



# THE COST OF HOPE:

STORIES OF MIGRANT WORKERS  
IN PALM OIL PLANTATIONS IN MALAYSIA



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IN PALM OIL PLANTATIONS IN MALAYSIA

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# FOREWORD

Malaysia produces 39 per cent of the world's oil palm and 44 per cent of world exports<sup>1</sup> according to the Malaysian Palm Oil Council, an industry body. The sector now occupies over 70 per cent of the country's agricultural land, where 2.3 million hectares are used for oil palm cultivation in Peninsular Malaysia alone.<sup>2</sup> Palm oil production employs almost half a million workers in Malaysia, of whom about 80 per cent are migrants, mainly from Indonesia, India, Nepal and Bangladesh.<sup>3</sup>

Despite their significant contribution to one of Malaysia's most prominent economic sectors, migrant workers in the country may be at risk of human rights abuses and exploitation. Forced labour practices such as debt bondage, deceptive recruitment processes, retention of passports and limited availability of or access to grievance mechanisms are some of the most commonly reported issues. Migrant workers may also face discrimination and stigma.

The coronavirus disease 2019 (COVID-19) pandemic has further exacerbated migrants' vulnerabilities and episodes of discrimination and xenophobia. For instance, policy responses to COVID-19 such as the provision of wage subsidies, unemployment benefits or social security, and social protection measures were often not available to migrant workers, particularly those employed in the informal sector or undocumented workers.

In multiple countries including Malaysia, migrants were affected by outbreaks of the virus at overcrowded accommodations, where it was difficult to follow and guarantee adequate hygiene standards. In plantations in remote areas, workers suffered from prolonged isolation that exacerbated psychological and mental health issues. Furthermore, due to the Movement Control Order restrictions, daily wage workers on smallholder farms as well as large plantations were among the first to lose their daily employment.<sup>4</sup>

This report seeks to explore and understand the stories of the people who uprooted themselves and travelled to work in Malaysia in search for better lives for themselves and their loved ones. These stories retrace their steps, from their recruitment in their home countries to their destination in Malaysia, where they contributed to the well-being of the communities and the economy.

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<sup>1</sup> <http://mpoc.org.my/malaysian-palm-oil-industry/>.

<sup>2</sup> Shevade, V. S., & Loboda, T. V. (2019). Oil palm plantations in Peninsular Malaysia: Determinants and constraints on expansion. *PLoS one*, 14(2), e0210628. <https://doi.org/10.1371/journal.pone.0210628>.

<sup>3</sup> [www.reuters.com/markets/commodities/malaysias-palm-oil-producers-adjust-labour-shortages-higher-recruitment-costs-2021-12-09/](http://www.reuters.com/markets/commodities/malaysias-palm-oil-producers-adjust-labour-shortages-higher-recruitment-costs-2021-12-09/).

<sup>4</sup> <https://palmoilabour.network/the-condition-of-palm-oil-workers-amidst-covid-19-pandemic/>.

This report is written based on 136 interviews conducted with migrant workers in the palm oil sector in Malaysia, and published under the IOM regional flagship initiative Corporate Responsibility in Eliminating Slavery and Trafficking (CREST). While all the workers in the narrated stories are fictional, their experiences are derived from interviews, records and events reported in the interviews, and therefore reflect the daily lives of these workers.

All 136 interviews were conducted with male migrant workers in oil palm plantations, which only hire male migrant workers, across Peninsular Malaysia.<sup>5</sup>

*A note on terms:* The usage of certain terms throughout this document are contextual and not interchangeable: palm oil refers to the sector, oil palm plantations are where the oil palm plants are cultivated, and palm oil is the product.

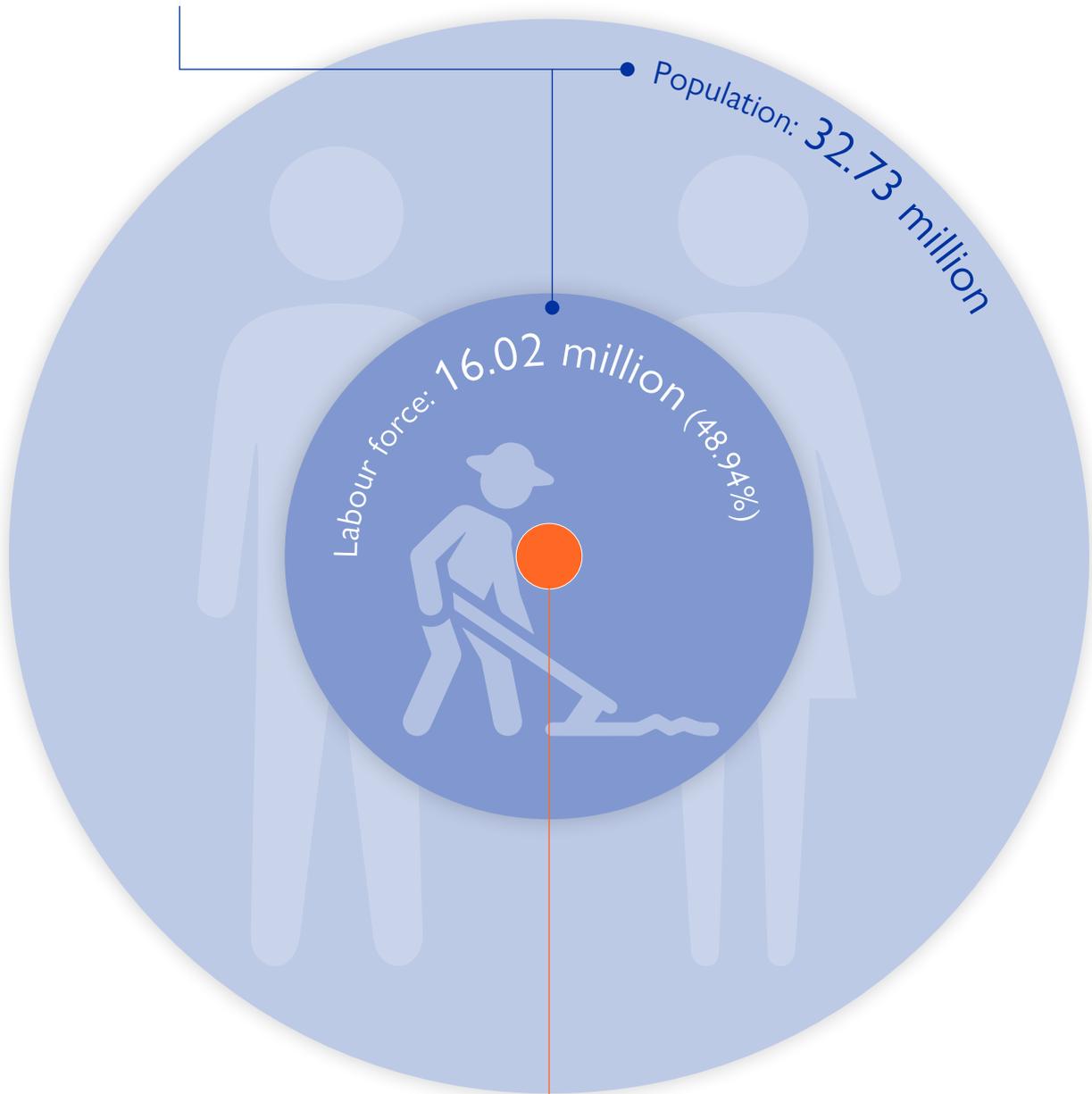
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<sup>5</sup> International Organization for Migration and Earthworm Foundation, “Summary report: Labour Supply Chain and Migrant Worker Vulnerability Assessment at Five Palm Oil Plantations in Malaysia,” 2020, Earthworm Foundation.

# KEY FACTS AND FIGURES

## Malaysia at a glance

Source: Department of Statistics, Malaysia (2021)



**1,975,879 million (12.32%)  
Migrants Workes in Malaysia**

Source: Immigration Department, Ministry of Home Affairs (September 2019)

## LEADING PRODUCERS OF PALM OIL WORLDWIDE FROM 2021/2022



Country	Volume (in 1,000 metric tons)
Indonesia	44,500
Malaysia	18,700
Thailand	3,120
Nigeria	1,400
Other	6,168

Source: [www.statista.com/statistics/856231/palm-oil-top-global-producers/](http://www.statista.com/statistics/856231/palm-oil-top-global-producers/).

## TOTAL FOREIGN WORKERS' REMITTANCES BY NATIONALITY, 2018



Country	Amount (RM)
Indonesia	10.9 billion
Bangladesh	6.2 billion
Nepal	5.9 billion
India	1.8 billion
Other	4.4 billion

Source: [www.dosm.gov.my/v1/uploads/files/7\\_Publication/Research\\_Papers/1\\_The%20Increasing%20Trend%20of%20Foreign%20Workers'%20Remittances.pdf](http://www.dosm.gov.my/v1/uploads/files/7_Publication/Research_Papers/1_The%20Increasing%20Trend%20of%20Foreign%20Workers'%20Remittances.pdf).

## RECRUITMENT FEE OF FOREIGN WORKERS IN MALAYSIA

Nationality	Government legal recruitment fee ceiling (USD)	Average recruitment fees and related costs* (USD)	Months of minimum wage earnings to repay recruitment costs**
Bangladesh	1 885.7	3 089.63	10.7
India	280.3	905.26	3.1
Indonesia	357.7	401.53	1.4

Source: IOM Summary Report - Labour Supply Chain and Migrant Worker Vulnerability Assessment at Five Palm Oil Plantations in Malaysia.

## SOURCE OF FUNDS USED BY MIGRANT WORKERS TO PAY RECRUITMENT FEES

Source of Funds	Indonesia (n=47)	Bangladesh (n=45)	India (n=44)	Percentage
Loan from family	16	26	13	38%
Loan from friends	2	-	2	3%
Loan from subagent	4	-	-	3%
Loan from bank	-	4	5	6%
Loan from NGOs	-	8	-	6%
Loan from local money lenders/ bank cooperatives	-	2	3	3%
Selling Livestock/real estate/ personal belongings	1	2	1	3%
Own savings	5	-	16	15%
Home mortgage	-	1	1	1%
Took multiple loans from various sources	4	2	-	4%
Did not take any loans	16	5	5	18%
<b>Sub-total</b>	<b>48*</b>	<b>50*</b>	<b>46*</b>	<b>100%</b>

Source: IOM Summary Report - Labour Supply Chain and Migrant Worker Vulnerability Assessment at Five Palm Oil Plantations in Malaysia

## NUMBER OF FOREIGN WORKERS WITH ACTIVE AND VALID TEMPORARY WORK VISA (2017-2018)

Country	Agriculture	Construction	Domestic Help	Farming	Manufacturing	Services	Grand Total
Bangladesh	18 220	101 530	135	12 851	91 080	28 549	<b>252 365</b>
Cambodia	181	170	2 195	267	2 162	1 020	<b>5 995</b>
China	23	6 624	106	17	904	5 767	<b>13 441</b>
India	19 838	9 214	908	37 786	2 813	49 425	<b>119 984</b>
Indonesia	213 366	206 858	92 675	78 265	126 127	41 196	<b>758 487</b>
Laos	1	1	18	2	14	1	<b>37</b>
Myanmar	1 607	17 147	103	4 536	100 003	15 096	<b>138 492</b>
Nepal	3 810	11 609	69	13 865	287 008	88 975	<b>405 336</b>
Pakistan	6 155	26 734	32	19 545	4 005	6 274	<b>62 745</b>
Philippines	4 372	3 489	36 592	4102	4 244	5 567	<b>58 366</b>
Sri lanka	389	186	895	231	3 587	910	<b>6 198</b>
Thailand	460	597	325	1 763	329	8 900	<b>12 374</b>
Vietnam	56	3 775	522	411	26 345	1 440	<b>32549</b>
<b>Grand total</b>	<b>268 478</b>	<b>387 934</b>	<b>134 575</b>	<b>173 641</b>	<b>648 621</b>	<b>253120</b>	<b>1 866 369</b>

Source: [www.data.gov.my/data/ms\\_MY/dataset/statistik-pekerja-asing-mengikut-pecahan-sektor](http://www.data.gov.my/data/ms_MY/dataset/statistik-pekerja-asing-mengikut-pecahan-sektor).



# STORIES OF MIGRANT WORKERS

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**The recruitment journey and experiences of migrant workers during employment in Malaysia, through five stories representing workers from Indonesia, Bangladesh and India**

The number of international migrants worldwide was estimated to be almost 281 million in 2020, with nearly two thirds being labour migrants.<sup>6</sup> Migrant workers move in search of gainful employment opportunities and often remit substantial portions of their income to support their families and communities back home. The stories below present a snapshot of the lives and experiences of five fictional migrant workers and their journeys from their countries of origin in Indonesia, Bangladesh and India, to their new lives in Malaysia.

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<sup>6</sup> United Nations Department of Economic and Social Affairs (UN DESA) 2020 International Migrant Stock 2020. Population Division, New York. Available at [www.un.org/development/desa/pd/content/international-migrant-stock](http://www.un.org/development/desa/pd/content/international-migrant-stock).



## PANJI FROM INDONESIA

Panji is an ever-smiling 24-year-old man hailing from the Kalimantan Barat province of western Borneo, Indonesia, currently working with an oil palm plantation company located in Peninsular Malaysia. Growing up, he would often hear stories from his relatives on how men would go to Malaysia to find work in the palm oil sector. He also saw the families of those who were working abroad becoming more and more prosperous thanks to remittances. When he turned 18 and struggled with unemployment because few jobs were available in his village, Panji decided to follow in the footsteps of his relatives.



I saw my uncles and cousins bring back money working in Malaysia, and they could afford to build big and comfortable houses for their families.

I wanted that for my own family as well, so I decided to look for a job in Malaysia.”

To work in Malaysia, migrant workers must navigate through the various steps of the recruitment process, and they typically rely on the support of recruiters. This includes the job search, passport application, interviews and selection, medical examinations, processing of documents, orientation sessions and travel from the hometown to the destination country.

Under Section 33A(1) Malaysian Employment Act<sup>7</sup> –implemented in the Malaysian Labour Department –<sup>8</sup> Malaysian companies are not permitted to directly recruit low-skilled migrant workers from a number of countries including Indonesia, and must engage with a licensed recruiter. The recruiter arranges the completion of all administrative requirements in the countries of origin.

Panji's village was at least a three-hour drive from the nearest urban area of Pontianak. First, Panji had to use the service of a sub-agent in his village who was connected to a recruitment agency in Pontianak. The sub-agent, well known in the village, helped him to secure a job after being paid a fee. As the average recruitment fee and costs paid by Indonesian workers is approximately IDR 6,000,000, Panji was fortunate that his family had enough savings, and he was able to cover the cost without going into debt.

Within three months, the sub-agent had secured a harvester job for Panji at a plantation company in Peninsular Malaysia. Panji was informed that the initial contract would be for two years. The sub-agent also took care of all the necessary documents and travel arrangements from the village to the airport in Pontianak, and provided Panji with an employment contract to sign, in Bahasa Indonesia. Panji could speak and read Bahasa Indonesia, and understood the document. However, it is common for migrant workers to receive employment contracts in a language they do not understand, which puts them at risk of being exploited.

<sup>7</sup> Laws of Malaysia. Online version of updated text of reprint. Act 265. Employment Act 1955. 30 April 2012. Available at [https://jtksm.mohr.gov.my/images/kluster-warnawarni/akta-borang/akta-peraturan/akta\\_kerja1955\\_bi.pdf](https://jtksm.mohr.gov.my/images/kluster-warnawarni/akta-borang/akta-peraturan/akta_kerja1955_bi.pdf).

<sup>8</sup> Malaysian Employers Federation. Practical guidelines for employers on the recruitment, placement, employment and repatriation of foreign workers in Malaysia. December 2014. Available at [www.mef.org.my/Attachments/MEFReport\\_PGERPERFWM.pdf](http://www.mef.org.my/Attachments/MEFReport_PGERPERFWM.pdf).

Under the International Labour Organization (ILO) *General principles and operational guidelines for fair recruitment & Definition of recruitment fees and related costs* (2019), employers must ensure that the employment terms and conditions stipulated on a newly hired worker are specified in an appropriate, verifiable and easily understandable manner, preferably through written contracts that are in accordance with national laws, regulations, employment contracts and applicable collective agreements.

The contract should be clear and transparent, and should inform the workers of the location, requirements and tasks of the job for which they are being recruited. In the case of migrant workers, written contracts should be in a language that the worker can understand; provided sufficiently in advance of departure from the country of origin; subject to measures of preventing contract substitution; and should be enforceable.

Such measures are meant to ensure that workers are provided with information prior to giving their consent to be employed by the company and are not being forced into employment situations they do not agree to. Ensuring fair and transparent recruitment and placement practices are key to preventing any form of forced labour and human trafficking.

Before his departure at the airport in Pontianak, Panji received a short briefing about the job, the location where he would be working, the name of the company he would be working with, and information on his salary.

In Malaysia, he was greeted by a staffer from the oil palm plantation company and brought to an orientation facility belonging to the company, where he and other workers were given a full-day briefing on their work, including working hours, duties and responsibilities, and their rights as workers in the company. Interpreters who spoke his native language were also present during the briefing to support with communication. Panji was then driven to an oil palm plantation, a two-hour drive from the closest town; he has worked there since.

However, travelling outside the oil palm plantation is difficult, as no transportation options are available. Workers are also not allowed to own or borrow vehicles. Whenever he wants to leave the work site, Panji must pay a fee to the drivers employed by the company – sometimes more than 100 Malaysian ringgit (RM), (equivalent to approximately 23 United States dollars -USD), as well as for the drivers' meals and accommodation.

Panji has been experiencing a growing feeling of loneliness and isolation because he lives in such a remote location, away from home and his loved ones. While he initially wanted to explore the nearest towns as well as other cities in Malaysia, Panji slowly withdrew and struggled with finding company or camaraderie with the other workers.

“I work as a harvester here and even though the work is tough, the manager and supervisors are kind to me, and they don't shout at us when we do something wrong, like I have heard happens in other oil palm plantations. There was a time where the harvesters performed very well, so the supervisors decided to take us all to the beach as a treat.





It is hard for me to talk about being lonely to friends here because we just don't talk about these things. Men are not supposed to show weakness but instead bear whatever suffering that comes our way and be strong. They might see me as weak and not manly if I tell them about how lonely being here is, and how I miss going out freely.”

In the palm oil sector, employers reportedly often seize and withhold migrant workers' passports, and use this method as a safeguard against workers escaping.

Confiscating passports is a practice that violates international human rights standards under Article 6 of the Universal Declaration of Human Rights and several international human rights instruments.<sup>9</sup> In Malaysian laws, the prohibition to withhold a person's passport is enshrined in the Passport Act<sup>10</sup>, which states that if a person who is not a lawful authority as defined in the Act is in possession of a passport issued for the use of a person other than themselves, they are committing an offence.

Companies have also reportedly requested that workers keep their passport in lockers on the oil palm plantation estate's main office. While workers would have the keys of their own locker, they would need permission from the management to enter the main office. In the oil palm plantation estate where Panji works, the lockers' room is located directly opposite the management office.

“Whenever we go out of the estate, we must carry our passports; otherwise, we might be arrested by the police for not having the right documentation. It is great that the company lets us access our passports, but I feel nervous when I go to the lockers to take my passports because everyone in the office can see me and I'm afraid they might think I'm planning to run away. I wish we could keep our passports in our rooms, but the management won't let us in case we lose our passports or take advantage of the situation and run away.



<sup>9</sup> 1948 Universal Declaration of Human Rights, Articles 6 and 15; 1951 Convention on the Status of Refugees, Articles 25 and 27; 1954 Convention on the Status of Stateless Persons, Articles 25 and 27; 1961 Convention on the Reduction of Statelessness, Articles 1-4; 1965; 1969 International Convention on the Elimination of All Forms of Racial Discrimination, Article 5(d)(iii); 1966 International Covenant on Civil and Political Rights, Article 24; 1979 Convention on the Elimination of All Forms of Discrimination Against Women, Article; 1989 Convention on the Rights of the Child, Articles 7-8; 1990 International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families, Article 29; 2006 Convention on the Rights of Persons with Disabilities, Article 18.

<sup>10</sup> [https://ccid.rmp.gov.my/Laws/Passports\\_Act.pdf](https://ccid.rmp.gov.my/Laws/Passports_Act.pdf).





## BAMBANG FROM INDONESIA

In March 2019, a devastating earthquake hit Lombok Island in Indonesia, resulting in tragic losses and severe damage to the island. After the disaster, many Indonesians sought work in Malaysia to support the recovery and reconstruction efforts of their families. Bambang, a 25-year-old from Lombok, was among those migrants who decided to look for work in Malaysia following the catastrophic earthquake. Since he had experience working in oil palm plantations in Indonesia, he decided to find work as a harvester.



We lost everything in the earthquake, including our house. Since my parents are old, I cannot expect them to work hard. My job back home does not pay me well enough to rebuild our house and support my family. So, I decided to find work in an oil palm plantation in Malaysia, considering that I already have the experience of working as a harvester here in Indonesia.”

Bambang has a relative in Lombok who is a sub-agent for a recruitment agency based in the capital city of Jakarta. In Indonesia, sub-agents are sometimes referred to as “sponsors,” as they may offer financial loans to jobseekers to cover the recruitment fees or other costs during the recruitment process.

Sub-agents charge an average of 6 million Indonesian rupiah (Rp), (equivalent to approximately USD 410) to cover the cost of obtaining a passport, a recommendation letter, a police certificate/record, the pre-departure medical check-ups, National Social Security Insurance, local transportation to participate to the pre-departure orientation session, local transportation to the airport and other costs that are often not explained or sufficiently detailed to potential migrant workers.

Bambang’s sub-agent loaned him the amount he needed to cover for the recruitment fees at a 14 per cent interest rate, which he was forced to accept as he had no savings left after all the expenses he incurred to support his family’s recovery from the earthquake.

Bambang’s sub-agent obtained a job for him at an oil palm plantation in Peninsular Malaysia, but not until two days before his departure was Bambang given a short briefing and handed an employment contract to sign.

“I was fortunate to have friends who are already working in the palm oil industry in Malaysia, and I was able to ask them for advice about my rights and how much I should earn. My sub-agent just gave me some papers to sign and told me briefly about the work that I would be doing in Malaysia, and the name and location of the plantation where I would be working.



Upon arrival in the capital city of Kuala Lumpur, Malaysia, he was greeted by a company employee and ushered to a waiting bus that brought him directly to an oil palm plantation. To his surprise, the plantation he was brought to was not the one named in the contract.



I was shocked to see that I was sent to a totally different place, and not the place that was written in my contract. I found out that four other people were supposed to be sent to the same plantation that was written in my contract too, so we decided to file a complaint to the management to make sure that they would send us to the right plantation.”

Bambang and the other workers refused to work and demanded that the management relocate them to the worksite that was stipulated in their contract and pre-departure orientation session.

“We were not afraid to demand to be moved to another plantation as this was already promised to us and this was why we agreed to take up this job in the first place. My friends had told me that this was the best plantation and the workers there were treated well.



The workers’ demands were heard and met by the management, and they were eventually sent to the plantation stated in the contract. Shortly after arrival, Bambang was informed that the company he was working for did not require him to pay any recruitment fees to a sub-agent. As part of the company’s recruitment guidelines, the recruitment agency contracted by the company would handle the recruitment process, not a sub-agent.

Regrettably, Bambang had not been aware of this or other similar practices and did not receive any receipts for the payments he had made to the sub-agent. When he confronted the sub-agent on the matter, he was told that the loan could not be cancelled since the money was already paid and the debt incurred, as proven by the agreement he had signed with the sub-agent.

Bambang’s situation highlights a grave concern for migrant workers employed in Malaysia who find themselves in debt bondage. Recruitment agencies engaged by employers may not have policies and procedures in place that align with ethical recruitment principles and may have a limited understanding of the policies of the companies that engage with them. Recruitment agencies may also not exercise sufficient due diligence on their associated sub-agents, thus exposing migrant workers to various vulnerabilities, including forced labour.

Accommodation is also a common concern raised by migrant workers. In Bambang's case, he found the lodgings adequate and, most importantly, the living quarters had a steady supply of water and electricity. The company did not pay for utilities but provided a small monthly subsidy of MYR 6 (equivalent to approximately USD 1) for electricity and MYR 4 (equivalent to approximately USD 0.85) treated water to each worker. However, workers were required to pay water and electricity bills directly to the service provider, which created a problem as some were not aware of how to make payments to the service providers while others, including Bambang, had to settle the outstanding bills that were left by previous tenants.



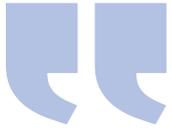
The management told us that we must pay our electricity and water bills ourselves, which I don't mind because we can manage our own consumption and monitor how much we are paying. But the previous tenants of this house did not pay their bills, and had an outstanding debt of RM 1000 (equivalent to approximately USD 230). Our employer advanced the payment but later deducted this amount from our salaries, as the previous workers were no longer with the plantation. We made a complaint to the management, but no actions have been taken until now. Eventually, we still had to settle the overdue bills that were not even ours in order to have electricity and running water in the house."

Generally, at some worksites like Bambang's, workers' issues can be discussed in workers' committee, and a representative would then raise the issues with the management. Bambang was not sure whether he would be allowed to join a union. This aspect was not mentioned in his employment contract, and he remains in doubt.

I know that unions are important, but my contract doesn't say if we, as migrant workers, are allowed to join one. I don't want to risk getting in trouble, so having the worker's representative is good enough."



In addition to the committee, the company has set up a complaint box and a centralized hotline for workers to raise and report grievances. However, the majority of migrant workers in Bambang's worksite are concerned about possible retaliation and that they would be singled out if they were to make a call or write a complaint. In an instance where a worker had tried to call the hotline, he had not been able to communicate properly due to language barriers, and he feared raising the same issue again through a different means. Overall, it seems that the committee is the best mechanism to convey concerns as it relies on cultural and national connections across communities and trust among workers.



Working in a different country means that your friends are like your family. I trust that my friends will have my best interests at heart and I would rather not get into trouble if the management decides to terminate me because of the complaints that I make. I am not clear about my rights to join a union here, so I will stick to telling the (workers’) representative about my issues and he will help me solve them with the management. I trust that this way will work better.”



Young migrant worker harvests oil palm. © Adobe Stock/HERU



## AHMAD FROM INDONESIA

Growing up in an environment that has strong traditional gender roles including regarding the division of work has resulted in heavy expectations placed on Ahmad, a young boy from Lombok Island in Indonesia who had just turned 16 years when he left his country. Even though he has two older sisters and three younger siblings, as the eldest son in his family Ahmad was looked upon as the next breadwinner, and always felt the pressure to be the one to secure a job to provide for his family.



My parents were struggling to keep our family fed after the earthquake. It caused much damage to our house and my father had no choice but to try and repair whatever he could himself. But his efforts were not enough to make the house habitable again, so my parents asked me to go and find work to help them rebuild our home. I felt like I had to say yes even though I didn't want to leave Lombok.”

Even though his sisters were willing to work overseas to help the family, the parents disagreed and refused to give them permission, worried that going abroad could prevent them from marrying well. To Ahmad, the parents also insisted that it was his sisters' duty to stay home to help the family with household work and Ahmad's duty, as the son, to migrate and secure a stable income to help their family.

His parents were introduced to a sub-agent who found Ahmad employment in Malaysia. Malaysian law requires migrant workers to be at least 18 years old to be able to work in the country. As Ahmad was a minor, the sub-agent arranged for false identification documents, including a new birth certificate, national identification card and passport.

To pay for the fee of Rp 6 million (approximately USD 410), Ahmad's parents borrowed money from their relatives and neighbours. The money was paid to the sub-agent in three instalments: the first for the issuance of visa and passport, the second for a pre-departure medical check-up, and the last for the purchase of his flight ticket to Malaysia and fees to the agent.

Ahmad received his contract in Bahasa Indonesia on the day of his departure, but he could barely read, and no one explained to him the contents of the contract or his rights. He was forced to sign the contract quickly as his flight was leaving in a few hours.

Ahmad was sent straight to an oil palm plantation on his arrival in Malaysia. He was placed under probation for three months and trained to be a harvester. A harvester can earn more money by working overtime; however, it was not clear if working on Saturdays and Sundays constituted overtime, and Ahmad did not know how to properly calculate the overtime pay, which is calculated differently than regular working hours.

“I am not good with numbers, and I rely on my friends to explain to me what I earn. As long as I get enough money to send to my family back home, I am alright with that.”

Ahmad is content with his job, but secretly wants to go back to Lombok to be closer to his family. With the significant debt to repay, and the family back home struggling to make ends meet, he knows this will not happen for some time.

“

I have to do whatever I can to support my family. My parents are old, and I have my siblings to feed. I might not be able to go to school but at least I hope my younger siblings can go to school and get a good job.”



Migrant workers on the farmland.  
© Adobe Stock/SVRSLYIMAGES

When he arrived in Malaysia, the management of the plantation held his passport, saying they were going to keep it safe, and that he could ask again to have it back once he was settled. Ahmad asked for his passport after a week of being at the plantation, but the management has yet to give it back to him.

“I don’t dare to ask for my passport again because I’m afraid the management will send me back or punish me for asking too much.”

In this plantation, annual leave is given based on migrant workers’ duration of service. Migrant workers who have worked for less than two years are entitled to eight days of paid annual leave, which increases to 12 days for those who have been employed between three to five years; for those who are employed for more than five years, the entitlement is 16 days. Migrant workers are also entitled to up to 45 days (for employment between two to five years) or 60 days (for employment between six to ten years) of unpaid home leave annually.

After working in the plantation for two years, Ahmad, who is now 18, is entitled to and very much looking forward to the 45 days of unpaid leave at home. However, the company is requiring that he pays a “deposit” to the company, which he cannot afford as he has to pay for his flight ticket. Deposits, which usually range between RM 750 and 1,500 (equivalent to USD 120–340), serve as a monetary guarantee that the migrant will come back to Malaysia at the end of their home leave.



My friends who came from a different plantation that is owned by the same company said that in their plantation, migrant workers pay RM 1,500 to the management, who will purchase the workers' flight tickets and reimburse the balance once the person comes back. But here in this plantation, we have to pay the deposit on top of purchasing our own ticket. I cannot afford that because I have to send money to my family, and as much as I want to see my parents, I would rather send them the money, which they need more."

When he was asked about whether there is an avenue for him to raise his grievances, he said, "I don't dare to make any complaints, I'm scared something will happen to me. If I lose this job, what will happen to my family?"





## SAIFUL FROM BANGLADESH

The Bangladesh-to-Malaysia labour force movement started flowing in 1992, when the two countries entered into an agreement for Bangladeshi workers to migrate to Malaysia for employment on a large scale. Ever since, Malaysia has relied heavily on Bangladeshi workers in a number of sectors of its economy. This is a story about how Saiful, a 26-year-old man from Bangladesh, started working in the palm oil industry in Malaysia.

Back in Bangladesh, Saiful worked as a tailor in his home village. At 22 years old, being the sole breadwinner for his family, with another baby on the way, Saiful decided to look for a new job that would pay him more.



It was a good job, but it was not paying enough. I had a baby on the way, and I was also helping my parents with their living expenses.”

Saiful heard from a friend about working in Malaysia and how a month's wage there was equivalent to two to three months' worth of salary in Bangladesh.

“I thought that this was definitely an opportunity for me to earn more money so my family would have a good life, so I decided to find a job in Malaysia.



Employers operating abroad are not allowed to directly recruit low-skilled migrant workers from a number of countries -including Bangladesh, and must deal with a licensed recruiter. While some recruitment agencies in the countries of origin state that they accept direct applications from job seekers, most recruitment agencies are located in larger urban areas and therefore rely on sub-agents to reach potential migrant workers and identify jobseekers. In Bangladesh, migrant workers reported that they typically pass through several intermediaries in their villages and districts before they reach the official agency in the capital city of Dhaka. Such is the situation in Saiful's case.

Saiful wanted to get a job in the garment industry, so he engaged a sub-agent in his home village who claimed to be affiliated with a licensed recruitment agency in Dhaka. Jobseekers who engage sub-agents in their efforts to find a job will have to pay recruitment fees. The fees are exorbitant, putting migrant workers at risk of debt bondage. To combat this issue, the Government of Bangladesh imposed a legal recruitment fee ceiling of 40,000 Bangladeshi taka (BDT), (equivalent to approximately USD 900) under the government-to-government arrangement with Malaysia.<sup>11</sup>

<sup>11</sup> [www.ilo.org/wcmsp5/groups/public/---asia/--ro-bangkok/---ilo-dhaka/documents/publication/wcms\\_303633.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/--ro-bangkok/---ilo-dhaka/documents/publication/wcms_303633.pdf).

Saiful reported that his sub-agent charged him a recruitment fee of more than USD 2,300. He is aware that the amount he was asked to pay is significantly higher than what he was supposed to legally pay. However, he had no choice but to pay the fee as he was desperate for a job.



There is no fixed amount. It depends on who you are, on the sub-agent and on how much he wants to charge. Even if he is your relative or best friend, there is no use. If you cannot pay, you cannot go.”

To pay for his recruitment fee, Saiful took a loan from the bank with an interest rate of 17 per cent per annum. After two months and a 50 per cent advance payment, the sub-agent informed Saiful that he had found him a job in a garment company in Malaysia.

Saiful made the payment for the recruitment costs in cash instalments, but the sub-agent did not give him any receipts for the transactions. He recalls that the only receipt he received from the sub-agent was for his passport.

Afterwards, he had to go to Dhaka to sign his contract and prepare for departure, scheduled a week after contract signature. At that point, he had to pay an additional MR 154 (equivalent to USD 35). This additional fee had not been agreed upon beforehand, and the recruitment agent did not give a reason for this additional payment.

“I was upset that there was an additional cost that my sub-agent did not tell me about, but I already spent so much money by that time, and I really wanted to get the job, so I just paid when the agent asked me to.



Before his departure, Saiful attended a pre-departure orientation session that covered basic information on life and work in Malaysia, such as local laws, customs, migrant workers’ rights, working conditions as well as self-care while overseas. He was not briefed about his new job in Malaysia, and he was not told the specific location he would go to.



Palm oil industry worker pruning leaves and harvesting palm fruit. © Adobe Stock/HERU

Saiful arrived in Malaysia in January 2017 and was sent to an oil palm plantation located in the northern part of Peninsular Malaysia. He did not expect that he would be working in the palm oil industry, as all discussions and agreements with the sub-agent referred to a job in the garment industry. However, with no response from the sub-agent and no one to turn to, Saiful quickly realized that his opportunities to leave the plantation were minimal, as he had already taken a substantial loan and, furthermore, had no connections in the country.



At first, I was shocked and upset that I would be working in an oil palm plantation. All I know is to sew clothes, what was I going to do here in a plantation? But I cannot even think about leaving the job because I have a huge loan to repay, and I cannot afford taking another loan to get another job. I had no choice but to stick to this job and learn as hard and as fast as I can.”

In the oil palm plantation, Saiful works as a harvester, and his salary is piece rate, meaning it is dependent on how many fruits he can collect. At this company, harvesting, loading or fertilizing tasks are piece rated, while general work such as pruning, weeding or clearing are based on daily wages. Saiful generally works for nine hours, inclusive of one hour of rest, from 6.30 a.m. to 3.30 p.m. with a daily morning briefing before 6 a.m. He works six days a week with one day off on Fridays. Since the palm oil industry has peak and low-harvest seasons, Saiful works overtime as much as he can, especially during the peak season, when he works for 60 or 70 hours per week, often also on his rest day.

The Malaysian Employment (Regulations Limitation of Overtime Work) limits workers' overtime to a maximum of 104 hours per month (in addition to the normal 192 work hours).

Under the Malaysian Employment Act, the payment for overtime work is one and a half times the pay rate, or twice the pay rate on rest days, which also applies to workers whose salaries are piece rated. However, some companies do not follow the overtime formula as stipulated in the Employment Act, and instead base overtime pay on an incentive system. In the case of plantations, for example, workers will be paid a bonus for any additional harvests made.

Saiful lives on the plantation, in a hostel that is provided by the company, along with nine other male colleagues, sharing the same room. They each have a bed, mattress and a wardrobe as well as shared cooking facilities such as a stove, gas cylinder and cooking utensils. They do not have to pay for the house, but the company deducts RM 56 (approximately 10 USD) per month on average from salaries to pay for electricity and treated water bills.

The plantation that Saiful works in is quite isolated, a two-hour drive from the main road leading to a town. There is transportation provided for the workers by the company if they want to go out, but they must get permission from their supervisors. Saiful mostly relies on the small store located in the plantation to buy groceries.



I know that the items I buy in the grocery store in the plantation are more expensive than those in town, but I have no way of checking the prices because the owner of the store does not display them. He will charge me RM 350 to RM 400 (USD 78-90) a month and does not give me a cost breakdown. When I asked the owner about how much each item costs, he just asked me to pay the full amount if I still want to buy groceries from him.”

Saiful cooks his own meals when he can, but without a fridge, it is quite difficult for him to buy items in bulk and prepare meals for the week.

Saiful has worked in Malaysia for more than three years now, on a renewed contract. He misses his family dearly as he has not seen them since he started working in Malaysia, but he cannot afford to go back home until his loan is paid off.

Migrant workers in Malaysia might have a Temporary Working Visit Pass<sup>12</sup>. With this type of visa, they are not allowed to bring their families. In the plantation sector, Saiful visa is under this category. Even though his wife is willing to find a job in Malaysia and help him pay off his debts, he does not want her to migrate to Malaysia under a working visa as there would be no one to take care of their children. Saiful faces a lot of stress and pressure, but he cannot talk about this with other workers or a health professional. Even though the company provides medical benefits of RM 200 (approximately USD 45) a year, there is no counselling service.

“It is tiring for me to cook every day after a long day at work, but I have no other choice, I don’t have a fridge to store food in. The management doesn’t allow us to have a fridge as it might cause electricity disruptions. But I know that local workers who also live on the plantation but in a different area have fridges at home. So why can’t we have fridges too?”



There are a lot of things on my mind, but right now I have to stay where I am to pay off my debt. If someone pays the debt I have in Bangladesh, I will consider leaving this place. I have not seen my family for years now and I would like to see them again.”

<sup>12</sup> [www.imi.gov.my/index.php/perkhidmatan-utama/pekerja-asing-2/](http://www.imi.gov.my/index.php/perkhidmatan-utama/pekerja-asing-2/).



## AKASH FROM UTTAR PRADESH, INDIA

As the flow of migrant workers from Indonesia to Malaysia began to dwindle due to Indonesia's rapid urbanization and increasing wages, the demand for migrant labour in the palm oil sector in Malaysia started to be met by workers from India. Akash, a 32-year-old man from Uttar Pradesh, India, is one of them.



Getting a job here in the village and cities is difficult. I saw my friends working abroad in the United Arab Emirates, Saudi Arabia and Malaysia and they managed well. I went to work abroad because I want to build a house for my family. I have three children. Hopefully, I will be able to provide them with better education with all the savings I will make.”

Akash was 30 when he decided to look for a job in Malaysia. A farmer in his home village, Akash struggled to earn enough money to support his family.

Akash connected with a sub-agent in his village and paid 80,000 Indian rupees, (equivalent to USD 1,030) in three instalments to secure employment and prepare all the documents needed. Even though he was told that the fee was to be used for obtaining a passport, visa and airfare to Malaysia, it was not clear what the specific costs were, and the sub-agent did not give him a receipt for the payments made. The amount had to be paid in fully before the sub-agent would start looking for a job for him.

After the payment was made, the sub-agent told Akash he had secured a job in the palm oil sector and urged him to travel to the main office of the recruitment agency, in Kolkata, over 15 hours' drive away, as part of the briefing process. There, he was given a brief explanation about the work that he would be expected to do and the prospective employer. At that same appointment, he was offered the job, made to sign his contract, and was informed that a flight was arranged for him on the next day.





I didn't even have the time to say goodbye to my family members because I had to go to the main office in Kolkata to sign my contract and did not have enough time to go back home. They did not give me any contract to read at home and only informed me that I had to live in Malaysia with a salary of RM 1,100 (equivalent to USD 250) per month. I was upset because I was told that my flight had been arranged for the following day with the tickets handed to me. I just wish I was given more time to prepare."

Under ILO's General principles and operational guidelines for fair recruitment & Definition of recruitment fees and related costs (2019), employers must ensure that migrant workers are provided with contracts well in advance prior to their departure from the country of origin to the destination country; written in a language that the worker can understand; and enforceable as a measure against contract substitution or other forms of questionable and discreet agreements.

This principle is meant to ensure the workers' right to information, which allows them to give consent to be employed by the hiring company without being forced into employment situations with which they do not agree.

Akash arrived in Malaysia and was taken to an orientation facility, where he attended a two-hour briefing on the local customs and laws of Malaysia, his job and the oil palm plantation to which he was assigned. He had to wait five days to be taken to the plantation, but could not leave the centre in the meantime.

The plantation was a 45-minute drive from the nearest town. From what the other workers said, the location was not as remote as others. However, workers are not allowed to own or rent transportation, and the free shuttle service that the company provides is not reliable. The accommodation is adequate, even though there is no easy access to food and clean water. There is a grocery shop located on-site, but the conditions are not ideal.

While the plantation is large, there is no clinic on-site, only a medical assistant which is consulted for all types of cases. If workers are very ill, they have to rely on the management to take them to the nearest clinic.

"I struggled to come here but when I arrived, there was no food, no water to drink. We have to buy our own mineral water – to drink and bathe. The items from the shop are so dirty; in our culture, we do not eat rice, we eat chapati. But there is no flour. We have not seen any vegetables other than potatoes. The company does not take us to the big market. We need to eat to do work.



Akash struggles with working conditions as his supervisors are verbally abusive.



I had the supervisor shout at me for not doing my job properly and he calls me bad names. He does that to everyone, but nothing is ever done to stop him. Some of my friends ran away because they cannot take being shouted at every day. Some were beaten by the supervisor. We also don't earn much here so having to face this kind of behaviour is even more stressful."

Even though there is an option to lodge a complaint about abusive supervisors, Akash and his colleagues do not dare to do so.

"If we have anything to say or any complaints, we have to say it through our supervisor, who will then bring up the issue to the management. How can we complain about them when they are the problem? We could also go to HR to complain, but we don't feel safe because the supervisors might find out that we complained about them, and we might get punished or sent back home.



Akash is not aware of the existence of any hotlines or a complaints box, but he still wouldn't use those channels as he doesn't trust the process and is afraid of reprisal.

According to UN Guiding Principles on Business and Human Rights (UNGPs) and ILO's General principles and operational guidelines for fair recruitment & Definition of recruitment fees and related costs (2019), employers should provide an effective grievance mechanism channel for migrant workers, so they have a safe and trusted space to lodge complaints and seek remedy without fear, which includes mechanisms to report violations anonymously, taking into consideration language and cultural barriers.

Akash has worked in the oil palm plantation for two years now and has another year left on his contract. He would like to terminate his contract, but he cannot afford to pay for his flight ticket back to India. If he stays until the end of his contract, his flight home should be paid by the company.



I don't want to work here anymore, and I wish to leave. But how could I leave when I send most of my salary back home to pay off my debts and feed my family? I know I can tell the company that I want to quit, and they will let me go after a month, but I must pay for my own flight ticket back to India and I don't have that kind of money. I have no choice but to stay until my contract is done and then go back."



Aerial drone view of oil palm plantations land and workers settlements in Asahan, Melaka, Malaysia. © Adobe Stock/ MUAZ JAFFAR

# CONCLUSION

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The stories of the migrants above run on a common human thread. While they have migrated to Malaysia in search of a better life for themselves and their families, these workers' experiences show that they are vulnerable to abuse and exploitation throughout their migration journey.

Complex pull and push factors, along with deep-rooted gender dynamic, concur to shape their experiences before, during and after their journey to Malaysia. Malaysia has several laws and regulations relating to labour migration and migrant protection<sup>13</sup>; however, enforcement is at times patchy, and migrants' awareness of their rights needs to be strengthened, for example in the case of labour and human rights violations, grievance mechanisms and access to justice.

Businesses and the private sector too have a responsibility to respect human rights and to take steps towards ensuring their activities and operations do not have an adverse impact on the human rights of all workers, including migrant workers. Therefore, it is crucial for companies to abide by ethical recruitment standards that incorporate relevant international labour principles and to ensure their supply chain implements good labour practices to address violations. To do this, companies must be willing to work hand-in-hand with relevant stakeholders, including government, international organizations, non-governmental organizations and, most importantly, migrant workers.

The plantation/palm oil sector is dominated by men – 67 per cent of workers are men<sup>14</sup> – and the interviews upon which this report is based reflect this reality. However, the inclusion of women in future studies would shed light on the gendered dimensions of migrant workers in this field, including issues such as pay gaps, exposure to unsafe chemicals and health risks, and sexual exploitation<sup>15</sup>. Addressing the gendered impacts of migration in the palm oil palm sector is crucial because these affect policy recommendations to address inequities.<sup>16</sup> If women continue to be made invisible in assessments and studies to understand work on oil palm plantations, they will continue to not have access to protection, not be considered for, and miss out on opportunities such as cash or equipment assistance, training programmes and business development for smallholders, which have all contributed to more equitable outcomes in neighbouring countries such as Indonesia<sup>17</sup>.

We hope that all workers will be treated with dignity and will enjoy safety at work. In creating systemic change in the palm oil sector in Malaysia, all relevant stakeholders are required to work together to ensure sustainable change in collective attitudes and behaviours and put an end to forced labour.

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<sup>13</sup> An in-depth analysis of existing gaps on Malaysian laws, policies and programmes can be found at [www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/genericdocument/wcms\\_650658.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/genericdocument/wcms_650658.pdf).

<sup>14</sup> Ministry of Plantation Industries and Commodities Malaysia. (2018). THE EMPLOYMENT SURVEY IN OIL PALM PLANTATIONS, MALAYSIA 2018 (p. 64). Accessed at [www.mpic.gov.my/mpii/images/01-Bahagian/PSA/MPIC\\_EmploymentSurvey2018\\_FINAL.pdf](http://www.mpic.gov.my/mpii/images/01-Bahagian/PSA/MPIC_EmploymentSurvey2018_FINAL.pdf).

<sup>15</sup> <https://uncpressblog.com/2021/06/29/gender-and-the-past-and-future-of-palm-oil/>.

<sup>16</sup> Reed, R. (2018) Gender-based impacts of labour migration, sustainability challenges and oil palm in Malaysia.

<sup>17</sup> [www.rspo.org/news-and-events/news/strengthening-the-role-of-women-in-palm-oil-production](http://www.rspo.org/news-and-events/news/strengthening-the-role-of-women-in-palm-oil-production).



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