

Barriers to Trade Union Participation among Indonesian foreign Workers in Malaysia

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Abstract

Despite the significant presence of Indonesian foreign workers in Malaysia's labour force, their participation in Malaysian trade unions remains low. This study investigates the factors contributing to low trade union participation among Indonesian foreign workers in Malaysia. It also explores effective methods for promoting trade union membership to foreign workers. Through a quantitative approach, using surveys of 113 Indonesian foreign workers, this research identifies primary barriers to union participation. These include lack of clarity on the advantages of joining a union, and a lack of awareness about the right to join a trade union. The study also revealed promotional strategies including promotion via company's website, email, Telegram, or WhatsApp are the most effective in raising awareness in trade union

membership. The findings of this study suggest that trade union should adapt their outreach strategy to attract the participation of foreign workers, indirectly providing better protection and representation of Indonesian foreign workers in Malaysia.

Keyword: Indonesian Foreign Workers, Malaysia, Trade Unions, Labour Rights, Worker Organization.

Introduction

Malaysia stands as a major destination for migrant workers in Southeast Asia, with Indonesian nationals forming the largest group (International Organization for Migration [IOM], n.d.). As of 2023, approximately 72,000 Indonesians were officially working in Malaysia, marking a significant increase from the previous year and a recovery from the pandemic-induced decline (Statista, 2024). However, estimates suggest the actual number could be as high as 2.7 million (Llewellyn, 2021), with Indonesians dominating several sectors. They comprise the majority (87%) of foreign workers in palm oil plantations (Cramb & McCarthy, 2016; Puder, 2022) and are prevalent in domestic work, construction, and industrial manufacturing, typically in low-skilled positions (Puder, 2022). Overall, migrant workers, including those from Indonesia, the Philippines, Nepal, Myanmar, India, and Bangladesh, constitute an estimated 15.3% of Malaysia's workforce (IOM, n.d.). While these workers have been crucial in addressing labor shortages and contributing to Malaysia's economic growth, their presence also raises concerns about employment opportunities for local workers (Mohamed et al., 2012). This complex dynamic underscores the significance of understanding and addressing the challenges faced by migrant workers, particularly in terms of labor rights and union participation.

Malaysian labor legislation presents a complex landscape for foreign workers' union participation. The Employment Act 1955 (Section 8) and the Industrial Relations Act 1967 (Section 4) grant foreign workers the right to join trade unions. However, this right is constrained by other legislative provisions. Notably, Section 28(a) of the 1959 Industrial Relations Act 1967 explicitly bars foreign workers from holding union officer positions. Furthermore, foreign workers are prohibited from establishing their own trade unions in Malaysia. This legal framework creates a situation where foreign workers can participate in unions but are restricted from leadership roles or forming independent labor organizations. Abdull Rahman and Ismail (2024) point out that although Indonesian foreign workers constitute a significant portion of the workforce in Malaysia, their participation in trade unions remains notably low. This discrepancy between the substantial presence of Indonesian laborers and their limited engagement with labor organizations presents a concerning trend in the Malaysian labor landscape. Based on JHEKS (2023), the number of foreign workers membership rose from 27,998 in 2022 to 34,872 in 2023, spread across 17 trade unions. However, this representation is limited to only four industrial sectors. The agriculture, forestry, and fishing industry dominate with 10 unions, followed by the manufacturing industry with 5, while the transportation and storage industry and the education industry have one union each. The agricultural sector also boasts the highest number of foreign union members at 33,611. Geographically, Selangor stands out as the hub for unionized foreign workers, with 19,907 members.

Dasuki (2023), identifies several factors contributing to the low participation of foreign workers in Malaysian trade unions, beyond national policy constraints. A primary barrier is the fear among foreign workers that union involvement might lead to the cancellation of their

work permits and subsequent repatriation. Additionally, the absence of employer support plays a crucial role. Many employers view foreign workers' union participation unfavorably, creating an environment that discourages such engagement. The combination of these factors—personal apprehension, lack of employer backing, and potentially adverse consequences—results in a persistently low rate of trade union membership among foreign workers in Malaysia.

Increasing foreign workers' participation in trade unions is crucial due to the significant benefits it offers. Union membership empowers these workers by providing collective representation in negotiations with employers, potentially leading to improved welfare. This representation can ensure that foreign workers' employment contracts align with the minimum standards set by the Employment Act 1955 a , covering aspects including working hours, wages, and leave entitlements. By enhancing the overall protection and working conditions of foreign workers, union participation contributes to industrial harmony, benefiting both the workers and their employers. Importantly, trade unions offer a platform for foreign workers to engage in collective bargaining process. Thus, encouraging union membership among foreign workers can lead to a more equitable and stable work environment in Malaysia.

However, to date there has been limited research on the barriers to trade union participation especially among foreign workers in Malaysia. Therefore, the research objective is to investigate the reasons for low participation in trade unions among Indonesian foreign workers, and exploring effective methods for promoting trade union membership to this population. The results of this research can help trade unions adapt their strategies to attract Indonesian foreign workers to register as union members. Indirectly, the findings of this research have the potential to increase union membership, and improving the representation and protection of Indonesian foreign workers in Malaysia.

Literature Review

The increasing economic globalization and persistent unemployment crises have driven a significant influx of foreign workers into both developing and developed nations. For instance, Trading Economics (2023), reported that in the first quarter of 2023, 7.9 million people in Indonesia are unemployed. Therefore, labor migration in Southeast Asia is a deeply rooted phenomenon with multifaceted benefits. As Hasbiyalloh et al (2024), note, labour migration creates employment opportunities, fosters cross-cultural exchange, and provides valuable labor to destination countries' economies. It also improves the economic condition in both the sending and receiving countries (Abdul Razak et al., 2024).

According to Mohamed et al (2012), foreign workers are defined as non-citizens employed temporarily in a country, encompassing both skilled and unskilled laborers, as well as those with legal and illegal status. These workers may be recruited directly by companies, through agencies, or hired locally to address workforce shortages or provide specific skills on a contractual basis. The International Labour Organisation (ILO) has established standards to safeguard workers' rights through conventions and recommendations. Abd Razak et al (2024), highlight that these standards apply universally, making no distinction between local and migrant workers. This approach emphasizes the principle of equal labor rights regardless of

national origin, aligning with the broader goals of fair and equitable employment practices in an increasingly globalized labor market.

The International Labour Organization (ILO) places significant emphasis on safeguarding migrant workers' rights in the workplace, as outlined in its Declaration on Fundamental Principles and Rights at Work. The ILO defines a 'migrant for employment' as an individual who relocates from one country to another with the intention of being employed by others, including those officially admitted for employment purposes. To protect migrant workers, the ILO has established three key conventions: the Migration for Employment Convention, Protection of Migrant Workers, and Migrant Workers Recommendations. However, Malaysia has not ratified these conventions due to conflicting domestic policies. In the Malaysian context, the term 'foreign worker' is preferred over 'migrant worker' when referring to non-citizen laborers. This terminology choice reflects Malaysia's non-ratification of the United Nations Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (Abd Razak et al., 2024).

The rights and welfare of foreign workers continue to gain the attention in both developed and developing countries. They are considered a vulnerable population and are exposed to potential exploitation by their employers. Tang (2019), identifies a significant knowledge gap among foreign workers regarding employment laws, which contributes to their vulnerability to forced labor practices. Furthermore Ibrahim & Razali (2022), report that many foreign workers in Malaysia are uncertain about or unaware of the proper channels for lodging workplace rights complaints. Besides that, Mohamed et al (2012), note that some foreign workers engage in illegal strikes, leading to industrial disharmony. This suggests a lack of proper channels for addressing grievances.

In Malaysia, the right to form an association is a constitutional right, and it is enshrined under Article (10)(1)(c) of the Federal Constitution. Sections 8 & 9 of the Trade Unions Act 1959 stipulate that a trade union needs to be registered to enjoy the benefits of being a trade union in Malaysia. In addition, section 4 of the Industrial Relation Act 1967 provides that no party can prevent workers or employers from exercising their right to establish, join and engage in lawful trade union activities. Hence, the right to form an association includes forming and joining a trade union. It is also important to note that no worker can be forced to join a trade union. Foreign workers in Malaysia are protected by the Malaysian labour laws. The Trade Union Act 1959 applies equally to local and foreign workers, and they have the same right to join a union. Foreign workers can legally become members of a trade union and participate in trade union activities. Moreover, According to Section 5 of the Industrial Relations Act 1967, an employer is not allowed to put in the contract preventing the foreign workers from becoming union members, is not allowed to use the fact that the foreign worker is a trade union member as a basis for refusing his employment and is not allowed to discriminate against a foreign worker on the grounds that he is a trade union member. Additionally, an employer is not allowed to dismiss or threaten to dismiss a foreign worker who wants to join a trade union. However, foreign workers are not permitted to hold official positions within trade unions (Abd Razak et al., 2024).

Trade unions play an important part in upholding the rights and welfare of the foreign workers through trade union activities such as providing advice and awareness to the foreign workers, representing the foreign workers in industrial disputes, and most importantly, represent the

foreign workers in bargaining action with their employers to improve their working conditions and ensure that their labour rights are according to the Employment Act 1955 (Abdull Rahman et al., 2024). However, the low rate of trade union membership among foreign workers restricts their ability to collectively bargain for improved working conditions. As of December 2023, only 34,782 foreign workers registered as union members (Trade Union Affairs Department, 2024).

A theory that could be applied to understand the factors influencing foreign workers' intentions to join trade unions is the Theory of Planned Behaviour by (Ajzen, 2011). This theory has been used to predict and explain human behavior. In the context of this research, this theory suggests that foreign workers' decision to join a trade union would depend on their beliefs about the outcomes (Ajzen, 1991). Positive outcomes such as better working conditions may attract them to become members (Waddington & Whitston, 1997), whereas negative outcomes such as potential repatriation may hinder them from participating in trade unions. Their behavior could also be influenced by the perceived expectations of their employers regarding union membership (Visser, 2002). In other words, it may be assumed that foreign workers would be more likely to join a trade union if they receive support and encouragement from their employers or their fellow workers (Abdull Rahman & Ismail, 2024). Besides that, foreign workers' beliefs about their ability to join and participate in trade unions, such as concerns about language barriers, could also influence their participation (Ismail & Abd Kadir, 2024).

Methodology

This study employed a quantitative cross-sectional survey design to investigate the factors influencing Indonesian foreign workers' participation in trade unions in Malaysia and to explore effective methods for promoting trade union membership among this demographic. The study employed a convenience sampling method to recruit Indonesian workers employed in various sectors in Malaysia. This non-probability sampling technique was chosen due to the challenges in accessing this population and the lack of a comprehensive sampling frame. Participants were recruited from locations frequented by Indonesian workers, such as public spaces near industrial areas and worker dormitories.

A brief questionnaire was developed consisting of 2 sections, namely a demographic section and a section on the factors for not joining trade unions. The demographic section gathered information on participants' age, gender, occupation, industry, monthly salary and length of employment. The second section included a 5-point Likert-scale items addressing various potential reasons for not joining trade unions, such as lack of clarity about union benefits, skepticism about union effectiveness, personal disinterest, lack of peer encouragement, fear of employment repercussions, employer prevention, and unawareness of union membership rights. Respondents were asked to rate their level of agreement with each statement from 1 (strongly disagree) to 5 (strongly agree). Descriptive statistics were used to summarize demographic information and the responses. A total of 113 respondents had participated in this study.

Results

Demographic Characteristics

Table 1 presents the demographic characteristics of the research participants. The majority of respondents were female (60.2%), and most were under 40 years old (92.9%). In terms of occupation, operators made up the largest group (62.8%), reflecting the predominance of the manufacturing industry (62.8%) in the sample. The majority of respondents (73.5%) reported a monthly salary between RM1501-RM2000, and nearly half (47.8%) had been working for 3-4 years.

Table 1
Demographic Characteristics

	Frequency (n)	Percentage (%)
Gender		
Male	45	39.8
Female	68	60.2
Age		
20-29 years	50	44.2
30-39 years	55	48.7
40-49 years	8	7.1
Occupation		
Executive	2	1.8
Technician	2	1.8
Support Worker	10	8.8
Service Worker	4	3.5
Skilled Worker	2	1.8
Operator	71	62.8
General Worker	22	19.5
Industry		
Construction	28	24.8
Manufacturing	71	62.8
Plantation	4	3.5
Service Industry (F&B)	4	3.5
Service Industry (Painter)	1	0.9
Service Industry (Maid)	5	4.4
Salary		
Less than RM1000	3	2.7
RM1001-RM1500	8	7.1
RM1501-RM2000	83	73.5
RM2001-RM2500	11	9.7
RM2501-RM3000	6	5.3
RM3001-RM3500	1	0.9
RM3500-RM4000	0	0.0
RM4000-RM4500	1	0.9
Years of Working		
Less than 1 year	5	4.4
1-2 years	28	24.8
3-4 years	54	47.8
5-6 years	19	16.8
7-8 years	4	3.5

<i>9-10 years</i>	2	1.8
<i>More than 10 years</i>	1	0.9

Factors Influencing Trade Union Participation

Table 2 presents the factors influencing foreign workers' non-participation in trade unions. The overall mean of 3.52 (SD = 0.338) suggests a general tendency towards agreement with the proposed factors. The most significant barrier to union participation appears to be a lack of clarity on the advantages of joining a union (M = 4.19, SD = 0.580), with 91.1% of respondents either agreeing or strongly agreeing with this statement. This is closely followed by a lack of awareness about the right to join a trade union (M = 3.97, SD = 0.687), with 78.8% of respondents in agreement. Interestingly, while these informational barriers are prominent, factors related to personal choice or external pressure show more varied responses. For instance, lack of interest in joining a union (M = 3.31, SD = 0.887), fear of jeopardizing one's position (M = 3.31, SD = 0.682), and lack of encouragement from peers (M = 3.31, SD = 0.780) all show similar means but different distributions of responses. There's more uncertainty about job security concerns, with over half (52.2%) of respondents unsure if their involvement could jeopardize their position. In contrast, opinions about personal interest in joining a union are more divided, with similar proportions being unsure (38.9%) or in agreement (38.1%), and a notable minority (14.2%) disagreeing. The factor with the least agreement was prevention by employers (M = 3.04, SD = 0.906), suggesting that while this does occur, it may not be as influential as other factors.

Table 2

Factors Influencing Trade Union Participation

Factors	Strongly Disagree	Disagree	Unsure	Agree	Strongly Agree	Mean	Standard deviation (SD)
I'm not clear on the advantages of foreign workers joining a union	0	0	10	71	32	4.19	0.580
	0.0%	0.0%	8.8%	62.8%	28.3%		
I am not convinced that trade unions can fight for the welfare of foreign workers	1	4	58	40	10	3.48	0.745
	0.9%	3.5%	51.3%	35.4%	8.8%		
I am not interested in joining a union	3	16	44	43	7	3.31	0.887
	2.7%	14.2%	38.9%	38.1%	6.2%		
I am afraid that my involvement could jeopardise my position in the company	0	11	59	40	3	3.31	0.682
	0.0%	9.7%	52.2%	35.4%	2.7%		
I was not encouraged by other foreign worker friends	1	17	43	50	2	3.31	0.780
	0.9%	15.0%	38.1%	44.2%	1.8%		
I was prevented by my employer from joining a trade union	5	21	60	19	8	3.04	0.906
	4.4%	18.6%	53.1%	16.8%	7.1%		
I was unaware that I had the right to join a trade union	0	2	22	66	23	3.97	0.687
	0.0%	1.8%	19.5%	58.4%	20.4%		
Overall Mean						3.52	0.338

Preferred Methods for Promoting Trade Union Participation

The study investigated respondents' preferences for various methods of promoting trade union participation. Table 3 presents the frequency and percentage of respondents who favored each method. Company electronic media (e.g., websites, Telegram, WhatsApp, email)

was overwhelmingly favored, with 76.1% of respondents supporting this approach. Distribution of leaflets ranked second (46.0%), followed by providing information during orientation programs (35.4%) and publicizing activities on notice boards (34.5%). Opening union booths during company events was less popular (20.4%). One respondent (0.5%) suggested an alternative method. These results indicate a clear preference for digital communication methods, particularly through company electronic media. However, traditional methods such as leaflet distribution and notice board announcements still maintain significant support. The data also suggests that integrating trade union information into formal company processes, such as orientation programs, could be an effective promotion strategy.

Table 3

Preferred Methods

Statement	Frequency (n)	Percentage (%)
Promote participation in trade unions through the company's electronic media (example: website, Telegram, WhatsApp, email, etc.)	86	76.1%
Distribute leaflets about trade unions.	52	46.0%
Provide information about the trade union during the orientation/onboarding program.	40	35.4%
Publicise trade union activities on the notice board.	39	34.5%
Opening a union booth during the program in the company	23	20.4%
Others	1	0.50%

Discussion

This study aimed to investigate the factors contributing to low trade union participation among Indonesian foreign workers in Malaysia and explore effective methods for promoting trade union membership to this demographic. Our findings align with Dasuki's (2023) identification of key barriers to union participation among foreign workers. The fear of work permit cancellation and subsequent repatriation emerged as a primary deterrent. This fear reflects the precarious nature of foreign workers' employment status and highlights the need for clearer protections for workers engaging in legitimate union activities. The lack of employer support also plays a crucial role in discouraging union participation. The unfavorable view of many employers towards foreign workers' union participation creates an environment that actively discourages such engagement. This aligns with Visser's (2002) assertion that perceived expectations of employers can significantly influence workers' behavior regarding union membership. The study revealed a significant knowledge gap among foreign workers regarding their labor rights and the benefits of union membership. This finding corroborates Tang's (2019) observation of limited awareness about employment laws among foreign workers, contributing to their vulnerability. The lack of clarity on the advantages of joining a union and unawareness of the right to join emerged as strong factors influencing non-participation. The findings of this study align well with Ajzen's (1991) Theory

of Planned Behavior. The decision to join a trade union appears to be strongly influenced by workers' beliefs about the outcomes of membership, their perceptions of social norms (including employer attitudes), and their perceived ability to join and participate effectively in unions. The fear of negative consequences (e.g., repatriation) and the lack of perceived benefits highlight the importance of attitudes and outcome expectations in shaping behavior. Our study also revealed a clear preference for modern, digital communication channels as an effective method for promoting trade union membership among Indonesian foreign workers in Malaysia. This result suggests that unions could significantly enhance their outreach by leveraging digital platforms such as websites, Telegram, WhatsApp, and email to disseminate information and engage with potential members. While digital methods are clearly preferred, traditional approaches still play a significant, albeit lesser, role. Distributing leaflets about trade unions was the second most popular method. This indicates that physical, tangible information sources remain valuable, possibly due to the ability of workers to review the information at their convenience. The results also suggest an opportunity for collaboration between employers and unions, integrating introductory sessions for trade unions to provide union information during the orientation or onboarding program. Overall, the findings suggest that unions should adopt a multi-channel approach to promotion, combining digital communication and traditional methods.

Conclusion

This study concludes that the main barriers for the Indonesian foreign workers to join trade union are due to the lack of clarity on the advantages of joining a union and lack of awareness on the right to join a trade union. The study also revealed promotional strategies including promotion via company's website, email, Telegram, or WhatsApp are the most effective in raising awareness in trade union membership. Enhancing trade union participation among Indonesian foreign workers in Malaysia requires collaborative efforts from policymakers, employers, and union leaders. By addressing the identified barriers such as through education and awareness campaigns, and leveraging preferred communication channels, there is potential to increase union membership among Indonesian foreign workers. However, this study focused primarily on Indonesian workers in Malaysia, and the findings may not be fully generalizable to other nationalities or contexts. Future research could explore comparative perspectives across different nationalities of foreign workers in Malaysia.

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