

WELL-BEING AND LABOR MARKET OUTCOMES OF REFUGEES IN MALAYSIA

Insights from the HARMONY Survey
September 2026



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COVER - Roziah, a Rohingya refugee single parent in Kuala Lumpur, earns a livelihood from repairing electrical items such as washing machines. Refugees are unable to access legal work in Malaysia and many earn a living working in the informal sector, which is often characterized by irregular working hours and low or unpredictable wages. © UNHCR/Ted Adnan

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Abbreviations

ALC	alternative learning center
EPF	Employees Provident Fund
F&B	food and beverage
GDP	gross domestic product
HARMONY	Hosts and Refugees in the Malaysian Economy
HFIAS	Household Food Insecurity Access Scale
NEC	not elsewhere classified
NEET	not in education, employment, or training
NGO	nongovernmental organization
PTSD	post-traumatic stress disorder
rCSI	reduced Coping Strategies Index
RSD	Refugee Status Determination
SOCISO	Social Security Organization
SPIKPA	Skim Perlindungan Insurans Kesihatan Pekerja Asing (Health Insurance for Foreign Workers Scheme)
UNHCR	United Nations High Commissioner for Refugees, the UN Refugee Agency



An Afghan refugee family in Kuala Lumpur, Malaysia, sit together in their flat for a midday meal. © UNHCR/Natalia Lazaro

Executive Summary

As of July 2024, 191,710 refugees and asylum seekers have been registered with UNHCR, the UN Refugee Agency in Malaysia. Some 88 percent are from Myanmar, comprising 110,365 Rohingya and 58,423 individuals of other ethnic groups. The remaining individuals comprise some 22,922 refugees and asylum seekers from 50 countries fleeing war and persecution. The country has allowed refugees and asylum seekers to temporarily remain in the country on humanitarian grounds despite not being a signatory to the 1951 Convention Relating to the Status of Refugees. In the absence of a formal refugee policy, refugees face a myriad of challenges, including the lack of access to legal work, public education, and social protection as well as the risk of exploitation, discrimination, arbitrary arrest and detention. Consequently, many refugees live in a perpetual cycle of poverty and lack resilience in the event of socioeconomic shocks.

The challenges faced by refugees due to their lack of legal rights in Malaysia are further exacerbated by the ambiguity surrounding the management of refugees and asylum seekers. This is particularly exemplified in their access to legal work, with discussions of potential policy changes spanning several administrations. The population is not allowed to work formally and there are no clear guidelines surrounding the nature of work if they work informally, nor are there regulations that protect refugees from exploitation. Additionally, refugees face challenges in accessing assets that contribute to productive work, such as access to financial services and driver's licenses.

Discourse on the issue continued throughout 2024, with an increased acknowledgment that legal work for refugees can potentially address labor market gaps. Recent developments include the reported revision of the National Security Council Directive No. 23 (Illegal Immigrants Holding UNHCR Cards Management Mechanism) to address refugees' access to work, education, and other basic services. The Ministry of Human Resources has also been tasked with leading a Work Committee on Work Permits for Refugees, whose main function is to discuss proposals on work permits for refugees and asylum seekers in various sectors (Parliament of Malaysia 2024). The Malaysian government has also announced that it will conduct a comprehensive study on allowing refugees to work in specific sectors of the country to collect relevant information and data to inform future directions (Mahari 2024).

This report is based on analysis of the Hosts and Refugees in the Malaysian Economy (HARMONY) Survey—the first systematic and detailed survey comparing refugee and host community households in Malaysia. A collaboration between UNHCR and the World Bank, this study aims to generate a holistic picture of refugees' human capital and skills, working conditions, and economic well-being as informal workers in Malaysia. Through the generation of comparative economic data on refugees and host communities, the HARMONY Survey seeks to contribute to the development of policies and actions related to refugees' access to productive and decent work. It provides a basis for comparative analyses of the socioeconomic and labor market profiles of different groups of refugees with host communities in Malaysia.

The HARMONY Survey was conducted between December 2023 and April 2024 in three states (Johor, Pulau Pinang, and Selangor) and the federal territory of Kuala Lumpur, which together account for 76 percent of all refugees in the country. It covers 3,967 households, of which 2,533 are refugee households (1,149 Rohingya refugee households, 999 non-Rohingya Myanmar refugee households, 385 refugee households from other countries) and 1,434 are host community households (of Malaysian nationals living near refugees).

Key Findings

- **Section 1 of the report explores the demographic characteristics of the respondents.** The survey examines an urban refugee population. On average, a refugee in the sample has been residing in Malaysia for about 10 years. Regardless of the length of their displacement, higher shares of refugees reside in Kuala Lumpur and Selangor than in other districts.
- **Eighty-eight percent of the refugee and asylum seeker population in Malaysia are from Myanmar.** Given the protracted nature of the instability in Myanmar spanning several decades, it is observed that around one-third of refugees from Myanmar were born in Malaysia after their parents' displacement. Among refugees from other countries, just under 10 percent were born in Malaysia.
- **Refugees from all groups tend to have lower levels of educational attainment compared to hosts.** Educational attainment is particularly low among the Rohingya; over 80 percent of the Rohingya have not completed primary school.

Well-Being Outcomes

The survey finds that refugees have lower levels of economic well-being compared to hosts across several indicators, such as income, food security, access to education, and health care.

- **Refugee households earn significantly less compared to host community households, both in total and per capita income terms, and they experience much higher levels of poverty.** Over 80 percent of refugee households are in the lowest 20 percent of Malaysian per capita household income distribution, and 93 percent of refugee households were found to be below the national poverty line.
- **Asset ownership among refugees is low compared to host community households,** and refugees report losing fixed assets, such as dwellings and land, as well as livestock due to displacement. Refugees also have worse living conditions and lower access to basic services such as electricity and treated water compared to hosts.
- **Refugee households exhibit significantly heightened rates of severe food insecurity and employ more damaging coping strategies in response to food shortages.** Based on the Household Food Insecurity Access Scale, more than 53 percent of refugee households are severely food insecure, contrasting with only 4 percent among hosts. Similar differences in food security between refugees and hosts are also observed using the reduced Coping Strategies Index.

- **With the lack of access to affordable education, enrollment and attainment rates are much lower for refugee groups than host communities.** At all ages, individuals between the ages of 6 and 21 from the host community are more likely to be currently enrolled in educational institutes compared to those from refugee groups. A high share of Rohingya children reports never having attended school. Refugee children are also more likely to drop out of school, often before completing primary schooling.
- **Whereas refugees are more likely to report health care needs, they are less able to access it compared to host communities.** More than 37 percent of refugee households sought health care services in the month preceding the survey, compared to 6 percent among hosts - however, less than 80 percent of refugees were able to access health care sought, compared to over 93 percent of hosts.

Labor Market Outcomes

The lack of access to legal work among refugees in Malaysia strongly determines their labor market outcomes. Without legal pathways, refugees can only work informally, which limits opportunities for productive and skill-appropriate work.

- **Overall, refugees have a lower rate of labor force participation than hosts, particularly among women.** Whereas the average labor force participation rate in the host community is about 50 percent, it is at least 10 percentage points lower for refugees. Moreover, the gender gap in labor force participation is higher among refugees than hosts, especially among the Rohingya.
- **Among those who are able and willing to work, refugees are much less likely to find jobs.** Refugees experience unemployment rates that are five to seven times that of the host community. Women from refugee households exhibit higher rates of unemployment, particularly in the Rohingya and non-Myanmar groups, where it is nearly 50 percent.
- **Refugees, particularly women, tend to work fewer hours than host community members and experience greater underemployment.** Among men, host community members worked an average of 47 hours per week, whereas refugees worked for 38 hours. On the other hand, whereas women in the host community worked an average of 45 hours per week, this number ranged from only 24 hours to 32 hours per week for refugee women.
- **Host community members tend to earn about twice as much as refugees per month.** Even after controlling for demographics, sector, occupation, and state characteristics, refugees earn substantially lower wages per month compared to hosts and slightly lower wages per hour worked.
- **As formal employment is not accessible to refugees, any work they find is informal and irregular.** Whereas 55 percent of host community workers reported having a written employment contract, fewer than 2 percent of refugees did. Without access to formal jobs, refugees tend to have more volatile income streams.

- **While working refugees and hosts have a considerable overlap in their sectors of employment, they tend to have quite distinct occupations even within the same sector.** Even in sectors with a considerable presence of both host and refugee workers, the occupations pursued by these groups are often different, indicating only a limited extent of direct labor market competition between refugees and hosts. Forty-four percent of all refugees work in low-skilled elementary occupations (compared to 20 percent among hosts). Whereas 13 percent of hosts are employed in high-skilled occupations comprising managers and professionals, only 5 percent of refugees work as professionals, and virtually none as managers.
- **Higher levels of schooling are correlated with higher earnings for host community members but not for refugees, reflecting an underutilization of the latter's human capital.** Each additional year of schooling completed by host community workers increases hourly earnings by 6 percent. In contrast, additional years of completed schooling do not appear to increase the level of earnings per hour among refugees. Without positive returns to education, refugees may underinvest in schooling.

Refugee-Host Interactions

In addition to their interaction in the labor market, the survey explores the frequency of interaction between refugee communities and hosts and how they perceive each other as a source of support or competition.

- **Most refugees and hosts do not report interacting with the other group for various types of needs; hosts' interactions with refugees are especially limited.** While the frequency of interactions with hosts is lowest during the first years upon arrival in Malaysia, refugees' interactions with hosts increase slightly over the duration of displacement. This is especially the case for the use of connections with Malaysians to find jobs. However, when asked about their experience of trust, friendship, and other positive experiences with Malaysians, refugees who have lived longer in Malaysia tend to have more experiences of this compared to those who have just arrived.
- **Host community respondents who work perceive similar levels of threats to their jobs from refugees as they do from other hosts or from other non-Malaysians.** Refugees, on the other hand, perceive slightly lower threats from other refugee workers than they do from hosts or from nonrefugee foreign workers.



A Myanmar refugee teacher teaches a student in an alternative learning center run by the refugee community in Kuala Lumpur. Refugee children are unable to access formal education in Malaysia. Instead, refugees rely on education programs in informal learning centers run by nongovernmental organizations and by refugee community members. © UNHCR/Ted Adnan

Policy Recommendations

In an era of unprecedented displacement, a paradigm shift is required to adequately and impactfully respond to the needs of the forcibly displaced.

There is a need to shift toward creating enabling pathways for refugees to achieve self-reliance and resilience. Enabling policies play a pivotal role in establishing a foundation for refugee self-reliance, and accompanying support/interventions should be viewed as crucial investments in developing sustainable, long-term responses to displacement. It should be acknowledged that without adequate investments in and subsequent utilization of refugees' human capital, they may remain on the margins of the economy, representing a foregone and excluded resource for development.

- **Provide refugees formal access to work opportunities.** Formal access to work can positively impact refugees' protection and well-being while benefiting the Malaysian economy. Granting refugees the right to work, which can be implemented gradually, can plug labor shortages, stimulate local economic growth, and reduce poverty and the likelihood of exploitation and abuse. An increase in the formal workforce could also positively contribute to increased fiscal contributions and to the gross domestic product (GDP). Because refugees make up less than 0.5 percent of the total Malaysian population, and less than 2 percent even in areas with high concentrations of refugees, granting them the right to work will not likely affect the labor force substantially.

- **Implement targeted interventions to address the gender gap in refugee labor force participation.** Refugee women face additional challenges due to their displacement, which include issues such as language difficulties, limited social networks, and experiences of discrimination and safety concerns due to their legal status. Interventions could include strengthening the capacity of community-based groups to provide skill and language training as well as income-generation opportunities.
- **Improve refugees' access to affordable health care, including access to mental health and psychosocial support.** Enabling refugees' access to contributory health insurance schemes could alleviate affordability constraints. Improved access to mental health and psychosocial support to address refugees' mental health needs can also yield positive outcomes by enhancing well-being and productivity.
- **Allow refugee children to access the national education system.** This would provide refugee children the opportunity to receive accredited education, which is crucial as they continue their journeys in Malaysia or, once conditions allow, in any other country to which they may move or return. The complete reliance on alternative learning centers limits refugee children's access to quality, affordable education and applies undue stress on an under-resourced, informal education system. Without adequate investments in and subsequent utilization of refugees' human capital, they may remain on the margins of the economy, representing a foregone and excluded resource for development.
- **Extend social protection schemes to refugees.** This can include employment-linked contributory social security alongside legal work, as well as basic social safety net programs to support the most vulnerable, such as those who have limited access to labor market opportunities.
- **Expand access to national skills training institutions and employment services to enhance productive employment among refugees.** Allowing refugees to enroll in accredited and certifiable skills training will help equip them for productive employment while also building human capital for the future. In addition, employment services can widen the range of potential job opportunities for refugees and also reduce exposure to exploitation that is often associated with unregulated employment agents. Such interventions will play a role in supporting de facto access to work in tandem with de jure policy changes.
- **Meaningfully engage key stakeholders to ensure that policy frameworks developed are informed by the people they will impact and consider practical challenges or barriers that may affect successful policy implementation.** In protracted displacement, such as experienced by many refugees in Malaysia, refugee issues have implications for sustainable development and cannot only be tackled from a humanitarian perspective. The adoption of a whole-of-society approach—which entails the inclusive engagement of not only relevant government agencies but also the private sector, civil society, and refugee communities themselves—can support the building of necessary cross-sectoral partnerships required to support smooth policy implementation.



An Afghan refugee works as a tailor in Kuala Lumpur, the capital of Malaysia. ©UNHCR/Victor Chan

1. Introduction

The Hosts and Refugees in the Malaysian Economy Survey

The Hosts and Refugees in the Malaysian Economy (HARMONY) Survey is the first systematic and detailed survey comparing refugee and host community households in Malaysia. Jointly conducted by the UNHCR and the World Bank, with support from the World Bank–UNHCR Joint Data Center on Forced Displacement, the survey seeks to fill existing data gaps on the economic and social situation of refugees living in Malaysia as well as of Malaysian nationals living near refugees.

Through the generation of comparative economic data on refugees and host communities, the HARMONY Survey seeks to contribute to the development of policies and actions related to refugees' access to productive and decent work. Specifically, it provides a basis for comparative analyses of the socioeconomic and labor market profiles of different groups of refugees with host communities in Malaysia. This will enable a better understanding of (i) the complementarities and differences between refugee and host groups in the labor market and (ii) the state of economic well-being of the two groups.

Refugees in the Malaysian Economy and Society

As of July 2024, data from the UNHCR shows that Malaysia hosts some 191,710 registered refugees and asylum seekers from multiple countries. Some 88 percent are from Myanmar, comprising 110,365 Rohingyas and 58,423 individuals of other ethnic groups fleeing persecution and conflict in that country. The remaining individuals comprise some 22,922 refugees and asylum seekers from 50 countries fleeing war and persecution, including from Afghanistan, Pakistan, Palestine, Somalia, Syria, and Yemen, among others.

Seventy-five percent of refugees are hosted in low- and middle-income countries, and as situations become protracted, many remain displaced for years or decades (UNHCR 2024). People who have been forced to flee often find themselves unable to exercise universal human rights: access to formal work, education, or adequate and affordable health care. This leaves them dependent on overstressed humanitarian systems that were not meant to provide long-term protection and solutions, negatively impacts their well-being, and curtails their ability to fully contribute to the development of host communities. Acknowledging and including refugees in development policies ensures a longer-term, sustainable approach is taken to addressing their crucial needs in a manner that mutually benefits host countries in meeting their own development goals.

The Global Compact on Refugees¹ calls for states and development actors to step up their engagement in support of refugees and emphasizes the need to ease pressure on host countries and their communities. Allowing refugees to work can be an important step to reduce the incidence of poverty, increase cohesion between refugees and local communities, improve the social and economic inclusion and socioeconomic contributions of refugees, and promote self-reliance. As studies across countries have shown, refugees typically affect host community well-being positively; only very rarely is their presence likely to harm hosts' well-being, employment, or wages, even though certain groups of the host population, such as the informally employed, youth, and female workers are more likely to experience greater competition for jobs and wages (Verme and Schuettler 2021).

In Malaysia, refugees face multiple challenges due to the absence of a legal and policy framework to manage the refugee situation. As such, most refugees live in poverty, face exploitation and are often subjected to discrimination. Refugees in Malaysia do not have access to legal work, public education, or national social protection schemes; face affordability constraints in accessing adequate health care; and are subjected to arbitrary arrest and indefinite detention. Refugee women and children, in particular, are exposed to heightened security concerns such as gender-based violence, forced marriage, and trafficking, with limited access to state protection. Refugees also often endure exploitative working conditions, including forced labor, as they are left with no choice but to seek informal work opportunities.

These challenges impede the potential contributions of refugees to the Malaysian economy and society. Without adequate investments in and utilization of their human capital, refugees may remain on the margins of the economy, representing a foregone and excluded resource for development.

In the absence of a national asylum framework, UNHCR assumes the primary responsibility of protecting and assisting refugees and asylum seekers in Malaysia. This includes registration, documentation, Refugee Status Determination, provision of social protection services, and identifying solutions for their plight. UNHCR identity documents only serve the purpose of formally acknowledging a refugee and asylum seeker's need for international protection; they do not provide legal stay or immunity from arrest. Partnerships with civil society organizations also facilitate refugees' access to basic services such as primary health and education. In 2016, the Malaysian government formed a joint task force co-chaired by the Ministry of Foreign Affairs and UNHCR. It serves as a platform to forge closer cooperation, including discussions on the development of a refugee management framework, as well as enhanced government involvement in registration and issuance of documentation for refugees (UNHCR n.d.a). The platform is also a space in which to share experience and build capacity on the effective management of refugee situations for the socioeconomic well-being of all.

Access to Legal Work

Refugees in Malaysia do not have legal access to formal work (Todd, Amirullah, and Shin 2019). The country is not a party to the 1951 Convention Relating to the Status of Refugees and its 1967 Protocol,² and it regards refugees and asylum seekers as “illegal” migrants despite a history of allowing refugees and asylum seekers to temporarily remain in the country on humanitarian grounds (Equal Rights Trust 2014). Although there are some employers who hire UNHCR cardholders for informal work (Yi et al., 2021), access to formal employment remains elusive for refugees.

Malaysia’s ad hoc approach to the overall management of refugees in the absence of a formal refugee policy is reflected in the government’s approach toward legal work for refugees, which has been discussed across several administrations. Reference is often made to the contents of National Security Council Directive No. 23 (Illegal Immigrants Holding UNHCR Cards Management Mechanism), a document that is not publicly available and is reportedly under revision to address refugees’ access to work, education, and other basic services.

In 2017, the Malaysia government announced a three-year pilot project to allow 300 Rohingya refugees to work in the plantation and manufacturing sectors. Its overall success was impeded by a skills mismatch between the target group and selected sectors as well as the lack of readily available data on skills profiles of the Rohingya population (Ravesloot and Vallet 2019). The manufacturing sector experienced some success before the project was halted due to the pandemic and the consequent freeze on migrant worker recruitment, in addition to the various changes in government and corresponding policy changes. Ultimately, the plantation sector was found to be a poor fit, and the manufacturing sector employed fewer than 100 workers (Ghazali et al. 2020a).

The discourse surrounding legal work for refugees has expanded in recent years, with the COVID pandemic and consequent restrictions on travel and foreign labor intake underscoring Malaysia’s reliance on foreign labor in crucial economic sectors. This not only includes stronger calls from civil society and the private sector but also statements from the government expressing interest in considering access to legal work. The *Mid-term Review: Twelfth Malaysia Plan* mentions refugee access to legal work as part of considerations to address labor market gaps, and the prime minister’s speech on Budget 2024 stated the government’s willingness to consider controlled access to basic needs such as jobs, services, and education.

The Ministry of Human Resources has also been tasked with leading a Work Committee on Work Permits for Refugees, whose main function is to discuss proposals on work permits for refugees and asylum seekers in various sectors (Parliament of Malaysia 2024). Additionally, the government has also announced that it will conduct a comprehensive study on allowing refugees to work in specific sectors of the country to collect relevant information and data to inform future directions (Mahari 2024).

This report aims to narrow knowledge gaps and inform the development of sustainable solutions for the welfare of refugees in Malaysia, specifically by enhancing self-reliance through the granting of legal work. UNHCR and the World Bank have collaborated on this study to generate and utilize more systematic data, focusing on human capital and skills, toward developing evidence-based policy recommendations on the economic inclusion of refugees in Malaysia. Box 1 below provides details on who is a refugee and the process leading to the recognition of the refugee status.

Box 1. Who Is a Refugee?

Refugees are people forced to flee their own country and seek safety in another country, specifically “owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of [their] nationality and is unable or, owing to such fear, is unwilling to avail [themselves] of the protection of that country” according to the 1951 Refugee Convention. Refugees have a right not to be sent back to their countries of origin if their lives or freedom would be at risk.

The term refugee is declaratory, but to access refugee rights, people seek asylum and undergo Refugee Status Determination (RSD). Anyone who has crossed an international border has the right to seek asylum.

RSD is the legal or administrative process by which governments or UNHCR, the UN Refugee Agency, ascertain whether a person seeking international protection is considered a refugee under international, regional, or national law. While states have the primary responsibility to conduct RSD, UNHCR may conduct RSD under its mandate when a state is not a party to the 1951 Convention Relating to the Status of Refugees and/or does not have a fair and efficient national asylum procedure in place.

Individuals who meet the criteria of the UNHCR statute qualify for the protection of the United Nations provided by the High Commissioner, regardless of whether or not they are in a country that is a party to the 1951 Refugee Convention or the 1967 Protocol or whether or not they have been recognized by their host country as a refugee under either of these instruments.

UNHCR’s database and statistics cover individuals registered with the organization.

Source: UNHCR 2019

The HARMONY Survey

The HARMONY Survey includes 3,967 refugee and host community households. The sample of refugees (2,533 households) is divided into three strata: Rohingya refugees from Myanmar, non-Rohingya refugees from Myanmar, and refugees from other countries. The survey was implemented in Johor, Kuala Lumpur, Pulau Pinang, and Selangor, which together account for 76 percent of refugees residing in Malaysia. Host community households were chosen from Malaysian nationals residing within a 10-minute walking distance of refugee households.

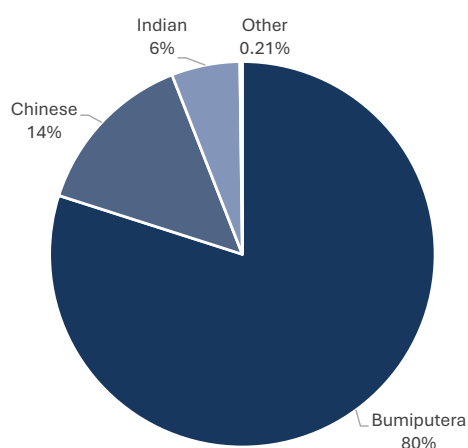
UNHCR’s refugee registration database and the 2021 population census were used as the listing frame to select the sample (see figure A.1 in appendix A). In the first sampling stage, 32 *mukims* (subdistricts) were selected in the three states and Kuala Lumpur. Refugees were randomly selected in proportion to the refugee population in that mukim. For the second sampling stage, households from the three target refugee and host community groups were traced, identified, and selected.

Ethnicity

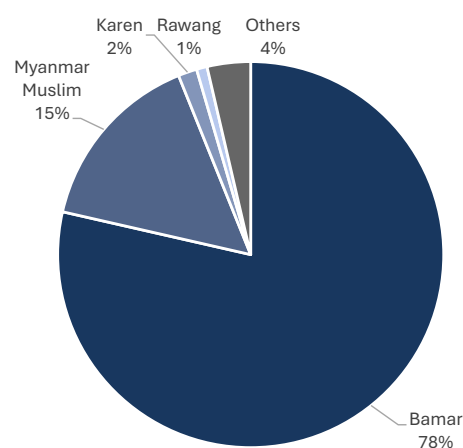
Around 80 percent of Malaysian host community households in the sample belong to the Bumiputera group, followed by Chinese households (14 percent) and Indian households (6 percent) (figure 1.1³). While most non-Rohingya refugees from Myanmar in the sample are from the Bamar group, a sizable share of around 15 percent belongs to the Myanmar Muslim community, which is different from the Rohingya (who are also Muslim). Other ethnic groups in this stratum include Karen and Rawang groups, along with smaller numbers of refugees of Arakanese, Chin, Kachin, and Mon groups. Refugees from other countries mostly include Pakistani and Somali refugees as well as refugees from Middle Eastern countries, including, most commonly, Syria and Yemen. This stratum also includes a very small number of refugees from Kenya, Palestine, Sri Lanka, and Uganda.

FIGURE 1.1: SAMPLE BREAKUP BY ETHNICITY/IDENTITY GROUP

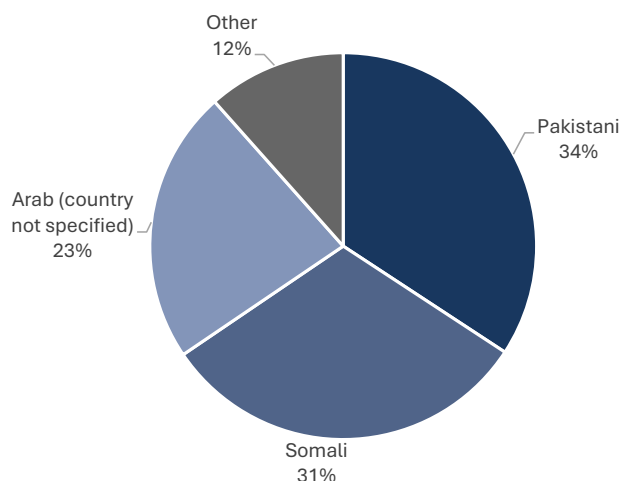
A. Malaysian Host Community Households, by Ethnicity Group



B. Non-Rohingya Myanmar Households, by Ethnicity Group

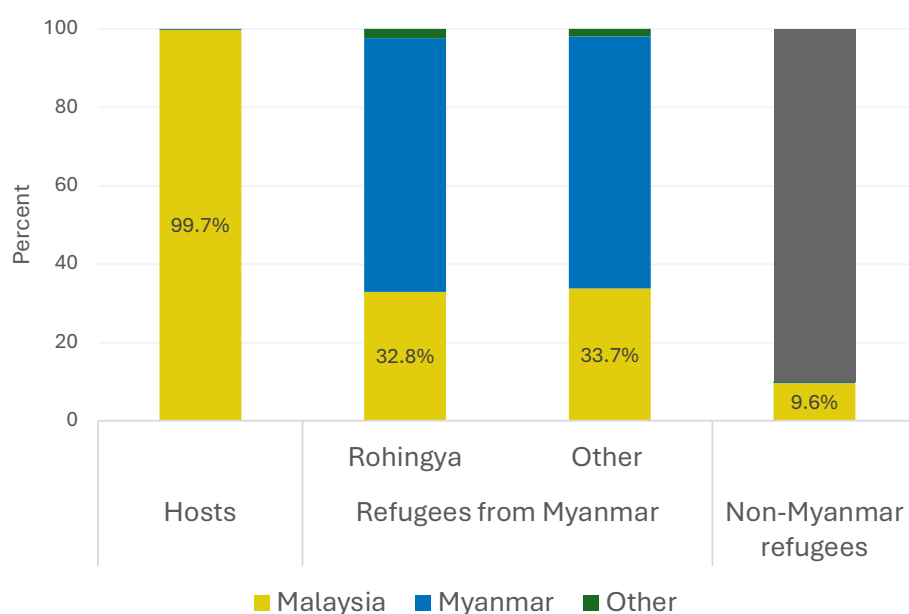


C. Non-Myanmar Refugees, by Identity Group



A much higher share of Rohingya refugees arrived in Malaysia before turning 18 years of age (figure A.6 in appendix A) in contrast to refugees from other ethnic groups in Myanmar who arrived during their 20s and 30s. This matches the finding that Rohingya households are, on average, bigger than other Myanmar households and have more children. Around one-third of refugees from Myanmar (the Rohingya and other groups) were born in Malaysia and have likely never lived in Myanmar (figure 1.2). In contrast, just under 10 percent of non-Myanmar refugees were born in Malaysia. These children derive their refugee status based on the persecution of their parents and under the principle of family unity (UNHCR 2019).

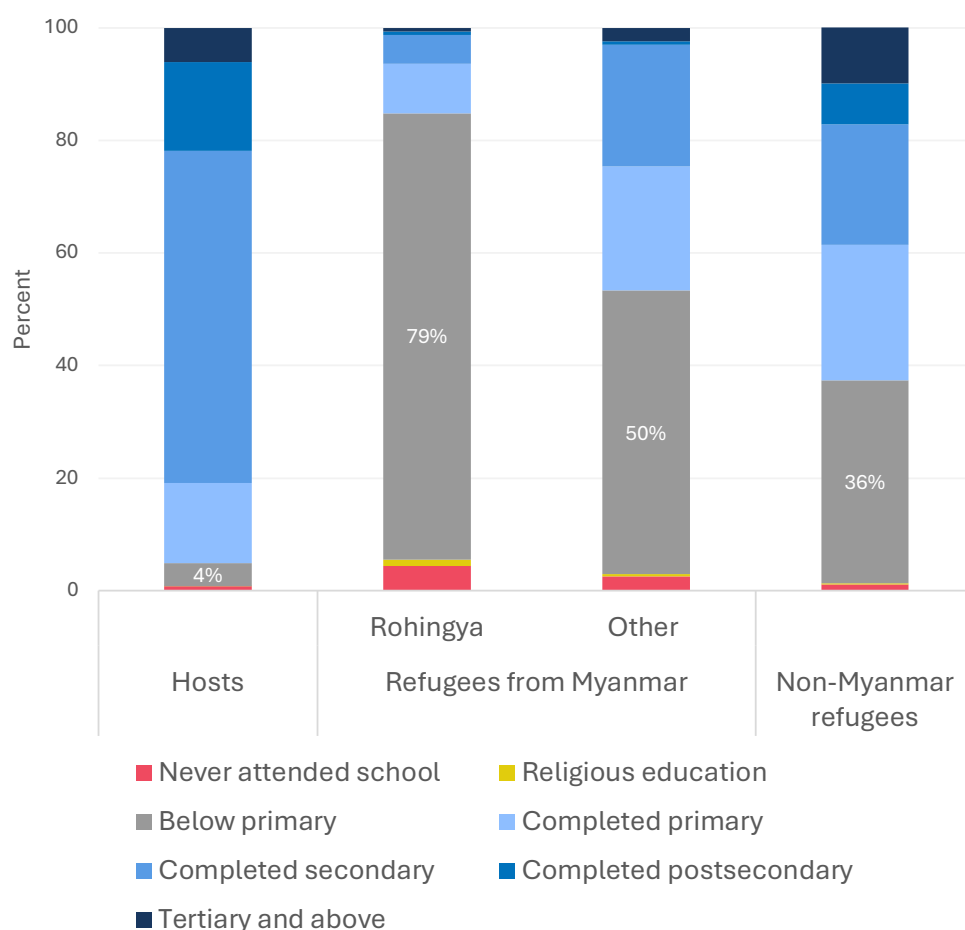
FIGURE 1.2: COUNTRY OF BIRTH, BY STRATUM



Educational Attainment

Host community members have a higher level of education compared to refugees aged 21 years and above (figure 1.3). Educational attainment is particularly low among the Rohingya; over 80 percent of these refugees have not completed primary school. Although this rate is higher among the other two refugee groups, it is still lower than that for host communities. Whereas over 81 percent of individuals from the host community aged 21 and above completed at least secondary school, only 39 percent of refugees from other countries, 25 percent of non-Rohingya refugees from Myanmar, and 6 percent of the Rohingya report the same education level.

FIGURE 1.3: HIGHEST LEVEL OF EDUCATION COMPLETED (21+ YEARS OF AGE), BY STRATUM



2. Labor Market Outcomes

Refugees and hosts in Malaysia experience markedly different labor market circumstances and opportunities. This section examines key labor market experiences and outcomes of both refugees and hosts, including labor force participation,⁴ employment,⁵ and unemployment rates;⁶ means of identifying job opportunities; and the regularity of work and income. Work characteristics are further examined, including sectoral and occupational compositions of the workforce, the extent of labor market competition on complementarity between refugees and hosts, income, and sectoral and occupational transitions experienced by refugees over the course of displacement. Across these comparisons, it is critical to bear in mind that formal employment is not accessible to refugees: any work they can find tends to be informal and irregular. Although hosts have access to formal work, many do in fact work informally.⁷

Key Labor Market Indicators

Overall, this report finds that refugees have a lower rate of labor force participation than hosts, particularly among women. Whereas the average labor force participation rate in the host community is about 50 percent, it is at least 10 percentage points lower for refugees. Moreover, the gender gap in labor force participation is higher among refugees than hosts. This is especially pronounced among the Rohingya; for this group, women's labor force participation is a mere 10.7 percent, compared to nearly 60 percent among men. For all other groups, including hosts, the difference in labor force participation rates by gender is around 20–27 percentage points (figure 2.1). Inactivity rates among youth are much higher among refugees than among hosts; the share of those not in education, employment, or training (NEET) is below 4 percent among hosts and upwards of 14 percent among refugees (figure 2.2).

FIGURE 2.1: LABOR FORCE PARTICIPATION RATE BY GENDER, STRATUM

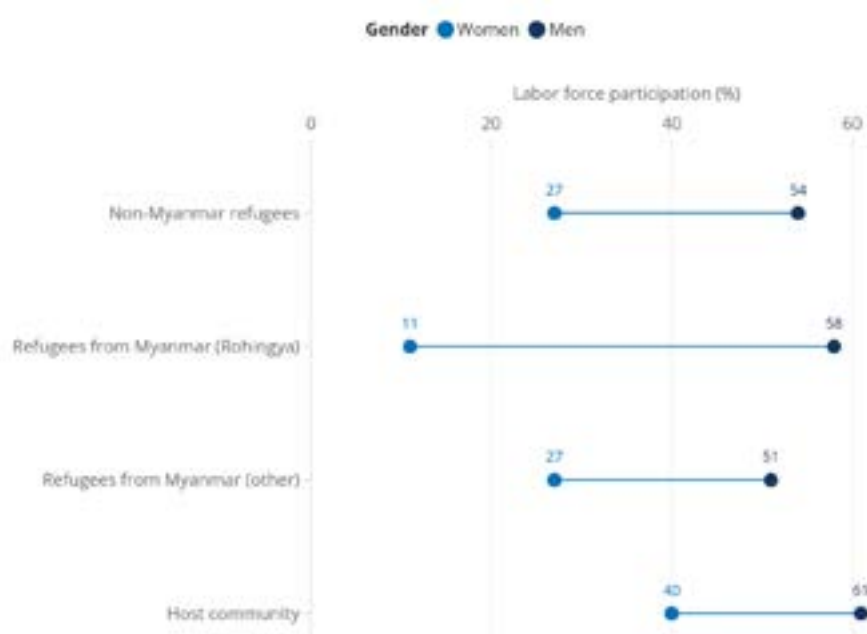
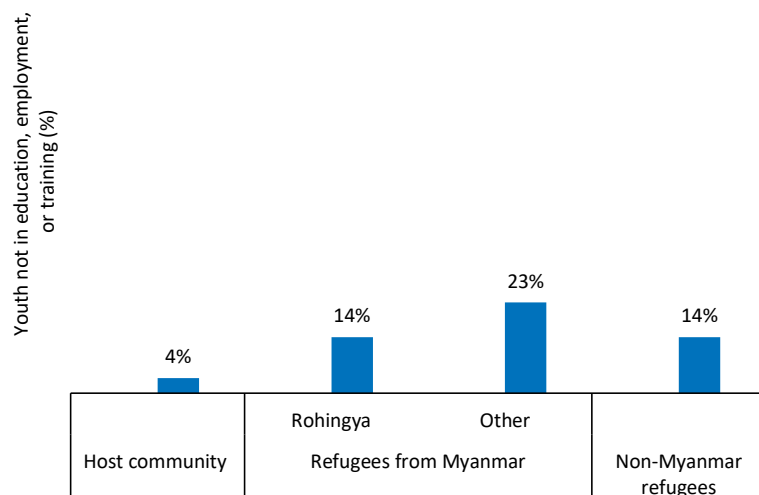
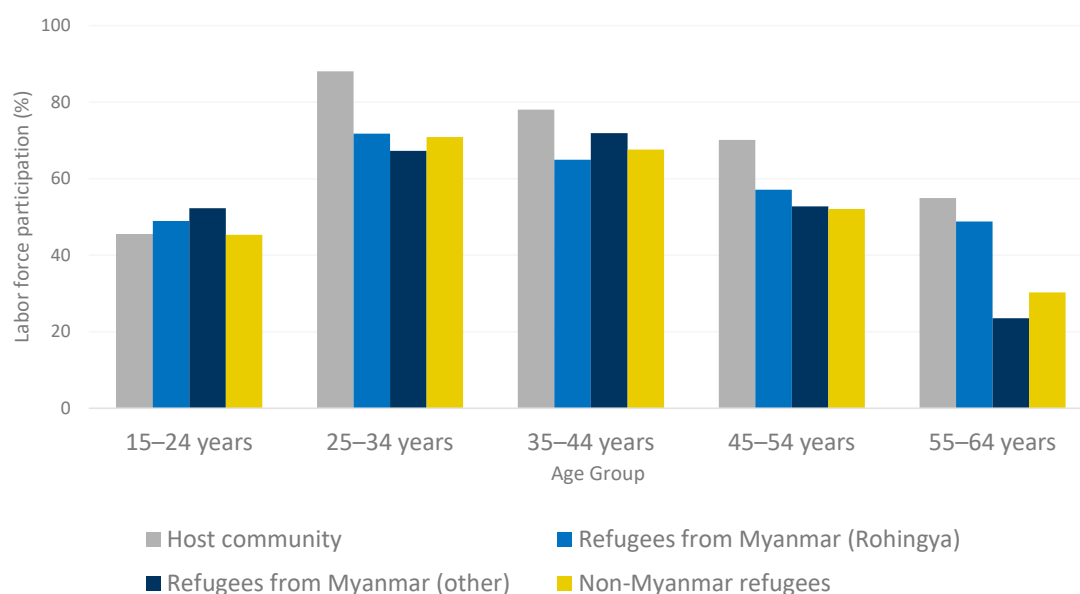


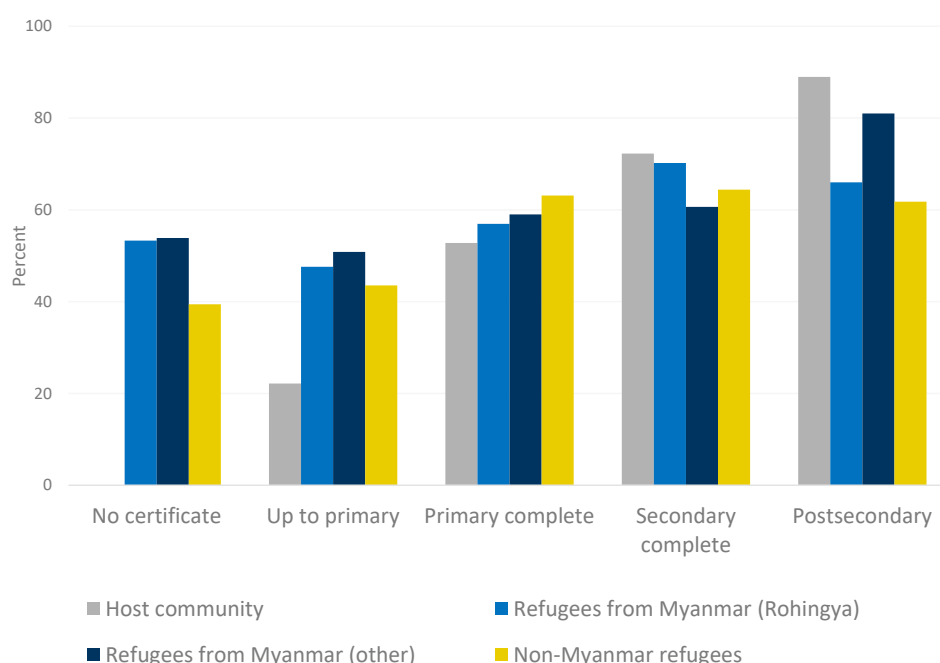
FIGURE 2.2: SHARE OF YOUTH (AGES 15–24 YEARS) IN NEET CATEGORY

Across strata, labor force participation first increases, and then declines, progressively with age (figure 2.3). In the youngest age group in the workforce (i.e., those between 15 and 24 years of age), labor force participation rates are similar across strata. However, once host community members have completed schooling, their labor force participation rates for the age groups 25–34 and beyond are substantially higher than that of refugee groups. Labor force participation is highest in the age group of 25–34 years, in which over 80 percent of host community members are active in the labor market. The decline in labor force participation is particularly sharp among non-Rohingya refugees after the age of 45.

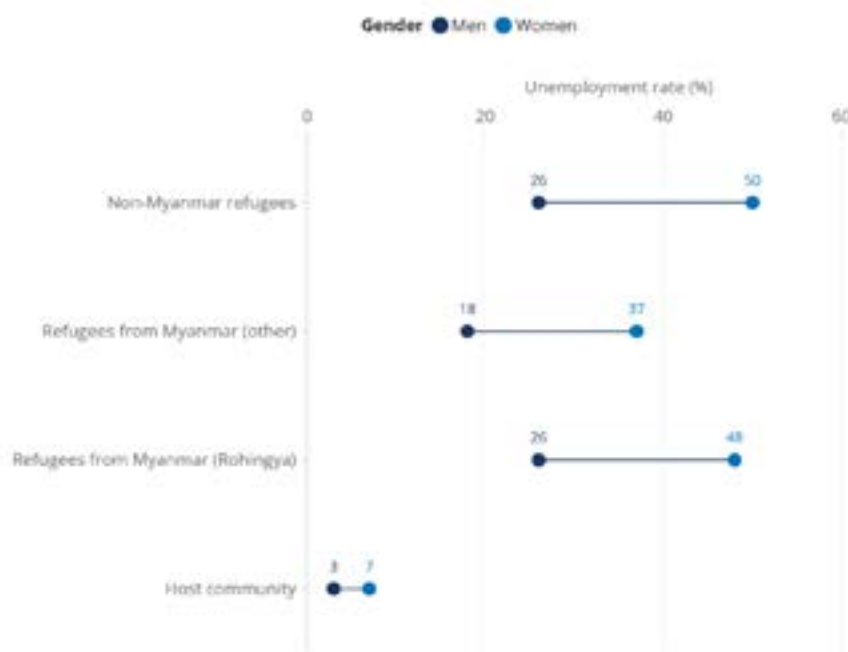
FIGURE 2.3: LABOR FORCE PARTICIPATION RATE BY AGE GROUP, STRATUM

Labor force participation rises steadily with the level of education among host community members but tends to plateau for the refugee groups, with the exception of non-Rohingya refugees from Myanmar (figure 2.4). Secondary and higher levels of completed education do not appear to be strongly associated with a higher participation in the labor market among Rohingya and non-Myanmar refugee groups. These results suggest that refugees and host community members look for employment in very different contexts. For host community members, higher levels of education encourage labor force participation. For refugees, on the other hand, the lack of access to formal employment limits work opportunities such that even those with higher levels of educational attainment may not participate in the labor force.

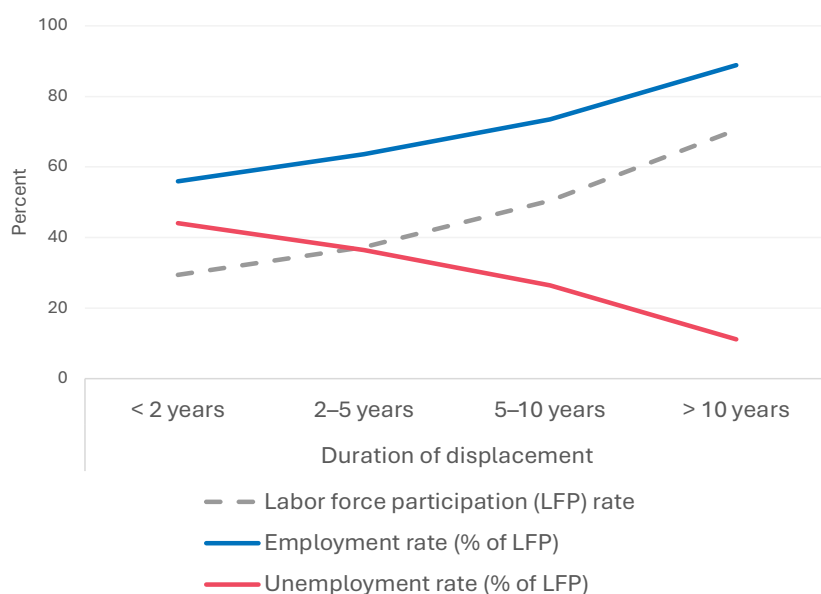
FIGURE 2.4: LABOR FORCE PARTICIPATION RATE BY HIGHEST LEVEL OF SCHOOLING COMPLETED, BY STRATUM



Even when they participate in the labor market, refugees are much less likely to find jobs. Refugees experience unemployment rates that are five to seven times those of the host community (figure 2.5). Although women's unemployment rates are higher than those of men across all strata, women from refugee households exhibit higher absolute rates of unemployment, particularly in the Rohingya and non-Myanmar groups, where it is nearly 50 percent. This could largely be attributed to the lack of legal work, which not only limits the nature of work obtained but also greatly influences employers' willingness to hire refugees due to the ambiguity surrounding their situation (Yi et al., 2021).

FIGURE 2.5: UNEMPLOYMENT RATE BY GENDER, BY STRATUM

A longer duration of displacement generally appears to be correlated with better labor market integration. As the duration of residence in Malaysia increases, refugees' labor force participation and employment rates show a steady increase while unemployment rates fall (figure 2.6). This could be either due to compositional differences across cohorts of refugees (e.g., earlier cohorts may have been more educated, skilled, or experienced than later cohorts) or because of the enhanced ability to integrate into the labor market over time as refugees learn where and how to look for jobs and potentially acquire language skills and build networks that enable them to access jobs.

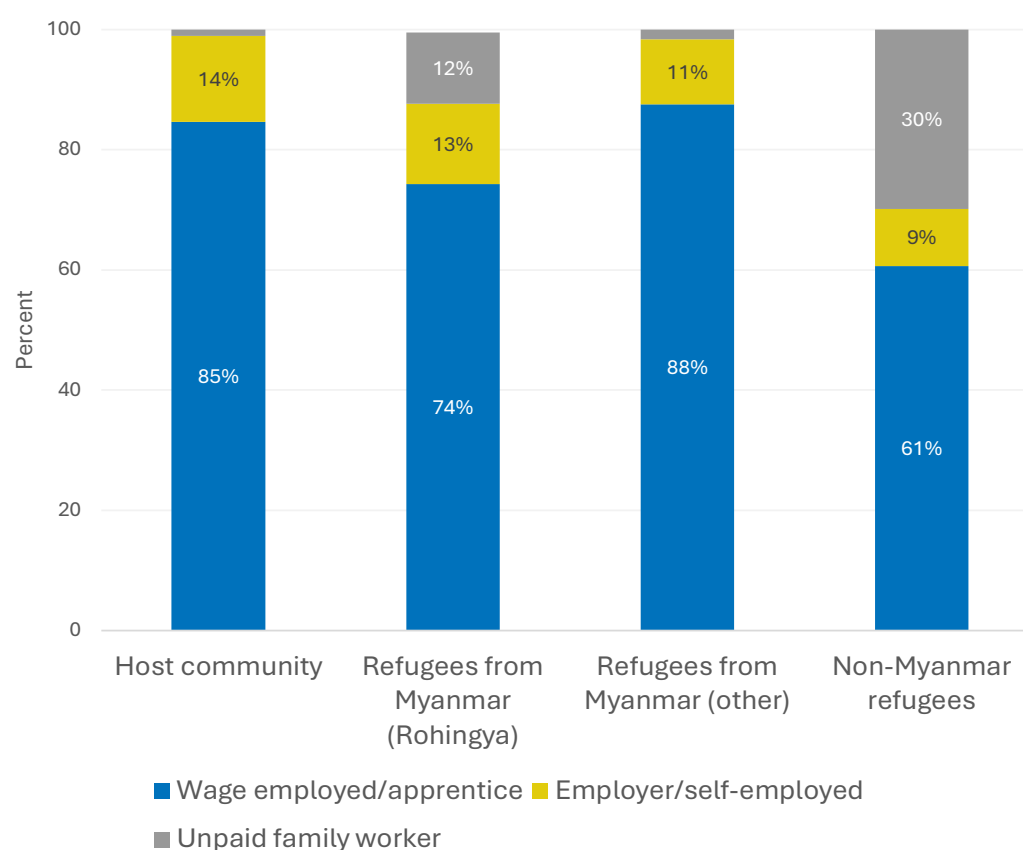
FIGURE 2.6: KEY LABOR MARKET INDICATORS AMONG ALL REFUGEES BY DURATION OF DISPLACEMENT

Type of Job

Although wage employment is the dominant form of employment across all groups, 14 percent of host community workers and 9–13 percent of refugee workers across strata work as self-employed workers or employers (figure 2.7). However, in the case of Rohingya refugees and refugees from other countries, considerable shares of workers (12 percent and 30 percent, respectively) are engaged as unpaid family workers. This suggests that many of the employers in the refugee groups may in fact be operating small family enterprises. Among hosts, only 1 percent of workers are unpaid family workers.

Given the high share of wage-employed workers across all groups, and difficulties in comparisons across job types, the bulk of the analysis in this section focuses on the wage employed, unless otherwise specified.

FIGURE 2.7: TYPE OF JOB, BY STRATUM



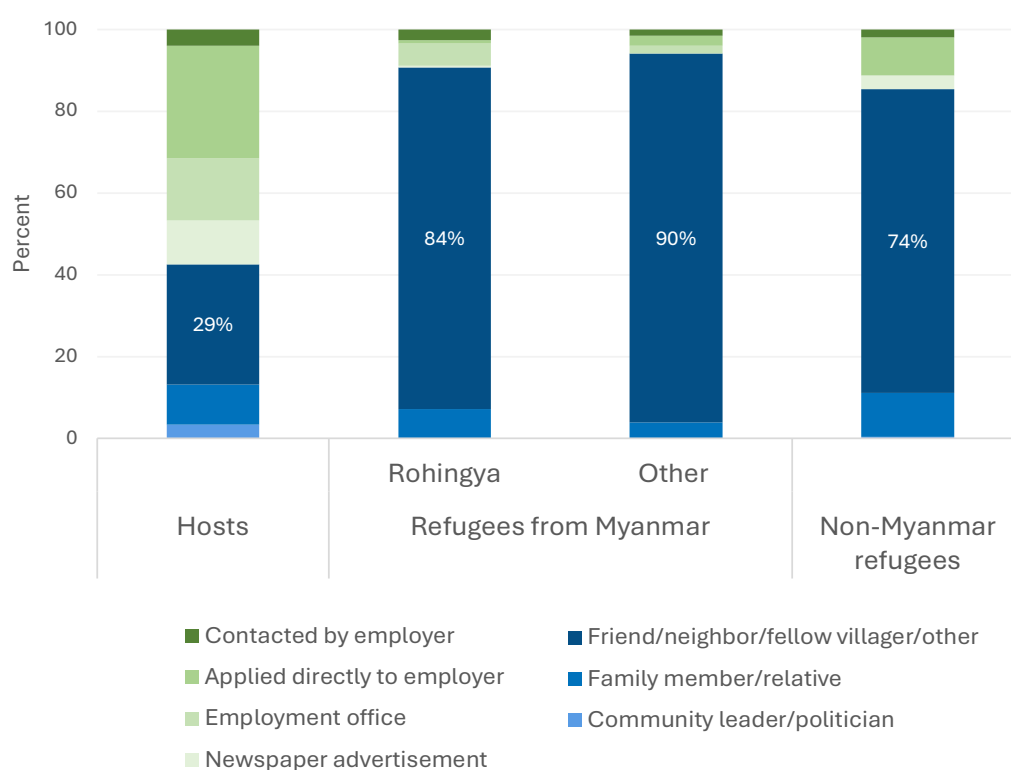
Labor Market Access

Refugees overwhelmingly tend to use informal job search methods, relying heavily on secondary contacts comprising fellow villagers (from before displacement), friends, and neighbors. Across all groups, more than 80 percent of refugees report having relied on social connections (including friends, neighbors, fellow villagers, family members, and relatives) to find their current jobs (figure 2.8). This is compared to around 40 percent of Malaysian hosts who also reported using social connections to find jobs. The almost exclusive reliance on social connections among refugees is because formal work—which also often entails formal job search methods—is not available to refugees. On the other hand, informal and often low-skilled jobs are more likely to be accessed through informal channels between refugees and employers willing to hire them.

When asked about their past relationship with their current employers, 14–29 percent of employed refugees mentioned that their current employer was a friend or acquaintance who was known to them before their job, compared to only 4 percent among hosts. This shows that refugees may be hesitant to contact someone unfamiliar (a potential employer) because of their precarious status in the labor market. The reliance on existing social networks further adds to the challenge of matching refugees with jobs that suit their skills because available opportunities are limited to a contact’s knowledge of job openings.

It is more likely for higher-skilled jobs (which generally match hosts’ educational profiles better) to be advertised and accessed through formal channels. This corresponds with a large share of hosts reporting that their current job was found through formal channels such as vacancy advertisements in newspapers or by contacting public employment offices or employers directly.

FIGURE 2.8: MODE OF ACCESSING OR APPLYING FOR CURRENT JOB, BY STRATUM



Regularity of Wage Work

Refugees—particularly refugee women—tend to work fewer hours than host community members.

On average, refugees in wage employment work fewer than 45 hours per week—the average for host community workers (figure 2.9). Host community male workers worked an average of 47 hours a week as compared to 32 hours for Rohingya men, 44 hours for non-Rohingya Myanmar men, and 49 hours for non-Myanmar refugee men. On the other hand, whereas women in the host community worked an average of 45 hours per week, this number ranged from 24 hours to 32 hours per week for refugee women from different strata. Refugees therefore also experience higher rates of time-related underemployment than hosts.⁸ Using the 30-hour-per-week benchmark, we find that time-related underemployment is 6 percent among host community households, but it is above 20 percent among refugees and as high as 25 percent among the Rohingya (figure 2.10). The high levels of underemployment among refugees represent an underutilization of labor and human capital, which, if gainfully engaged, could contribute to the well-being of refugee households as well as the economy more broadly.

FIGURE 2.9: HOURS WORKED PER WEEK (ONLY WAGE WORKERS), BY STRATUM

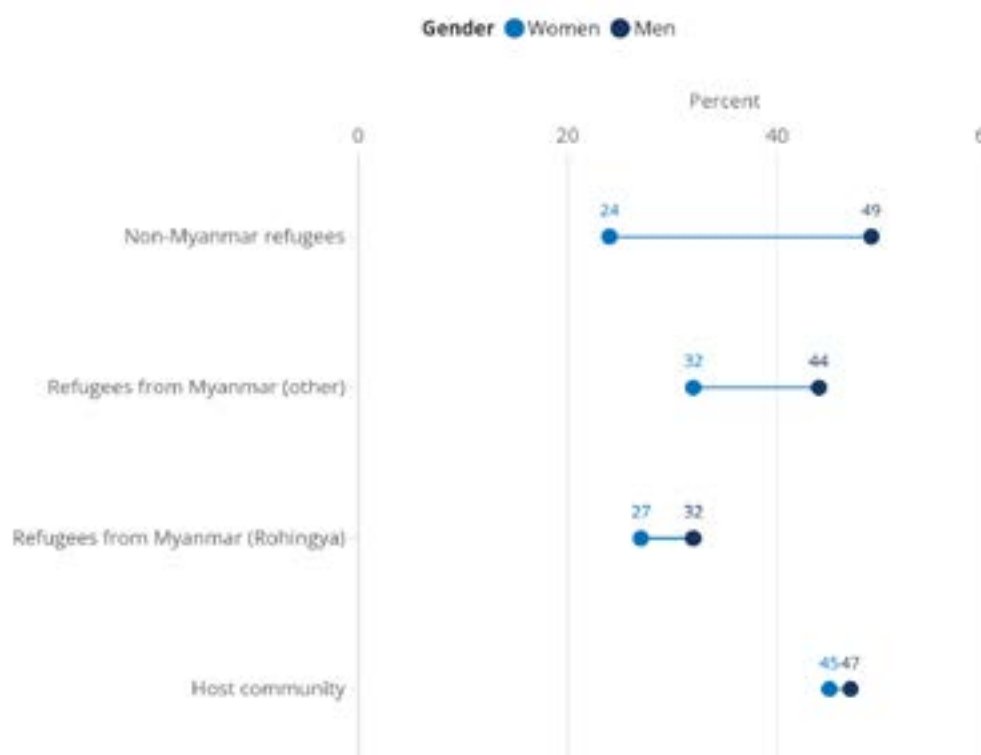
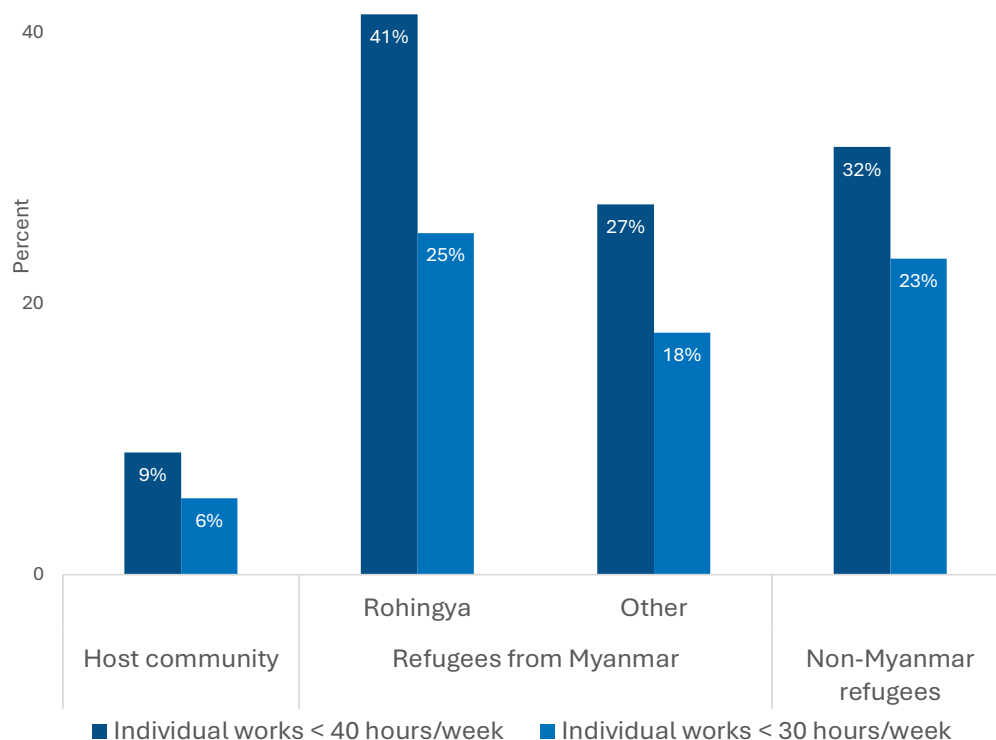
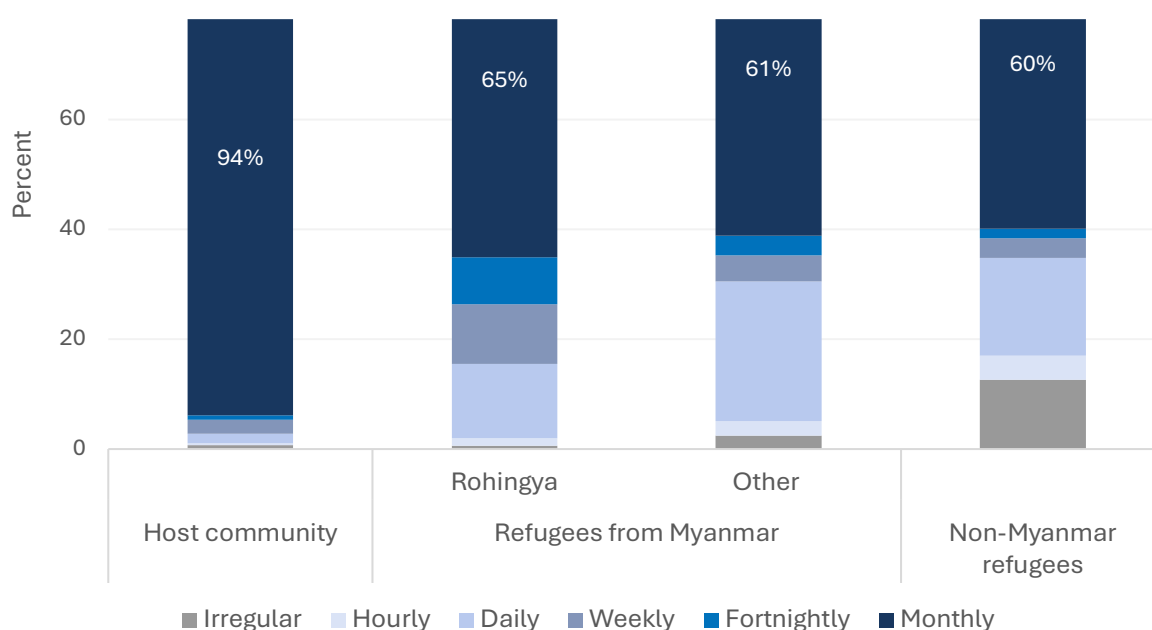


FIGURE 2.10: TIME-RELATED UNDEREMPLOYMENT (ONLY WAGE WORKERS), BY STRATUM

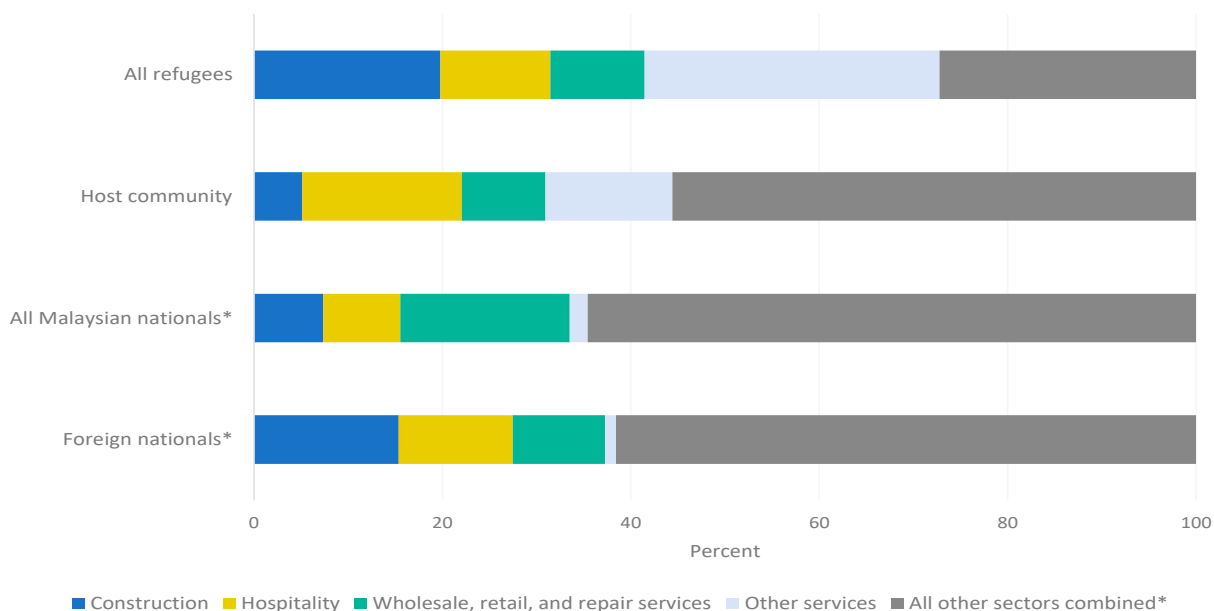
As formal employment is not accessible to refugees, any work they can find tends to be informal and irregular. The analysis shows that while 55 percent of host community workers reported having a written employment contract, less than 2 percent of refugees had a job with a written contract. Other benefits of formal employment, critically including access to social insurance schemes implemented by the Employees Provident Fund (EPF) and the Social Security Organization (SOCSO), are virtually absent among refugees.⁹ Without access to formal jobs, refugees also tend to have more volatile income streams. Whereas over 90 percent of host community workers reported receiving monthly wages, less than two-thirds of refugees reported the same (figure 2.11). Formal employment is associated with a higher level of earnings in the Malaysian economy. A recent study found that formally employed workers earned on average 30 percent more per hour than the informally employed in Malaysia (Ghorpade et al. 2024), even after accounting for sectoral, occupational, location, and worker characteristics. As refugees are typically employed informally, this also means that they tend to earn less than they would if formal employment opportunities were made available to them.

FIGURE 2.11: FREQUENCY OF PAYMENT OF WAGES, BY STRATUM



Sectoral and Occupational Structure of the Workforce

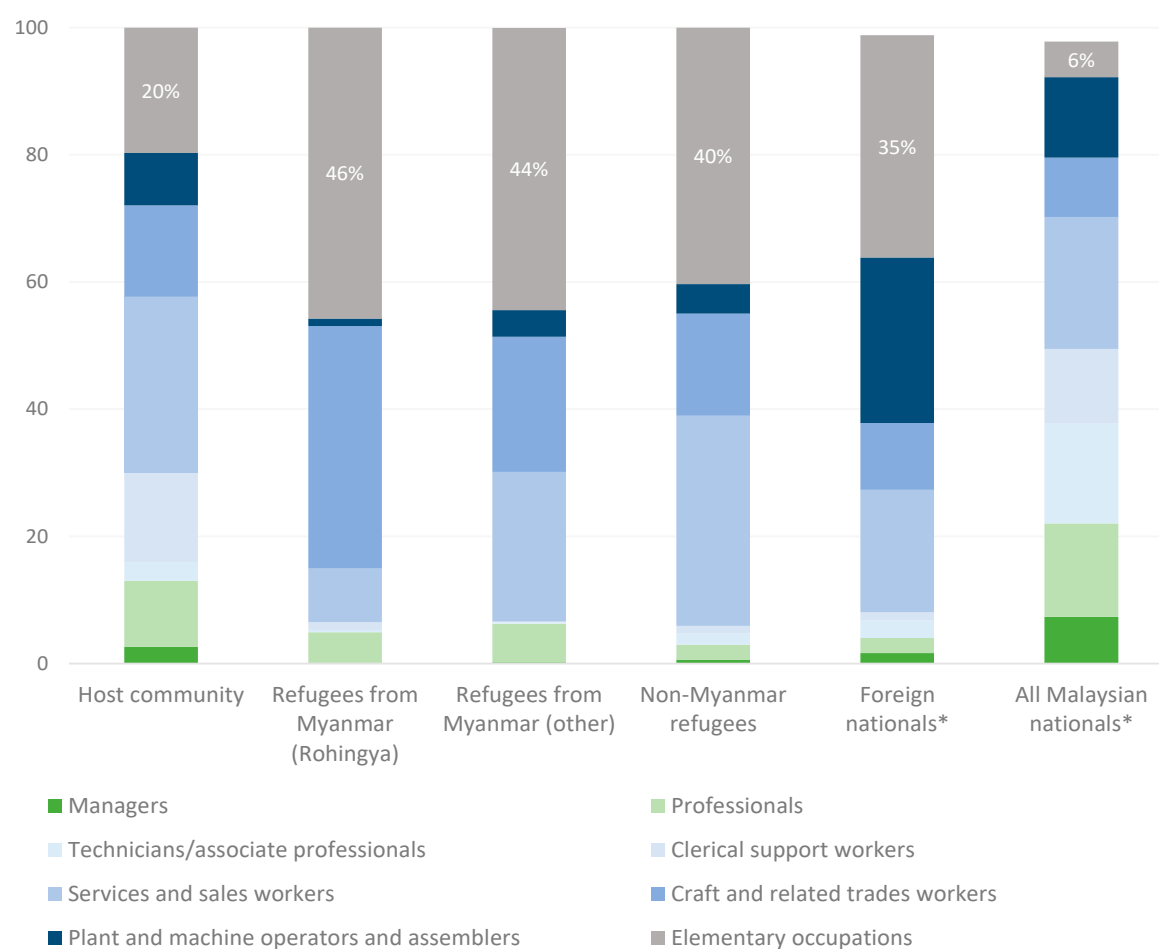
While there is a considerable overlap in sectors of employment between working refugees and hosts, their occupations are often distinct even within the same sector. Across strata, wage employment is the dominant form of employment. Figure 2.12 shows that almost 31 percent of refugees (compared to 13 percent of hosts and only 1 percent of the general Malaysian workforce) work in “other services,” which is a heterogeneous category comprising repair services for personal and household goods and personal service activities. This is followed by the construction; hospitality; and wholesale, retail, and repair services sectors, respectively. Together, these four sectors account for 73 percent of all refugees and 44 percent of host community workers. The education, manufacturing, and transportation and storage sectors account for higher shares of host community employment than they do for refugees. Finally, refugees are virtually absent in several sectors of the economy—including professional, scientific, and technical services; information and communication; finance and insurance; administrative support services; and real estate—but hosts do engage in these sectors. Refugees’ absence from some of these sectors may be in part due to the highly formal nature of employment in some of these activities. This report also presents the sectoral and occupational structure of foreign migrant workers in Malaysia to examine their profile in relation to refugees. In comparison to foreign migrant workers in Malaysia, refugees are less frequently employed in manufacturing, agriculture, and administrative support services and are more frequently employed in sectors such as other services and transportation and storage.

FIGURE 2.12: SECTOR OF EMPLOYMENT: TOP FOUR SECTORS ACCOUNTING FOR REFUGEE EMPLOYMENT, BY STRATUM

Note: Employment categories are from the International Standard Industrial Classification's broad structure categories.

*The last two columns present shares of foreign and Malaysian workers in the sample states across sectors based on estimates from the Malaysia Labor Force Survey 2022, respectively. For the full sectoral distribution of the workforce in each stratum, see table A.1 in appendix A.

When the occupational breakup of the workforce across strata is examined (figure 2.13), it is observed that 44 percent of all refugees work in low-skilled elementary occupations (compared to 20 percent among hosts and 6 percent of the Malaysian workforce in the sample states), and host community workers are more likely engaged in middle-skilled occupations. Thirteen percent of hosts are employed in high-skilled occupations comprising managers and professionals, compared to only 5 percent of refugees. Although the occupational profile of refugees is more similar to foreign migrant workers than to hosts, refugees tend to be engaged slightly more in lower-skilled occupations compared to foreign migrant workers.

FIGURE 2.13: OCCUPATION, BY STRATUM

Note: Occupations are classified based on the Malaysia Standard Classification of Occupations.

*The last two columns present shares of foreign and Malaysian workers in the sample states across occupational categories based on estimates from the Malaysia Labor Force Survey 2022, respectively.



A Myanmar refugee works on a farm in Selangor. Refugees in Malaysia face significant challenges due to their lack of legal status, which limits access to formal employment. ©UNHCR/Ted Adnan

Labor Market Complementarity and Competition between Refugees and Hosts

There are fewer than 189,000 refugees in Malaysia compared to the overall population of over 33 million; thus, these refugees are unlikely to have any significant impact on the Malaysian labor market at the aggregate level. Unlike countries such as Armenia, Colombia, Jordan, and Lebanon, which have hosted refugees at a scale that constitutes a substantial share of their national population, the share of refugees in the Malaysian population is under 0.6 percent (figure B.4, see appendix B). Any aggregate effects of refugee presence in the Malaysian economy are therefore likely to be quite small. Even in districts with relatively higher concentrations of refugees (chosen as sample districts in the HARMONY Survey), they constitute no more than 1 percent of the total population. They also tend to have vastly different demographic profiles: refugees are on average younger and less educated as compared to the older and higher-skilled Malaysian population. **As such, we would expect these factors to result in greater labor market complementarities than in outright competition between refugees and hosts.**

Even in sectors with a considerable presence of both host and refugee workers, the occupations pursued by these groups are often quite different, indicating only a limited extent of direct labor market competition between refugees and hosts. This report examined the top 10 occupations of refugees, hosts, and foreign migrant workers¹⁰ in the four sectors with greatest overlap of the two groups (i.e., other services; hospitality; construction; and wholesale, retail, and repair services). Together, these four sectors account for 73 percent of all employed refugees, and 44 percent of host community workers. However, the occupations taken up by refugees and hosts across these four sectors are typically not the same, indicating some—but not pronounced—evidence of competition (table C.2, see appendix C):

- **Other services.** In the “other services” sector, the only overlap of occupations in the top 10 jobs of refugees and hosts are among cleaning workers, security guards, and street and related service workers. In this sector, hosts tend to take up other jobs, including those of delivery workers, shop sales assistants, and hairdressers, which do not appear to employ many refugees. In contrast, refugees often work as sweepers, garbage collectors, and manufacturing laborers—jobs that are typically not taken up by Malaysians. Refugees also overlap with foreign migrant workers in some occupations, such as cleaning workers and sweepers.
- **Hospitality.** The hospitality sector shows a greater overlap of occupations in jobs, including cooks, waiters, street food salespersons, and delivery workers. In this sector, hosts tend to take up jobs that require public interface, such as shop sales assistants, shop supervisors, cashiers, and shopkeepers. Refugees work more often in back-end roles that do not involve customer interface, such as kitchen and cleaning workers and assemblers. “Kitchen helper” features among the top occupations for refugees and foreign migrant workers, but not for hosts.
- **Construction.** In the construction sector, a large share (roughly 40 percent) of both hosts and refugees works as housebuilders, indicating greater potential competition between these groups for this job. Some workers in both groups also work as machinery mechanics and repairers. However, even in this sector, hosts tend to take on more clerical and public-facing jobs, and refugees work as different types of laborers. In contrast, a greater overlap is found between refugees and foreign migrant workers in occupations such as carpenters, joiners, bricklayers, and painters.

- Wholesale, retail, and repair services.** Common occupations between refugees and hosts in this sector include motor vehicle mechanics and repairers (top occupation for both groups), shop sales assistants, and street and related service workers. Aside from these occupations, hosts tend to work more as salespersons, shopkeepers, clerical support workers, and cashiers, whereas refugees perform a range of elementary occupations, including assembling and cleaning.

Labor Income

Workers from the host community tend to earn about twice as much as refugees per month, partly—but not entirely—because they also work longer hours on average. The average host community worker in the sample earned a monthly income of RM 2,604 (US\$552),¹¹ compared to RM 1,400 (US\$297) or lower for refugees (figure 2.14). Part of this difference in earnings may be due to underemployment among refugees because they work fewer hours than hosts on average. However, even after adjusting for hours of work, we see that hosts tend to earn slightly higher level of wages per hour worked. Hosts earn a little under RM 16 per hour, whereas all refugees combined earn between RM 9 and RM 15 per hour (figure 2.15). This crude difference in hourly earnings could be due to differences in the kind of work performed by the two groups, formality status, and other observable and unobservable worker attributes.

FIGURE 2.14: MONTHLY INCOME FOR WAGE WORKERS, BY STRATUM

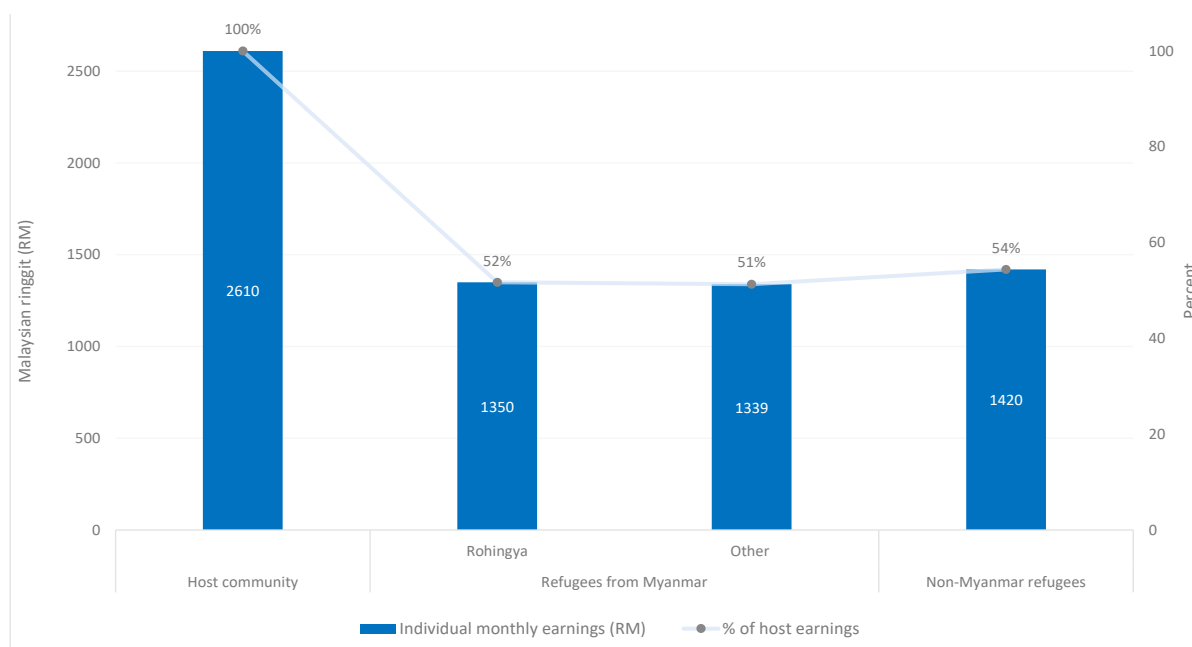
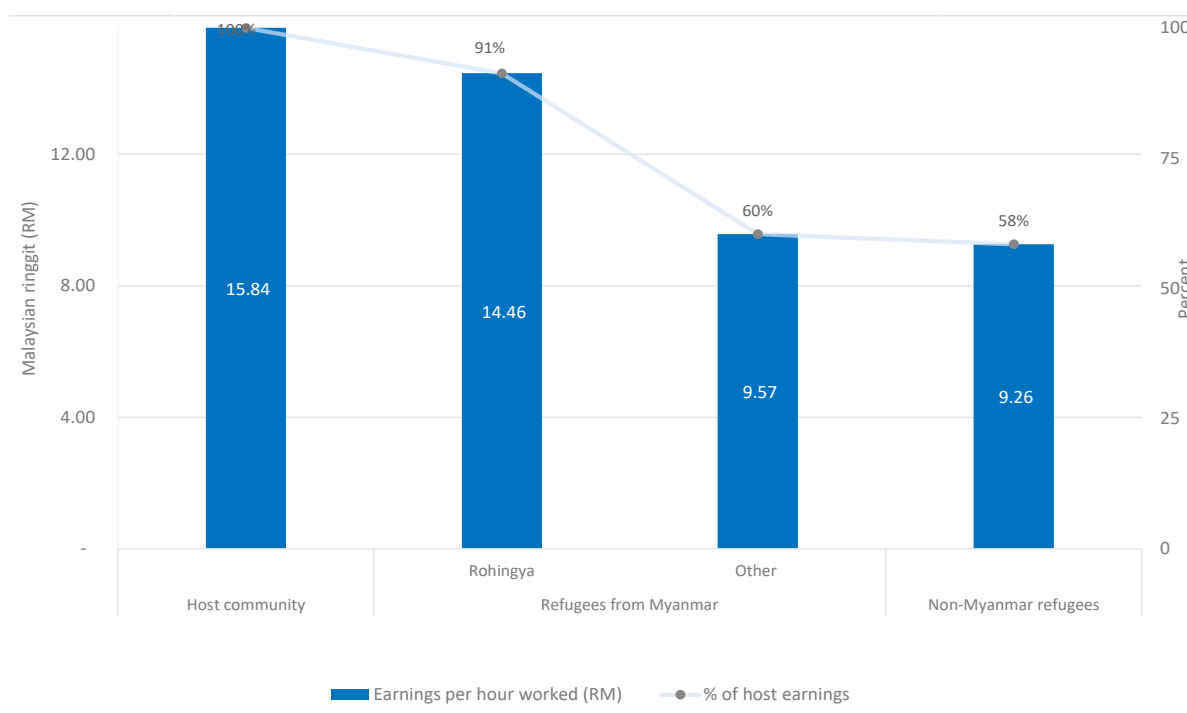


FIGURE 2.15: INCOME PER HOUR WORKED FOR WAGE WORKERS, BY STRATUM

Note: Data are for those who work at least five hours per week.

Among those who work as employers or are self-employed, monthly earnings (comprising profits of enterprises or businesses or fees of the self-employed) were found to be much higher among hosts compared to refugees. Refugees' incomes from businesses or self-employment amount to less than 40 percent that of hosts. This difference suggests that refugee-owned businesses are small and with low productivity and that refugees have limited options to generate sufficient incomes through self-employment. These findings do not indicate great potential for self-employment and business generation strategies to enhance labor productivity among refugees in addition to the lack of access under current regulations.

Wage Differentials

Even after controlling for demographic, sector, occupation, and state characteristics, all refugee groups were found to earn substantially lower wages per month compared to hosts and slightly lower wages per hour worked. To test whether refugee status and informal working conditions are correlated with reduced income, a regression analysis was conducted to examine the relationship between monthly and hourly earnings and various worker characteristics. Table C.1 (see appendix C) shows the summarized output. After controlling for age, gender, level of education, occupation, sector of employment, state of residence in Malaysia, and hours worked in the last month, all three refugee strata earn significantly less per month compared to hosts—by around RM 800 on average (Table 2.1). The hourly wages of refugees are lower than those of hosts by RM 2.71 on average, even when analyzing the correlates of wages per hour worked. This is mostly driven by non-Rohingya refugee groups. Overall, this suggests that although the difference in earnings between refugees and hosts is largely attributable to the lower hours of work performed by and available to refugees, evidence also indicates that refugees earn lower wages per hour compared to hosts than what would be explained by their demographic, location, and job characteristics.

TABLE 2.1: ORDINARY LEAST SQUARES REGRESSION: CORRELATES OF (LOG) MONTHLY AND HOURLY WAGES—ONLY WAGE WORKERS

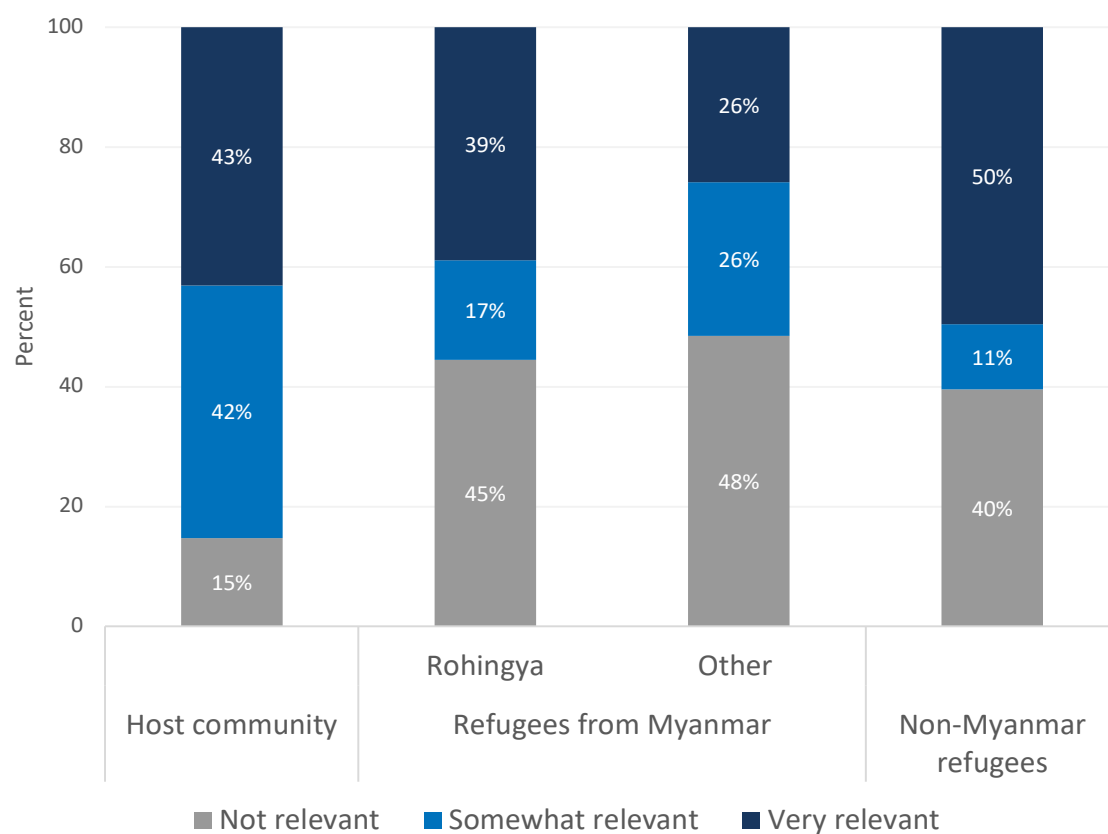
	Log monthly earnings (RM)		Log hourly earnings (RM)	
All refugees combined	-0.51*** (0.06)	-	-0.31*** (0.06)	-
Rohingya refugees (ref: hosts)	-	-0.32*** (0.05)	-	-0.10 (0.06)
Other refugees from Myanmar (ref: hosts)	-	-0.50*** (0.05)	-	-0.34*** (0.06)
Refugees from other countries (ref: hosts)	-	-0.68*** (0.11)	-	-0.44*** (0.12)
Hours worked per month	0.003*** (0.00)	0.003*** (0.00)	-	-
Mean (full sample)	7.40	7.40	2.36	2.36
N	2342	2342	2321	2321

Note: Base category: host community households. Standard errors are clustered at the household level and indicated in parentheses. Controls include age, gender, level of education, occupation, sector of employment, and state dummies.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Another cause for the wage difference could relate to labor market mismatches that result in refugees taking jobs that are not relevant to their skills. When asked to what extent does their current job make use of their skills and training, over 40 percent of refugees report that their skills and training are not very relevant to their work, compared to only 15 percent among hosts (figure 2.16).

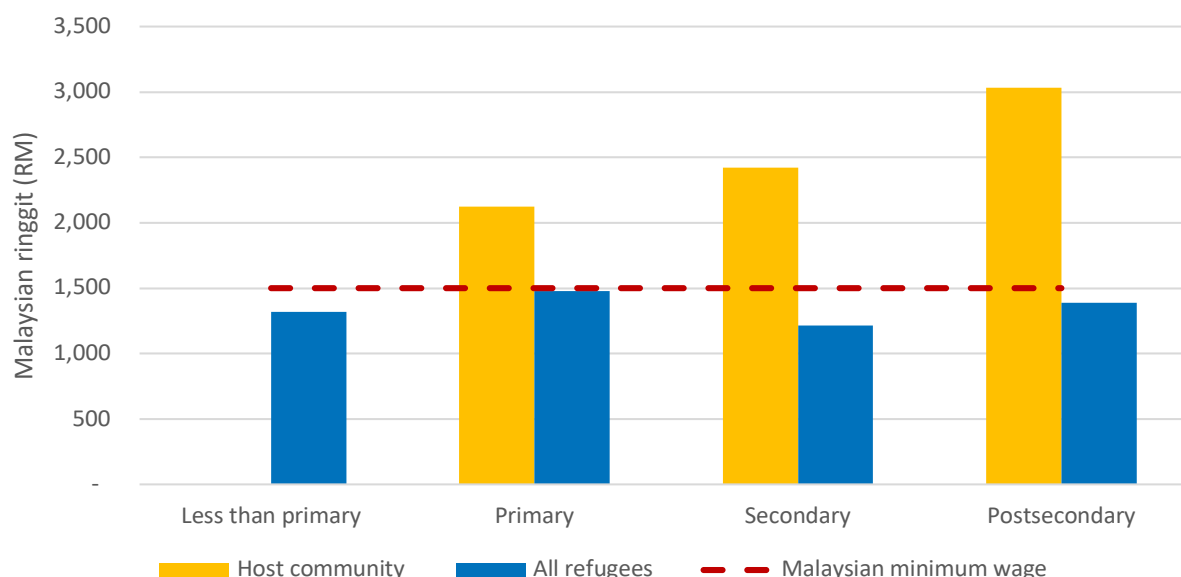
FIGURE 2.16: RELEVANCE OF SKILLS/TRAINING TO JOB, BY STRATUM



Returns to Schooling for Wage Workers

Higher levels of schooling are correlated with higher earnings for host community members but not for refugees, reflecting an underutilization of the latter's human capital. The average monthly earnings in the host communities rise steadily as education levels increase from primary to secondary and beyond, but the earnings profile remains relatively flat for all three refugee strata and just a bit under the national minimum wage (figure 2.17). This is confirmed by ordinary least squares regression analysis that examines the correlates of hourly earnings on the number of years of schooling completed (table C.2, see appendix C). It shows that every additional year of schooling completed by host community workers increases hourly earnings by 6 percent, indicating that higher educational attainment clearly improves economic prospects among hosts. In contrast, additional years of completed schooling do not appear to increase the level of earnings per hour among refugees overall. This is a worrying finding because it suggests that without positive returns to education, refugees may underinvest in schooling, which in turn can perpetuate low labor force participation, low productivity, poverty, and weaker economic integration. These implications extend beyond the present and into future contexts as well, such as when return to their home countries is possible, or if resettlement is availed to them. It also points to the underutilization of refugees' skills and labor in the Malaysian economy.

FIGURE 2.17: AVERAGE MONTHLY EARNINGS BY LEVEL OF EDUCATIONAL ATTAINMENT FOR REFUGEES AND HOSTS



Note: Minimum wage benchmark fixed at RM 1,500 as at time of the survey. There were too few observations of hosts with less than primary education; hence, they were excluded from the chart. “Less than primary” includes religious education.

Labor Market Transitions over the Course of Displacement

The experience of displacement from their countries of origin to Malaysia can result in significant shifts in the labor market status of refugees. Changes in the sector of employment can be particularly dramatic. They demonstrate how refugees adapt to a new economic setting that presents a different set of livelihood opportunities compared to their areas of origin, especially because refugees in Malaysia do not have the right to access formal employment. This, in turn, can indicate skills mismatches and potential occupational downgrading that limit the labor market integration and earnings potential of refugees. Figures B.5–B.7 (see appendix B) depict transitions in the sector of employment for the three refugee groups between their most recent labor market and employment status before displacement from their country of origin (asked retrospectively in the survey) and their current status (i.e., at the time of the survey). Figure B.8 similarly depicts occupational transitions using the International Standard Classification of Occupations (ISCO) one-digit-level classification of occupations.

- **Rohingya refugees:** Rohingya refugees who were working in agriculture before displacement transition to the construction and other services sectors or become inactive. Although the vast majority of those who were economically inactive before displacement remain inactive, those who enter the workforce typically find employment in the construction and other services sectors. Those in the hospitality and transportation and storage sectors before displacement tend to continue to be engaged in these sectors in Malaysia.
- **Non-Rohingya refugees from Myanmar:** Non-Rohingya refugees from Myanmar that start working in Malaysia tend to be employed in the services and wholesale, retail, and repairs sectors. Fewer among this group are in the construction sector, both before displacement and currently, compared to the Rohingya. Those previously in agriculture tend to transition to other services or become inactive.
- **Refugees from other countries:** New entrants in the workforce from this stratum (i.e., those not working before displacement) tend to find employment in the hospitality and other services sectors. Those who worked in professional services before displacement tend to move to potentially less skilled work in other services and in hospitality. Some of those working in health care and related services and in manufacturing before displacement have become inactive in Malaysia, again reflecting a potential underutilization of skills that could contribute to the Malaysian economy.



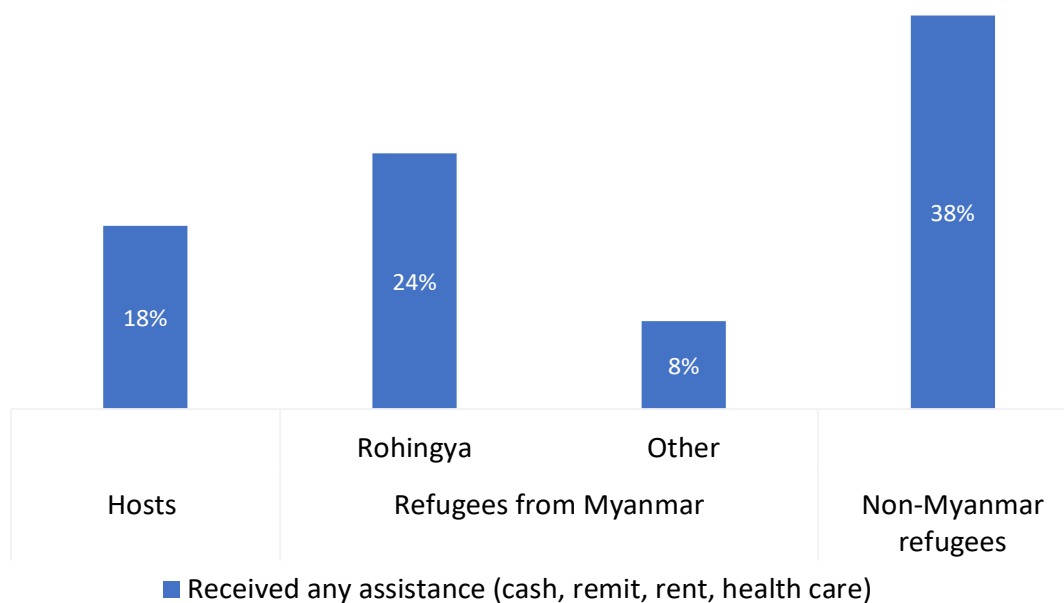
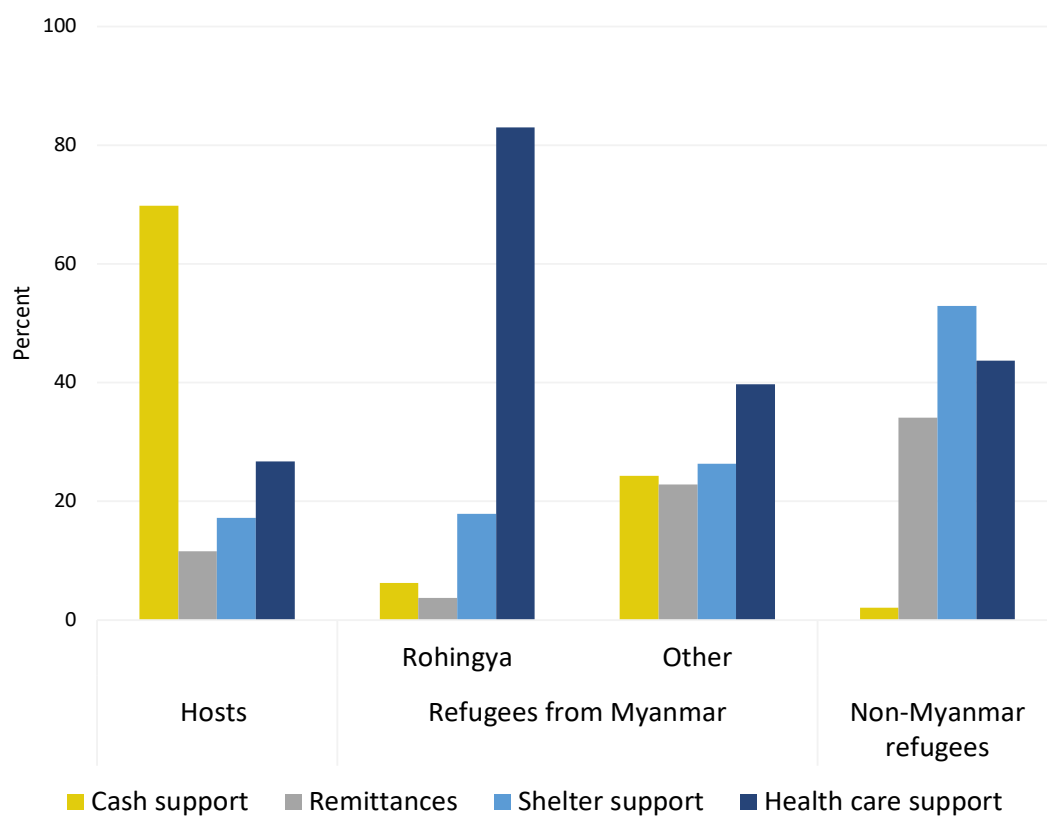
A Myanmar refugee focuses on her work as a tailor in Kuala Lumpur. © UNHCR/ Natalia Lazaro

3. Well-Being

Section 3 focuses on the survey findings related to the economic well-being of refugees and host communities in Malaysia. In the context of limited support to refugee households through public or private transfers, income earned through informal employment or self-employment opportunities is the main source of sustenance. This section examines refugee and host households' per capita income levels, living conditions and asset ownership, experience and extent of food insecurity, and access to basic services such as education and health care. Together, these provide a detailed overview of the well-being of refugee and host communities residing in Malaysia.

Sources of Income

For both hosts and refugees, wages constitute the main source of income for their households. The share of wages in total household income is 90 percent for host communities and 88 percent for refugees. This may contrast with perceptions that refugees are highly dependent on remittances or aid from agencies or nongovernmental organizations (NGOs). In fact, for all refugee groups, only 1 percent of income comes from cash assistance and 3 percent from remittances, whereas for hosts these sources account for 2 percent and 1 percent, respectively. Furthermore, although many refugee households are considered to be in poverty using national thresholds (see the following section), the share of households that had received some form of assistance—such as cash, remittances, rent, or health care¹²—varied from 8 percent to 38 percent across the three refugee groups (figure 3.1). When breaking this down further to the type of assistance received by different groups, 12 percent of households in the host community received cash transfers, compared to around 1.5 percent for Rohingya refugees, 2.1 percent for non-Rohingya Myanmar refugees, and 0.8 percent for other refugees (figure 3.2). National cash transfer programs only target citizens who are captured in government databases and are thereby not accessible to refugees. Cash assistance for refugees is available through NGOs and agencies, but programs tend to be small scale, short term and ad hoc. Other types of assistance are more commonly received by refugees, though this varies by strata. This assistance generally comes from a small number of organizations offering shelter or health care support targeting refugees. Around 20 percent of Rohingya refugee households that sought health care received health care support, whereas this share is only 3 percent for other Myanmar refugees. For refugee households not from Myanmar, close to 20 percent received shelter support, followed by health care and remittances.

FIGURE 3.1: SHARE OF HOUSEHOLDS RECEIVING ANY ASSISTANCE, BY STRATUM**FIGURE 3.2: TYPE OF ASSISTANCE RECEIVED BY HOUSEHOLDS, BY STRATUM**

Income Levels

Refugee households earn significantly less compared to host community households, both in total and per capita income terms, and they experience much higher levels of poverty (figures 3.3 and 3.4).

Whereas the average household income for host communities is RM 4,128, this ranges between RM 1,604 and RM 1,139 across the different refugee strata. Similarly, in per capita terms, refugee incomes are less than 40 percent that of host communities, indicating a stark difference in welfare. This is even more significant when we compare refugees to the full Malaysian population, considering that households included in this survey's definition of host communities are poorer than the national average. When comparing the incomes of the sample to the national decile thresholds from the Household Income Survey 2022, more than 80 percent of refugee households across all strata are found to fall in the bottom 20 percent of the Malaysian income distribution, compared to 37 percent of host communities (figure 3.5). Moreover, the highest-earning host community household has more than three times the income of the highest-earning Rohingya refugee household. This implies that income-generating opportunities for refugees may be severely limited, exacerbating their economic challenges.

Refugees are overwhelmingly below the national poverty line of Malaysia. Applying the 2022 national poverty line to the HARMONY Survey (RM 2,589), this report finds that around 27 percent of host community households and as much as 93 percent of refugee households can be indicatively considered to be living below the poverty line.¹³ This disparity underscores the pervasive issue of poverty among refugee populations. Not only are they more likely to be in absolute poverty, but they are also more likely to be in “hardcore” poverty (defined as those with household incomes lower than the Food Poverty Line Index, at RM 1,198 in 2022). Effectively, 28 percent of refugee households are in hardcore poverty compared with 3 percent of host community households. This disparity in household economic conditions is also visible in terms of a subjective assessment of income shortfalls with respect to households' basic requirements. When asked about the minimum income necessary to meet household needs, it can be seen from figure 3.3 that refugee households' actual income often falls short of the income level they deem necessary to meet basic requirements. In contrast, hosts' income levels are, on average, slightly higher than what they believe would be necessary to meet their basic requirements. With the income opportunities currently available to refugees, they are not able to meet their basic needs.

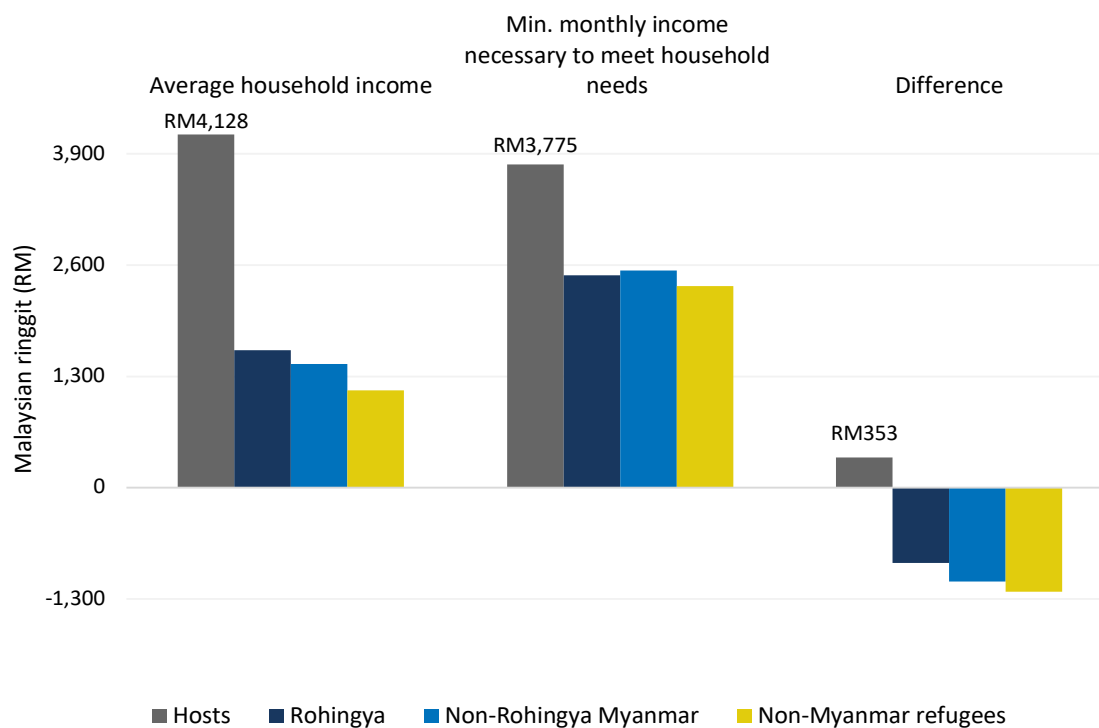
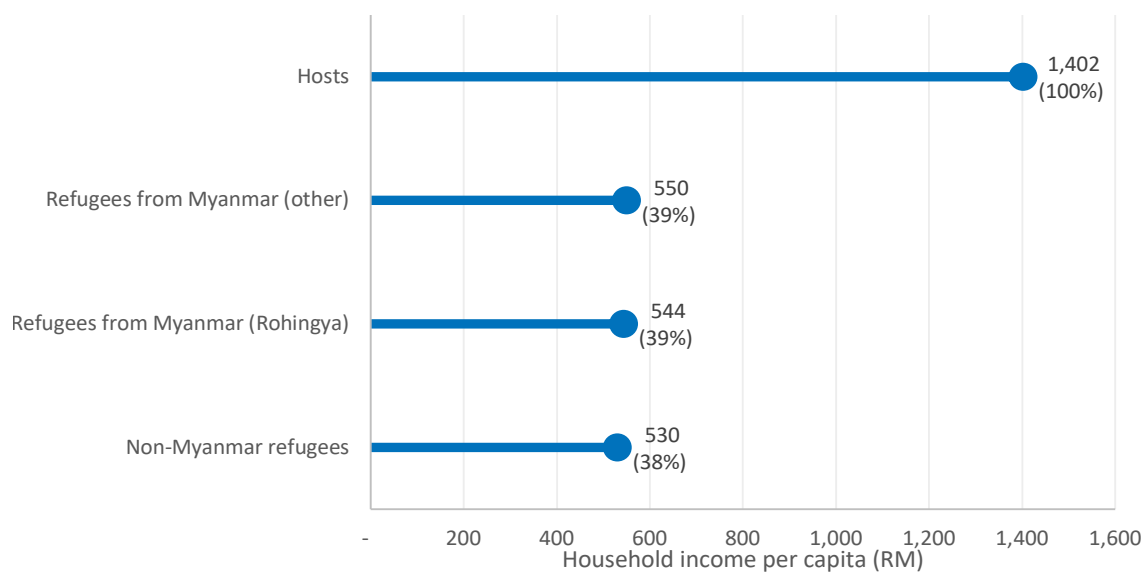
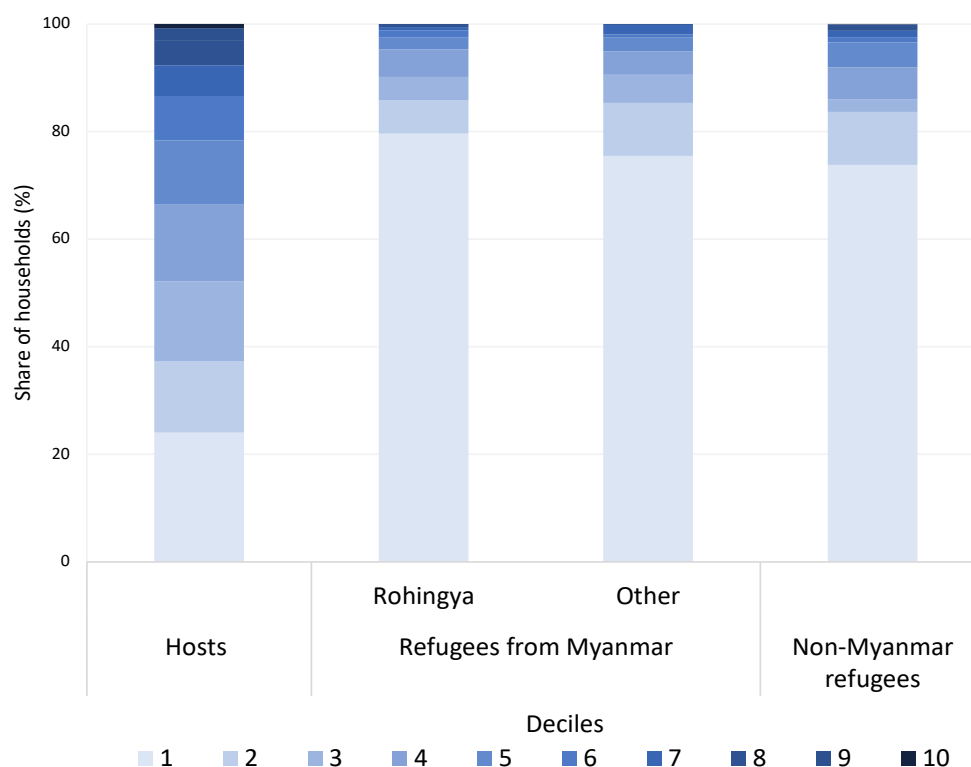
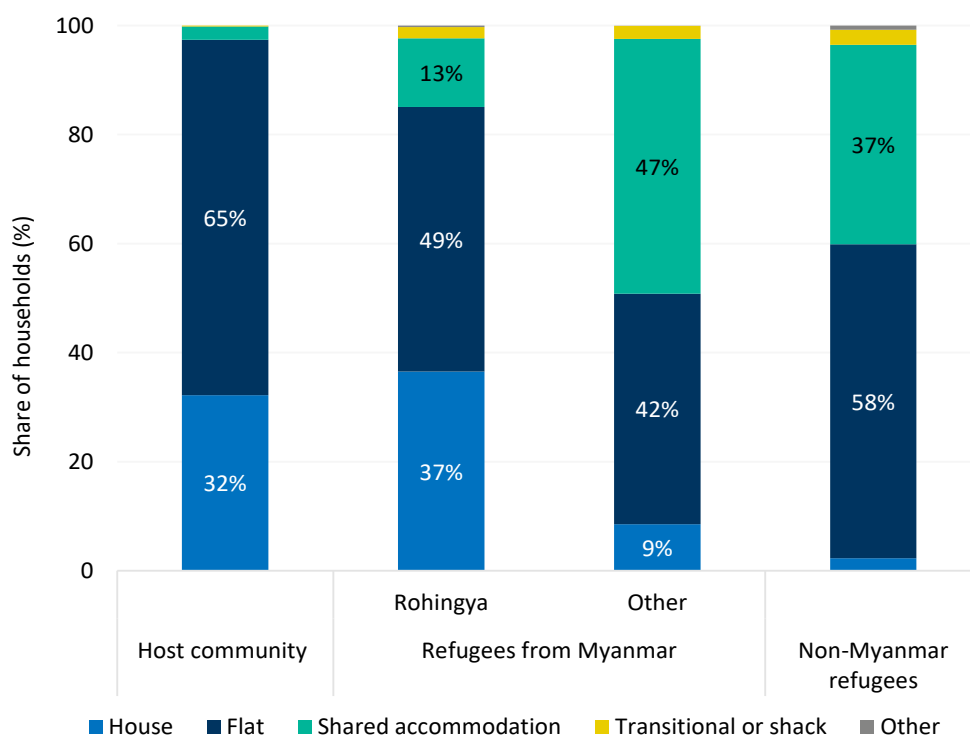
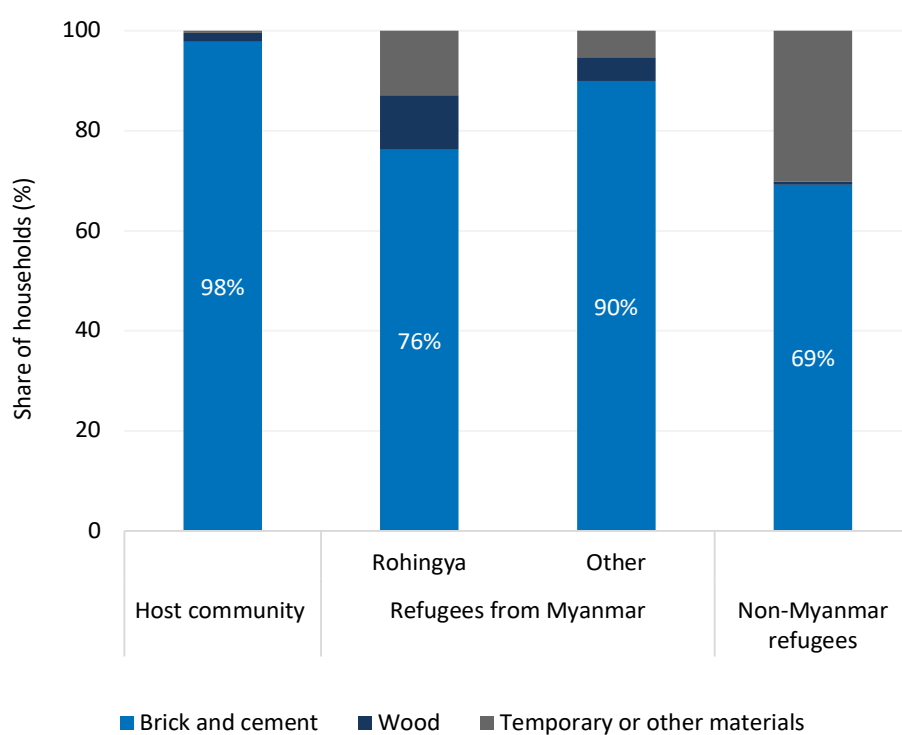
FIGURE 3.3: MONTHLY INCOME AND MINIMUM INCOME NECESSARY TO MEET HOUSEHOLD NEEDS, BY STRATUM**FIGURE 3.4: AVERAGE HOUSEHOLD INCOME PER CAPITA IN MALAYSIAN RINGGIT (RM) AND AS PERCENTAGE OF HOSTS' INCOME, BY STRATUM**

FIGURE 3.5: SHARE OF HOUSEHOLDS BY NATIONAL INCOME DECILE THRESHOLDS, BY STRATUM

Note: The national income deciles were based on deciles from the Household Income Survey 2022 report. The deciles were then adjusted for inflation for the first quarter of 2023, when the data was collected.

Living Conditions and Asset Ownership

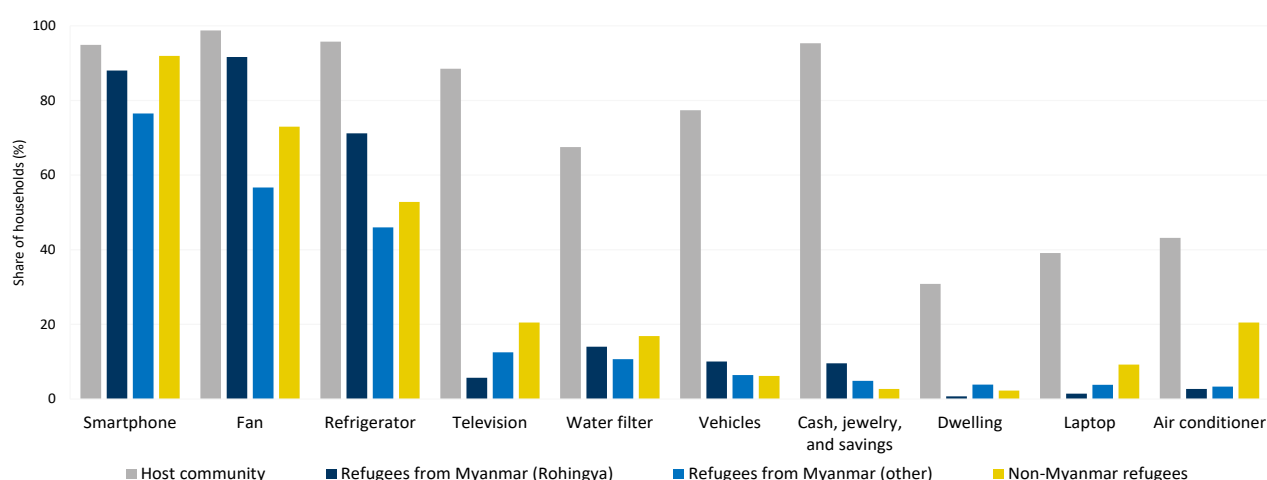
Survey findings indicate that refugee households do not have the same access to housing and basic services as host communities. Figure 3.6 highlights that a majority of host communities live in either a house or flat, whereas refugee households are more likely to live in flats and shared accommodations (i.e., a room in a flat or a hostel room). Most households in the sample live in dwellings made of brick and cement; however, between 5 percent and 30 percent of refugee households live in dwellings made of temporary materials such as straw, bamboo, polyethylene, tin, canvas, or mud (figure 3.7). In Johor, Kuala Lumpur, and Selangor, around 19–34 percent of Rohingya and non-Myanmar refugee households live in dwellings made of temporary materials. Furthermore, whereas 51 percent of host communities own their current homes, 95 percent of refugees rent. Although access to electricity is near universal for all households, there is a difference observed in access to treated water: it is available to 93 percent of host communities compared to 80 percent of non-Rohingya refugees from Myanmar, 69 percent of Rohingya refugees, and 54 percent of non-Myanmar refugees.

FIGURE 3.6: SHARE OF HOUSEHOLDS BY HOUSING TYPE, BY STRATUM**FIGURE 3.7: SHARE OF HOUSEHOLDS BY MATERIAL OF DWELLING, BY STRATUM**

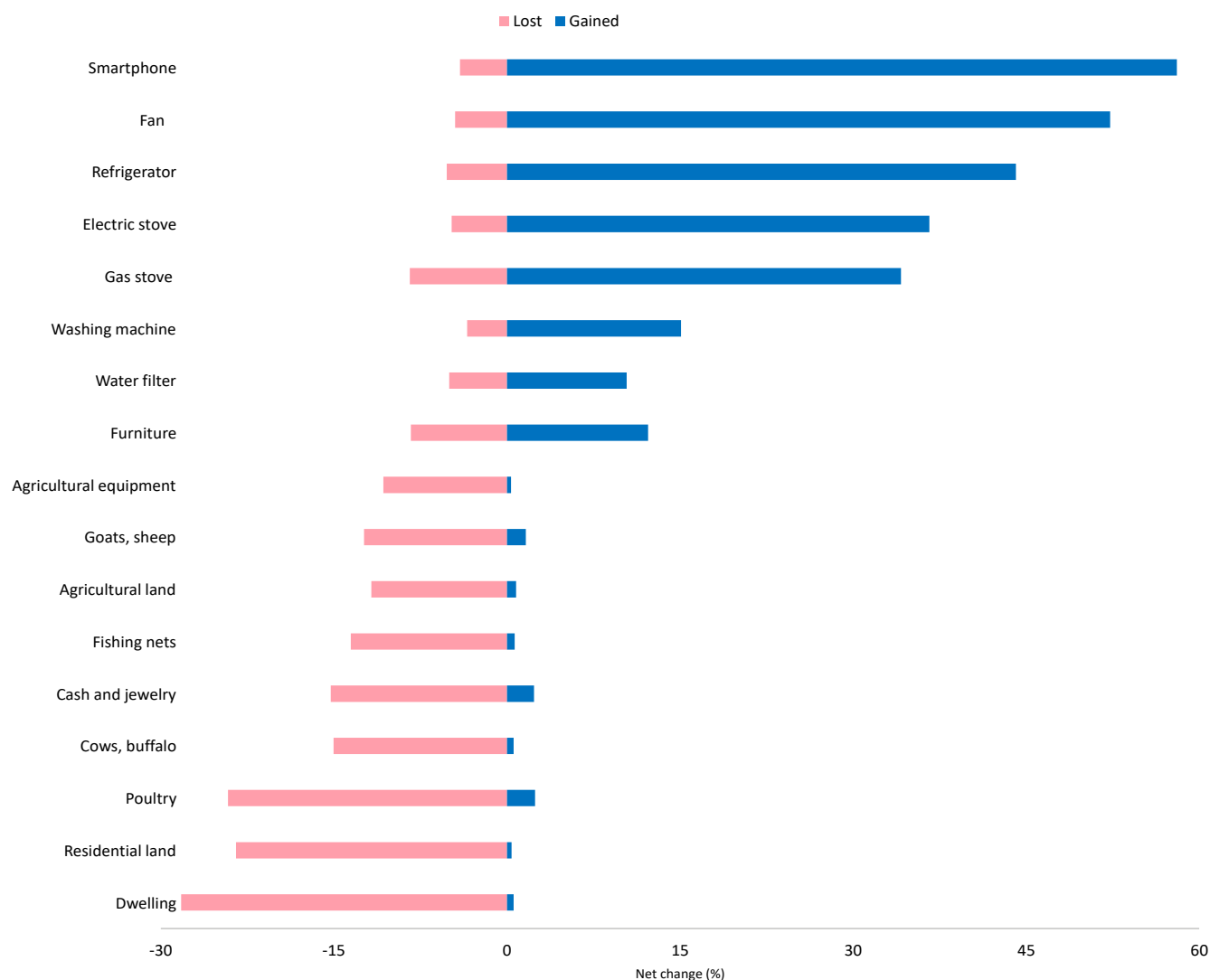
Asset ownership among refugees is typically low compared to host community households, and refugees lose fixed assets such as dwellings and land as well as livestock due to displacement.

Consistent with higher income levels among host community households, these households were also observed to own more assets compared to refugees. As an example, figure 3.8 shows rates of ownership of select assets among refugees and hosts. Although refugees' ownership of smartphones and fans is fairly similar to that of the host population, there are large gaps for assets such as televisions, water filters, vehicles, savings, dwellings, laptops, and air conditioners. Affordability constraints aside, the lack of legal framework also means that refugees are not able to own property/dwellings or vehicles, nor are they able to access financing services given their constrained access to financial services.

FIGURE 3.8: SHARE OF HOUSEHOLDS AND OWNERSHIP OF SELECTED ASSETS, BY STRATUM



There are perceptible changes in asset ownership patterns among refugees over the course of displacement. Comparing recall-based data on household asset ownership prior to displacement with data on assets owned currently, figure 3.9 illustrates gains and losses in asset ownership among households. This comparison highlights the dynamic process through which individuals lose certain assets in their country of origin while acquiring new ones upon their arrival in Malaysia. The biggest losses of assets over the course of displacement pertain to dwellings, residential land, jewelry, agricultural equipment, and livestock items such as poultry and cows. On the other hand, refugees report higher rates of ownership of assets such as electrical and electronic household appliances and smartphones in Malaysia than before displacement. The data reflects the change in contexts, as especially Rohingya refugees typically move from a rural to an urban setting, as well as the current context, which prohibits landownership by refugees.

FIGURE 3.9: GAINS AND LOSSES OF SELECTED ASSETS OVER THE COURSE OF DISPLACEMENT, ALL REFUGEE HOUSEHOLDS

Note: The bar chart represents the average net change in assets gained and lost during displacement. For example, on average, 28 percent of refugee households lost their dwellings at the country of origin and did not own any dwellings upon arrival in Malaysia. In contrast, 4 percent of refugee households lost their smartphones as a result of displacement, and 58 percent of refugee households gained a smartphone. In total, there was a net gain of 54 percent of refugee households owning a smartphone.

Food Security

Refugee households exhibit a significantly heightened likelihood of severe food insecurity and tend to deploy more damaging coping strategies. This report examines two key indices to gauge food insecurity: the Household Food Insecurity Access Scale (HFIAS) and the reduced Coping Strategies Index (rCSI). The two indicators serve complementary roles: HFIAS assesses the adequacy of food access and availability within households, whereas the rCSI evaluates the frequency and severity of coping strategies that households implement in response to food shortages or inadequate food access. A higher rCSI indicates that households adopted more strategies to deal with the shortage of or access to food in the past week and adopted severe strategies more frequently. Using the HFIAS, figure 3.10 shows that more than 53 percent of refugee households are severely food insecure, contrasting starkly with only 4 percent among hosts. Most local community households are generally food secure. On the other hand, the median rCSI score displayed in figure 3.11 highlights that refugee households have scores above the “high coping” threshold, indicating severe food insecurity. Refugee households were also more likely to resort to more damaging coping strategies, as indicated in figure 3.12. In particular, more than 50 percent of refugee households indicated that they ate a limited variety of food items, had foods that were undesirable, and ate smaller and fewer meals. Additionally, more than 24 percent of refugee households reported having gone a whole day and night without eating during the four-week recall period, compared to 1.5 percent of hosts, underscoring the severity of their food insecurity. The only food insecurity indicator that affected more than 10 percent of the host population relates to worrying about not having enough food. Across all other indicators, the very high prevalence of food insecurity among refugees contrasts with the very low prevalence among hosts.

FIGURE 3.10: HOUSEHOLD FOOD SECURITY STATUS USING THE HFIAS, BY STRATUM

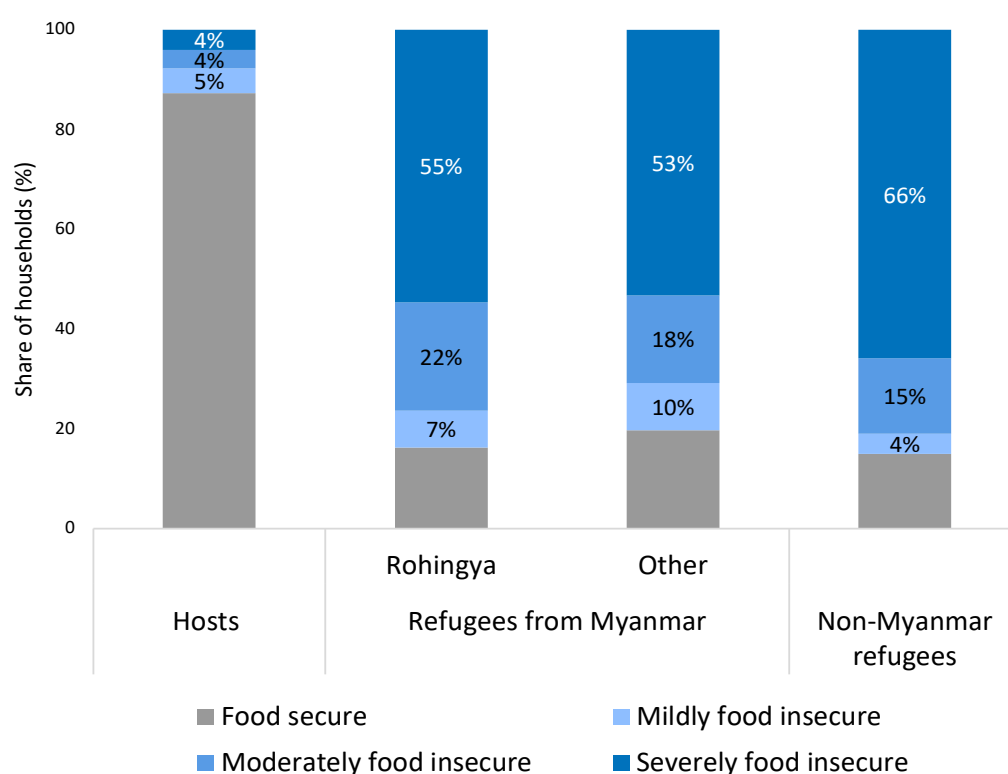
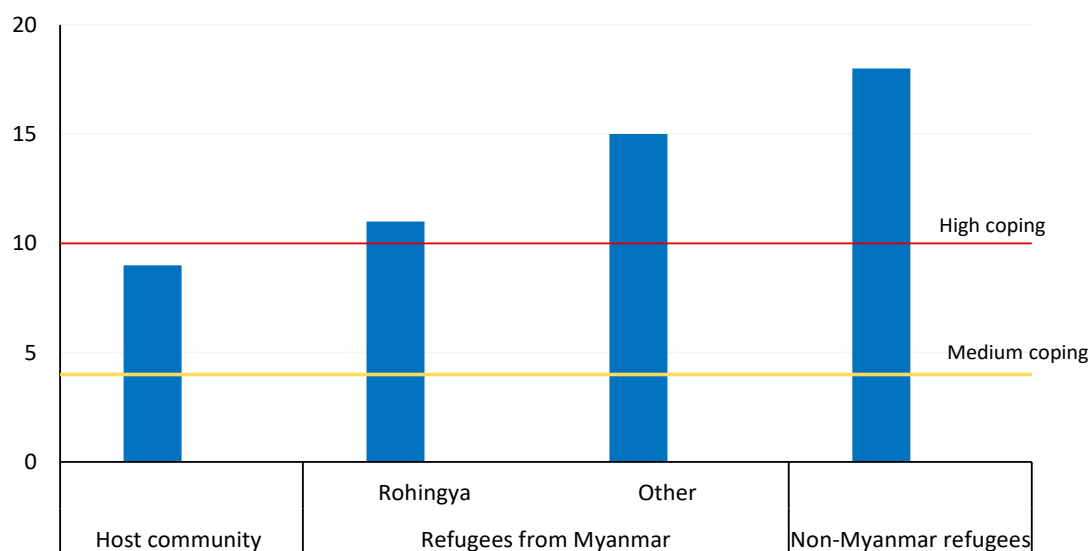
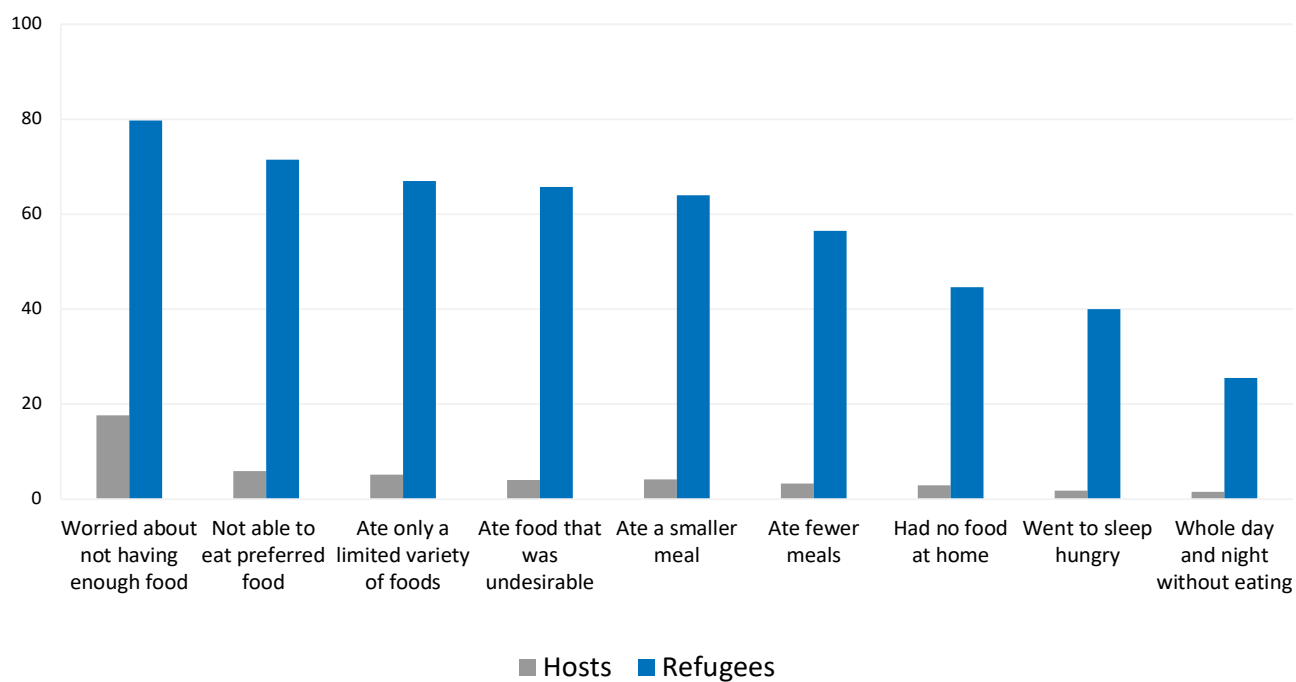


FIGURE 3.11: MEDIAN RCSI SCORE, BY STRATUM**FIGURE 3.12: HOUSEHOLD COPING STRATEGY UTILIZED DUE TO FOOD INSECURITY, BY STRATUM**



Lujain, a Palestinian Syrian refugee, volunteers as a teacher in an alternative learning center. © UNHCR/ Natalia Lazaro

Access to Education

Educational enrollment and attainment rates are much lower for refugee groups than host communities, reflecting a big gap in access. Public schooling available to citizens is not accessible to refugee and asylum-seeking children. In fact, a government circular that regulates the admission of both undocumented children with one Malaysian parent and non-Malaysian children to national schools does not apply to refugee and asylum-seeking children (ASDP 2023). As figure 3.13 shows, individuals between the ages of 6 and 21 from the host community are more likely to be currently enrolled in school compared to those from refugee groups, with a higher share of Rohingya children reporting to never have attended school.

Although nearly all children currently attending school from the host community receive formal education through public schools, refugee children on the other hand seek education informally through private or NGO-run institutions referred to as alternative learning centers (ALCs). A sizable share of children refugees from Myanmar attends religious-based educational institutions, otherwise known as madrassas (figures 3.14 and 3.15). Among children from Myanmar refugee groups, around 11 percent of primary-age children (6–12 years) and 17–24 percent of secondary-age children (13–17 years) attended madrassas. The Asia Displacement Solutions Platform (2023) found that many ALCs tend to be underfunded, indicating the urgent gap in resources required to sustain an informal education system with needs ranging from procuring learning materials and equipment to training and compensating teachers. Such constraints to access likely contribute to the low school enrollment rates among refugee children. This is further examined by specific age in figure 3.16, which shows the share of individuals that is currently attending school at each year of age between 6 and 21 years. Although it is clear that enrollment is near universal for host community children for most of the primary and secondary years, this is far from the reality for refugee children—particularly for Rohingya children, who begin to exit school after the age of nine. As a result, in adulthood many refugees—particularly from Myanmar—have limited higher educational attainment as described in the previous chapter.

FIGURE 3.13: SHARE OF POPULATION AGED 6–21 BY SCHOOLING STATUS, BY STRATUM

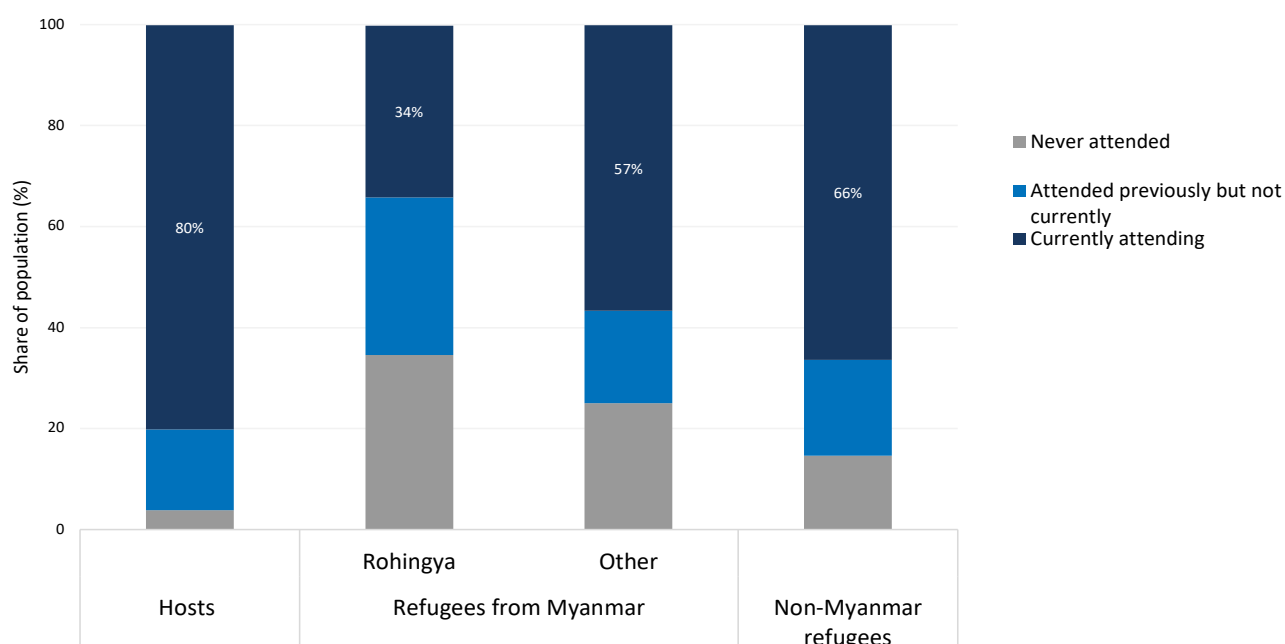


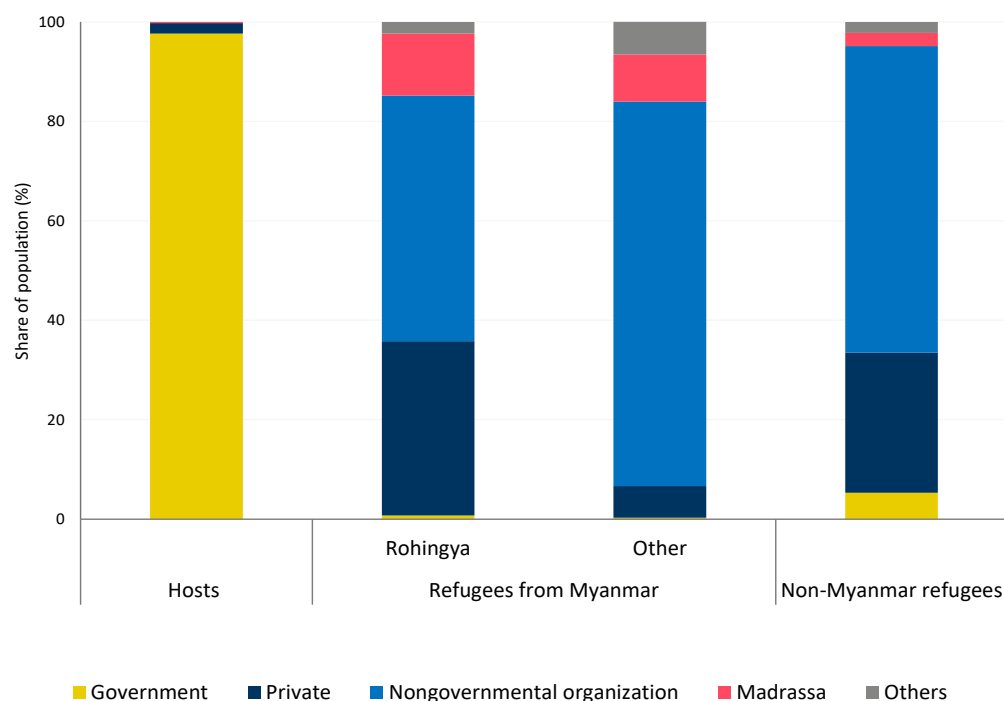
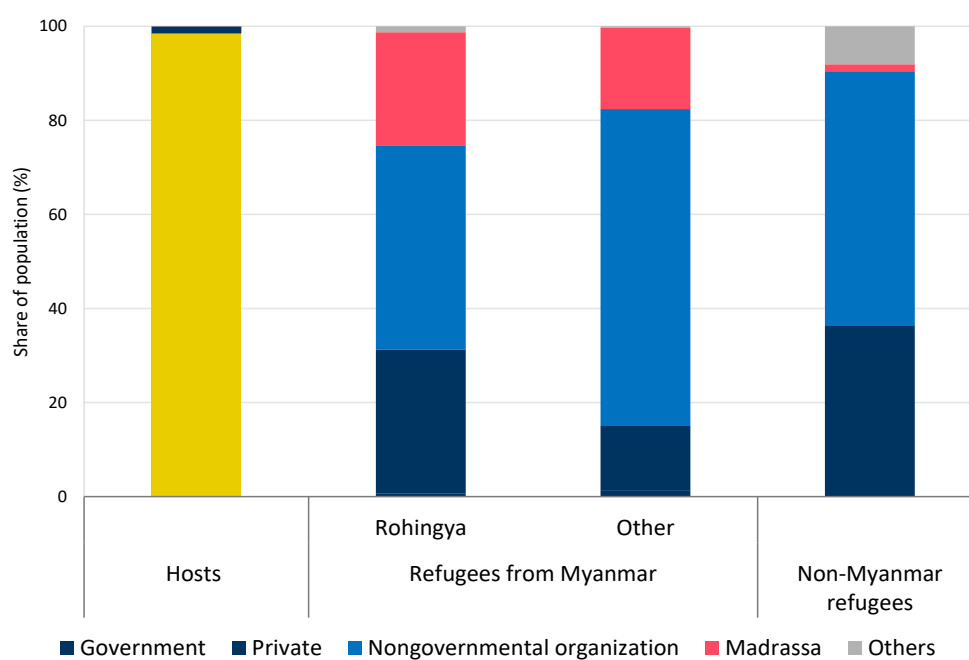
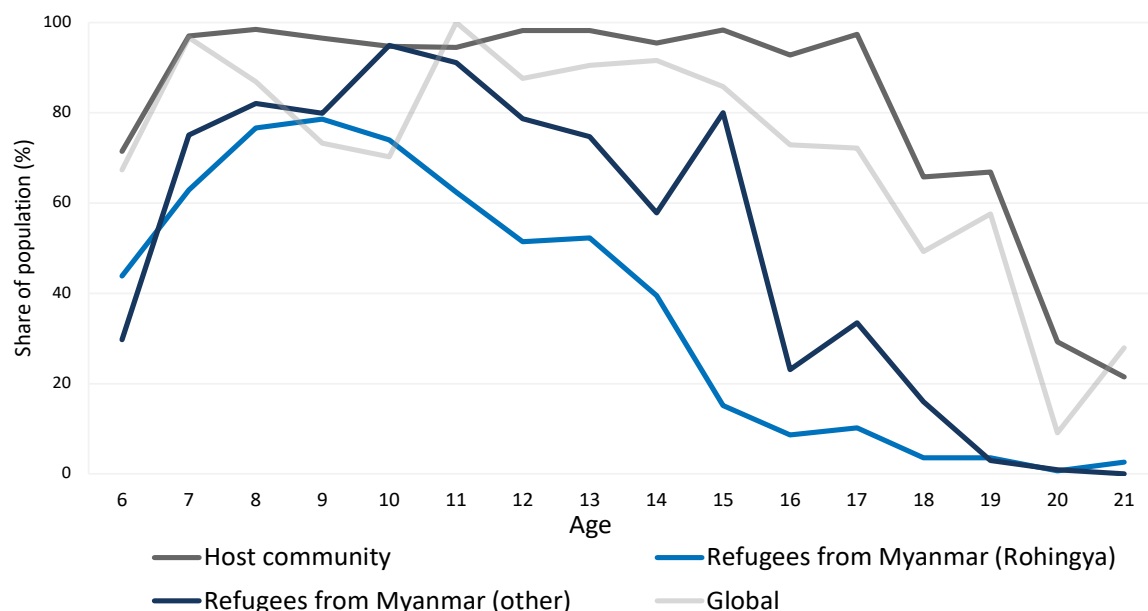
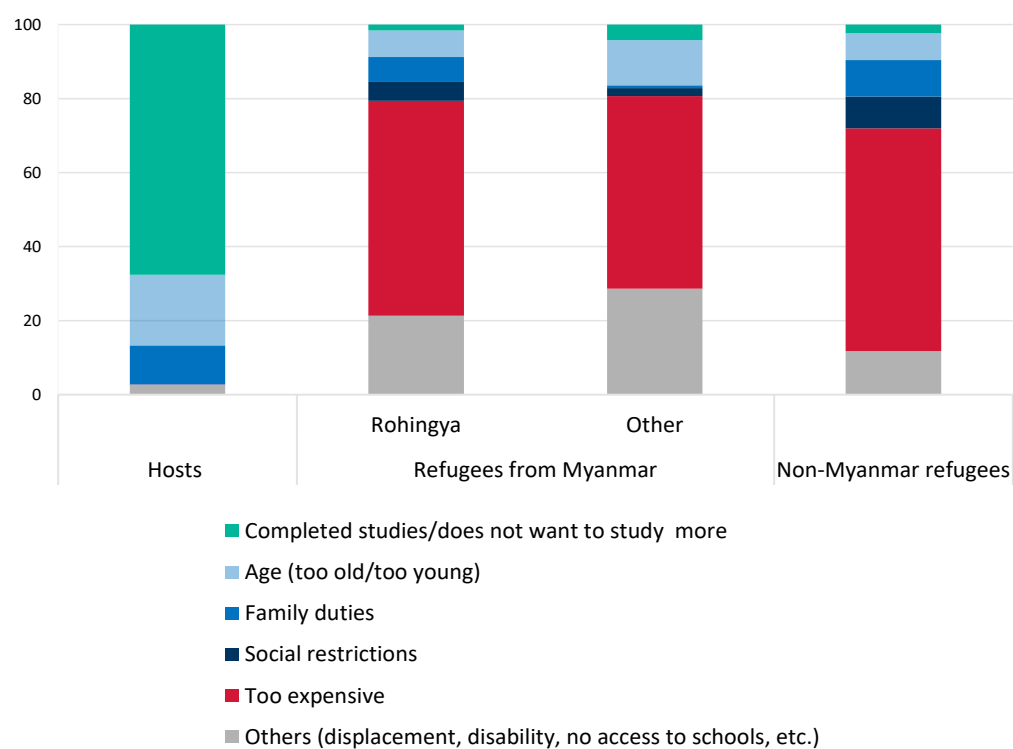
FIGURE 3.14: SHARE OF POPULATION AGED 6–12 CURRENTLY ATTENDING SCHOOL BY SCHOOLING TYPE, BY STRATUM**FIGURE 3.15: SHARE OF POPULATION AGED 13–17 CURRENTLY ATTENDING SCHOOL BY SCHOOLING TYPE, BY STRATUM**

FIGURE 3.16: SHARE OF POPULATION AGED 6–21 CURRENTLY ATTENDING SCHOOL, BY STRATUM

For many refugee children and youth who are not enrolled in school, the cost of education appears to be one of the main barriers to enrollment (figure 3.17). Among the few host community children who are currently absent from schooling, a majority of them cited that they have completed the desired level of education and do not wish to continue studies further. In contrast, the high costs of schooling are the primary reason for refugee children not attending school. It has been highlighted earlier that refugee households are already more likely to be in poverty. In addition to tuition, households could incur out-of-pocket expenses for schooling related to clothes, commuting, books, and stationery, among others, which could be out of reach for most refugee households with children. At older ages, the opportunity cost of schooling (in terms of the foregone wages of adolescents who may take on work) may also rise substantially, causing refugee children from poorer households to discontinue school to perform work at home or outside. Enrollment rates fall below 20 percent at ages 15, 18, and 20, respectively, for the three refugee groups. For host community respondents, the enrollment rate stays above 20 percent even past age 21 (figure 3.16). Additional factors contributing to low enrollment rates include disruptions to schooling because of displacement and health-related issues such as illness or disability. Moreover, social constraints loom larger for refugee children than for their peers in the host community, further impeding their access to education and perpetuating cycles of marginalization. Access to the national education system remains key in ensuring access to quality education.

FIGURE 3.17: REASON FOR NOT ATTENDING SCHOOL, BY STRATUM

A Myanmar refugee teacher leads a lesson at an alternative learning center in Kuala Lumpur.
 ©UNHCR/Patricia Krivanek

Health and Mental Well-Being

Refugees were more likely to have reported requiring health care but were also less able to access it compared to host communities. As figure 3.18 shows, more than 37 percent of refugee households sought health care services in the month preceding the survey, compared to 6 percent among hosts. Less than 80 percent of refugees were able to access health care sought, compared to over 93 percent of hosts (figure 3.19). The affordability constraints in seeking health care faced by refugees compared to hosts are also reflected in the frequency at which health care support was sought. Only a very small share of host households received health care support from any sources, likely because the out-of-pocket health care cost for Malaysians at government facilities are often very low. On the other hand, all refugee groups report a much higher frequency of seeking health care support to meet the higher fees they are charged. Around 30 percent of non-Rohingya Myanmar refugee households received health care support from UN agencies and NGOs/religious agencies. For Rohingya refugee households, this share is 11 percent from UN agencies and 19 percent from NGOs/religious agencies, respectively. Around 14 percent of Rohingya and 22 percent of non-Myanmar refugee households received health care support from other sources. Although some refugees can seek primary care at clinics managed by NGOs offering treatment at little to no cost, follow-up or more serious conditions require refugees to seek treatment at government hospitals. This remains highly unaffordable for refugees and asylum seekers, even after accounting for a provision that charges UNHCR document holders 50 percent of the foreigner rate, which charges 15–60 times the costs for locals, depending on the type of services.

FIGURE 3.18: SHARE OF HOUSEHOLDS THAT SOUGHT HEALTH CARE SERVICES, BY STRATUM

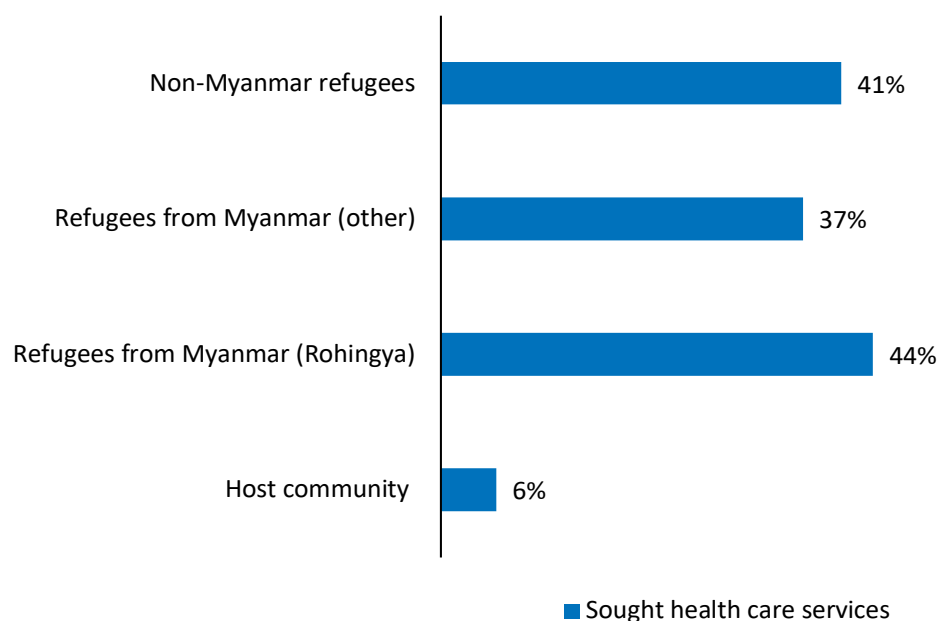


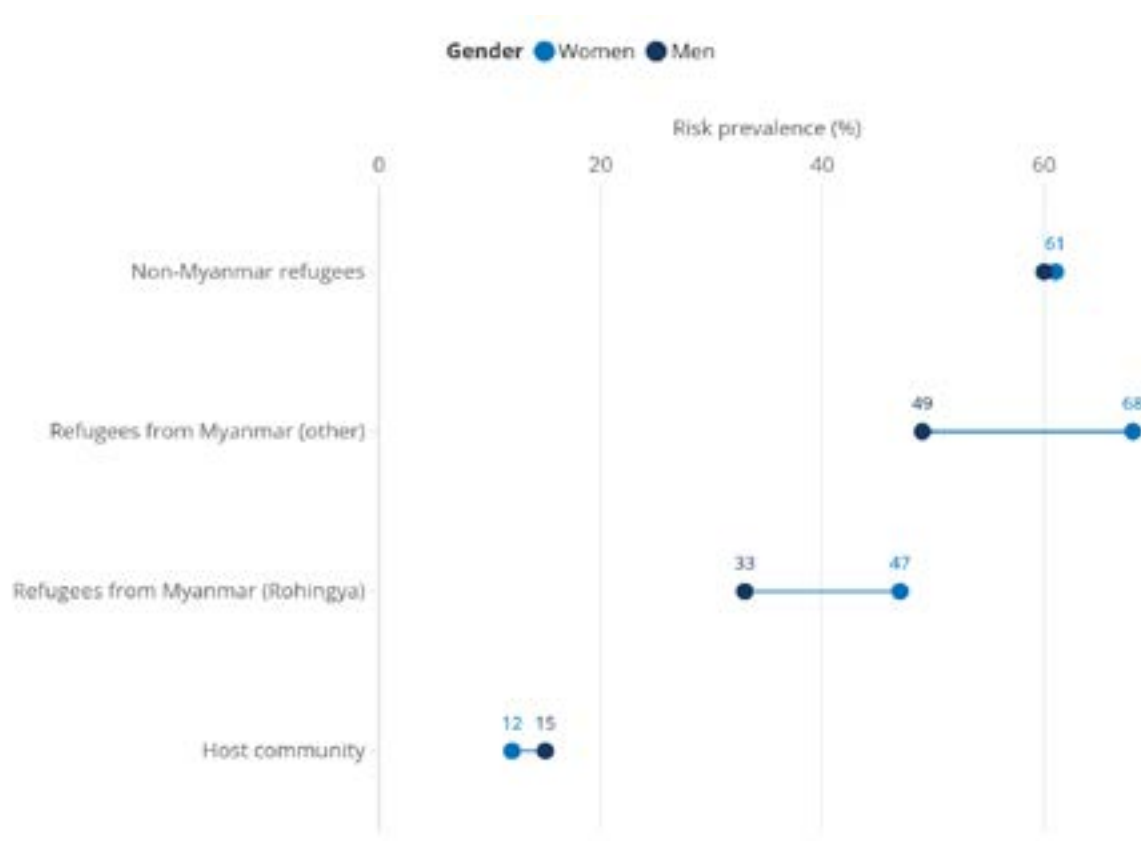
FIGURE 3.19: SHARE OF HOUSEHOLDS ABLE TO ACCESS HEALTH CARE SERVICES, BY STRATUM

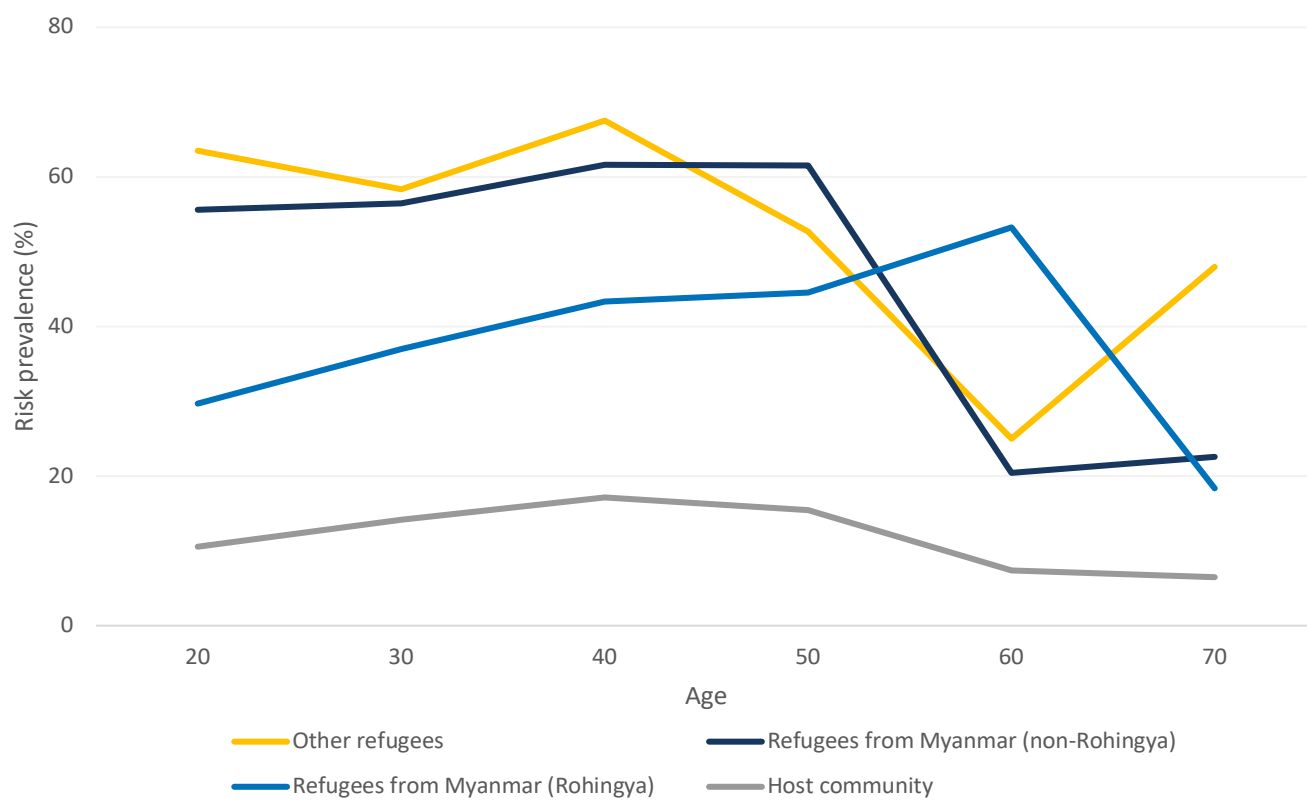
At all ages, refugees have higher levels of post-traumatic stress disorder (PTSD) compared to hosts, indicating the difference in exposure to traumatizing experiences, which are often associated with forced displacement. The persistence of PTSD risk over the course of displacement not only suggests the lack of access to mental health and support services for refugees but also the role that other challenges such as poverty, social exclusion, and the overall lack of access to basic needs such as work and education play in exacerbating mental health outcomes. For instance, studies have shown that access to work can reduce the prevalence of depression and other mental health concerns among refugees (Hussam et al. 2022).

Significantly higher levels of clinical risk of PTSD were observed among refugee groups than among hosts, based on the analysis of the mental health module of the survey questionnaire (see appendix D). Overall, 35.6 percent of Rohingya refugees, 57.5 percent of non-Rohingya refugees from Myanmar, and 60.4 percent of refugees from other source countries exhibit symptoms of PTSD (Harvard Trauma Questionnaire score ≥ 2.5), compared to 13.4 percent of the Malaysian respondents. The PTSD prevalence among Rohingya refugees is similar to rates of PTSD frequently reported among refugees in studies across other contexts. In a meta-study, Blackmore et al. (2020) report a PTSD prevalence of 31.5 percent among refugees residing in 15 countries.¹⁴ With a comparatively low sample size of 84 individuals, Kaur et al. (2020) report a similar rate of 38.2 percent risk of PTSD prevalence among Rohingya refugees in Malaysia, and Riley et al. (2017) find a PTSD prevalence of 36 percent in Bangladesh. In comparison, the rates of PTSD prevalence assessed among non-Rohingya refugees and refugees from other countries are much higher.

The risk of PTSD is higher among women from refugee groups, but it does not appear to vary much by age or by the duration of displacement. A higher prevalence of PTSD was observed among women than among men across all refugee groups, but not among Malaysian respondents (figure 3.20). This highlights the need for mental health support, particularly among women refugees. At all ages, refugees have higher levels of PTSD risk compared to hosts (figure 3.21). Finally, a decay in the PTSD risk prevalence with the duration of displacement was not observed, indicating no observable improvement in mental health outcomes even as refugees spend more time living in Malaysia and as traumatic experiences associated with displacement become more distant in time. The persistence of PTSD risk over the course of displacement suggests insufficient access to mental health and support services among refugees. Poor mental health outcomes could in turn be caused by other challenges. Poverty, for example, may prevent refugees from seeking treatment and support, and social exclusion may result in persistent isolation and an inability to form social connections. The lack of access to work and schooling, which could otherwise enable refugees to better integrate into the economy and society, could also pose a challenge. Equally, poor mental health can impede refugees' full participation in the economy and society and further aggravate the deprivations they experience.

FIGURE 3.20: PTSD RISK PREVALENCE, BY STRATUM, GENDER



**FIGURE 3.21: PTSD RISK PREVALENCE, BY STRATUM, AGE**



A refugee from Myanmar is assessed at a clinic for refugees run by an NGO in Kuala Lumpur. © UNHCR/ Ted Adnan

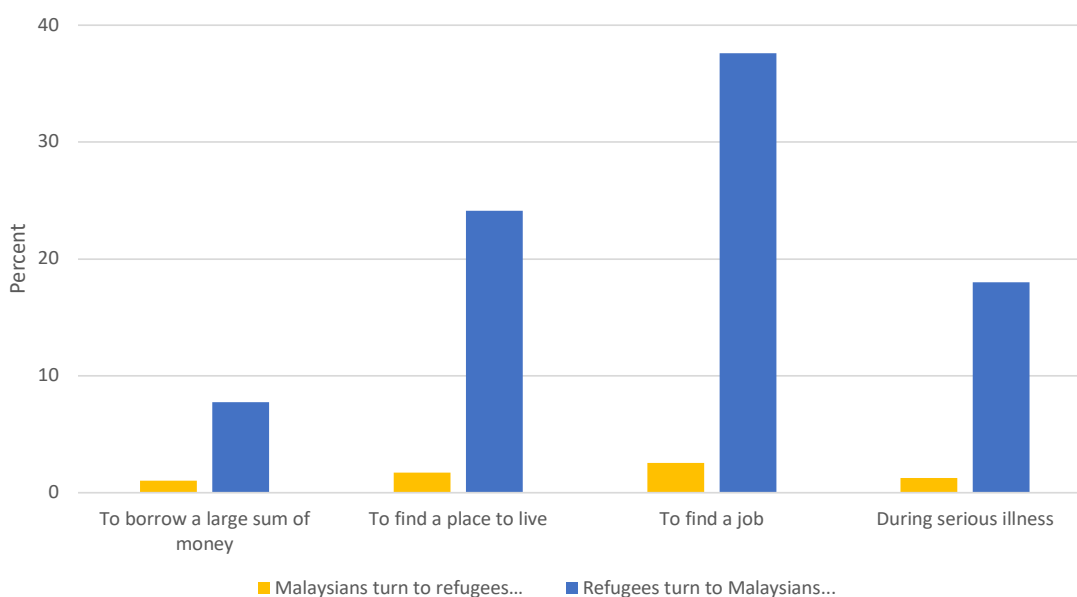
4. Interactions between Refugees and Hosts

This section examines interactions and perceptions among refugee and host communities in Malaysia, drawing on descriptive analysis of specific survey modules of the HARMONY Survey. The labor market is a key place in which hosts and refugees interact. Positive social interactions between groups can foster social cohesion, promote peaceful coexistence, and enable community-level solidarity and resilience, especially in diverse societies. Collaborative interactions between coworkers from different groups can also enhance teamwork and firm-level productivity. This can in turn make societies and labor markets more inclusive, fostering an enabling environment for people to realize their full potential. Refugee-host interactions are examined in detail in this section, including perceptions by the two groups of each other, attitudes toward policy questions on refugees in Malaysia, and the experience of crime and conflict-related events.

Overall, this report finds that most refugees and hosts do not in fact report interacting with the other group for various types of needs, and that hosts' interactions with refugees are especially limited.

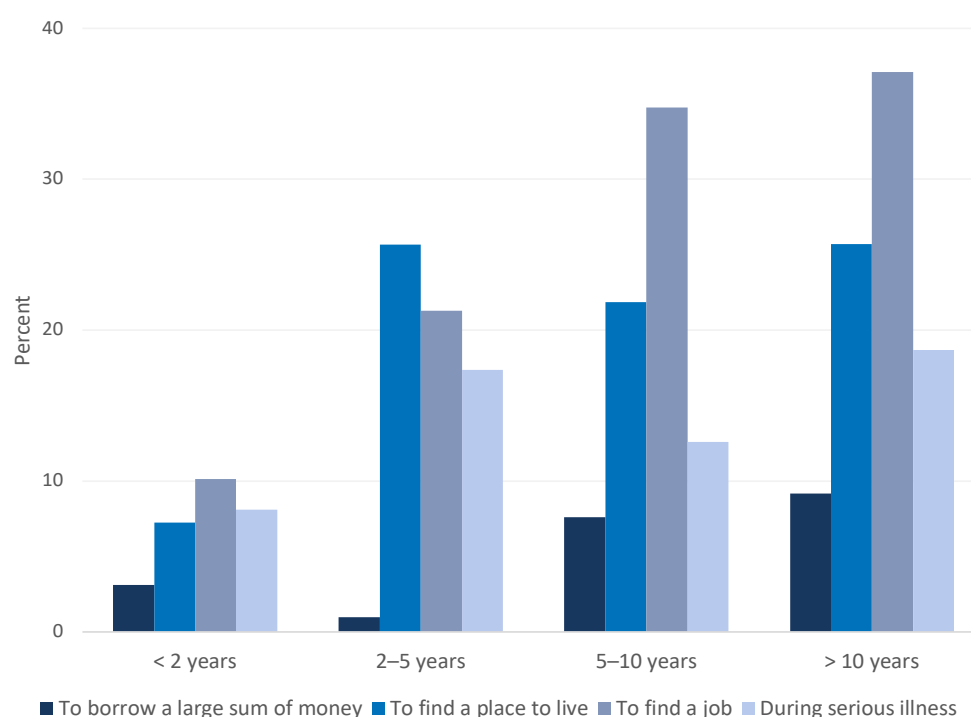
Even though hosts were chosen from among households of Malaysian nationals living in close proximity to refugees in the HARMONY Survey, less than 5 percent of Malaysian respondents reported seeking help from refugees for borrowing money, finding housing, job searches, or support during times of illness (figure 4.1). Refugees report a slightly higher degree of interaction with Malaysians. The limited interaction between hosts and refugees for support does not necessarily reflect hostilities between communities because hosts tend to have more extensive support networks and better access to services and are thereby less likely to need such support. Around 8 percent of refugees reported having borrowed money from Malaysians, whereas 24 percent interacted with Malaysians while searching for housing, 35 percent while looking for jobs, and 16 percent during illness. The Rohingya community reports a significantly higher level of interaction with hosts across the different purposes of interactions.

FIGURE 4.1: INTERACTIONS BETWEEN REFUGEES AND MALAYSIANS



Refugees' frequency of interactions with hosts is lowest in the first years after arrival in Malaysia and increases slightly over the duration of displacement. Distinct patterns reflecting the evolving challenges of their displacement journey and slightly higher rates of interaction with hosts over time (figure 4.2) are observed when examining refugees' interactions with Malaysians in relation to their duration of stay in the country. The proportion of refugees seeking assistance from Malaysians to find housing sees a significant increase from 7 percent in the first two years of arrival in Malaysia to 27 percent in the next three. This trend stabilizes thereafter, indicating that the imperative to secure stable accommodation is most pronounced during the initial years after arrival. As refugees gradually accustom themselves to their surrounding communities, their interactions with the host society increasingly revolve around seeking employment opportunities. The steadily rising proportion of refugees seeking job search assistance from Malaysians, extending up to 10 years after arrival, underscores the persistent challenge of labor market integration over an extended time frame. This purpose of interaction emerges as one where support from Malaysians may be particularly beneficial, with the share of refugees seeking job search assistance from hosts increasing from 10 percent among recent arrivals to over 35 percent among those living in Malaysia for over 10 years. This may also reflect the development of refugees' networks with Malaysians throughout their time in Malaysia. Given the potential for mutual benefit, labor market networks may develop more rapidly than networks in other areas, such as seeking assistance for medical reasons or financial support, which shows relatively lesser variation over time.

FIGURE 4.2: REFUGEE INTERACTIONS WITH MALAYSIANS, BY DURATION OF DISPLACEMENT



These findings underscore the dynamic nature of refugee displacement experiences and emphasize the importance of adapting support mechanisms to meet refugees' evolving needs throughout their journeys.

Refugee-Host Relations and Attitudes toward Each Other

Malaysians consistently report stronger positive experiences, friendships, and trust among fellow Malaysians compared to with refugees. The proportion of host respondents confirming positive connections with other Malaysians is approximately three to four times that of reported positive connections with refugees (figure 4.3). Similarly, refugees report more positive connections and experiences with other refugees than they do with hosts, although the contrast in their attitudes toward refugees and hosts is less pronounced (figure 4.4). The limited interactions between refugees and hosts, alluded to earlier, could partly explain why intergroup attitudes are not very favorable.

Although between 1.3 and 2.2 times as many refugee respondents report friendship links or positive experiences with other refugees compared to those with Malaysians, the difference in the trust reported by refugees in Malaysians and in other refugees is negligible. In general, refugee respondents demonstrate slightly lower levels of trust in other refugees than hosts do in other Malaysians.

FIGURE 4.3: MALAYSIAN ATTITUDES TOWARD AND RELATIONS WITH REFUGEES AND OTHER HOSTS

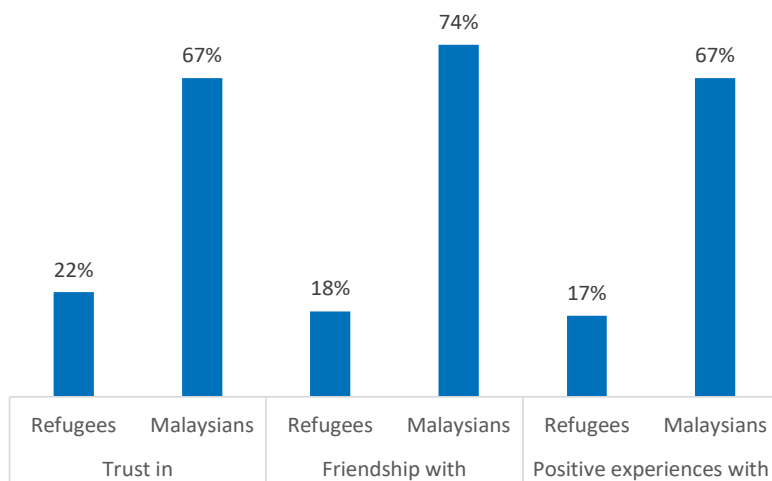
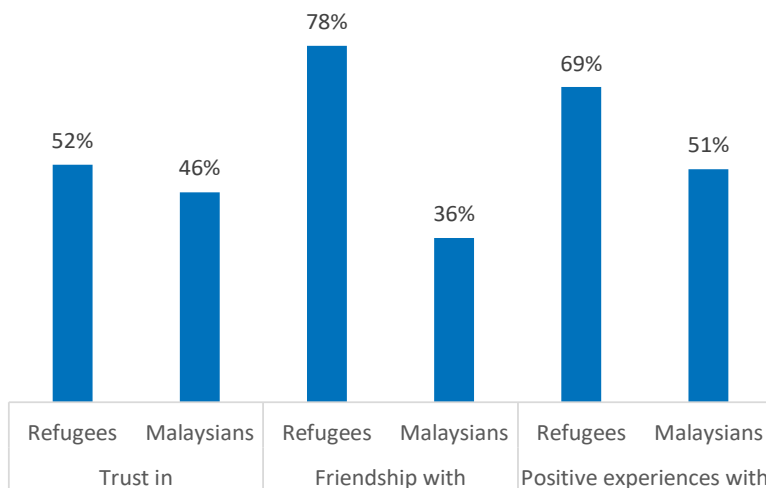
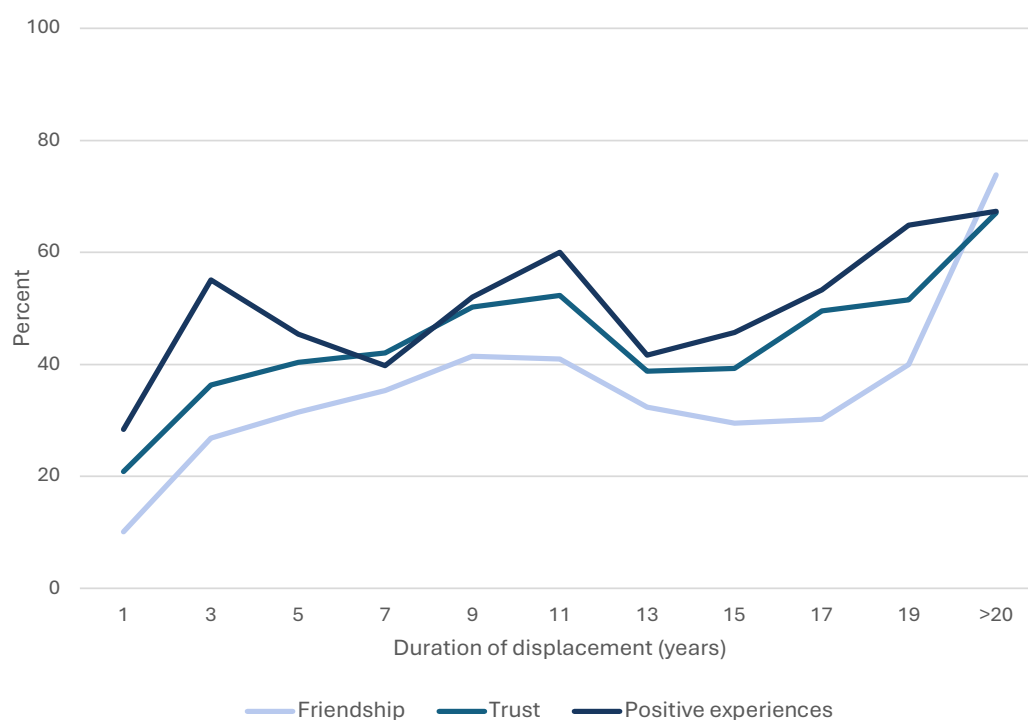


FIGURE 4.4: REFUGEE ATTITUDES TOWARD AND RELATIONS WITH HOSTS AND OTHER REFUGEES



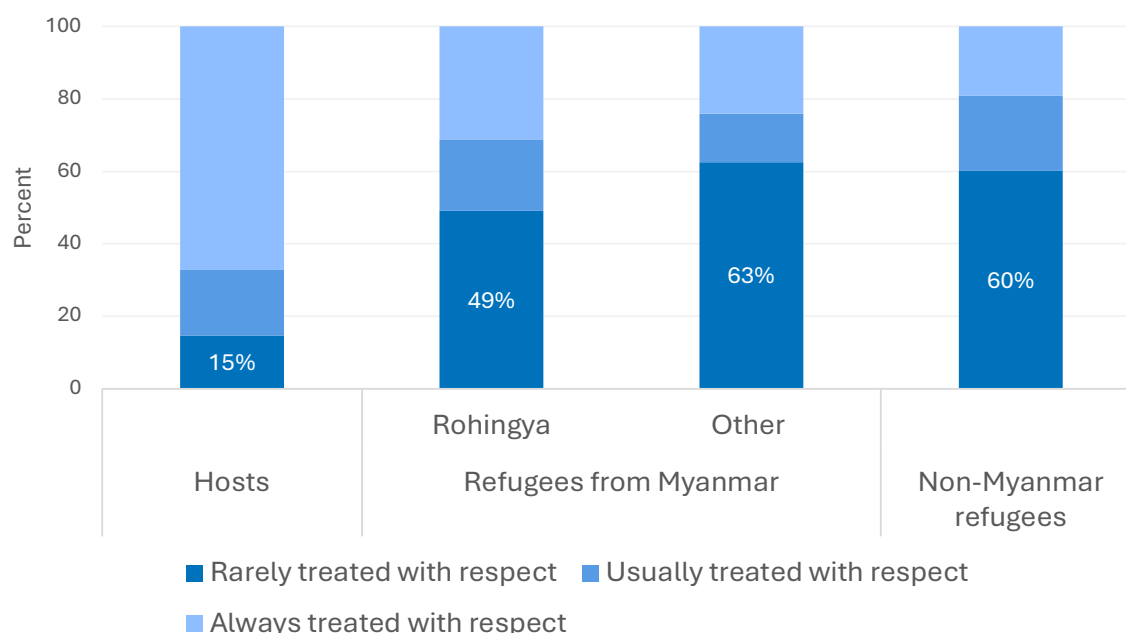
As refugees spend more time in Malaysia, their experiences of trust in, friendships with, and other positive experiences with Malaysians show considerable improvements (figure 4.5). Initially, only about 10 percent of respondents report establishing friendship links with Malaysians within the first three years after arrival. However, this percentage increases significantly as time progresses, especially after completing at least three years in Malaysia. Similarly, whereas around 25 percent of refugee respondents express trust in Malaysians in their first few years in Malaysia, this share is as high as 70 percent among refugees with prolonged stays. While these findings suggest a correlation between the duration of displacement and positive attitudes toward Malaysians, other factors, including the characteristics of refugees who arrive in different years, may also significantly influence attitudes and relations toward hosts.

FIGURE 4.5: REFUGEES' ATTITUDES TOWARD AND RELATIONS WITH HOSTS, BY DURATION OF DISPLACEMENT



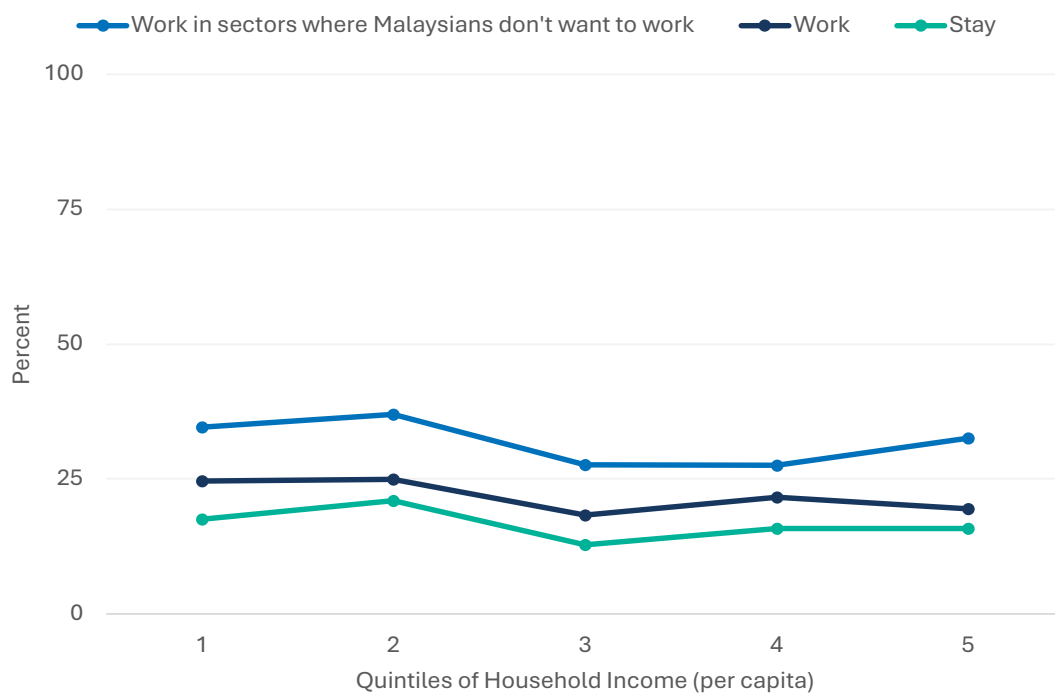
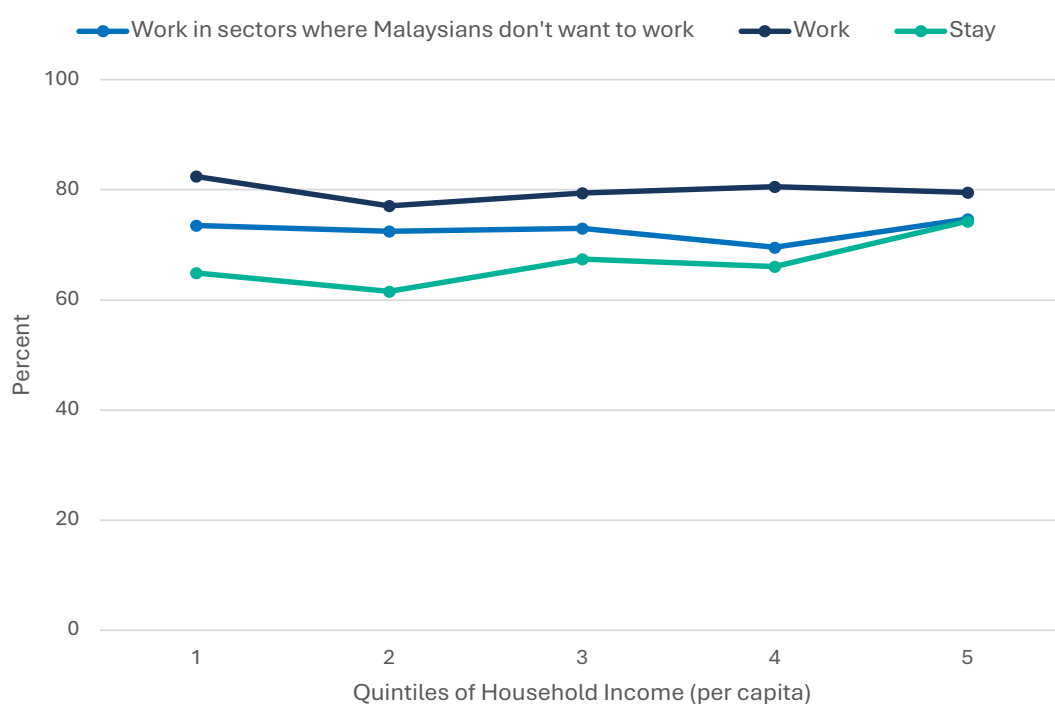
Note: This figure categorizes trust, friendship, and positive experience levels into bins based on respondents' duration of displacement, organized in two-year intervals (e.g., one to two years, three to four years, etc.).

Refugees experience being treated with respect on account of their identity much less frequently than hosts. Whereas 67 percent of host respondents report they are always treated with respect, only 29 percent of refugee respondents share the same sentiment (figure 4.6). Large shares of refugees report that they are “rarely treated with respect” on account of their identity, whereas only 15 percent of hosts report this. Most hosts, in fact, say that they are “always treated with respect.”

FIGURE 4.6: PERCEPTION OF BEING “TREATED WITH RESPECT,” BY STRATUM

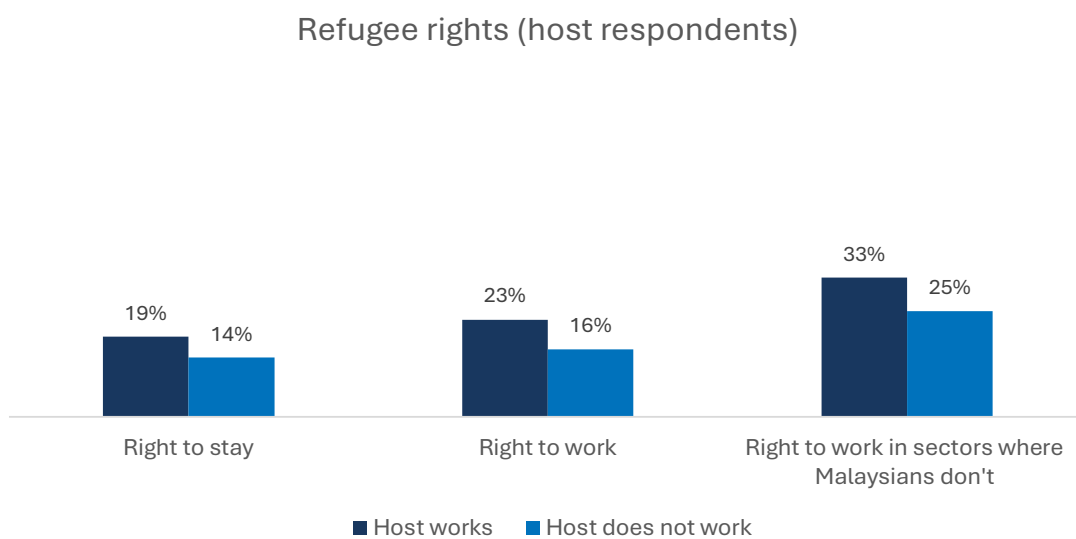
Host and Refugee Attitudes toward Policy Options for Refugees in Malaysia

In Malaysia, host community support for refugee rights is generally low; however, a higher share of hosts supports their right to work in sectors where Malaysians do not prefer to work—but not their rights to work without any restrictions or to stay in Malaysia. When gauging the opinions of both Malaysian and refugee respondents regarding refugee rights—specifically, whether Malaysia should grant legal protection and allow refugees to stay, the right to work while residing in Malaysia, and the right to work in sectors where Malaysians are less inclined to work—this report finds that only a small fraction of hosts agree refugees should be allowed to stay (17 percent) and to work (22 percent). However, a larger share of hosts (around 32 percent) supports refugees’ right to work in sectors where Malaysians are not keen on employment, suggesting that at least some of the hesitation toward refugees may stem from perceptions of labor market competition. This also suggests that there could be room for refugees to fill in existing employment gaps, but as noted later in the report, limited interactions between hosts and refugees, as well as perceived labor market competition, dampen the potential for better social cohesion between these two groups. Support for refugee rights does not appear to vary according to host income level (figure 4.7).

FIGURE 4.7: ATTITUDES TOWARD REFUGEE RIGHTS, BY STRATUM, QUINTILES OF HOUSEHOLD INCOME (PER CAPITA)**a. Host respondents****b. Refugee respondents**

Not surprisingly, markedly higher rates of approval of refugee rights were found among refugees. Furthermore, refugee respondents show notably higher levels of support for the right to work compared to the Malaysian host community. On average, 73 percent advocate for refugee employment in sectors not preferred by Malaysians, and 80 percent support a more general right to work in Malaysia. Among hosts, those who are currently employed show a slightly higher level of support for refugee rights in Malaysia than those who are not working (figure 4.8). Refugees' own attitudes toward rights for refugees in Malaysia do not appear to vary much by working status.

FIGURE 4.8: ATTITUDES TOWARD REFUGEE RIGHTS, BY EMPLOYMENT STATUS

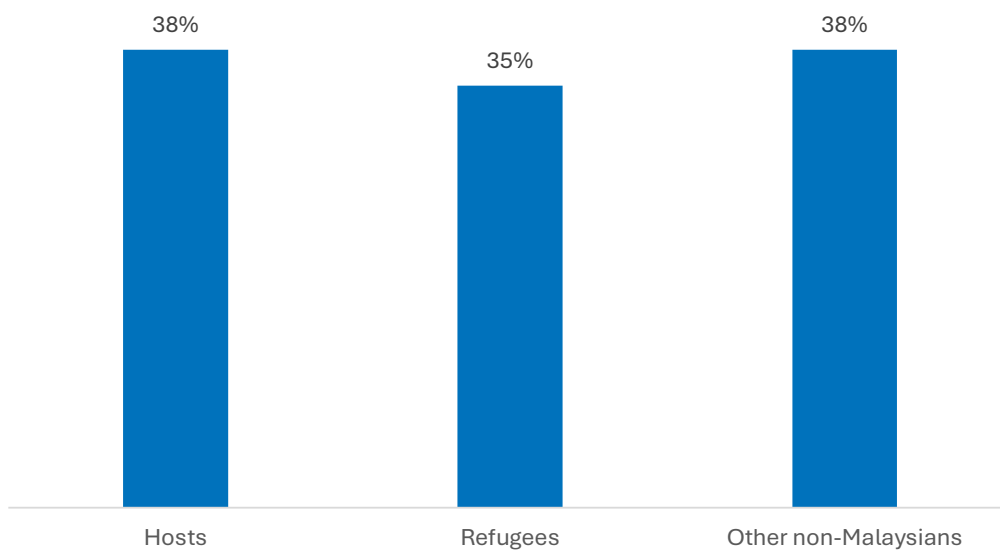


Perceptions of Labor Market Competition

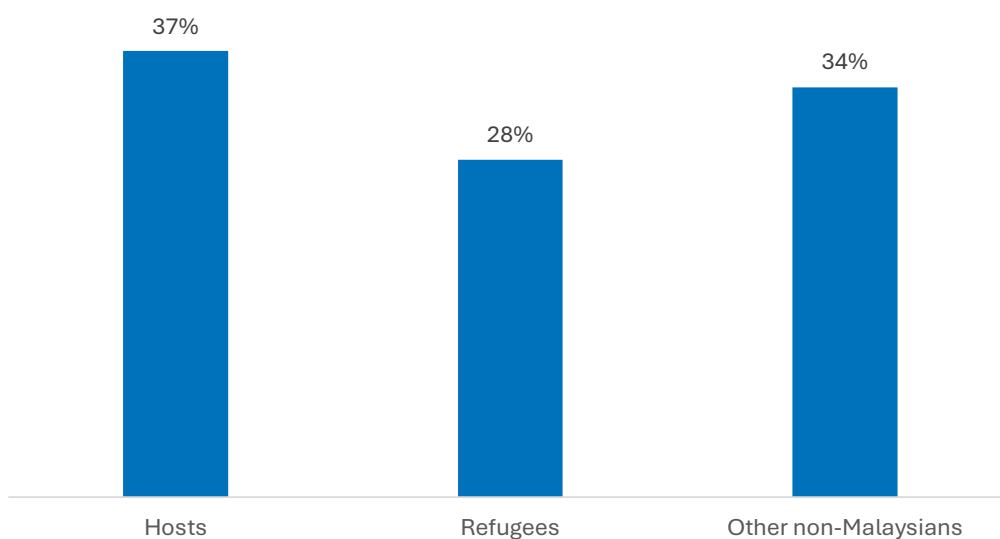
Host community respondents who work perceive similar levels of threats to their jobs from refugees as they do from other hosts or from other non-Malaysians. The survey asked respondents about their perceptions of the competition they face in the labor market. As figure 4.9 indicates, about 38 percent of working hosts believe that their job is threatened by other hosts or by non-Malaysians who are not refugees, and 35 percent perceive job threats from refugees. Refugees perceive slightly lower threats from other refugees, with 28 percent of working refugees perceiving threats to their jobs from other refugees, compared to 34 percent from other non-Malaysians and 37 percent from hosts. These findings suggest that perceived labor market competition is not attributed to any specific group. Limited interactions between groups may also accentuate perceptions of labor market competition even when it may be rather small in reality. For example, in Ethiopia and Uganda, host respondents who reported limited prior contact with refugees exhibited more negative sentiments toward refugees, especially when they perceived them as competitors in the labor market (Bousquet et al. 2023).

FIGURE 4.9: PERCEPTIONS OF THREAT TO JOBS AMONG HOSTS AND REFUGEES

a. Hosts who believe their job is threatened by



b. Refugees who believe their job is threatened by

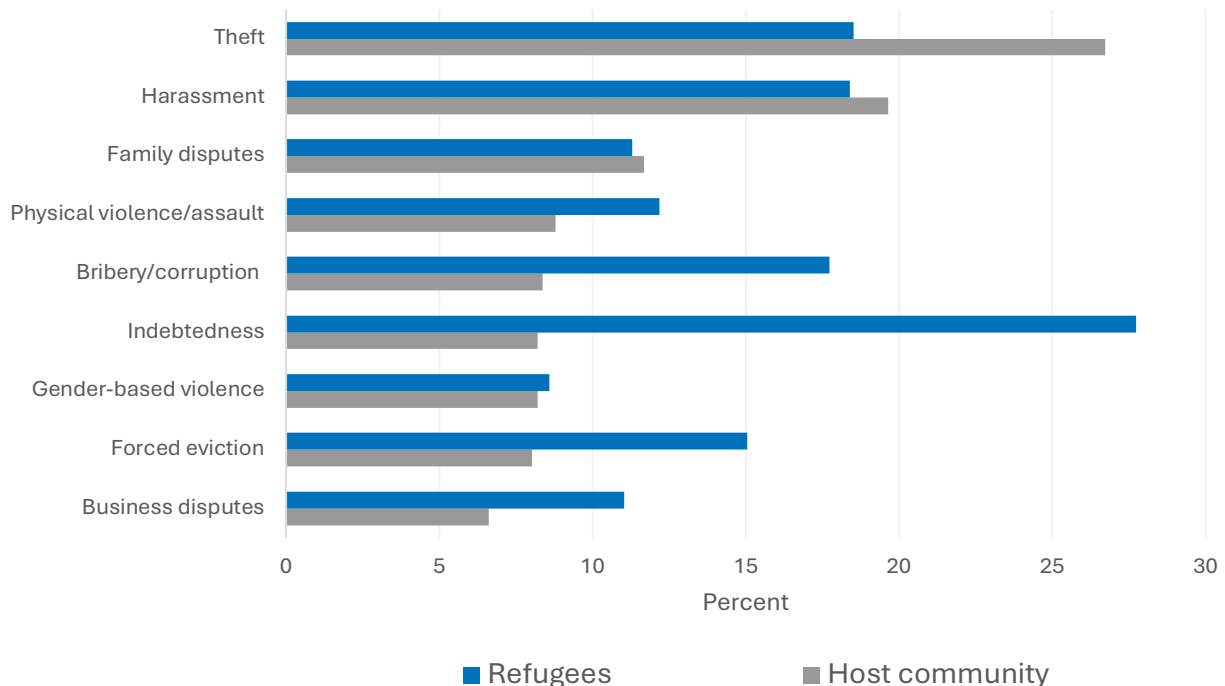


Note: Working respondents only for both panel a. and b.

Social and Community-Level Concerns

There are notable differences in the social and community concerns reported by refugees and Malaysians, highlighting the distinct challenges each group faces (figure 4.10). Among refugees, concerns surrounding indebtedness (28 percent), bribery/corruption (18 percent), and the threat of forced eviction (15 percent) emerge as particularly prevalent and significantly more frequent than among the host population. In contrast, Malaysians express higher levels of concern regarding theft (27 percent). Possible explanations for these disparities could stem from the unique socioeconomic contexts and vulnerabilities experienced by each group as well as the lack of a legal framework for refugee rights.¹⁵ Refugees, often grappling with limited resources and legal status uncertainties, may face heightened risks of indebtedness, harassment, and eviction from rented dwellings. Conversely, Malaysians may be more affected by theft, reflecting broader societal challenges related to crime and their comparatively higher socioeconomic status. Additionally, cultural differences and varying levels of trust in institutions may influence the reporting and perception of security concerns among refugees and Malaysians. Overall, these differences underscore the importance of an overarching legal framework for refugees as well as tailored interventions and support mechanisms to address the specific security needs of both refugees and host communities.

FIGURE 4.10: SOCIAL AND COMMUNITY CONCERNS EXPERIENCED IN THE PAST YEAR, BY STRATUM





Sam (right), a Myanmar refugee woman, is the head teacher of an alternative learning center in Kuala Lumpur and is a representative for the refugee women in her community. She mobilizes support for their needs, including in welfare and health care assistance, and advocates for their rights with stakeholders. © UNHCR/Patricia Krivanek

5. Policy Recommendations

In an era of unprecedented displacement, a paradigm shift is required to adequately and impactfully respond to the needs of the forcibly displaced. Humanitarian aid, which traditionally is meant to act as a short-term response to a temporary shock, is unable to keep up with mounting protracted displacement situations. Thus, there is a need to shift toward creating enabling pathways for refugees to achieve self-reliance and resilience. Refugees who are self-sufficient are less dependent on humanitarian aid and are better able to contribute to the local economy.

Enabling policies play a pivotal role in establishing a foundation for refugee self-reliance, with accompanying support/interventions viewed as crucial investments in developing sustainable, long-term responses to displacement.

While Malaysia has managed the presence of different groups of refugees through ad hoc mechanisms, the country has consistently maintained the stance that refugees' presence in the country should be viewed as temporary. As such, all policies, legislation, programs, and actions implemented for refugees are on a temporary humanitarian basis, aiming to help refugees gain basic skills, health care, and education until they can be referred to a third country or return to their countries of origin—not for them to remain in the country indefinitely (Legal Affairs Division, Prime Minister's Department, 2024).

The current Malaysian legal framework does not recognize nor provide any legal status to refugees and asylum seekers, putting them in the same situation as irregular or undocumented migrants. The repercussions of being legally “invisible” on refugees' self-reliance is reflected in their significantly higher levels of poverty and food insecurity compared to host community households, poorer access to health care and education, and lower rates of labor force participation.

The following policy recommendations draw on the analysis of the HARMONY Survey and focus on three broad, interconnected enabling factors that contribute to economic inclusion: the right to work, access to basic services, and opportunities for skills development and productive employment. These recommendations are underpinned by a brief discussion of cross-cutting considerations that should underlie refugee policy in Malaysia.

Cross-Cutting Policy Measures

Policies and regulations should consider the extenuating and extraordinary circumstances surrounding refugees in comparison to other groups, such as foreign migrant workers. Unlike foreign migrant workers, refugees do not leave their home countries for economic reasons, and they are unable to return home until it is safe to do so. Taking this into account, the development of policies that restrict access to work by nationality or gender (such as the current model applied for foreign worker management) may hinder rather than encourage effective labor market participation. Such policies risk excluding certain segments of the population and may in turn perpetuate socioeconomic vulnerabilities. Refugees also often flee their home countries with immediate family members who rely on them for support and protection, whereas low-skilled foreign migrant workers in Malaysia are typically

unaccompanied men and women. This additional dimension means that relocating refugees to worksites that either separate them from family members or have limited facilities for the needs of a household may not be an ideal configuration. As Malaysia's experience with employing Rohingya refugees in plantations shows, proximity to family and community, as well as working conditions,¹⁶ are important determinants of taking up and continuing jobs among the refugee community (Ghazali et al. 2020b). Policy reforms must adequately account for such demographic, family, and social network specificities of refugees to avoid unintended consequences.

All policy reforms concerning refugees should be accompanied by public outreach and communication to explain the scope and rationale of the reforms and to dispel misperceptions and prejudices. Negative public perception of legal work for refugees may need to be addressed through coordinated, multistakeholder efforts. The public perception of refugees is complex across countries, where support for refugees is often mired with skepticism of their motives and ability to contribute to host countries. Information dissemination and coordinated awareness-raising campaigns can influence social receptivity toward legal work for refugees, correct misconceptions with accurate information, and pave the way for more positive attitudes toward refugees and policy changes that concern them (Clemens, Huang, and Graham 2018). Coordination and buy-in, especially from the government and media, are crucial to effectively drive such efforts.

Right to Work

Provide refugees with formal access to work opportunities. Formal access to work can positively impact refugees' protection and well-being while enabling them to contribute more to the Malaysian economy. Refugees in Malaysia do not have the legal right to work, which compels them to engage in precarious, irregular, and often exploitative work. This includes instances of insufficient or unpaid wages, abuse, intimidation and extortion, and poor working conditions (Legal Affairs Division, Prime Minister's Department, 2024). Malaysia can develop a regulatory framework that grants refugees access to the labor market; this would benefit the Malaysian economy and also provide safeguards against forced labor, exploitation, and abuse. Allowing refugees to engage in productive employment can also have long-term benefits, acknowledging the toll that long periods of forced inactivity may have on overall human capital (Schuettler and Caron 2020).

If granted such work authorization, the work of refugees could complement employment opportunities for Malaysian nationals, who tend to be higher skilled. Studies in other settings have indicated similar results, with some improved labor market prospects for locals, who are now able to enter higher-skilled jobs. In Türkiye, one of the largest refugee-hosting countries worldwide, the labor market participation of Syrian refugees helped Turkish workers move to the formal sector (Akgündüz and Torun 2018; Del Carpio and Wagner 2017). This is further supported by the different demographic makeup of the refugee population; most refugees are below the age of 40, adding another dimension of complementarity to the aging Malaysian population. Additionally, refugee economic inclusion has also been found to not only decrease subsistence costs but also amplify contributions to local economies (UNHCR and World Bank 2024).

Given that refugees compose a small share of the total Malaysian population and are spread across the country, granting them the right to work will likely have a limited impact on the host community's employment or wages. Recent analyses by Bahar, Ibáñez, and Rozo (2021) and Ibáñez et al. (2022) show that granting over half a million Venezuelan refugees the right to regular employment had negligible effects on the labor market outcomes of the host community, but it significantly improved well-being, social integration, and economic outcomes among refugees. This further strengthens the argument for legal work as the foundation for enhancing resilience and self-reliance among refugees. Furthermore, the HARMONY Survey has confirmed that refugees rely on wages as their main source of income, contrary to perceptions of aid dependency. It is therefore expected that access to legal work will improve workers' wages and working conditions, thereby helping to alleviate poverty and improve refugees' access to basic needs that are currently limited largely due to unaffordability.

Malaysia can adopt a gradual approach to granting refugees access to the labor market. For instance, legal employment can be authorized based on market demand, such as in sectors that face labor shortages. Sectors such as agro-processing, manufacturing, and services—which are crucial to the country's economic development—already employ foreign migrant workers, which indicates the potential for the integration of the refugee workforce. Such an approach is also in line with recommendations within the *Mid-term Review: Twelfth Malaysia Plan* (Ministry of Economy 2023).

A gradual and sector-based approach has been adopted in other country contexts. In 2016 the Jordanian government began facilitating the formal labor force participation of Syrian refugees; prior to this, Syrian refugees were engaged in informal employment. Some of the highly restrictive requirements typically required for work permit issuance were relaxed, including allowing non-employer-specific work permits to be issued for certain sectors and waiving associated application fees. The work permit scheme was found to have a positive impact on Syrian refugees' access to decent work, characterized by increased employment, higher employment stability, and better wages. Jordanian workers' perceptions of Syrian employees also improved, and Syrian refugees gained an increased sense of safety and security (Stave, Kebede, and Kattaa 2021).

The gender gap in refugee labor force participation should also be addressed. As the HARMONY Survey highlights, the rates of labor force participation and employment are much lower among refugee women than men, especially among the Rohingya. In addition to impediments to effective labor market participation typically faced by women (such as prevailing social norms on family care responsibilities and equal access to economic opportunities), refugee women also face challenges as a result of their displacement. Issues such as language difficulties, unfamiliar environment, limited social networks, experiences of discrimination and safety concerns due to their legal status (Adeeko and Treanor 2022) can contribute to further economic marginalization and higher risk of violence. This underlines the need to specifically target and train women in the use and application of different skills as well as provide more rounded opportunities for education and employment. Addressing the gender gap in labor force participation among the refugee community may require community-based programs that simultaneously address some of the language, mobility, and access barriers that refugee women may face. This could include strengthening the capacity of community-based groups to provide training and income generation opportunities for refugee women. For example, the Tanma Federation¹⁷ in Malaysia is a fair-trade cooperative led by Burmese refugee women and supported by local civil society organization Tenaganita. It empowers refugee women with livelihood skills as well as financial literacy and English language lessons.



UNHCR conducts a home visit to a vulnerable Myanmar refugee family in Kuala Lumpur. This family is a recipient of financial assistance and medical support. For highly vulnerable refugees in Malaysia, UNHCR provides time-limited financial assistance, medical assistance, or other kinds of support depending on their needs, with implementation support through NGO partners. © UNHCR/Yante Ismail

Access to Basic Services

In addition to barriers to legal work, refugees also face other critical obstacles that impede their labor market and well-being outcomes. To maximize the potential benefits of the formal economic inclusion of refugees, policy changes are also warranted to address other crucial determinants of livelihoods and self-reliance: health care, education, and social protection.

Health Care

In the current context, refugees in Malaysia face constraints in effectively accessing health care due to a combination of factors such as affordability and legal barriers. At present, refugees in Malaysia are less likely to be able to access health care when the need arises compared to host communities. The inability to seek preventative and early treatment undermines not only the well-being of refugees themselves but also public health in Malaysia. Most refugees are unable to afford health care, with an average hospitalization cost that exceeds RM 5,000 (UNHCR 2023) despite the provision for refugees and asylum seekers holding UNHCR documents to only be charged half the rate for medical expenses that are charged to non-Malaysians at public health care facilities. While some affordability constraints could potentially be addressed by the positive impact of legal work on refugees' income, other policies should also be in place to support safe and affordable access to health services.

Extending contributory health insurance schemes to refugees could be a promising approach that addresses their access and affordability challenges with respect to health care. Policies that support the viability of such schemes could include requiring all refugees who are granted access to legal work to enroll in such a scheme, which is similar to regulations requiring foreign migrant workers to enroll in

the Health Insurance for Foreign Workers Scheme (Skim Perlindungan Insurans Kesehatan Pekerja Asing; SPIKPA).¹⁸ In Iran, refugees can enroll in the Universal Public Health Insurance Scheme, the same as nationals. The scheme offers comprehensive subsidized health coverage, including hospitalization, outpatient services, and medication costs at any hospitals or pharmacies affiliated with the Ministry of Health. In Iran, UNHCR provides support to cover premium costs for highly vulnerable refugees, but the rest of the refugee population pays the full premium to access 12 months of insurance coverage (UNHCR n.d.b). Refugees in Iran can also work legally, which may play a role in alleviating potential affordability constraints. In recent years, Chad, which hosts over 480,000 refugees, enacted a law to enhance the protection of refugees that also explicitly ensures their access to health care as well as education, justice, and the labor market.¹⁹

Refugees should also have improved access to mental health and psychosocial support services. The experience of displacement, combined with difficulties in settling into a new environment, results in mental health challenges; in turn, these issues limit refugees' participation in the economy and society. It may be especially valuable to consider supporting community-based mental health interventions that consider refugees' language and access barriers.

Education

Displacement also has an adverse impact on the educational trajectory of refugee children, often resulting in disrupted education pathways that can be particularly damaging to refugees' long-term human capital development and employment prospects. In Malaysia, the complete reliance on ALCs limits refugee children's access to quality, affordable education and applies undue stress on an under-resourced, informal education system. This is further exacerbated by the inability to afford education costs as well as low returns to schooling since higher levels of schooling do not presently translate into improved labor market outcomes. This presents a bleak outlook for refugee children, given the critical role of education in building productive futures.

Allowing refugee children to access the national education system would be the most sustainable approach to ensuring improved learning and human capital development. Allowing refugee students to enroll in government schools and sit for national examinations would give them the opportunity to receive accredited education. This would be crucial as they continue their journeys—while they are in Malaysia or in any other country they may move or return to once conditions allow. Consistent and structured schooling could also alleviate some child care needs, which may in turn allow more refugee women to participate in wage-earning activities. Regular work and increased labor market participation also allow for greater financial capacity to manage children's tuition fees and other costs. Access to education can also have positive impacts on social cohesion. School settings act as an avenue for increased dialogue and interactions between communities. In Jordan, refugee children are integrated within the national education system are able to access public schooling and are exempted from tuition fees and the cost of books. Efforts were also taken to build social cohesion between refugees and hosts by encouraging interactions and a shared sense of belonging among children in school, such as through the Nashatati life skills program (Knezevic, Curtiss, and Gero 2022). In addition to other positive results from the extracurricular program, a significant increase in reported willingness to interact with students of different ages and nationalities was also observed across both Jordanian and Syrian children. Other refugee-hosting countries that have afforded such access include Indonesia, Iran, Nepal, Pakistan, and Thailand.

Social Protection

The struggles faced by refugees to meet basic living requirements is encapsulated in the overwhelming pervasiveness of poverty among refugees in Malaysia. Persistent, deep poverty makes households more vulnerable to shocks, with implications on labor market productivity and self-reliance. As this report has found, refugees' access to assistance from NGOs or through transfers and remittances is extremely limited. They depend overwhelmingly on the meager incomes they can earn in a constrained setting and through informal employment. Overall, the inadequacy of income, whether through work or any receipts of assistance, hinders refugees from meeting basic needs.

Structural barriers that perpetuate systemic poverty among refugees need to be addressed. The current ambiguity surrounding refugees' access to work can contribute to low labor force participation, underemployment, and low income. Because refugees are considered not legally allowed to work, their employers run the risk of being charged under the Immigration Act for hiring foreigners without valid work permits. Its harsh penalties and the confusion surrounding refugees' work in informal establishments instills apprehension and deters prospective employers, limiting income-generating opportunities. The establishment of a legal framework could potentially clarify and alleviate these challenges and, in turn, positively impact the socioeconomic outcomes for refugees by allowing them to fully realize their human capital through gainful employment.

Alongside legal work, access to employment-related contributory social security schemes can be extended to refugees. Social insurance schemes implemented by the EPF and SOCSO are already available to foreign migrant workers, with SOCSO's Invalidity Scheme just recently being made available to foreign migrant workers in July 2024. Furthermore, the EPF (Amendment) Act 2025 passed in March 2025, with mandatory EPF contributions for all non-Malaysian workers (2 percent from employers and employees respectively) taking effect on 1 October 2025. Once refugees are granted access to legal work, access to these social insurance schemes should also be extended to them, given the precarious nature of their jobs. This could simultaneously provide critical risk management options to refugees and widen the contributory base of the social insurance programs.

A basic social safety net program is recommended to support the poorest and most vulnerable refugees, such as those who have limited to no access to labor market opportunities. Although providing access to legal work can enable many refugee households to become self-reliant (and in turn contribute in to the social security and tax system), those who are unable to work or to earn sufficient incomes to meet basic needs may require targeted social assistance. Ensuring access to a basic minimum level of support can also contribute to greater social equity. The implementation of a safety net program can draw on available knowledge and resources from Malaysian authorities as well as the international community working in this space. In Türkiye, Law No. 5510 on Social Insurance and Universal Health Insurance does not make a distinction between foreigners and Turkish citizens. This enables Syrian refugees with work permits to exercise their social security rights and all refugees to access the Turkish universal health insurance scheme. Refugees are also able to access social assistance, which is implemented and financed by the Turkish government in partnership with international organizations such as the European Commission's European Civil Protection and Humanitarian Aid Operations and the International Federation of Red Cross and Red Crescent Societies (Karadeniz 2023).

Opportunities for Skills Development and Productive Employment

Opportunities should be provided for refugees to acquire and deepen required skills to effectively participate in the labor market. Refugees and asylum seekers in Malaysia have no access to public higher education and vocational training institutes. Some private institutes may allow eligible refugees to enroll for courses on a humanitarian basis, but the prohibitively high costs pose evident constraints on a population that lives below the national poverty line.

Skills training opportunities accessible to refugees, much like education for refugee children, are typically implemented informally at a small scale through civil society partners. These programs often lack formal accreditation, which limits refugees' ability to obtain recognized certification. Allowing refugees to enroll for accredited and certifiable skills training opportunities will equip them with the necessary skills required for productive employment and develop human capital in preparation for potential future trajectories. This can be facilitated through explicit recognition of refugees as a group that is allowed to enroll in existing skills training institutions and programs. In Egypt, refugees are allowed to enroll in public and private universities and in technical and vocational education and training institutions. Acknowledging that refugee applicants may face difficulties with providing proof of previous studies, a leveling exam will also be conducted to verify the skills and knowledge equivalency of refugee applicants. Where available, external donor financing, such as from the Qatar Fund for Development,²⁰ can be utilized to subsidize associated costs.

The development of complementary skills such as language literacy and cultural orientation can help improve employment prospects for refugees and also contributes to social cohesion in and out of the workplace. Proficiency in commonly used languages in the country, such as Malay and English, will not only help refugees seek employment but also build social networks with the host community (Schuettler and Caron 2020). Courses on workplace etiquette and cultural orientation can also help refugees feel more prepared to enter the workforce.

Employment services should also be extended to refugees. Improved access to public and/or private employment services can widen the range of potential job opportunities for refugees and also reduce their exposure to exploitation that is often associated with unregulated employment agents. For example, allowing refugees to access the MyFutureJobs²¹ platform and its extensive services, including job search and job matching services, can be a first step to extend such services to the population.

Germany's comprehensive active labor market policies targeting refugees are based on a win-win approach of ensuring labor shortages are met in a timely manner while avoiding skills obsolescence among refugees, which results in lower labor market participation and higher reliance on welfare (Schwenken 2021). In Türkiye, refugees from Syria can access the Turkish Employment Agency (Türkiye İş Kurumu) to access vocational training opportunities and search for jobs. In addition to job search and placement services, programs such as language, vocational training, and civic integration courses are also offered to refugees. These efforts involving government agencies, employers, civil society, and trade unions have been found to improve the labor market participation of refugees (Duell 2023).

Appendix A.

The HARMONY Survey

Sampling Design

As of 2023, when the sampling strategy was designed, there were 188,210 refugees and asylum seekers registered with UNHCR in Malaysia. The Rohingya account for 58 percent of the total, other Myanmar refugees make up 30 percent, and all other groups (including those from Afghanistan, Pakistan, Somalia, and Yemen) together account for 12 percent.

This diversity of areas of origin among refugees requires careful treatment such that both sample selection and subsequent data analysis clearly recognize differences in the initial conditions as well as subsequent displacement trajectories, experiences, and effects among different groups. The sample of refugees in the HARMONY Survey is therefore divided into three distinct strata: Rohingya refugees from Myanmar, non-Rohingya refugees from Myanmar (comprising ethnic groups such as the Bamar, Myanmar Muslim, Karen, and others), and refugees from other countries.

The sample is restricted to Johor, Kuala Lumpur, Pulau Pinang, and Selangor, which together account for the majority (76 percent) of refugees residing in Malaysia. From a sampling perspective, these refugee groups are considered rare due to their low prevalence, even in these areas where their prevalence is higher than in the rest of the country. There are no refugee camps or specifically demarcated dwellings for refugees in Malaysia, with most residing in urban areas.

There is no official definition of what makes a national of a host country part of a *host community*. For the purpose of this survey, host community households were chosen from among Malaysian nationals residing near refugee households (within a maximum 10-minute walking distance). **As such, the sample of host community households is not representative of all Malaysian households but consists of Malaysians who are more likely to meet, interact with, and share common facilities with refugees.**

This is an important distinction to bear in mind while analyzing survey data outcomes for the host community—as a distinct subset of the wider Malaysian population. As refugees tend to live in socioeconomically disadvantaged neighborhoods, sampled host communities are generally poorer in terms of income, wealth, and educational attainment than the general Malaysian population.

Malaysia's territory is organized into three administrative levels: states, districts, and mukims (subdistricts). The HARMONY Survey sample has a two-stage stratified design, selecting mukims in the first stage and households in the second stage. The survey employed UNHCR's refugee registration database and the 2021 population census as the listing frame to select the sample (figure A.1).

FIGURE A.1: STATES COVERED IN THE HARMONY SURVEY (PENINSULAR MALAYSIA ONLY)

First Sampling Stage

In the first sampling stage, 32 mukims were selected in the three states and Kuala Lumpur out of all the mukims with at least one refugee identified in the UNHCR database. This selection was random, with probabilities proportionate to size, using the number of refugees in each mukim as a measure of size; thus, mukims with more refugees had a higher chance of selection. Table A.1 shows the districts containing the selected mukims.

Second Sampling Stage

For the second sampling stage, in the selected mukims, households from the three target refugee groups were traced, identified, and selected in the field. Host community households were also identified and selected in the field in the same areas where the refugee households were interviewed. The selection of refugee households followed a relative distribution by district similar to the one in the UNHCR database. Table A.1 shows the number of households in the sample by target population group and district.

TABLE A.1: NUMBER OF SAMPLE HOUSEHOLDS BY TARGET GROUP, DISTRICT, AND STATE

State	District	Hosts	Refugees			Total refugees	Total sample
			Malaysian	Rohingya (Myanmar)	Non-Rohingya (Myanmar)	Other countries	
Johor	Johor Bahru	160		117	52	3	332
Johor	Kota Tinggi	103		107	45	4	259
Johor	Kulai	167		33	88	1	289
Kuala Lumpur	Kuala Lumpur	271		186	72	99	628
Pulau Pinang	Barat Daya	36		57	3	3	99
Pulau Pinang	Seberang Perai Tengah	199		130	198	12	539
Pulau Pinang	Seberang Perai Utara	29		16	31	0	76
Pulau Pinang	Timur Laut	107		100	35	33	275
Selangor	Gombak	88		141	257	179	665
Selangor	Klang	6		78	3	2	89
Selangor	Petaling	115		66	95	15	291
Selangor	Hulu Langat	153		118	120	34	425
Total		1,434		1,149	999	385	3,967

Weighting

The households of the three refugee target groups and the host community households were drawn from the mukims randomly selected in the first sampling stage. Assuming a random selection of households, a single-step poststratification procedure (ex post reweighting) was employed to expand the sample households to the household totals by district using the three district-level refugee household totals in the UNHCR database and the host community household totals according to the 2021 Malaysian census. It is important to highlight that the poststratification applied does not fully reflect the sample design; therefore, any sampling error estimation may be underestimated.

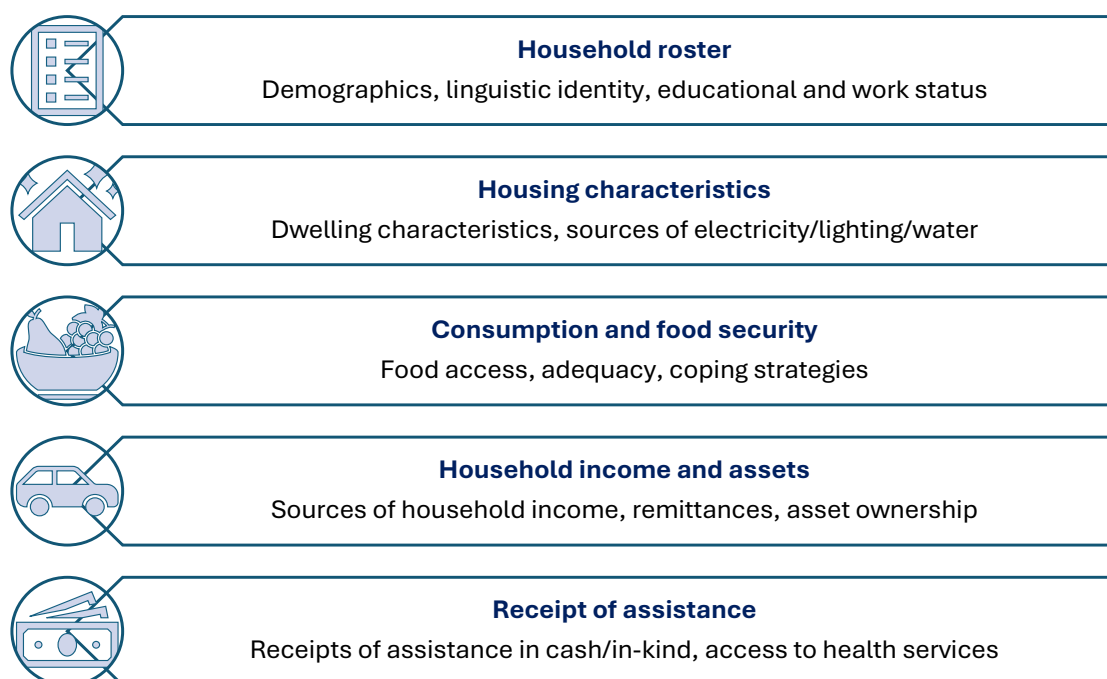
Survey Modules

The survey questionnaire comprises household- and individual-level modules (see figure A.2). Household-level modules include the household roster, dwelling characteristics, income sources and levels, asset ownership, consumption, food security, and the receipt of assistance. These were administered to the main respondent of the survey, who answered based on knowledge of the entire household. Individual-level modules included the following:

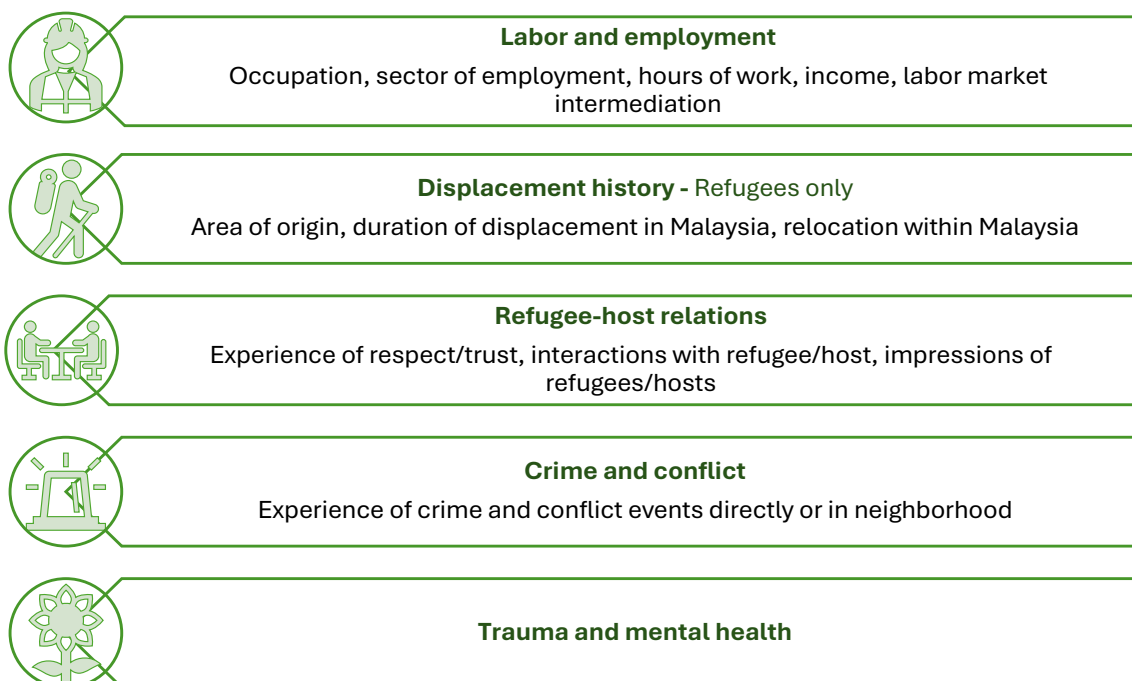
- A **Labor and Employment** module containing detailed questions on employment status and conditions and administered to one randomly chosen economically active member of each gender per household
- Modules on **Displacement History** (refugees only), **Refugee-Host Relations**, **Crime and Conflict**, and **Trauma and Mental Health**, administered to the main respondent of the household

FIGURE A.2: MODULES IN THE HARMONY SURVEY

a. Household-level modules



b. Individual-level modules

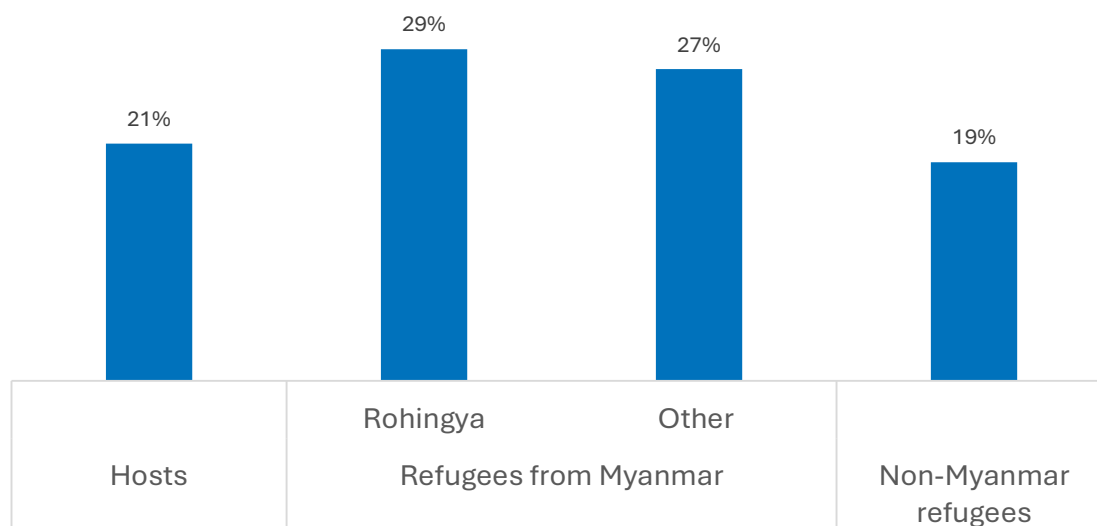


Sample Description

Demographic Profile

Some demographic differences are observed across the sample strata. Figure B.1 in appendix B shows the population pyramids of the sample by stratum. In the Malaysian host community stratum, a relatively even distribution of the population is observed across age bands by gender. In comparison, all refugee groups, especially the Rohingya, display a higher concentration at younger age groups, which contrasts with the slightly older age profile of host communities. This indicates a notable difference in demographic trends; while Malaysians are aging, most refugees in Malaysia are below the age of 40. This divergence in demographic trends can potentially be a source of labor market complementarity in the years to come.

In line with the demographic trends visible in the population pyramids, the average household dependency ratio (defined as the share of household members below 15 or above 64 years of age in the total household size) is also observed to be slightly lower for host community households compared to refugees from Myanmar (figure A.3). This is driven by the higher share of individuals below the age of 15 among refugees. However, the dependency ratio of hosts and refugees from other countries is somewhat similar.

FIGURE A.3: AVERAGE HOUSEHOLD DEPENDENCY RATIO, BY STRATUM

Appendix B. Figures

FIGURE B.1: POPULATION PYRAMIDS OF REFUGEE AND HOST COMMUNITIES

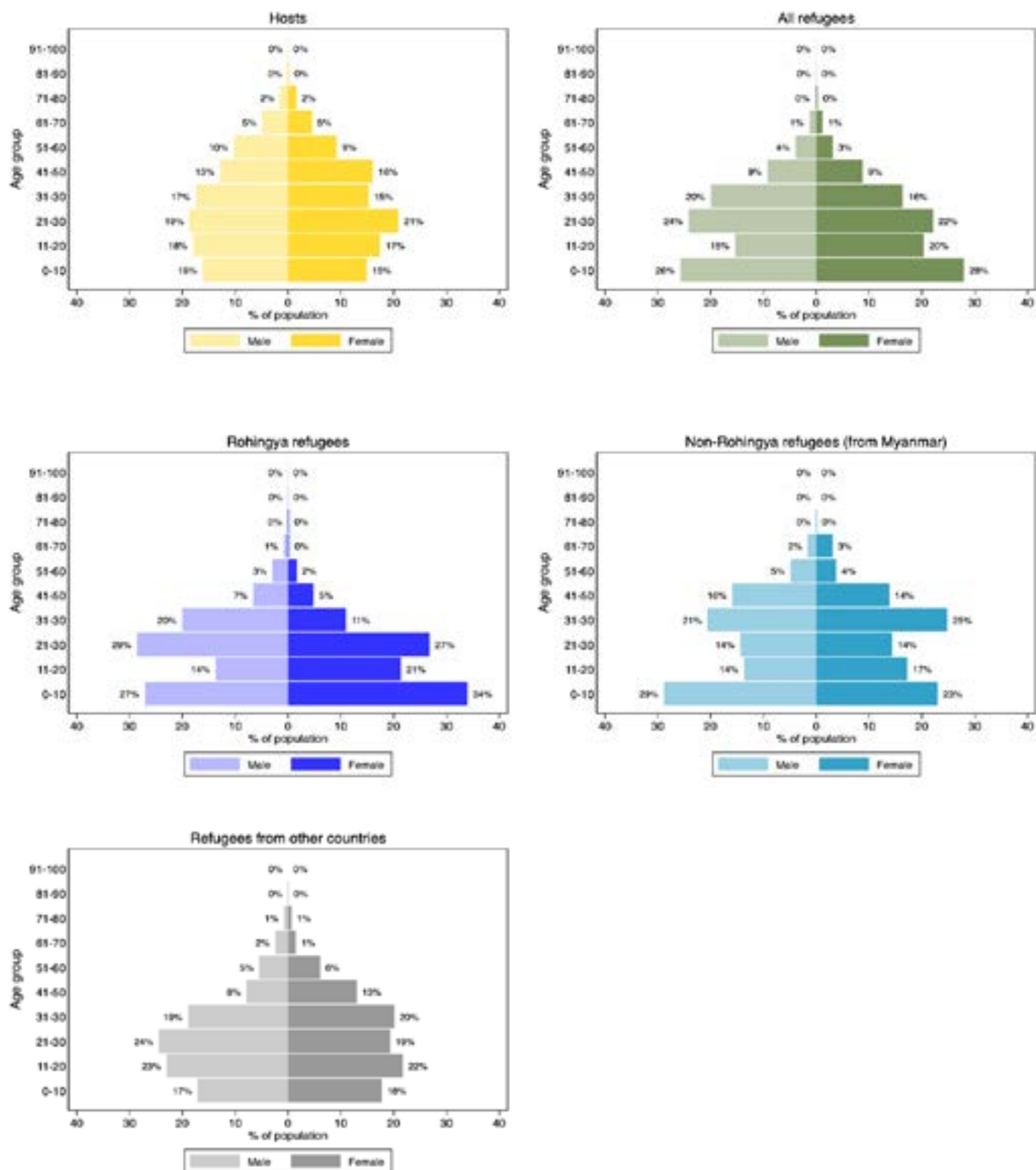


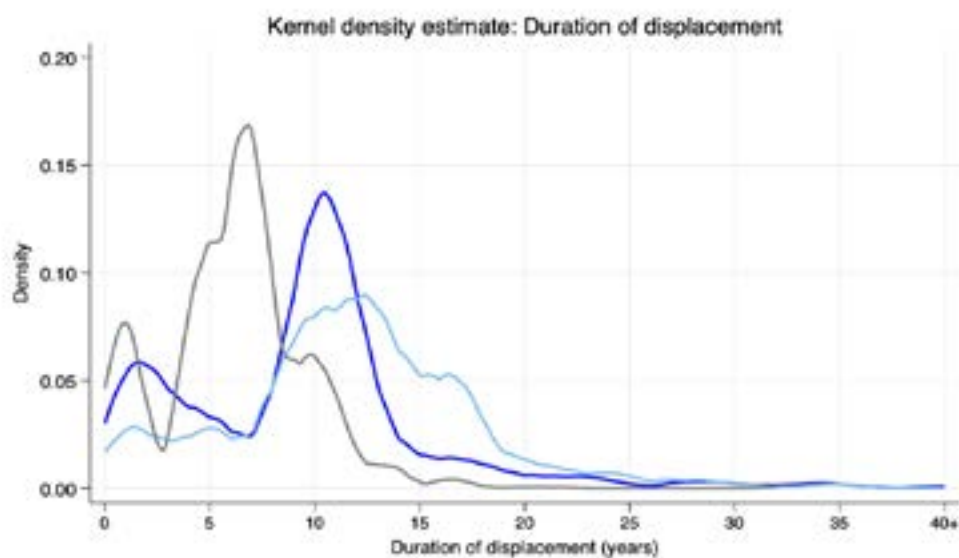
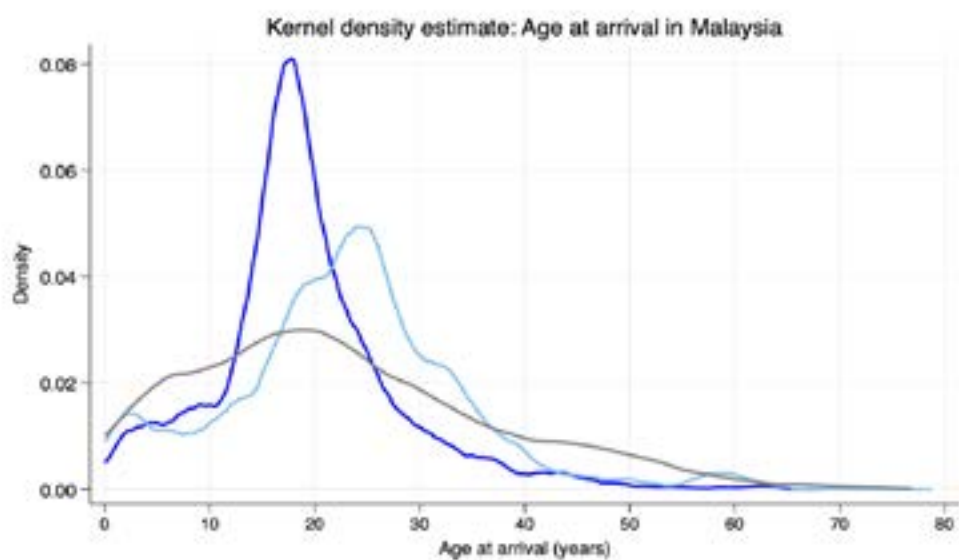
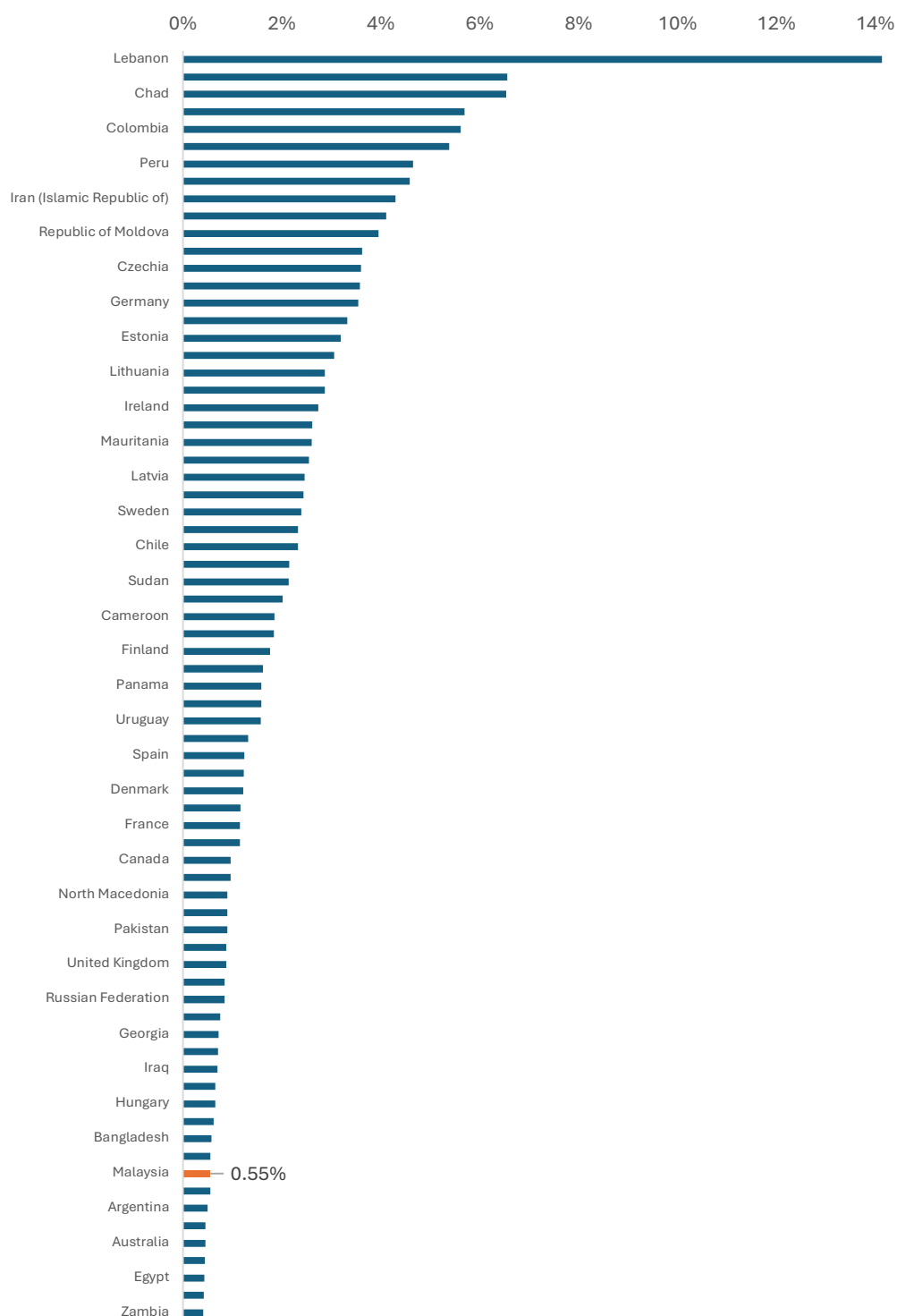
FIGURE B.2: DURATION OF DISPLACEMENT IN MALAYSIA, BY STRATUM**FIGURE B.3: REFUGEE AGE AT ARRIVAL IN MALAYSIA, BY STRATUM**

FIGURE B.4: REFUGEES AS SHARE OF HOST COUNTRY POPULATION (2023)

Note: Top countries with more than 1 million inhabitants. Authors' calculations using data from UNHCR Refugee Data Finder and the United Nations Department of Economic and Social Affairs.

FIGURE B.5: SECTOR TRANSITIONS OVER THE COURSE OF DISPLACEMENT: ROHINGYA REFUGEES

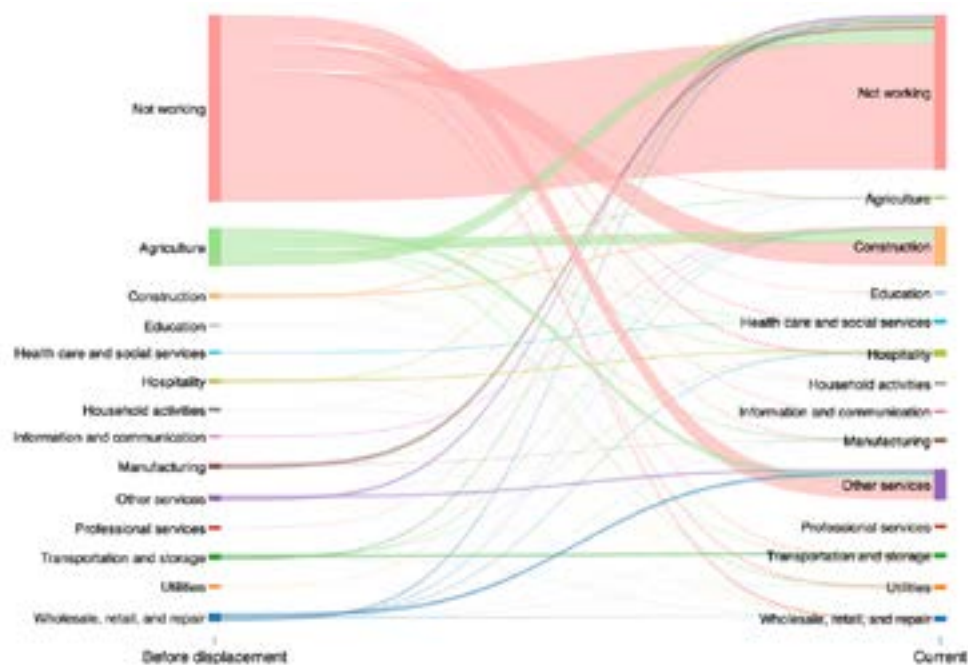


FIGURE B.6: SECTOR TRANSITIONS OVER THE COURSE OF DISPLACEMENT: NON-ROHINGYA REFUGEES FROM MYANMAR

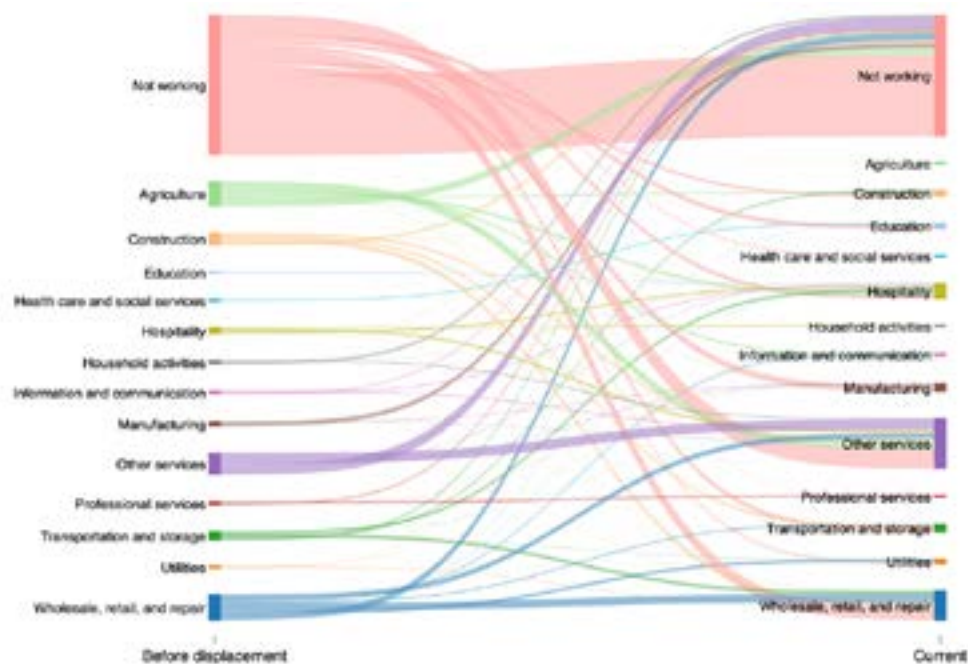


FIGURE B.7: SECTOR TRANSITIONS OVER THE COURSE OF DISPLACEMENT: REFUGEES FROM OTHER COUNTRIES

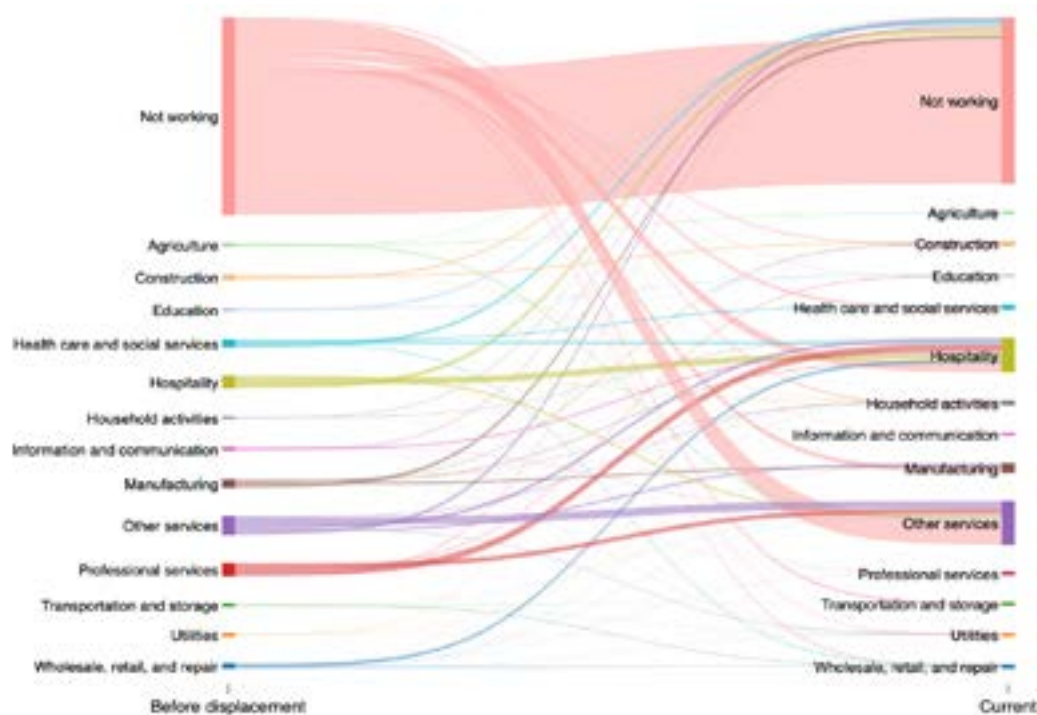
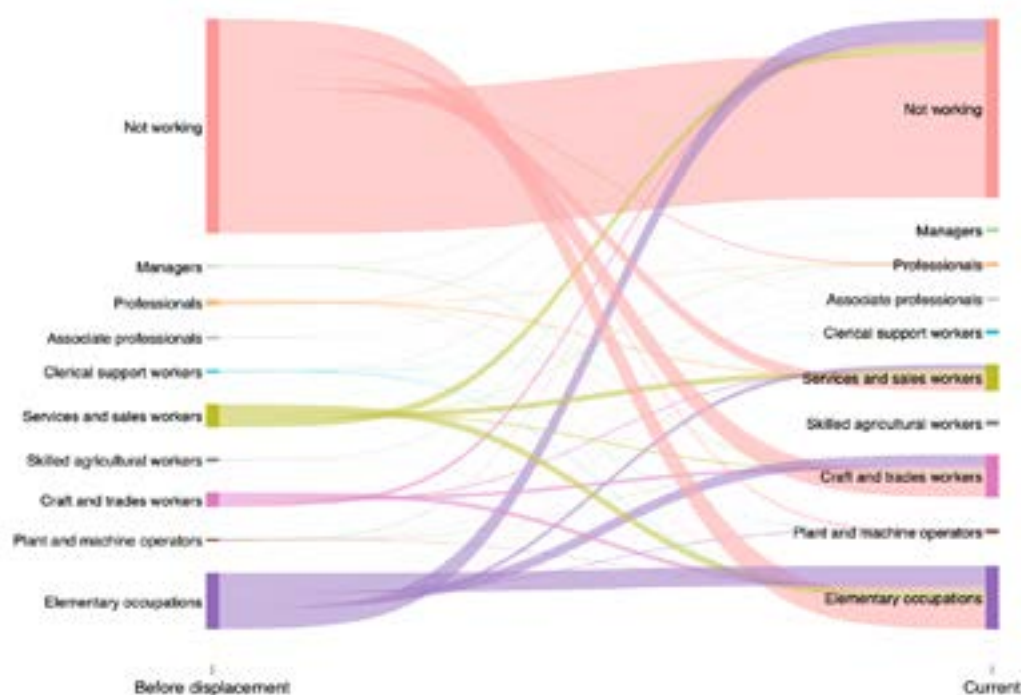


FIGURE B.8: OCCUPATION TRANSITIONS OVER THE COURSE OF DISPLACEMENT: ALL REFUGEES



Appendix C. Tables

TABLE C.1: SECTOR OF EMPLOYMENT, BY STRATUM

	Foreign nationals ^a (%)	All Malaysian nationals ^a (%)	Hosts (%)	All refugees (%)
Other services	1.13	1.90	13.45	31.30
Construction	15.35	7.36	5.12	19.77
Hospitality	12.13	8.18	16.93	11.69
Wholesale, retail, and repair services	9.80	17.98	8.90	10.01
Manufacturing	32.46	21.52	14.72	5.41
Transportation and storage	1.63	6.50	9.34	4.53
Household activities	7.42	0.20	0.42	2.81
Health care and social services	0.78	4.06	2.64	2.53
Agriculture	7.52	3.16	0.68	2.51
Water and waste management	0.41	0.63	1.71	2.27
Education	0.60	6.43	6.22	2.09
Utilities	0.15	0.56	1.65	1.54
Arts and entertainment	0.43	0.62	0.43	1.53
Public administration and defense	0.09	4.73	3.59	0.65
Professional services	0.60	3.65	2.00	0.47
Administrative support services	7.93	4.53	3.85	0.36
Information and communication	0.91	2.61	2.15	0.18
Finance and insurance	0.30	3.78	3.90	0.12
Mining	0.22	0.66	0.20	0.05
Real estate	0.13	0.92	0.82	0.03
Extraterritorial organizations	0.00	0.01	1.17	0.00

Source: UNSD 2008.

Note: Employment categories are from the International Standard Industrial Classification's broad structure categories.

a. The last two columns present shares of foreign and Malaysian workers in the sample states across sectors based on estimates from the Malaysia Labor Force Survey 2022, respectively.

TABLE C.2: TOP 10 OCCUPATIONS FOR HOSTS, REFUGEES, AND MIGRANT WORKERS IN KEY SECTORS OF OVERLAP

OTHER SERVICES					
Hosts	%	Refugees	%	Foreign migrant workers	%
Messengers, package deliverers, luggage porters	6.68	Other cleaning workers NEC	22.89	Product graders and testers (excl. F&B)	16.1
Street and related service workers	6.6	Sweepers and related laborers	7.69	Cleaners and helpers in offices, hotels, etc.	15.48
Shop sales assistants	5.89	Street and related service workers	7.61	Hairdressers	11.94
Other cleaning workers NEC	5.87	Waiters	6.07	Electrical mechanics and fitters	9.95
Security guards	5.43	Garbage collectors	5.37	Lifting truck operators	8.63
Hairdressers	4.16	Cabinetmakers and related workers	5.28	Civil engineering technicians	8.36
Machinery mechanics and repairers NEC	4.07	Manufacturing laborers NEC	4.73	Sweepers and related laborers	6.91
Motor vehicle mechanics and repairers	3.89	Security guards	4.73	Other cleaning workers NEC	5.69
Shopkeepers	3.77	Refuse and waste recycling sorters	4.56	Cashiers and ticket clerks	5.41
Clerical support workers NEC	3.43	Meat and fish process workers	3.97	Religious professionals	3.73

HOSPITALITY					
Hosts	%	Refugees	%	Foreign migrant workers	%
Street food salespersons	27.99	Cooks	24.33	Waiters	29.07
Shop sales assistants	8.66	Waiters	19.73	Street food salespersons	18.04
Waiters	8.25	Street food salespersons	10.59	Cooks	15.66
Cooks	6.49	Other cleaning workers NEC	9.98	Shop sales assistants	9.36
Messengers, package deliverers, luggage porters	5.98	Kitchen helpers	8	Cleaners and helpers in offices, hotels, etc.	4.74
Shop supervisors	4.98	Bakers, pastry cooks, and confectionery makers	5.39	Stall and market salespersons	3.36
Motorcycle drivers	4.69	Assemblers NEC	3.76	Kitchen helpers	2.13
Cashiers and ticket clerks	3.51	Manufacturing laborers NEC	3.54	Restaurant managers	1.87
Shopkeepers	2.94	Fast food preparers	2.8	Receptionists	1.5
Manufacturing laborers NEC	2.65	Messengers, package deliverers, luggage porters	2.29	Accountants	1.35

CONSTRUCTION					
Hosts	%	Refugees	%	Foreign migrant workers	%
House builders	41.49	House builders	38.35	Building construction laborers	57.14
Heavy truck and lorry drivers	7.3	Other cleaning workers NEC	8.22	House builders	12.02
Manufacturing laborers NEC	6.37	Carpenters and joiners	8.12	Civil engineering laborers	7.43
General office clerks	4.64	Machinery mechanics and repairers NEC	7.66	Bricklayers and related workers	4.03
Elementary workers NEC	4.33	Bricklayers and related workers	7.43	Electrical mechanics and fitters	2.01
Clerical support workers NEC	3.17	Wood treaters	6.87	Carpenters and joiners	1.27
Spray painters and varnishers	3.01	Stonemasons, stone cutters, splitters	6.28	Odd-job persons	1.13
Shop supervisors	2.99	Painters and related workers	2.78	Painters and related workers	1.06
Machinery mechanics and repairers NEC	2.84	Sweepers and related laborers	2.64	Construction supervisors	0.96
Plumbers and pipe fitters	2.73	Domestic cleaners and helpers	2.55	Concrete placers and concrete finishers	0.89

WHOLESALE, RETAIL, AND REPAIR SERVICES					
Hosts	%	Refugees	%	Foreign migrant workers	%
Motor vehicle mechanics and repairers	18.17	Motor vehicle mechanics and repairers	15.47	Shop sales assistants	43.68
Shopkeepers	14.18	Assemblers NEC	11.02	Stall and market salespersons	7.59
Shop sales assistants	12.51	Stall and market salespersons	9	Motor vehicle mechanic and repairers	5.96
Clerical support workers NEC	10.94	Street and related service workers	8.41	General office clerks	5.01
Door-to-door salespersons	7.98	Shop sales assistants	8.01	Stock clerks	4.78
Street food salespersons	5.82	Street vendors (excluding food)	7.3	Shopkeepers	3.92
Street vendors (excluding food)	5.43	Domestic cleaners and helpers	7.15	Cashier and ticket clerks	2.12
Street and related service workers	5.19	Messengers, package deliverers, and related	4.82	Transport and storage laborers	2.06
Cashiers and ticket clerks	4.24	Elementary workers NEC	4.21	Contact center salespersons	1.97
Kitchen helpers	2.31	Machinery mechanics and repairers NEC	3.69	Sales demonstrators	1.64

Note: F&B = food and beverage; NEC = not elsewhere classified. Shaded occupations indicate that refugees overlap with hosts. Occupations named in **bold** indicate that refugees overlap with foreign migrant workers.

TABLE C.3: CORRELATES OF LOG EARNINGS PER HOUR (RM), BY GROUP: FULL SAMPLE

	Hosts	Refugees from Myanmar		Refugees from other countries	All refugees combined
		Rohingya	Non-Rohingya		
Years of schooling completed	0.06*** (0.01)	-0.01 (0.01)	0.01** (0.01)	-0.03 (0.02)	-0.01 (0.01)
Mean	2.52	2.34	2.08	1.99	2.17
N	1173	459	608	124	1191

Note: Standard errors are clustered at the household level and indicated in parentheses. Controls include age, gender, and state dummies. This estimation is only for those who work at least five hours per week.

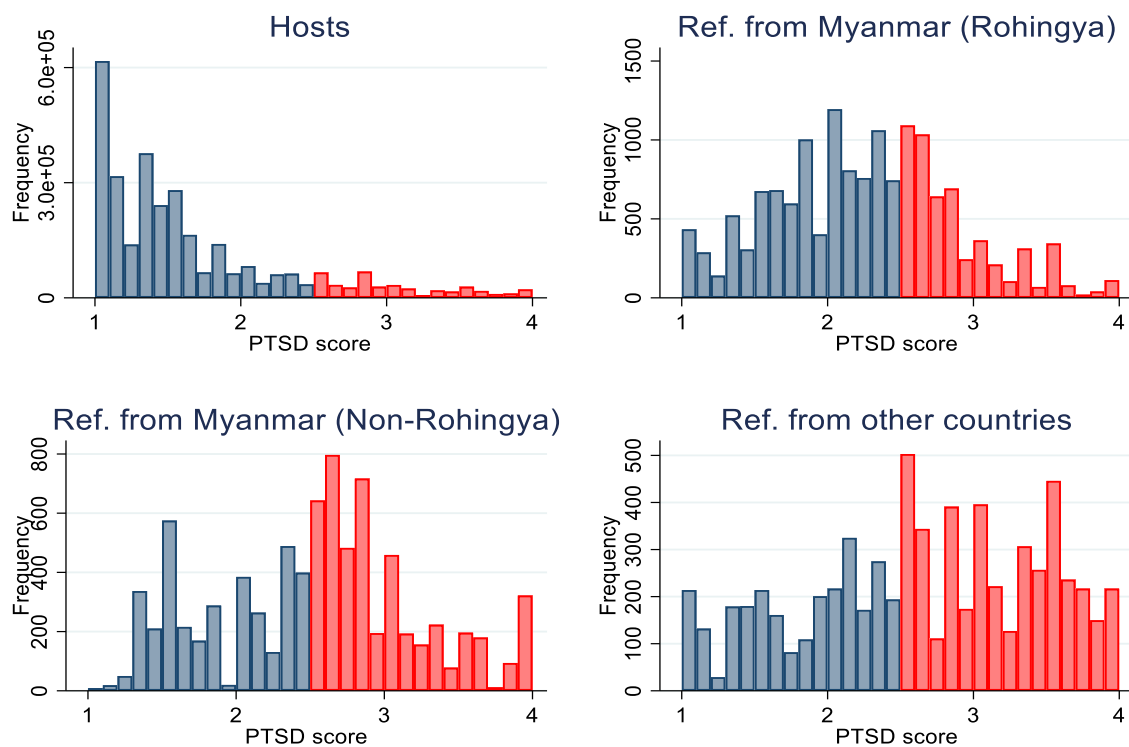
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Appendix D. Measuring PTSD in the HARMONY Survey

The HARMONY Survey assesses the mental health of respondents by incorporating a subset of 16 trauma symptom questions, extracted from the Harvard Trauma Questionnaire (HTQ). The symptoms assessed in the 16-item trauma questionnaire include the following:

- Recurrent thoughts or memories of traumatic events
- Recurrent nightmares
- Feelings of detachment or withdrawal from others
- Inability to feel emotions
- Irritability or anger outbursts
- Reluctance to interact with people outside the household
- A sense of having no future
- Difficulty dealing with new situations
- Physical problems
- Inability to make daily plans
- Feeling misunderstood
- Hostility from others
- Lack of trust in others
- Feeling powerless to help others
- Spending time wondering why past events happened

This subset of questions has been deemed culturally appropriate to quantify PTSD for the setting involving refugee populations; it was validated among Rohingya refugees in Bangladesh by Ritsema and Armstrong-Hough (2023). The questions allow us to assess the clinical risk of PTSD in participants by asking about symptoms consistent with the *Diagnostic and Statistical Manual of Mental Disorders (DSM-IV)* diagnostic criteria for PTSD and the extent to which each symptom has bothered them. Participants rate each symptom on a 4-point scale where 1 indicates “not at all,” 2 indicates “a little,” 3 indicates “quite a bit,” and 4 indicates “extremely.” An average score of 2.5 across the questions in the HTQ is commonly defined as a moderate to severe likelihood for clinical PTSD: individuals are thus considered symptomatic for PTSD. An average score below 2.5 is interpreted as minimal to slight likelihood (Alden et al. 1998; Rasmussen et al. 2015).

FIGURE D.1: DISTRIBUTION OF PTSD SCORE, BY STRATUM

Note: PTSD = post-traumatic stress disorder; Ref.= refugees.

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Endnotes

- 1 Affirmed by the United Nations General Assembly in December 2018, the Global Compact on Refugees is a framework for more predictable and equitable responsibility sharing, recognizing that a sustainable solution to refugee situations cannot be achieved without international cooperation. Thus, it provides a blueprint for governments and other stakeholders to ensure that host communities receive the support they need and that refugees can lead productive lives (see UNHCR 2018).
- 2 The 1951 Refugee Convention and its 1967 Protocol are the key legal documents that define a refugee and outline their rights. UNHCR is identified as the “guardian” of the Refugee Convention and its Protocol. The main principle of the Refugee Convention and its Protocol pertains to non-refoulement, which asserts that refugees should not be returned to countries where they face serious threats to their lives or freedom.
- 3 Unless otherwise stated, the data used for all figures in this report come from the HARMONY Survey.
- 4 The labor force participation rate is the proportion of the working-age population (15–64 years old) that is economically active: all people who supply labor for the production of goods and services during a specified period (ILO n.d.). The labor force includes employed and unemployed persons. The national labor force participation rate as of November 2024 was 70.5 percent.
- 5 The employment rate is the proportion of a country's working-age population that is employed. Employment is defined as persons of working age who, during a short reference period, were engaged in any activity to produce goods or provide services for pay or profit, whether at work during the reference period (i.e., who worked in a job for at least one hour) or not at work due to temporary absence from a job or to working-time arrangements (ILO n.d.). The national employment rate as of November 2024 was 68.3 percent.
- 6 The unemployment rate is the share of the labor force that is without work but is available for and seeking employment (ILO n.d.). The national unemployment rate as of November 2024 was 3.2 percent.
- 7 In 2022, the informal employment rate in Malaysia stood at 26.8 percent (Ghorpade et al. 2024). The same report found that women, youth, less educated persons, and workers from lower-income households, rural areas, and less developed states are more likely to be informally employed.
- 8 In Malaysia, time-related underemployment is defined as the share of workers who work fewer than a given number of hours, (e.g., 40 or 30 hours per week) (Department of Statistics Malaysia 2025).
- 9 The EPF and SOCSO provide retirement savings and workplace injury insurance, respectively.
- 10 The share of non-Malaysian citizens accounted for 16 percent of the total workforce in 2023.
- 11 US\$1 = RM 4.72 as of February 2024, coinciding with the survey.
- 12 Health care assistance entails support received either from the Malaysian government, UNHCR, other UN agencies, NGOs, or religious organizations when seeking health care services. Refugees are currently obliged to pay half of the foreigner's rate for health care in Malaysia.
- 13 Note that the computation of income in the HARMONY Survey is based on self-reported data on broad income categories and is not strictly comparable to national statistical estimates of poverty. Even though the 2022 poverty line is adjusted for spatial and temporal differences in prices—allowing for a valid internal comparison between refugees and hosts within the HARMONY Survey—the poverty levels computed should be treated as indicative because the underlying income modules are not strictly comparable to those used in national statistics.
- 14 The studies they analyze were conducted with refugees residing in Australia, Austria, China, Germany, Italy, Lebanon, Nepal, Norway, South Korea, Sweden, Switzerland, Turkey, Uganda, the United Kingdom, and the United States. This may be especially pertinent for forced eviction following raids and crackdowns on undocumented workers in general (see Razak 2020).
- 15 This may be especially pertinent for forced eviction following raids and crackdowns on undocumented workers in general (see Razak 2020).
- 16 Plantations, in particular, were associated with long hours of work and very challenging work conditions.
- 17 To learn more about the Tanma Federation, visit <https://tenaganita.net/refugee-women-group-tanma/>.
- 18 Under SPIKPA, it is mandatory for all foreign workers in Malaysia to enroll in the Foreign Workers Hospitalization and Surgical Insurance Scheme, with an annual premium of RM 120. The scheme allows for a cashless admission into government hospitals with a maximum overall annual limit of RM 20,000.

- 19 For details of this law, see the UNHCR website at <https://www.unhcr.org/news/news-releases/news-comment-unhcr-welcomes-new-asylum-law-chad>.
- 20 To learn more about the Qatar Fund for Development, visit <https://reliefweb.int/report/malaysia/qffd-qatar-charity-coordinate-implement-projects-rohingya-refugees-malaysia>.
- 21 MYFutureJobs is Malaysia's online national employment service platform managed by SOCSO.