

# Hidden charges lead to higher cost of recruiting foreign maids

The Star (28/12/2022) page 12



**High cost of help:** As demand for foreign maids go up, the cost of recruiting them has skyrocketed. — FAIHAN GHANI/The Star.

MORE and more Malaysian households are hiring foreign maids to do the domestic chores, watch over children and take care of the elderly. But as demand goes up without a corresponding increase in supply, the cost of hiring a maid has skyrocketed in recent times.

The recruitment fee was between RM16,000 and RM20,000 before the Covid-19 pandemic, but because of pandemic-related expenses, the cost has gone up to as high as RM25,000. Now that the pandemic has stabilised, there is no indication that the recruitment cost will be heading south.

Recruitment agencies have instead warned employers that they must be prepared to fork out an even higher sum to employ a maid. Regrettably, Malaysian households in dire need of a helper are being held to ransom.

Be mindful that the Immigration Department director-general Datuk Seri Khairul Dzaimie Daud did confirm that the application fee imposed by the government to hire foreign domestic workers is only

RM1,136. But recruitment agencies have countered by saying that although the amount charged by the department is minimal, the total cost is high because the bulk of the fee is from the source countries, especially Indonesia.

One agency is reported to have said that they only charge about RM7,200 for processing and documentation and the balance paid by the employers is the fee charged by agencies in the source country.

They add that Malaysians are not aware of the many hidden costs and the trouble to bring in a domestic helper into the country.

But what constitutes hidden costs, and can we get to the bottom of this? Those in the recruitment business will readily admit that these are the middlemen or rent seekers who have a strong influence on the way the system operates. They can siphon off the major share of the fees paid just because of their strong connection. They are the unseen hands whose gain is somebody else's loss.

These middlemen need to be

exposed, but this will surely be a mammoth and daunting task.

There is no need to conduct a due diligence study as the facts are in plain sight. The government, especially the Immigration Department, is fully aware of the situation. If a study is needed, then the Singapore experience will provide valuable insights.

At the top level, the Malaysian, Indonesian and Philippines governments could resolve the problem by agreeing to itemise the total costs.

The real problem, according to many, is the bureaucracy and frequent policy changes. Therefore, the newly minted government has to step in and come clean especially in terms of exposing the so-called "hidden charges".

There should be more openness and transparency and, more importantly, immediate steps must be taken to get rid of the middleman.

DR POLA SINGH  
Kuala Lumpur