaysia's fastest spreading and deadliest yet. The third wave comprised 96% of total reported cases since January 2020. Malaysia recorded an average of 2,913 daily cases for February 2021, and ranks third in total cases in ASEAN, behind Indonesia and the Philippines.

The Sabah Factor

While much has been discussed about the third wave being fuelled by the Sabah state election in September 2020, the state itself had already been struggling with cases

within its immigrant detention centres. One of the largest clusters heading into the third wave was in a Lahad Datu detention centre (1,146 cases).

Soon after, the virus found its way into foreign worker living quarters. The Teratai Cluster (7,189 cases) in Selangor is a group of dormitories under the Top Glove corporation.

Notably, Selangor and Sabah have the largest number of documented migrants among the states of Malaysia. Based on data from the Department of Statistics Malaysia (DOSM), Sabah was host to 1.1 million documented migrants and Selangor hosted 581,000 migrants.

Sabah holds most of the country's oil palm plantations. while Selangor holds numerous factories and foreign worker dormitories for the manufacturing and construction sectors.

What is difficult to capture are the undocumented migrants in Malaysia. A 2018 World Bank study estimated the range of undocumented migrants to be between 1.2 million and four million people, participating in vital Malaysian industries like manufacturing, construction, and agriculture.

Export Economy, Foreign Labour & Vulnerable Migrants

The government designed MCO 2.0 to allow for certain industries to continue operating. Despite this, domestic consumption, the main driver of the Malaysian economy, has been subdued under movement restrictions. Trade will be key for the economy for 2021, as stated by [Bank Negara Malaysia, the central bank](#).

Significantly, exports of palm oil were valued at RM72.8 billion (SGD23.9 billion) in 2020. Meanwhile, Malaysia's rubber gloves industry boomed during the pandemic due to rocketing demand for protective gear. Data from the Observatory of Economic Complexity (OEC) shows that between September 2019 to September 2020, Malaysia's rubber apparel exports grew by 159% and palm oil grew by 37%.

Despite the imposition of SOPs meant to control the infection on permitted economic activities, many of the COVID-19 clusters reported were [workplace-related](#), which included factories and plantations. On 20 February 2021, all [10 newly reported](#) clusters were at workplaces. For foreign labourers who live in unsanitary dorms where social distancing is near impossible, the risk of infection is high.

In December 2020, the Ministry of Human Resources revealed that 91% or 1.4 million foreign workers were not provided with housing compliant with minimum housing standards and amenities under Act 446.

Rubber glove companies have gone under fire the past year for their alleged abusive working conditions and miserable housing. In the same month, a government raid closed a glove factory in Kuala Lumpur for housing 781 workers in stacks of shipping containers.

Malaysia's immigration depots and prisons are also severely overcrowded. According

to the Human Rights Commission of Malaysia, the country's prison system has a capacity of 53,830 people. By October 2020, total inmates were at 72,903. The Commission also estimated that immigration depots were at [20 percent](#) over capacity.

The living conditions and treatment of migrants reflect a common blind spot in national COVID-19 strategies. As of 23 February 2021, 37% (107,168 people) of Malaysia's reported positive cases are non-citizens.

Early Warning Signs

Early concerns were raised over Malaysia's immigrant population. Alarm bells had been sounded when countries like the United Arab Emirates, Thailand, and Singapore experienced infections among their own foreign worker populations. However, media reports suggest that the Malaysian government's actions then were primarily focused on detention and deportations and directed towards undocumented migrants.

The government launched Ops Benteng (Ops Fortress) in May 2020 to secure the country's borders. It enhanced security along Malaysia's borders and increased arrests and detention of illegal immigrants, but government policies for managing arrested and documented migrants were mostly insufficient in preventing the spread of the virus during the third wave.

More politicians have expressed concerns over the spread of the virus among migrants in recent months. The government launched an initiative to place foreign workers in hotels to provide better living conditions. Importantly, the government also announced the country's vaccine programme will include both documented and undocumented migrants.

According to government estimates, the number of registered foreign workers in October 2020 was 1.6 million, or about 10% of the country's labour force. In 2019, the top sectors that hired workers were manufacturing (35.5% of foreign workers), construction (21.5%), and agriculture and plantations (21%). These industries contributed a combined 34.4% to Malaysian GDP in the fourth quarter of 2020.

Long Term Issues Beyond COVID-19

Malaysia has long faced humanitarian, economic and security challenges when it comes to managing its migrants, but COVID-19 has amplified and exposed their direct effects for the whole society. As long as the country continues to rely on foreign labour, ensuring their safety and protection will be vital to securing Malaysia's society, public health and economy.

More broadly, social responsibility and sustainability have recently become bigger issues in the global market. Malaysian rubber gloves from various producers have been placed under embargoes by the US Customs and Border Protection due to forced labour claims throughout the past year.

Additionally, both Malaysian and Indonesian palm oil could potentially be phased out in the European Union due to sustainability issues. New practices that follow socially

responsible and sustainable practices could become a focus for Malaysia to not only fix its domestic issues, but also adapt to the global economy.

Over a month has passed since the imposition of MCO 2.0 and reported cases have begun to slowly decline. Some 18% fewer cases were reported in February versus January 2021, although asymptomatic contacts have stopped being tested since the end of January.

Restrictions have been gradually eased in most states and Malaysia's vaccine roll-out also began on 24 February. As Malaysia and other countries begin to recover, their governments must also address the long-term issues that COVID-19 has highlighted.

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