

Not using agents will save 80% in workers' recruitment costs, says MEF

The Malaysian Employers Federation says the reduction in costs will resolve one of the major indicators of forced labour faced by Malaysian employers, which is debt bondage.

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Prime Minister Anwar Ibrahim wants the home ministry to stop using agents to recruit foreign workers, saying the high fees charged by agents was tantamount to 'modern slavery'.

PETALING JAYA: Stopping the use of agents to recruit foreign workers, as directed by Prime Minister Anwar Ibrahim, will slash recruitment costs by 80%, according to the Malaysian Employers Federation.

Its president Syed Hussain Syed Husman described the move as “timely” as employers were facing many challenges in managing the cost of running their operations.

“The decision to stop using the services of third-party agents will involve savings of a total of about 80% of the cost of bringing each foreign worker from the source countries,” he said in a statement.

He said the reduction in costs would resolve one of the major indicators of forced labour faced by Malaysian employers – debt bondage.

Syed Hussain said due to the involvement of agents, foreign workers were left with little choice but to take high-interest loans or mortgage their properties to pay high recruitment fees, thus putting them into “debt bondage”.

He suggested that the government allow employers to formally recruit refugees who held valid United Nations High Commissioner for Refugees cards.

“These refugees are already in the country, comprising many skilled and unskilled workers,” he said.

He said employers would not incur the cost of bringing in workers if refugees were allowed to work. Also, these refugees, if employed, would be required to pay taxes.

Yesterday, Anwar said he wanted the home ministry to stop using agents to recruit foreign workers due to the high costs involved.

He added that the higher fees charged by agents was tantamount to “modern slavery”.

Recruitment agents’ fees have long been blamed for the increased cost of employing foreign workers looking to work in Malaysia.

Last February, then human resources minister M Saravanan told employers wanting to hire foreign workers to apply directly to the ministry instead of doing so via third-party recruitment agencies.

Saravanan said applications made by recruitment agencies would be immediately rejected.

In 2018, his predecessor, M Kulasegaran, said the ministry would review the role of recruiting agents.

The one-stop centre for the recruitment of foreign workers was once again placed under the home ministry last December. The move came barely six months after the previous government had placed the centre under the human resources ministry.