EVERYDAY PRECARITIES AND SYSTEMIC EXPLOITATIONS: INDONESIAN MIGRANT WORKERS IN SARAWAK'S PALM OIL INDUSTRY

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ABSTRACT

The Malaysian palm oil industry is a cornerstone of the nation's economy but faces a critical labor shortage, particularly in Sarawak, worsened by the COVID-19 pandemic and migration barriers. These include policy restrictions, tightened border controls, travel bans, and ongoing bureaucratic and immigration hurdles limiting foreign labor inflow. Indonesian migrant workers, many undocumented, make up a significant share of the plantation workforce. This study examines the role of undocumented Indonesian labor in mitigating labor shortages in Sarawak's palm oil sector, focusing on the systemic challenges they face. Drawing on in-depth interviews with 15 undocumented workers and 5 key informants, this qualitative research highlights the legal, social, and economic vulnerabilities that lead to exploitation and poor working conditions. Findings reveal complex migration patterns, the dominance of male workers in physically demanding roles, and the gendered division of labor that limits women's participation. The study offers critical insights into the lived experiences of Indonesian migrant workers in Sarawak and calls for policy reforms to improve labor protections. By centering Sarawak, this study contributes to broader discourse on migrant labor in Malaysia, especially in under-examined regions.

Keywords: Undocumented Migrant Labor, Palm Oil Industry, Labor Shortages, Indonesian Migrant Workers, Sarawak

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1. INTRODUCTION

The Malaysian palm oil industry is a key driver of the national economy, playing a central role in both domestic and global markets (Ministry of Plantation and Commodities Malaysia, 2023). However, the sector faces a critical challenge: a shortage of approximately 40,000 foreign workers. This labor deficit severely affected productivity, causing an estimated revenue loss of RM20 billion in 2022, with crude palm oil output growing only 0.5% to 18.55 million tons (The Edge Malaysia, 2023). These figures highlight the urgency of addressing the root causes of labor shortages and identifying viable solutions.

Indonesia's close proximity and longstanding migration ties with Malaysia have made Indonesian workers essential in sectors facing chronic labor gaps, including agriculture, construction, manufacturing, and domestic work (Hasbiyalloh, 2024; Hugo, 1993). While many Indonesians enter through legal channels, a significant number arrive through informal or undocumented means, often facilitated by social networks and intermediaries. These undocumented migrants face heightened risks of exploitation, wage theft, and deportation (Hamid et al., 2018). The COVID-19 pandemic further strained the sector by disrupting labor flows due to stricter immigration controls and border closures (Saad et al., 2021; MSPO, 2022), compounded by demographic shifts, changing migration patterns, and volatile economic conditions (New Straits Times, 2024; Ministry of Plantation and Commodities Malaysia, 2023).

The sector's heavy reliance on foreign workers is particularly evident in labor-intensive roles such as harvesting and maintenance, jobs often rejected by local workers in favor of better-paid or higher-status employment (Crowley, 2020). Low local participation is also driven by perceptions of plantation work as dangerous, low-paying, and offering little career advancement (Abdullah et al., 2016). Mechanization has been proposed as a solution, but adoption remains limited due to high costs and technical constraints (Ludin et al., 2014). Technologies introduced by the Malaysian Palm Oil Board, such as mechanized knives and fruit pickers, are often limited by terrain, soil conditions, crop yield, and plantation scale (Zapata-Hernández et al., 2024). Mechanization remains costlier than manual labor, leading many plantations to prefer human workers for perceived efficiency (Shuib et al., 2020; Crowley, 2020).

Indonesian migrant workers' contributions to Sarawak's palm oil sector are often undermined by exploitative labor practices, low wages, and restricted access to training or legal protection (Puder, 2019). Substandard housing, unsafe working conditions, and weak compliance with labor standards, especially in smallholder plantations, remain widespread (Kumar et al., 2014). During the pandemic, increased surveillance and movement restrictions further curtailed workers' rights, enabling wage suppression and stricter employer control under the guise of public health (Wahab, 2023). Undocumented workers face even harsher conditions, including wage theft, denial of labor rights, and exclusion from healthcare, education, and social services (Nasir et al., 2023). These workers also endure social discrimination and xenophobia, which limit their mobility and expose them to further abuse (Pye et al., 2012, 2016).

Despite the critical role of Indonesian migrant workers in sustaining Sarawak's palm oil industry, existing literature on the palm oil sector predominantly focuses on Sabah, leaving a significant gap in understanding the dynamics within Sarawak. This study seeks to bridge that gap by examining

how Indonesian migrant workers navigate and address labor shortages in Sarawak's oil palm sector. Emphasizing the protection of their rights and the promotion of good working conditions is imperative not only for the well-being of the workers but also for the sustainability and resilience of the palm oil industry itself. By focusing on Sarawak, this research contributes to a more comprehensive understanding of labor dynamics in Malaysian Borneo, offering insights that can inform policy and practice to better support migrant workers and effectively mitigate labor shortages.

2. LITERATURE REVIEW

2.1. Labor Migration and Its Socio-Economic Implications in Malaysia's Oil Palm Industry

Labor migration in Southeast Asia is largely driven by socio-economic disparities, with individuals from less developed countries seeking better opportunities in wealthier nations (Rosewarne, 2012). Malaysia reflects this trend, especially in labor-intensive sectors like the oil palm industry (Wahab, 2020). Foreign workers, who now make up about a quarter of the national workforce, have long been integral to the economy (International Labor Organization, 2024a; Kotecha, 2018; World Bank, 2019). Migration is influenced by wage gaps, unemployment, and socio-political conditions (Darmayani, 2021). Despite regional frameworks such as the ASEAN Declaration on the Protection of Migrant Workers (Mahidol Migration Centre, 2011), irregular migration remains widespread, exposing undocumented workers to exploitation and abuse (Amnesty International, 2010; Oh, 2016).

The roots of Malaysia's labor migration trace back to colonial systems that brought Indian and Chinese workers for plantation and infrastructure projects (Kaur, 2006). These systems established cross-border labor dependencies that persist today. Post-independence, the New Economic Policy (NEP) of 1970 encouraged locals to pursue white-collar jobs and promoted Bumiputera participation in higher-value sectors, reducing local interest in plantation work (Kaur, 2004; Athukorala & Manning, 1999). This shift deepened reliance on migrant workers from Indonesia, Bangladesh, and the Philippines.

During the 1980s and 1990s, Malaysia formalized labor migration through agreements like the Medan Agreement (1984) and memoranda of understanding with labor-sending countries (Kaur, 2006). These guest-worker schemes often imposed temporary contracts and restricted rights, resembling bonded labor (Kaur, 2010). Within ASEAN, migration corridors reinforced serial migration as a regional economic pattern (Battistella & Asis, 2003). Stereotypes of local populations as unproductive have been used to justify continued recruitment of foreign workers over local labor development (Gordon, 2001). Neoliberal reforms and privatization in Malaysia and Indonesia further entrenched the reliance on low-cost migrant labor at the expense of legal protections (Kaur, 2010).

The oil palm industry, a major contributor to Malaysia's GDP and exports (IChemE, 2023), depends heavily on migrant workers for physically demanding tasks such as harvesting and field maintenance (Ludin et al., 2014; Azman et al., 2016). Despite advances in mechanization, most

plantations still rely on low-skilled migrant labor due to widespread reluctance among Malaysians to engage in "3D" jobs: dirty, dangerous, and difficult (Azman, 2013; Ahmad et al., 2017; Kamaruddin et al., 2018).

Labor dynamics vary across Malaysian Borneo. Sabah has a high concentration of undocumented workers due to its proximity to Indonesia and the Philippines and a long history of informal cross-border migration (Seraya et al., 2015; Puder, 2019; Wahab, 2023). Sarawak, though equipped with its own immigration authority, still faces enforcement inconsistencies (Lumayag, 2020). These differences affect migrant workers' legal status and working conditions.

While migrant workers are essential to the industry, their presence raises concerns over labor rights, inequality, and sustainability (Azman, 2016; Arisman, 2020). Much of the literature focuses on their vulnerability (Chin, 2002; Deli et al., 2023), although many support families through remittances that help reduce poverty in their home countries (Jarvis et al., 2019). However, their integration into Malaysia's labor system remains limited, with minimal access to legal protections and social services (Oh, 2016).

To address ongoing labor shortages and improve conditions, Malaysia has introduced initiatives such as the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme and the Recalibration Programme (RTK) (MSPO, 2022). While large plantations have adopted MSPO standards, smallholders who manage around 40 percent of oil palm land often lack the resources or awareness to comply and continue to rely on irregular recruitment (Crowley, 2020; Abidin et al., 2024).

The COVID-19 pandemic further exposed structural vulnerabilities. In 2020, approximately 80 percent of migrant workers returned home due to travel restrictions, worsening labor shortages (Ministry of Plantation and Commodities Malaysia, 2023). These disruptions highlighted the sector's dependence on foreign labor and underscored the urgent need for mechanization and increased local participation (MSPO, 2022).

2.2. Challenges Faced by Migrant Workers in Malaysia's Oil Palm Industry

Malaysia's oil palm industry remains heavily reliant on migrant labor to address persistent workforce shortages (Crowley, 2020; Alam & Begum, 2015). While migrant workers are crucial to sustaining the sector, they face a host of challenges that compromise their well-being, dignity, and productivity.

One of the most pressing issues is the widespread exploitation of migrant workers, particularly through third-party labor recruitment. Many are misled about contract terms, burdened with exorbitant recruitment fees, and subjected to practices such as passport retention and wage withholding, creating conditions akin to modern slavery (Amnesty International, 2010; International Labor Organization, 2016; MSPO, 2022; Pye et al., 2012). In Sarawak, these exploitative conditions are compounded by long working hours, low pay, unsafe environments, and financial deductions for levies and other fees, all of which deepen their economic vulnerability (Pye et al., 2016).

Living conditions in plantation-provided housing are often overcrowded and lack basic amenities such as clean water, electricity, and sanitation (Puder, 2019; Nasir, Haque, & Awang, 2023). The COVID-19 pandemic highlighted the severity of these issues, as cramped and unhygienic accommodations facilitated viral transmission. Although employers focused on workplace safety, they largely neglected workers' living conditions. In response, Malaysia amended the Workers' Minimum Standards of Housing and Amenities Act 1990 to acknowledge the role of poor housing in exacerbating outbreaks (Malay Mail, 2020a, 2020b). Substandard accommodation also fosters social isolation and reflects the broader marginalization of migrant communities, limiting opportunities for integration and community support (Reza, Subramaniam& Islam, 2019; Zhang et al., 2023).

The sector's continued reliance on manual labor exposes workers to physically demanding and hazardous tasks. Due to delays in mechanization, many still perform strenuous jobs like cutting, stacking, and driving in poor ergonomic conditions, often resulting in chronic back pain and other musculoskeletal problems (Sukadarin et al., 2016; Rozadi & Fatin, 2021; Istisya, Denny & Setyaningsih, 2024). These health risks are often untreated, especially for undocumented workers who are denied care or cannot afford medical costs (Spitzer et al., 2023).

Migrant workers also face entrenched discrimination in the labor market, particularly those from low-skilled backgrounds. They are often assigned the most undesirable and dangerous roles, with wage disparities and job segregation reflecting biases based on nationality, race, gender, and religion (Pye et al., 2012, 2016). As non-citizens, they are structurally positioned as outsiders within Malaysia's legal and social frameworks, rendering them more susceptible to exclusion. These intersecting layers of marginalization restrict their ability to assert rights, access services, or seek justice when mistreated.

Economic insecurity further deepens their precariousness. Many low-skilled migrant workers earn below the national minimum wage, leaving them unable to save or send remittances (Puder, 2019). The lack of permanent employment contracts and legal protections reinforces their vulnerability, obstructing long-term financial stability and social mobility. While migrant workers are indispensable to the palm oil industry, they remain among the most vulnerable. Their challenges are rooted in structural inequalities, exploitative recruitment systems, poor living and working conditions, discrimination, and weak legal protections. Addressing these issues is essential not only for protecting workers' rights but also for ensuring the long-term sustainability and ethical credibility of Malaysia's oil palm sector.

2.3. Legal and Policy Constraints

Malaysia's legal framework on migrant labor significantly restricts workers' rights and mobility. Migrant workers are typically tied to a single employer through restrictive work permits, which limit their ability to change jobs or leave exploitative conditions without formal approval (Khoo, 2001; Pye et al., 2016). This dependency reinforces power imbalances, prevents negotiation for better conditions, and hinders long-term integration.

Although policies such as the National Action Plan on Forced Labor (NAPFL) aim to eliminate forced labor by 2030, enforcement remains inconsistent, particularly in the palm oil sector

(Amnesty International, 2010; Pye et al., 2012). Ongoing issues such as debt bondage, human trafficking, and forced labor reflect the gap between policy and practice. The binding permit system discourages workers from reporting abuse, while third-party recruiters often trap them in debt cycles (Gottwald, 2018; Wahab, 2023).

In Sarawak, weak local governance enables widespread violations, including passport retention, wage withholding, and inadequate living conditions (Ahmad et al., 2023; Gottwald, 2018). Children born to undocumented migrants face further marginalization, often being denied access to education, healthcare, and legal employment (Ahmad et al., 2023). While initiatives like the Labor Recalibration Programme (RTK) 2.0 aim to address labor shortages and encourage local participation, their effectiveness is limited by the ongoing stigma surrounding plantation work, often seen as undesirable "3D" jobs: dirty, dangerous, and difficult (Ministry of Plantation and Commodities Malaysia, 2023; Zainol, 2015).

International organizations and NGOs have played an important role in exposing labor abuses and advocating for reform. The Roundtable on Sustainable Palm Oil (RSPO), established in 2004 to promote ethical practices, has had limited impact due to weak enforcement and low worker participation (Gottwald, 2018; Wicke, 2019). However, partnerships between NGOs such as Oxfam and Sawit Watch have strengthened grassroots reporting and brought attention to local issues, placing pressure on multinational companies to adopt ethical sourcing standards (Wicke, 2019; Gottwald, 2018). Despite these efforts, structural weaknesses in regulation and enforcement continue to hinder progress. Achieving lasting reform requires robust institutional mechanisms and the dismantling of systemic barriers that perpetuate worker vulnerability.

3. METHODOLOGY

This study uses an exploratory qualitative design to examine the experiences of Indonesian migrant workers in Sarawak's palm oil industry, with a focus on employment conditions and exploitation. A qualitative approach is suitable for capturing the complex, lived realities of undocumented workers and the broader social, political, and economic factors influencing their vulnerability.

Fieldwork took place between November 2023 and April 2024 in the Kuching and Sibu districts of Sarawak. Through purposive sampling, 20 participants were selected: 15 Indonesian plantation workers and 5 key informants with expertise in migrant and labor rights in Malaysia and Indonesia. All but one worker participants were male, over 21, currently employed in the sector, and of varying legal statuses. This diversity provided a holistic perspective and strengthened the reliability of the findings.

Data collection involved semi-structured, in-depth interviews lasting 20 to 90 minutes. This flexible format allowed participants to share personal experiences while addressing key themes of migration, exploitation, and labor conditions. Interviews were conducted in preferred languages, with translation and transcription as needed. To ensure anonymity, no personal identifiers were recorded, and pseudonyms were used. Snowball sampling, supported by trusted intermediaries,

helped access this hard-to-reach group and reduced refusal due to legal concerns. This approach includes both workers and advocacy stakeholders enriching the overall understanding.

Employers were acknowledged as gatekeepers, and interviews were conducted with respect for their presence while prioritizing participants' comfort and confidentiality. Ethical and methodological concerns were carefully managed to ensure cultural sensitivity, research integrity, and an authentic representation of this vulnerable population.

4. FINDINGS AND DISCUSSION

4.1 The Dominance of Male Migrant labor

A key finding from the discussions is the predominance of male migrant workers in Sarawak's palm oil plantations. This reflects broader trends in the construction and plantation sectors, where physically demanding roles are typically assigned to men (Pye et al., 2016). Respondents attributed this to both the nature of the work and entrenched gender norms in Malaysia and Indonesia (Choong et al., 2018). Women are usually placed in less strenuous roles, such as nursery work, reinforcing traditional labor divisions and limiting their participation in core plantation tasks (Ismail, 2013).

This exclusion has serious implications. Julia and White (2012) note that women's participation in plantations often leads to disempowerment due to restrictive job roles and land tenure systems that favor male household heads. Women are commonly assigned low-paid tasks like weeding and pesticide application, often without adequate protective equipment (Bissonnette, 2012). They lack access to contracts, healthcare, pensions, and union representation (Li, 2015; 2017). As informal 'helpers', they face wage disparities and are vulnerable to exploitation and retaliation when voicing grievances (Li, 2015).

The industry's heavy reliance on male labor also threatens long-term sustainability. Jasni and Othman (2016) observed that fewer Indonesian workers are returning to Malaysia due to better opportunities at home. Continued exclusion of women from key roles may worsen labor shortages. Hamdan (male, aged in 30s, plantation worker in Kuching for over five years) described this gendered division:

Us men usually work the farm. And the women tend to the nursery or collect the fallen fruits because the task is not as physically demanding.

Women are also largely excluded from decision-making in plantation governance and cooperative structures (Julia &White, 2012; Elmhirst et al., 2015). The absence of formal mechanisms to address gender inequality represents a missed opportunity to integrate women into the formal labor structure (Li, 2015). Adopting gender-inclusive labor policies, as recommended by the International Labor Organization (2024b) and International Organization for Migration (2023), and promoting participatory spaces for women in governance (De Vos & Delabre, 2018), could diversify the workforce and help address persistent labor shortages.

4.2 Important role of social network for communication and employment opportunities

Social networks play a central role in the lives of migrant workers, offering both connection and risk. For many Southeast Asian migrants, platforms like Facebook and WhatsApp are essential for staying in touch with family, peers, and potential employers. These networks provide access to job opportunities and emotional support, but they can also spread misinformation and create unrealistic expectations about life abroad (Matsue, 2012).

Beyond employment, these platforms foster solidarity. WhatsApp groups and Facebook communities are spaces where migrants share experiences and offer mutual support, especially during difficult times. As Budi (aged in 30s, plantation worker in Sibu), explained:

There is a WhatsApp group. It's there, but it consists of people we already know well. If we don't know them, we wouldn't dare to message them, you know. But the ones we are familiar with, we chat with them like that...

These platforms reflect the importance of trust within migrant communities. Workers usually engage with people they know personally or who come recommended. Job opportunities are commonly shared within these circles. Ira (female, aged in 30s, plantation worker in Kuching) explained how she got her job via Facebook: "To be sure, not to be deceived, I got this information from my friends who had been in Malaysia before."

These platforms also allow migrants to seek advice, raise concerns, and warn others about exploitation. However, misleading job ads often paint an overly positive picture of life abroad, leading to unmet expectations. AG (male, NGO representative in Sarawak) highlighted this gap:

In Singkawang and Sambas, the methods on Facebook or the job offers that are typically presented seem very attractive, with high wages and other benefits. However, when they enter Malaysia, the situation becomes very concerning.

Rudi (male, labor rights activist in Indonesia) shared a similar experience involving his son:

At that time, there was a lot of information circulating via Facebook... So, at that time, my son was 18 years old. Because he was still a teenager, he had a strong desire for, you know, at least the thought of helping the family's economy. Eventually, he became interested and followed job postings that came through Facebook.

Both testimonies highlight the double-edged nature of virtual networks. While they connect migrants to opportunities, they also expose them to misinformation and the risk of exploitation.

4.3 Migration process and mobility within the palm oil sector

Migration status and mobility directly shape migrant workers' experiences, influencing their security and freedom. In this context, many workers enter the country using permits not meant for employment, such as business or tourist visas. These permits provide fewer protections and often require daily returns to Indonesia, preventing long-term settlement. Overstaying or becoming undocumented is common, leaving workers vulnerable to exploitation with little access to legal protections (Wahab, 2020).

According to respondents, most Indonesian workers initially enter on tourist visas, expected to return after six months. In practice, many overstay or rely on irregular methods like the "Flying Passport" scheme, where passports are stamped as if the worker has exited, although they remain in Sarawak. Andy (male, aged in 40s, labor rights activist in Indonesia) explained that this system depends on internal coordination:

We call it the "flying passport" because it is too risky to transport the workers to the border as the police may catch them. Therefore, the passports are carried for stamping by the employer or agent. Of course, this scheme has been arranged with the people inside so they know precisely the date and time to be there.

This practice illustrates how internal networks enable visa manipulation, increasing workers' vulnerability.

Intermediaries or "agents" further complicate the migration process. Often operating informally and beyond regulatory oversight, these agents promise employment under false pretenses. Migrant workers rarely know their agents' identities, which limits accountability. Milo and Fajar, two undocumented workers at a palm oil plantation in Sibu, reflected on their lack of knowledge or memory regarding the agents who facilitated their migration to Sarawak. Milo shared, "I don't know the agent's name", while Fajar similarly remarked, "I don't know the agent's name, I've already forgotten." Both responses illustrate the lack of accountability and transparency that characterizes the role of these agents in the migrant labor process.

In the palm oil sector, the power dynamics between employers and migrant workers often extend to the retention of workers' passports, which is a significant issue. Many employers justify holding workers' passports as a security measure to prevent them from leaving, or as a condition of employment. Adi (age undisclosed, plantation worker in Sibu), described how he was required to surrender his passport to the employer to secure a job:

It's because you have to have a permit for everything while staying here... Once you get the permit, the employer holds the passport... The requirement is that we can start working, and they hold it... If you need anything, you have to ask first. Request it from the employer first...

This practice is problematic as it directly impacts migrant workers' freedom of movement, which is essential for their personal and economic autonomy (Puder, 2021). Holding onto their own

passports is crucial, not only for the right to travel but for maintaining some semblance of control over their lives in a foreign country.

In addition to passport retention, workers often face further exploitation through delayed or withheld wages. Many employers justify withholding wages to settle debts that workers allegedly owe for their migration process. However, these practices leave workers in a state of constant uncertainty, with few options for asserting their rights or improving their situation. Budi (male, aged in 30s, plantation worker in Sibu) mentioned earlier in this article, shared his experience of being asked to pay a ransom to retrieve his passport:

In 2022, I entered through an agency and made a passport, but my passport was not returned to me by the employer; it was always withheld. They asked me to pay RM1000 to get it back, but I couldn't afford it. I was forced to leave it. They told me to pay RM1000... but I didn't have the money, so I had no choice but to leave it.

Such cases expose the exploitation of legal loopholes and highlight systemic underreporting of undocumented labor in the sector. As many workers remain invisible to official statistics, the scale and conditions of migrant labor in palm oil remain poorly understood. The widespread use of tourist visas for illegal employment also underscores gaps in Malaysia's migration governance, enabling continued exploitation through poor wages and working conditions.

4.4. Living Conditions and the Precarious Status of Migrant Workers

While many respondents reported that their housing situations were relatively stable, a closer look revealed a far more precarious reality. Although their work environments appeared secure, the constant fear of apprehension due to their undocumented status shaped their daily routines. This fear limited their interactions with others and restricted access to essential services that could improve their quality of life.

Helmi (male, aged in 50s, farm owner in Kuching), who employed undocumented migrant workers to clear land for palm oil plantations, offered a stark illustration of these conditions. When asked if the workers could tolerate life in basic shelters without water or electricity, Helmi described the temporary structures provided. Built from zinc, plywood, and canvas sheets, the shelters were set up deep in the forest, away from public view, primarily for security reasons. As the land-clearing progressed, workers were moved to new areas, where the shelters were dismantled and rebuilt. Helmi explained:

Those seeking employment with us were asked if they are willing to live in a forest? Can they stay in a makeshift hut? Can they survive in a place that only relies on rainwater, or with no regular water supply? And using only lamps or batteries as a power source? If they can endure all that, we will take them in...

This account highlights not only the severity of the workers' living conditions but also the extreme lengths employers take to avoid detection. Their isolation is not a matter of preference but a

strategy for survival. The risk is heightened by the location of Helmi's land, which is surrounded by other farms employing undocumented labor. Occasional sightings of police cars in the area create constant anxiety. Helmi recalled how workers would immediately contact him when they noticed police nearby:

When they saw the police car, they called me and all I could advise them was to stay out of sight and not get caught. I asked them to hide in the forest until the car was gone. When it happened again – about two times – I had to ask them to move farther into the forest.

This practice of relocating workers deeper into the forest illustrates the extent to which employers go to shield their undocumented workforce, even if it means further deteriorating their living conditions. It reflects the persistent fear and insecurity that govern the lives of migrant workers. AG, another respondent, observed a clear pattern of discrimination against Indonesian workers, despite their economic contributions to Sarawak. The challenges faced by migrant workers are deeply interconnected. Poor living conditions, restricted access to services, and the constant fear of discovery reveal the fragile and marginalized status of undocumented migrants in Malaysia.

4.5. Barriers to Accessing Basic Services

Access to resources and infrastructure (healthcare, education, and legal protection) is a significant issue for these workers. Many respondents reported avoiding formal medical care due to their undocumented status, a common issue in Malaysia where undocumented migrants are often excluded from public healthcare (Spitzer et al., 2023). Instead, they rely on traditional medicine or informal arrangements, such as asking supervisors for help accessing private clinics. Ira, mentioned in a previous section, pointed to the limited options that undocumented workers had when they needed medical attention, and explained that she would report her condition to her employer when she is sick, because she is undocumented and so "had to deal with the sickness myself or tell my colleagues about it" because "I always fear going to the hospital or clinic."

In more severe cases, they could be sent back to Indonesia. Helmi confirmed Ira's experience and offered some insights from an employer's perspective (see quote below). Helmi's immediate response could be driven by two reasons. First, it was no longer cost effective to keep an employee who gets sick regularly. Second, this is to avoid further consequences should the illness, due to the lack of treatment, could escalate into something more serious.

Yes, we prepare Panadol (a local brand of Paracetamol) and different types of medicines for them. But only for common illnesses. But if they get sick regularly, they need to return to Indonesia. Once, I had a worker's wife who felt dizzy very badly, she could barely walk. Maybe it was a headache, but I was not sure. So, I had to send both husband and wife back.

A key informant, AG, echoed this, noting that undocumented migrants face significant barriers even at private clinics, where identification is required and fees are often doubled. He explained, "because they are unable to find [medical care], ... there are many clinics... the first question [they ask] is [about] the IC. For Malaysians, if they do not have an IC, it's rare to find a private clinic that will accept them, and if they do, the cost will be twice as much." These access issues reflect

broader structural barriers. Many respondents were unaware of their legal rights and feared seeking information, worried it would expose their undocumented status. This knowledge gap further limits their ability to advocate for themselves or obtain support, increasing their vulnerability.

It is important to note that while healthcare access emerged as a key theme in this study, discussions on mental health and overall well-being were limited. Given the psychological toll of precarity, isolation, and exploitation, future research should prioritize these dimensions, which remain critical for understanding migrant experiences globally.

4.6. Financial Practices and Remittance Systems

The financial situation of migrant workers is shaped by various interconnected factors, largely influenced by their transnational status. While many earn enough to cover basic needs, a significant portion of their income is sent home to support their families. This remittance behavior, where family needs are prioritized over personal expenses, is a key feature of migrant labor. As Adi shared, "we manage our income, with RM 300 to RM 400 going to food."

Remittances go beyond financial support; they are a vital lifeline. For undocumented workers, the constant fear of deportation increases the urgency to send money home. Adi prioritized covering his children's schooling in Indonesia: "For my children... for school fees." Dimas (male, aged in 30s, plantation worker in Sibu) expressed similar sentiments: "I give all my salary to my wife... who sends the money to our kids."

Another significant aspect is their reliance on intermediaries, such as employers (*tauke*), to send money. Most respondents depend on these gatekeepers, often without fully understanding the process. This reliance reflects their limited autonomy and financial vulnerability, especially among undocumented workers who struggle to access formal financial systems. Dimas explained, "...through the employer... The employer doesn't explain how he sends the money, he just sends the receipt." Similarly, Adi said, "I send the money through the employer... I rarely go out, so the most I do is entrust it to the employer... I just gave the bank account number in Indonesia."

These accounts highlight how opaque and informal remittance systems leave workers uncertain about the security and accuracy of their transfers. Many are unable to verify if their money reaches its destination, relying solely on receipts as proof. Migrant workers' financial practices are shaped not only by economic need but also by deep obligations to their families. Sending money is viewed as both a necessity and a responsibility. However, their dependence on informal and often untransparent systems, combined with exclusion from formal financial services, reinforces their marginalized position and lack of financial independence.

4.7 Border and Immigration Enforcement: A Systemic Failure

Respondents highlighted how undocumented migrants often enter the country illegally, hiding in vehicles to evade detection by immigration officials. The fact that some border officers may

overlook these actions points to critical enforcement weaknesses. These lapses not only enable illegal entry but also contribute to a culture of informality, where workers remain unregistered and unprotected for extended periods.

These issues reflect deeper structural problems in the palm oil industry, where poor governance and ineffective border control leave migrant workers vulnerable. The difference between Bau and Sibu illustrates these challenges. Bau benefits from its proximity to the border, allowing tighter controls. In contrast, workers in Sibu often enter legally but become undocumented when their permits expire. AG explained, "we know that the routes from Kuching, especially those through Sambas towards Jagoi Babang, pass through oil palm plantations or forests."

These informal routes are often enabled by the palm oil sector itself, which relies on irregular migration to meet labor demands. This contributes to worker exploitation and dependency on undocumented labor. Kelvin, a lawyer interviewed by the research team, confirmed:

The big problem is the employers who hire undocumented migrants and the agents who bring them in. They are the biggest issue, but immigration does not arrest them.

This reliance on undocumented workers increases their exposure to poor living conditions, exploitation, and violence. AG noted the involvement of thugs who protect plantation bosses: "these thugs are like 'preman' (the Indonesian local term for a gangster, often associated with organized crimes), perhaps the 'preman' are the ones backing up plantation bosses." This creates an atmosphere of fear, where workers are unable to seek help due to the risk of deportation. Corruption and weak enforcement deepen this insecurity. Rudi shared, "so, when undocumented workers are caught, we think they're safe, but no, because these thugs have connections with immigration."

The lack of accountability for those who exploit migrant labor continues to fuel the cycle of abuse. Kelvin emphasized that enforcement should target the employers and agents, not the workers: "The migrants come and they are the ones who are being mistreated."

Despite government efforts to address illegal migration, these irregular practices persist. The failure to enforce immigration policies reflects broader political and economic challenges, including entrenched corruption and a dependence on cheap labor. More comprehensive and coordinated measures between Malaysia and Indonesia are needed to manage cross-border migration and protect workers in the palm oil sector.

5. CONCLUSION

This research underscores the critical role Indonesian migrant workers play in addressing labor shortages in Sarawak's oil palm industry. However, this reliance exposes systemic issues of exploitation, poor working conditions, and weak policy enforcement, all of which threaten both worker well-being and industry sustainability. At the core lies a cycle of exploitation, where workers migrate seeking better opportunities but end up in low-wage, precarious conditions. This not only harms workers but also risks damaging the industry's global reputation and exacerbating future labor shortages as demand for fair treatment grows.

Nonetheless, the industry has the potential to transition toward a more ethical and sustainable model. Achieving this requires recognizing that reform is both an economic necessity and a moral responsibility. This study recommends several policy actions: strengthening labor protections through stricter enforcement and improved regulations on fair wages, safe conditions, and access to healthcare and housing; investing in local workforce development to reduce long-term dependency on migrant labor; fostering cross-border collaboration between Malaysia and Indonesia to address root causes of labor migration; and promoting ethical certifications aligned with international labor standards to improve worker welfare and industry credibility.

Despite the challenges, Sarawak's oil palm sector has the opportunity to redefine its practices and emerge as a global leader in sustainable production. Addressing these issues directly can help break the cycle of exploitation and ensure a future grounded not only in profitability, but in justice and dignity for all workers.

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