

Labor Migration to Singapore and Malaysia: Trends, Policies and Future of OFWs

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Abstract

This paper discusses the outbound flow and conditions of overseas Filipino workers (OFWs) in two states: Singapore and Malaysia. It discusses labor migration policies in the Philippines, in countries of deployment, and in the Association of Southeast Asian Nations (ASEAN). As a sending country, the Philippines promulgated policies and programs to protect the welfare of overseas workers who contribute to the economic growth of countries of deployment. Singapore and Malaysia have policies that are protective of their own labor market and their economies. In regional and international conventions, Philippines, Malaysia, and Singapore are signatories to important documents, particularly the ASEAN Consensus on Declaration on the Protection and Promotion of the Rights of Migrant Workers. Protection refers to forms of assistance to victims of illegal recruitment, wrongful accusations, human trafficking, and proper repatriation of victims of crisis situations, such as wars and diseases. The foregoing issues have had impacts on Filipino overseas employment during the pandemic and even beyond the pandemic. Although economic conditions in Singapore and Malaysia are on recovery, Filipinos should not pin their hopes on overseas employment in Singapore and Malaysia due to increasingly stringent and changing labor migration policies in the said countries.

Keywords: Labor migration policies, ASEAN, overseas Filipino workers, Singapore, Malaysia

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Introduction

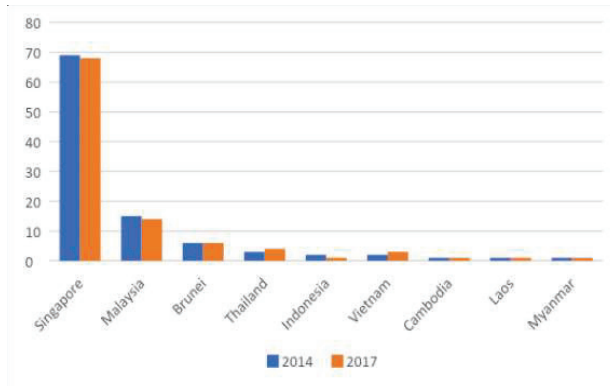
In Southeast Asia, Singapore and Malaysia have high concentration of OFWs (Please see Figure 1). Services rendered by overseas workers contribute to the receiving countries' economic growth. Undoubtedly, many OFWs are quality workers having passed thru stringent recruitment procedures. Such is evident in the existence of many recruitment companies in the Philippines that select, process, and send OFWs to receiving countries. Hence, this paper argues that foreign talents in these countries must be accorded protection, including legal assistance in situations of distress, on top of the remunerations and benefits they receive.

Do these countries have policies that safeguard the rights and welfare of migrant workers? What are the implications of these policies on Filipinos overseas employment? Do ASEAN declarations include protection for foreign workers? What have been done to achieve the goal of providing protection to expatriates? And even in a post-pandemic period, what would be the implications should Filipinos continue to seek employment overseas?

Article 2 of the document United Nations (UN) Convention on the Protection of the Rights of All Migrant Workers and Members of their Families defines a migrant worker as "a person who is to be engaged, is engaged, or has been engaged in a remunerated activity in a State of which he or she is not a national;" he or she seeks temporary employment in a foreign country. Labor migration policies refer to laws, principles, and pronouncements of the state or of organizations, such as ASEAN, to guide decision-making in relation to entry and employment of expatriates. In this paper, protection refers to forms of assistance to victims of illegal recruitment, wrongful accusations, human trafficking, abuses and similar harassments; or proper repatriation of the trafficked or victims of crisis situations, such as wars and diseases – same rights stipulated in ASEAN declarations and UN conventions.

Many Filipinos leave their country and are separated from their families for long periods of time to find means of living. Some have success stories but others suffer harassment and injustices documented in the earlier research of Ofreneo & Tolentino, (2008). This paper explores what sending and/or receiving countries and ASEAN have done to assure protection for OFWs. As methodology, this study used secondary data from previous field researches, including interviews done by the author, related literature, and published statistical reports.

Figure 1. Comparative number of OFWs in ASEAN countries



Source: Philippine Statistics Authority

The push and pull factors of migration

In Southeast Asia, Singapore and Malaysia are two primary countries of deployment of OFWs. Among all Southeast Asian countries, Singapore continues to exhibit enormous economic success. In 2019, its GDP per capita was at US\$ 65,390, inflation rate was at 0.6 percent, and employment rate was at 97.7 percent, based on data from Focus Economics. These statistics speak well of the nation-state’s excellent economic performance that is way above its Southeast Asian neighbors.

It has been consistently hard work, competence, vision, and strategy for Singapore. Since the 1980s, it has initiated a policy of “technopreneurship” in areas of creativity and innovation to become a global leader in information technology (IT). Because the local population is quite small, talent infusion has become necessary to innovate, commercialize, and patent designs. It has encouraged the inflow of foreign professional and skilled workers (Lou, 2002).

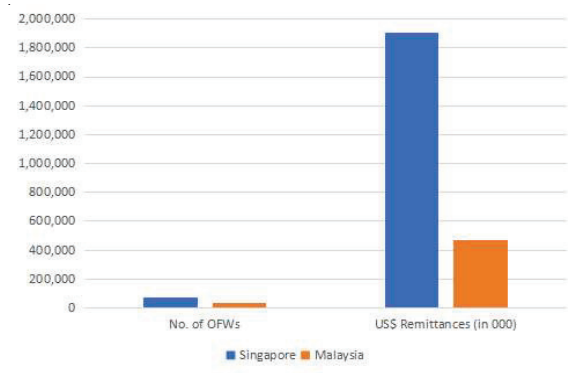
Malaysia has a much bigger population and land area than Singapore. However, its economic growth has not been as robust, even as it has been steady and vibrant. Manufacturing has been the main driver of its economic growth in the last three decades (Hew 2006). In 2019, Malaysia performed a little better from previous years as shown by the following indicators: GDP per capita at US\$ 11,091, inflation rate at 0.7 percent, and employment rate at 96.7 percent, based on data from Focus Economics.

Due to their vibrant economies, Singapore and Malaysia are the most attractive destinations for Filipino workers, both documented and undocumented, seeking better opportunities within the region. Singapore hosted 41 percent of OFWs and Malaysia hosted 21 percent of OFWs between April 2019 and September 2019, according to statistics obtained from the website of Philippine Statistics Authority. Economic indicators in Singapore and Malaysia are the biggest pull factors in labor migration, though in recent years Vietnam has shown improved economic performance.

Since the beginning of Philippine labor migration history, push factors, such as lack of gainful employment in the home country and need to earn and augment incomes, has remained true, thus driving many Filipinos to find employment abroad. Parrenas (2006) cites another push factor— lack of satisfactory care resources, that is, for health, education, housing, and others, in the Philippines.

Because of these push factors, hundreds of thousands of Filipinos have found their way in other Southeast Asian countries and have come back with success stories. Their remittances have helped raise the Philippine GNI. Data in Figure 2 pertains to documented workers based on their remittances accounted for by the Bangko Sentral ng Pilipinas. Cash remittances, amounting in billions, from OFWs constitute the lifeline of the economy; they give purchasing power to a large segment of the Philippine population.

Figure 2. Number of OFWs in Singapore and Malaysia and cash remittances, 2019



Sources: Philippine Statistics Authority, Bangko Sentral ng Pilipinas

Migration to Singapore

Yeoh & Lin (2012) trace the growth of foreign workers population in Singapore in their paper entitled “Rapid Growth in Singapore’s Immigrant Population Brings Policy Challenges.” In the city-state, non-resident population, including workers and students in the country staying temporarily, had been on a steady rise from 1980 to 2010. In 2010, non-residents accounted for 25.7 percent, or more than 1 million, of the total population, up from 18.7 percent in the previous decade. According to Singapore’s Ministry of Manpower website, in 2019, non-resident population was 1.68 million, comprising 29.4 percent of Singapore’s 5.7 million people. Filipinos belonged to the minority foreign worker population in Singapore. Chinese and Indians accounted for the biggest number of foreign workers.

What explains this upward trend?

Skilled workers and professionals, also called foreign talents in IT, engineering, healthcare, aviation and education, comprised 22 percent of Singapore’s total non-resident workforce, up from more than 14 percent in 2006. More data from Singapore Ministry of Manpower show that in 2019, skilled workers comprised 27.5 percent of Singapore’s total non-resident workforce. The increasing trend can be explained by the vision of Singapore to become a top knowledge-based economy and a major player in the global arena. Singapore has liberalized some of its immigration policies for the highly skilled foreign workers to acquire permanent residency and citizenship. It grants foreign workers huge remunerations, amenities, such as transportation, housing, healthcare, scholarships in tertiary universities, among others (Chia, 2012). Highly skilled workers hold P, Q, or S employment passes¹ that are much less restrictive and provide greater benefits.

Low-skilled foreign workers comprise a huge number also. Other studies cite even higher figures for the low-skilled. Such is because

¹P pass is issued to foreigners with professional qualifications, investors, and entrepreneurs who can contribute to the Singapore economy as well as to persons of exceptional ability in the arts, sciences, and business. S pass was introduced in 2004 for mid-level skilled foreigners whose monthly fixed salary is at least SGD 1,800 (up to June 2010), with other criteria being education qualifications, skills and job type and work experience (Yeoh & Lin, 2012). Q pass is issued to foreigners with basic monthly salary of SGD 3,000 and recognized degrees in professional qualifications or specialization.

Singaporeans are reluctant to take on low-skill jobs that pay low salaries. To guard against excessive permanent migration of those with less skills, however, government policy since the 1970s has ensured that unskilled and low-skilled migrants remain a transient workforce, subject to repatriation during periods of economic downturn and non-compliance with rules. Among the many stringent restrictions is on marriage of expatriates to Singaporeans or permanent residents (PRs).² Expatriates are not allowed to marry the latter unless with official permission (Yeoh & Lin 2012).

Estimates show that low-skilled are a significant number, including domestic and blue-collar workers. Due to stringent policies, OFWs seldom violate the rules. Reports show only a few cases, mainly high-profile crimes, of OFWs violating the rules. Several well-organized groups of OFWs, majority of whom are documented, contribute to their discipline, good performance, and success stories. Main complaints of OFWs, particularly the low-salaried, low-skilled, and unskilled workers with meager salaries, are difficulty to renew contracts and high cost of living that keep them from saving and setting aside money for investment.

Migration to Malaysia

In Malaysia, two general categories of migrant workers exist: 1) expatriates; and 2) semi-skilled and unskilled foreign workers. Expatriates are skilled, managerial, professional and technical workers with employment passes. The number of expatriates was low, about 2 percent of the total registered foreign workers, as of October 2011. The country has policies to facilitate the entry of foreigners in knowledge-intensive industries.

Latest available statistics from Malaysia Department of Statistics (2013) reveal that only 5.2 percent of migrant workers in Malaysia graduated from tertiary schools. Therefore, it can be assumed that 94.8 percent of migrant workers in Malaysia take on semi-skilled or unskilled labor. Semi-skilled and unskilled foreign workers constitute 98 percent of all foreign workers in the country. They are in manufacturing, construction, agriculture, services, and domestic services sectors. They are issued

²PRs are immigrants with the right to reside permanently in Singapore and are entitled to most of the rights and duties of citizens

work permits, called Visit Passes for Temporary Employment (VPTE) or *Pas Lawatan Kerja Sementara* (PLKS), governed by multiple regulations to control and regulate their entry and employment. (Ministry of Human Resources of Malaysia & World Bank, 2013).

Similar to Singapore, attracting foreign workers aimed to support Malaysia's growth strategy from the 1970s through the 1980s. Malaysia needed foreign workers to fuel its labor-intensive industries (Ministry of Human Resources of Malaysia & World Bank, 2013). In late 1980s, demand for low-skilled in manufacturing subsectors grew. However, there were oppositions against hiring foreign workers in manufacturing, as local labor was available. In the 1990s, Malaysia introduced stringent policies on foreign employment. It allowed the entry of foreign workers only as a temporary solution to meet demands for low-skilled labor in certain sectors of the economy. These workers could be found in the manufacturing, construction, agriculture, services, and domestic services sectors.

Malaysia became alarmed with the huge number of unregistered foreign workers consisting of undocumented and irregular workers that are mostly Indonesians, Nepalese, Bangladeshis, Myanmarese, and Cambodians. Filipinos comprise a small number, many of whom are deployed in Sabah. The proximity of Sabah to the southern part of the Philippines may explain the concentration of Filipinos in the island. Irregular migrants was estimated at 1.8 million in 2010 (Philippine Institute for Development Studies PIDS, 2012).

The country began to view the growing number and increased visibility of irregular migrants as a threat to the economy, internal political stability, and border security (Kassim & Zin, 2012). It formulated and implemented measures and mechanisms to guard against their inflow. Among these measures was a policy that aimed to encourage legal recruitment of foreign workers; and prevent the illegal entry and growing number of irregular migrants. Such policy led to the identification, arrest, and deportation of irregular migrants.

Recent reports reveal the increasing flow of illegal OFWs in Malaysia has been due to the back-door travel from Zamboanga port to Sabah, and cultural affinity of Filipinos in Southern Philippines to Malaysian society. Unfortunately, illegal migrants become victims of human trafficking, especially of women being lured to work in restaurants, videoke bars, and night clubs, and forced into prostitution.

Malaysian policy of cracking down on illegal workers could somehow be seen as a positive development for potential victims of human trafficking. The Philippine embassy issued an advisory that Malaysia bans foreign workers in fast food restaurants, as the country prioritizes hiring of locals. Filipinos arriving as tourists cannot work there unless with job offers from Malaysian employers thru the Philippine Overseas Employment Administration (POEA) or Philippine Overseas Labor Office (POLO).

Labor migration policies in ASEAN

The Philippines enacted laws to promote the welfare and safeguard the rights of OFWs in countries they choose to serve. A significant law, Republic Act (RA) 8042 or Migrant Workers and Overseas Filipino Act was passed in 1995 and superseded by RA 10022 (San Pascual 2015). A provision of RA 10022 states that POEA can only issue deployment permits for destination countries with existing labor and social laws protecting the rights of workers, including migrant workers; and for countries which are signatories to bilateral and multilateral agreements, conventions, declarations, or resolutions on protection agenda.

With the dynamic cross-border labor migration and existence of individual country policies, does ASEAN have corresponding policies for overseas employment within the region?

ASEAN countries envisioned an integrated community and discussed ways to resolve conflicts and issues about social, economic, political, and security aspects. As an original member-state, the Philippines took the lead in the ASEAN Socio-Cultural Community (ASCC) Plan of Action. A proposed mechanism was the formation of the ASEAN Forum of Migrant Labor (AFML), a regional tripartite discussion platform for governments, workers' and employers' organizations, and civil society organizations (CSOs) to exchange good practices and ideas on key issues facing women and men migrant workers in Southeast Asia (ILO online newsletter, 2021)

The Philippines was able to put forward its own interests by proposing the adoption of the ASEAN Consensus for the Protection and Promotion of the Rights of Migrant Workers (Abad 2011). Other sending countries, such as Indonesia and Vietnam, supported the Philippine proposal while receiving states, Singapore and Malaysia, showed less interest and took much time to sign the Declaration.

ASEAN leaders signed the Declaration on the Protection and Promotion of the Rights of Migrant Workers in 2007. Foreign ministers formed the Committee on the Implementation of Declaration and Instrument Drafting Team. A major disagreement pertains to the scope of coverage of the type of workers. ASEAN sending states stressed that the scope of the application of the instrument should extend to undocumented migrant workers, as they, like documented ones, are human beings with rights as well; ASEAN member-states are obliged to respect those rights as reflected in their commitment to the ASEAN Human Rights Declaration. Receiving states, however, countered that such an approach would lead to legal issues at the country level for the undocumented ones. Sending states pushed for the inclusion of family members of migrant workers in the protection agenda but receiving states preferred to treat such as an immigration issue and refused to consider the matter.

Sending states contended that such a regional instrument should encompass a wide-range of fundamental rights as stipulated in the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families and ASEAN Human Rights Declarations. In contrast, receiving states narrowed the scope of the rights.

Jailani (2015) writes that ASEAN sending states need to be more proactive and strategic and should cover all issues under negotiation, “going beyond the technical aspects of the debates. The process should be holistic, addressing the political, legal and human rights dimensions of every outstanding issue. Accordingly, future work should not be entirely left at the labor expert level as is the case in current negotiations. Bringing the matter to senior levels, particularly the ASEAN Foreign Ministers Meeting, for policy guidance is also essential if the process is to move forward.”

In March 2015, with the growing impatience on the delay of the final instrument, the Taskforce on ASEAN Migrant Workers (TFAMW) reported that it adopted recommendations on data collection and information sharing, and adequate access to the legal and judicial system, including effective complaints mechanisms. Given that ASEAN member-states are signatories to international and regional conventions, TFAMW particularly emphasized a rights-based approach to migration, that is, promotion of universal human rights and fundamental principles and rights at work in labor migration.

Recognizing the importance of a follow up implementation plan, the task force's national working groups, composed of CSOs, urged ASEAN member-states to discuss the matter. It proposed to the ASEAN Committee on Migrant Workers Instrument Drafting Team to include two points in the negotiation: (1) protection of the rights of migrant workers as shared obligation of both sending and receiving countries; and (2) gender-sensitive migration policy and practices given the predominance of women migrant workers. It stressed that the coverage of migrant workers should not be contingent with the type of work of migrants. A significant number of migrants are temporary, domestic helpers, informal sector, and self-employed. Inclusion of these categories of workers, who are often overlooked, in the regional Instrument needs to be ensured (Wah, n.d.).

On 14 November 2017, the ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers was signed. The Consensus, however, covers only documented migrant workers and "those who become undocumented thru no fault of their own." The document states that migrant workers must be issued employment contracts, have proper documentation, and have access to information related to their employment. Further, it stresses certain rights, such as right to transfer their earnings or savings to the home country, right to file a complaint in case of breach of contract, and right of migrant workers to be visited by family members "for purposes and length of time that the national legislations, regulations and policies of the Receiving State may allow."

The Consensus provides for the obligations of sending and receiving countries. Sending countries are obliged to organize pre-departure orientation, simplify travel procedures, comply with health requirements, and others. Receiving countries are obliged to provide access to necessary information, undertake employer education program to prevent abuses, and others. Agreements should be in accordance with national laws, regulations, and policies.

The Consensus is a legally-binding instrument. Therefore, there is accountability in case of violations. As of 2017, only the development of databases reportedly had been done. Challenges cited were tasking, timelines, and other concrete actions to be accomplished.

As of June 2021, the Consensus had several ongoing and completed projects on the migrants' safety and education. Significant was a