

# CPDS SEMINAR SERIES

## “Foreign Labour Policy and Labour Demand in Manufacturing: The Case of Malaysia”

### ABSTRACT:

#### **Foreign Labour Policy and Labour Demand in Manufacturing: The Case of Malaysia**

There are calls for Malaysia to align its foreign labour policy with labour market demands in the manufacturing sector. This follows from the over-dependence of the economy on foreign unskilled labour, which in turn has delayed economic upgrading and adversely affected the performance of this sector. The Malaysian government has instituted various policies, coupled with frequent policy reversals, to regulate unskilled foreign labour since they were first permitted into the manufacturing sector in the early 1990s. Yet, it remains unclear how those policy changes have affected labour demand, both foreign and local. Previous related studies on foreign labour in Malaysia have not addressed this issue directly. Instead, the focus has largely been on the wage, labour productivity, and labour substitution effects of immigration. This paper therefore seeks to address the following question: What impacts have changes in the regulatory environment (public policies, laws and law enforcement strategies) had on the utilization of foreign labour? This paper has a two-pronged objective. First, it reviews the key policy changes related to foreign labour in manufacturing since the 1990s to set the background of the study. Demand-side policies are the focus of attention in this paper. Second, it estimates the industry-level demand for foreign labour in manufacturing, taking into account the prominent shifts in foreign labour policy, to provide an outlook on labour market administration.

### SPEAKER BIO:

Evelyn S. DEVADASON is Associate Professor at the Faculty of Economics and Administration (FEA), University of Malaya (UM), Malaysia. Her previous positions include Head, Centre for Latin American Studies (CLAS, 15/7/2013-31/12/2014) and Deputy Dean (Research and Development, 9/9/2012-14/7/2013), FEA. She received her Ph.D. (Economics) from UM in 2006 and M.Soc.Sci. (Economics) from the National University of Singapore in 1992. Her research focuses on international trade and regional integration. Her research work has seen print in international journals (indexed in SSCI and AHCI) such as the World Development, The China Review, India Review, The Pacific Review, Journal of Contemporary Asia, Journal of Contemporary China, Journal of International Development, Emerging Markets Finance & Trade, Asian Economic Journal, Global Economic Review, Singapore Economic Review, Asia Pacific Education Review, Social Indicators Research, Technological and Economic Development of Economy, Total Quality Management and Business Excellence and Environment Science and Pollution Research. She currently serves as an Associate Editor to the International Journal of Social Economics (Emerald) and a member to the Editorial Boards of two international journals, the Journal of Contemporary Asia and the NUST Journal of Business & Economics (Islamabad). She is also the Deputy Editor of a local journal, the Institutions and Economies, and serves as a member to the Editorial Board of another local journal, the International Journal of China Studies. She has been engaged in a number of international and local collaborative research projects, including the International Confederation of Free Trade Unions-Asian and Pacific Regional Organization (ICFTU-APRO, Singapore), Asian Development Bank Institute (ADBI, Japan), the Asian Development Bank (ADB, Manila), World Bank (WB, Washington DC), the Malaysian Competition Commission (MyCC, Kuala Lumpur), ERIA-UNCTAD (Economic Research Institute of East Asia - United Nations Conference on Trade and Development, Jakarta), Open Economy and Trade Research Centre of Shanghai Lixin University of Commerce (People's Republic of China) and more recently Food Industry Asia (FIA, Singapore).



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**ALL ARE WELCOME**

**(Free admission)**

Date:

**03<sup>rd</sup> August 2017 (Thursday)**

Time

**12.30p.m. – 2.00 p.m.**

Venue:

**Econo-Cube, Block H09, FEA, UM**

*Organized by:*

**The Centre for Poverty and Development Studies  
and Department of Economics,  
FEA, UM**