

# Influx of Foreign Workers in Yong Peng, Johor

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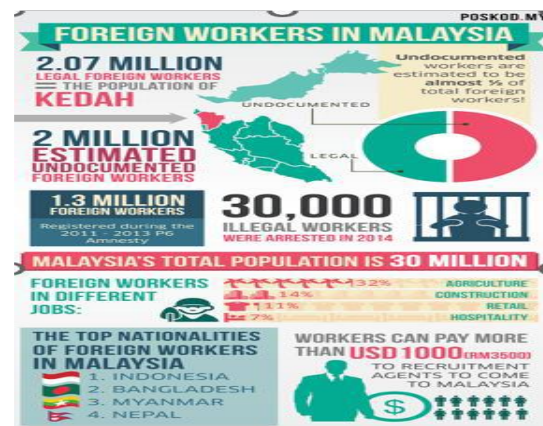
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**Abstract:** Owing to a shortage of workers to support its expanding economy, Malaysia has seen an increase in the number of foreign workers in recent years. The increase in foreign workers is caused by various factors. This conceptual study is being done to look at the increase in foreign labourers in Yong Peng, Johor. This conceptual study examines monetary and host country attraction factors are specifically looked at. The objective of this study is to identify the most important factor influencing the influx of foreign workers as well as the relationship between money, host country attraction, and the influx of foreign workers. With millions of foreign workers from nations such as Indonesia, Bangladesh, and Nepal, Malaysia is one of the top destinations for immigrants in Southeast Asia, making research on the influx of foreign workers important. Therefore, it is crucial for policymakers, employers, and the general public to understand how foreign workers affect Malaysia's economy, society, and healthcare system. In addition, the influx of foreign workers in Malaysia has been a contentious issue, with numerous stakeholders voicing concerns regarding possible drawbacks. Research on this topic can help inform policy decisions and interventions to mitigate the negative consequences of foreign worker influx. In addition, it can provide insights into broader issues related to labor migration, social integration, and cultural adaptation. The experience of foreign workers in Malaysia can provide lessons for other countries in the region and around the world.

**Keywords:** *Influx of Foreign Labour, monetary, host country attraction, Yong Peng, Malaysia*

## 1. Introduction

Malaysia has experienced an influx of foreign workers in recent years. This is because of several factors, including the country's economic growth, the demand for low-skilled labor in certain industries, and the presence of a substantial number of illegal immigrants [1]. According to the Malaysian government, there are approximately 1.9 million registered foreign workers and an estimated two million undocumented foreign workers in the country as of 2021 [2]. Foreign workers are employed in a variety of industries, including construction, manufacturing, plantation, and domestic work [2]. The majority of foreign laborers are from Indonesia, Nepal, and Bangladesh [2].



(Source: Department of Statistics Malaysia, 2020)

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Yong Peng is a town in Batu Pahat, Johor. It covers an area of 1911.6 hectares and has an estimated population of 29,466. Most residents of the city are Chinese. Yong Peng is well connected by road and rail, with the North-South Expressway passing through it and the Yong Peng railway station serving as a stop on the Johor Bahru-Kuala Lumpur route. Yong Peng is governed by the District Council of Yong Peng. The administrative constituency of the Yong Peng District Council includes Yong Peng Town, Ayer Hitam, Parit Sulong, Sri Medan, Kangkar Bahru, Parit Yaani, and Lam Lee. Yong Peng's total land area is 12,680 hectares, with 61,014 people in total. Yong Peng is known for its agricultural products such as pineapple, durian, and oil palm, which are grown in the surrounding areas.

For Malaysia's economy to grow and develop, there must be a sufficient labor force [3]. With a sizable and diverse population, Malaysia has access to a large pool of human resources that can be used to boost its economic growth. According to [4], a sufficient labor force helps ensure that the country has a sufficient supply of skilled workers to meet the demands of its various industries and sectors. This is important for Malaysia's manufacturing and service industries, which are the country's primary economic drivers. Additionally, having a sufficient workforce can help combat poverty and unemployment because it creates employment opportunities for people from all walks of life and with different levels of education [5]. In an effort to reduce the number of foreign workers, Malaysia has established a minimum wage of RM 1,500.00, beginning in May 2022.

Despite having a sizable labor force, Malaysia still faces a labor shortage in a number of sectors, particularly in manufacturing, services, agriculture, and construction [6]. For instance, Malaysia needs many laborers in the construction and plantation industries to help with infrastructure development and crop harvesting. Additionally, because foreign workers frequently accept lower pay, hiring them can be more cost-effective for employers than hiring local workers [7]. Hence, the research objective of this study is to determine the relationship between monetary, host country attraction, and the influx of foreign workers, and to determine the most significant contributor to the influx of foreign workers.

## 2. Literature Review

In recent years, the influx of foreign workers into Malaysia has been a contentious issue, with many stakeholders concerned about the potential consequences. One of the primary concerns regarding the influx of foreign workers is their economic impact. Several studies have examined the economic impact of foreign workers in Malaysia. According to a study conducted by [8], foreign workers in the construction industry contribute significantly to the economy, whereas [9] discovered that foreign workers have a positive impact on the manufacturing sector. However, some studies have found that the influx of foreign workers can have a negative economic impact, such as wage stagnation for

local workers [8] and fewer job opportunities for Malaysians [10].

Another major concern regarding the influx of foreign workers is the impact on Malaysian society's social and cultural aspects. Several studies have investigated the social and cultural consequences for foreign workers in Malaysia. Furthermore, according to [11], the influx of foreign workers has resulted in social and cultural changes, particularly in urban areas. Furthermore, some studies have highlighted the difficulties foreign workers face when it comes to social integration and cultural adaptation [12,13]. Furthermore, the influx of foreign workers may have implications for a country's security. Bestowing to [14], foreign workers in Malaysia are vulnerable to exploitation and human trafficking, which could have wider security implications. Therefore, it is hypothesized as follows:

H1: There is a significant relationship between monetary and foreign workers.

Foreign workers' desire to migrate to a specific nation is significantly influenced by the host country's attractiveness [15]. The idea refers to elements such as economic opportunities, social amenities, and political stability, which make a nation a desirable location for international workers [16]. Numerous studies have examined the connections between attracting foreign workers and host countries. Referring to the research conducted by [15,17], Malaysia attracts foreign workers because of its economic growth, social welfare, and political stability. All of these factors had a significant positive influence on this inflow. Furthermore, [18] noted that two important elements that draw foreign workers to Malaysia are the availability of job opportunities and higher wages. Additionally, [19] found that foreign workers are drawn to Malaysia by the availability of job opportunities, higher wages, and a favorable work-life balance.

However, some studies highlight the drawbacks of Malaysia's influx of foreign workers. In accordance with [20] observations in 2019, the influx of foreign workers in Malaysia had a negative impact on the local labor market, leading to fewer job opportunities and lower wages for local workers. In addition, [21] also observed that Malaysia's influx of foreign workers may result in social and cultural tensions, including the displacement of local workers, competition for resources, and problems with integration and assimilation. Therefore, it is hypothesized as follows:

H2: There is a significant relationship between the host country attraction and influx of foreignworkers.

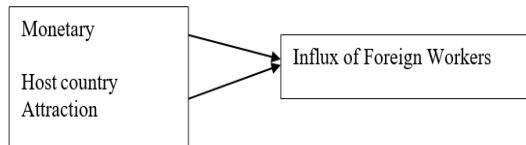


Figure 1: Conceptual Framework

Figure 1 presents the conceptual framework of this study. By referring to the model, the independent variables are monetary and host country attraction. The dependent variable is the influx of foreign workers.

### 3. Conclusion

In conclusion, monetary and Malaysian host country attractions, particularly economic development, political stability, and social welfare, have a significant impact on the influx of foreign workers to the country. However, policymakers must also address the potential negative consequences of the influx of foreign workers, particularly on the local labor market and social and cultural tensions.

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