

ABSTRACT

Migration can bring both benefits and costs to sending and receiving countries depending on the cultural, social and economic context. Many believe that migration is an important issue and is linked to socio economic growth. According to Malaysian authorities, there are 1.91 million migrants working in Malaysia in 2006 with some 320,000 them working as domestic workers. Their presence in the household, allow married women to participate in the workforce. Two sets of data on Household Expenditure Survey (HES) conducted by Department of Statistics Malaysia in 1994 and 2004 are used. There are approximately 14,000 randomly selected households surveyed in each wave. Demography information on all persons living in the selected household including information on their expenditure and income are collected in this survey. A logistic regression model (Probit Models) are used to incorporate a set of different combination of independent variables to determine the propensity score matching to determine the differences between households with and without domestic helpers. The results shows women in household with domestic helpers are about 20 to 30 per cent more likely to be in the workforce. Therefore, the impact of foreign domestic helpers on female labor participation in host country is highly significant.