24/07/1997

Saying goodbye to guest labour

WHILE in Japan, Prime Minister Datuk Seri Dr Mahathir Mohamad marvelled at how the Japanese could be self-sufficient in terms of labour. On the other hand, Malaysia, which hopes to join the ranks of developed countries like Japan in 23 years, is compelled to play host to some 1.8 million guest workers, almost 10 per cent of its entire population and more than one-fifth of its workforce. Despite the push for automation and capital/technology-intensive industries, converting petrol stations into self-service kiosks, and in spite of all the regulations and regularisation exercises on employment of foreign workers, these workers are still coming in droves. Tighter security and border surveillance do not seem to deter illegal workers from entering the country, either.

While Malaysia must have done something very right to attract so many foreign workers, their presence puts a lot of strain on the economy and the country's social fabric. In the plantation industry, where automation has been painstakingly slow and sometimes impossible, the hiring of Indonesian and Bangladeshi labourers since early last decade have ensured that the country today is still a major producer of commodities such as rubber and palm oil. But foreign workers have rapidly diversified into other sectors since then, encouraged by shortages of labour which were already plaguing the economy since it emerged out of the mid-1980s slowdown. Gradually, the policymakers made provisions for them to take up jobs at construction sites and in factories and later on in hotels and petrol stations, restaurants, grocers and supermarkets. They have taught Malaysians that there is such a thing as being indispensable; problems with getting maids, losing maids, and vanishing maids have been accepted by employers and managers as legitimate excuses for employees to take days off from work.

Japan, however industrialised it has become, seems free of such socio-economic pains. Indeed, Japan could yet be another good place for policymakers in Malaysia to learn from. But policies alone would not be of much use. Since much activity is now in the hands of the private sector, it holds the key in ground-level implementation of whatever there is to learn from Japan. Companies can certainly do more to ease the need to invite guest workers. In the manufacturing sector, for example, are Malaysian companies automating or computerising as fast as they should? Siemens AG, the German electronics giant, announced this week that it is changing its strategy and going all out to automate its operations in view of the labour shortage in Malaysia.

In Malaysia, perhaps only a handful of companies can move into automation fast. Local companies are still relatively less involved in adopting technology to enhance their operations if compared to the likes of Siemens and this is definitely a stumbling block to fast automation. Based on available statistics, for example, not many Malaysian companies are spending on R and D.

Ways should be sought after to utilise one technician instead of 10 and the answer lies in technology. Local corporations cannot continue to be ignorant of this, but instead be prepared to invest in technology which in the long-term would benefit only themselves. Similarly, hotel operators in Malaysia could still attract a local workforce, with the right terms and conditions. After all, Malaysians with some experience in the line are now working in Singapore for better pay and perks. Smart cards should be

introduced to reduce the number of toll-booth attendants, who could be deployed more productively in sectors that are short of workers.

It will need a lot of hard thinking, research and joint effort while results and profits will not be realised overnight. But the country's dependence on foreign workers is a crucial problem that cannot be acknowledged only by the Government. The private sector, as the major user of labour, has a vested interest in the long-term to ensure that this phenomenon does not drag on and slow growth.

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