

Executive Summary

Malaysia currently hosts over 160,000 registered refugees and asylum seekers, with the majority coming from Myanmar. Malaysia has not ratified the 1951 Refugee Convention and therefore refugees and asylum seekers have no legal rights in Malaysia. The official position of the Malaysian Government is to categorize UNHCR registered refugees and asylum seekers as 'illegal' or 'undocumented migrants' and domestic law criminalises such migrants.

Refugees and asylum-seekers cannot work legally and have very limited access to quality healthcare and education. They are at high risk of arrest, detention and deportation and are often placed outside the protection of the law. However, many refugees and asylum seekers do work in informal jobs, where their productivity is limited and where they are at risk of exploitation.

In its election manifesto, Pakatan Harapan committed to providing the legal right to work to all registered refugees in Malaysia. Since the election, UNHCR has been working closely with the Government of Malaysia in anticipation that the Government will adopt the policies and practical steps to implement their election manifesto promises.

In this report we reach the following key conclusions:



Granting refugees currently residing in Malaysia the right to work will have a positive impact on the economy and public finances. We estimate that if refugees are given the right to work, their **contribution to annual GDP would increase to over RM3 billion by 2024** through higher spending. The wider economic impact, including indirect effects such as lower business costs, could be substantially larger.



Overall Malaysians benefit from refugees working, in terms of more jobs and higher wages. These benefits would increase if refugees were given the legal right to work, with **refugees potentially creating over 4,000 jobs for Malaysians**. Any negative labour market impacts are likely to be minor and limited to other foreign workers and older, less educated Malaysians.



We estimate that if refugees were given the right to work, their tax contribution would **increase to over RM50 million in taxes each year by 2024**. The total net contribution to public finances would depend on policy decisions, including application of the foreign worker levy and maintenance of the refugee healthcare discount.



To realise these benefits **the Government should take forward the practical steps to implement its manifesto commitment to provide refugees with the right to work**, on par with locals. Crucially this should include ensuring that refugees have full job mobility and are not confined to specific industries or locations – this will ensure that they can make best use of their skills and improve their productivity.



In the long term, investment in education for refugees alongside the local population will see substantial dividends for the country. We estimate that under a scenario where refugees are granted access to education on par with locals, **their contributions to GDP could increase to over RM6.5 billion each year by 2040 with annual contribution in taxes of over RM250 million**.