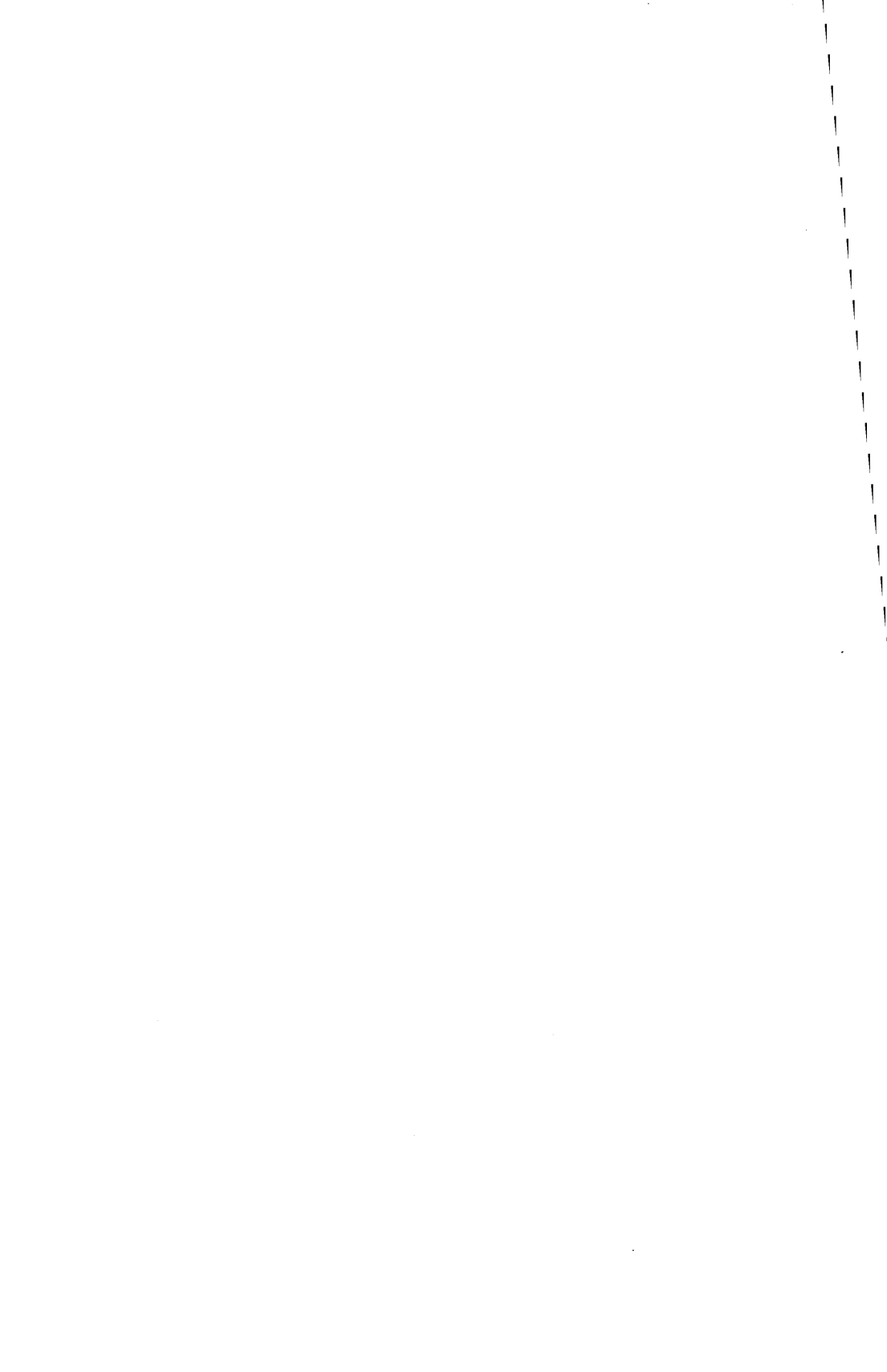


INDIAN PLANTATION LABOUR
IN MALAYSIA



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Selvakumaran Ramachandran



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*To the memory of my late father
and for my mother and brothers
who toiled in the plantations to
push me into the world of learning*

PREFACE

For most of this century, the plantation sector has played a crucial role in the economic development of Malaysia. During the pre-war period, the expansion of plantations was made possible by a massive inflow of foreign capital and labour. European capital inveigled the labour resources of Asian countries close by to undertake the planting and harvesting of vast acreages of commercial crops. Malayan exports, well known throughout the world as 'Straits produce', doubled and then trebled in volume as the colonial state facilitated further capital investment and labour migration.

This study differs from conventional research on the plantation sector in Malaysia in that it focuses on the underside of the industry. Its subject is the working and living conditions of the vast number of Indian workers whose livelihood was on the plantations. Although these people contributed disproportionately to the economic growth of the country, they have come to be regarded as the 'forgotten people' or the 'persistent poor' of Malaysia. This study examines the position of the Indian plantation workers by looking into the political, economic, social, psychological and institutional dimensions of their existence, both in their work environment and in their home lives. The study applies the theory or concept of marginalization, which has been widely used by Latin American scholars, to Malaysia. At the same time, it also treats the Malaysian plantation as a unique socio-economic system, with its own norms and contradictions.

This book investigates the roles of capital, trade unions and the state in determining the welfare of the plantation workforce. For historical and economic reasons, it has been possible for capital to maximise profitability over the years by manipulating labour supply. It has managed to do this despite the existence of a vast array of 'protective' legislation for the workers and the existence of Malaysia's

largest trade union. Plantations today are eligible neither for urban nor for rural development grants under the Malaysian development plans. Plantation workers are also neglected by the state in social and political terms. The book concludes by suggesting various possible scenarios for the future of plantation labour in Malaysia in light of recent labour immigration.

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This book is a revised version of my Ph.D. thesis submitted to Griffith University, Brisbane, Australia. During the course of the preparation and writing of this book I have incurred a debt of gratitude to many individuals and institutions both in Australia and in Malaysia. This book would never have reached this stage without their advice, active support, encouragement and cooperation.

First of all, I would like to thank Griffith University for granting me a scholarship to undertake postgraduate studies in Australia. The book would not have been completed without the help of my thesis supervisor, Dr Ponniah Arudsothy. His prompt and critical assistance in addressing the theoretical problems, clarifying arguments, marshalling facts and providing moral support and encouragement, especially at the last stage of the work have been valuable. Nevertheless, I alone must bear full responsibility for any remaining errors and omissions in this study.

I also wish to record my thanks to the Institute of Southeast Asian Studies, Singapore, and particularly its then Director, the late Professor K.S. Sandhu, for providing valuable guidance at an early stage of my research. Equally helpful was the Population Studies Unit of the Faculty of Economics and Administration, University of Malaya, which provided some financial assistance to conduct preliminary fieldwork in Malaysia.

As the greater part of my work was carried out in the libraries attached to various institutions, it would be remiss of me if I failed to acknowledge the unstinting help advanced to me by all library staff whom I had occasion to consult during my research. In particular, I would like to acknowledge my debt to the staff of Griffith University Library, the Queensland University Library, the Menzies Library of the Australian National University, the University of Malaya Library, the National University of Singapore Library and the Library of the Institute of Southeast Asian Studies, Singapore. Two smaller establishments that provided useful data were the libraries attached to the Malaysian Trade Union Congress and the Ministry of Human

Resources in Kuala Lumpur. The Labour and Manpower Report published by the Ministry of Human Resources has been the major source of data. It is however, unfortunate that the Ministry has ceased publishing this report since 1988.

My fieldwork in Malaysia was helped by the staff of the National Union of Plantation Workers, both at the national and state levels. Staff at the Public Health Unit in the Ministry of Health provided valuable assistance. I must also thank the numerous workers and their families who put up with my visits and endless questions, often at inconvenient times of the day. I hope this study is in some way able to repay the hours of questioning they were subjected to.

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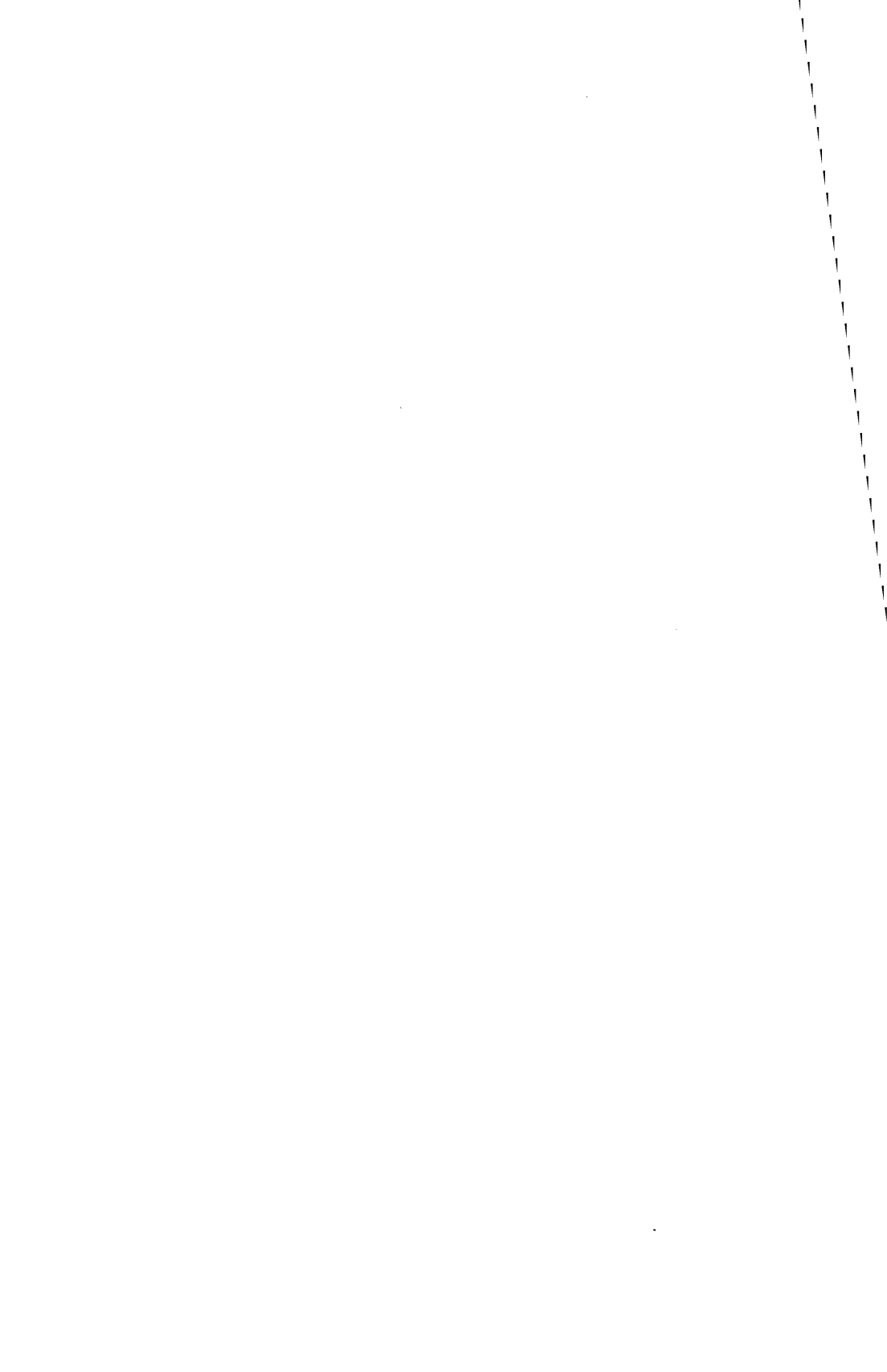
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ABBREVIATIONS

AGLU	Alor Gajah Labour Union
ALIRAN	Aliran Kesedaran Negara
AMCJA	All Malayan Council of Joint Action
AMESU	All Malayan Estate Staff Union
ARLDFMS	Annual Report of the Labour Department Federated Malay States
ARSILFB	Annual Report of the South Indian Labours Fund Board
ASA	American Soyabean Association
ASN	Amanah Saham Nasional
BMA	British Malaya Administration
CAP	Consumers Association of Penang
CIAM	Central Indian Association of Malaya
DAP	Democratic Action Party
EIEWU	Estate and Other Indian Workers Union
EIU	Economist Intelligence Unit
EPF	Employees' Provident Fund
EWRf	Educational Welfare Research Foundation
FELDA	Federal Land Development Authority
FMS	Federated Malay States
FTU	Federation of Trade Unions
GATCO	Great Alloniers Trading Corporation
GDP	Gross Domestic Product
GERAKAN	Gerakan Rakyat Malaysia
HSC	Higher School Certificate
IBRD	International Bank for Reconstruction and Development
ICFTU	International Confederation of Free Trade Unions
IIL	Indian Independence League
ILO	International Labour Office
IMP	Independence of Malaya Party
INA	Indian National Army
INSAN	Institute of Social Analysis

IRRA	International Rubber Regulation Agreement
JSPWU	Johore State Plantation Workers Union
KSEDC	Kedah State Economic Development Corporation
LCE	Lower Certificate of Education
MAPA	Malaysian Agricultural Producers Association
MARA	Majlis Amanah Rakyat
MCA	Malaysian Chinese Association
MCE	Malaysian Certificate of Education
MCP	Malayan Communist Party
MEWU	Malacca Estate Workers Union
MGLU	Malayan General Labour Union
MIC	Malaysian Indian Congress
MIED	Maju Institute of Educational Development
MPAJA	Malayan People's Anti-Japanese Army
MPAJU	Malayan People's Anti-Japanese Union
MPAM	Minutes of Planters Association of Malaya
MPHB	Multi Purpose Holding Berhad
MPIEA	Malayan Planting Industries Employers Association
MTUC	Malaysian Trade Union Congress
NEB	National Electricity Board
NECC	National Economic Consultative Council
NEP	New Economic Policy
NLFCS	National Land Finance Corporative Society
NSILU	Negeri Sembilan Indian Labour Union
NSRWU	Negeri Sembilan Rubber Workers Union
NUPW	National Union of Plantation Workers
PAM	Planters Association of Malaya
PAS	Parti Islam Se-Malaysia
PDHC	Parliamentary Debates, House of Commons
PEEU	Perak Estate Employees Union
PERNAS	Perbadanan Nasional
PETA	Pembela Tanah Ayer
PETRONAS	Petroleum Nasional
PMEEW	Perak's Malayan Estate Employees Union
PMFTU	Pan Malayan Federation of Trade Unions
PMGLU	Pan Malayan General Labour Union
PMIP	Pan Malayan Islamic Party
PMRWU	Pan Malayan Rubber Workers Union
PNB	Permodalan Nasional Berhad
PORLA	Palm Oil Research and Licencing Authority

PWUM	Plantation Workers Union of Malaya
PWUSM	Plantation Workers Union of South Malaya
RRIM	Rubber Research Institute of Malaysia
RTU	Registrar of Trade Unions
SEDC	State Economic Development Corporation
SERU	Socio-Economic Research Unit
SGLU	Singapore General Labour Union
SOCSO	Social Security Organization
SPM	Sijil Pelajaran Malaysia
SRP	Sijil Rendah Pelajaran
STPM	Sijil Tinggi Pelajaran Malaysia
TUA	Trade Union Advisor
TUAM	Trade Union Advisor for Malaya
UDA	Urban Development Authority
UFMS	Unfederated Malay States
UMEWU	United Malayan Estate Workers Union
UMNO	United Malays National Organization
UPAM	United Planting Association of Malaya
UPSR	Ujian Pencapaian Sekolah Rendah
VMO	Visiting Medical Officer

1

INTRODUCTION

Rationale and Objectives

The plantation industry in Malaysia has long been an important sector as an income generator and employer. Historically, it is one of the longest standing industries in Malaysia, playing a major role in national development for over a century. By taking into account socio-economic and political factors in analysing the plantation industry, important and hitherto neglected aspects of this industry can be explored, thereby contributing to a fuller understanding of this sector.

This study looks at the problem of the erosion of socio-economic welfare and status of Indian plantation labour in Peninsular Malaysia especially since independence in 1957. Plantations have played a very important role in the national economy as a source of foreign exchange, a major employer and provider of raw materials for industrial development of resource-based manufacturing. Nevertheless, researchers interested in development issues have generally taken little notice of plantations as distinct systems producing certain agricultural commodities. The issue of the welfare of plantation workers is an important, but yet very neglected, focus of study. To date, research priorities have focused on technological improvements in latex extraction, the development of high-yielding trees, and general economic histories of the rubber and oil palm industries, rather than on the welfare of workers engaged in the plantations.

Soon after independence, when there was widespread speculative sale and subdivision of estates, early studies — such as Aziz (1963) — warned the government of the rapid decline of living conditions in estates. Nevertheless, the gravity of the lot of plantation communities has long been neglected, the *first* official recognition being

only in 1976, in the *Third Malaysia Plan, 1976–1980*. However, despite this official acknowledgement, programmes of poverty redressal implemented during the third and subsequent Malaysia Plan periods, did not strive to achieve any dramatic improvements for the plantation communities (Craig, 1977: 42). In this context, plantation workers, the majority of whom were ethnic Indians, have been largely bypassed even as the nation as a whole has progressed. Indeed, by all accounts, the lot of plantation labour today remains critical, and merits study from a multi-disciplinary perspective. Such a study is necessary in order to draw attention to the uncertain future perpetuated by the cycle of poverty which faces plantation communities in their ghetto-like existence.

This study analyses the role and status of Indian plantation or estate labour in the Malaysian economy and society. This analysis is both historical, from the colonial era and continuing after Independence, as well as contemporary. In studying the problems of Indian plantation workers, this study locates them in the global context of the plantation economy. Within Malaysia, it was necessary to trace both the colonial origins of the plantation industry and its subsequent expansion, as well as the impact of the plantation sector on the Malaysian economy and society in general. In so far as the colonial economy engendered a plural society in which there was not only a high degree of occupational/industrial specialization, but also social and political isolation from other communities, it has been necessary to dwell at length on ethnic relations. The beginnings of class struggle among plantation workers in the 1920s and 1930s were limited by ethnic divisions and the capture of the Indian estate workers' leadership by the urban middle class Indians whose ties to Malaysia were tenuous. This incipient working class movement was largely utilised to champion the Indian nationalist movement and Indian Independence (Stenson, 1980: 92). Attention will be paid to class relations and ethnic divisions at different periods in Malaysian history, requiring a multiplicity of analytical approaches. In the context of Malaysian history and the socio-economic development policies announced and implemented by the Malaysian government, this study will show that both class and ethnicity are important in explaining the marginalization of Indian plantation labour.

A review of the available literature quickly reveals that few studies have focused specifically on the huge labour force that has,

from the early part of this century, dominated the plantation sector. Parmer's classic *Colonial Labour Policy and Administration* (1960) was more concerned with the problems of labour management and labour market issues such as wage structures and other benefits. On the other hand, Gamba (1962b), who was very close to the National Union of Plantation Workers' (NUPW) leadership, wrote mainly on what he perceived to have been the major social and political problems of union organization among plantation workers. But such studies are limited in scope and analysis, and do not span a long enough historical period to be able to account for the marginalization of plantation labour. Even fewer studies have been undertaken to study the marginalization process under the impact of more recent national policy developments such as the New Economic Policy (1971–90) and the impact of its twin strategy of ethnic economic redistribution and (absolute) poverty reduction to achieve national unity.

This book will specifically ask why the plantation workers in Malaysia have been marginalized and relegated to the fringes of society. This marginalization has occurred despite the fact that the industry itself has prospered and contributed immensely to the economy. The process of marginalization has many dimensions: in terms of poverty, it represents absolute states, conditions or incomes; in relative terms, it attempts to show that the rate of progress is lagging behind other members of society; and finally, marginalization can lead to despair and the loss of social and cultural identity, increasingly reflected in deviant behaviour (alcoholism, family breakdown and domestic violence), as noted by several sociologists (Hughes, 1949; Goldberg, 1941; Perlman, 1976). In analysing this marginalization, this study will look at political, social, economic and institutional factors that have contributed to the plantation workers' present condition. The erosion of their status and welfare over time can best be described as marginalization. Historical events, facts and data have been used extensively to develop the main arguments of this study.

For much of the twentieth century, the world price of rubber was almost the pulse of the Malaysian economy. Substantial fortunes were made during boom times, and privations were endured during price slumps. However, it was obvious to most observers, even in the early years of the plantations, that workers generally bore a consistently heavy burden, both economically and socially, in sustaining the industry. In comparison with the twentieth century tin mining

industry (which represented the second largest capitalist sector in colonial Malaya), the plantation system was more labour-intensive, requiring a substantial labour supply.

This study has adopted a multi-disciplinary approach. It will examine the problems of plantation workers by looking at the political, economic, social and institutional dimensions of their existence, both at work and in the households. An attempt is made to shed some light on why workers' welfare has declined relatively, though not necessarily absolutely, after almost a century of existence and enormous technological change.

Theoretical Foundations

This analysis of the problems of plantation labour in Malaysia has benefited from two theoretical concerns among social scientists: the concept of marginalization and the conceptualization of the plantation as a social system.

Concept of Marginalization

The general concept of marginalization is complex and many faceted. Some facets like income are easily measured, but others like political or cultural participation are difficult to quantify. Further, the concept has often not been elaborated in a systematic fashion, with different authors emphasising different dimensions of marginalization, from varying perspectives.

In one author's view, the concept of marginalization as a process can be subsumed under the general analysis of underdevelopment as it has come to be applied to Third World countries (Sahli, 1981: 489). This view charts a general tendency to exclude a specific region or population segment from the growth and progress of the economy. Such an approach views marginalization as the 'underside' of 'progress' and 'development' affecting certain geographical locations, such as urban centres or populations. Such centres invariably assume the role of 'axes of development', promoting the dynamic growth of the national economies. Instead, Sahli has shown that in most Third World countries, neglected or marginalized zones were often also subject to 'exhaustive colonial penetration' as mining or plantation economies.

Such economic regions or populations are not simply cast aside

as rejects or problem areas; but may sustain other dominant zones. Several development economists, including Hirschman (1958) and Myrdal (1956), have noted these divergent processes in developing economies. Such dependent relations between regions subject to 'underdevelopment' and dynamic urban sectors have been characterised as 'internal colonialism' by dependency theorists (Frank, 1981), best described in the following words:

So once economic growth is established in one region of a polity it sets in motion particular kinds of relationships with the other regions. The progressive economic sector becomes highly diversified and with its relatively greater prosperity and profitability it denudes the neglected economic sectors of investment capital and entrepreneurial talent, and the marginal region develops as a specialized appendage to the progressive economic sector (Prattis, 1980: 308).

However, Prattis firmly rejects the classical 'dual economy' approach and its subsequent refinements, which take the view that economic backwardness is simply a function of separateness and incomplete integration with modern economic systems. On the contrary, he finds that they are integrated, often to the advantage of the modern sector. This, however, is a question of relative power and competitive ability among sectors, rather than a question of sectoral segregation.

Marginalization is another way of looking at this process of divergent economic 'growth', and has the added advantage in that it looks at the whole process in a less 'economistic' way. This concept has had wide currency among sociologists, who have attempted to study poverty groups in developed as well as developing countries (Perlman, 1976; Quijano, 1974; Boserup, 1976; Scott, 1986). For example, the marginalization of women workers in the course of economic development has been closely analysed by Scott, who uses the concept to unravel the weakening role of such workers due to dependency, dualism, informalization and tertiarization (Scott, 1986: 649). Scott's study of labour force marginalization in developing countries uses four modes or categories:

- (1) Marginalization as exclusion from productive employment
- (2) Marginalization as concentration on the margins of the labour market
- (3) Marginalization as feminization or segregation
- (4) Marginalization as economic inequality

As Scott's approach shows, the concept of marginalization can be used to disaggregate the complex processes that retard social and economic progress, so that one may examine each of the factors responsible for this 'internal' process of 'underdevelopment'. In developing Scott's ideas, the present study attempts to account for marginalization in six ways:

- (1) Marginalization as social and cultural isolation
- (2) Marginalization as economic inequality
- (3) Marginalization as a condition of poverty
- (4) Marginalization as political neglect
- (5) Marginalization in terms of location or region
- (6) Marginalization through co-optation of trade union leaders and the subsequent alienation of the workforce

(1) *Marginalization as social and cultural isolation*

Social and cultural marginalization often occurs among immigrant groups, however long settled in the host country, through discrimination by the dominant or native population (Gist and Dworkin, 1972: 17). In the case of immigrant workers and their families, such a tendency towards discrimination is heightened by their location in plantations and mines in remote and isolated parts of the country where socialization and cultural institutions are unavailable. In Sahli's view, cultural marginalization, follows "geographical and socio-economic marginalization, becomes a concrete reality, engendering a dramatic situation in which the marginalised segments of the population, unable to gain access to the technical progress of the country as a whole... find themselves ostracised from the benefits of cultural progress too" (Sahli, 1981: 498). This study adopts Sahli's views in explaining social and cultural marginalization.

(2) *Marginalization as economic inequality*

Growing *economic inequality as a process of marginalization* can arise through differential rates of growth in money wages, lack of occupational mobility or restricted access to fringe benefits, overtime pay, or additional jobs in the local labour market. Such a process was historically engendered by the geographical isolation of the plantation sector, and the process of spatial marginalization occurred in the context of increasing urbanization, which led to the relative economic decline of plantation communities (Sahli, 1981: 490). This concept was

first used in the context of the 'Brazilian miracle', which witnessed enviable rates of growth of the national economy accompanied by large pockets of poverty in both urban and rural areas of the country (Quijano, 1974: 401).

(3) *Marginalization as a condition of poverty*

Poverty as a process of marginalization involves a complex set of variables, among which money wages or income forms only a single element in the process. Social scientists have increasingly used the concept of 'cycle of poverty' as a persistent phenomenon which can only be eliminated by drastic structural change in the economy and society generally (Ghai, 1977: 2). In this context, it has been found relevant to examine the problem of increasing poverty in the plantation sector in terms of basic needs. These basic needs are, for example, child care, schooling, health, clean environment, housing, water and other basic amenities, supposedly provided by management but which have either deteriorated in quality or become unavailable.

(4) *Marginalization as political neglect*

Political marginalization is a process whereby discrimination and prejudice are sanctioned not only by dominant group pressures, but also by laws that prevent minority people from participating as full citizens in society (Gist and Dworkin). One way this has happened in Malaysia has been due to the extreme tardiness in granting citizenship certificates to immigrant workers and their families (Suryanarayan, 1982: 44). The exclusion of political parties — mainly the opposition — by estate managements has been another important cause of political marginalization. Political marginalization here refers to ineffective representation by the Malaysian Indian Congress (MIC), the largest Indian based political party, which nevertheless enjoys some grass root support from plantation workers.

(5) *Marginalization in terms of location or region*

Spatial marginalization refers to both socio-economic inequality as well as the nature and evolution of the structures which cause and perpetuate such socio-economic inequalities in relation to any particular geographic space. In the present study, the focus is mainly on those non-urban areas of the country in which large estates are

located, characteristically worked by a resident labour force. In taking this approach, the study has been influenced by the view that:

“Geographic space should not only be considered in a formal way, that is as a unit of delimitation to group statistical data. In analysing spatial inequality, one should also take account of the specific physical, demographic, socio-political and cultural variables that influence the nature or phenomena of inequality in the spatial unit under consideration, as well as the underlying historically developed structures” (Hinderink and Sterkenburg, 1978: 6).

Hinderink and Sterkenburg have argued that spatial marginalization can be examined in three ways:

- (a) Studies in which space is considered as no more than a formal framework for the analysis of inequality;
- (b) Studies in which inequality is explained on the basis of specific spatial variables;
- (c) Studies emphasizing the spatial factor by causes of inequality other than spatial variables.

It is this third approach that this book has used in studying the marginalization of Indian plantation workers in Malaysia. The fact that plantations have been excluded from development plans by virtue of location is an example of marginalization due to location.

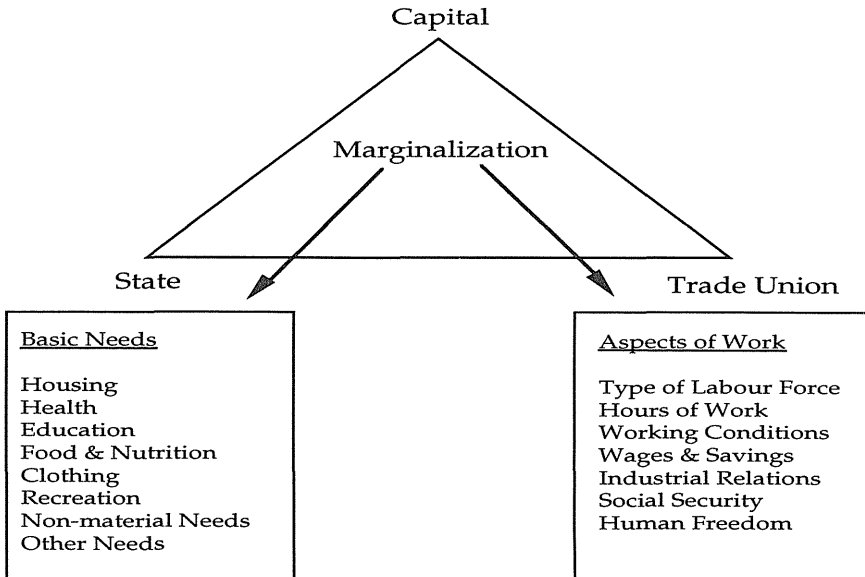
(6) *Marginalization through co-optation of trade union leaders and alienation of the workforce*

The *marginalization of the labour movement* is both a historical and a structural process. The tendency to “factionalism and defection” that Tinker (1976) noted in the leadership structure of overseas Indians has been a principal factor in weakening class consciousness among Indian plantation workers. The ability of estate management to utilize different linguistic and caste groups for specialised tasks, especially for supervision and administration, has rendered the problems of organizing a labour movement in the plantation sector that much greater (Tinker, 1976: 8). Governments in Third World countries have also often used prevailing ethnic, linguistic and religious divisions to neutralize nascent labour movements. It is also ironic that as the status and affluence of union leaders rise, often with the tacit support of government and management, the economic and social conditions of plantation workers themselves actually decline. It is in this context

that this book proceeds to show the failure of the National Union of Plantation Workers to improve the condition of estate workers.

For the purpose of this study, the marginalization of labour is defined as a process where plantation workers and their families are excluded, deprived and alienated from the wider economic system and 'mainstream' economic life. It will be argued that the process of marginalization is reflected by low wage levels, hazardous working conditions, lack of social and welfare provisions, exploitative working environments which perpetuate poverty and a low standard of living among plantation labourers. This process is derived from the specific production relations between labour and capital in the process of producing cash crops for export. Profits are augmented by minimizing the unit costs of production, mainly the wage share of the direct producers. Direct and indirect extra-economic coercion often becomes an institutionalized phenomenon whereby labourers are subjected to certain unique extra-economic pressures such as alienation in the workplace and oppressive and arbitrary treatment. These relations can be schematically represented in Diagram 1.1 below. The principal players in the scheme are capital, the state and the monopolistic trade unions that have dominated the industry.

Diagram 1.1
Model of Marginalization of Plantation Labour



The Plantation as a Social System

The term 'plantation' has acquired a variety of meanings, and it is therefore essential to describe its usage here.

Traditional Approaches to the Study of Plantations

Most studies of plantations have tended to focus on the material side of production for exchange, the production unit or quantifiable commodity production such as single crop specialization, yields, costs, scale of production and export-oriented markets. For instance, the plantation has been defined by the International Labour Organization (ILO) as:

any agricultural undertaking regularly employing hired workers which is situated in the tropical or subtropical regions and which is mainly concerned with the cultivation of production for commercial purposes of coffee, tea, sugar-cane, rubber, bananas, cocoa, coconuts, groundnuts, cotton, tobacco, fibres (sisal, jute and hemp), citrus, palm oil, cinchona or pineapple; it does not include family or small scale-holding producing for local consumption and not regularly employing hired workers (*The Plantation Convention*, No. 110, 1958).

Following the ILO concept, therefore, the major characteristics of plantations are that they (i) are located mainly in tropical and subtropical regions, (ii) specialized in the products of a single export-oriented commodity, and (iii) demonstrate a high degree of specialization in certain crops and employ, on a regular basis, hired workers, most of whom live on the plantations. In other words, the term 'plantation' describes the system which brought together land, capital, management and labour from all over the world in areas which offered opportunities for new agricultural products for export.

Such a conceptual approach to the plantation as a socio-economic institution broadly falls in line with the approach taken by Jones (1968: 154) as:

"...an economic unit producing agricultural commodities... for sale and employing a relatively large number of unskilled labourers whose activities are closely supervised. Plantations usually employ two year round labour crews of some size and they usually specialize in the production of only one or two marketable products... (it differs) from other kinds of farms in which the factors of production, primarily management and labour are combined".

In the same vein, Myint (1973: 40) distinguishes plantation from peasant agriculture by its large scale enterprise which normally requires more labour per unit of land. Greaves (1959) regards the plantation as a large scale method of production — which is easily distinguished from smallholdings of peasant and tribal types — which specialize in the production of a single commodity for export, resulting in a high degree of regional specialization.

In like manner, Buchanan (1935: 158) states that plantations are a particular type of large scale, specialized agriculture. Jackson (1969: 38) considers plantation production as involving “a sharp division of labour with highly centralised management, a high degree of specialization, frequently amounting to monoculture”. Silvermaster and Knight (1933: 157) have discovered that plantations have “a high degree of specialization coupled with a large initial investment and heavy fixed cost”. According to Courtenay (1965), the plantation crops in which many (underdeveloped countries) specialize still probably remain the best basis (for) their ‘take-off’ into self-sustained economic growth, while Wickizer (1958: 67) alludes to plantations as large scale agricultural enterprises, located in tropical and sub-tropical areas, primarily engaged in cultivating (and often processing) one or more crops out of several which appear peculiarly adaptable to conditions found in such places.

Plantations have also become a subject of major interest among agricultural and economic geographers. Most of them consider characteristics such as crop and areal specialization, highly rationalized cultivation and harvesting techniques, large operating units, management centralization, labour specialization, massive production and heavy capital investment as typical of the plantation (Andrae, 1981; Duckham and Mansfield, 1970; Gregor, 1965; Graham and Floering, 1984; Goldthorpe, 1987: 27; Morgan, 1978; Pelzer, 1958; Ruthenberg, 1980; and Smith, 1959).

Both these economic and geographical approaches to the plantation have stressed the plantation as a production unit, a narrow rather than broad definition. These definitions are inadequate and incomplete because they describe the common features of plantation systems all over the world in static terms, rather than providing an analytical-functional perspective of the plantation system in general. The definitions overlook two vital aspects which are important features of plantation systems and production relations. First, they fail to describe the most important subject of plantations, the workers

and their lives in sociological terms, and the social structure of the plantations in which they live. Second, they fail to analyse the social and economic conditions within the system in relation to the rest of the country. A broader definition of plantations must be attempted to include, not only the production unit or quantifiable commodity production such as single crop specialization, yields, costs, scale of production, export orientated market, etc., but also aspects of the social structure of plantations.

Approaches to the Plantation as a Social System

Sociologists have developed new approaches to understanding the plantation community as a social system. As early as 1934, Park pointed out the existence of a "wider, in fact a world-wide comparative study of plantation, not merely as an economic and industrial but as cultural unit" (Park, 1934: 22). In this connection, Shiviji's model gives us a broader sociological perspective about plantations. According to Shiviji (1973): "The common plantation influence gives the set of countries a certain homogeneity: each is fundamentally similar to others, in terms of not only economic structure and economic problems but also social structure, political organization, and also aspects of human life". In similar vein, Wagely (1957: 5) conceives of the plantation community as "a distinctive type of society characterized by mono crop production, rigid class lines, ethnic heterogeneity, weak community structures, and a matrifocal family organization". This approach was further refined by Padilla (1957: 23) who held: "A modern plantation society can be defined heuristically as a kind of class-structured society whose major economic institutions are geared to large scale production and marketing of an export crop or crops for profit, and whose population depends directly and indirectly on the realization of its economic wants".

The sociological perspectives developed by Wagely and Padilla have exercised considerable influence on formulations of the plantation economy and society by the New World Group (Benn, 1975: 250). In his theorising, Wolf takes a broader approach in the search for a more satisfactory sociological definition when he points out that:

Wherever the plantation has arisen, whether it was imported from the outside, it has destroyed antecedent cultural norms and imposed its own

dictates, sometimes by persuasion, sometimes by compulsion, yet always in conflict with the cultural definitions of the affected population. The plantation, therefore, is also an instrument of force, wielded to create and maintain a class-structure of workers and owners, connected hierarchically by a staff-line of overseers and managers (Wolf, 1959: 138).

Hugh Tinker has pointed out in his exhaustive study of the conditions of labour supply to plantations, that the system of indentured labour is best described as semi-slavery. The slavery system in Latin America (Mintz, 1953) and the New World (Mintz, 1956), and the indentured labour system in Ceylon, Malaya and Fiji, are all good examples of the coercive type of labour control associated with the plantation system. For example, in the West Indies, after the abolition of slavery, plantations on islands with limited land continued to use ex-slaves, while in Jamaica, Trinidad and Guyana, where land was more accessible, it was found necessary to bring in East Indians under the indenture system. Thus, the characteristics of slave plantations tended to be reproduced in the newer plantations worked by East Indian indentured labourers (Beckford, 1972: 57).

Therefore, a plantation system cannot only be defined by the nature of its production and participation in the international economy, but also by the distinctive mechanisms of labour force control which issue from it. Where plantations are dominant, their manpower requirements are such that these needs not only shape social relations on the estate, but have important implications for the wider society. A plantation economy then is one in which, because of the plantations' economic dominance and the chronic relative shortage of labour associated with this kind of production, some form of coercion is required to conserve its labour requirements. As a result, a plantation society is marked by profound inequalities, in which the 'modern' profit-oriented plantation owners dominate the rest of the population, which is settled, organised and employed as 'brawn-power' in relatively isolated and 'protected' areas (Mandle, 1972: 59).

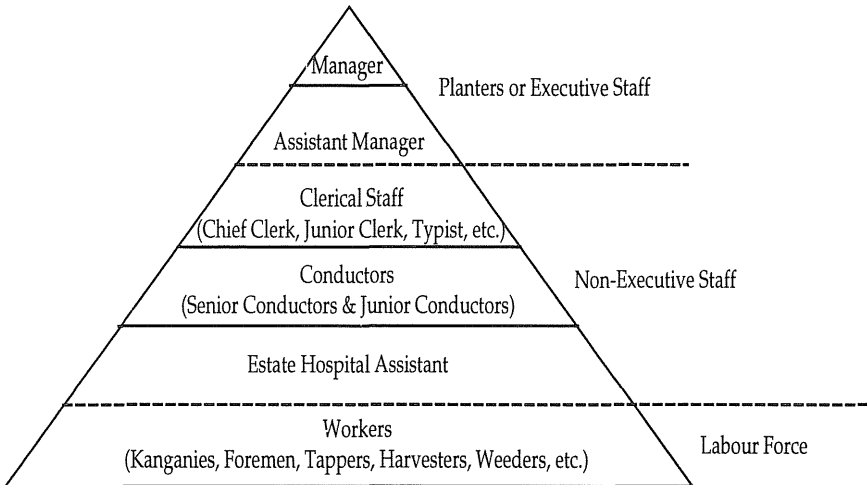
This relationship to the wider social system can be best explained through the concept of a 'total institution', to use Goffman's term (1961). In this context, the plantation is 'total' not only as an economic institution, but also as a social institution. It is a social system where the life of the community of labourers is totally institutionalized. Authority and control are vested in the plantation management. A segmented society characterised by a rigid class-caste system

(management staff, clerical staff, labourers) was created in the plantations (refer Diagram 1.2). Economically, those on plantations function to produce the plantation crop at the will of the owners. The principal objective is the production of the maximum possible output at the lowest possible cost. Smith (1967) explains the plantation as a “total institution” and as a “bureaucratically organised system in which whole blocks of people are treated as units and are marched through a set of regimentation under the surveillance of the small supervisory staff” .

Following Smith’s notion, the plantation emerges as a mode of agro-social organization with not only a clear economic structure, but also a distinctive social structure, further elaborated by Best (1968: 287): “Plantations in hinterlands are where labour is free to be used for subsistence production, the recruitment of labour exclusively for export production imposes a need for ‘total institutions’ so, as to encompass the entire existence of the work force... each plantation is self contained, self sufficient, a ‘total’ institution, encompassing even its own civil government”.

As such, it is important to explain the plantation by looking at the attitudes of people and as a social organization. This is because plantations have a powerful influence on the attitudes, beliefs and ways of life of the entire community. As a social system, plantations

Diagram 1.2
Organizational Structure of Large Plantations



are not only isolated, both geographically and socially, from the rest of society, but also delimit the plantation communities' existence. Their life pattern is not only influenced by the plantation as a 'total institution', but also administered for the purpose of production. That is why it is important to define the plantation in terms of the structural context in which such ideology is produced. In this respect, the plantation must essentially be seen as 'a class-structured organization', 'total institution' and social system. This is correctly noted by Mintz (1953: 139-140) and Beckford. Beckford (1972: 53-55) described the plantation as a system where: "Authority and control are inherent in the plantation system..., the authority structure that characterises the pattern of economic organizations extends to social relationships. So, we find that the plantation community is one with an inherently rigid system of social stratification".

This discussion clearly shows that when we endeavour to define the plantation system, analysis of its economic characteristics alone would be inadequate. The social system which arose out of production relations are important characteristics of the plantation system. In approaching the plantation system as a 'total' institution, it is necessary to take a holistic approach to economic and social activities as well as the value system in that institution.

It is important to stress that the present study has not taken up the concept of plantation system as a static unchanging system, but seeks to locate it in its historical context. This is necessary in order to appreciate how it has changed and transformed, and what still remains unchanged.

Although plantation systems were originally linked with colonialism, they have survived post-colonial socio-economic systems, whether of the left or right. Thus, the old plantation system has survived, but under new conditions of economic production and distribution.

Review of Previous Contributions

The aim of this section is to review existing literature on plantation labour with a special focus on the human dimension of the plantation community, highlighting aspects on plantation work, employment and wages, labour relations, trade unions, ethnicity and migrant workers, women and child labour, and basic needs provision, such as living conditions, health and education.

Plantations in General

Generally, plantations have been associated with early mass agricultural production which has experienced limited mechanization. Generally, the owners introduced, managed and controlled plantations for commercial profit. Courtenay (1965), a geographer, was among the first writers on Malaysia to study plantations on a large scale with the aim of establishing and analysing this distinctive type of crop production. He points out that plantations can be seen as an industrial institution. Even though his work does not concern itself with the people on plantations, he has comprehensively described the broad outlines of the processes that have produced today's plantations, the factors underlying the spatial distribution of plantations in the twentieth century, and major historical developments.

A similar study by Graham and Floering (1984) shows how the modern estate or plantation (the terms are often used synonymously) in developing countries pursues pragmatic economic policies which can be a powerful stimulus to the development process. The authors also show that several countries that have nationalized their estates have found no alternatives to continuing what was often perceived before as a discredited "colonial" imposition. Moreover, post-colonial bureaucracies generally lack the expertise for running plantations, as revealed by case studies from the Caribbean, Africa and Malaysia.

Beckford's (1970) study was one of the most analytical and theoretically stimulating works on plantation economies in the Third World. He covered important characteristics of most aspects of plantations such as: (1) metropolitan bias and market orientation; (2) dependence on external economies; (3) labour-management relations; (4) their "totality" as economic and social institutions; and (5) uncertainty leading to price indeterminacy — all of which serve to locate the dynamics of plantation development and expansion outside the local economy.

Beckford attempted to construct a theoretically comprehensive neo-Marxist model of the plantation system and to then use this model for the study of various plantation economies and societies all over the world. He showed that the spread efforts of modern plantation enterprise are extremely limited. Although there is considerable investment in production and associated activities, this is highly capital-specific, deriving from the specific objectives of the enterprise. The linkages associated with the movement of products

are located within the vertical integration of international companies which are often geared to final processing and marketing in the metropolitan countries (Bernstein and Pitt, 1975: 516).

Beckford argued that the plantation system not only hinders the development of domestic agriculture, but also prevented the establishment of linkages within the economy and thus retarded development and structural transformation. Although Beckford thoroughly documented "human aspects" of plantation society in the Caribbean islands, he avoided class analysis. Outside the purely economic sphere, he saw the plantation system as further contributing to underdevelopment. He held that by encouraging the large mass of the population away from ownership and control of resources within the economy, a poorly motivated population with little incentive to promote development is produced. However, he had little to say about how such changes might occur and what forms they might take.

The International Labour Organization (ILO) has undertaken several comprehensive surveys of the world's plantation systems. Its work dates back to the 1950s, and its most recent report is dated 1987. The well-documented 1966 Report outlined the situation of plantations and their labour force, conditions of work, labour management relations and living standards of plantation workers in Africa, Latin America and Asia. The more comprehensive 1987 Report covered a wider range of issues such as the importance of plantation crops, the changing structure of plantation systems, and the basic needs of plantation labourers with special reference to Colombia, Ivory Coast, Cuba, Dominican Republic, Ghana, India, Indonesia, Jamaica, Kenya, Malaysia, Papua New Guinea, Phillipines, Sri Lanka, and Tanzania. The ILO has also produced several other reports focusing on aspects of work in plantations (1970, 1976, 1982), even though the accounts often tend to be uncritical and descriptive (perhaps extracted from government documents), rather than analytically and theoretically-orientated. In a similar vein, we have seen Kemp and Little (1987) and Sajhau (1986, 1987) attempt to portray living conditions in plantations.

A critical analysis of international emigration into plantation economies by Tinker (1974) is a very useful piece of work for understanding the early stages and conditions of plantation labour. His book only deals with the emigration of Indian labourers to all British and other European colonies, particularly Malaya, the West Indies, East and South Africa. Tinker proceeds to show how the system of

indentured labour was set up and how human cargo was shipped abroad in sub-human conditions to work on plantations, often under even worse conditions. He demonstrates that as virtual slaves, Indian labourers inherited all the oppressive features of plantation slavery, which had produced both a system and an attitude of mind in which the products, and not people, determined everything.

Plantations in Malaysia

There is substantial research undertaken on plantation-related issues in Malaysia. The issues range from history, economics, and industrial relations to technical aspects of plantation crops. But very little emphasis has been given so far to the wellbeing of the workers themselves.

From the historical perspective, excellent studies have been undertaken concerning Indian and Chinese emigration to Malaya and the system of recruitment (indenture and *kangany* systems) for labour supply to the plantation industry (Ampalavanar, 1960, 1981; Arasaratnam, 1970; Blythe, 1947; Halley, 1969; Jackson, 1961; Jegadeva, 1959; Kondapi, 1951; Mahajani, 1960; Aiyer, 1938; Sandhu, 1969; Stenson, 1980; and Tinker, 1974). This is not surprising because the flow of Indian and Chinese migration to Malaya, was to a great extent, arranged and promoted by the British colonial government to provide workers for rubber plantations and mines. As a consequence, even today, Indians form the bulk of the labour force in the plantation industry. These studies, to a great extent, examined labour along ethnic lines. Other historical work on plantations focused on colonial labour policy (Parmer, 1960, 1968; Furnivall, 1948; Jain, 1988) and labour conditions (Orde Browne, 1943; Labour Research Department, 1926).

In terms of research pertaining to plantations in Malaysia, economic analyses are generally concerned with the development of the plantation industry (with special reference to rubber) and the contributions of Western enterprises to this industry (Allen and Donnithorne, 1954; Barlow, 1972; Bartholomew, 1985; Bauer, 1948; Courtenay, 1965; Drabble, 1973; Drabble and Drake, 1979; Drake, 1981; Koo, 1964; Puthuchear, 1966; Selvaratnam, 1960; and Voon, 1976). Economic analyses also focus on structural changes in plantations (Aziz, 1962; Ismail, 1984; Navamukundan, 1985), labour supply issues (Chelliah, 1988; Ibrahim, 1988; Manickavasagam, 1980; Nava-

mukundan, 1988; Nayagam, 1988; Nayagam and Sepien, 1981; Rajarao and Venugopal, (eds), 1982; Rajagopalan, 1981; RRI, 1981; and Sivasamy, 1981), and the wage system (Jayasankaran, 1984; Jomo, 1986; Mehmet, 1983; Nayagam and Sepien, 1981; and Nijhar, 1971).

Trade union organizations and industrial relations have also been considered by researchers. In fact, the National Union of Plantation Workers (NUPW) is the largest trade union in Malaysia, and one of the largest in Asia. The origin and growth of the NUPW has been discussed in detail by Gamba (1962b). In his other study, Gamba (1962a) discusses the subject of labour unrest in 1945–48 and the impact of Emergency rule on the left-wing trade unions. Related aspects of union history and industrial relations have been covered by other authors (ILO, 1962, 1977; Parmer, 1960; Fredericks, and Nijhar, 1966; Kumaran, 1964; and Stenson, 1970; 1980). In particular, Parmer's work refers to the impact of colonial policy on labour and capital between 1910 and 1941.

Like Gamba and Parmer, Stenson's *Industrial Conflict in Malaysia* (1970) is another major work on Malaysian labour and trade unionism prior to the declaration of the Emergency in 1948. The focus of Stenson in this study is on Pan Malayan Federation of Trade Union (PMFTU)-led militant unionism. This work also provides a solid foundation to understanding the early labour movement in plantations. Stenson's second book (1980) is a political history of the Indians in Peninsular Malaysia, providing data from interviews and archival material not available elsewhere. Even though Gamba, Parmer and Stenson's works are on trade unions, they also provide useful contributions to the study of labour and labourers' socio-economic welfare. A more recent contribution to the growing literature on the subject is the book by Ramasamy (1994), which focuses on politics and trade unionism in the plantation sector.

The number of socio-economic and sociological studies of plantation labour in Malaysia has grown in the last two decades, focusing on the welfare of workers' households (Jain, 1970; Weibe and Mariappan, 1978; Selvaratnam, 1976, 1984, 1986; Socio-Economic Research Unit, 1981; and Zawawi Ibrahim, 1978).

Jain (1970) uses the concept of 'community sub-system' to designate the 'off-work' social relations of the Indian proletariat, and 'industrial sub-system' to describe the 'on work' social relations in the plantations. Jain's main hypothesis is that Malaysian rubber plantations are an industrial sub-system, i.e. the economic organiza-

tion of the unit of production influences the community's sub-system. In other words, it means that a rubber plantation becomes a total community in itself, a 'total institution' in Goffman's term.

The study by Weibe and Mariappan (1978) in 'Pudthukuchi ladang getah' runs along similar lines as Jain's, with the authors themselves recognising the overlaps between the two studies. The study's general purpose is to describe and analyse the life styles of the people and the ways in which people are involved in their local, regional, social and cultural environments. The research provides an account of the social life of labourers from the vantage point of people who live in rubber plantations. Like the earlier Jain study, it is very empirically based, ignoring the larger theoretical significance of the plantation. Selvaratnam (1976, 1984, 1986) in his various writings, has overcome this by adopting a more theoretical approach in analysing the plantation sector. In his own words, "thus any study of plantation economics and their societies can only be meaningful if the different economic, political and cultural processes and linkages between the plantation system, the colonial state, the metropolitan center and the world capitalist system are taken into account within the different phases of the development of plantation system". His then is a more comparative approach based on the linkages between the global capitalist system and life on the plantation frontier.

The report by the Socio-Economic Research Unit (SERU) of the Prime Minister's Department provides some statistics on the socio-economic status of rubber and oil palm estates such as their living conditions, basic amenities, levels of income and expenditure, without any attempt at critical discussion. The report recorded deteriorating socio-economic conditions of plantation labour. These same aspects have also been studied by Gordon (1970) and Daniel (1978). Zawawi Ibrahim analyses plantations from a Marxist perspective, with his main focus on proletarianization and class ideology, utilising the usual anthropological participant observation technique.

Apart from the works mentioned above, there are many other articles, monographs and undergraduate dissertations that have been written on various plantation topics. Some of the more commonly quoted articles are by Gunawan and Raghawan (1977), Ng (1970) and Sadris (1986). Worker norms and values have been studied by Marimuthu (1978) and Selvaratnam (1978). Studies on health conditions in Malaysian plantations are more substantial compared to other countries with plantation crops. Most studies discuss the

prevailing low health standards in plantation communities with special focus on Indian plantation labour and the provision of health facilities (Chandrasekaran and Marimuthu, 1980; Donald, 1980; Howard, *et al.* 1981; Kandiah, 1982; Kandiah and Lim, 1977; Laing, 1986; Leng, 1982; Menon, 1979; Ramachandran, 1970; Raman, 1984; Sabapathy, 1972; Senan, 1980; and Ramphal, *et al.* 1988).

Education in plantations, Tamil schools, low standards, poor facilities and other related issues also have been a research concern (Colletta, 1975, 1977; Colletta and Sung, 1974; Marimuthu, 1971, 1975, 1984; Ponniah, 1970; and Daniel, 1978). The plight of women workers (Chee, 1970; Heyzer, 1986; Sarojini, 1971; and Oorjitham, 1987), child labour (Jomo *et al.* 1984; Suppiah, 1983), and child care facilities (Kharuddin, 1983; Nagaraj and Navamukundan, 1984) have also been of interest.

Most of these studies have been descriptive in nature, and have tended to adopt an empiricist approach. Some of these studies stay at the level of appearances without coming to grips with the underlying processes.

Basic Plantation Terms/Definitions

Plantation Labour Force

This study uses the terms 'plantation labour' and 'estate labour' interchangeably, as is the general practice in Malaysia, both in business and official documents. The two terms came to be associated with the directly employed, regular and resident labour force in larger plantations and estates which provided housing and other benefits, such as water supply and some elementary medical facilities. This labour force has come to be distinguished by the Ministry of Human Resources as the directly employed, permanent workforce for whom the plantation or estate managements are responsible in discharging their duties as employers.

In contrast to this resident labour force, plantation management have often used 'contract labour' from time to time, either to perform extraordinary tasks such as road and drainage construction, maintenance, or to supplement the regular resident workforce in agricultural tasks. The essential difference between plantation labour and 'contract' labour is that the latter are under the direct supervision and control of the 'contractor' who has undertaken the task determined by the estate management for a fixed sum of money (Devi, 1986: 78). The workers brought into the estate by the contractor usually arrive

daily with the contractor and do not reside in the estate. However, in more recent times, especially in more remotely located estates, some 'contract' labourers have been permitted to occupy estate housing units. This, it was claimed by the management, was to reduce the problems involved in daily commuting to the estate from their usual settlements off the estate.

Contract workers are paid by the 'contractor' on terms such as daily rates, piece rates, or some other basis which does not conform to the collective agreements which govern pay and working conditions for the majority of resident labour. Contract labourers tend to be more common in the smaller, subdivided estates with inadequate or poorly trained supervisory staff. The owners of such estates prefer to operate their estates with minimal overheads and therefore often choose to contract out many production tasks to outside contractors.

The Plantation Defined

It is necessary to define what is meant by the term plantation as the focus of the present study is plantation labour. In Malaysia, the official definition of a plantation — whether of rubber, oil palm, coconut or some other crop — is any "lands, contiguous or non-contiguous, aggregating not less than 40 hectares in area" (*Rubber Statistics Handbook, 1970*). In investigating working and living conditions in estates this study covers the three main estates categories, namely MAPA (Malaysian Agricultural Producers Association), non-MAPA and subdivided estates. MAPA estates dominated the plantation sector almost exclusively before the 1960s and were then typically under foreign ownership. MAPA estate employers are members of the Malaysian Agricultural Producers' Association, which has remained the peak plantation employer organization that liaises with government and other bodies. MAPA is also the employer group responsible for the negotiation and implementation of collective agreements with the corresponding employee representative, the National Union of Plantation Workers (NUPW).

Non-MAPA estates are those whose employers do not belong to the employer organization; traditionally Chinese-owned and operated, these estates generally tended to be smaller than MAPA estates. Although some non-MAPA estates permit union membership, the majority employ non-union labour and do not automatically follow MAPA-NUPW-established wage rates in the industry. How-

ever, in order to avoid labour unionization, in recent times, the managements of these estates often tend to follow prevailing MAPA-NUPW pay rates, while disregarding other benefits.

Subdivided estates were once MAPA or non-MAPA estates sold as concerns to speculators and financial intermediaries when the original owners felt uncertain about the future of the rubber industry in Malaysia during the early 1960s (Aziz, 1963: 30). The financial intermediaries subsequently subdivided large estates and sold them off to Malaysians who wished to invest in smaller, more manageable rubber holdings which could be operated by family labour or smaller groups of workers who might work as 'partners' in the enterprise. As the Aziz report (1963) revealed, the subdivision of the larger MAPA and some non-MAPA estates resulted in the dislocation and neglect of the traditional plantation labour force who had previously worked there for decades. Most residential and other welfare facilities that had existed in the estates before were allowed to decline or disappear (Aziz, 1963: 130).

The traditional distinction between foreign-owned and locally-owned properties (retained in a 1981 Government study) is no longer useful. Almost all the larger foreign-owned estates — such as Sime Darby, Guthrie and Dunlop — have passed into Malaysian ownership since the 1970s. Thus, the present study focuses primarily on directly employed labour in mainly MAPA and non-MAPA estates, who account for over 80 per cent of Malaysian plantation labour today. It also covers contract workers resident in the estates randomly selected for the household survey, who comprise less than 20 per cent of the respondents.

Data/Sources

The data for this study was collected through a series of surveys covering 31 plantations using questionnaires and extensive interview over a period of eight months in 1989 and 1990.¹ The sample survey covered three types of plantations, namely MAPA (Malaysia Agricultural Producers Association) estates, non-MAPA estates, and subdivided estates, in three different states. A summary of the coverage is provided in Table 1.1.

In terms of percentages, 63 per cent of the household units sampled were from MAPA estates, 30 per cent from non-MAPA estates, and 7.2 per cent from subdivided estates. This distribution

Map 1.1
Peninsular Malaysia: Study Areas

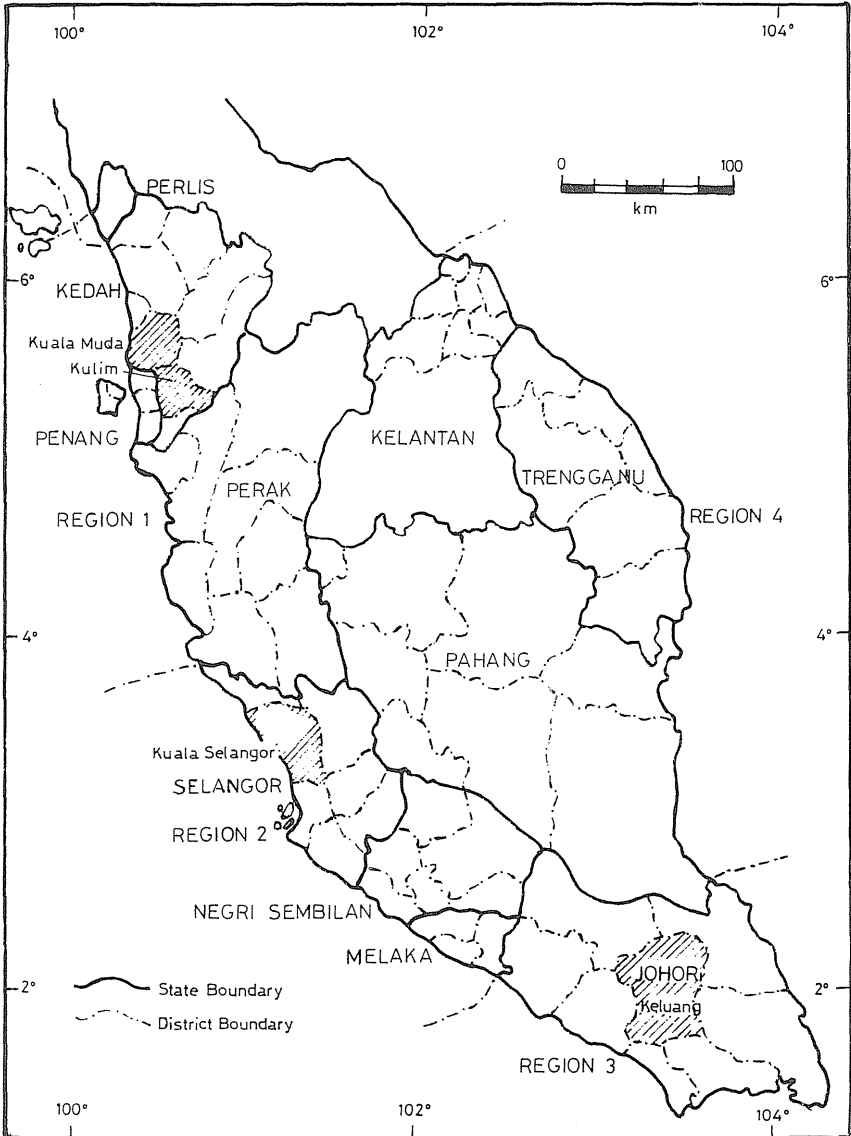


Table 1.1
Plantations in the Sample Survey According to
Type of Estate, Crop and State of Location

State	Estate type							Total
	MAPA estate ^a			Non-MAPA estate			Subdivided estate	
	Rubber	Oil palm	Both ^b	Rubber	Oil palm	Both	Rubber	
Kedah	1	2	3	1	–	3	3	13
Selangor	2	2	3	1	1	–	–	9
Johore	2	1	2	2	2	–	–	9
Total	5	5	8	4	3	3	3	31

Notes: ^a Most MAPA estates are large in size; most non-MAPA estates are medium sized and all subdivided estates are small.

^b Both: both rubber and oil palm crops planted within the same estate.

Source: Fieldwork data.

is broadly reflective of the actual distribution of the estate labour force in Peninsular Malaysia. In terms of ethnic composition, of the total of 332 randomly selected respondents for this survey, 69.2 per cent were Indians, 17.1 per cent Malays, 7.8 per cent Chinese and 5.7 per cent others.

The interviews in the survey were personally conducted by the author. The questionnaire was constructed in order to elicit a detailed picture of the working and living conditions of plantation workers not obtainable from available official statistics, notably deficient in various areas. The full questionnaire included questions on family structure, educational attainment, other important demographic variables, economic variables such as individual and household earnings, savings, investments and monthly household expenditure. More importantly the questionnaire sought useful information on workers' attitudes to their employers and trade union leadership, as well their level of participation in various political as well as non-political institutions or organizations and their attitudes to them.

Structure and Organization of Book

This study attempts to fill a lacuna in the literature on Malaysian plantation labour, with particular reference to the Indians. The book analyses the roles and tripartite relations among capital, the state and trade unions in the process of the marginalization of Indian plantation labour in Peninsular Malaysia.

To enable the reader to develop a clearer idea of the central theme of this study, the first chapter has dealt with two theoretical questions: first, the theory and relevance of 'marginalization' for the plantation labour force, and second, a critical review of the definition of the plantation and some of its major theoretical implications for this study. This is followed by a brief critical review of the existing scholarly works on the plantation industry in Malaysia.

Chapter two outlines the historical background of plantation labour in colonial Malaya. Drawing on secondary source materials, the chapter provides a brief history of colonial labour policy in terms of the importation of labour, especially from India, but with comparative references to China. The chapter also reviews the mechanisms of labour control and employment conditions in plantations during the colonial era so that the discussion of subsequent developments in later chapters can be better understood.

Chapter three deals with the economic importance of plantations in the national economy. In doing so, the plantations' contribution to export earnings, their acreage size, ownership, structural change, and employment creation in the sector are highlighted. The purpose of this chapter is to highlight the principal role played by the industry in the Malaysian economy and to compare this achievement with the relative backwardness of its labour force, which stands in contrast.

Chapters four and five discuss workplace relations, working conditions (that increase the incidence of occupational ill-health and industrial accidents) and the breakdown of social and material aspects of life in the plantation. Chapter four focuses on working conditions in the industry in terms of the organization of work, labour control, child labour, women workers and social security benefits. Chapter five analyses the level of living conditions by looking at various basic needs indicators such as housing, sanitation, health, education, income and expenditure patterns.

Chapter six reviews various forms of labour protest in the plantation industry during the pre-Second World War period, which laid the foundations for the militant post-war labour movement that prevailed before the 1948 Emergency. Chapter seven deals with the role played by the National Union of Plantation Workers (NUPW), showing that the union has failed to achieve anything meaningful for the workers.

Chapter eight looks at national politics and the marginalization of Indian plantation labour due to ethnic and class developments. The chapter examines why none of the leading political parties that form the coalition government have found it necessary to take up the cause of the plantation workers. In this situation, the 'moderate' leadership of the union has not compensated for this failure of the political parties in terms of gaining appropriate policy reforms.

The final chapter concludes the study by summarising the main findings of this research on plantation labour, drawing out important issues to be considered for future policy reform by a government (hopefully) more sympathetic to the welfare of this neglected group in the economy.

Note

1. Details of the methodology of data collection, the survey and the questionnaire are in Selvakumaran Ramachandran (1992), "The Marginalization of Indian Plantation Labour in Peninsular Malaysia", unpublished Ph.D thesis, Griffith University, Brisbane, Australia.

2

PLANTATIONS AND IMMIGRANT LABOUR IN COLONIAL MALAYA

Tin mining and plantations formed the foundations of Malaya's economic development and prosperity during the period of colonial expansion and consolidation from the last quarter of the nineteenth century. This continued for over a decade into the post-colonial era. These industries brought labour and capital together, creating wealth and transforming a near subsistence economy into an export-orientated market economy. With the importation of immigrant labour and the persistent association of particular ethnic groups with specific industries or occupations, the British also created a 'plural society', which has kept the working population divided and weak.

Beginnings of Plantation Agriculture

Prior to the successful introduction of rubber into Malaya, several agricultural crops were grown commercially. Chinese planters acted as pioneers, favouring crops which yielded returns within a short time, grew well in most localities and required no specific skills or undue outlay of capital for equipment and processing. Large Chinese-owned gambier, tapioca and pepper plantations under *kongsi* control developed in Johor, Malacca, Negeri Sembilan and Selangor, while tapioca was generally restricted to Malacca and certain adjacent areas of Negeri Sembilan and Johore (Andaya and Andaya, 1982: 211; Jackson, 1961: 91). However, Chinese interest in gambier, tapioca and pepper declined as prices fell and attempts were made to grow tea, coffee and rubber. At the same time, the colonial government condemned Chinese farming methods, claiming that they led to soil exhaustion and depleted the forests through the use of firewood (fuel) in numerous small factories. This forced the Chinese to switch from short-term crops to more permanently cultivated crops, and thus

become involved in growing commercial plantation crops. The colonial government, however, also felt that the success of the plantation industry in Malaya would depend largely on European, rather than Chinese involvement since the former had already proven to be versatile in other parts of the world. On this pretext, the colonial government actively encouraged European participation in the plantation industry.

The involvement of Europeans in the plantation industry can be traced back to sugar and coffee plantations (Jackson, 1968: 128). Initially, the cultivation of sugar was under Chinese control, but was later dominated by Europeans. Cultivation was restricted to Seberang Prai, where the property owners were mainly European, and the adjacent district of Krian in Perak, where the property owners were Chinese (Barlow, 1978: 24). The plantations were very labour-intensive, at first employing Chinese contract workers (Jackson, 1968: 147), and later importing indentured Indian labour employed side by side with the Chinese. However, the prosperity of the sugar industry did not last long, owing to the fact that by the end of the 19th century, the industry faced difficulties, with increasing competition from other regions such as Java and Cuba. Another important cause was a change in government policy towards agriculture. During the 1890s, in order to help reduce growing rice imports, the colonial authority decided to expand paddy (wet rice) production by financing irrigation schemes. Unfortunately, the areas suited to such schemes coincided with lands planted with sugar. Other reasons for the sugar industry's decline were the increasing profitability of other plantation export crops such as coffee and the newly introduced rubber (Jackson, 1968: 170; Andaya and Andaya, 1982: 212).

With the decline of sugar plantations, coffee proved to be a moderately profitable plantation crop in the late nineteenth and early twentieth centuries. Unlike other early plantation enterprises, largely pioneered by the Chinese, coffee was introduced and mainly cultivated by the Europeans. During this period, fungus attacks destroyed coffee planting in Ceylon. As a result, the affected European planters in Ceylon moved to Malaya. They had experience and the capital to make the industry a success. This situation contributed to the rapid development of coffee plantations in Malaya (Jackson, 1968: 177). Coffee was mainly planted on the west coast of the Malay Peninsula, in Selangor, Negeri Sembilan, Perak and Johore. To promote the development of this industry, the colonial government provided

favourable land terms and generous planting loans to the planters which, combined with a good labour supply, encouraged large scale investment. The labourers were imported, mainly from South India, but also from Java. The high prices of coffee also stimulated small-scale planting among the Chinese and the Malays (Lim, 1971: 92). Despite these advantages, coffee cultivation was short-lived in Malaya. The big drop in coffee prices after the boom of 1891–96, marked the end of the industry in Malaya. Competition from other coffee growing countries (Li, 1982: 83) and diseases caused by pests further accelerated its collapse (Jackson, 1968: 200). The failure of both sugar and coffee planting in Malaya provided an impetus for the growth of rubber plantations from the end of the nineteenth century.

The Colonial Government and the Development of the Plantation Sector

As noted above, in the mid-1890s, many European planters set up coffee plantations, especially in Selangor, after their crops had failed in Ceylon. The example set by European planters was followed on a smaller scale by some Chinese as well as Malay farmers. However, the high mid-1890 coffee prices were not sustained and smallholders soon sought more reliable crops, like coconut, which always had a ready local market as well. Such unhappy experiences with plantation crops may provide some explanation for the long time taken by smallholders to seriously take to rubber cultivation. However, in the case of rubber, the smallholders must have faced additional handicaps, such as inexperience in handling and storing material, in addition to the long waiting period before tapping could begin (Barlow, 1978: 37).

For these reasons, in its incipient stage (up to 1920), rubber was a European, especially British industry, and the plantation sector paid scant attention to its growing size and implications for the market (Drabble, 1991: 248). Zinn (1965) correctly describes its characteristic features: "The plantation sector was never a Malayan industry. It was geographically concentrated, heavily capitalised, and intensively developed. The capital originated in Europe, the management was European, the workers alien and the profits exported". This does not mean that rubber did not attract capital from other sources. Indeed, even before the turn of the century, some Chinese estates had already planted rubber (Puthuchear, 1960: 39). Tan Chay Yan is believed to

be the first person in Malaya to plant rubber in his plantation at Bukit Lintang to the northeast of Malacca town (Song, 1923; Burkill, 1935: 1151). Although rubber was planted as a smallholder crop by Chinese in the ensuing years, this was done without support from the colonial government (Jackson, 1968: 234). Nevertheless, the colonial government openly supported and encouraged the involvement of Europeans in the cultivation on large plantations to supply rubber to meet growing demands in America and Europe. The basis for this was the ideology of the supremacy of the industry as a western enterprise, and therefore one worthy of government support (Jackson, 1968: 234). In comparison, this ideology saw local enterprises as primitive organizations. Basically, support given by the colonial government focused on five areas:

- a) Land policies
- b) Financial assistance
- c) Infrastructure facilities
- d) Rubber Restriction Schemes, and
- e) Cheap labour

It is important to analyse these inducements provided by the colonial government to fully understand the development of plantation agriculture as a whole and rubber plantations in particular in colonial Malaya.

British Land Policies

The success of the early rubber industry was largely due to the ability of the government to attract foreign capital with a 'liberal' land alienation policy. This policy placed control over land allocation in the hands of the colonial government, thus providing a legal basis for the exploitation of the country's land resources (Abraham, 1976: 236). Breman (1989: 20) notes that such a policy contributed to the agricultural development of Indonesia under the Dutch colonial government. This same policy was also employed by the British in their other colonies (Shanmugaratnam, 1981: 70).

The application of this policy saw land rents and land use manipulated in favour of estate development. The subsequent marginalization of small farmers adversely affected the peasant sector of the economy (Radhakrishnan, 1974: 43). This generous land policy was rendered possible by the principle that land ownership is

ultimately vested in the state. As a consequence, the ruler of the state — through the British Resident, who actually ran the show — could give land to whoever he liked (Li, 1954: 84). Thus, as in Ceylon, the colonial government in Malaya disbursed much of the available agricultural land to European planters so as to quickly expand the acreage under profitable cash crops (Shanmugaratnam, 1981: 71). Cultivation of the same cash crops for export by smallholders was not encouraged as such crops were intended to be European capitalist preserves. The origins of this anti-smallholder policy in rubber can be traced to the formulation of two regulations that principally affected Malays, the FMS Malay Reservation Enactment in 1913 and the Rice Lands Enactment in 1917. Essentially, these enactments tried to implement the government philosophy that Malay peasants should not be exposed to the vagaries of the world market. This policy tried to create a Malay yeoman farming community protected on Malay Reservation lands — which could not be alienated to non-Malays — with a rice-producing subsistence base supplemented by fruit and other indigenous trees, with commercial crops kept to a minimum (Drabble, 1991: 104). This policy was soon transformed into highly discriminating policies such as the Stevenson Scheme of 1922 and the International Rubber Regulation Agreement of 1934 discussed further below (Rudner, 1981: 87). However, by the mid 1920s, the output from smallholdings threatened the profitability of plantations as Malay farmers began to cultivate rubber extensively on the fringes of forest reservations and other state land.

The liberal terms of land policies then contributed to the development, establishment and opening of land areas for plantation crops in the early 20th century. Land was leased and granted very cheaply, initially free of rent for the first 25 years, with large blocks of thousands of acres were leased for 999 years. Quit rent was not imposed until a certain number of years had past, after which a nominal quit rent of 10 cents an acre was charged. A low export duty on rubber produce derived from the land was imposed. This duty was not to exceed the 2.5 per cent *ad valorem* tax for the first 15 years, and was to be varied thereafter subject to a maximum of 5 per cent (Barlow, 1978: 28).

Under the Federal Land Code of 1897, attempts were made to provide incentives to *bona fide* investors and to discriminate against speculators. Among the incentives provided in the new land code was the liability to rent at 10 cents per acre for each of the first 10

years and 50 cents per acre thereafter, provided that the type of cultivation remain unchanged and a certain proportion of the leased land was developed annually.

While encouraging the opening of new areas for rubber cultivation, the colonial government adopted policies to stop shifting cultivation and problems caused by it. One after effect of shifting cultivation was the growth of *lalang* (long weed) and *belukar* (woody secondary growth). The government made these lands available to planters at special rates. The lease of these lands required no premium, only an annual rent of \$1 per 100 acres for the first seven years and \$1 per acre thereafter (Jackson, 1968: 238; Drabble, 1973: 23; Barlow, 1978: 28).

As a result of these liberal policies, the planted estate area grew rapidly, as shown in Table 2.1. In 1906, the total planted area in estate agriculture was 40,148 hectares (ha), whereas by 1911, the area planted to rubber had risen to 72,838ha, a remarkable 81 per cent growth in five years. Higher growth from these early beginnings was to take place later as the area planted rose to 570,200ha in 1922 and 815,500ha in 1935. The plantation area growth rate over the period 1911 to 1935 was a phenomenal 42 per cent per annum. The fast expansion of rubber cultivation was not only due to the liberal land policies, but also to the coupling of land policies with other policies of the colonial government such as the provision of infrastructural facilities and financial assistance.

Table 2.1
Expansion of Estate Area Planted to Rubber,
Federated Malay States, 1906–35

Year	Hectarage
1906	40,148
1908	71,744
1911	72,838
1922	570,300
1935	815,500

Sources: Voon, 1976: 73-75; Barlow, 1978: 444.

Infrastructure Facilities

The colonial government realised that the provision of liberal land policies alone would not guarantee attracting capital to the plantation industry. To increase attractiveness, the government also provided planters with alienated lands closer to existing roads and railways. This later became the general policy throughout the Federated Malay States. Prior to the development of rubber plantations, the transportation network was already established and used largely by the tin industry. Thus, much early planting of rubber in Selangor was in the Klang Valley utilizing the railway built to connect the Kuala Lumpur tinfields with the port of Klang. By 1910, major roads had been extended through most of West Coast Malaya, particularly the tin mining areas of Larut, Kinta, Seremban, Teluk Anson, Port Dickson, Bukit Mertajam, Prai and later, Malacca and Johor Bahru (Jackson, 1968: 236). In fact, it was government policy to invest mining revenue in the construction of roads and railways to provide facilities for planters. These facilities attracted large amounts of capital into the Malayan plantation industry, and were not found in most other tropical colonies (Thoburn, 1977: 62). Without an adequate transportation system, the development of commercial plantations would have been impossible to achieve in Malaya. For this reason also, the plantation industry was concentrated on the western side of Peninsular Malaysia.

Loans and Advances by the Government

In the early stages of rubber cultivation, finance was the crucial factor encouraging the development of rubber estates. Although some of the failed European coffee planters had a ready cash flow at this time to invest in the industry, they were few in number. It became evident that without any financial capacity, the industry could not be promoted. The colonial government was well aware of this and was therefore ready to give direct assistance to private entrepreneurs by way of loans from public funds to individual planters. Finance was provided through a 'loans to planters' scheme set up by the government in 1904 with an initial fund of half a million dollars (Drabble, 1973: 39).

This scheme assisted many European pioneers to set up their business. Loans were provided on different bases to Europeans, Chinese and Malays. The loans to the Europeans were for medium

or long-term periods (mostly from two to five years) at an interest rate of 5 or 6 per cent, and guaranteed by the real estate acquired. Loans to Chinese were for short periods, usually 3 to 6 months, with an interest rate of 10 per cent per annum. Loans to the Malays were limited to rulers and chiefs, secured by a lien on their future salaries, and paid with no interest. This was the basis on which loans were initially made in Perak and Selangor (Mehmet, 1977: 9).

However, it was imported capital from the London market which provided the real stimulus to plantation development. Planters recognized that only large amounts of capital would bring success in rubber plantations. They came to this realisation after facing difficulties in mobilizing sufficient funds from personal savings and bank overdrafts to meet the capital costs associated with rubber plantations (United Nations, 1979: 5). Capital from the London market was channelled to Malaya via established merchant/agency houses in Singapore (Allen and Donnithorne, 1957: 112). An analysis will be made of these agency houses before moving on to the next section.

Agency Houses

The merchant houses or 'agency houses' can be divided into three groups. The first group specialised in imports and exports, serving as agents for foreign manufacturers; firms specialising in exports were, in effect, 'purchasing agents' for foreign manufacturers. In the second group were firms that specialised in managing enterprises belonging to foreign investors, while the third group consisted of firms which combined all these activities (Puthuchear, 1960: 23). It is for this reason that Allen and Donnithorne (1957) regarded the primary function of agency houses to be that of forming economic links between the metropolitan and domestic economies.

Almost all agency houses had their head office and board of directors in London. Most rubber plantations were controlled from London through agency houses in Singapore, as explained by Figart (1925: 95):

"most of the rubber companies registered in Great Britain and many registered in the East and controlled through certain London firms, which have representatives in the East and do a general import and export business. These firms, known as secretaries or agents, may or may not hold shares in the rubber companies in their group; but usually one or two directors of the agency firms are also on the boards of

directors of the rubber companies in the group. The number of rubber companies in the group ranges from 2 to 3 up to 60 or 70. Thus, a director of London agency firm may hold directorships in 20 or 30 rubber companies in that group”.

Most agency houses had long-standing associations with Malayan or Eastern trade (Drabble and Drake, 1981). These agencies provided respectability for ventures which might otherwise have seemed too speculative and risky. A list of the most important agency firms in the 1920s and 1930s, at the peak of the introduction of rubber on a commercial basis, includes the following firms (Soliva, 1931: 10):

Messrs. Harrisons, Barker & Co., Ltd.
 (subsidiary of Harrisons, Crossfield & Co., Ltd., London)
 Messrs. Henry Waugh & Co., Ltd.
 Messrs. Sime Darby & Co., Ltd.
 Messrs. Sandilands, BATTERY & Co., Ltd (Eastern Industries, Ltd.).
 Messrs. Boustead & Co., Ltd.
 Messrs. Barlow & Co., Ltd.
 Messrs. Guthrie & Co., Ltd.
 Messrs. Cumberbatch & Co., Ltd.
 The Borneo Co., Ltd.
 Messrs. Francis Peek & Co., Ltd.
 Messrs. Paterson, Simmons & Co., Ltd
 The Anglo Siam Corporation, Ltd.

These merchant houses built up a reputation for financial integrity, maintained close contact with the European planting community, had access to government officials, and were well acquainted with general economic conditions in Malaya. Initially, the merchant houses were mainly used to acquire European proprietary estates. At a later stage, funds were used both to buy land which had been planted with rubber by the Chinese and Malay planters, and to open up virgin forests. As managing agents, the agency houses were involved in arranging purchases and sales, appointing competent managers for individual estates, and providing these managers with general supervision and technical advice. For these services, the agency houses received a fee on the acreage managed, and a commission on the inputs supplied and marketed (Barlow, 1978: 31).

Cohen argues in her study (1978: 110) that as an intermediary between capital in London and the estate in Malaya, the managing agency houses were a necessary and sufficient requirement for the

development of this industry. Certainly their pre-rubber economic activities were important in placing them in a central position with respect to access to information, but more crucial was their ability to obtain capital. However, this key factor not only led to the development of the estate sector, but also permitted the agency houses to gain dominance over the rubber industry.

The strong participation of merchant firms increased the number of rubber plantations and rubber companies in Malaya. For instance, in 1922, 460 British estates were producing rubber; the number increased to over 800 in 1930 (Lawrence, 1931: 20), and to about 2,500 in 1940 (Knorr, 1945: 24). Similarly, the number of rubber companies involved in rubber production increased from 24 in 1905 to 600 in 1920 (refer Table 2.2).

The large profits made through the rubber industry went largely to 'absentee shareholders' who resided outside Malaya, while the people who actually worked in the plantations were employed at minimum wage levels. Furthermore, as a whole, the people in Malaya and the Malay states were not benefiting from the profits accruing to foreign investors. If these investors had to pay profit taxes, they paid it to their own governments, not to the Malay states where the profits were made (Li, 1982: 87). The colonial government did not take any action to stop this hemorrhage; instead, they encouraged the foreign companies to minimize their losses. A discussion of the Rubber Restriction Scheme, which deliberately restricted production by small-holders in Malaya, will illustrate this.

Table 2.2
Growth of British Rubber Companies, 1905–20

Year	No. of Companies	(% change)	Issued capital (pound sterling)	(% change)
1905	24	–	1,411,298	–
1908	150	(525.00)	15,000,000	(962.85)
1913	530	(253.33)	52,477,000	(249.85)
1920	600	(13.21)	125,000,000	(138.20)
1905-20	–	(2,500.00)	–	(8,757.09)

Source: Gow, Wilson and Stanton, *Rubber Producing Companies* (London, Financial Times, 1906–1920).

Rubber Restriction Schemes

The rubber restriction schemes have been described in detail elsewhere (Rowe, 1931; Whittlesey, 1931; Yates, 1943; McFadyean, 1944; Knorr, 1945; Jackson, 1967; Drabble, 1973; and Lim, 1978), and therefore, only an outline of its main features will be presented here. The rubber restriction schemes were a tool of the colonial administration to discourage peasant rubber cultivation in competition with commercial plantation interests, ostensibly to limit falling rubber prices in the early 20th century.

During the early 1910s and 1920s, and again during the 1930s, world demand for rubber experienced sudden and sharp downward cyclical trends. As prices and quantities demanded fell, British Malayan rubber policy adapted its strategy and resource allocations to cope with declining incomes. International commodity agreements were concluded through British initiatives, which prompted two major restriction schemes: the Stevenson Restriction Scheme of 1922, and the International Rubber Regulation Agreement (IRRA) of 1934. These schemes sought to restrict the output of natural rubber and hoped to thus raise its price (Rudner, 1981: 83). As the Dutch government refused to cooperate in any programme of output restriction in its colonial areas after several months of indecision, the Stevenson Restriction Scheme only affected rubber producers in the two British rubber producing territories of Malaysia and Ceylon (Rowe, 1931: 6-7). Unlike the Stevenson Restriction Scheme, the IRRA arrangement was agreed to by the governments of Great Britain (for British Malaya, Burma, North Borneo and Ceylon), France (for French Indochina), Holland (for the Netherland East Indies), and Thailand — which jointly controlled 98 per cent of the area under planted rubber (Bauer, 1948: 79-80). This policy was strongly urged by the Rubber Growers' Association, which was powerful and well organized in defence of estate interests by this time (Allen and Donnothorne, 1957: 122).

Both the rubber restriction schemes applied two policy instruments. First, export quotas were determined so as to restrict current production. Second, regulatory controls were introduced to limit the growth of rubber acreage ostensibly in view of long run supply considerations. The operation of the policy, however, clearly favoured rubber estate owners, and thus marginalized and discriminated against indigenous smallholders.

In the administration of export quotas, favourable treatment was given to the estate sub-sector, so that excessive curbs had to be

imposed on smallholding output. A fairer system of quota allocations could have been based on the proportion of the mature area occupied by each sub-sector and the average yields obtained per acre respectively. Both schemes under-assessed the production capacity of smallholdings. Quota imbalances resulting from under-assessment of smallholder acreage meant that many estates operated at capacity, while smallholders had to cut output, particularly under the latter scheme (Bauer, 1948: 92-95). This was outright discrimination against the smallholder in favour of the estates. The total loss to smallholders due to under assessment of their productive capacity was estimated by Bauer to be in the region of \$85 million!

The discrimination against new planting by smallholders was even harsher. The IRRA's prohibition on the release of additional lands for rubber planting, and on new planting, had particularly grievous consequences for the long-run cost-competitiveness of the smallholding subsector. The IRRA prohibited new planting on land already alienated for rubber planting, but permitted replanting. Limitations on new planting were especially detrimental to smallholders, particularly for those with very small lots. Without the restrictions, such producers with ageing trees would have planted new land, instead of replanting their existing holdings. Since replanting was difficult, if not impossible, for smallholdings, this regulation only benefited large estates, which had no such difficulties (Bauer, 1948: 173-174). In fact, this provided the opportunity for estates to replant with high-yielding plants which contributed to substantially increased productivity, thus enabling them to improve their competitive position vis-a-vis smallholdings.

Despite some minimal benefits to smallholders in terms of price stability, the chief beneficiaries of the restriction schemes were the estate holders. It was a calculated move by the colonial government to impose these restrictions, thus reducing the competitive edge of indigenous smallholders. This was done in order to protect estate capital and to minimize their losses as correctly observed by Sir Andrew MacFadyean: "One of the primary objectives of the rubber control schemes was to protect European capital in plantation companies in Malaya, Borneo and Netherlands East Indies from competition arising from the production of rubber by the natives".

It is clear from the above that the colonial government was a major motivating force behind the establishment of the plantation industry in Malaya. With their absolute control over their colony,

they provided various facilities — such as cheap land, good infrastructure facilities, loan funds and restrictive policies — to encourage plantation development, marginalizing smallholders. Another major instrument of colonial policy to facilitate plantation development was through the importation of cheap labour as part of a 'divide and rule' strategy.

Divide and Rule Strategy

Plantation agriculture is a labour-intensive industry. Consequently, persistent labour shortage was the main worry of plantation owners and colonial authorities during the early twentieth century. This led to the importation to Malaya of thousands of workers from South India for the rubber plantations. Why were indigenous Malays not employed instead? This apparently paradoxical situation must be understood in the context of the colonial 'divide and rule' strategy and 'cheap labour' policy.

The 'divide and rule' strategy has played a crucial part in ensuring the stability — indeed the viability — of many colonial systems. Morrock (1973: 129-151) defined the 'divide and rule' strategy as the conscious effort of an imperialist power to create and/or turn to its own advantage the ethnic, linguistic, cultural, tribal, or religious differences within the population of a subjugated colony. He also outlines the four basic tactics of the 'divide and rule' strategy practised by western colonies as: (a) the creation of differences within the conquered population; (b) the augmentation of existing differences; (c) the channeling or exploitation of these differences for the benefit of the colonial power; and (d) the politicization of these differences.

The way in which the 'divide and rule' strategy was promoted and racial differences were 'created' in Malaya was through encouragement of mass migration. The British fostered wholesale Indian migration and facilitated Chinese and Javanese migration into Malaya (Tinker, 1974: xiii). The creation of a 'plural society' was reflected in colonial administrative arrangements channeling each ethnic group into different economic sub-sectors. This, in turn, facilitated easier maintenance of law and order (Abraham, 1976: 177). For instance, in the states of Kedah and Perlis, applicants for rubber land were prohibited from recruiting local Malays to work on the plantations. The applicants were required to show evidence of being

able to import sufficient immigrant labour before their application for land would be approved (Sandhu, 1969: 52–53).

Thus, the exclusion of local Malay labour from the plantation sector and the promotion of immigrant labour is best seen in terms of ‘divide and rule’ by the British.

Malay Participation in the Plantation Sector

The Malays had little to do with the development of the rubber plantations (and tin mining) under colonial rule. After excluding them, the British colonial government cited the lack of indigenous labour as one main reason for recruiting of Indian and Chinese labour. Hence, it was to meet the labour needs of the rubber industry that mainly Indian labour was recruited in the early 20th century.

The colonial government gave various reasons for not recruiting local Malay labour. Malays were defamed as ‘lazy natives’, similar to the well-known colonial myth about African people (Alatas, 1977). Although rubber cultivation in the early 1900s used Malays for the initial stage of clearing the forests on a contract basis, they were otherwise referred to as lazy by nature and not reliable, e.g.: “...they do not even work three days a week; they only work when it suits them” (Halim Salleh, 1987: 58). Indeed, they were romanticised as ‘nature’s gentlemen’ (Wright, 1912: 313–315; Reid, 1957: 313–315). This vision of Malays as lazy is also reflected in a statement by Swettenham (1906: 139): “Whatever the cause, the Malay of Peninsular Malaya was, and is, unquestionably opposed to steady continuous work”.

It was also claimed that Malays were content to remain in their villages for social and cultural reasons (Clifford, 1961). In economic terms, it was said that Malays preferred leisure to work and refused to join in modern economic activity because their value system discouraged pursuit of individual gain (Silcock, 1965: 183). Perhaps such views and opinions are best illustrated by Emerson’s perception in the 1930s of the common European and Chinese complaint that Malays were lazy and shiftless people, who wantonly refused to accept the benefits offered to them (Emerson, 1964: 18).

These views, however, are biased, racist and untrue. In fact, such ideas have already been disputed and dismissed by some of the major scholarly writings of the 19th century. John Crawfurd, a colonial administrator who was one of the most prolific scholarly writers of Southeast Asia in the early and mid-19th century, defends the ‘natives’

against charges of indolence: "the islanders are found to be industrious like other people... they have no constitutional listlessness nor apathy, and whenever there exists reasonable prospect of advantage, they are found to labour with vigour and perseverance" (Crawford, 1820: 42-43). In the same manner, Green (1926) also noted that Malay workers are particularly good at specific jobs where an element of artistic skill is involved. According to Green, "if the purpose of the job is made clear to him, and if he agrees with the objectives, he is in fact a better worker than either the Chinese or Indian". Another 19th century observer of British rule in the Straits Settlement, Cameron (1965: 8-9) gives a generally positive account of the Malay population. Cameron pays Malays his highest possible compliment by comparing them favourably with the English. He says the Malays were "adventurous, and, in many respects, a noble race, that like English colonialists in more modern instances, have laid the foundations of a great empire on but a very small beginning".

The question arises then that if the Malays were not lazy, shiftless or less intelligent, as claimed by others, what stopped them from responding to opportunities for economic gain associated with the introduction of the modern economic sector? What made Malays refuse to hire themselves out as labourers on terms that planters wanted?

As peasants, the Malays were economically self-sufficient in their communal (village) settings. There was no need for them to work under the strenuous working conditions and strict disciplinary regulations of wage employment in plantations. It is this 'natural independence', rather than any shortcomings in their character, which discouraged their becoming wage earners. A similar argument has been made by de Silva (1982: 207) in his study of the Sinhalese people in Sri Lanka. He noted that the Sinhalese peasants had no aversion or dislike for wage labour, but did not join the plantation workforce precisely because of the nature of the plantation system itself.

In fact, given the terms of employment (e.g. wages and working conditions) in plantations offered by Europeans — as opposed to traditional fishing and agriculture — Malays made the economically rational choice of not joining the plantation workforce. Even though they did not want to work as coolies in rubber plantations, they responded very well as peasants to rubber cultivation. Thus, despite

the discouragement of the colonial government as well as the limited capital and technological facilities available to them, the Malays performed well (Lim, 1977: 75–76). The popular belief that traditional Malay culture is not economically rational is problematic.

Therefore, the peasant response to economic incentives associated with smallholder rubber was positive. Consequently, the lack of interest among the indigenous population in becoming plantation workers should be explained in terms of the policy and practice of the colonial government. In this regard, Abraham (1976: 163) stated that as a starting point, it may be useful to reframe the entire question of demand for indigenous versus immigrant labour. The question should be understood primarily in economic terms and within the colonial situation. He argued that the easy availability of immigrant labour, as well as the advantages of indentured or tied labour over indigenous labour, have motivated the colonial government's preference for immigrant labour. In any case, the Malay population was scattered around the country and the British found it difficult to pool them together in the concentrated populations that mines and plantations require (Bauer, 1957: 53).

However, this is not to deny that Malay labour did play some role. Indeed, from the inception of the plantation industry in Malaya, Malay labour was used almost exclusively to clear the forest and to prepare the land for planting cash crops. It was found that immigrant labour was unequal to the task of felling and clearing forests. It was observed that "Malay peasants sought employment, especially on short-term contracts such as forest felling and timber removal", which did not involve abandonment of their preferred social status as independent farmers (Lim, 1977: 74).

Undoubtedly, this served to limit the use of Malay workers. However, as in the case of the diamond mines of Southern Rhodesia, had there been no alternative source of labour, the British could have mobilized indigenous people to work on plantations (Van Onselen, 1975: 494). But the colonial government did not want to do so because there were abundant supplies of cheap labour from China and India willing to work for low wages in mines and plantations. Hence, the colonial government did not take the trouble to mobilize indigenous labour. After all, Malay peasant farmers, unlike immigrant labour, had relatively easy access to land although this became more problematical over time with the passage of the Reservation Acts (Hill, 1982: 14). This meant that they could pursue their traditional farming

practices as well as have a foothold in the new commercial ventures, albeit on a small and tentative basis.

This colonial cheap-labour policy left out Malay participation in the plantation and mining sectors. In addition, it was also part of British policy to encourage Malays to continue with rice production as more of this staple food was required to feed the growing number of immigrant workers (Stenson, 1980: 30). All this suggests that it was economically cheaper and politically less problematic for the colonial administration and investors to rely on immigrant labour, rather than local Malay labour.

The Role of Immigrant Labour

The non-participation of local Malay labour in the plantation and mining industries forced the industries to depend primarily on immigrant labour. Given the need to attract plantation capital, it became evident to the colonial government that there was a crucial need to provide a plentiful supply of cheap labour. This was especially so, considering the labour-intensive nature of the plantation industry, both in its developmental and productive phases. It was vital to provide this supply of labour to keep operational costs to an absolute minimum, thus ensuring the highest possible profits for investors. It is in this connection that the importation of immigrant labour took place in Malaya. Immigrants came from three nearby major densely populated regions of Java, China and India, in line with the 'cheap colonial labour policy' (Bauer, 1947: 217).

Indians were preferred to Javanese and Chinese because it was not only easy for the British to bring Indian labour to Malaya, but Indian labour was also much cheaper than Javanese and Chinese labour. Two major labour recruitment systems were introduced in order to bring in immigrant labourers from their mother countries: first, the indenture system, then, the free labour system. For instance, the 'kangany system' was one of the most widely used systems adopted to recruit labour from India, working in line with capitalist interests to employ workers in rubber plantations. Labour recruitment of Chinese differed greatly from that for Indians. The colonial government did not have a direct involvement in the recruitment of Chinese labour. We now turn to look at the different systems, terms and conditions under which the Javanese, Chinese and Indians were brought into Malaya.

Javanese Labour

In the initial stage of plantation development in the late 19th and early 20th century, enthusiasm was shown for recruiting labour from Java, the most-populated island of Indonesia. It was thought that Javanese labourers would easily assimilate and integrate with local Malays due to their cultural similarities. For the most part, the Javanese were recruited under the indenture system (Jackson, 1961: 127) through European firms in Java and supplied through certain firms in the Straits Settlement (FMS, 1910). Only later, in the 1930s, did they come in as free labour. Although the Javanese were regarded as hard-working and some planters preferred them to Indians and Chinese, the total number of Javanese labourers never at any time made up a large proportion of the total estate labour force (Ooi, 1963: 118).

This was because the Dutch colonial government imposed strict controls and restricted the recruitment of Javanese labour. Long delays in transferring labour were also frequent. Furthermore, the Javanese were expensive due to the high cost of recruitment, thus discouraging mass recruitment to Malaya. As Sandhu (1969: 56) points out, the cost of recruitment was "two or three times higher than that of an Indian of the same category". Despite all this, probably about 1,000 to 2,000 labourers a year were recruited from the beginning of the century until 1913, after which the numbers began to decline (Barlow, 1978: 47). In 1913, it was estimated that 12,197 labourers from Indonesia, the majority of whom were Javanese, were employed on 163 estates. In 1920, they were said to number 8,918 (Jackson, 1968: 129). Their number subsequently dropped to 4,165 in 1925 and 2,207 in 1933 (Parmer, 1960: 273). Even though their numbers declined on plantations, the 1931 census estimated that 244,000 of the 594,000 Malays in the FMS in 1931 were either first generation Indonesian immigrants or descendants of immigrants, who entered the country between 1891 and 1931 (Ooi, 1963: 119).

Chinese Labour

Although Javanese labour was considered for work on Malayan plantations, the restrictions imposed by the Dutch authorities made large scale recruitment and migration impossible. Therefore, the British were forced to look for alternative sources in the two other large labour reservoir countries — China and India. Chinese emigration to Malaya started long ago, with the first recorded visits

of traders to the Malay peninsula in the 14th century; pockets of Chinese settlements were also discovered in Malacca after its foundation in 1403 (Purcell, 1967: 16–19). However, the Chinese did not migrate to Malaya in considerable numbers until after the founding of Penang by the British in 1786 (Purcell, 1967: 39). Initially, in the first quarter of the 18th century, a few thousand migrated to work in tin mines for Chinese employers (Wong, 1965: 21). From the late 19th century, large-scale Chinese migration to Malaya began to work on the tin mines. Poor Chinese were keen to emigrate in large numbers to escape the hardship created by famines, internal strife, and a large population (Simoniya, 1961: 9–14) despite imperial sanctions forbidding Chinese subjects to leave the country without special permits (Purcell, 1965: 29). In particular, the emigrants came from three badly affected southern Chinese provinces of Kwang Tung, Fukkien and Kwangsi.

Chinese immigrants came in to Malaya under three different systems. First, free and unassisted emigrants, those who paid their own passage. Second, indentured labour under the 'credit passage' or 'ticket system'; and third, the 'private recruitment' and 'lodging system'. At no point in time did the colonial government organise Chinese immigration or involve itself directly in recruitment from China. The entire recruitment process was totally controlled by the Chinese. The British only regulated the inflow, allowing the Chinese to enter Malaya more easily. For instance, from 1845, they had to negotiate with the apprehensive Chinese imperial state before they could secure a reasonable flow of indentured labourers from China (Campbell, 1923). In 1866, with the draft of the Anglo-Chinese Convention between China, Britain, and France, Chinese were allowed to enter contracts to work in British colonies (Parmer, 1960: 27). From this time, immigration increased the recruitment of indentured labour under the 'credit passage system' to work in the expanding mining and plantation sectors. Later, this was regulated by the Emigration Convention between the United Kingdom and China on 13th May 1904 (Orde Browne, 1943).

In the 'credit passage system', passage was offered on credit for prospective immigrants who could not afford the fare from China to Malaya, on the condition that they had to work as contracted or indentured labourers to repay their debts. The migrants were popularly known as *sinkeh* or new arrivals. The Report of the Labour

Commission in 1890 described the system in operation in the Straits Settlement at that time as follows:

“The recruiter or agent pays their passage and expenses of the intending immigrant, in some cases giving him a small advance as well, on condition that the coolie ultimately works off by his labour the expenses so incurred. Usually the China agent recovers his outlay, plus profit, from an agent or broker in Singapore or in Penang, to whom the coolie is consigned and who remits the necessary sum to China on receipt of the coolie. This second agent then disposes of the coolie to the employers or his agents, making the best terms he can, according to the state of the market, to recoup his outlay and secure himself a profit” (Jackson, 1961: 77).

The *sinkeh* had a bad time under this system. They were virtually controlled by members and officials of secret societies who were their brokers, as well as keepers of depots and lodging houses. As such, they were subjected to ill treatment and abuses. Normally, the *sinkeh* were badly handled. They were enticed from their homes by fine promises, and once they left their home towns, being naive and illiterate, they were at the mercy of the recruiting agents. The ships which took them from Chinese ports to Malaya were crowded, and seldom were the migrants given enough food; disease was widespread and medical care rare, many died enroute before they could even reach their destination (Li, 1982: 136). Upon arrival in Malaya, the *sinkeh* were often locked in lodging houses while the *kheh-thau* or headman, found employers who could settle their passage money for them. They remained locked in these lodging houses until the business transactions with their new employers were completed. The recruitment system was little better than a trade in livestock. The Chinese strongly resented this system and referred to it as *mai chu-chai* — ‘the pig business’ — or ‘selling young pigs’.

This forced the Chinese government to take strict actions against the brokers who used unethical means to ship out their human cargoes. In response to this, the colonial Malayan state introduced several legislative and administrative measures to protect the welfare of the *sinkeh*. For instance, in 1873, a law was introduced (Ordinance X of 1873) in Singapore to regulate the system of immigration and to check the gross abuses inherent in the recruiting system. In 1877, the Chinese Immigration Ordinance (No. 11 of 1877) was passed, providing for the appointment of a Protector of Chinese in Singapore, and an Assistant Protector in Penang several months later. Under this

ordinance, licences were issued to recruiters of immigrants and the depots for reception came under government supervision. It was the intention of the ordinance to bring the newly arrived Chinese into direct contact with the colonial government and to make them feel that there was a higher power to protect them as well as keep order (Jackson, 1961: 74). In 1880, a subsequent ordinance (No. IV of 1880) went further in trying to safeguard the welfare of Chinese by providing for the release of immigrants who had not paid their passage, and their placement in government depots for a certain period of time (Blythe, 1947: 74-77).

This, however, did not deter recruitment by secret societies. In fact, the network of well-organised secret societies enabled them to dominate the entire *sinkeh* business. They even controlled and pushed the prices of *sinkeh* up so high that employers claimed they could not pay (Campbell, 1923: 16). For instance, the cost of Chinese indentured labour (*sinkeh*) ranged from \$40 to \$68 per head. Out of this sum, passage money and out of pocket expenses for the *sinkeh* amounted to \$19.50, the balance representing the broker's profit (FMS Report, 1910).

For this reason, few Chinese indentured labourers were used in the early rubber plantations. Furthermore, the Chinese themselves preferred to work in tin mines due to the better incentives and wages in this industry. This is clearly shown in the *Report of The Commissions to Inquire into the State of Labour in Straits Settlements and Protected Native States* of 1890. The report stipulated that contracts for agricultural and tin mine workers in the colonies and native states should be provided for three hundred and sixty days work, with wages at \$30 per annum for the former and \$42 per annum for the latter. However, the Chinese who owned pepper, gambier, sugarcane and tapioca plantations in the late 19th century utilised considerable numbers of Chinese labourers, and the Europeans who owned rubber plantations showed an increasing interest in recruiting them. This is reported by the 1910 Commission on Conditions of Indentured Labour:

The demand for indentured Chinese labour, which had almost reached the vanishing point in the Federated Malay States, has revived lately owing to the extensive cultivation of rubber and scarcity of other labour, and in view of the large number of labourers that will be required it is most essential that the system of recruiting Chinese labour should be placed on as sound a basis as possible.

With this interest, Chinese participation in the plantation industry increased. For instance, the total number of Chinese employed in plantations in the Federated Malay States in 1909 was 12,402. This number jumped within two years to 31,460 and to 40,866 in 1920. However, Chinese intake into the plantation sector fluctuated over the years, showing a distinct fall in numbers after 1920 when commodity prices fell after World War I (refer to Table 2.3). Usually, the Chinese were employed as contract workers in the plantations. One obvious reason for this is that the European planters did not understand Chinese languages and the labourers had no knowledge of Malay. Many planters and estate managers in European owned estates had migrated from Ceylon's coffee plantations where Tamil was the standard language for managing labour, while the supervisory staff in such estates could facilitate communication in the workplace with their knowledge of English. Such circumstances did not prevail in the case of Chinese workers who preferred to negotiate terms with their Chinese contractor (Barlow, 1978: 24). As such, the contract labour system prevailed for Chinese on European owned workplaces. This method was also used by Chinese plantation owners (Blythe, 1947: 68–70) who squeezed and exploited the *sinkeh*. For example, the usual system of contract employment on sugar plantations in Province Wellesley, whether European or Chinese owned, was the *rumah kechil* system.

Under this system, some sections of an estate were contracted out to Chinese labour contractors (also known as *taukeh*), while the estate simply purchased the produce at a fixed price. To carry out the jobs, labour contractors mobilised *sinkeh* on the estates and kept them in small huts known as *rumah kechil*. Each one of them was known as a *kongsi*, under the charge of a trusted head labourer known as *kepala* (head) or *mandor* (overseer). These were distributed all over a single estate to the work sites (FMS, 1910: 22). Since estates had no direct dealings with the immediate producers, they considered themselves free of any moral or financial responsibilities for the labourers, thus giving labour contractors a free hand. With complete control of the coolies in his hand, the headmen frequently ill-treated the workers. They were forced to work for long hours, beaten, badly fed and locked up at night to prevent their escape (Blythe, 1947: 70). Various methods of torture — including flogging and beating to death for bad or slow work, being made to eat human excrement for disobeying orders, and being kicked and even drowned for attempting to abscond — were used to punish offending workers (FMS, 1910: 80–96).

Table 2.3
Federated Malay States Estate Labour Force, 1907–38

Year	Indians	Chinese	Javanese	Others	Total
1907	43824	5348	6029	2872	58073
1908	43515	6595	4999	1961	57070
1909	55732	12402	6170	2778	77524
1910	n.a	n.a	n.a	n.a	n.a
1911	109633	31460	12795	12127	166015
1912	n.a	n.a	n.a	n.a	188050
1913	142476	25081	12197	8496	188250
1914	120144	24000	10155	7120	161379
1915	126347	27466	8356	8952	170741
1916	138295	42831	7485	7496	196123
1917	148834	55240	7746	8902	220758
1918	139480	46372	8249	7821	201964
1919	160658	61089	7861	7492	237134
1920	160966	40866	8918	5808	216588
1921	121644	25712	5732	3353	156341
1922	122589	27575	4906	3724	158794
1923	121463	31957	4791	4894	163105
1924	119242	30884	4516	4715	159357
1925	137761	37879	4165	4549	184354
1926	176114	61064	4760	4822	246760
1927	172466	44239	4550	3963	225218
1928	162460	50647	5149	4788	223044
1929	181205	65617	5316	6642	258780
1930	132745	30860	3665	2411	169681
1931	104767	32916	2464	2357	142504
1932	90003	31349	1920	2328	125600
1933	96138	35188	2207	3318	136851
1934	119443	40305	2521	4153	166422
1935	118591	29950	1941	2658	153140
1936	123595	30760	1924	2979	159258
1937	155725	37200	2371	3823	199119
1938	137353	28925	1762	2892	170938

Source: Parmer, 1960: 273.

These conditions of semi-slavery were modified by the introduction of many new rules, regulations and enactments to protect the welfare of workers. For instance, the *Report of The Commissions of Enquiry into the State of Labour in the Straits Settlement and Protected Native States* in 1890 argued that it was necessary to inspect places of employment; this was incorporated as a major recommendation of the commission. More Chinese Protectorate Offices were established to protect the labourers. In addition to the earlier established protectorates (1881 in Penang and 1890 in Selangor), new Protectorate Offices were opened in Perak in 1893, Malacca in 1911, Negeri Sembilan in 1914, Kedah in 1923, Johore in 1927 and Pahang in 1938 (Blythe, 1947: 85). In 1904, three enactments were passed — the Labour Enactment (General), the Labour Enactment (Chinese Mining) and the Labour Enactment (Chinese Agricultural) — consolidating the laws of each state and providing greater uniformity in labour matters. In 1910, seven bills were passed in the Federal Council amending labour laws. These bills were necessitated by the extension of rubber cultivation and increased demand for labour. In 1912, a labour code was established, compiling all existing labour laws in the Federated Malay States. Finally, in 1914, an Enactment No. 32, which completed the abolition of the indentured labour system was passed (Blythe, 1947: 89–99).

This came as a big blow for planters. Even though the planters had not advocated the 'indenture labour system' and had brought labourers in through the 'credit passage system', they were already thinking about a more efficient (i.e. less expensive) indenture recruitment system to replace the 'credit passage system' (MPAM, January 1913). Through the Planters Association of Malaya (PAM) they discussed an alternative system of indentured labour recruitment from China. In 1910, PAM appointed a committee to investigate the feasibility of establishing a bureau in southern China for recruiting Chinese coolies for employment on estates (MPAM, February 1910). The committee advised that the *sinkeh* system was an expensive and uncertain source of supply. The committee concluded that direct labour importation by private companies would be most satisfactory (MPAM, April 1910). The existence of several commercial firms which sought to recruit and import Chinese indentured labour for Malayan plantations probably influenced the recommendations of the PAM committee (Parmer, 1960: 79). Their plan was to first import indentured labour and to later evolve a free labour immigrant system.

However, the planters did not expect that the indentured labour system would come under fire so soon. It was while they were engaged with plans for recruitment with private firms that the indentured labour system collapsed.

The demise of the indentured labour system subsequently developed two new labour recruitment schemes — first, the system of private recruitment, and then, the lodging houses. The private recruitment system was similar to the ‘kangany system’ used to recruit Indian labour, with a Chinese *kepala* or contractor sent to China to recruit workers who were expected to pay their own travel expenses. In the lodging house system, brokers in China recruited labourers and either brought them to Malaya themselves, or sent them through lodging houses. Employers wanting labour had to go to the lodging houses to recruit them, and were required to pay the lodging house a sum to cover the ostensible expenses of importation. These expenses were later debited to the labourers’ account by the employers (Blythe, 1947: 98–99). In essence, this system bore a close resemblance to the old system of importation. The only difference between the two systems was that the labourer was not required to sign a contract, but was required to pay for his passage out of his wages. As correctly pointed out by Parmer (1960: 99), “the only thing that was actually abolished under this system was the legally enforceable contract; the remaining system was in effect indentured labour”. This system of recruitment allowed the flow of Chinese labour into Malaya without any restrictions. Eventually, the private recruitment and lodging house system came to an end with the Aliens Ordinance in 1933. After this, estates wanting to employ Chinese labour were forced to rely on Chinese who had been residing in Malaya for a number of years.

South Indian (Tamil) Labour

The immigration of Indian labour to Malaya has a long history. A clear pattern of immigration began in the early 19th century when soon after the establishment of the Straits Settlements by East India Company, the British colonial authorities brought in convict labour to develop the colony. The convicts were used largely for public works, particularly to construct roads, railways, bridges, canals and wharfs (Saggi, 1956: 26; Netto, 1961: 17–20). Nevertheless, their numbers were not very substantial and the importation of such labour came to an end in 1860 after much criticism (Straits Settlement, 1860: 28). Apart

from convict labour, a few immigrants also came in to pursue trade and commerce.

The flow of Indians, however, increased at the end of the 19th century and in the early 20th century with the colonial government's new needs (Stenson, 1980: 16). In particular, the need to supply sufficient labour, initially for growing sugar, and later largely for rubber plantations, contributed to the increased intake of Indians. Unlike Chinese immigration, Indian immigration was planned and directed by the colonial authorities to suit themselves and British employers. For instance, labour supply was increased when they were needed and repatriated during recessions when they were not wanted by the colonial authorities. The bulk of Indian labour was brought in to Malaya by three main immigrant labour systems, namely the indentured labour system, the *kangany* labour system and finally, the assisted immigrant labour system.

There are various reasons why the British colonial government turned to South India to recruit Tamils to work in the plantations. Perhaps, the most important reason was that Tamils were much cheaper than Javanese and Chinese labour (Barlow, 1978: 42). It was also easier to recruit them, without any problems from the source country because India was under the rule of the same imperial government. Furthermore, it was cheaper to recruit the readily available labour surplus in South India due to its close proximity to Malaya. The poor conditions in South India itself also played an important role. In particular, the agrarian crisis in the Madras Presidency as a result of pressure on land, climatic conditions and the slow growth of industries absorbing the ever increasing population created impoverishment and hardship. To add salt to the wound, British imperialism had further impoverished the poorer peasants in the Presidency to the point that they were prepared to migrate to foreign lands for a better livelihood (Stenson, 1980: 17). These are the main reasons pushing South Indians into migrating to Malaya.

Together with the above mentioned factors, the caste system in India also had a considerable influence in inducing the emigration of Indian labour. Rajakrishnan (1982: 48) argued that, "if it is granted that caste was not the sole cause of emigration, it was indeed the root cause". In relation to the caste issue and in trying to spell out the causes of migration from India, Sandhu (1969: 57) commented that "the relegation of these classes to the level of animals in caste-ridden society naturally tended to deprive them of initiative and self respect,

and made them a cringingly servile group. These people had neither the skill nor the enterprise to rise above the level of manual labour... and also were willing to accept low fixed wages”.

These features of the South Indians, particularly of the lower castes, made them almost ideally suited as the labour force for the plantation capitalists. Furthermore, they had proven to be good labourers in Ceylon, and as many British planters believed, Madrasis should always be the mainstay of planters. They were considered as superior labour because they were quiet, amenable to discipline, and very quick to learn and adapt to most kinds of agricultural work. It was also thought that acclimatization to Malayan conditions was comparatively easy for them as South India was not dissimilar to Malaya climatically. Furthermore, they were used to low standards of living, and as British subjects, accustomed to British rule, well-behaved and docile (Sandhu, 1969: 57-59). For these reasons, and particularly because they were seen as easily governed (Stenson, 1980: 16), they — especially the lower caste ‘untouchables’ — were brought to Malaya in large numbers. Often landless and suffering the most, they were more easily persuaded — than higher caste — by Indian labour recruiters (often from their own native villages) to sign the migration and labour contract to escape abject poverty (Ainsworth, 1933: 56).

Apart from these factors, the colonial government favoured an increase in the Indian population to counterbalance the growing Chinese population of Malaya. This is reflected in the statement of Sir Fredrick Weld, Governor of the Straits Settlements in 1887: “I am... anxious for political reasons that the great preponderance of the Chinese over any race in these settlements, and to a less marked degree in some of Native States under our administration, should be counterbalanced as much as possible by the influx of Indian and other Nationalities...” (quoted in Sandhu, 1969: 58).

For all these reasons, the British colonial government preferred and turned to South India for labour recruitment. The main motive for recruitment was to provide a cheap, adequate and abundant labour supply for the rapidly growing rubber plantations. The colonial administration’s preference for increased Indian labour recruitment was frequently expressed, so that the Government of India would be persuaded to liberalise recruitment conditions: “If the Malay Peninsula is to be a great rubber growing and exporting country, the importation of labourers from India is a necessity... and

the government should do what is possible to facilitate and cheapen immigration" (*Annual Report of the Protected Malay States*, 1892: 38).

However, due to financial constraints, the Malayan administration did little except partially subsidize the cost of the sea journey to Penang. This was so until 1907, when the government decided to set up the Indian Immigration Fund, based partly on a levy imposed on all planters who used Indian labour (on a per capita basis), and to be administered by the Controller of Labour. Until 1920, the single largest contributor to the Fund was the Federated Malay States government itself, as it had several employees of Indian origin (Netto, 1961: 26). (It is worth emphasizing that no comparable government machinery was set up for the recruitment of Chinese labour, whether under pressure from employers or the Chinese government). We can now turn to look in greater detail at the immigrant labour systems under which Indian workers were brought into Malaya.

Indentured Labour Supply

As a result of the growing popular revulsion against slavery in Britain and other European countries, and in the face of opposition from the planter class, the slave trade was abolished in 1807, as was the use of slave labour within the British empire in 1833 (Saggi, 1956: 3; Miles, 1987: 88). The abolition of the slave trade was intended to stop the sale of human beings, but since plantation production was dependent upon a continuous supply of human beings, an alternative cheap labour system was needed. In this context, the indenture labour system succeeded slavery in the mid-19th century, bringing the initial wave of South Indian immigrants to Malaya.

Under this system, an employer wishing to recruit immigrants would engage one of the labour recruitment firms in Negapatnam or Madras, or send agents to South India to recruit labourers directly (Jackson, 1961: 96). The agents advanced money to persons willing to emigrate to Malaya who were too poor to pay the passage themselves. This advance was conditional on the intending migrants signing a contract with the employer to serve as 'indentured labour' for a period of three to five years (Arasaratnam, 1970: 11). This meant that they did not have the right to change their employer or their employment until they had paid off the debt they had incurred for the journey. Most recruits were between the ages of 15 and 45. Subsequently, shipowners, merchants and others mobilized poor

Indian peasants for speculative purposes, inevitably involving kidnapping for the overseas labour market. To put a check on this situation, the Indian Government controlled the movement of labour by enacting laws in 1872 (Geoghegan, 1873: 64). From this time, recruitment was only allowed to be carried out by professional agents on behalf of *bona fide* plantation owners and government departments (Report of the Commission of Inquiry, 1890: 30). In 1884, it was brought under the control and protection of Malayan regulation.

Initially, immigrant workers imported under this system were mainly employed in sugar cane plantations in Province Wellesley and by the government in the railway and public works departments. When coffee planting developed and expanded, the coffee planters found that long contracts were unsuitable, which made them reduce the periods of contract from three to two years in 1899 (Netto, 1961: 23; Jackson, 1961: 98). However, this did not greatly improve the working conditions of indentured labourers. Employers took little interest in looking after the welfare of these coolies, but instead forced them to work as hard as possible and tried to keep them on the job as much as possible. At the end of the indenture period, they usually tried to renew the agreement for another period if the worker was still productive, or to get rid of him if he was not. Strict control and exploitation became basic ingredients of the employment system as observed by the *Report on Work on Plantations by the Labour Department* in 1910 as: "...fines and imprisonment could be imposed for disobedience: and desertion was punished by arrest and imprisonment and there was no repatriation at the end of the contract. In fact the labourer was a victim of the doctrine of personal responsibility, able to enter into a contract and to sue and to be sued on that contract, if he was over the age of 15 years".

Apart from this, mortality rates among labourers were very high due to poor health conditions, disease, depression, and poor working conditions in plantations. For example, the 1908 mortality rates for Indian indentured labour in the FMS was an incredible 84.8 per thousand. These rates were much higher compared to the Indian indentured labour in other British territories such as Natal, Fiji, Jamaica, British Guiana and Mauritius, where the rates were 19.5, 16.4, 20.5, 16.8 and 37.6 per thousand respectively (PDHC, 1909). To add to this, wages were paid below the contract rate of wages. They were paid \$67.25 for 269 days of work, that is 9.9 days of work done at \$2.49 per man per fortnight (FMS, 1910: 104). Complaints regarding

this matter were not welcomed at all. Whenever there was a complaint about wages by the workers they were punished severely, and in one incident, a worker in Selangor was shot dead because of a wage dispute (FMS, 1907: 4). The Indian indentured labourers underwent abuses such as flogging and whipping from their employers similar to those which the Chinese indenture coolies experienced (CCIL, 1910: 108). As such, the indenture labour system was very close to slave labour. In his study of the overseas export of Indian labour, Tinker (1974: 19), regarded the indenture system as a 'new system of slavery'. Beaumont, the ex-chief justice of British Guiana, wrote about the system in the same vein as quoted by Ruhomon (1939: 47): "a monstrous, rotten system, rooted upon slavery, grown in its state soil, emulating its worst abuses and only the more dangerous because it presented itself under false colours, whereas slavery had the brand of infamy written upon its forehead".

Fortunately, as a result of mounting public agitation, this system was short-lived. Furthermore, it became unpopular with the introduction of a new form of assisted migration in 1908 and was eventually banned in 1910 (Straits Settlements and Federated Malay States, 1910: 503), and became extinct in 1913, with the demise of sugar plantations in Malaya. However, it is estimated that the indenture labour system between 1845 and 1910 brought in some 250,000 labourers (Sandhu, 1969: 81), in the range of 1,500 to 5,500 indentured immigrants a year (refer Table 2.4).

Kangany-Recruited Labour

The *kangany* system of recruitment was introduced as early as the 1860s and operated in parallel with the indenture system (Geoghegan, 1873: 63). The word *kangany* is Tamil, meaning overseer. The system became popular when the coffee, and later rubber planters preferred 'free' labour from the end of the 19th century. In particular, the *kangany* recruitment system dominated from the early 20th century with the abolishment of indenture system.

Under this system, the *kangany*, usually a labourer already employed on the estate, was sent by the employer to recruit agricultural labour from his own village in India. According to Indian immigration rules, the agent or *kangany* must be a person who had been employed as a labourer in a plantation: "under the special Indian Immigration Rule 7 (2), applicable to Indian emigration to Malaya and

Table 2.4
 Indian Indentured Immigrants, 1880–1910

Year	Indian indentured immigrants	% of indentured to all Indian immigrants
1885	1,691	7.9
1886	2,992	14.7
1887	5,046	29.3
1888	5,001	24.0
1889	2,921	16.0
1890	3,132	17.0
1891	3,736	12.4
1892	2,051	11.1
1893	2,343	12.9
1894	1,801	12.0
1895	1,637	10.2
1896	2,810	13.9
1897	2,732	13.3
1898	3,413	17.9
1899	5,078	25.5
1900	8,694	22.6
1901	3,965	14.0
1902	2,736	13.5
1903	506	2.3
1904	2,783	9.1
1905	5,542	14.0
1906	3,674	7.1
1907	5,499	8.9
1908	5,456	10.0
1909	4,119	8.3
1910	2,523	3.0

Source: Annual Reports on Indian Immigration.

Ceylon, a *kangany* must have been previously employed as a labourer under the employer whose services he desired to obtain emigrants. Licences were issued under the direction of both Indian and Malayan colonial officials while the number of recruits was limited in every case, as stated in the licence. The licence had to be filled up by the employer and they normally paid the *kangany* his passage and expenses to and from India, plus a commission for each labourer recruited — usually Rs. 5 to Rs. 15 per head (FMS, 1910). He had to defray the expenses of the journey incurred by the recruits who were willing to come, but were too poor to pay their own expenses. In such cases, finances were advanced by the employer or sometimes by the *kangany* himself. The *kangany* had to confine his recruiting to relatives and friends, and was only allowed to recruit in the district of his native village (Jackson, 1961: 122). To reduce false practices, he could leave his village with the recruited labourer only with the consent of that particular village's headman (Ginsburg and Roberts, 1958: 320). The recruited labourers were expected to pay back the cost of their passage with wages earned after arrival in Malaya, but they were not expected to sign any contract. Obviously, this left the labourers in debt to their employers and made leaving the estates difficult. However, since there was no formal contract with employers, labourers could change their situation easily by moving over to plantations with higher wages.

This system was much preferred by planters because of the following advantages. First, the cost of recruiting and bringing labourers in through *kangany* was much lower for the employer since the commission paid to the *kangany* was low compared to professionally recruited labour under the indenture system. Second, it was very much easier to recruit immigrants under this system as the government attitude to the system was quite relaxed. Labourers recruited by the *kangany* were considered to be free labour, and as such, they were less subject to government control and inspection (Parmer, 1960: 33). Furthermore, the recruitment task became easier since recruiting was by a person known to the community and correspondingly, there was a greater willingness to volunteer as emigrants. Many families migrated on this basis. Third, British employers preferred this system because they wanted to break the monopoly of the Indian recruiting firms under the earlier system which were believed to have restricted labour supply. Apart from this, the other advantage of this method over the earlier one was that the *kangany*

could be expected to exercise greater care in the choice of men, thus ensuring better quality labourers (Arasaratnam, 1960: 16). The only disadvantage of this system was that the labourers could easily leave the employers who had recruited them to work elsewhere without being easily penalised for doing so. However, it was recognised that this recruitment system created the best understanding between the employers and the employed because the *kangany* was responsible for both recruiting (FMS Report, 1902: 2) and supervising work on the rubber plantations.

With their additional role as recruiting agents, the *kangany* in Malaya became important and powerful intermediaries between workers and management, enjoying a position of power and influence from which many gained economically. This position left workers open to abuse by the *kangany* which resulted in financial exploitation, e.g. through money-lending (Jain, 1970: 199). Usually, those Indian labourers who migrated through a *kangany* to a particular rubber plantation continued to depend on him for advice on most questions pertaining to their new employment and all social and personal problems relating to settling down in the unfamiliar new environment (Arasaratnam, 1970: 16). This patrimonial relationship became an advantage to the *kangany* for his personal gain in many ways. The labourer's indebted state was often prolonged because of the difficulty he had in ridding himself of the debt burden, and the lucrativeness of this arrangement to the creditor, i.e. the *kangany* himself (Jomo, 1988: 189). As such, the labourers became the *kangany's* debtors from a very early stage, enabling the *kangany* to squeeze the workers, and to perpetuate the master-servant relationship. The Chinese system of labour recruitment was much more commercial and less personalized and there was no institution similar to the *kangany* to maintain a permanent hold on the *sinkeh*, as shown earlier. They were nevertheless exploited under different systems that were ethnically, linguistically and culturally defined, and on a larger scale, especially through the Chinese secret societies (Blythe, 1947: 108; Jackson, 1961: 77).

The Malayan conditions of recruitment and deployment of Indian migrant labour did not differ much from the pattern in the early stages of sugar cultivation in Fiji. The indenture system of labour recruitment was practised as in Malaya until 1916, when the Government of India prohibited further recruitment on humanitarian grounds (Norton, 1977: 22). Thereafter, sugar producers in Fiji were desperate for labour supply, as evidenced by Legislative Council debates of that

period: "Unless we can give the immigrants every facility by effecting a survey, subdivision, and classification of the land, the colony will lose its Indian population.... We must rely on the Indians to populate the waste places.... We can never hope to see the Fijian population increase to a great extent" (quoted in Norton, 1977: 36). Clearly, the labour situation proved far more critical for the Fiji's colonial administration than in Malaya to be willing to alienate land to the Indian migrants. Fijian employers could not attract sufficient numbers of 'free' Indian workers until they were willing to offer substantial amounts of land to workers for their own farms and residences. In contrast, in Malaya, the *kangany* system of labour recruitment was practised until the mid-1930s.

The *kangany* system of labour was considered to be a major improvement compared to the earlier indenture system because labourers were no longer required to sign a contract as such with employers, as in the earlier system, and were free to move around anywhere they liked. Due to the isolated environment of the plantations, this was so in theory, but did not happen much in practice except in crossing over to neighbouring estates. Nevertheless, the system came under heavy criticism — in the 1920s in India by Indian nationalists, and in Malaya, by the Central Indian Association of Malaya (CIAM) — for its abuses, fraud and false practices, particularly the methods by which the labourers were recruited. The critics argued that the system used bribery to stimulate workers to migrate, forged the signatures of village headmen (without which the prospective emigrants would not be allowed to leave the country), promised young people a guaranteed good future, exploited family quarrels to induce people to migrate and gave false information about wages and living conditions in Malaya (Sandhu, 1969: 100; Parmer, 1960: 58). Finally, the system was abolished in 1938 (Labour Department Report, 1939: 6–7). However, it was this system which brought thousands of South Indians to toil as coolies in rubber plantations in Malaya, many of whom chose local domicile. The number of immigrants under this system increased dramatically in the early 20th century along with the expansion of the rubber plantation industry (refer Table 2.5).

Assisted Independent Labour Immigration

At the height of the expansion of the rubber industry in the early 1900s, the supply of immigrant labour was lagging far behind the

Table 2.5
Annual Indian Kangany-Recruited Immigrants

Year	Number	% of total Indian Immigrants
1899	2,446	12.3
1900	7,828	20.3
1901	4,147	14.7
1902	1,711	8.5
1903	2,125	9.6
1904	3,774	12.3
1905	8,429	21.3
1906	22,647	43.5
1907	26,948	43.4

Source: Annual Reports of Indian Immigration.

growing demand (FMS, 1907: 16), even with the *kangany* system in full steam. The problem was accelerated by the desertion of both indentured and *kangany*-recruited workers (Jackson, 1961: 124). There were continued complaints from employers that workers recruited by them were attracted to the services of other employers (Netto, 1961: 26) who offered them slightly higher wages, to fill labour shortages in their own estates. This practice — known as ‘crimping’ — contributed to slight increases in wages for labourers besides creating ill feelings among employers (ARSILFB, 1959). Efforts to control this ‘crimping’ of labour became increasingly ineffective owing to the very large demand for labour caused by the rapid expansion of rubber plantations. In addition, it was no longer a problem for workers to cross over to other estates, or to leave their present estate employers. Since there was no contract signed between employee and employer, workers could leave, even without paying any portion of their travel expenses to the employers who imported them. It was declared by the Protector of Labour that “all unindentured coolies are entitled to leave on a month’s notice; debts to estates being recoverable only in civil courts not in detention on estates” (FMS, 1907: 8). Furthermore, to add to these existing problems, both the indenture and *kangany*

system came under heavy criticism due to the abuses and oppressive nature of their employment practices.

These situations led the government to intervene directly to systematize the recruitment of free labour from India under a common recruiting system. The new recruiting system was set up to prevent and remedy abuses, thus ensuring the provision of an adequate supply of labour for rubber plantations. The system was called 'assisted immigration' and started in 1907, when the Indian Government set up the Indian Immigration Committee to investigate this matter (Jackson, 1961: 116). This committee, after consulting with the Planters Association of Malaya, recommended that 'assisted immigration' should be introduced to overcome the above mentioned problems, particularly to solve the labour dilemma. The committee also recommended that this could be achieved by a compulsory contribution by employers to the costs of importation of Tamil labourers. The contribution would then be utilized to provide free passage for labourers to Malaya in order to both stimulate emigration, and to subsequently repatriate them, if necessary (Parmer, 1960: 39). In other words, the recommendation suggested that the costs of importation of Tamil labourers should be distributed among all those who employed them. This was done by creating the 'Tamil Immigration Fund Enactment' in 1908, which later changed its name to 'The Indian Immigration Fund' in 1910 (FMS Report, 1911: 4; Marakkayar and Marjoribanks, 1917: 99).

Basically, the principal purposes for which the Fund was used in the initial stages were to pay for the following:

- a) Train fares of emigrants and their dependents from their villages to the camps at Madras and Negapatnam
- b) Feeding and medical attention for emigrants and their dependents awaiting shipment at the Indian camps
- c) Steamship passage from India to Malaya
- d) Quarantine charges in Malaya
- e) Transport charges from ports to places of employment
- f) Repatriation to India
- g) Payment of food and transport expenses to repatriates and their dependents from ports of disembarkation to their home villages in India.

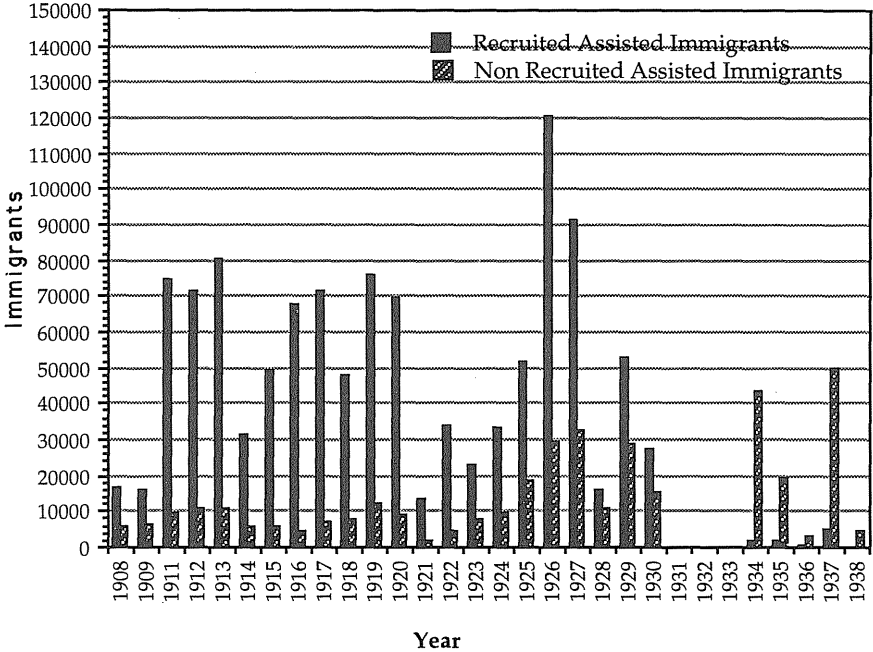
'Assisted immigration' with the creation of the Fund made it far easier for the colonial government to satisfy the labour needs of the

plantation employers as well as to regulate and directly control the intake of immigrants according to the needs of the employers. Interestingly, two distinct types of labour immigration emerged out of this 'assisted immigration system', namely 'recruited independent labour immigration' and 'non-recruited independent labour immigration' (Sandhu, 1969: 103). The former involved the assistance of *kangany* closely resembling the *kangany* system, in that, under this system, licenses were issued to the *kangany* to recruit labourers in their own native villages. However, the main difference between this system and the *kangany* system was that the entire expenses incurred by a coolie in his journey to Malaya were borne by the Indian Immigration Fund. Therefore, labourers came in to Malaya free of debt unlike labourers who came in under the *kangany* system.

After some time, to supplement the assisted recruited labour, assistance was also given to non-recruited independent workers who wanted to migrate to Malaya. The Indian Immigration Committee agreed to give assistance equal to that given to *kangany* recruits, to individual labourers voluntarily presenting themselves at Malayan depots at Avedi or Negapatnam in India (Sandhu, 1969: 103). Immigration of this type of immigrant became popular around the 1920s, partly because this form of labour supply was less expensive as no recruiting allowances had to be paid. In fact, this type of labour migration also fulfilled the colonial authorities' need to bring in large quantities of cheap labour in a systematic manner on the grounds that it checked abuses by recruiters and employers.

The 'assisted independent labour immigration' system of both the 'recruited' and 'non-recruited' types brought in the bulk of South Indian Tamil labour for rubber plantations throughout Malaya (refer to Diagram 2.1). The system was implemented in the first decade of the 20th century, when the rapid expansion and prosperity of rubber plantations created great demands for labour. However, the outbreak of the first World War in 1914 put a temporary stop to this system of labour recruitment. It was resumed in 1915, and thereafter brought in the highest recorded number of labourers — 120,796 in 1926 — before dropping to low figures. Government assistance was no longer seen to be appropriate in the 1930s, when the Indian Immigration Fund was being utilized to repatriate unemployed workers and their families with the depression affecting the rubber industry. Thus, assisted labour recruitment contributed to an increase from 72 per cent of total immigration in 1910 to 82 per cent in 1920, and to a record

Diagram 2.1
Annual Indian Immigrants by Type, 1915–38



Source: Annual Reports on Indian Immigration, 1908–11, and Annual Reports of the Labour Department, 1912–38.

high of 85 per cent in 1926. After the Great Depression of the early 1930s, there was less pressure from planters for recruited labour as government-assisted immigration was well-publicised, and most repatriated workers and their families could return on their own. It could be claimed that the Indian Immigration Fund institutionalised assisted migration of workers to Malaya, at least until 1938, when the Government of India banned all emigration of unskilled workers from India. (Annual Reports on Indian Immigration, 1908–11; and Annual Reports of the Labour Department, 1912–38).

The Great Depression ushered in widespread unemployment and hardship to Indian labourers in Malaya. As a result, ‘assisted immigration’ was suspended, and thousands of Indian workers were

repatriated to India, which caused the estate labour force to shrink (Bauer, 1948: 227). This was the first instance when the Malayan government used its Indian Immigration Fund to repatriate Indian workers. Not only were workers and their families provided with free passage, they were also given a modest repatriation allowance from the Fund. Most unemployed and destitute workers seized the opportunity to return to their homeland. Hence, immigration virtually ceased in this period, particularly from 1930–32. In fact, as Table 2.6 shows, during these three years, net out-migration from Malaya was substantial, amounting to 66,079, 69,661 and 57,838 persons respectively. Moreover, the Government of India was under pressure from nationalist leaders in the Congress Party to stop the emigration of unskilled workers to the colonies because of poor pay

Table 2.6
Total Arrivals, Departures and Repatriation of
South Indian Labour, 1925–38

Year	Total Arrivals	Repatriation	Other Departures	Total Departures	Net Immigration
1925	97,159	2,271	40,873	43,144	54,015
1926	185,055	3,205	62,581	65,786	119,269
1927	167,624	9,607	83,415	93,022	74,602
1928	72,690	18,147	73,283	91,430	-18,740
1929	133,609	6,731	70,123	76,854	56,755
1930	86,152	77,761	74,470	152,231	-66,079
1931	32,429	56,119	45,971	102,090	-69,661
1932	27,516	56,476	28,875	85,051	-57,535
1933	41,117	9,338	23,953	33,291	7,886
1934	104,827	1,959	26,508	28,467	75,360
1935	81,350	6,185	32,684	38,869	42,481
1936	80,048	8,629	31,928	40,557	39,491
1937	139,355	6,566	38,601	45,167	94,188
1938	58,437	29,043	47,156	76,199	-17,762

Source: Sandhu, 1969: 310–17.

and working conditions and the fact that they were suddenly dumped back in India during the depression (Stenson, 1980: 20). Nevertheless, a small number of non-recruited assisted immigrants and their dependents wishing to join their families were still assisted and allowed to migrate (refer Diagram 2.1).

The liberal repatriation policy soon came under attack by planters, who felt that such a sudden exodus of workers would not only remove the 'reserve pool of labour' that they had always tried to maintain, but worse, would create a tight labour market in which employees could bargain effectively and push up wage levels. Responding to such pressures, the Labour Department soon abandoned the policy of providing free passage to able-bodied workers (Bauer, 1948: 227). It can be seen from Table 2.6 that in 1933, only around 9,000 persons were repatriated under the Indian Immigration Fund, a sizeable drop from the 57,000 of the previous year. Instead, the repatriation was to be focussed on retired and aged labourers who were no longer economically active and physically fit, or what Stenson refers to as the 'disposal of sucked oranges'. Such repatriation forced a lot of unemployed people, who were not in this category, to fall back on their own means.

The question that we should ask now is, why was the repatriation of able-bodied persons criticized by Malayan planters but favoured by the colonial government? The obvious reason was that repatriation endangered Malaya's future (post-Depression) labour supply (Bauer, 1948: 228). Permanent settlement of Indian workers in Malaya was advocated to ensure the continued availability of a pool of cheap labour for maintaining plantation profits. It was thought that rather than repatriating unemployed workers, it was better to retain them in Malaya since their presence would depress wages, thus reducing production costs and increasing profits. As a result, lower wages, 'spreadwork', or both and underemployment became official policy during the Depression to retain workers (Parmer, 1960: 259).

At the same time, the colonial administration felt that they, rather than the planters, would be forced to look after the unemployed Indian workers and their families with a fast shrinking revenue base. Further, the colonial authorities were becoming sensitive to Indian nationalist criticism against colonial neglect and exploitation. The Malayan government felt that sending workers back to India through the repatriation programme would be more advantageous, thus avoiding the costs of maintaining unemployed workers and deflecting

the criticism of Indian politicians. This was because the costs of repatriation were very much cheaper than the cost of maintenance for the government since half the costs of repatriation were already paid for by the employers. Furthermore, it was a feasible policy for the Malayan government because as long as labour could be obtained from India when economic prosperity returned, labour supply would not be a problem for them (Parmer, 1960: 260).

This is clear from the resumption of 'assisted emigration', bringing in 45,469 immigrants after improvements in the economic situation, particularly the rise in rubber prices in 1934 (ARLDFMS, 1935). However, the Indian government imposed a quota of 20,000 'assisted immigrants' per year from 1935 onwards as they were suspicious of the rubber industry's ability to provide reasonable wages for workers and cater for full scale repatriation of all workers in the future if necessary (ARLDFMS, 1935: 11). This gave way to the emergence of another system of immigration from India — 'independent immigration'. Under the 'independent immigration' system, immigrants came in on their own initiative, using their own financial means or arrangements. Meanwhile, with mounting pressure from Indian 'nationalists' both in India and Malaya, the Indian government sent the Honourable V.S. Srinivasa Sastri, leader of the moderates in the Indian National Congress, to investigate the conditions of Indian labour in Malaya in 1936. The investigation was to consider the feasibility of continuing the 'assisted immigration' labour system. On the basis of a survey of estate conditions, Sastri recommended that if wages were not improved, then the 'assisted immigration' system should be abolished. He was also critical of the Indian Immigration Committee's biases towards the employers (Sastri, 1937). With his recommendations, and no sign of wage improvements for plantation workers, the Indian government banned all assisted labour migration to Malaya in 1938 despite protests from the planters.

From the above discussion, it is clear that the colonial authorities and employers formulated different types of labour immigration systems in trying to tailor labour supply to their own needs. The immigrant intake expanded during good times. In contrast, during bad times, labourers were either repatriated to India or left to fend for themselves. This practice obviously brought about a lot of suffering for labourers and reflects the true extent to which the colonial government was committed to the welfare of plantation workers in general.

Conclusion

With its near absolute control over Malaya, the British first encouraged the development of sugar and coffee plantations. Encouragement was given to European planters in particular, even though some Chinese also became involved in these activities without official support. The British authorities held the view that the success of the plantation industry in Malaya was largely dependent on European, rather than Chinese involvement, as the former had already proven their ability in other parts of the world. With the collapse of both the sugar and coffee plantations, the British colonial government actively encouraged the cultivation of rubber by European planters. They provided various facilities — such as cheap land, good infrastructure facilities and loan funds — to encourage the involvement of European planters in rubber plantations, while discouraging indigenous Malays from adopting the new crops.

Another instrument of colonial policy favourable toward plantation development was the importation of sufficient quantities of cheap labour. To attract investment capital, considering the labour-intensive nature of the plantation industry, the colonial government ensured a plentiful supply of cheap labour. In this connection, immigrant labour was imported from three major 'labour surplus' areas, namely Java, Southern China and South India. Various labour recruitment systems were sanctioned for this purpose. The Javanese were imported through an indenture system, strictly regulated by the Dutch authorities at source. The Chinese were recruited variously through an indenture system, a credit passage system, a private recruitment system, and a lodging house system. The Indians came through an indenture system, a *kangany* system, and then an assisted immigration system.

It has been shown in this chapter that the colonial government was more directly involved in the supervision and administration of labour conditions, particularly of Indian workers in plantations, for various historical reasons. As in other areas of economic activity, government intervention often resulted in slower administration and bureaucratic delays, which have not necessarily benefited the workers it claimed to 'protect'. A typical example of such intervention was the establishment of the Indian Labour Fund, which by providing the carrot of a 'free passage home' undermined the resilience and resourcefulness of migrant labour and merely subsidized plantation employers.

3

THE PLANTATION SECTOR IN MALAYSIAN ECONOMIC DEVELOPMENT

The plantation sector continues to play a major role in the economic development of Malaysia, in spite of the growth of other sectors of the economy, such as petroleum and manufacturing, in recent times. Its importance is evident in terms of the total land area utilized by the plantations, and their contribution to the country's Gross Domestic Product (GDP), employment and foreign exchange earnings.

This chapter analyses, in detail, the economic importance of the plantation sector to the Malaysian economy and will focus on its distinct characteristics. It will look at changes that have affected plantation agriculture, especially in the last two decades, and will specifically examine these in terms of product specialization and ownership patterns. Changes in these factors have been shaped by different forces. Product specialization has been largely market driven, whereas changes in ownership have also been influenced by the political and administrative policies of the government. The chapter does not proceed directly to an analysis of conditions that marginalise plantation labour, but rather will serve to provide a national perspective, especially in terms of developments in the two decades of the New Economic Policy (1971-90), for discussion in subsequent chapters.

Area

The importance of the plantation sector in Malaysia can be seen from the total cultivated area under plantation crops (refer Table 3.1). As discussed in Chapter Two, the plantation industry began in the mid-19th century, and primarily produced tapioca, gambier, pepper and later, sugar and coffee for export. Only from the early 20th century, with the encouragement of the British Colonial Government and the

Table 3.1
Number and Area of Estates by Crop in
Peninsular Malaysia by Planted Size Group, 1985

Size Group (Hectares)	Rubber Estates		Oil Palm Estates		Cocoa Estates	
	No.	Hectares	No.	Hectares	No.	Hectares
40 – 199	1,069	46,118	611	77,980	97	5,688
200 – 499	252	69,083	208	80,680	23	7,053
500 – 599	162	78,945	107	115,111	12	8,475
1,000 – 2,000	97	169,711	113	135,823	8	11,425
> 2,000	19	242,642	84	51,497	–	–
Total	1,599	606,499	1,125	461,091	140	32,641

Note: The official statistics may exaggerate the total number of estates because of multiple cropping practices within some estates.

Source: Department of Statistics, Kuala Lumpur.

involvement of European and Chinese planters, did rubber plantations become popular and eventually, an important pillar of Malaya's economy even more important than tin mining. From the 1960s, oil palm became another important plantation crop, followed by cocoa from the 1970s. In 1985, the three major plantation crops, rubber, oil palm and cocoa together covered 1.3 million hectares in Peninsular Malaysia. However, to varying degrees, these export crops are also produced by smallholders.

Most of the estates in Malaysia are small, with areas of less than 200 hectares. This estate size class accounts for more than 50 per cent of the total number of estates in Peninsular Malaysia. However, this class accounts for only about 15 per cent of the total estate area (refer Table 3.1). The rest are medium size plantations (200–499 hectares) or large plantations (500 or more hectares) usually owned by public or private companies and often administered centrally through an 'agency house' (Department of Statistics, 1985). The plantations are largely concentrated on the west coast of Peninsular Malaysia, where Johore, Kedah, Perak, Negeri Sembilan and Selangor have the largest plantation hectares. The main reason for this is the early start of

plantation agriculture in these states due to encouragement given by colonial authorities through various inducements, already discussed in Chapter Two. Among these states, Johore has the largest planted hectarage of both rubber and oil palm. Since the rubber and oil palm sub-sectors dominate within the plantation sector, and constitute the backbone of Malaysian plantation agriculture, let us look at these major crops in some detail.

Rubber

The total area planted with rubber (including both estates and smallholdings) in Peninsular Malaysia has not changed to any great extent since 1960 and remains around 1.5 million hectares. However, there has been a general decline in rubber estate hectarage (refer Table 3.2). Between 1960 and 1970, there was a reduction of 137,000 hectares in this sector, the planted area further declined by another 154,000 hectares to 492,000 hectares in 1980. By 1987, rubber estates constituted only 23.5 per cent of the total planted area of rubber, compared with 76.5 per cent produced by smallholdings.

The percentage of area under estates has declined by more than 37 per cent since 1960, partly because of the sub-division of estates, replanting and substitution by oil palm (due to higher returns) and public sector involvement of the Federal Land Development Authority (FELDA) in opening new land for rubber smallholder settlers. For instance, Aziz (1963: 19), reported that during 1951–60, 53,201 hectares belonging to 317 estates were subdivided, and eventually turned into smallholdings. These subdivisions took place as the owners of some foreign owned estates withdrew their capital from Malaya during the Emergency and with independence in 1957. Apart from this, conversion of rubber land to other crops, and for housing, industrial and urban development have been other important reasons for the shrinkage of rubber plantations in acreage in Malaysia.

Although there has been a marked decline of planted rubber estate area, they still produced 32 per cent of total annual rubber production in Malaysia. Average annual production per hectare in the estate sector is about 1,465 kg, which is much higher compared to 1,025 kg from smallholdings (Ministry of Finance, 1988). The estate sector has a higher level of productivity due to its greater ability to conduct research, and to innovate in field production and processing. Important recent innovations include a) improvements in tapping

Table 3.2
Peninsular Malaysia: Planted Rubber Area and Production in
Estates and Smallholdings and Average Prices, 1931–90

Year	Rubber ('000 hectares)			Production ('000 tonnes)			Average Price RSS 1 (sen/kg)
	Estates	Small- holdings & land schemes	Total	Estates	Small- holdings & land schemes	Total	
1931	739	486	1225	241	199	440	—
1935	801	463	1264	244	135	379	—
1940	842	538	1380	337	216	553	—
1946	767	534	1301	176	234	410	110.23
1950	795	567	1362	382	322	704	238.50
1955	815	607	1422	357	290	647	251.61
1960	783	765	1548	420	299	719	238.28
1961	784	824	1608	435	311	746	184.17
1962	780	900	1680	455	281	736	172.40
1963	777	943	1720	466	299	765	159.22
1964	766	976	1742	485	319	804	154.37
1965	752	1021	1773	491	347	838	144.14
1966	733	1040	1773	514	386	900	119.23
1967	706	1053	1759	526	397	923	117.11
1968	678	1055	1733	563	471	1034	153.93
1969	663	1066	1729	593	587	1180	124.38
1970	646	1077	1723	611	585	1196	101.61
1971	632	1086	1718	651	608	1259	93.50
1972	610	1092	1702	649	598	1247	165.61
1973	589	1105	1694	663	791	1454	179.43
1974	574	1118	1692	659	801	1460	136.69
1975	563	1132	1695	580	817	1397	199.06
1976	555	1147	1702	652	884	1536	202.76
1977	539	1145	1684	627	883	1510	229.99
1978	523	1176	1699	618	888	1506	279.41
1979	508	195	1703	607	890	1497	312.35
1980	492	1206	1698	586	877	1463	257.82
1981	479	1217	1696	574	882	1456	210.13
1982	465	1227	1692	554	902	1456	247.21
1983	461	1230	1691	539	983	1522	224.55
1984	443	1241	1684	509	977	1486	188.70
1986	390	1227	1617	491	1006	1497	208.41
1987	381	1500	1881	491	1088	1579	248.66
1988	371	1495	1866	481	1180	1661	309.99
1989	361	1488	1850	432	982	1415	261.72
1990	348	1488	1837	397	891	1288	233.37

Sources: (1) *Agricultural Statistics — Time Series, 1931–1965*.

(2) *Rubber Monthly Statistics of Malaysia and Oil Palm, Coconut and Tea, 1967–1977*.

(3) *Economic Report, Ministry of Finance, 1978–1986*.

(4) *Rubber Statistics Handbook, 1987–1990*.

techniques which reduce tapping frequency without affecting yield; b) shorter gestation periods in order to reduce the waiting period before beginning tapping by as much as twelve months (Barlow and Ng, 1966); and c) higher-yielding clones. However, the technological progress of the estate sector has had some 'spread' effects, benefiting rubber smallholders as well. By and large, these innovations have offset Malaysia's high production, including labour costs and kept Malaysia as the world's largest exporter of natural rubber since the twenties until the early nineties (*Far Eastern Economic Review*, 8.10.1989).

Oil Palm

The first commercial planting of oil palm in Malaysia started in 1917 at the Tennamaram estate, Selangor (Ministry of Primary Industries, Malaysia, 1986: 2). However, the crop only gained real momentum in the early 1960s when the Malaysian Government encouraged agricultural diversification to ease dependence on the traditional rubber for export earnings (IBRD, 1955). Already the larger plantations had been planting the crop on an experimental basis on newly opened land, and especially on land where old and low yielding rubber trees had been cut down. This process was accelerated by the appreciation of world prices for palm oil with diminishing rubber price prospects (U.S. Department of Agriculture, 1984: 28).

The dramatic expansion of oil palm took place in both estates and smallholdings, which now have more or less equal planted areas. By 1988, the total area under oil palm in the country was 1.5 million hectares (refer Table 3.3), more than double the total planted hectareage of oil palm in 1975. In fact, by 1986, the estate sector had recorded a dramatic increase of planted area by 115 per cent compared to a decade earlier.

In response to the rapid expansion of palm oil hectareage, production of palm oil has also grown rapidly. In 1970, total crude palm oil production in Malaysia was less than half a million tonnes. By 1980, the production level was at 2.3 million tonnes, an increase of almost 2 million tonnes; five years later, it reached 3.8 million tonnes in 1985 (refer Table 3.3). The increase in planted area and production placed Malaysia as the world's leading supplier of palm oil, accounting for 56.2 per cent of world palm oil output in 1986-87 (*Far Eastern Economic Review*, 8.10.1988).

Table 3.3
 Peninsular Malaysia: Oil Palm Planted Area, Production, and
 Average Price, 1966-88

Year	Oil Palm ('000 hectares)		Total	Crude Palm Oil Production ('000 tonnes)	Price (RM/tonne)
	Estate	Smallholding			
1966	103	19	122	186	631.76
1967	129	24	153	216	614.14
1968	154	36	190	264	439.84
1969	177	53	231	326	430.00
1970	193	67	261	402	641.31
1971	213	80	294	550	673.00
1972	245	103	248	657	482.26
1973	174	137	412	739	570.00
1974	324	176	500	942	1152.50
1975	355	213	568	1136	1055.20
1976	377	260	637	1260	881.65
1977	404	307	712	1483	1224.60
1978	n.a	n.a	n.a	1640	1178.30
1979	n.a	n.a	n.a	2032	1038.00
1980	582	461	1043	2396	919.00
1981	591	550	1141	2645	964.00
1982	632	568	1200	3252	829.00
1983	657	631	1288	2782	991.00
1984	676	673	1349	3408	1408.00
1985	722	743	1465	3799	1045.50
1986	734	764	1498	4119	578.50
1987	762	n.a	1379	4079	774.00
1988	782	745	1527	4513	1029.00

Note: n.a = not available.

Sources: (1) Department of Statistics, Malaysia.

(2) Palm Oil Registration and Licensing Authority.

Ownership

As discussed in Chapter Two, the plantation industry in Malaysia was developed in response to growing foreign demand for agricultural raw materials, especially rubber. For a long time, the British had total domination and control over the industry. For instance, in 1940, 75 per cent of the planted plantation rubber area and virtually all palm oil plantations were in European hands. However, this domination changed considerably after independence and by 1973 foreign ownership had been reduced to 43 per cent (Courtenay, 1979: 141). By the early nineties, close to 90 per cent of plantations in Malaysia were locally owned, the larger share of which is owned by public limited companies.

The first wave of the gradual change of ownership began with the sale of estates in response to the state of Emergency from 1948 and picked up after prices collapsed after the Korean War boom in the early fifties. Plantations, especially in remote areas, where security was threatened by the communist-led insurrection, were sold by their foreign owners and largely bought up by local businessmen. The second wave of sales took place immediately after independence, when several foreign investors felt that their investments were no longer safe with the changes in the political situation. For a variety of reasons, many estates sold by foreigners were sub-divided and sold to local businessmen as smaller estates and smallholdings of less than a hundred acres each (Navamukundan, 1985: 59). This process of subdivision created a massive unemployment problem and further depressed living conditions in the plantation sphere.

The transfer of plantations from foreigners to Malaysians resumed in earnest in the 1970s and was almost complete by the mid-1980s. The formulation and implementation of the New Economic Policy (NEP) saw this new process of Malaysianization of agency houses and other estate holdings primarily as a result of government efforts to bring equity in plantation based corporations into the hands of Malaysian corporations and individuals. This was in line with a plan for the redistribution of wealth (corporate equity) so that 30 per cent would be controlled by Malays, 40 per cent by Chinese, and 30 per cent by foreigners by 1990. The implementation of this plan known as the 30-40-30 principle saw the ownership of estate companies and agency houses progressively transferred from European to Malaysian hands (Sajhau and Murali, 1987: 93). This process of change was accelerated when state officials became increasingly vexed by the

behaviour of plantation companies and agency houses. Under foreign ownership, the profits made by the plantation companies were not usually ploughed back into the local economy (Jesudason, 1989: 88). They were either paid out entirely as dividends to foreign shareholders, who stayed thousands of miles away from Malaysia, or were utilized for subsidizing struggling subsidiaries in other parts of the world (*New Straits Times*, 5.11.1974). This dissatisfaction, together with the rising influence of Malay nationalists concerned with speeding up the acquisition of corporate assets on behalf of the Malays, encouraged the government to Malaysianize the plantations. This was done by buying shares in plantation companies in the stock markets of London and Singapore, where many of the foreign companies were listed (Jesudason, 1989: 88).

The way in which the Malaysianization of plantations took place was very different and less painful for the planters than what was experienced in other countries such as Indonesia and Sri Lanka. In Indonesia, plantations were nationalized in 1964, leaving the planters in a disadvantaged position with huge losses. Later, however, private ownership was restored from 1967 under restricted conditions. In the case of Sri Lanka, estates were nationalized in 1974 and 1975. However, the compensation paid was well below the market value of the tea gardens (*Far Eastern Economic Review*, 24.1.1985). Hence, while the foreign companies and agency houses were upset with the 'backdoor nationalization' policy of the Malaysian government, they were nevertheless happy with the high market prices paid to purchase control. For instance, in 1981, Permodalan Nasional Berhad (PNB) spent the then colossal amount of RM932.8 million to take over Guthrie, a giant plantation company in Malaysia in a 'dawn raid' (*New Straits Times*, 18.9.1981).

By and large, the 'backdoor nationalization' policy has altered the pattern of ownership of the major plantation companies in Malaysia. The large rubber and oil palm estates under Guthrie, Harrisons & Crossfield, Barlow Boustead, Dunlops and several other similar companies are no longer foreign-owned. They are now under the control of Malaysian residents (refer to Tables 3.4 and 3.5), particularly government-owned companies such as Perbadanan Nasional (PERNAS), Permodalan Nasional Berhad (PNB), the Armed-Forces Co-operative Society, Tabung Haji (LUTH) and the state economic development corporations (SEDCs). Thus, Malaysian residents presently control around 90 per cent of the rubber and oil palm

Table 3.4
 Malaysia: Rubber Estate Ownership by
 Type and Legal Status, 1970, 1988

<i>Legal Status</i>	Malaysian Residents		Non-Malaysian Residents		Joint Ownership		Total	
	1970	1988	1970	1988	1970	1988	1970	1988
Public Limited Company	144	229	104	18	1	–	249	247
Private Limited Company	600	588	144	46	–	–	744	634
Partnership	487	350	44	22	5	3	536	375
Others*	261	177	34	16	–	–	295	193
Total	1492	1344	326	102	6	3	1824	1449

Note: * Includes individual proprietorship, public enterprises and co-operatives.

Source: *Rubber Statistics Handbook of Malaysia*, 1970 and 1988.

Table 3.5
 Malaysia: Palm Oil Estate Ownership by
 Type and Legal Status, 1970, 1988

<i>Legal Status</i>	Malaysian Residents		Non-Malaysian Residents		Joint Ownership		Total	
	1970	1988	1970	1988	1970	1988	1970	1988
Public Limited Company	20	320	103	29	17	–	140	349
Private Limited Company	66	866	23	58	16	–	105	924
Partnership	79	234	–	18	7	–	86	252
Others*	23	133	–	8	6	–	29	141
Total	188	1553	126	113	46	–	360	1666

Note: * Includes individual proprietorship, public enterprises and co-operatives.

Source: *Oil Palm, Cocoa and Coconut, Statistics Handbook of Malaysia*, 1970 and 1988.

plantations. Arguably, the take-over of plantations played an important role in the economic advancement of Malays in the corporate sector by increasing their equity in the national economic cake.

One might have expected that the transfer of ownership into local hands would improve the lot of plantation labour. But this does not seem to have happened. Despite the considerable change of ownership from foreign to local hands, the welfare of plantation labourers has remained largely the same. As before, they still live in a strict regimented plantation hierarchy, in poor housing and health conditions, while receiving low wages. These aspects will be discussed in detail in the following chapters. Before that, let us look at the other economic contributions of the plantation sector to Malaysian economic development.

Economic Contribution

The important contributions of the plantation sector to the Malaysian economy are evident when we look at the export earnings realised by the sector, the revenue raised from taxes on the commodities produced by the industry and the amount of employment created by the sector. Although the non-agricultural sectors are now the mainstay of the Malaysian economy in terms of export earnings and GDP contributions, the country still has an agro-based economy and is still highly dependent upon agricultural commodities, particularly from the plantation sector, for continued stable growth. The products of this sector are being used in industries such as footwear, vehicle tyres, gloves and other medical supplies and, in the case of palm products, the processing and blending of a variety of cooking oils and other food products. In terms of employment, despite a steep decline from the 1960s, when the agriculture and forestry sector accounted for more than half of total employment, to around 28 per cent in 1990, it is still the largest sector of employment outside the all-embracing Non-Government Services sector, which accounted for a third of the total (refer to Table 3.6).

Agricultural export earnings, particularly from rubber, were spectacular after the Second World War, especially during the Korean War boom period (Lim, 1967: 97). At independence in 1957, rubber and tin still accounted for some 85 per cent of export earnings while generating almost half of national output. During the sixties, agriculture expanded by 7 per cent per annum, accounted for over one-

Table 3.6
 Malaysia: Percentage of Labour Force by Sector, 1965–90

Sector	1965*	1970	1975	1980	1985	1990
Agriculture & Forestry	52.1	53.5	49.3	39.7	31.3	27.8
Mining & Quarrying	2.5	2.6	2.2	1.7	0.8	0.7
Manufacturing	8.4	8.7	10.1	15.7	15.2	19.5
Construction	3.5	2.7	2.0	5.6	7.6	6.4
Non-Government Services ⁺	15.6	16.8	18.6	20.5	30.5	32.9
Government Services	17.9	15.7	17.8	13.7	14.6	12.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Notes: * Peninsular Malaysia only.

+ Includes electricity, gas and water, transport, storage and communications, wholesale and retail trade, hotels and restaurants, finance, insurance, real estate and business services and other services.

Sources: (1) *Third Malaysia Plan, 1976-1980*, p. 140.

(2) *Fifth Malaysia Plan, 1986-1990*, p. 138.

(3) *Sixth Malaysia Plan, 1991-1995*, p. 28.

half of export earnings and employment, and was the mainstay of the real growth of Malaysia's GDP by 9 per cent per annum. In 1962, the agricultural sector alone accounted for 44 per cent of the Gross Domestic Product (GDP) of Malaya. The importance of agriculture continued in the period of First Malaysia Plan from 1966–70, during which it occupied a dominant position, generating one-third of Malaysian GDP. Agricultural output grew at an average annual rate of 8 per cent during this period. The major export commodities — rubber, timber, palm oil and palm kernel oil — grew rapidly, particularly with the rapid expansion of oil palm hectareage (*Second Malaysia Plan*, 1971: 120). For instance, rubber and palm oil earned 52.2 per cent and 36.4 per cent of total export earnings of Malaysia in 1960 and 1965 respectively (refer Table 3.7). To be more precise, rubber alone accounted for 50.7 per cent of total Malaysian export earnings in 1960 and 33.9 per cent in 1970.

The dominance of the agriculture sector continued in the 1970s. According to the Third Malaysia Plan (1976: 285), this sector contributed 45.5 per cent of foreign exchange earnings and 29.7 per cent of GDP in 1975. However, from that year onwards, the dependence of the economy on rubber, and on plantations generally, was progressively reduced, due to expansion of other sectors particularly manufacturing industry and crude petroleum production. The contri-

Table 3.7
Malaysia: Commodity Exports, 1960-90 (RM millions)

Item	1960	1965	1970	1975	1980	1985	1990
Rubber	2000.6	1461.5	1724	2026	4168	2864	3028
%	50.7	33.9	33.4	21.9	16.4	7.5	3.8
Palm Oil	60.6	107.3	264	1320	2515.3	3944	4399
%	1.5	2.5	5.1	14.3	8.9	10.4	5.5
<i>Sub-total</i>	2061.2	1569.1	1988	3340	7133.3	6808	427
%	52.2	36.4	38.5	36.2	25.3	17.9	9.3
Cocoa	-	-	-	35	161.9	394	448
%	-	-	-	0.4	0.6	1	0.6
Pepper	19.2	44.3	59	106	107.7	139	-
%	0.5	1.0	1.1	1.1	0.4	0.4	-
Manufacturing	-	-	572	1927	6269.8	12229	48047
%	-	-	11.1	20.9	21.7	32.1	60.4
Crude Petroleum	146.7	86.7	164	726	6709.1	8970	10637
%	3.7	2.0	3.2	7.9	23.8	23.5	13.4
All other exports	-	-	2380	3097	779.2	9554	20416
%	-	-	46.1	33.5	27.6	25.0	25.6
Total gross exports	3946	4307	5163	9231	28172	38094	79548

Sources: (1) *First Malaysia Plan*, Table 2.2.
 (2) *Second Malaysia Plan*, Table 2.2.
 (3) *Fourth Malaysia Plan*, Table 4.6.
 (4) *Fifth Malaysia Plan*, Table 2.3.
 (5) *Sixth Malaysia Plan*, Table 1.4.

bution to GDP from the agricultural sector dropped from 32 per cent in 1970 to 21.9 per cent in 1980 and to 18.7 per cent in 1990. In contrast, the contribution of the manufacturing sector increased from 10.4 per cent in 1970 to 19.2 per cent in 1980 and 27 per cent in 1990, as shown in Table 3.8.

Within the agricultural sector, the contribution of rubber as a percentage of total export earnings was considerably reduced from 50.7 per cent in 1960 to 33.4 per cent in 1970, 16.4 per cent in 1980 and 3.8

Table 3.8
Malaysia: Percentage Share of Gross Domestic Product by
Industry of Origin, 1965–90

Sector	1965*	1970	1975	1980	1985	1990
Agriculture & Forestry	31.5	32.0	29.7	21.9	20.8	18.7
Mining & Quarrying	8.9	5.7	3.9	9.6	10.4	9.7
Manufacturing	10.4	12.2	14.3	19.2	19.7	27.0
Construction	4.1	4.4	4.6	4.4	4.8	3.5
Electricity, Gas & Water	2.2	2.2	2.6	1.4	1.7	1.9
Transport, Storage & Communication	4.3	5.6	7.2	5.4	6.4	6.9
Wholesale & Retail Trade, Hotels & Restaurants	19.7	13.2	13.6	11.5	12.1	11.0
Finance, Real Estate & Business Services	1.5	7.8	7.8	8.2	9.0	9.7
Government Services	6.1	7.4	7.8	9.8	12.2	10.7
Other Services	10.8	8.1	8.0	2.1	2.3	2.1
(-) Imputed Bank Service Charges	-	-	-	1.8	3.2	5.1
(+) Import Duties	-	-	-	4.4	3.9	3.8
GDP at Purchasers Value	100.0	100.0	100.0	100.0	100.0	100.0

Note: * Data refers to Peninsular Malaysia.

Sources: (1) *Second Malaysia Plan, 1971–1975*, p. 31.

(2) *Third Malaysia Plan, 1976–1980*, p. 12.

(3) *Fifth Malaysia Plan, 1986–1990*, p. 62

(4) *Sixth Malaysia Plan, 1991–1995*, p. 20.

per cent in 1990 (refer Table 3.7). However, the fall in rubber export earnings was offset by the increased exports of palm oil, which rose from 1.5 per cent in 1960 to 5.1 per cent in 1970, 8.9 per cent in 1980 and 5.5 per cent in 1990.

Growth in the Malaysian economy slackened in the early 1980s after many years of rapid expansion in the 1970s. During the 1980s, the country experienced less favourable growth and balance of payments than in previous years. The underlying cause was the prolonged recession in the major industrial countries. Lower earnings were registered for all major export commodities, particularly for agricultural exports, with the exception of palm oil. Exports of agricultural commodities, which accounted for about 37.8 per cent of total export earnings in 1975, declined significantly by 26.3 per cent and 19.3 per cent in 1980 and 1985 respectively, mainly reflecting lower receipts from rubber. The year 1982 was a particularly bad one, in which the rubber industry felt the full impact of the world recession. Following the slowdown in the motor industries in the USA, Japan and Western Europe, which account for 70 per cent of total consumption of natural rubber, consumers began to reduce stocks and stopped buying new supplies. As a result, the effect on price was severe, where the rubber (RSS1) price fell from RM2.20/kg at the beginning of the year to RM1.87 at the close (EIU, 1983: 9) even though the average price for the year was RM2.47. The rubber prices subsequently fell further from RM2.24 in 1983 to RM1.88 in 1984 due to plentiful supply and sluggish demand, before recovering from 1986, with the upturn in prices gaining real momentum in late 1987 and early 1988. The main reason for the price resurgence was the demand for rubber latex to produce condoms and rubber gloves in response to the AIDS epidemic and scare. Even though the increased demand for rubber improved export earnings, total export earnings from rubber remained low compared to other sectors. The lower receipts from rubber, however, were offset by increased export earnings from palm oil with prices peaking in 1984.

Apart from export earnings, the plantation industry also brought in considerable tax revenue for the country, although there are no overall data available to show the total revenue collected from the industry. The major taxes normally paid by the plantation industry include:

- (i) Export taxes which are progressive with the price levels of the crops and hence the incomes of the producers;

- (ii) Income taxes made by the estate sector in the form of company tax as well as by the better-paid individuals in the industry;
- (iii) Land taxes, levied by state and local governments in the form of quit rents; and
- (iv) Other taxes, such as taxes on industry inputs like fertilizers.

Although the plantation industry was not heavily taxed directly during the colonial period, as it was largely dominated by British interests, taxes collected from the plantation industry have nevertheless been an important source of revenue for the country since the plantation industry has been at the forefront of the agricultural sector and the largest income earner for Malaysia for a long time. Besides the important contribution of the plantation sector in terms of cultivated area, production, GDP contribution and export earnings, the plantations has also played an important role as major providers of employment in the country, discussed next.

Employment

Plantation agriculture has long accounted for much of wage employment in Malaysia. A significant priority in the research undertaken by the plantation sector has resulted in new plant varieties with higher and steadier yields (Barlow, 1990: 40). Almost none of the major technological changes in the plantation industry thus far have involved greater mechanisation of production. From the manual picking of choice tea leaves to the arduous task of harvesting oil palm fruit for processing, there have been few successful attempts to substitute machinery for labour. However, bicycles and other forms of mechanized transport have been increasingly used to enhance labour productivity (Khera, 1974: 13; Khera, 1976: 95). Despite this, both the productivity and profitability of plantation enterprises in Malaysia have been sustained, as suggested by the increasing area brought under commercial crops, mainly for export.

For this reason, the plantation sector remains the second largest employer, after the government. As Table 3.9 shows, in 1986, the plantation sector provided employment for about 204,480 workers, whose ethnic breakdown was 32 per cent Malay, 11 per cent Chinese, 46 per cent Indians and 11 per cent Others. Since the early 1980s, a growing number of plantations have employed — often illegally — Indonesian and other immigrants to fill the labour shortfall, especially evident in the case of the many Malaysian workers leaving the

Table 3.9
 Peninsular Malaysia: Percentage Distribution of Employees in the
 Plantation Sector by Ethnicity, 1950–86

Year	Total Employed	Malay (%)	Chinese (%)	Indian (%)	Others (%)
1950	310,247	20.6	28.0	47.9	3.5
1955	309,198	17.3	28.8	53.3	0.6
1960	314,440	20.7	29.3	49.6	0.4
1965	300,460	22.5	28.7	48.4	0.4
1970	277,280	26.7	30.8	42.0	0.5
1975	261,740	38.0	21.0	41.0	n.a
1980	253,170	38.0	14.0	48.0	n.a
1985	232,253	34.0	11.0	49.0	6.0
1986	204,480	32.0	11.0	46.0	11.0

Note: The figures in this table have been taken directly from the source below. The figures for 1975 and 1980 already total 100.0 per cent without the Others. Thus, there are probably errors in these figures. It is unclear why there was such a dramatic change in ethnic proportions between 1970 and 1975 involving Malays and Chinese. It is also unclear whether foreign, especially Indonesian employees, are ignored.

Source: *Annual Survey of Employment and Wages*, Department of Labour, Ministry of Human Resources.

plantations. Among Malaysian workers, especially the young, there is growing reluctance to remain in estate employment. Most of them, particularly those with secondary schooling, have migrated to urban areas in search of more remunerative careers. This is clearly reflected in the age structure of plantation labour if new Indonesian migrants are excluded.

In 1986, rubber and oil palm estates accounted for 90 per cent of total employment within the plantation sector. This slight decline in the previously higher concentration of employment in rubber and oil palm estate employment was largely due to the sudden increase in cocoa cultivation in Malaysia in the 1980s (Ministry of Labour, 1986: 32).

Employment in rubber estates has shrunk relatively from 90 per cent to about 55 per cent of total plantation sector employment. The tremendous expansion in oil palm cultivation accounted for 34 per cent of employment in 1986, whereas in 1960, it accounted for less than 5 per cent of the total labour force in the plantation sector, with particularly sharp increases in the 1970s. This shift in the employment pattern was largely due to government economic policies, which since the 1960s, have encouraged diversification of agriculture, and particularly a shift from rubber to oil palm cultivation (Khera, 1976: 26).

Historically, plantation employment was predominantly male, both due to recruitment policy preferences as well as the transient or migratory nature of employment within the industry in its early years. By the 1930s, however, both the colonial government and estate employers were forced to have a more permanent labour force within the industry itself. Thus, greater encouragement was given to the settlement of families within estates and to the provision of housing, medical care and some rudimentary educational facilities for the children. Opportunities for female employment then grew over the years, especially as female wages were generally about half to two-thirds of male wages in comparable occupations.

Employment of Women

As Table 3.10 shows, in 1960, the estate labour force breakdown was 53 per cent male adults and 42 per cent female adults. The balance was taken up by young persons who, though not yet 16 years old, worked to supplement estate family incomes. By 1986, there had been a significant shift in gender ratios, with female employment pushed up to 57 per cent, whereas the male ratio had shrunk to 43 per cent, as the direct employment of children and young persons was officially denied.

This trend has been specially marked since the mid-1970s when rapid industrialization and urban construction absorbed a large number of unskilled workers. Since the implementation of the New Economic Policy, and increased discrimination against non-citizens in the aftermath of May 1969, large numbers of unemployed male workers have drifted from permanent plantation employment to take up work in urban Malaysia.

However, this gender shift in plantation employment has not been observed in the oil palm estates which has a male ratio of 60 per cent

Table 3.10
Peninsular Malaysia: Percentage Distribution of Employees on
Estates by Gender, Age and Crop, 1960-86

Type of estates and category of workers	Year						
	1960	1965	1970	1975	1980	1985	1986
<i>Rubber</i>							
Male	53	49	52	47	44	44	43
Female	42	45	46	51	55	56	57
Young Persons	5	6	2	2	1	-	-
Total	285300	275160	226400	187250	167210	152450	111747
<i>Coconut</i>							
Male	56	55	57	54	52	50	55
Female	33	50	42	44	48	49	45
Young Persons	11	5	1	2	-	1	-
Total	7490	5330	4200	3450	3710	2447	3478
<i>Oil Palm</i>							
Male	60	59	59	63	66	62	65
Female	34	35	37	32	31	38	35
Young Persons	6	6	4	5	3	-	-
Total	15560	17980	40870	66520	77840	82452	69418
<i>Tea</i>							
Male	46	42	45	42	41	45	53
Female	44	47	50	51	57	55	45
Young Persons	10	11	5	7	2	1	2
Total	4260	4660	3580	3470	2780	1408	1810
<i>Pineapple</i>							
Male	62	62	53	63	48	56	61
Female	35	35	45	37	50	44	39
Young Persons	3	3	2	-	2	-	-
Total	1830	2250	2230	1050	1630	823	1162
<i>Cocoa</i>							
Male	-	-	-	-	-	38	40
Female	-	-	-	-	-	62	60
Young Persons	-	-	-	-	-	-	-
Total	-	-	-	-	-	10751	16865
<i>All Estates</i>							
Male	53	50	53	51	51	50	51
Female	42	44	45	46	48	50	49
Young Persons	5	6	2	3	1	-	-
Total	314440	300460	277280	261740	253170	232253	204480

Sources: (1) *Handbook of Labour Statistics of West Malaysia, 1968*, for 1960-65 figures.

(2) *Annual Survey of Employment and Wages*, Department of Labour and Manpower, 1982, for 1970-80 figures.

(3) *Labour Indicators, 1985/86*, for 1985-86 figures.

in 1960 increasing to 65 per cent in 1986. The nature of work involved is largely accountable for this movement against the general trend in plantation employment. Harvesting the oil palm fruit has always been a laborious task involving manipulating sharp knives tied to the end of long poles or sturdy bamboo stems. Furthermore, the heavy bunches of oil palm fruit have to be transferred to collection points on the estate, often by utilising push bikes or motor scooters with male, rather than female workers. On newer plantations, with higher yielding varieties, carting the harvest has become an exclusively male task. Female employees are still required on oil palm estates to perform the lighter, but more hazardous tasks, such as the weeding and chemical spraying of young trees.

Child Labour

Under the Employment Code, persons below the age of 16 years are prohibited from any gainful employment. However, the prohibition has never been strictly enforced by the Labour Department, particularly in the rural areas. Even in the urban sector, many enterprises in the so-called 'informal sector' employ young persons without fear of punishment. It is, of course, particularly difficult to stem the employment of children in family enterprises. Although estates once recorded a significant proportion of child labour, around 5 per cent in 1950, this had become insignificant by 1970, and may be said to have disappeared altogether by the 1980s. Although stricter enforcement was not the cause of this reduction of child labour, employers generally chose not to employ children directly. Rather, the decline must be attributed to growing pressures on parents to educate their children to higher levels of schooling. However, as we shall see later, access to education is a vexed problem for plantation children, and conditions have varied enormously according to the states and districts where they are located.

Contract Labour

Contract labour is distinguished from regular 'permanent' workforces by Malaysian employers and the government (also the largest employer) by the legal distinction that contract labour is not directly employed by the principal employer. Instead, the principal employer may have a commercial contract with a third party, the 'contractor',

to provide some services such as cleaning offices, or perform some tasks, such as clearing the jungle for a FELDA settlement scheme. In either case, the workers employed by the contractor to complete the task cannot claim any benefit from the principal employer, but have to deal only with the contractor, who may terminate their employment when the job is finished.

There is no legal definition of contract labour in Malaysian legislation, and as such, workers are subject to other legislative provisions, such as the Employment Act 1955. They consist mainly of unskilled and semi-skilled workers, employed "...through intermediaries such as contractors, subcontractors, gang leaders, labour bosses or agents who stand between the workers and the principal employer who benefits from their labour" (Epstein and Monat, 1973: 451). The duration of employment under the contract system is usually fixed on an *ad hoc* basis between the 'contractor' and the 'contract' worker, and may vary from a day to a month or whatever period agreed to between the parties. There are no special requirements for terminating such casual employment (Devi, 1986: 48). The principal incentive in Malaysian conditions for using contract labour is the fact that the principal employer can avoid many overhead costs involved in employing labour, such as recruitment and termination expenses, social security and provident fund payments, and the expenses incidental to supervising the work so that it is performed as required. Such financial incentives must be weighed against the difficulty of assembling a sufficiently large workforce on a regular basis for performing daily tasks like harvesting, tapping and weeding in estates, as well as processing rubber in the factory. Hence, the need in large plantations for a regular, 'permanent', directly employed workforce also resident in or near the estate.

Table 3.11 shows that the aggregate picture for 'all estates' suggests an overall stability of ratios between direct and contract employment from 1960 to 1986. However, while this stability was observed in the oil palm estates, this was not true of rubber estates. Indeed, direct employment in rubber estates rose from 81 per cent to about 90 per cent, while contract employment fell correspondingly from 19 per cent to 11 per cent. The reverse process appears to have affected coconut estates, where contract employment rose from 1 per cent in 1960 to 22 per cent in 1986. The coconut sector has been shedding labour substantially over the years. With the influx of

Table 3.11
Structure of Estate Labour Force by Employment Status (%), 1960–86

Types of estates and category of workers	Year						
	1960	1965	1970	1975	1980	1985	1986
<i>Rubber</i>							
Direct	81	83	83	87	90	88	89
Contract	19	17	17	13	10	12	11
Total	285300	275410	226400	187250	167210	152450	111747
<i>Coconut</i>							
Direct	99	98	97	87	83	81	78
Contract	1	2	3	13	17	19	22
Total	7490	5330	4200	3450	3710	2447	3478
<i>Oil Palm</i>							
Direct	68	75	67	64	74	74	71
Contract	32	25	33	36	26	26	29
Total	15560	17980	40870	66520	77840	82452	69418
<i>Tea</i>							
Direct	93	89	95	96	93	94	93
Contract	7	11	5	4	7	6	7
Total	4260	4250	3580	3470	2510	1408	1810
<i>Pineapple</i>							
Direct	28	24	28	62	79	100	92
Contract	72	76	72	38	21	–	8
Total	1830	2740	2230	1050	1430	823	1162
<i>Cocoa</i>							
Direct	–	–	–	–	–	74	73
Contract	–	–	–	–	–	26	27
Total	–	–	–	–	–	10751	16865
<i>All Estates</i>							
Direct	80	82	81	81	86	82	81
Contract	20	18	19	19	14	18	19
Total	314440	300460	277280	261740	244450	232253	204480

Sources: (1) *Handbook of Labour Statistics West Malaysia, 1968*, for 1960–65 figures.

(2) *Annual Survey of Employment and Wages*, Department of Labour and Manpower, 1982, for 1970–80 figures.

(3) *Labour Indicators, 1985/86*, for 1985–86 figures.

Indonesian and other foreign labour into Malaysian plantations, the proportion of contract labour has probably gone up, particularly on the oil palm estates, where skill requirements are less.

'Illegal' Indonesian Migrants

With recent foreign, especially Indonesian, immigration, both employers and the government appear to have done little to allay the fears of organised labour. This particularly applies to the NUPW, the largest union in the country, which is concerned that such unchecked migration will lower the living standards of existing plantation workers and their families. Indeed, employers, particularly in the plantation sector, have argued that the government step in to organise the migration in an orderly manner so that middlemen cannot extract exorbitant 'commissions' from both employers and recruits. Such payments for labour recruiting services have become a major source of income for a thriving new industry in Malaysia in recent years (Gunasekaran and Sullivan, 1989: 67).

Recent Indonesian labour migration has had a major impact on the economy. Originally, there was a trickle of workers from the neighbouring Indonesian islands who visited Malaysia to find casual work in FELDA estates. The stream of such visitors soon grew into a steady stream, starting mainly in the state of Johore and soon spreading out over most of Peninsular Malaysia. In 1984, Lim (1984: 3) estimated that there were about 100,000 Indonesian 'illegal' workers in Johore state, which came to no less than one-twelfth of the state's entire population. However, in 1987, MTUC, the national trade union centre, claimed that the total number in Peninsular Malaysia was of the order of a million Indonesian workers (*New Straits Times*, 22.7.87). They were principally employed in three sectors: plantations, government land schemes and the construction industry (Guinness, 1990: 119). Their principal impact on plantation labour has been, as will be discussed in subsequent chapters, to undermine the economic position of organised labour and directly employed resident labour in the plantation economy.

Conclusion

In the foregoing discussion on the centrality of the plantation industry to the Malaysian economy in this century, we have shown how

important it has been for national economic growth and development. However, while the industry itself has prospered over time, the mass of the labour force has faced long term decline, both in terms of numbers and relative economic wellbeing (Mehmet, 1988: 21). Although smallholder involvement in cash crop production has expanded, e.g. in government-sponsored FELDA (Federal Land Development Authority) schemes, the government is strongly committed to the maintenance of the ostensibly more efficient and profitable estates, most of which have now passed into Malaysian (often Bumiputera) ownership, especially with the New Economic Policy. This chapter has also shown that new labour trends, such as the employment of 'illegal' Indonesian migrants, have emerged in the plantation sector, which are unlikely to ensure long term stability in the plantation sector.

4

WORKING CONDITIONS

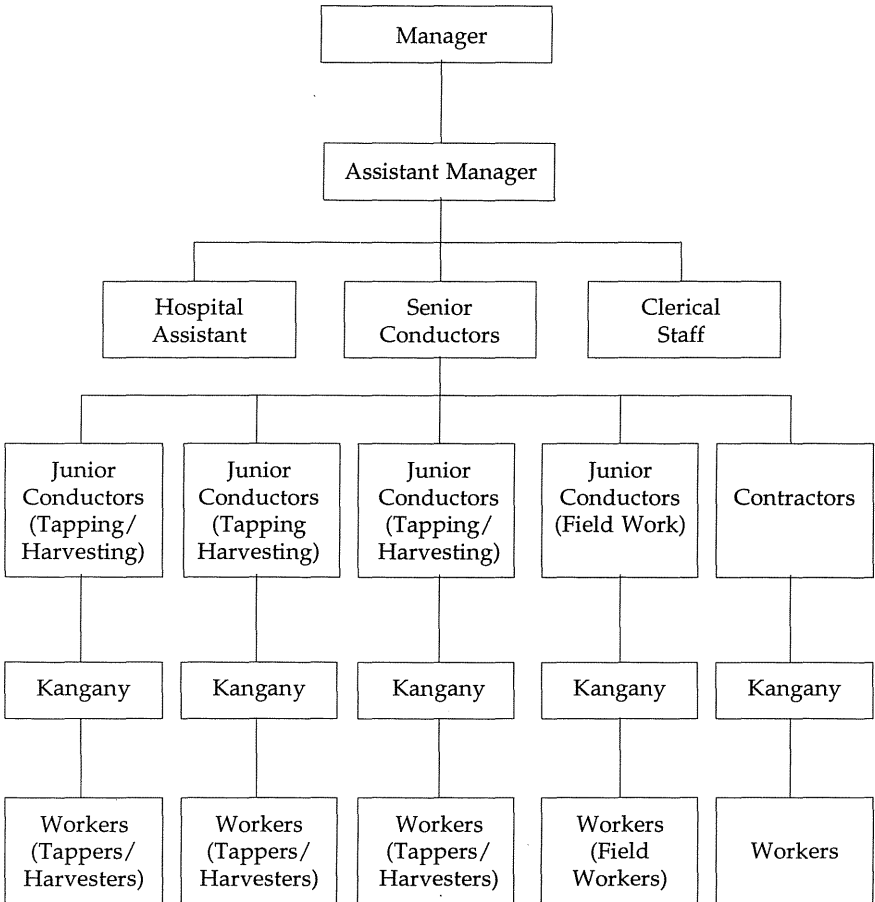
This chapter will focus attention on the highly stratified work organization in plantations which shaped the social distance between top management and workers. Plantation management has largely remained conservative, choosing to depend on traditional methods of labour control and supervision. Close links between management and labourers are not maintained, instead, the *kangany* and estate conductors enforce control. Such workplace relations are the principal reason for a dispirited and alienated workforce. This chapter will examine working conditions in estates, laying the foundation for the next chapter's focus on living conditions in estates.

Many studies have emphasised the distinctive features of plantations which arise from the need to recruit and control a workforce that can have limited claims to rights (Wagely, 1957; Padilla, 1959; Best, 1968; Thompson, 1960; Beckford, 1972; Bhowmik, 1980). These workers are, therefore, nearly totally dependent on their employers, not only for income, but for their entire living conditions: "The authority structure that characterizes the pattern of economic organizations extends to social relationships. So, we find that the plantation community is one with an inherently rigid system of social stratification" (Beckford, 1972: 53).

The literature on plantations generally shows how such control of the workplace has so broken the spirit of the workers that they have little commitment to their daily chores, nor do they have any ambition to upgrade their occupations. Such feelings of alienation and rejection as well as their generally fatalistic attitude to improving workplace relations and working conditions were also observed during the field-work for this study. This is particularly highlighted by their general sense of abuse at the hands of the superior staff. Improvements in workplace relationships and in motivating workers toward achieving

better standards have seldom been addressed by management. As in the traditional organization of plantations, work has been strictly structured and regimented. The distance between senior management and workers is increased by layers of superior staff, such as the planters, senior conductors, junior conductors, office staff and hospital assistants (refer Diagram 4.1). This strict hierarchical organization in plantations, with several intermediaries between management and coolies, is specifically intended to minimize disturbances in production relations.

Diagram 4.1
Organizational Structure of Rubber and Oil Palm Plantations



In the course of this chapter only a selected number of work-related aspects of the plantation as a social system will be discussed. These issues are the organization of work in the industry; work hazards and work-related accidents, workers' social security benefits such as the Employees Provident Fund (EPF), Social Security Ordinance (SOCSO), and workmen's compensation; and the working conditions of contract workers, women workers and child labourers. Other important aspects of working conditions — such as payment of wages, hours of work, rest periods on working days, annual holidays with pay, and so on — will be discussed in Chapter Seven, when we look at the role of the NUPW and the collective bargaining process. This chapter will also review the government's reactions, responses and commitment towards work-related problems in plantations by looking at various pertinent items of labour legislation.

Work Organization

Plantations have a distinctive organization. They have strict hierarchical structures, which maintain the class structure of workers and planters. According to Parsons (1960), a system of hierarchical organization means firstly, that an important part is played by discipline and authority; secondly, there is a general tendency for the strategically placed, the powerful, to exploit the weaker or less favourably placed; and thirdly, there will tend to be a differentiation of situations, to a greater or lesser degree around the structure of the occupational system and other components. On this basis, it is important to look at the organization of work in plantations. The internal structure of plantations has three broad categories of employees arranged in a strict hierarchy for efficient production. Diagram 4.1 gives a generalized picture of the organization structure of a typical big, or MAPA, estate. From this diagram, we can note that the three categories of employees in the organization comprise — in order of status — executive staff (managers and assistant managers), non-executive staff (clerical staffs, storekeepers, conductors and hospital assistants), and labourers, known as 'coolies' consisting of kangany, foremen, tappers, harvesters, weeders, contract labourers and others. Thompson has best described the plantation social system: "The resulting power structure... gives the plantation all or many of the characteristics of a small state with a classification of people into different statuses together with a formal definition of the relationship between them" (Thompson, 1960: 31).

Within the three categories, the limits of authority and the areas of responsibility are defined at each level and within levels, that is horizontally as well as vertically. Each of the management and supervisory staff answer for their own area of responsibility to their immediate superior, who controls a larger number of units; therefore the shape of the organization resembles a pyramid. The higher the position in the organization, the wider the span of authority; conversely the lower the position, the greater the degree of obedience expected. In non-MAPA or small estates, the same bureaucratic hierarchy is not found due to the relatively small size of the estates. Normally, these estates are run by a manager or a caretaker, with the help of one or two field conductors, or sometimes, even only by field conductors. However, strict labour force control is practised, as in the big estates, as power is vested in the managers or caretakers who have direct control over workers.

The organization of work — or production relation patterns — in plantations is very different from other industries in modern society. The basic arrangements of most modern capitalist societies is that home, work and leisure are separate areas of life. People play, sleep and work in different places, in the company of different people and under different circumstances. For instance, in manufacturing industry, the system of work organization, commonly known as 'Taylorism', is characterized by job fragmentation into routine tasks which require minimal skills. Cooperation and communication among workers are controlled, interesting work responsibilities and initiative are denied, leading to stress and intense work environments. However, once work is over, the workers are essentially free and have the opportunity to mix with other people in environments outside their workplace, without intervention by their superiors. In plantations, however, this is not the case. Unlike in other industries, here, both the bulk of the workers (except for a small fraction, of contract workers living outside) and their bosses work and live in the same environment.

When plantation agriculture (especially rubber) began to expand in Malaya at the turn of the century, the relative remoteness of work locations was dictated by the availability of suitable land for large scale agriculture. In addition, the growth of the immigrant labour force was largely stabilized due to the preference of kin, and later from India to settle *within* plantations where they had to be provided

with housing and other essentials for a rudimentary social life (Arasaratnam, 1970: 63). This was the first principle in ensuring a pliant and plentiful labour supply, that planters understood and practised widely. The fact that Malay peasants preferred the wide open spaces of their kampongs and the Chinese illegally squatted on state land near urban jungle fringes — so that they could carry on various occupations, rather than be subject to the vicissitudes of monoculture — provided the rationale for planters' heavy dependence on Indian labour. Even today, Indian labour constitutes the bulk of estate resident labour. It is worth noting that to date, no large estate has managed to function on contract labour alone, or even with proportions above 20–25 per cent. Thus, against the generally rapid economic growth of the last few decades, the relative isolation of plantation households is all the greater in view of their non-participation in the social, cultural and political changes in the country, which will be elaborated in the following chapters. With the expansion of towns and the creation of new towns since Independence, some plantations may now be physically not as remote as in pre-war days, yet their social isolation and desolation is all the greater in contrast with the rest of society. Many factors, as will be shown in the next chapter, contribute to this perception of isolation: lack of public transport, absence of proper shopping facilities (competitive markets), public health clinics, decent schools and so on.

As discussed above, in order to attract and retain a workforce, managements usually provide accommodation within estate grounds. This practice has taken place in Malaysia and elsewhere from the beginnings of the plantation industry (Tinker, 1977: 53). The isolation of the plantation industry worked to the disadvantage of the labourers, but to the advantage of the management. The labourers, once settled in plantations, had very few escape routes from the miseries they faced, and were forced to accept their fate. The management, on the other hand, was successful in establishing and maintaining a pattern of dominance within the plantation industry, their prime motive being profit. It is not merely through specialization in plantation work that the immigrant worker is tied to the plantation social system, but more so, through the linking of his residence to his workplace (Beckford, 1972:37). In the past, a plantation worker who deserted or abandoned work for mobility was immediately confronted by vagrancy laws. The Indian plantation

labourer cannot retire to his native village (like the Malay worker) or to the new villages, to which the Emergency consigned most rural Chinese. Such an option was simply not available to elderly Indian plantation workers with big families. This system has been described most comprehensively by Lloyd Best, a pioneer in this field:

“Where land is free to be used for subsistence production, the recruitment of labour exclusively for export production imposes a need for ‘total economic institutions’ so as to encompass the entire existence of the work force. The plantation which admits virtually no distinction between organization and society, and chattel slavery which deprives workers of all civil rights including the right to property, together furnish an ideal framework” (Best, 1968: 287).

The Malaysian plantation system does not, of course, fit the ideal in all respects, but it conforms to the essentials of the definition. Thus, it is interesting to note that during the 1930s’ depression, when many estate workers were unemployed and destitute, the suggestion that they be given land within estates or on unused neighbouring land (from which they could feed themselves by planting their own crops) was vehemently opposed by the employers of Indian labour. They instead preferred to repatriate the workers rather than to provide them with small parcels of land for fear that they would learn to be self-sufficient and gain economic bargaining leverage (Stenson, 1980: 43). It is for the same reason that despite constant urging by the NUPW, plantation managements still refuse even to consider selling surplus land at concessional prices to estate workers with many years of service.

The planter-labourer relationship has prompted scholars to study the plantation organization as a ‘total institution’. Goffman (1961) used this phrase to describe a situation where a place of residence and work of a large number of like situated individuals, cut off from the wider society for a period of time, together lead an enclosed, formally administered way of life with a hierarchical structure governing relations among them for a single purpose.

Jain (1970) examined Malaysian rubber plantations as an ‘industrial sub-system’, with the economic organization of the unit of production, influencing the ‘community sub-system’. In other words, Jain explains that the relationship of workers and planters does not stop ‘on-work’, but continues ‘off-work’ to ensure the production of rubber. He views the whole of the rubber estate — its industrial organization and the institutional structure of its community — as comprising a single

social organization. This situation creates conditions for oppressive paternalistic relations, with power vested in the planter's hands to monitor and exercise power over both the 'on-work' and 'off-work' activities of the workers. 'Power' here refers to more than control over the instrumentalities of coercion in the workplace, but to all the means by which the planter and planter regimes exert controlling influence over workers.

This relationship can, in fact, be best described as a 'master-servant' relationship. Due to the 'master-servant' relationship and the authoritarian organization of plantation production, there is hardly any independent life outside the plantations for resident workers, whose main responsibility is to obey orders (Jain, 1970: 330). Following this, control, coercion, force and power relations become integral parts of the worker's daily life. All these ingredients successfully exert a powerful influence on the attitudes, beliefs and way of life of the whole plantation community, developing negative values among them, such as lack of confidence, inferiority complex, apathy and feelings of mortification. This pattern of social values becomes part of the accepted norms in workers' lives after some time.

Planters or Executive Staff

The following account of the organization of work and the hierarchy of officers upon whom responsibility for plantation production rests is based on open-ended interviews which the author conducted with both management and workers over a period of eight months in 1989–90. These observations are supplemented by secondary sources, such as the work of Jain (1970) and Wiebe and Mariappan (1978), which are still the only comprehensive studies of social life of Indian plantation workers in Malaysia.

The manager of a plantation — popularly known in Tamil as *dorai* (boss) or *periya dorai* (big boss) — occupies the highest rank in the organizational hierarchy, followed by assistant managers (commonly known as *sinna dorai*). Legally speaking, the manager is the representative of the company or the employers in the plantation. In general, he is in charge of everything that takes place on the estate. His duties and responsibilities range from the day to day functioning of the plantation to supervision of his subordinates, conciliation of labour disputes, and the management of substantial capital and agricultural assets. In addition, he plans plantation operations, such as

replanting and estimating operating costs of the plantation for the whole year, besides being responsible for the efficient economic production of the plantation (Mahboh, 1983: 62). He is assisted by his subordinates in most of his duties, particularly by the assistant managers. He is solely responsible for running the plantation, planning, designing, estimating and controlling the annual budget, which is a plan of action for a particular year expressed in quantitative terms to achieve and accomplish the estate's objectives.

Traditionally, the lifestyle and work characteristics of the manager set him distinctively apart from all his subordinates, even those closest to him, the assistant manager(s). Typically, in recent years, the manager possesses tertiary level agricultural qualifications and receives further training during the course of his career, at company expense. The assistant managers come from two streams: supervisors or conductors with many years of proven service, or fresh graduates of cadetship schemes. The latter is the most frequent method of recruiting assistant managers at present. The cadets attend seminars and courses for training plantation executives in various disciplines of management. Eventually, the assistant managers will be promoted to managers, after some good years of work experience and with strong recommendations from managers. Both managers and assistant managers, particularly managers, are provided with attractive benefits, including a bungalow, lavishly furnished with extensive lawns and gardens, these being an index of prestige in the estates. In addition, the manager is paid a high salary, bonuses, allowances for entertainment and transport, provided with a cook, gardener and other household facilities. Normally, the managers and assistant managers have their own company club, within or near the estates at which they play tennis, or golf and have access to a swimming pool. They will normally also be members of other prestigious clubs outside the estate. Their supreme position and social status is also reflected in their consumption of high class goods, reading habits, dress, public appearances and language of communication, typically English, even if they are Malaysians. It is also common for planters to send their children away to school, perhaps abroad or to big cities or towns, where they may own a family home.

The hierarchical organization of plantations which emphasizes the concentration of power, control and coercion for efficient production, largely discourages social intercourse between planters and their subordinates. For example, even when invited, the planter does not

usually attend any of the major functions of the non-executive staff at staff clubs or in labour lines, except perhaps special estate temple festivals (Jain, 1970: 335). Only on some occasions, planters attend the regional sports events and estate Tamil school functions. Otherwise, planters remain aloof from the surrounding society in the estate. It is recognised that by keeping such distance from the workers, the planters can more easily control and discipline workers without hesitation (Jain, 1970: 335). However, the planters do have an interest in solving petty problems, quarrels and labour disputes in the labour lines — ranging from family problems, personal problems, neighbourhood quarrels to problems with supervisory staff — to ensure the smooth flow of work and productivity.

During the pre-war colonial period, plantation managers exerted enormous influence over labourers such that their behaviour has been equated to that of a feudal chief in his fiefdom (Tinker, 1977: 98). At that time, there were no strict labour laws to protect workers' rights nor a trade union movement to protect their welfare. Most planters found it difficult to delegate even some part of their responsibilities towards the settled estate population because of the lack of well trained staff. As such, the relationship between planters and their workforce was more than just a 'work relationship', but one involving paternalism on the one hand and company loyalty on the other. This relationship has been correctly observed by Forrest (1967: 112) as: "the traditional relationship... (was supposedly one of)... gruff paternalism, depending often into respect and affection on both sides; the planter with perhaps 2,000 souls living a completely contained life on his estate, had to act towards in the mixed capacity of commanding officer, labour manager, business adviser, peacemaker and Dutch uncles".

At times, paternalism itself was inadequate, and coercion of various types had to be resorted to maintain plantation discipline and output. Workers were punished for disobeying, and to prevent desertion and bad or slow performance of work (FMS, 1907: 4). Referring to Malayan plantations in the 1920s and 1930s, Allen (1983) wrote that: "the manager of any rubber estate was very much king of the district and was respected by everybody in the district. At this time a manager's authority was considerable and a great deal of power was concentrated in his hands".

The gross abuse of plantation workers led the colonial authorities to establish labour departments and to enact labour legislations to

protect workers' interests. The Labour Department was established in the Federated Malay States at the end of 1912 to regulate employer-worker relations, followed by the enactment of Labour Codes in 1912 and 1923. The Labour Code of 1923 was amended seven times in the following decade, and a consolidating enactment was passed in 1933 as part of a general revision of the law of the Federated Malay States (Parmer, 1960: 126). In the same year, the Rump Labour Code was enacted, particularly to look after the health care of plantation workers; in 1955, an important piece of legislation, the Employment Act, was passed. The legislation passed in colonial times, to improve the conditions of work, has been slightly improved by the post-colonial governments.

However, the hierarchical organization of plantations and their geographical and social isolation limited the legislation's capacity to check the authority and power of a planter. Complaints regarding plantation management are still fairly common among plantation workers, although they are in fact seldom investigated by the Ministry of Human Resources.

Non-Executive Staff

The non-executive staff occupy an intermediate position in the organizational hierarchy of plantations, where they are subordinate to planters but superordinate to workers (refer Diagram 4.1). The group is made up of office staff (chief clerk, junior clerk, typist, storekeeper), field staff (senior conductors, junior conductors), estate hospital assistants, the electrical charginan and engine drivers. Similar to planters, this category of employees in the plantation organization is structured to enhance efficient production relations by giving them a relatively good social status and some power to control the workers, obviously under the direction of planters.

In other words, the basic element for an efficient production system in a plantation is achieved through social restriction. In a plantation's organization, there is little room for informal relationships between each category, namely the executive staff, non-executive staff and workers, for fear that it will undermine the presumably efficient pattern of stratified production relations (Thompson, 1957: 30). On this basis, non-executive staff are encouraged and expected to foster formal relations with workers (Wiebe and Mariappen, 1978: 35). This is done by non-executive staff by emphasizing their differences and superiority in a variety of ways with the workers.

Although most non-executive staff are Indian in origin, like the plantation workers, sub-ethnically, they are often *Malayali* (from Kerala in India) or *Ceylonese Tamil* (from Jaffna in Sri Lanka), with only a smaller portion being *Indian Tamil*. Lately, the number of Malays in this position has been increasing as a large number of plantations are owned by state or Malay-controlled public companies. Basically, the social status and lifestyle of the non-executive staff differ greatly from the workers. Educationally, younger non-executive staff would have attained at least a Malaysian Certificate of Education (MCE), or Sijil Pelajaran Malaysia (SPM). They are provided with living quarters which are much more spacious and better in quality than workers' quarters. All of them belong to the same club within the plantations and the same union called the All Malayan Estate Staff Union (AMESU). They often employ servants to help them in their housework, usually performed by labourers (Wiebe and Mariappan, 1978: 36). Therefore, the non-executive staff form a distinct group by themselves, who are expected to maintain a different lifestyle above that of workers generally, so that they may supervise them effectively. However, at times, they are involved in solving workers' problems informally before they are referred to the planters.

The main task of non-executive staff is to receive and implement orders from managers and assistant managers. The office staff normally come under the immediate direction of the manager. Within the office staff, the chief clerk (popularly known as the *periya kirani*) occupies the highest position. His duty, with the assistance of a junior clerk (*sinna kirani*), is basically related to paperwork such as preparing payrolls, keeping check of personnel, helping arrange shipments, recording shipments, making advance payments, etc. He also supervises the work in the office. The field staff come directly under the control of assistant managers. They are, however, virtual bosses in the fields. Their duties include supervision of the *kangany* and workers in the actual production process. In rubber plantations, tapping conductors and their *kangany* oversee tapping to ensure that it is being carried out correctly (if not tapped carefully, deep incisions from the tapping knife could wound the tree, while too shallow a cut may not bring enough latex), and record the amount of latex the tappers bring to weighing stations. Similarly, in oil palm plantations, the conductors and *kangany* oversee the task of cutting the fruit bunches from the palm, collection of loose fruit which fall from the harvested bunch, and transportation of the fruit from the tree to the

nearest collection point by the cutter-carrier team. The conductors also count the number of fruit bunches harvested by workers in order to calculate their basic wages. Weeding conductors, in both rubber and oil palm plantations, oversee the work associated with keeping plantation areas clear of weeds and unwanted plants. The estate hospital assistant's job is very different from the clerks and conductors' jobs, as his main duty is to prescribe medicine to sick workers, to ensure workers are not 'malingerers' on the pretext of poor health, and to monitor and ensure public health in the labour lines.

The non-executive staff in plantations are given wide discretion and responsibility in their jobs and can be regarded as 'bosses' among the workers. Though their degree of control, authority and discretionary power is not as high as the planters, their power is enough to control and look after workers' affairs (Jain, 1970: 330). The workers cannot afford to antagonize supervisory staff at any time. If they do so, they may face tough times in the field since the conductors are directly responsible for supervision. Apart from this, the conductors also have added authority. They are responsible for assigning 'tasks' (tappers work in designated areas, or tasks, consisting of a number of trees, for which they are responsible daily; a particular set of tasks often comes to be associated with a particular tapper for a very long period of time), they are in a position to assign tappers to low-yield areas, areas in which tapping at the ground level is no longer possible (and tapping must be done with the aid of a ladder), or areas where yields will be high over a number of years. Similar assignments also take place in oil palm plantations.

The conductor's recommendations are therefore, all-important to the labourers (Wiebe and Mariappen, 1978: 35). Apart from this, the non-executive staff also play a very important role in the off-work relationships of workers. They victimize the workers in off-work relations if they have problems with workers on-work. They often victimize workers by influencing their superiors in terms of house allocation in labour lines or medical treatment provided in estate clinics, if they are biased or prejudiced for or against certain workers. Using these powers, the conductors are able to control the workers at will. For the workers, this means that they have to remain subservient to minimize harsh treatment on-work as well as off-work.

Workers or Coolies

The largest category in the plantation organizational hierarchy is the workers consisting of *kangany*, tappers, harvesters, field workers, factory workers and contract workers, who form the lowest status group in the estate social stratification (refer Diagram 4.1). The members of this group are directly involved in production, and distinctly differ from their superordinates, as discussed earlier. Differences in occupation, education and standard of living are features differentiating the style of living between this group and their superordinates. Workers belonging to this group require very little or no skill training, but the work is physically demanding. Their educational status is very low as the majority of workers only attained primary level education in Tamil medium schools, and more rarely, in Malay or Chinese schools, while quite a number are illiterate. Besides education and occupation, there are differences between the groups in their standard of living, particularly in terms of accommodation facilities provided by management. Unlike their superordinates, the workers are not provided with adequate living facilities, which marks their inferior position in the plantation hierarchy and leads to many other problems.

Within the workers' category, the *kangany* (overseer) occupies the highest position. They are the link between the workers and the management. The *kangany* is a sort of supervisor or gang-leader. They are given charge of a group of workers, and have to supervise the worker's activities, under the supervision of the estate conductor, to ensure the quality and efficiency of work performed. The *kangany* maintains close and informal relation with the workers. Therefore, the workers are more inclined to approach the *kangany*, who started from the same rank as them, to discuss work-related problems. This is easy to do, because of the settlement pattern, with the *kangany* having the same type of house in the labour lines close to one another. Furthermore, the occupational and educational status of the *kangany* and workers are similar.

It is important to distinguish between two classes of workers in the plantation labour force: the regular, permanent or 'check-roll' workers and 'contract' workers. Contract labour represents only 19 per cent of the total estate labour force nationally (Table 3.11). The role of contract labour in the plantations generally serves as a buffer and substitute for the primary labour force, as discussed earlier. Although management generally feels that it is 'cheaper' to use

contract labour in certain circumstances, plantations generally do not allow a significant portion of the labour force to be employed on 'contract' because of the power this would give to the labour contractors. The attraction of lower overhead costs involved in using contract labour has therefore to be set against the loss of control over a permanent resident labour force, the traditional basis of the plantation economy (Best, 1968: 287). The responsibility for meeting — or not meeting — social welfare contributions (both employer's and employees' shares) and observing other labour laws falls on the labour contractor, rather than on the estate management.

Although the check-roll employees and contract labourers may be engaged in similar activities, they are generally kept apart from each other, and there is seldom any mixing. The regular estate employees start work early in the morning, with the roll call for the tappers and weeders at about 6.30 a.m., when they are called before the conductors with the help of the *kangany* and in the presence of the assistant manager. There are no such rigid procedures for contract workers, whose tasks are informally given to them by their 'contractor-employer' at some convenient time, such as seven in the morning, or as determined by the contractor, without calling a muster. After the roll-call the tappers begin tapping the rubber trees at around 7 a.m. and continue until 10.00 a.m. Within this period, the tappers are expected to complete their task (an average task consists of 500–600 trees). By about 12.30 p.m., the flow of latex has stopped and each tapper goes to his/her assigned area to collect the latex from the cups. When collecting the latex, the tapper simply empties the contents of the cups, which hang from the tree, into a container, and then takes it to a collecting shed/weighing station to weigh the latex, which will be recorded by a conductor at the station to calculate the tappers' wages at the end of each month. The tappers usually finish their work at 2.00 p.m. In the case of weeders, after the roll call, they start work at 7.00 a.m., take a half hour break at 11.00 a.m., then finish work at 2.00 p.m. Their job is considered as being of low status, paying less and frequently requiring the worker to work under the hot sun.

Oil palm fruit harvesters, like tappers and weeders, are required to go for a muster at about 6.30 a.m. Soon after the muster, they start their work as early as 7.00 a.m. However, their tasks are usually assigned by the conductors or contractors a day earlier. Normally harvesting is done by a cutter-carrier team. The cutter's job is to cut

bunches from the palm. The method used for cutting the bunch depends on the height of the palm. In the early years of harvesting, long handle chisels were used. This method can be used as long as the fruit bunch can be reached from the ground, but when the palms are above arm's height, either the chisel or a small hatchet may be used to cut the subtending fronds to remove the bunches. When the palms grow taller, it is necessary to use a carved knife lashed to bamboo poles or a ladder. The carrier's task is to collect loose fruits which fall from the harvested bunch, and to transport the bunches to the nearest roadside or collecting point from where the bunches are taken to the factory to be processed. Usually, the cutter-carrier team consists of a husband and wife, or other team arranged by management. However, in some estates, a cutter handles both the tasks.

To a certain extent, the cutter-carrier teams enjoy freedom in their work in the field. The conductors and *kangamy* will only interfere in their work if the work performed by them is considered unsatisfactory. However, if there is any personal dispute between the workers and the supervisory staff, then the supervisory staff can be harsh and exert their authority over the workers in the field, as well as outside work. The work in oil palm plantations is considered hard and tiring job.

It is clear that it does not matter whether the coolies are tappers, weeders or harvesters — they all perform monotonous, repetitive and routine tasks daily. The planters, with their immediate subordinates, exercise control at the work place to ensure efficient overall production. The regular interaction of superordinates and subordinates at work and off-work, is a constant reminder to the workers to keep themselves vigilant, passive and obedient at all times. This is effectively done with the strict hierarchical organization in plantations where there are several intermediaries between management and coolies to run production relations efficiently. As already discussed, the concentration of authority differs in the hierarchy at every stage, but ultimately all the authority is geared to control and coerce the workers, who are at the bottom ranks of the hierarchy (Jain, 1970: 342). Orders are given by planters, received by supervisory staff and implemented with the power vested in their hands to keep the workers working in plantations. The workers are not in a position to question these power relations, only to receive the orders obediently and to stay on in the plantations working until they can no longer do so.

Workers' Attitudes to Superior Staff

Labour-management relations in any industry or organization play a very important role in the job satisfaction of workers. It is essential for plantation management to have good work relations between workers and superiors in order to maintain a harmonious work environment and thus ensure the profitability of the company. But this does not take place in the plantation environment. At this stage, it is useful to note the morale and attitudes of workers towards their superior staff and the organization they belong to. This is in line with the definition of workers morale postulated by Halsey (1953: 217) as "it has to do entirely with how the worker feels about his job, his superior and his organization".

The workers' attitudes towards their superiors whether managers, conductors or others, depends on the latter's attitudes towards the workers. This is shown in Table 4.1, which reflects data from my question about workers' attitudes towards their superiors. It is clear from Table 4.1 that the majority of workers were not satisfied with the way they were treated by their superior staff, namely conductors (67.4 per cent), managers (61.3 per cent) and contractors (70.5 per cent). It is important to know how the workers express their dissatisfaction. As mentioned earlier, this is basically dependent upon the superior's attitudes and actions towards the workers. For instance, if a manager or his subordinate is sympathetic to the worker's plight and problems, then they are highly regarded by the workers. The workers take into consideration the character, nature and means of authority used by their superiors to judge whether or not they are sympathetic to them. On this basis, the practical experience of a

Table 4.1
Attitudes of Workers Towards Superior Staff in Plantations

Superior	Satisfied (%)	Dissatisfied (%)	Total No.
Kangany	63.2	36.8	261
Conductor	32.6	67.4	261
Manager	38.7	61.3	261
Contractor	29.5	70.5	71

Source: Fieldwork data.

planter will encourage opportunities to understand and foster better labour relations with the workers. However, this depends on the perception and attitude of the planter.

When asked why they were not satisfied with their superiors, most workers gave various reasons for their dissatisfaction, as shown in Table 4.2. The reasons were slightly different for different superiors. For instance, of the workers dissatisfied with managers, the main reason given for dissatisfaction was the manager's rude and arrogant attitude (30.0 per cent), followed by 23.7 per cent, 18.1 per cent and 17.5 per cent for indifferent, unreasonable and inconsiderate attitudes respectively. However, the ranking of reasons for disliking conductors or supervisory staff is slightly different. The prime reason for dissatisfaction with conductors or supervisors was due to their allegedly biased or prejudiced attitudes (26.1 per cent) followed by 17.0 per cent for rude and arrogant behaviour, 17.6 per cent for unreasonable attitudes, 12.5 per cent for indifference and 11.9 per cent for inconsiderate attitudes. In the case of contract employees, the main dissatisfaction was due to unreasonable and inconsiderate attitudes (refer Table 4.2).

Workers claimed that managers who manage the employees by drawing on their practical experience (gained from long experience

Table 4.2
Reasons for Worker Dissatisfaction with Superior Staff
(percentage)

Reasons	Kangany	Conductor	Manager	Contractor
Rude and arrogant	14.6	17.0	30.0	20.0
Bias/prejudice	47.9	26.1	10.6	–
Inconsiderate	10.4	11.9	17.5	34.0
Sexual Harassment	3.1	6.2	–	–
Unreasonable	11.5	17.6	18.1	36.0
Indifference	–	12.5	23.7	10.0
Jealous	12.5	8.5	–	–
Total	100.0	100.0	100.0	100.0
N	261	261	261	71

Source: Fieldwork data.

with workers), handled the workers more appreciatively. On the other hand, the younger generation of managers, who resort to textbook knowledge for solving workers' problems, are considered unappreciative. The workers feel that once a planter starts using book knowledge, rather than practical knowledge, treatment tends to become harsh, authoritarian and strict. Furthermore, if the managers cannot communicate with the workers, the problems become worse. The workers find the change of managers every few years brings them either better or worse work relations with management, depending on the new managers' attitude. They find it difficult to adjust if the changeover is from an understanding manager to a rude or arrogant person, since this brings considerable difficulty to their working lives.

On this basis, a lot of workers still feel that European planters were much better than Asian planters. According to the workers, even though European planters were strict in the work place and aloof on the whole, they were nonetheless very kind. It is believed that they were much more paternalistic than current managers, which the workers preferred. The workers related many incidents to substantiate their views. Most older workers interviewed preferred the paternalism of the white planters who often distributed small change among children gathered in the estates on pay day. They regret that many of these 'traditions' no longer exist in the more strictly administered estates of today.

Most workers are quite dissatisfied with managers today, as they find the managers hard to talk to. Generally, the workers find the managers rude and arrogant, as well as unreasonable and indifferent at work and also in off-work relationships. Many disputes have arisen due to the stringency of the rules and regulations applied by the managers. To cite one example, it is mandatory in many estates for workers to attend a muster, usually at 6.30 or 7.00 a.m., before dispersing to their respective tasks. Any worker coming five minutes late could be asked to go home and be refused tapping work on that day by the supervisor on the manager's directions. In the case of harvesters, if they accidentally harvested unripe bunches, then a fine would be imposed on them. Though such stringent rules and regulations are essential for regulating large numbers of workers, from the workers' point of view, the managers and supervisors were heavy handed or unsympathetic in most instances. If the worker tried to pursue these matters further, then he or she may lose his or her job.

With the fear of losing their jobs, the workers formally comply with all the rules and regulations imposed by the managers without question.

The managers have created many ways to instil feelings of hopelessness and despondency among workers (Selvaratnam, 1986: 20). One way is simply to refuse to allow the workers' problems to get widespread publicity, whether in the media or union circles. For the workers, the first place they would go to complain about their grievances is the local branch of the NUPW, normally led by the *kangany*. However, in most of the estates studied, the managers maintained very good relations with local union officials by giving them, their wives and children privileges such as easy jobs, more productive trees to tap, as well as good houses in labour lines nearby to discourage them from getting involved in the workers' conflicts. For the local officials, these perks were much more important than the workers' problems, and hence, they were generally not interested in pursuing workers' problems at higher levels.

According to Etzioni (1965: 27), "the functions of a control pyramid are not only to supervise, coordinate, and check on performance, but also to provide points at which conflicts can be resolved... low-level settlement reduces the work load of the most burdened and most 'expensive' higher-level executives". This is exactly what many managers are doing in plantations, though in a negative way. Therefore, most workers' complaints never go beyond the level of the estate concerned, although in some instances, their problems have been taken up by responsible local union leaders, and pursued at higher levels. However, if the manager finds out that local union leaders are too active or aggressive, he will try to find fault with the leaders, so that he can get rid of them from the estate. Also a worker will be marked by a manager if he appears or intends to appear as a witness, or has given or proposes to give any evidence in any proceedings against the management (*Star*, 27.5.87). Thus, for the majority of workers, the best way of keeping away from conflicts with management is to be quiet and obedient to the superiors.

In addition to the above, there are many other examples showing how unreasonable, indifferent and inconsiderate planters have been towards labourers. In personal interviews, the planters expressed the view that the best way of maintaining labour in plantations is to adopt strict rules and regulations towards the labourers, so as to make them be on their toes at all times. They certainly did not like to be

questioned or challenged, and if this happened, their immediate reaction would usually be to temporarily suspend or expel the particular worker, to intimidate other workers as well. Normally, this would be done on the grounds of misconduct or dereliction of duty. At times, the 'trouble-making' workers would be 'retrenched' on the grounds of redundancy (Industrial Court of Malaysia, Case No. 9 of 1973, Award No. 27/73 between MAPA & NUPW). When the management decides to retrench workers on the grounds of redundancy, the decision cannot be disputed unless it can be shown that it has been done *mala fide*, or with bad intent, or 'actuated' due to victimization or unfair labour practices (for further clarification of this point, please refer to Industrial Court of Malaysia, Case No. 30 of 1972, Award No. 2/73 between Simpang Estate, Taiping Perak and National Union of Plantation Workers). This incident can be elaborated further with some case studies collected from my fieldwork.

Case 1 involves the suspension of a factory worker named Thuraisamy from the Sungai Tinggi estate in Batang Berjuntai, Selangor. The claimant was alleged to have had himself photographed while working without the permission of the company, with the said photograph later appearing in a local daily (*Star*, 27.5.1987) under the caption 'Work is a Daily Hazard for 55'. He was suspended for 14 days with half-pay during the inquiry, and for seven days with no pay after the inquiry for misconduct.

Case 2 involves a suspension in a rubber estate in Sungai Petani, Kedah. In this case, a rubber tapper allowed himself to be interviewed by a Tamil daily newspaper at his house in the labour line; the interview later appeared in the newspaper with a lengthy article together with his photograph. Upon seeing the worker's photograph in the newspaper, the manager summoned the worker to his office to enquire about the press statement. After an enquiry, the worker was suspended from work for three days and was warned not to repeat his action. A year later, when the man had retired, he approached the same manager to ask for a job for his unemployed son. The manager refused, his reason being that the worker had been disloyal to the estate by bringing bad publicity in the press. He also instructed the contractors in the estate not to give a job to the worker's son so that this would be a good lesson and constant reminder for other workers not to act against their employers' interests.

In case 3, in a non-MAPA oil palm estate in Kluang, Johore, a worker was dismissed by the estate manager because of a quarrel

during which the worker had verbally abused the manager. The incident started when the worker approached the manager to complain about a water problem faced by workers in the estate. However, the complaint ended in a heated verbal exchange between the two men. The manager, who was very angry about the incident, sacked the worker with 24 hours notice, and asked the worker to vacate the labour quarters where he was residing. However, he allowed the worker's wife to continue working in the estate. When the worker made no attempt to vacate the quarters at the end of the 24 hours, the manager instructed the security guard and some other general workers from the estate to physically remove the worker's belongings from the estate quarters. Even though the worker's wife requested a place to stay in the quarters, the manager refused to grant her permission on the grounds of her husband's bad behaviour.

If managers' attitude are bad, the intermediary supervisory staff attitude towards labourers is often worse because of the direct contact of the conductors with workers at work. The workers complained that the supervisory staff are usually biased, prejudiced, inconsiderate, unreasonable and jealous towards them. At times, the supervisory staff become unreasonable and inconsiderate because of work pressure from their superiors, or because they want to be in the good books of their managers. The usual complaints about the supervisory staff refer to strict supervision and disciplinary actions for apparently unnecessary reasons. For instance, in the case of rubber tappers, the duty of a supervisor is to monitor the quality of work by the tappers. The supervisors advise or warn tappers on the spot for their alleged offences and subsequently take prompt actions against them. This is where many problems start. Thus, the estate supervisory staff have often abused their power for personal gain and satisfaction. Supervisors have been known to harass workers by threatening to report them for shoddy work and other alleged shortcomings (Industrial Court Award of Malaysia, Case No. 30 of 1972, Award No. 2/73 between Simpang Estate, Taiping, Perak and NUPW). It is well known among estate workers that young females are particularly at risk. Very few sexual harassment cases have been officially investigated because of the shame felt by the family of the victims, and the fact that supervisors can coerce workers into silence, for instance, by threatening to put them on more difficult tasks.

Normally, the type of victimization and disciplinary action taken by supervisory staff against workers depends upon the degree of

antagonism and irritation of the former to the latter, and also on the type of offences committed by the latter. For instance, in the case of tappers, usually a verbal warning will be given by the conductors to improve their tapping. However, the usual method used in rubber plantations to monitor tappers' work is by giving them a 'spot-mark'. Different colour spot marks given to workers are one way of improving the work performance of tappers. For normal or good tapping, black spot-marks are given. A yellow spot-mark is given for less satisfactory work. Three consecutive yellow marks may cause the worker to be transferred from young trees to old trees, or to weeding tasks. A red spot-mark indicates very bad tapping. If a tapper is given red spot-marks for three consecutive months, he or she will be transferred from young trees to old trees, or switched to weeding, or stopped from work altogether. It is commonly accepted among the estate working community that anyone who has been tapping young trees will lose much 'face' if transferred to tap old trees. Such a transfer would indicate that the tapper had been incompetent and inefficient, bringing about this 'demotion'. Conductors thus use their authority to victimize the workers (Industrial Court of Malaysia, Case No. 30 of 1972, Award No. 2/73 between Simpang Estate, Taiping, Perak & NUPW). The conductor could put yellow or red spot marks to warn workers or to victimize them if they make a small mistake during tapping, or he could transfer them from high-yielding to low-yielding trees or to trees planted on contour terraces or on hilly ground, therefore making the work much harder.

Unreasonable and indifferent conductor attitudes are one of the main reasons for workers disliking supervisory staff; it is extremely difficult for most workers to go against this system. For the workers, the only way to avoid such problems in the coercive work environment of the plantation industry is to show total obedience to superior staff and to not become involved in any conflicts. It is clear from the above that the entire organization of the plantation is geared to coerce and maintain continuous production by the workforce within the plantations. The poor working conditions of the workers, including the arbitrary and biased provision of rewards and punishment, have created a dispirited and cowed workforce in the estates. This is particularly unfortunate because the union that is supposed to represent them has, as will be shown in Chapter Seven, not taken up these issues.

Occupational Safety and Health

According to a study undertaken by the Ministry of Health, the number of occupational accidents and occupational health problems in the plantation sector is one of the highest in comparison to other industrial sectors in Malaysia (Ministry of Health, 1989: 146). An MTUC/ICFTU study in 1990 reported that there were altogether 33,082 industrial accidents in the agricultural sector, mostly in the plantation sector because the Social Security Organization (SOCSO) does not operate outside the waged sectors. Of these, 109 (0.33 per cent) proved fatal (refer to Table 4.3). It is worth emphasizing that these figures represent 41.7 per cent of accidents and 21.7 per cent of deaths, for all industries, and contrasts with manufacturing (with its range of machinery and youthful, newly trained workforce), which reported only 40.7 per cent and 19.3 per cent of the total for all sectors respectively. This is despite the fact that manufacturing employment is slightly larger than the estate workforce. What is worse, the figures for work-related accidents in plantations have been accelerating rapidly, whereas reported cases in manufacturing were falling, as shown in Table 4.3.

Types of Occupational Hazard

The types of occupational hazard and safety problems in plantations depend on the type of occupation and the nature of the job the workers are engaged in. Workers engaged in different types of occupations encounter different sets of problems. The occupational profile of the workers interviewed for this study is given in Table 4.4. From the table, it is clear that the majority of the workers (both male and female) surveyed in this study were rubber tappers, harvesters (including cutter-carrier), weeders and pesticide sprayers.

According to the Annual Health Report for 1970, the most common occupational hazards of plantation workers were respiratory infections, open wounds, minor injuries, intestinal parasites, muscular pain and fever. Some of these hazards were caused by the workers handling their working equipment while others were caused by the use of noxious herbicides and pesticides. These hazards are peculiar to this industry, while some are common to other industries, especially rural and agricultural activities (MTUC, 1990: 8).

Table 4.3
Number of Industrial Accidents by Industry, 1978–87

Industry	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Agriculture, Forestry and Fishing	8904 (103)	9243 (117)	11591 (105)	16921 (134)	16393 (129)	14835 (941)	17276 (108)	19972 (89)	27061 (66)	33082 (109)
Mining and Quarrying	1980 (57)	1827 (55)	2177 (49)	2349 (61)	1734 (49)	1423 (34)	1287 (32)	1629 (29)	1478 (26)	1644 (21)
Manufacturing and Processing	33595 (106)	34412 (106)	33934 (84)	33759 (81)	31816 (86)	30973 (71)	30577 (72)	29661 (88)	29596 (84)	32228 (97)
Construction	4352 (97)	4020 (90)	4236 (88)	5343 (99)	3109 (118)	3525 (92)	5829 (101)	4945 (92)	5389 (99)	3344 (109)
Electricity, Gas, Water and Sanitary Services	319 (8)	206 –	187 (4)	226 (7)	247 (9)	190 (8)	229 (15)	110 (7)	148 (3)	143 (9)
Commerce	5274 (60)	5069 (73)	4847 (65)	2216 (69)	2354 (58)	3050 (53)	3372 (57)	3203 (52)	2459 (43)	2107 (38)
Transport, Storage and Communications	2229 (86)	1341 (86)	1177 (63)	1290 (55)	1281 (47)	1088 (75)	1335 (68)	1364 (76)	1323 (67)	2043 (71)
Services	4528 (25)	4605 (52)	3790 (45)	3794 (69)	3630 (71)	4242 (51)	4357 (50)	3891 (56)	4096 (40)	4688 (49)
Total	61121 (542)	60725 (579)	61939 (513)	65898 (575)	60564 (567)	59326 (478)	64182 (503)	64775 (489)	71550 (428)	79279 (503)

Note: Figures in brackets show number of fatal accidents.

Sources: (1) *Labour Indicators 1985/1986*, published by the Ministry of Labour.

(2) *Annual Report, SOCSO 1987*.

(3) Data from Labour Department for 1987.

Table 4.4
Distribution of Workers According to Occupation Types

Type of Occupation	Male		Female		Total	
	No.	%	No.	%	No.	%
Rubber Tappers	49	43.8	63	56.2	112	33.8
Harvesters	45	60.0	34	40.0	79	23.8
Pesticide Sprayers	12	33.3	24	66.7	36	10.8
Weeders	13	37.1	22	62.9	35	10.5
Factory Workers	15	60.0	10	40.0	25	7.5
Loaders	17	100.0	–	–	17	5.1
Line Sweepers	12	80.0	3	20.0	15	4.5
Drivers	13	100.0	–	–	13	3.9
Total	176	53.0	156	47.0	332	100.0

Note: This table refers to workers according to occupation types in all 31 plantations surveyed.

Source: Fieldwork data.

Occupational Hazards and Safety at Work

Occupational accidents are quite high among plantation workers and each type of plantation activity engaged in by the workers differs in terms of risk involved since they are exposed to various types of hazards. Due to different types of occupations, the number of fatal accidents in rubber and oil palm estates is fairly high and has increased from 3.6 per cent in 1981 to 8.5 per cent in 1982. In contrast, the proportion of fatal accidents in the manufacturing sector was 3.3 per cent in 1982 (*Star*, 17.3.85). Various types of health hazards encountered by workers in different types of plantation occupations are discussed as below.

Rubber Tappers

Workers directly involved in rubber production are exposed to high risks of injury. In 1981, 56 per cent of all industrial accidents in the agriculture sector occurred in rubber estates (*Star*, 17.3.85). Apart

from bites from snakes, insects and cuts, the most common occupational hazards faced by tappers occurred during actual tapping in the field, particularly during 'upward tapping', i.e. when tappers are forced to tap on the higher portion of trees, instead of the already exhausted lower sections, which means more hazardous work for the tapper who has to carry a ladder, a light (since tapping is done early in the morning) and a tapping knife. In doing so, falls from ladders are common mishaps which may be due to exhaustion from carrying the ladder from tree to tree (O'Holohan, 1976: 403). Normal tapping, done at eye level or below, does not involve such hazards. While this is a basic problem in upward tapping, to make things worse, there is an attitude among management that if a particular worker cannot climb ladders, he or she should be replaced. It is unfortunate that the health and age of workers seldom receive due consideration when work is allotted. For example, it is common to see pregnant women engaged in this work, which often causes miscarriages among them. It has also been observed that at times, women who have recently given birth are also given this sort of heavy work which seriously jeopardises their health (also see O'Holohan, 1976: 402).

Apart from the above-mentioned hazard, worker's eyes are exposed to chips of bark and latex spills during upward tapping. A survey done by UPAM and the Malaysian Institute for the Blind shows that this is an acute problem as the lack of immediate treatment can lead to loss of eye sight. Injuries from the tapping knife are also common for tappers. During my fieldwork, two tappers were blinded when they were hit by the tapping knife. In addition, workers also have the tendency to develop skin diseases, and damage their fingernails while doing their job, because chemicals such as ammonia are added to the latex cups during tapping to prevent the latex from coagulating. The tappers wear no protective clothing while doing the job and are therefore easily exposed to these chemicals.

Harvesters

Like the tappers, while at work, the oil palm fruit harvesters are also exposed to bites from snakes and other pests including insects, as well as cuts from bush thorns. However, the harvesters face real health hazards while pruning and harvesting palm fruit bunches from trees, such as injuries from falling fruit bunches, falling cutting knives tied to the end of poles, falling fronds and bits, and dust into their eyes

when the fronds are cut. These injuries are very common for harvesters, particularly getting hit by falling fronds. Most harvesters interviewed in this study showed many stiches on their heads or other parts of their bodies due to injuries caused by falling fronds. In addition, muscular skeletal problems are also common among harvesters as a result of their heavy and hard work, which prematurely advances ageing among them.

Injuries caused by palm spines are also common among harvesters as a result of carrying fruit and disposing off fronds which have sharp spines. The spines are usually about 6cm long and easily penetrate the skin. Injuries are usually on the hands or feet, where the spines easily penetrate poor quality canvas shoes. Injuries from the spines result in wounds which can become painful swellings (David and Pathmanathan, 1982: 33), where minor operations are necessary to remove the spines from the body. Apart from this, carrying harvesting poles with knives attached to the ends also creates added hazards for workers. Even though these occupational hazards are daily affairs in oil palm plantations, so far, no proper safety methods for the workers, such as protective clothing, gloves, safety shoes or protective eye devices have been provided by management. Consequently, the injury rate among oil palm workers is very high. A recent survey of occupational health and safety in Malaysia reported that 41 per cent of oil palm harvesters "had suffered from injuries from thorns found on oil palm fruits, leaves and fronds leading to septic wounds or acutely inflamed swellings" (MTUC, 1990: 70).

Field Workers

Field workers consist of weeders and pesticide sprayers. In comparison to tappers and harvesters, this group of workers, particularly pesticide sprayers, are the ones most seriously exposed to occupational health hazards. These workers are constantly exposed to dangerous herbicides and pesticides used for the destruction or control of pests, weeds and fungi in their daily working life. Some pesticides handled by estate workers are banned in other countries (*Malay Mail*, 30.4.84). These include DDT, Chlorane, Heptachlor, Endrin, 2-4-D, DDVP, Paraquat and Endosulfan (Sahabat Alam Malaysia, 1984: 13-17). Apart from this, the other herbicides used in the industry include organo-phosphates, amines, hydrocarbons, fluoro-carbons, hydroxils, carboryls, ethers, etc., regarded as dangerous

substances to be handled with care. Estate workers are seldom instructed carefully to follow the instructions provided on containers by manufacturers. The health hazards suffered by estate workers due to the use of these chemicals are discussed below.

Normally, occupational hazards faced by pesticide sprayers in plantations occur because many workers are unaware of the dangers of exposure to these chemicals. Often they are neither informed of the dangers nor provided with adequate protective measures by the plantation management (Sahabat Alam Malaysia, 1984: 6). This shows the indifferent attitude of management towards the health and safety of plantation workers.

It is common in plantations to see pesticide sprayers using poisonous chemicals without wearing gloves, masks or any other special protective clothing or equipment. Normally, the sprayers use T-shirts, other light and inappropriate clothing and handkerchiefs or towels to cover their mouths and noses while at work. This offers little, if any, protection against inhalation of toxic fumes. At times, even when protective clothing is provided, the workers refuse to wear them. They claim that the protective clothing is very cumbersome, does not fit them and/or is not conducive to work. The workers also use their bare hands to mix chemicals and do not wash themselves thoroughly after handling the herbicides due to inadequate cleaning facilities. This unsafe use of pesticides enables the chemicals to enter the worker's body through skin contact, inhalation and, to a lesser extent, ingestion (The Selangor and Federal Territory Consumers Association and NUPW, 1986: 2-5). As a result, workers suffer from itchiness, peeling finger and toe nails, nose bleeds, skin injuries, liver abnormalities, blindness, nervous disorders, paralysis, changes in respiratory and immune systems, and impotence (Sahabat Alam Malaysia, 1984: 29). The most common health problems observed among sprayers in this field study were peeling finger and toe nails, skin infections and nose bleeds.

Factory Workers and Others

Factory workers in plantations include workers in rubber processing factories and oil mills situated on the estates. The factory worker faces potential hazards from machinery and chemicals such as ammonia, etc. In many cases, workers have been affected by machines which produce high frequency noise causing damage to hearing organs. For

instance, 60 per cent of factory workers interviewed said that there is excessive noise at their workplace. The majority said that the noise was continuous for the entire working day. Such claims are similar to those from other industries (MTUC, 1988: 50). They also complained that their workplace is extremely hot, which makes them tire quickly and causes eye irritation. In addition, serious accidents — involving loss of limbs — are also common, due to carelessness on the part of workers and lack of supervision and provision of safety measures on the part of employers (Harminder, 1986: 8). Although the amount of motor traffic is negligible in estates, frequent accidents, involving lorries and tractors, are reported on estate roads, especially after heavy rain (*Malay Mail*, 4.5.1985). Such accidents have not only affected drivers, but have caused injury to workers transported on such vehicles without adequate safety devices. Even minor accidents on muddy and slippery roads have been known to cause workers to be seriously injured.

Occupational Safety During Non-Working Hours

Occupational hazards faced by plantation workers are not only found at work, but also during non-working hours at their quarters. The main reason for this is the presence of pesticides and weedicides in their homes, which leads to poisoning, as suggested by various reports (Ng and Thong, 1978: 278; Chan and Cheong, 1982: 228; Wong and Ng, 1984: 52). Such fatal accidents usually happen due to the storage of pesticides at home by workers for household use, e.g. to kill weeds around the house. These pesticides are usually stored in soft drink and beverage bottles at home; consequently, some liquid pesticides are mistaken for common drinks. For instance, paraquat, common in workers' houses, has almost the same colour as black coffee, and is popularly referred by the estate workers as 'kopi-o' (black coffee) (Sahabat Alam Malaysia, 1984: 22). There have been some cases in the estates studied where children and adults have drunk paraquat from such bottles by mistake, thinking that they were soft drinks (Coca-cola), coffee or even beer; errors which caused the victims to be hospitalised. Some have even mistaken paraquat for soya sauce. Another common danger among workers in plantations is the use of pesticide containers to store food and drink, particularly drinking water, where the possibility of contamination is quite high.

Pesticides, particularly paraquat, are also used by some workers to commit suicide, often precipitated by depression, because of

quarrels, unemployment, broken love affairs, and failure in exams. Studies undertaken on this subject (Chan and Cheong, 1982: 227; Wong and Ng, 1984: 52) also show that Indian estate workers, especially females, form the largest group of such suicidal cases.

Safety Protection for Workers in Plantations

Responsibility for the occupational safety and health of workers in the plantation industry is left in the hands of plantation management, by two laws, namely the Factories and Machinery Act, 1967, and Pesticides Act, 1974 (Consumers Association of Penang, 1985). The Factories and Machinery Act, 1967, applies to all factories, including rubber and oil palm processing factories, in plantations. However, the Act does not cover rubber tappers and harvesters, who form the majority of workers in plantations. The Act primarily deals with safety, but also prescribes health and welfare requirements regarding conditions such as cleanliness, temperature, ventilation and lighting at the workplace. Basically, the Act plays a traditional checklist role in a factory environment where it identifies potential hazards and stipulates minimum standards for equipment and operations to control the hazard. It relies mainly on physical circumstances and the environment, and is not concerned with the organization of work. Although the act is useful in protecting some workers' safety, it is not adequate or relevant for the plantations. Furthermore, the lack of proper inspection by the authorities concerned has exacerbated related problems.

Like the Factories and Machinery Act, the Pesticides Act does not provide proper coverage for the safety of pesticide sprayers in plantations. Basically, the Pesticides Act regulates and is therefore much more concerned with the labelling, registration, importation, manufacture, advertising, sales and storage of pesticides in Malaysia (Consumers Association of Malaysia, 1985: 20). However, the Act does not cover the more important aspects of problems arising from pesticide use, such as safety measures for workers exposed daily to chemicals, nor does it mention anything about the safe disposal of used pesticide containers, which are abundant in plantations. Thus, even though there are two legislations in existence to protect the safety of workers in plantations and elsewhere, these laws do not cover all types of workers in plantations and they do not adequately protect the workers (the author notes that the Occupational Safety and Health Bill (1993) has been passed in Parliament recently and is

expected to be enforced sometime in early 1994). Therefore, the safety of workers is left in the hands of plantation management.

For the employers, workers' occupational safety is not a prime concern. This issue was made clear during my fieldwork when most workers claimed that they were not provided with adequate protective devices such as proper protective clothing, gloves, masks, goggles, safety helmets, etc. From this attitude, it is clear that industrial safety in plantations is not satisfactory. The workers are not only physically affected by their unsafe working environment, but their work-related problems continue, especially after injuries, since some workers are not covered by any employment injury schemes giving them protection while they are temporarily out of employment. We next turn to consider how workers survive industrial accidents, provisions for their compensation, hospitalization, and redeployment in the labour force, or in serious cases, how the social security net protects them.

Workers' Social Security Benefits

Social security benefits provide basic protection to workers. Usually, social security benefits cover employment injury, occupational disease, medical care, invalidity, sickness, old age, and survivor's pension. In other words, it is the 'social welfare net' of the workers. On this basis, let us now review the existing social security system in Malaysia, its coverage and implementation, and abuse of the system affecting plantation workers.

Existing System

Social security protection for workers is provided by the following legislation in Malaysia:

- i) Employees' Provident Fund Act, 1951;
- ii) Workmen's Compensation Ordinance, 1952; and
- iii) Employees' Social Security Act, 1969.

Employees' Provident Fund (EPF)

The primary objective of the EPF is to provide a measure of financial security for its members or their beneficiaries in the event of retirement, death or incapacity. The provident fund is built on the concept of compulsory savings. Over the years, however, the benefits avail-

able to members have been expanded and improved. In line with this, the improved benefits include payment of additional death benefits on top of EPF savings to the next-of-kin of a deceased member since 1977, the promotion of home ownership through partial withdrawals of EPF savings since 1982, the Housing Mortgage Withdrawal Scheme and payment of an additional amount as incapacitation benefit over and above the EPF savings of members since 1986 (Ministry of Labour, 1989: 148).

The financing of EPF is shared by employers and their covered employees. The statutory rate of EPF contribution is 20 per cent. Covered employees are required to pay a provident fund contribution of 9 per cent of their earnings, and an invalidity insurance contribution of a further 0.5 per cent of earnings. Employers are required to pay a matching provident fund contribution of 11 per cent of their payroll; an invalidity insurance contribution of an additional 0.5 per cent of their payroll; and a work injury insurance contribution of a further 1.5 per cent of their payroll. The contribution can be withdrawn, together with interest accrued, upon death, when permanently retiring at the age of 55, or when permanently emigrating. Partial withdrawal is permitted at age 50 to purchase low-cost housing.

Workmen's Compensation

Workmen's compensation comes under the purview of the Workmen's Compensation Ordinance, 1952, and is based on the concept of employer liability for injuries sustained by the employee during the course of his or her employment. Under the provisions of the ordinance, the employer is liable to provide compensation to workmen sustaining employment injury or contracting occupational diseases. Compensation is payable by an employer to a workman for personal injury due to accidents arising out of or in the course of his employment, which results in the workman being rendered incapable of earning full wages. The employer is also liable to compensate a workman who contracts any prescribed occupational disease, and to the dependents of workmen dying from these injuries or diseases.

Employees' Social Security

The main objectives of the Social Security Act are to ensure:

- (a) Economic security by way of providing compensation;
- (b) Provision of medical care;

- (c) Rehabilitation, both physical and vocational, to ensure the worker returns to society and is self-reliant; and
- (d) Industrial safety and other activities in accident prevention.

The Act was implemented in 1971, starting with the employment injury scheme. Subsequently in 1974, the Invalidity Pension Scheme was introduced in Peninsular Malaysia. Implementation was conducted in stages, covering the whole of Peninsular Malaysia by 1980 and finally, Sabah, Sarawak and the Federal Territory of Labuan in 1987. All industries employing five or more persons are covered by Social Security Organization (SOCSO). Once an industry is covered, and even if the number of persons employed subsequently falls, the industry remains covered. On this basis, the following benefits are provided under the schemes in operation.

Employment Injury Schemes

- a) Medical benefit
- b) Temporary disablement benefit
- c) Permanent disablement benefit
- d) Constant attendance allowance
- e) Dependents' benefit
- f) Funeral benefit
- g) Provision of physical and vocational rehabilitation

Invalidity Pension Scheme

- a) Invalidity pension
- b) Constant attendance allowance
- c) Physical and vocational rehabilitation
- d) Funeral benefit
- e) Survivors' benefit

Under the Employment Injury Scheme, medical care is provided free of charge, comprising outdoor and indoor treatment, which includes all necessary drugs and dressings, pathological and radiological investigations, specialist consultation and care, etc. Outdoor medical treatment is available at the clinics of SOCSO panel doctors. Indoor medical care is provided at government hospitals approved by SOCSO for this purpose. Insured persons are entitled to accommodation in second class wards in such hospitals.

Under the Invalidity Pension Scheme, pension is payable to an insured person suffering from invalidity as confirmed by a medical board and who has satisfied the full or reduced qualifying period. An insured person is considered to be suffering from invalidity if in consequence of a specific morbid condition of a permanent nature (i.e. it is either incurable or not likely to be cured), he is incapable of engaging in any substantially gainful activity. Unless an insured person has completed his 55th year of age, he is entitled to receive invalidity pension if he has completed the full or qualifying period.

The payment of the SOCSO contribution is the responsibility of the employer, who is empowered to make deductions from the employee's wages to recover the employee's share. Contributions for the employment injury scheme are wholly paid by the employer and the rate is about 1.25 per cent of wages. In the case of the invalidity pension scheme, the contribution is about 1 per cent of wages and is shared equally between the employer and the employee. It is obvious from the above discussion that Social Security Benefits are very important for workers in their lives, enabling them to lead a reasonable life during times of economic difficulty. However, to what extent this scheme has specifically benefited plantation workers will be discussed next.

Abuse of the Social Security System

Although Parliament passed legislation pertaining to workers' social security a long time ago, this does not mean that these efforts have been successful in covering or protecting all workers in the country. The system is still open to abuse. There appear to be many cases of non-compliance with the law with regard to the contribution of social security benefits in the plantation industry. It seems that some employers have simply overlooked the contribution of these benefits towards their employees.

This is clear from Table 4.5, where of all the respondents interviewed in this study, only 68.7 per cent and 65.1 per cent of them said that they were covered by EPF and SOCSO respectively. This coverage is far less than the national standard, which in 1982, saw EPF covering 80 per cent of the total workforce in the nation (*New Straits Times*, 24.1.1984). Coverage is even worse when we look at the types of estates in detail. On average, over 75 per cent of workers in subdivided and 40 per cent in non-MAPA estates were not covered by these benefits (refer Table 4.5). This means that a large proportion of workers (particularly in non-MAPA and subdivided estates) are effectively denied 11 per cent of their wages, ought to take the form of compulsory savings with the EPF, and a marginal percentage in the form of social security benefits.

This abuse of the social security system in plantations is related to the prevalence of the (third party) contract system, and also due to negligence or fraud by most contractors, as well as the principal employers. Therefore, it is quite important to look at how the contract

Table 4.5
Percentage of Workers Contributing to
EPF and SOCSO by Type of Estate

Type of Estates	EPF			SOCSO		
	Yes	No	Total Respondents	Yes	No	Total Respondents
MAPA	78.6	21.4	210	75.2	24.8	210
Non-MAPA	58.2	41.8	98	54.0	46.0	98
Subdivided	25.0	75.0	24	20.8	79.1	24
All estates	68.7	31.3	332	65.1	34.9	332

Source: Fieldwork data.

system works in plantations in order to understand the abuse of social security and other legally stipulated benefits for workers.

Contract Labour System Abuses

Contract labour was traditionally used in plantations to perform tasks ancillary to cash crop production, such as the building and construction of roads, housing units, or factories for processing rubber, and so on. Over time, however, contract labour has come to supplement the regular workforce in the performance of agricultural tasks such as clearing old trees, replanting, tapping rubber and other routine work in the estates. The contractors are usually small businessmen, mainly Chinese, at times Indians and Malays, who bid for tasks to be completed for a contracted sum of money. The contract labour system has become well established because it provides flexibility to estate management and also ensures a pool of labour which can be tapped in emergencies. According to official figures the proportion of contract labour used in all estates in Malaysia has been relatively constant since the 1970s, standing around 18 per cent of the total workforce employed.

A contract system is established when an estate management enters into an agreement with a contractor for the latter to perform a particular task for a certain fee. On the basis of the agreement, the contractor hires the required number of labourers and should maintain

them by paying wages, fringe benefits and certain compulsory deductions, as required by law. The relationship that binds the principal, main contractor (or sub-contractor) and employee is provided for under Section 33 (1) of the Employment Act, with the liability of principals and contractors for wages as follows:

Where a principal in the course of or for the purpose of his trade or business, contracts with a contractor for the execution by or under the contractor of the whole or any part of any work undertaken by the principal, and any wages are due to any employee by the contractor or any sub-contractor under the contractor for work done in the course of the performance of the contract, the principal and the contractor and any such sub-contractor (not being the employer) shall be jointly and severally liable with the employer to pay such wages as if that employee had been immediately employed by the contractor and any such sub-contractor.

This provision was intended to protect workers from being exploited by unscrupulous 'contractors' who might abscond with the funds paid by the principal, leaving the workers without their pay. It was especially easy to disappear with the funds without paying the workers if the work had been sub-contracted by the main contractor. In all these cases, Section 33 of the Employment Act provides some avenue for workers to recoup their loss of wages from either the principal or a main contractor (not the employer), provided that:

- a) the claim is for not more than one month's wages; and
- b) a complaint is made to the Director General within ninety days from the date on which such wages became due for payment.

It is also provided that the principal or other contractor (not the employer), who was effectively the 'real employer' of the workers, could in turn institute civil proceedings against their direct employer. The intention of the legislative provisions was to make the major employer of contractors, including plantation management, take great care that they employed reliable contractors with good employment records so that the workers would not be left destitute.

In addition to the provisions to protect the workers' financial interests, protection against unscrupulous operators in the plantation sector has increased. This is due to the fact that frequent labour shortages on estates, especially at critical times, have meant that estate managers are often desperate enough to take on anyone who offers to perform 'contract' labour services from time to time. Such abuses were highlighted by the Selanchar Empat case, taken up by NGOs like

INSAN in 1983, when it was revealed that a group of Indian contract workers clearing the land for a FELDA oil palm plantation at Selanchar Empat in Pahang had been denied all social security benefits for over three years and "a whole battery of basic labour legislation had been violated involving the employment of children, payment of wages, long working hours and the maintenance of a shop (truck system) for the workers" (*New Straits Times*, 2.7.83).

The Ministry of Labour at first denied that such a situation could exist anywhere in Malaysia, but eventually admitted the existence of widespread abuse. The contractor involved in Selanchar Empat was eventually charged on nine counts of violating provisions of the Employment Act, 1955 (*New Straits Times*, 20.10.83). Subsequently, similar abuses of employment and social security legislation by contractors in plantations have been uncovered at Keratong Dua (Pahang), Bukit Jalil and Batu Arang Estates (Selangor) (*New Straits Times*, 11.7.83). The above incidents are extraordinary in the sense that they represent flagrant violations of workers' rights and entitlements, which in the Selanchar Empat case even extended to depriving the workers of their freedom of movement (the contractor had seized the identity cards of all workers, ostensibly for safekeeping). But in every estate studied in my fieldwork, there were at least some cases of violation of legal provisions for social welfare benefits by contractors.

On average, the proportion of contract labour in the estates in Malaysia has been around 18 per cent, according to Table 3.11. The social system of the plantation remains dominant throughout, even where contract labour is involved, as the latter complies with the rules and regulations that apply to all labour. It must be emphasised that there is little social mixing between contract labour and resident labour during working hours, as they generally work in different parts of the estate under different supervisors. This is due to the vast areas that have to be covered by field workers in their daily tasks. The difficulties of enforcing the laws of strict liability for wages — due to lack of worker protest by transient or illegal immigrant labour — has also allowed plantation managements to be very negligent regarding the issue.

In discussing the nature of contract labour, Devi (1986: 80) has argued that the independent contractor with a contract for services to be rendered is seemingly a free agent, charged with work to produce a particular result. The manner in which he obtains his result is left to him, whereas an employee on a contract of service has to do the

same, but is subject to the direction of the employer as regards the manner of achieving the work results. To understand this, we must first understand the nature of a contract, binding a contract worker and his/her employers. Basically, there are two types of contracts binding workers and employers, namely the 'contract of service' and the 'contract for service'. The difference between the two was explained by Lord Denning in one of his judgements as follows: "...under a contract of service, a man is employed as part of the business, and his work is done as an integral part of his business, whereas, under a contract for services, his work although done for the business, is not integrated into it but is only accessory to it". (Stevenson, Jordon and Harrison LTD. V McDonald and Evans (1952) I.T.L.R 101.)

Contract workers are therefore not easily brought under the labour laws of the country because of the transient nature of the workers, but also the 'contractor', who does not often provide a business address to which official and legal papers can be delivered. During interviews conducted with officers of the Ministry of Human Resources, the main reasons for not enforcing employment laws and social security provisions for contract labour were cited as lack of personnel and difficulty in confronting the contractor concerned, in addition to others discussed below.

So, the problems for contract workers begin when the contract is a 'contract for service'. This is because contractors, and even principals, normally engage contract workers on contracts for service as independent contractors, subcontractors or self-employed workers, not as employees. As such, the workers fall outside the scope of existing labour laws, and the employers legally evade labour and other social security provisions. This explains why more than 40 per cent and 75 per cent of workers in non-MAPA and subdivided estates respectively covered in the field study were not covered by EPF and SOCSO. As explained earlier, since there are difficulties in enforcing labour laws to protect the workers under the contract system, such workers have been largely excluded from most industrial safety, social security and other labour provisions. Even when errant contractors were prosecuted by Labour Officers, they disappeared very easily. Furthermore, since plantations are often situated in inaccessible areas, it is difficult for the relevant authorities to monitor, let alone enforce every single principal employer or contractor to ensure compliance with existing labour laws. For the workers, it is difficult to complain

about these matters to the relevant authorities because they simply do not have the chance to meet with these authorities, and at times are threatened by their employers not to lodge complaints against them. At times, the workers are just ignorant of their own rights (Devi, 1986: 86).

Apart from the shortcomings of the contract system, workers in some estates, particularly oil palm estates, are prevented from contributing to EPF and SOCSO due to the unfair labour practices of some employers, both third-party contractors or principal employers. For example, for cutter-carrier teams in oil palm harvesting, the employers normally employ relatives to form teams (husband–wife, brother–sister, brother–brother, and parent–child) and then deduct the EPF contributions of one from the other. They do so by treating the ‘senior partner’ of the team as employer, and making the team feel that they are doing them a favour by giving employment to an otherwise redundant partner. The SOCSO contribution is also made only for the ‘senior partner’. This means that if the ‘junior partner’ is injured during work, then he/she is personally responsible for all medical charges. Thus, the ‘junior partner’ is totally excluded from basic social security protection enshrined in labour laws. In some instances, it was found that the employee’s contribution of 9 per cent of wages for EPF was deducted, but not forwarded to the EPF by the employers; these workers were not given any receipt for this deduction. Such abuses are quite common in plantations.

Denial of social security benefits in plantations has been spreading with the growing presence of illegal immigrant workers, particularly from Indonesia. This is so because illegal immigrants are ‘outside the law’ in the sense that they have no means of claiming rights to any of the provisions mentioned above. Because such workers are illegal, the ‘contractors’ often pay them the lowest wages acceptable because without an identity card or official registration, they often feel they cannot seek work other than with the contractor who may have smuggled them into the country in the first place. These people are often prepared to work for low wages — which are still higher than what they would earn in Indonesia — without social security or other employment benefits. For them, the most important priority is to get a job and a place to stay, which are very easily obtainable in plantations; thus, illegal workers have become an important source of labour supply in plantations, both directly as well as contract labour.

In this study, the Malaysian workers interviewed during my

fieldwork (particularly in the state of Johore and Selangor, where Indonesian immigrants have penetrated in significant numbers) reported that their economic position had become increasingly difficult with the presence of illegal immigrants. Since the arrival in the estates of illegal immigrants, some employers were allegedly less keen to employ Malaysians. According to the workers, some expressions used by the employers to stress this point include: "Ada I.C., tak ada kerja — tak ada I.C, ada kerja" and "kerja cuma untuk orang seberang sahaja" which implies: "if you are a Malaysian citizen, then there is no work for you" and "work is available only for Indonesian immigrants".

The problems relating to social security for workers do not stop here. Even when workers are covered by these benefits, particularly SOCSO, they still run into problems in making claims due to shortcomings of the SOCSO administration. The common problems include delays and difficulties in settling SOCSO claims, which detract from providing security as soon as possible to help the employee tide over his/her period of difficulty. Apart from this, especially in death cases, the problem of determining dependents has been of concern to SOCSO, which creates problems for the dependents. The dependents occasionally have to wait for years to get their dependents' benefits due to slow SOCSO administration (*Utusan Konsumer*, 1990).

From the discussion above, it is clear that social security institutions, such as EPF and SOCSO, are essential in plantation workers' lives, especially for their old age security and to protect them and their families during times of difficulty, such as prolonged illness, injury or accident caused at work. In fact, these benefits provide a 'social security net' for the workers and their families. However, even though these benefits are mandatory under the law, a big proportion of the workers are not covered by these benefits due to employers' errant attitudes. Thus, the plantation workers' socio-economic status and basic rights as workers are further eroded by this non-compliance of the law. These aspects could be further elaborated by looking at other aspects, such as the conditions of employment of women and child workers, which will be discussed in the following section.

Women and Child Workers

Women and child workers have always played an important role in plantation economic activity, mainly to supplement the adult males' income contributions to their families. While Ministry of Human

sources statistics show that female estate labour has long been around half the total, official child labour statistics are unavailable as it is illegal to employ children under 16 years of age. Within the plantation industry, it would not be incorrect to say that female workers are generally less well remunerated, as they are generally assumed to be less productive and are usually assisted in their tasks by their children. In this section, the working and living conditions of women and child workers will be reviewed to give some understanding of how the position of women and child workers have become particularly vulnerable within the already marginalized labour force of the plantations.

Women Workers

Female labour force participation in the plantation industry started from the late 19th century, when women formed 20–25 per cent of the total labour force in plantations (Sandhu, 1969: 245). However, female participation in the plantation labour force increased from 1928, when the ‘sex-ratio rule’ of the Indian Emigration Act of 1928 was enforced in Malaya. This rule required that for every three males allowed to emigrate, two females also had to be assisted to emigrate (Heyzer, 1986: 70). This process helped increase female labour force participation in plantations to 35 per cent by 1931 (Vlieland, 1932) and rose to 43 per cent in 1947 (Del Tufo, 1949). In 1988, women formed 47 per cent of the total labour force in plantations (Ministry of Labour, 1989: 11).

At present, the bulk of the female labour force in plantations is concentrated in rubber and oil palm estates, which account for 92.7 per cent of the total female labour force in plantations. Female workers are generally employed as tappers, rubber processing workers in rubber estate factories, as carriers for cutter-carrier teams in oil palm plantations, and as weeders and sprayers in both rubber and oil palm estates, as shown in Table 4.4. However, there are no women participating at the supervisory level from *kangany*, field conductors to managerial staff, reflecting gender bias in promotion, if not employment.

Basically, planters were and still are keen to employ women and child workers in plantations as they cannot manage with male workers alone. Also, the employment of female workers helps to create a ‘settled’ labour population in plantations, which is important

for continuous and steady labour supply in the industry. This family employment policy did not only apply to Malaysian plantations, but can also be seen in most plantations in other Asian countries (Boserup, 1970: 76). Apart from this, the employment of female workers is also preferred by planters because it helps them keep overall wages in plantations low by paying lower wages to female workers in comparison to male workers. Although it has been the practice for a long time, it is not prevalent in the case of Malaysian plantations at present. The planters perceived the provision of employment for women and children as an element of labour control, not only because it ensured greater use of the total plantation population, but also because it incorporated everyone, including young persons, as 'plantation labour', and therefore not available to or hired by other industries. Many interviewees admitted that they did not have sufficient confidence to seek alternate employment outside the plantation even if wages were better.

The main reason for female workers' participation in the plantation industry is the poverty caused by low wages and large family sizes (on average, the workers studied had 6 persons per family). Most women interviewed for this study explained that they worked on the plantation "because their husbands' wages were not sufficient to support the family", "because I lack money to buy food if only my husband works on the plantation", "to earn more money for the family", and so on. Despite such employment, women estate workers seemed to be in greater financial straits than others. A surprisingly high two-thirds of estate women were in debt, mostly incurred for the purchase of essentials like food. According to them, the money they earn in combination with their husband's income, is primarily used to buy basic household goods. Unmarried girls also give similar reasons working to contribute to household income. Thus, female worker earnings in plantations are equally important as those of menfolk if not more so, as the latter seem to spend more of their incomes on themselves.

Working Conditions and Work Place Problems

In addition to household stress (Kurian, 1982: 52), female plantation workers also face numerous problems at the work place, caused by various factors such as the kind of jobs they are engaged in, the terms of their working conditions and legal non-compliance by plantation owners which deny them some of their basic rights as labourers.

As mentioned earlier, female labourers are often employed in plantations in order to supplement the incomes of male labour, and are concentrated in certain types of jobs such as tapping, weeding and spraying, which raises two problems. First, since they are perceived as supplementary breadwinners to male labour during boom periods, they become the first victims of retrenchment during periods of slow down, or are otherwise forced to accept other lower paying jobs, for instance, by switching from tapping to weeding or spraying. This has been quite common in plantations for decades, which suggests that women have long become a secondary labour supply in plantations. Second, since the bulk of women are involved in fieldwork, such as weeding and spraying, particularly the latter, they are more exposed to occupational hazards, resulting in peeling finger nails, toe nails, and respiratory infections, as discussed earlier.

Apart from these occupational hazards, female workers also undergo harsh treatment at work, such as verbal assault from their male counterparts and supervisory staff. The female workers interviewed in this study also claimed that, at times they risk being raped while working in the field since no one knows much about what happens in the field due to vastness. Their working conditions arguably became worse when the policy of equal pay for both men and women for similar jobs under the MAPA-NUPW collective wage agreement was implemented from 1976. Due to this policy, women are now expected to do similar tasks to men, for instance, ladder tapping, even when they are pregnant, which has caused miscarriages. With the equal pay policy, plantation employers have withdrawn many of the privileges given to nursing mothers. Before, women were allowed to visit their children at the creche or to go about their household chores while waiting for the latex to drip. But now, this action could cause women tappers to be suspended from work by management (Heyzer, 1986: 87). They were also expected to be at work until their work was finished, and to pass on maternal responsibilities to their older children or to child minders at the estate creche. Thus, even though women's position has improved slightly in terms of wages, their condition has deteriorated in other ways.

At the moment, the other major problem faced by female plantation workers relates to maternity leave and related benefits. Female workers in other industries apparently do not face this problem (Fong, 1989: 101). According to the Employment Act, section 37 (1): "Every

female employee shall be entitled to maternity leave for a period of not less than sixty consecutive days (also referred to in this part as eligible period) in respect of each confinement and subject to this part, shall be entitled to receive from her employer a maternity allowance to be calculated or prescribed as provided in subsection (2) in respect of the eligible period”.

The computation of maternity benefits under the Employment Act, subsection (2) is as follows: (a) if the female is a daily paid employee, she is entitled to the normal daily rate throughout the eligible period; (b) if the female is a monthly paid employee, she is entitled to a monthly wage throughout the eligible period; and (c) the Minister of Labour may prescribe the rate of maternity allowance payable pursuant to section 102 (2) (c) of the Act. For some categories of female workers, the minimum maternity allowance is RM4 per day. The statutory right to maternity leave cannot be circumvented or avoided by any stipulation in the contract of service. The female employee herself cannot relinquish this statutory right. An employer who commits an offence is liable to a maximum fine of RM2,000 if he dismisses a female employee when she is on maternity leave. In practice, however, these ‘protective’ provisions are seldom enforced.

In most non-MAPA and subdivided estates, where unionization rates are generally low, employers refuse to employ women who have less than five children as they are entitled to maternity leave and allowance. This is because, according to the Employment Act, women who have five or more surviving children are not entitled to maternity allowance under the Act. Employers who wish to avoid the extra cost of maternity leave and benefits have found an ingenious method of doing so: they have persuaded women who seek employment in their estates to ‘admit’ — for administrative record purposes — that they have had five or more children (even if, in fact, they have not). During my fieldwork, I frequently heard workers claiming management saying: “if you don’t have five children, there is no work for you”. Such flagrant abuses of the Employment Act are not possible in urban industries where workers have greater access to government offices and political party as well as other activists.

Child Labour

The term child here is defined as a person below 16 years in accordance with the definition given in the Children and Young

Persons (Employment) Act, 1966. On plantations in Malaysia, child labour is not merely a legacy of the past but is still very much alive. Adult labour has been used in the plantation industry side by side with child labour from the outset. Although child labour has been decreasing in Malaysia with decreasing public acceptability, adverse publicity, legislation and enforcement, compulsory education and socio-economic development more generally, the Malaysian Population Census Report of 1980 estimated that over 10,500 children were employed in rubber estates alone. (This figure contradicts the Ministry of Labour figure as can be seen in Table 3.10 in Chapter Three). However, so far, little interest has been focused on the plight of these children. As such, let us review some problems faced by young workers as uncovered by my fieldwork.

In plantations, children's economic activities are both productive and reproductive. Productive activities operate in two ways, namely, direct employment of children as casual labour, and children's role in assisting their parents' work. Reproductive activities refer to unpaid domestic labour in the household. My survey found no evidence of direct employment of children by plantation managements.

As casual labourers through the contract system, working children in plantations are engaged in various types of work, including pesticide spraying, weeding, nursery work, and stacking oil palm fronds. These jobs are usually given to contractors by managements on a piece-rate basis. Generally, the working conditions of child workers under this system are similar to those for adult workers. They work for long hours and are exposed to many dangers in the field at a tender age. However, for this work, they are paid very low wages, approximately RM3-4 a day for almost seven hours work, which is half the adult workers' wage rate. In many plantations, children were also employed casually after school hours, during their school breaks and on weekends, and during the long school vacation for the types of jobs mentioned above, and are paid very little for their work.

Children's participation in plantation work is mainly to assist their parents (refer Table 4.6). It was very common in the plantations studied to see children performing various activities for their parents, or other family members, for which they were not paid. In rubber estates, children are used to clean latex cups, to collect latex, to mark trees, and at times, even to help in tapping. In oil palm estates, children mostly help their parents to collect, carry and load oil palm

Table 4.6
Incidence of Child Labour in Plantations Covered by Survey

Types of Estates	Type of Work			Total No.
	Contract Work	Assistance Towards Family Members	Household Chores	
Rubber Estates	21.4	52.9	25.7	70
Oil Palm Estates	22.5	47.5	30.0	40
All Estates	21.8	50.9	27.3	110

Source: Fieldwork data.

fruit bunches. In the estates surveyed, it was also found that female children were particularly involved in household chores and sibling care, which often encouraged their families to take them out of school.

There are various reasons given by parents for involving their children in plantation work. The reasons are to ease family financial difficulties (36 per cent); to ease the heavy work load (34 per cent); to take care of younger children (20 per cent), and because they were not interested in studies (10 per cent). In summary, the most important reason for child labour in plantations is poverty associated with low wages and large family size, as studied elsewhere (Neto, 1982: 528).

From the employer's perspective, child workers offer some advantages. On the whole, they are submissive and easily controlled by employers who can use their authority with great effectiveness. Children also provide a very flexible workforce that can be employed or laid-off without much difficulty under non-contractual recruitment arrangements. In fact, they are the most vulnerable of workers because they are not represented by any form of workers' organization and are forbidden by law to organize or join trade unions (Lai, 1982: 568). Hence, they lack any channels as outlets for their grievances.

Although the Children and Young Persons (Employment) Act of 1966 regulates their employment, its loopholes are numerous and its enforcement is most ineffective. For example, the Act is unenforceable when the child is employed in a family business, where it is hard to say whether and when the child is 'working'. The Act has also been

criticised for its vagueness and ambiguity (Jomo, *et al.*, 1984: 39). Section 2 (2) of the Act, for example, lists the various types of employment in which a child may be engaged as 'employment involving light work suitable to his capacity'. But no guidelines were laid down which means that the task of enforcement becomes much harder. It is virtually impossible to define exactly what is light work suitable to the capacity of a child.

For example, in some plantations surveyed in this study, the employment of children through the contract system clearly violated some provisions of the Act. The Act specifies that children are only allowed to do light work, but in practice, they were employed as weeders and sprayers, which exposed them to a hazardous working environment. Child workers were also paid less than adults for doing the same work, since equality of wages is not provided for in the Act. The Act, has not been useful in protecting the welfare of the children in plantations as most child workers are found assisting their over-worked parents and such work, according to the Act, is not a violation of law. As such, the working and living conditions of children in plantations are basically not encouraging and not properly protected by the law. As a result of this, plantation children are exposed to health problems and high school drop-out rates.

Conclusion

The working conditions prevailing in the plantations of Peninsular Malaysia are a product of past practices and institutions that have become entrenched in the industry as well as modern technological changes and demographic realities. The rigid hierarchical system of work organization has created a very submissive labour force not able to demand its rights. Lack of a progressive management philosophy has condemned plantations' work relations. Work hazards have been increasing with the widespread use of chemicals to perform work traditionally handled manually, such as pesticides and weedicides. Yet, occupational safety enjoys low priority as far as most estate managements are concerned, reflected in the rather high incidence of industrial accidents.

While social security institutions are supposed to compensate for poor working conditions (through medical and financial support), they are neither adequate nor timely in meeting the health care needs and income-support requirements of workers and their families.

Moreover, their bureaucracies often run such that without the co-operation of estate management, workers are unable to make successful claims. Contract workers and illegal workers are, of course, in a worse position, lying outside these poor safety nets. Even children accompanying their mothers are excluded because their employment is not direct and the managements do not admit to their employment.

To some extent unionization of workers, especially in the larger MAPA estates, has ensured some benefits, such as equal pay for women. However, despite the parity in terms of the number of female workers in plantations, they have not been able to avoid employer abuses in working conditions. Female workplace grievances are seldom investigated and their working rights, especially maternity leave with pay, have been systematically breached by employers, especially in non-MAPA and subdivided estates.

When immigration came to an end just before the outbreak of World War II, plantation employers had to rely on women and child labour as a supplementary source of labour input, a kind of secondary labour market, where cheaper labour was available. However, unionization of the work force has rendered this option less attractive, especially after the elimination of some gender-based pay discrimination in 1976. Contract labour especially, 'illegal' immigrant labour, if available has therefore been strategically used by plantation employers to reduce overhead costs and achieve a higher level of profits.

5

LIVING STANDARDS

Having examined the complex hierarchical relations between labour and management at the workplace in the plantation sector, this chapter turns to an analysis of the general living conditions of workers and their families. As has already been shown in Chapter One, the plantation system is comparable to the 'company town' in that it envelops and controls its labour population so that they are totally dependent on its institutions. The outside world, including trade unions, political parties and other social forces, are only permitted into the system under sufferance, and they, as well as their supporters 'within' the system, can be quickly isolated by individual estate managements. In no other economic sector are company property rights so totalitarian in implication. In this context, we might extend the concept of the rights of citizen-workers to broadly cover access to social provisions, such as basic amenities, education, child care and health participation in social, cultural and political activities. Thus, this chapter will draw on salient points from the previous chapter regarding the specific disabilities and disadvantages of Indian plantation labour, ensconced within the plantation system of work organization and social administration, to show how the process of marginalization has developed. In particular, this chapter will describe and account for their social and cultural marginalization, the growth of economic inequality (reflected in income, savings, etc.), the persistence of poverty over generations (the cycle of poverty) due to lack of access to education and health, and finally, the impact of spatial marginalization on the workforce. This discussion will take into account the minimum standards established by the state for plantation workers and their families, and discuss in detail the failure of estate managements not only to meet these standards, but also other international basic needs criteria.

Basic Needs Approach

The fundamental feature of the basic needs methodology is the emphasis on a direct approach in tackling problems connected with the basic fulfilment of the needs of communities and individuals. This stands in contrast with indirect approaches which rely on wealth filtering down due to the trickle-down effects resulting from GNP growth (Singer, 1978: 2). The salience of this methodology has been highlighted by Hainsworth (1985: 159), who stresses that:

The search for explanations necessarily takes us into the broader field of the political economy of development. But the basic needs approach does provide an essential humanist perspective from which to ask: "Development for whom? What has been accomplished? Who is being left behind?" It provides a logical starting point for an enquiry into the prospects for harmonious development.

The basic needs approach found a sympathetic response due to growing disillusionment with national and international development outcomes during the first three post-war decades. It is well known, as argued by Ghai (1977: 2), that this period was characterized by unprecedented rates of economic growth for the world economy, especially in the developing countries. It is, however, generally accepted that this growth has been very unevenly distributed both within and across nations, particularly in the developing world, where only a few countries have been able to embark on growth processes which have brought substantial benefits to the poor. In the great majority of countries, not only has growth failed to bring about tangible improvements in the living standards of people in poverty, it has often also led to their absolute impoverishment (Ghai, 1977: 2). It was in reaction to this situation and through awareness of this problem that the ILO was inspired to launch the World Employment Programme in 1969 to consider the basic needs approach (ILO, 1976: 31). Nonetheless, this approach was only well debated, considered and received by the World Employment Conference in 1976 and in a follow-up conference in 1979, as concern for meeting basic needs has been lacking in many Third World countries (Kemp and Little, 1987: 2).

Up to now, there have been a number of reports describing the components of basic needs, or items which should comprise a minimum standard of living. According to the ILO, the concept of basic needs includes five elements, of which two are the most important (Muralt and Sajhau, 1987: 12). First, it includes certain minimum family requirements relating to private consumption:

adequate food, shelter and clothing, as well as certain household equipment and furniture. Second, it includes essential services provided by and for the community at large, such as safe drinking water, sanitation, transport, health, educational and cultural facilities. Apart from these, the other three elements are: (a) the right to productive employment (including self-employment), yielding both adequate production and equitable remuneration to allow each household to meet its basic consumption requirements from its own income; (b) an infrastructure capable of producing the goods and services required by the people (whether directly via domestic production or indirectly through foreign trade), generating a surplus to finance basic communal services; providing investment sufficient to sustain the increases in productive forces needed to advance towards the fulfilment of basic needs; and (c) mass participation in decision-making and the implementation of projects (ILO, 1976: 32).

From a similar perspective, the United Nations (1954) had suggested that the following items could be considered as an acceptable international catalogue of the essential components of basic-needs living. Nevertheless, the precise connotations of each would, according to the the UN report, have to be determined by 'national attitudes and standards resulting from peculiarities of environmental conditions, cultures, values and economic, political and social organizations'. The components of basic needs living for the UN were as follows:

- (1) health, including demographic conditions;
- (2) food and nutrition;
- (3) education, including literacy and skills;
- (4) conditions of work;
- (5) employment situation;
- (6) aggregate consumption and savings;
- (7) transportation;
- (8) housing, including household facilities;
- (9) clothing;
- (10) recreational entertainment;
- (11) social security; and
- (12) human freedom.

Similar to the ILO and UN classifications, Aziz Khan (1977: 80) listed the following components as a core set of basic needs in his work with reference to Bangladesh:

- (1) food;
- (2) clothing;

- (3) shelter;
- (4) health;
- (5) education;
- (6) drinking water; and
- (7) contraception.

For the sake of simplicity, the above-mentioned basic needs elements have been divided into two main groups, namely: (a) core sets of basic needs for survival, such as adequate food, water, shelter, clothing, basic health services and education; and (b) non-material or non-economic needs which have to be met to raise the quality of life, such as access to and participation in cultural activities, participation in decision making affecting an individual's life and work, as well as basic human rights. In this chapter, the basic needs indicators considered will be drawn from the first group. Non-material needs are not a central concern of this study, and thus will only receive passing reference here.

For plantation workers, the basic needs approach for development is of particular importance, as they usually reside with their families on estates often located far from urban centres. Thus, the satisfaction of plantation workers' basic needs requires provision of special facilities linked to the environment in which they live and work. Plantation owners and managers realised, at an early stage, that they would have to provide their workforce with specific facilities and social benefits in order to retain them if they enjoyed the right to labour mobility. Even at the time of indentured labour, owners and managers organized the supply of minimal housing, medical care and food, if only to maintain the productivity of their 'human capital'. Although housing also served to tie the labour force to the employer, poor housing can also be seen (together with food and medical facilities) as causing poor health, recognised by managements as reducing productivity in the industry. However, historically and even today, the basic amenities provided in plantations are far from satisfactory. Basically, these sub-standard conditions exist because of the reluctance of managements to inject sufficient capital into infrastructure construction, as well as the lack of government enthusiasm to ensure that standards are at a satisfactory level.

Even now, the provision of basic needs and social amenities to the plantation community remains the sole responsibility of plantation management, whereas in other (rural and urban) areas in Malaysia, this is partly the responsibility of government. One reason for this

situation is that even though a plantation is rural, it is not considered as such in Malaysian development planning. Instead, plantations are considered private property beyond the purview of government. Consequently, the government disclaims responsibility for providing public facilities on private property, and deems that such responsibilities are within the domain of the employers.

The exclusion of plantations from rural — and urban — development plans has left total responsibility for the fulfilment of basic needs in plantations in the hands of the employers. Nonetheless, there are two labour laws to ensure the provision and quality of some basic needs on plantations. These are the 'Rump Labour Code, 1933', and the 'Workers (Minimum Standards of Housing) Act, 1966', both of which require the plantation owners to provide some basic needs to their workforce. However, even such laws have seldom been enforced, ostensibly due to problems created by the Emergency and the sale and subdivision of some of the large estates (Aziz, 1963: 36). Furthermore, the Ministry of Human Resources has failed to provide adequate staff with the necessary powers to enforce the housing standards.

Thus, the lack of enforcement of employer obligations, combined with the exclusion of plantations from government rural development efforts, have left plantation worker communities economically, and in every other way, isolated on the fringes of national life. The following sections will examine the quality of basic needs and social amenities provided in plantations to assess the extent to which workers have been marginalized and denied access to basic facilities enjoyed by their fellow citizens. As mentioned earlier, only the core set of basic needs for survival — such as housing, water, sanitation, electricity, health, food and nutrition, followed by child care facilities and education — will be discussed in this chapter. In doing so, some historical facts will be presented to show progress in the quality of these services up to the present time. To further explain living standards, income, purchasing power and expenditure patterns will also be analysed.

Housing

For more than a century, the plantation industry, unlike most other industries, has built houses to accommodate its workers. At the initial stages of their operations, planters generally had to construct houses

for their workers to attract and keep the workforces which they required. This had to be done as the workers were usually required to reside — later, with their families — on the estates to work in the same area. Housing had to be provided within the plantations as the plantations were usually located far from inhabited centres, making it hard to recruit transient labourers from neighbouring areas. As such, the employer had to provide housing and other basic amenities to attract and maintain labour supply in the plantation.

There were two distinct types of accommodation provided for workers in the early stages of the rubber industry. First, the '*kongsi*-houses', which were mostly on Chinese-owned estates for Chinese contract workers brought in under the *sinkeh* or *rumah kechil* system (Jackson, 1968: 160). The *kongsi*-houses were usually unpainted, jerry-built, often rambling wooden plank or thatched buildings with poor ventilation (FMS, 1938: 10). The houses were mainly for sleeping, eating, gambling and to store one's belongings. The labourer often had to pay the contractor for his plank bed in the *kongsi*-house. A shop selling tobacco and sundries was often set up in one part of the *kongsi*-house. Water supplies, sanitary arrangements, medical attendance and hospital accommodation were non-existent. A decade after the Japanese Occupation, *kongsi*-houses were still seen in Malaya — mostly on tin mines and small rubber estates. Significantly, most plantation managers by this time regarded a *kongsi*-house on their property as a mark of opprobrium (Parmer, 1960: 160). *Kongsi*-houses were subsequently demolished after Independence in 1957.

The second type of housing was the 'line rooms' or barracks-type rows of single room houses on European owned estates, provided mainly for Indian immigrants in rubber plantations. In the early years, this housing consisted of a long building roofed with nipah palm, tiles or corrugated iron. The house was divided down its length by partitions, not reaching the roof, into rooms, 10 feet by 12 feet, back-to-back each occupied by a family. The house typically also had a long verandah 5 to 6 feet wide. Later, following the Malay style of house building, this whole structure was raised above the ground, and a room was provided underneath for kitchen and storage facilities (Arasaratnam, 1979: 63). However, both types of houses were often in filthy and dilapidated conditions (FMS, 1938: 10). These sorts of estate housing still exist in Malaysia.

To improve the deplorable living conditions described above, various labour laws were enacted. For instance, the Labour Code of

1912 stipulated that estate owners should provide sufficient and proper house accommodation, a sufficient supply of wholesome water and efficacious sanitary arrangements (FMS, 1938: 9). The Labour Code of 1923 also stipulated such conditions, but was aimed at making enforcement of the law stricter. However, this code did not really improve living conditions in estates, as employers continued to build houses without bothering to follow these codes, to house the growing labour force on the rubber plantations. As a result, the plantations did not experience housing shortages, but rather, deplorable housing standards. With these considerations in mind, the next section will focus on general housing conditions in the plantations.

Legal Provisions and the Present Housing Situation

In any field of employment, a worker's health, efficiency, state of mind and way of life in general depends to a large extent, on the conditions in which he or she is housed. It is doubtful that most housing in Malaysian plantations meet most decent criteria adequately. Reports and complaints sometimes appear in Malaysian newspapers from workers and other interested quarters concerning the deplorable housing and other amenities provided for estate workers. Human Resources Minister Datuk Lim Ah Lek was so shocked to witness the living conditions he found during his visit to an estate in Selangor. He advised the workers to leave the estate so that they could enjoy better benefits elsewhere (*New Sunday Times*, 28.7.91), forgetting his own responsibility for the situation as there are unenforced legal provisions to deal with in such matters. The following discussion will focus on the legal provisions stipulating the provision of housing needs and the minimum standard of housing to be met in plantations. In doing so, aspects such as the quality of construction, the age of the building, the amount of space for occupants, the number of persons per room and other basic housing services such as water supply, sanitation and electricity supply, will be examined. The discussion will also examine the estate workers' 'home ownership' scheme, in operation since 1974, and its implementation.

Legal Provisions

The 'Workers (Minimum Standards of Housing) Act, 1966' prescribes minimum standards of housing for plantation workers. It requires employers to provide nurseries for infants and children, to allot land

for workers and their dependents in the place of employment, and to provide for other related incidental matters. In addition to the Act, the 'Workers (Minimum Standards of Housing) Regulation, 1966' provides for the minimum size of housing, the maximum number of people it should accommodate, minimum size of the rooms, kitchen space, types of walls, roof, ceiling and ventilation. Some of the detailed specifications from the housing provisions outlined in the regulation are as follows:

- 1) Dwelling: A dwelling cannot be accommodated by more than 5 adults unless there is an additional 40 square feet enclosed area for every extra adult person (two children above 3 years but under 12 years are considered as one adult for this purpose).
- 2) Habitable Area
 - a) Size: 260 square feet covered floor space, of which 200 square feet must be fully enclosed for habitation. The remaining 60 square feet could be used as a verandah.
 - b) Floor: If not raised, to be of not less than 3 inch thick cement, rendered concrete or brick; and if raised, to be of planed wood and 2.5–4.5 feet above the level of surrounding ground.
 - c) Walls: To be not less than 10 feet high from floor level to top of wall-place; if floor is raised, lower portion not less than 9 inch high to be of brick, concrete or other impervious material; and to be of weather resistant material; attap (thatched palm leaves), thatched grass, split bamboo, unplaned timber or corrugated iron sheets not allowed.
 - d) Room: If provided within a dwelling, to have a floor area of not less than 80 square feet on each side; and to have a door to ensure privacy.
 - e) Ventilation for each room or area walled on all sides, total area of openings into the open air to be not less than 1/8 of the floor area, consisting of: (i) permanent openings of at least 1/80th of floor area placed as near as possible below the level of the ceiling or the roof framing, and resistant to entry of driving rain; (ii) permanent openings of at least 1/80 of floor area placed elsewhere which will be resistant to entry of driving rain and will prevent direct vision into the dwelling at any point below 6 feet from the floor level; and (iii) remaining openings in the form of window or windows.
 - f) Kitchen: Shall not be less than 50 square feet in area, with a side of not less than 5 feet. The kitchen also should be con-

structed so as not to permit smoke to enter the living area; to be provided with fireplace with a smoke hood stack; and be supplied with an adequate supply of water suitable for drinking and cooking purposes.

- g) Bathroom: Each dwelling shall be provided with a bathroom or washing space which shall not be less than 16 square feet in area.

If we look at the above provisions carefully, it is clear that even these provisions are inadequate for comfortable human habitation. The government recognised this only after receiving constant complaints from workers, their union representatives, academics and social interest groups. Subsequently after 26 years, this Regulation was amended as the 'Workers Minimum Standards of Housing and Amenities Regulation 1990', which came into force on 1st December 1990 (*Star*, 2.12.1990).

This new Regulation maintains its old format except for making some modifications and improvements in a few places. The most notable changes were made with regards to the habitable area, as follows:

- a) Size: Compared to the previous provision of 260 square feet covered floor space, the new regulation:
- (i) Provides for covered floor space of not less than 27 square metres in area, of which not less than 24 square meters shall be fully enclosed for the purpose of human habitation, the remainder forming a verandah or verandahs of said dwelling;
 - (ii) It is also mentioned here that there shall be provided within such fully enclosed area not less than two bedrooms, a living room and sufficient space for dining purposes;
 - (iii) In addition to the aforesaid covered floor space, there shall also be a kitchen and sanitary and washing facilities.
 - (iv) There is an improvement in bedroom size, where the room should be an area of not less than 8 square metres; and a side of not less than 2.5 meters.
- b) Bathroom: There are improvements in bathroom facilities with:
- (i) The bathroom required to be of not less than 1.7 square metres in area;
 - (ii) Should be provided with suitable water and should have an overhead water storage tank with a capacity of 270 to 360 litres.

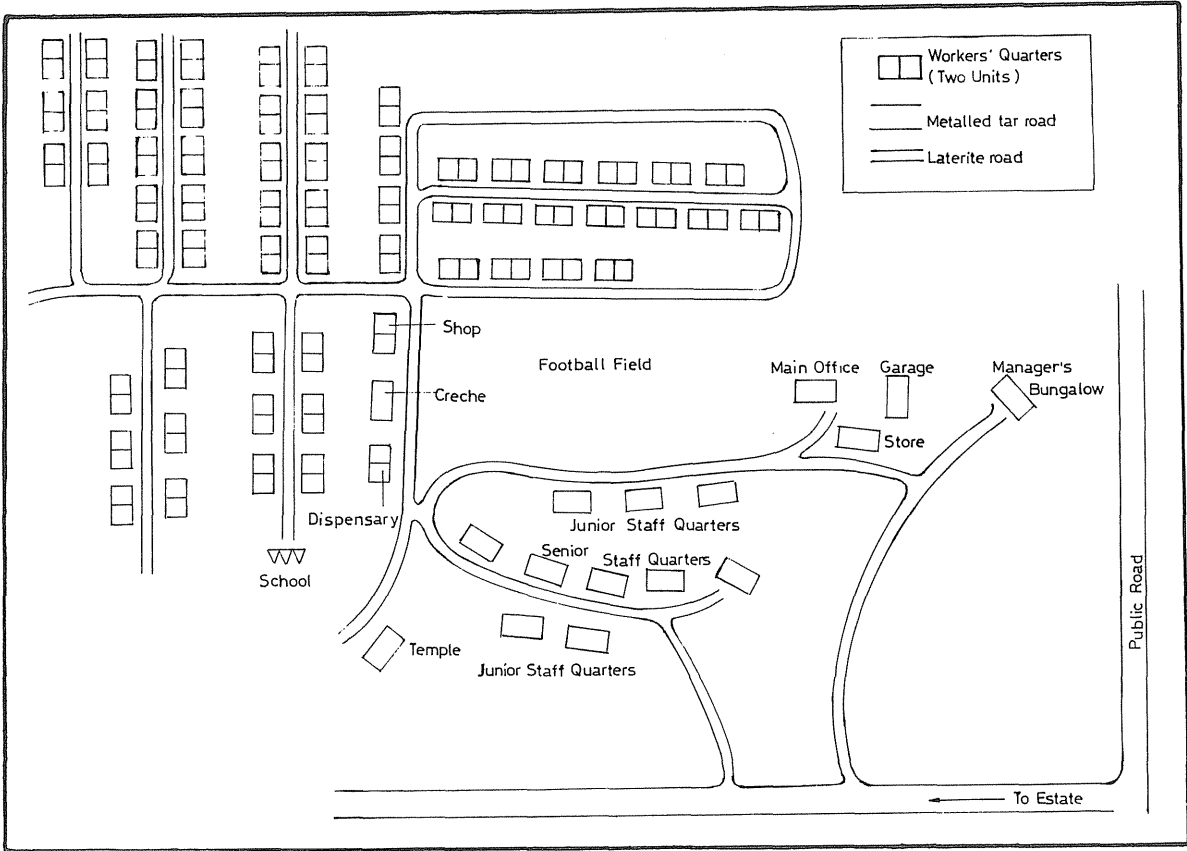
Apart from these improvements, the other provisions are more or less the same as the 1966 Regulations. However, in this study, discussion of housing provisions in plantations will refer to the 'Workers (Minimum Housing Standard) Act 1966', instead of the 'Workers Minimum Standards of Housing and Amenities Regulation 1990' since the latter had not come into existence at the time the field-work was conducted. Despite the existence of these legislations and guidelines issued by the Labour Department, the employers in plantations generally do not follow these guidelines. As such, houses in plantations remain sub-standard in nature. The following section will deal with these aspects in detail.

Settlement Pattern and the Present Housing Situation

The settlement patterns in the 31 estates surveyed for this study suggest that the dwelling units in all estates are nucleated, that is clustered together. This is usually the pattern in Malaysian estates. However, there are clear differences in the housing pattern between the executive staff, non-executive staff and workers. The executive staff (managers and assistant managers) live in fully furnished large bungalows set in ornamental grounds, often on a hill quite a distance from the workers' accommodation. The non-executive staff (clerks and estate conductors) are housed in large fully furnished semi-detached houses closer to the workers' line sites. On the other hand, the workers are housed in unfurnished, usually one or two-room dwellings, often semi-detached, in a row of lines.

Other usual features found in big estate settlements were sundry shops, a Tamil school, a dispensary, a creche, a Hindu temple, a garage, a workshop, and a sports field (refer Map 5.1). In some big MAPA estates, additional features such as a badminton court, community hall, and a club house for executive and non-executive staff may be found. As outlined earlier, this sort of settlement pattern was originally built to ensure a settled residential labour force for continuous labour supply in plantations. Also, as already explained in the previous chapter, this sort of settlement pattern provides management with a means of control over the workforce for efficient production relations.

The spatial pattern of these major elements varies from estate to estate and from region to region (Hill, 1982: 193). For instance, in most small non-MAPA and sub-divided estates, buildings other than



Map 5.1
Settlement Plan of a Large Estate

those used for residential purposes, are few — perhaps only a shop, dispensary and a garage. Even in cases where some of these facilities are provided, the general condition is poor. This chapter will now examine the overall facilities provided in an estate settlement, particularly with reference to the housing situation, which is a core basic need.

Conditions of Workers' Quarters

Almost 94 per cent of workers surveyed in this study lived in line-site houses provided by the management, while the rest resided in neighbouring *kampongs* (village) or estates. These figures are very close to the SERU study on the socio-economic conditions of plantation workers, which showed that 95.3 per cent were resident workers while only 4.7 per cent lived off-estate (SERU, 1981: 42). Also, the fieldwork undertaken for this study shows that MAPA estates have the highest resident workforce proportion, around 94.8 per cent, followed by 92.9 per cent in non-MAPA estates, and 91.7 per cent in sub-divided estates (refer Table 5.1).

There are basically two different types of line sites, or quarters, in most of the estates surveyed in this study, namely, the wooden barracks type and the raised brick cottage type. The wooden barracks houses are very old, painted green and usually in rows of five. The roofs of the houses are usually made of aluminium. Each dwelling

Table 5.1
Proportion of Workers in Estate Housing by Type of Estate

	MAPA estate	Non-MAPA estate	Sub-divided estate	All estates
Living in Estate	94.8 (199)	92.9 (91)	91.7 (22)	94.0 (312)
Not Living in Estate	5.2 (11)	7.1 (7)	8.3 (2)	6.0 (20)
Total	63.0 (210)	29.5 (98)	7.2 (24)	100.0 (332)

Note: Figures in parentheses refer to number.

Source: Fieldwork data.

in a row occupies an area of roughly 10 feet by 19 feet, and is about 10 feet high (refer Diagram 5.1). It has a small verandah, a living room, a bedroom measuring roughly 10 feet by 8 feet, and a tiny kitchen of 3 feet by 6 feet. Some of the wooden barracks-type houses do not have rooms at all. The raised brick cottage type houses have a covered floor space of roughly 17 feet by 20 feet (refer Diagram 5.2) and consist of two living quarters inhabited by different families. The two quarters are partitioned by a brick wall, but share a common tile roof. Each quarter has a living room, two bedrooms measuring 10 feet by 8 feet, a kitchen close to 60 square feet, a toilet and a bathroom. Most of these houses were built in the last decade or so. However, the percentage of these houses is very small, with only 29.0 per cent

Diagram 5.1
 Floor Plan of a Barrack Type Wooden Workers' Quarters

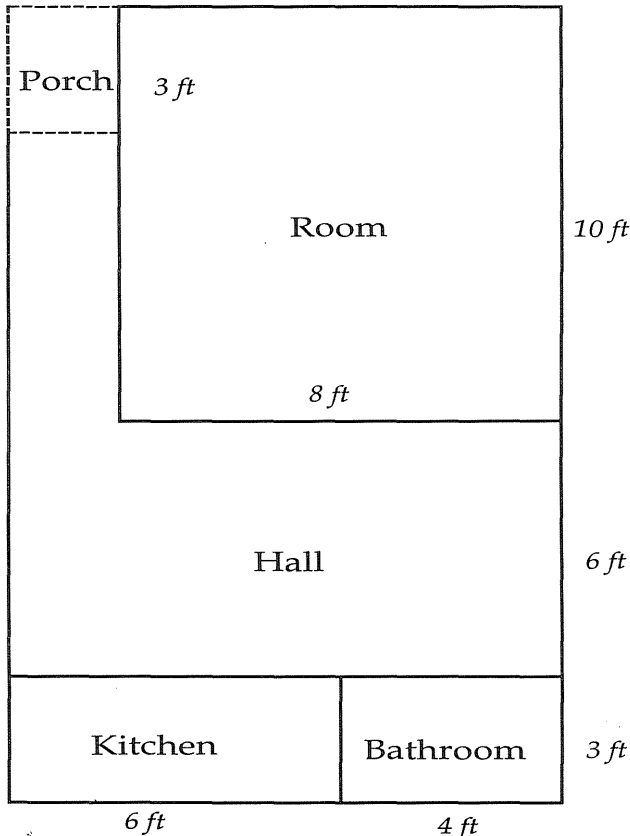
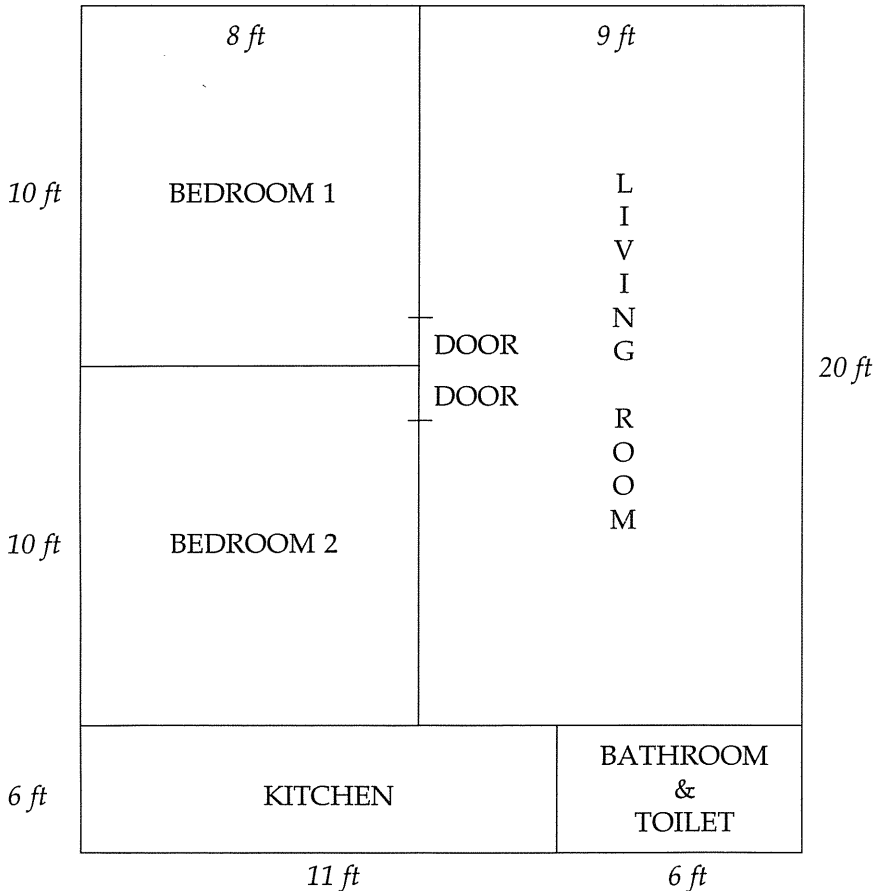


Diagram 5.2
 Floor Plan of a Cottage Type Brick House (semi-detached)



of the houses examined in the field survey comprising of the two bedroom cottage type built in the 1980s (refer Table 5.2). Most of these were on MAPA estates. Of the remainder, 45.2 per cent had only a single bedroom, while another 22.6 per cent had no bedroom. About 35.5 per cent of the houses were more than 30 years old, and many were in a dilapidated condition. Some of these houses were built before the Second World War, some as long as 60 years ago, and have remained largely unchanged until now.

Most houses in plantations do not fulfill the housing standards requirements of 1966, which stipulate a covered floor space of not less

Table 5.2
Number of Bedrooms and Period of Construction,
by Type of Estate

Period of Construction	Type of Estates and Number of Bedrooms										
	MAPA Estate				Non-MAPA Estate			Sub-divided Estate		Total	
	0	1	2	3	0	1	2	0	1	(%)	No.
Pre-war	2	-	-	-	2	-	-	1	2	(22.6)	7
1950s	1	2	-	-	-	-	-	-	-	(12.9)	4
1960s	-	5	-	-	-	3	-	-	-	(25.8)	8
1970s	-	-	1	-	-	2	-	-	-	(9.7)	3
1980s	-	-	6	1	-	-	2	-	-	(29.0)	9
Total	3	7	7	1	3	5	2	1	2	(100.0)	31

Source: Fieldwork data.

Table 5.3
Type of Housing, by Size and Type of Estate (%)

Type of Dwelling	Type of Estate and Size of Dwellings							
	MAPA Estate		Non-MAPA Estate		Sub-divided Estate		Total	
	<260*	>260*	<260	>260	<260	>260	<260	>260
No bedroom	42.9	-	42.9	-	14.2	-	33.3	-
							(7)	-
One bedroom	50.0	-	35.7	-	14.3	-	66.7	-
							(14)	-
Two bedrooms	-	77.8	-	22.2	-	-	-	90.0
								(9)
Three bedrooms	-	100.0	-	-	-	-	-	10.0
								(1)
Total		32.2	25.8	25.8	6.5	9.7	9.7	67.7
								(21)
								(10)

Note: * <260 = less than 260 square feet >260 = more than 260 square feet.
Source: Fieldwork data.

than 260 square feet, let alone the new regulations of 1990. Of the estates surveyed, only 32.7 per cent, mostly MAPA estates, complied with the 1966 regulations (refer Table 5.3). All the estates with dwellings with one or no bedroom did not fulfill this requirement at all. The ventilation in these dwellings is also quite poor, and most of these dwellings are concentrated in non-MAPA and subdivided estates.

Even though the *Workers (Minimum Standards of Housing) Act, 1966*, stated that no dwellings should accommodate more than five adults, and that for every additional adult person, an area of 40 square feet should be added, this is not really practised in any of the estates surveyed. To make matters worse, the household size in plantations is reasonably large. This is quite clear from Table 5.4, where of the total of 312 workers residences in the estate labour lines, 41.3 per cent had household sizes of more than 7 persons. As a result of large household sizes, over-crowding is widespread in plantations.

Table 5.4
Percentage of Respondents by Number of Bedrooms and Household Size

Number of Bedrooms	Household Size							Total	
	%	2	3	4	5	6	7>	(%)	(No.)
No Bedroom	Row	12.0	11.5	7.8	9.6	15.4	50.0	16.7	52
	Col	21.4	20.7	10.8	11.6	19.7	17.2		
One Bedroom	Row	3.9	7.8	11.0	14.9	18.8	43.5	49.4	154
	Col	42.9	41.4	45.9	53.5	48.3	51.9		
Two Bedrooms	Row	5.2	11.3	16.5	13.4	19.5	34.0	31.1	97
	Col	35.7	37.9	43.2	30.2	31.7	25.6		
Three Bedrooms	Row	-	-	-	22.2	44.4	33.3	2.8	9
	Col	-	-	-	4.7	6.7	2.3		
Total	%	4.4	9.3	11.9	13.7	19.2	41.3	100.0	312
	(N)	14	29	37	43	60	129		

Notes: Row = Number of Bedrooms by Household Size (percentage of respondents).

Col = Household Size by Number of Bedrooms in Dwelling (percentage of respondents).

This table refers only to those respondents living in plantations.

Source: Fieldwork data.

Generally, these large families reside in quarters which are adequate for a maximum of 3 persons (SERU, 1981: 52). Due to the large household sizes, almost 50 per cent of the respondents were provided with inadequate housing. This inadequacy forces the residents to use rooms other than bedrooms for sleeping. Thus, about 35 per cent and 15 per cent sleep in their living rooms and kitchens respectively. There were additional problems pertaining to housing, such as poor water and electricity supply, lack of sanitation facilities, smell from latrines and poor garbage collection, as well as holes in the walls, leaking roofs, broken doors and windows, which occurred largely due to the lack of maintenance. Not all of these problems occurred simultaneously on all the estates. However, these are the main areas of discontent expressed by the respondents interviewed in this study. The following sections will turn to a consideration of some of these provisions such as water, sanitation and electricity supply.

Basic Amenities

Basic amenities — such as water, sanitation and electricity — are not a luxury, but a basic necessity for healthy living. Improper water supply and sanitation facilities in particular can create a great number of problems. The government has recognized these facts and has spent millions of ringgit providing these facilities for rural areas. Indeed, this has been the major priority in post-colonial rural development programmes, which do not cover plantations. Basic amenities in plantations are seriously below legal standards and lower the quality of life in these communities.

Water

Water supply in ample quantities and of acceptable quality is essential for everyday living. In plantations, these aspects come under the jurisdiction of the *Workers (Minimum Standard of Housing) Regulations, 1966*. Section 17 (1) of these Regulations states that each dwelling shall be provided with a kitchen, which shall be supplied with an adequate supply of water for drinking and cooking purposes. Section 18 (1) of the same Regulations requires piped water supply to be provided to bathrooms and washing spaces, and gives powers to the Director-General of Labour to approve alternative types of water

supply if he is not satisfied with existing provisions. Even with this regulation, the standard of water supply in plantations remains poor.

Basically, there are four types of water supply on plantations: water piped to each house, stand-pipes shared by a few families, well or pond water, river and JKR (Department of Public Works) water supply. According to the Socio-Economic Research Unit's Report (1983: 43), on both rubber and oil palm estates, the most desired supply is piped water, preferably individual piped water or stand-pipe. Almost the same findings were observed in my study, which found that 45.2 per cent of the plantations had individual pipe water supply, 22.6 per cent stand pipes, 22.6 per cent wells or ponds, and 6.4 per cent JKR water supply (refer Table 5.5). The sub-divided estates surveyed for this study only had access to well/pond water supply, while the majority of MAPA and non-MAPA estates had piped water.

However, the frequency of delivery and the quality of water supply are often unsatisfactory. Water supply is restricted from 4–10 hours per day in most plantations, with only a few estates having 24 hour supply. Plantations without individual piped water suffered the most. For instance, in the plantations with stand-pipes, one stand-pipe is shared by as many as 10–15 households with limited access-times during the day. In plantations where well water is used, difficulties arise during the dry season when the wells run dry. Furthermore, the quality of water supplied is very poor in most plantations. The water treatment system employed by plantations varies, depending on the

Table 5.5
Type of Water Supply Available on Estates (%)

Type of estate	Type of water supply					Total No.
	Individual Pipe Water	Stand-pipe	Well/Pond	River	J.K.R	
MAPA Estate	55.5	27.8	5.6	–	11.1	18
Non-MAPA Estate	40.0	20.0	30.0	30.0	–	10
Sub-divided Estate	–	–	100.0	–	–	3
All Estates	45.2	22.6	22.6	3.2	6.4	31

Source: Fieldwork data.

Table 5.6
Incidence of Waterborne Diseases in Plantations, 1986

State	No. of Estates Studied	Cases of Waterborne Disease			
		Viral Hepatitis	Gastro-enteritis	Cholera	Dysentery
Selangor	2	10	–	–	–
Pahang	2	130	450	–	–
Kedah	1	–	–	8	–
Johore	3	4	–	–	37
Perak	7	26	170	–	–

Source: Public Health Department, Ministry of Health, Malaysia.

plantation's capability, the water source and the cost involved. Only some plantations provided comprehensive conventional treatment with coagulation, flocculation, filtration and chlorination of water, while the rest only practiced some or none of these processes. A recent survey by the Public Health Department, Ministry of Labour (Sugunan, 1989: 5), revealed that the poor quality of water supply in some plantations had resulted in communities suffering from high incidences of water-related diseases. These cover diseases such as viral hepatitis, gastroenteritis, cholera and dysentery (refer Table 5.6).

In contrast to other rural areas in Malaysia, the severity of these problems has not been given any significant attention by policymakers and planners. For instance, according to the *Fifth Malaysia Plan, 1986–1990* (1986: 476), around 1.8 million people benefited from 2,300 rural water schemes implemented during the Fourth Malaysia Plan period (1980–85) to improve the rural population's access to water supply. The plan also reported that water supply development was expanded to new land schemes under the Federal Land Development Authority (FELDA) and regional development authorities (RDAs), and stated that further efforts would be taken to continue supply in new settler scheme areas. However, no mention was made in relation to plantations. It appears that estate managements are not taking any steps to improve this situation either.

Table 5.7
Type of Toilet Facilities Provided on Estates (%)

Type of estates	Type of Toilet Facilities					Total No.
	Flush	Pour Flush	Bucket	Pit	Open Air	
MAPA Estate	44.4	16.7	5.5	16.7	16.7	18
Non-MAPA Estate	20.0	40.0	10.0	10.0	30.0	10
Sub-divided Estate	—	—	—	66.7	33.3	3
All Estates	32.3	19.4	6.4	19.4	22.6	31

Source: Fieldwork data.

Sanitation

Sanitation is one of the most important factors in safeguarding the public health of a community. Sanitation here refers to proper toilet facilities as well as related drainage and sewage systems. As with other amenities, the provision of sanitary facilities is far from satisfactory. Pit latrines (19.4 per cent) and buckets (6.4 per cent), which are badly maintained, continue to be used in MAPA and non-MAPA estates together with flush toilets (32.3 per cent), pour flush toilets (22.6 per cent), and open air systems (19.4 per cent) (refer Table 5.7). Normally, the use of pit latrines and buckets is communal, where 8–10 households share about four toilets. As a result of heavy use, buckets and pits become full quickly, and at times, cannot be used, with the result that people are forced to use surrounding bushes while children may use the open drains around the houses. The unhygienic condition of the toilets not only fills the air with a heavy stench, but also presents health hazards such as fly infestation and contamination of wells and water sources. In plantations, where flush and pour flush latrines are provided on a communal basis, they are poorly maintained and may some times be vandalized.

As with toilet facilities, drainage systems in plantations are also far from satisfactory. Generally, sullage water (kitchen, bath and laundry waste water) is discharged to open earth drains, except in some cases, where there are concrete drains, in which case, the water is discharged into the nearest waterway. Effluents from septic tanks

also usually drain into the same open channels. These practices have led to considerable contamination of living quarters as sullage waters are often heavily polluted with disease-causing bacteria (Sugunan, 1989: 10). With these inadequacies observed in the plantations, there is a pressing need for government authorities to conduct checks on all plantations, as stated in the Workers Minimum Housing Standard Act, 1966, to ensure that plantation managements abide by the law.

Electricity

In relation to electricity supply for lighting, some 58.0 per cent of the plantations studied had been provided with electricity supply through an estate generator. Another 16.2 per cent of the estates workers obtained electricity by running their own generators (shared by one or more households), compared to 16.1 per cent of the estates which used pressure or gas lamps and 9.7 per cent using oil lamps (refer Table 5.8). The majority of estate generators were found on MAPA and non-MAPA estates, whereas the sub-divided estates had the greatest use of oil lamps. However, in terms of coverage, this figure is less than the approximately 68 per cent of rural areas with electricity supply (*Fifth Malaysia Plan*, 1986: 460). Also, in almost all plantations, the electricity supply does not extend over 24 hours. For example, in most large MAPA plantations, electricity is supplied in the mornings between 5.00 a.m. to 7.00 a.m., after which it is cut off, before

Table 5.8
Type of Lighting Provided on Estates (%)

Types of Estates	Type of Lighting				Total No.
	Electricity (Estate Generator)	Pressure/ Gas Lamp	Oil Lamp	Workers' Own Generator	
MAPA Estates	72.2	16.7	—	6.5	18
Non-MAPA Estate	50.0	20.0	10.0	11.1	10
Sub-divided Estate	—	—	66.7	33.3	3
All Estates	58.0	16.1	9.7	16.2	31

Source: Fieldwork data.

resuming for a few hours in the evening from around 7.00 p.m. until between 10.30 p.m and midnight. In other remote small non-MAPA estates, the supply is rationed in the evenings between 6.30 p.m and 10.00 p.m. after which darkness prevails, posing great problems for students who need to study at night.

There is clearly an urgent need for plantation managements to provide 24 hour electricity supply for their workers. However, this will be quite difficult to achieve without the support of the government, especially the recently privatised National Electricity Board (NEB), or National Power (Tenaga Nasional). The government, through the NEB, spent RM617.18 million during the Fourth Malaysia Plan period (1981–85), for a rural electrification programme which benefited about 449,000 households. An additional RM469.20 million was allocated during the Fifth Malaysia Plan (1986–90) for the same purpose (*Fifth Malaysia Plan*, 1986: 466). However, the NEB treats plantations as an industry and levies very high capital charges for putting up power cables or installing electricity supplies. Because of the high charges, many estates will not pay for NEB supply (*Star*, 30.4.1990). This problem could be largely solved with government intervention by granting estate workers the status of 'rural' folk, thus entitling them to lower capital charges for the installation of electricity.

Sub-standard Housing

Proper housing is essential for improved quality of life. Many studies have demonstrated that bad housing is profoundly detrimental to the life, health and welfare of a community (Wilner *et al.*, 1962: 148; Glazer, 1973: 158–170).

Some studies comparing the general health of residents of 'bad' housing with the general health of those with 'good' housing have clearly shown that the former suffer higher rates and more chronic states of illness, and exhibit more symptoms of depression than those with 'good' housing (Martin, 1967: 10).

Attention has also been drawn to the impact of housing on attitudes (Michelson, 1977), behaviour some of which are considered to be either pathological in nature (Choldin, 1978), or linked to psychological stress (Gillis, 1977), differences in sexual behaviour (Dai, 1949), juvenile delinquency (Gillis, 1974) and patterns of family living (Riemer, 1947). Table 5.9 gives a summary of these aspects based on

Table 5.9
Effects of Substandard Housing on Health

Communicable disease (CD)	Tuberculosis	Health and other	Police
Very high disease rate (CD)	Half of cases from 1/4 of population	Sources of 40 per cent of mentally ill in state institutions	Juvenile delinquency twice as high
Very high intestinal rate	High secondary attack rate	Very high infant death	Major crime and arrest rate
High meningococcus rate	High death rate	Shorter life expectancy	High murder rate and robberies
Higher infectious and parasitic disease case		Regular wedlock cases	
Higher pneumonia and influenza death rate		Mortgages	
		Higher accident rates, injuries, burns and accidental poisoning	

Source: U.S. Public Health Service Publication No. 29, 1949.

a study conducted among slum dwellers in the United States. Although the author did not investigate the health effects of poor housing, some of the observations listed in Table 5.9 may be of relevance. Basically, the lack of space in estate labour lines has created chronic overcrowding problems, and a consequent lack of privacy (Daniel, 1981: 89). Students are the ones most affected by this over-crowding, as the lack of privacy for studying in a poor living environment makes study difficult. The restricted electricity supply at night further aggravates this problem, and contributes to poor school performances. In the case of young children, most of their time is spent outside the house due to the unpleasant housing conditions, which exposes them to dangerous accidents, as indicated by various reports (Backett, 1965; Nathan and Robinson, 1985). In the case of husband-wife relationships, lack of privacy limits the building of healthy emotional and sexual relationships. This lack of privacy is due to crowded conditions, which often induces strenuous and problematic relations among couples.

Apart from the above mentioned problems, crowded living conditions and lack of other basic amenities increase the chance of transmission of communicable diseases. Common communicable diseases were found among children, such as gastro-intestinal, skin (boils and fungus infection) and respiratory diseases. The unhygienic living environment, due to the lack of proper sanitation facilities, is the basic cause of these diseases. According to various studies (Lei, 1962; Hamimah, 1982; Kahn, 1982; and Koay, 1982), this situation also accounts for the high worm infestation among estate children. In addition, the occurrence of water-borne diseases — such as viral gastroenteritis, cholera, and dysentery — is a common result of unclean water supply. In a few of the estates surveyed, the threat from epidemics of malaria, dengue haemorrhagic fever, and filariasis has been increasing, due to the poor drainage systems and unhygienic living environment. The spread of these vector-borne diseases is associated with infrequent water supply, forcing individual households to store water in iron drums or large earthenware containers, facilitating mosquito breeding.

Sub-standard living conditions have contributed to depression, stress, and often, irritation among plantation residents. Usually, this leads to quarrels among family members and with neighbours, which sometimes leads to serious physical violence. Stressful living conditions have also led to alcohol and drug abuse, violence, child abuse,

marriage break-ups, homicides and suicides. In fact, alcoholism and domestic violence are often very much part of daily plantation life. Overall, the poor housing conditions promote not only a decline in pride, self-esteem and motivation, which are essential to better mental health, but also an ultimate sense of second class citizenship prevalent among the workers.

House Ownership Scheme

Apart from sub-standard housing, another problem among plantation workers is housing after they retire or are no longer able to work in the plantations. The majority of workers are not in a position to purchase houses at current market prices, due to their meagre incomes and consequently meagre savings. For this reason, most workers undergo great hardship in their old age, when they have to either stay with their children (if they have them) who are working on plantations, or living in squatter settlements or low-cost housing. To the government's credit, this problem was recognised two decades ago in 1974, and an estate workers' 'house ownership scheme' was set up to circumvent this problem and to provide better facilities to plantation workers as a whole (Soh Eng Lim, 1982). The government allocated a RM10 million revolving fund for this purpose.

For the workers, home ownership is greatly desired. It will not only provide them with security and a sense of belonging, but also improve general living conditions in the plantations. About 94 per cent of respondents surveyed were interested in owning a house through this scheme. Basically, they are prepared to purchase these houses through an instalment scheme (refer Table 5.10). Of the respondents, 31.0 per cent were willing to pay RM31–40, followed by 25.3 per cent willing to pay RM21–30 and 9.0 per cent in the range of RM41–50 per month towards the purchase of a house, besides using a third of their EPF savings to pay the down-payments for the houses. Although these instalments may appear to be small, workers were generally willing to work harder to be able to purchase their own homes.

The implementation of this scheme, however, has not been effective so far. Only three house ownership schemes were implemented up to 1983 (*New Straits Times*, 31.8.1983) and the figure rose modestly to nine schemes throughout the country by 1990 (NUPW, 1990). A

Table 5.10
 Estimates of Household Ability to Pay Mortgage Instalments

Amount (RM/month)	Percentage	No. of Households
Not interested	6.0	20
<10	1.5	5
11 – 20	8.7	29
21 – 30	25.3	84
31 – 40	31.0	103
41 – 50	9.0	30
51 – 60	3.0	10
61 – 70	2.4	8
71 – 80	1.8	6
81 – 90	1.2	4
91 – 100	0.9	3
>100	3.0	10
No response	6.0	20
Total	100.0	332

Source: Fieldwork data.

number of factors are responsible for this. These include the ineffectiveness of the 'Task Force' set up to oversee and coordinate the project, and labour officials at the local level unwilling to antagonize employers by pressuring them to undertake such costly projects (Ramasamy, 1984). In addition to these reasons, employer opposition to the scheme has been strong and continues to be so, due to the fear that once house ownership is achieved by workers, they will no longer be interested in working in plantations. As a result, instead of committing themselves to such schemes, some employers have given greater priority to undertaking profitable middle and high class residential and commercial developments in suburban areas. A good example of this is the residential area developed by the Sime Darby Plantations Group in Subang Jaya. The same kind of commitment has

also been shown by other plantation groups — Kuala Lumpur-Kepong, Harrisons Malaysian Plantations, and Highlands & Lowlands — to develop middle and high class residential areas in the Klang Valley (Liam, 1988: 6).

At the same time, it cannot be denied that some plantations have run into problems in getting state government approval for converting their land for housing purposes, particularly for estate workers. According to some planters, it takes several years to obtain a reply from the state government, particularly to change existing land titles for housing purposes. As a result of these obstacles, employers lose interest in pursuing such schemes. Thus, responsibility for failure to implement the scheme lies to some extent with the state and federal governments, besides opposition from the management. Nevertheless, workers feel that the general living conditions in plantations can only be improved through such a scheme, for which they still hold great hopes.

From the foregoing discussion, it can be concluded that the realization of decent homes in suitable living environments in plantations, with adequate facilities providing comfort, privacy, clean water, electricity supply, appropriate sanitation and health care facilities, requires careful planning, and greater commitment from management, government and the union (NUPW). If this commitment is not forthcoming, then it will be extremely difficult for the workers to attain a reasonable standard of living.

Health Status and Health Care Services

The main purposes of health services are to improve life expectancy, eliminate mass diseases and provide medical facilities in case of disease and ill-health. As in the case of housing, the responsibility of providing free medical services on plantations has primarily been in the hands of employers. In fact, by law (*Rump Labour Code, 1933*, and *Minimum Workers Housing Standards Act, 1966*), employers are obliged to provide free medical facilities for workers. (Since 1990, the Rump Labour Code has been incorporated into the Workers Minimum Standards of Housing and Amenities Regulation 1990). However, generally, most plantation owners do not comply with this law, except for some owners of a few large plantations. Even where services are provided, they remain poor. Thus, plantation workers are denied decent health care. As such, this section will look at health in terms of health status and health care services found in plantations. Health

status will be analysed by looking at health indicators such as mortality, morbidity and child nutrition. Health services will be reviewed based on the number and types of health facilities, including personnel, and the frequency of visits to health facilities, by type of facility and reasons for such visits. However, before doing so, the development of health care systems in plantations will first be traced to explain the way in which health care services came into existence.

Health Care During the Colonial Period

The introduction and rapid development of rubber as a plantation crop in the early 20th century, led to an increasing inflow of Chinese and Indian immigrant labour into colonial Malaya. However, the large inflow of immigrant labour at this time was not accompanied by adequate health care facilities. The prevailing ecological balance in the uplands of Malaya, where rubber planting generally took place was disturbed by tree felling and land clearing operations. The new conditions disturbed free drainage patterns and gave rise to the spread of parasites such as the malaria-carrying mosquito (Parmer, 1989: 50).

The many thousands of Indian and Chinese labourers who were brought in to work in the plantation industry were unprepared for such conditions. Generally, they lacked natural immunity to diseases and were often poorly nourished, while some were already diseased upon arrival (Parmer, 1989: 50). The Assistant Indian Immigration Agent in Johore assessed the situation (Report of the Commissioners of Enquiry into the State of Labour in The Straits Settlement and Protected Native States, 1890: 105) in the late 19th century as follows: "the sickness and high mortality rates among estate labour was almost entirely due to the inferior physique of the coolies received from India, the majority of whom seem to have had very weak constitutions and to be totally unfit for agricultural labour". To make matters worse, the estate workers were housed in poor and unhygienic living conditions, which led to the spread of infectious diseases such as cholera and dysentery. Eventually, the poor living and working conditions gave rise to other diseases such as tuberculosis, beri-beri, tetanus, ankylostomiasis, etc. (Strahan, 1948: 230).

The high mortality rates among plantation workers, and as a whole among the immigrant population in Malaya, became a major concern of the colonial administration due to pressure and criticism from the social and nationalistic movements in India over the plight of Indian indentured workers overseas. In any case, the colonial

government was not in the position to lose workers, owing to large investments involved in bringing them. Initially, some strict health procedures were introduced in the recruitment process to prevent labour losses enroute from India. According to these criteria, emigrant labour should first be vetted in India, and only if passed as medically fit, sent to Penang by ship. Upon arrival in Penang, the coolies were sent to a quarantine station, and if the ship which brought them had a clean bill of health, the coolies were kept in the quarantine station for seven days, after which they were vaccinated. After vaccination, the coolies were sent from the quarantine station to the depot, where they were taken to the estate for which they had been recruited (Stenson, 1980: 18). These steps were taken to ensure that recruited workers were fit to work and could therefore stay in plantations.

The British colonial government's concern over loss of life, which diminished the labour force, also made them take measures to improve the health status of the population at the estate level. Basically, this was done by introducing better health care services and labour laws to ensure such services for the workers. The new health care system utilised hospital assistants in estate dispensaries and resident medical officers in estate hospitals. The commitment of the colonial government on this issue was reflected in the 1906 Labour Amendments, which required employers to provide estate dispensaries, and wherever possible, a hospital on plantations (FMS, 1906).

Further improvements in the provision of health and medical facilities on the plantations were made in the 1908 Labour Enactment and the Labour Codes of 1912, 1918 and 1923. These Labour Codes clearly stated that all employers were required to provide workers with the following facilities (FMS, 1938: 9):

- a) Adequate housing, proper sanitary facilities, and sanitary maintenance of houses and environment;
- b) Control of communicable diseases;
- c) Hospital accommodation and equipment;
- d) Medical attendance and treatment, including diet control in hospitals;
- e) A sufficient supply of medicines of good quality; and
- f) Nursery for infants and children.

In practice, however, these regulations were not implemented in many plantations even though the provision of hospitals increased on estates in the Federated Malay States from 165 in 1921 to 168 hospitals

in 1925 (refer Table 5.11). Nevertheless, these facilities were far from adequate for the sickly estate populations. In cases where hospitals were provided, they were usually not properly equipped and the staff were not well trained. This poor health situation was described by the Estate Commission of 1924 (FMS, 1924): "the health of the estate workers was poor and that, although there were a few exemplary properties, the modest health and medical facilities required of estate employers under existing law was not being provided and where provided was often inadequate".

However, the only appreciable health achievement during this period was the gradual fall of mortality rates from 62.9 per thousand in 1911 to 14.5 per thousand in 1923 (FMS, Medical Department, 1915–1926) due to the introduction of a successful malaria eradication programme and the use of quinine as a malarial prophylactic agent (FMS, 1920–1926). The death rate from other illnesses, such as dysentery and bowel complaints, also dropped slightly as sanitary measures improved (Jackson, 1961: 135).

Weaknesses in the prevailing health care system enabled the colonial government to introduce a new labour code — the Rump Labour Code of 1933 — to formalise existing regulations pertaining to health in plantations. This labour code also introduced new clauses for improving the health status of the workers. This law is still on the books, after several minor amendments, the last one in 1955!

Although a proper system of medical care was determined by the Rump Labour Code of 1933, this did not ensure an improved health care system in the plantations. In fact, the trend of decreasing services was observed from the mid-1930s onwards, after the introduction of the labour code. The number of resident medical officers decreased from 35 in 1936 to 27 in 1937 and 22 in 1938 (Planter, 1939), a clear indication of declining medical services on the plantations.

The health conditions in plantations further deteriorated during the Japanese Occupation of Malaya (1942–45) since the plantations almost ceased operations and the workers were left to fend for themselves (Arasaratnam, 1970: 103). With the reopening of the plantations after the war, some concern over workers' health conditions was expressed. However, from 1948, these conditions deteriorated once again with the sale of foreign-owned plantations to locals ostensibly due to the state of Emergency from 1948. Subsequently, many of these estates were sub-divided by their new local owners. As a result of these sub-divisions, a large number of hospitals were shutdown,

Table 5.11
Distribution of Estate and Estate Hospitals, FMS, 1921–26

State	Total Number of Estates					Total Number of Estate Hospitals				
	1921	1923	1924	1925	1926	1921	1923	1924	1925	1926
Perak	620	658	642	639	655	57	57	55	55	54
Selangor	372	401	386	404	443	56	59	60	59	59
Negeri Sembilan	250	270	278	292	352	44	43	44	45	43
Pahang	55	55	97	99	n.a	8	8	8	9	–
Total FMS	1,297	1,384	1,403	1,434	1,450	165	167	167	168	156

Source: Calculated from various Annual Reports of the Medical Department, FMS.

marking a considerable deterioration in the health facilities for workers (Reports of the Medical Department, FMS, 1950–57). Furthermore, the sub-divided estates generally did not pay much attention to health-related aspects of workers' lives.

Although most estate hospitals were limited in scope, they had visiting physicians and a resident male nurse (estate hospital assistant) who could attend to emergencies and provide basic prescriptions. During the Emergency (1948–60), many doctors were reluctant to visit estates, which were often subject to curfews. Over time, the doctor's visits were discontinued or became less frequent, and estate patients were advised to visit the clinics in the nearest towns. However, most plantation workers were content to receive the immediate help available from hospital assistants (including sick leave) rather than undertake the often expensive and time consuming trip to an urban clinic.

On the whole, health status and the health care system in the plantations were not satisfactory during the colonial era. Although the colonial government took a number of steps and measures to improve the situation, such as introducing new labour laws, these regulations were not really adhered to by the planters. Nevertheless, the provision of health services in the plantations were better than in other rural areas in Malaya during the colonial era.

Current Health Status on Plantations

The general health status of a population can be assessed through two main indicators, namely, nutritional status and mortality (crude death rate, age specific mortality, infant mortality, early death — stillbirth, toddler mortality and spontaneous abortion). A review of these indicators clearly shows that plantation workers suffer from low health status, influenced by factors such as poverty, bad housing, living conditions and inadequate health services. However, let us first examine the health status of workers by reviewing their nutritional and mortality indicators before delving into the factors affecting health status.

Nutritional Status

The nutritional content and status of food consumed in plantations has been studied by numerous researchers (Chen, 1977; Chandrasekaran and Marimuthu, 1982; Senan, 1980; Kandiah and Lim, 1982;

and Kandiah, 1982). All these studies indicate that nutritional deficiencies are fairly common among plantation communities. For instance, Kandiah and Lim (1977: 271) examined a total of 518 cases, pointing out that around 18 per cent of adult workers showed clinical evidence of Vitamin A deficiency, while 25 per cent had signs of riboflavin deficiency. More than a quarter of women had low levels of serum thiamine, while two thirds suffered from anaemia.

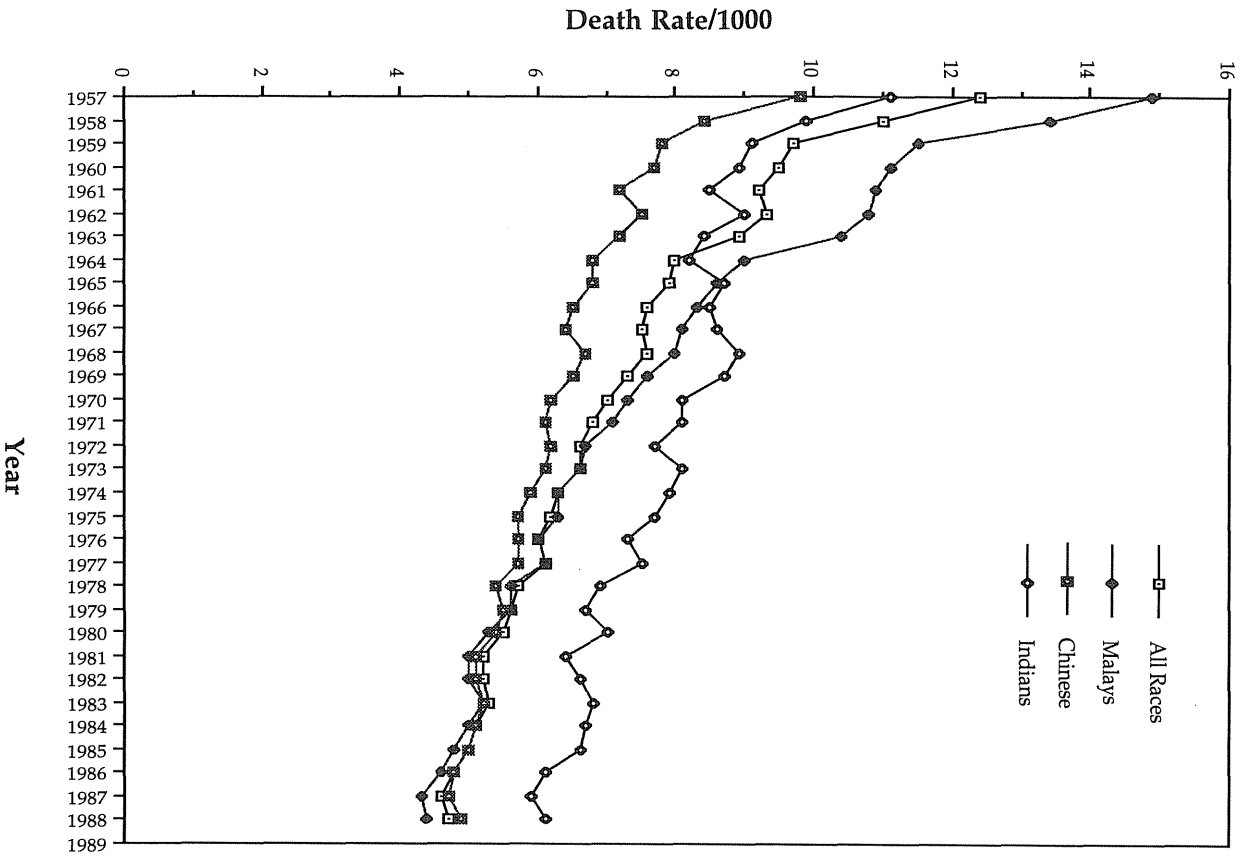
A dietary survey of plantations has also shown inadequate intake of animal protein, calories, calcium, iron, Vitamin A, thiamine, riboflavin and niacin (Senan, 1980). The survey indicates that rice and sundry items were consumed daily, but meat only once a week or less, and eggs and fish once or twice a week. The drinking of alcoholic beverages was found to be widespread among adults. Another survey found that the nutrient intake was below the recommended national allowance for calories, protein, calcium and vitamin B2 (Chandrasekaran and Marimuthu, 1980). In particular, all the studies found that children have been very much affected by nutritional problems in plantations. Even though children did not generally suffer from chronic malnutrition, these studies pointed out that mild and acute malnutrition was widespread among workers' children, thus easily raising their vulnerability to other sicknesses.

Mortality and Morbidity

The general level of mortality in Malaysia has been declining since independence. At the time of independence in 1957, the crude death rate for all races was 12.4 per thousand, dropping to 6.1 two decades later and declining further to 4.7 in 1988 (refer Diagram 5.3). The improvements in this rate were a result of the government's efforts to provide more equitable health care, as well as improved water and sanitation facilities in rural areas, which had been totally neglected during the colonial period outside the plantations.

Since the bulk of the Malay population lived in rural areas, these improvements brought a dramatic fall in the crude death rate of these people from 14.9 in 1957 to 4.4 in 1988. The extensive development of this health care system was originally initiated in 1955 under the rural health services scheme. The three tier health care delivery system (midwife clinic/rural clinic — health sub-centre — main health centre), was subsequently transformed into a two tier system (rural clinic — health centre) (Ministry of Health, 1986: 25).

Diagram 5.3
Crude Death Rate by Ethnic Group, Peninsular Malaysia, 1957-89



The development of these health services at the national level, however, was not followed in plantations. In fact, the reverse was experienced by workers, with a continuous deterioration in living conditions and health services in plantations. A number of factors contributed to this deterioration:

- a) the subdivision and fragmentation of bigger estates into smaller ones (1950–70), whose management had to cut down expenditure on medical care (Aziz, 1962: 126);
- b) the government's refusal to extend rural health services to plantations, and;
- c) the plantation managements' failure to provide sufficient health care facilities, as required by the Rump Labour Code, 1933.

Contemporary Health Care Delivery System on Plantations

The contemporary health care delivery system on plantations is covered by the Rump Labour Code which is administered by the Ministry of Human Resources, while the Ministry of Health has an advisory role. Basically, this Labour Code requires employers to provide a hospital either on the estate or in the form of a convenient 'group hospital'. The employer is also required to either employ a resident medical officer or to have a medical officer responsible for the employees of a group of estates. Employers are obliged to provide food and medicine for in-patients and free transport to hospital when required. When an employee is admitted to a government hospital, the employer is obliged to pay the expenses. Where there is no medical officer, a visiting medical officer is meant to come at least once a month. However, in reality, this does not occur in most plantations (Laing, 1980: 8).

Hospital Facilities

At present, there are serious inequalities in the distribution of health services and resources (doctors, dental surgeons, nurses, midwives, hospital assistants, para-medical staff, clinics and hospitals) for plantation workers and their families. The standard of health care provided does not appear to be in accordance with the needs of the plantation population (Rampal *et al.*, 1988: 1). For instance, in 1987, there were only 59 plantation hospitals catering for a population of 326,757 plantation workers. The hospitals had a total of 1,582 beds,

Table 5.12
 Distribution of Type of
 Health Care Facilities Provided in Estates (%)

Type of Estates	Access to Estate Hospital	Access to Estate Clinics
MAPA estate	11.1	54.8
Non-MAPA estate	10.0	40.0
Sub-divided estate	–	–
All estates	9.7	67.7

Source: Fieldwork data.

with an average of 48 beds per thousand population (inclusive dependents) (Ministry of Health, 1987). In the case of this survey, only three (9.7 per cent) of the plantations studied were served by plantation hospitals, while 67.7 per cent provided clinics (see Table 5.12). However, most of these facilities were shoddy, with none of the hospitals or clinics having proper drug supplies, storage facilities and medical equipment. This finding was supported by a comprehensive study by the Malaysian Medical Association (MMA) undertaken in 1988 (Rampal, *et al.*, 1988: 37). More alarmingly, these facilities are non-existent on most non-MAPA plantations and on all sub-divided estates.

Manpower in Estate Health Services

None of the plantations studied had a medical officer. Usually, the entire health and medical care was left to Estate Hospital Assistants. In most instances, these people were not medically trained. Unlike Hospital Assistants in government hospitals, who undergo formal training and receive lectures from qualified doctors, Estate Hospital Assistants receive informal on-the-job training from their seniors, who have gone through similar training. Normally, this training provides them with an understanding of how to treat simple ailments such as headaches, stomach aches, mild fever, influenza and the dressing of minor cuts and bruises. However, in real life, their duties range from diagnosis to prescribing medicines. Therefore, it is not an exaggeration

to say that Estate Hospital Assistants are actually practising medicine and not merely giving para-medical treatment. This is a contravention of the Medical Act, 1971, which clearly states that only registered medical practitioners can practice medicine.

The above mentioned practice is dangerous since the Hospital Assistants are not qualified to diagnose illnesses. There is every chance that they may give medication which may mask the symptoms of a more serious disease, or may not be able to recognise the symptoms of a serious illness. Such cases are very common in plantations, as most workers interviewed in this survey complained that the Hospital Assistants prescribed the same medicine (usually Panadol) for all kinds of sicknesses. This raises serious doubts about the standard of health care services in plantations. This issue came to light in 1984 when two workers died in a plantation of heart disease due to the lack of proper medical knowledge of the Hospital Assistant. Both the workers may have survived if proper treatment had been given in time. However, in this case, although both the workers were suffering from serious heart conditions, the Hospital Assistant could not diagnose their illnesses and turned them away with the usual medication, ordering them to report for work. By the time the workers went to a private doctor, their illnesses had reached critical stages and death followed (*New Straits Times*, 16.9.1984). However, incidents like this seem not to worry plantation managements since they have not been held liable for the consequences. No action has been taken to implement a good training programme for the Estate Hospital Assistants or to provide qualified para-medical staff. This is clear from the survey undertaken for this study, in which none of the 31 plantations examined had a trained staff nurse, female hospital assistant or public health inspector. The lack of female hospital staff has created additional problems for the female plantation workers. They are forced to seek treatment elsewhere (in most instances from a female doctor in a nearby private clinic), or to suffer silently from their illnesses, especially when their problems are associated with their genitalia or mammary glands, since they feel embarrassed to consult the male Estate Hospital Assistants.

The Visiting Medical Officer (VMO) system also appears to be subject to abuse. My findings paralleled those of the survey conducted by the NUPW in 1980, in which it was found that VMOs never visited 87 per cent of the non-MAPA estates surveyed. In other non-MAPA estates, and in 38 per cent of MAPA estates, VMOs made a

visit once every one to two months. When the VMOs did visit a plantation, the norm was for the doctor to sign a book certifying the visit, possibly only seeing a few patients (Laing, 1986: 20). This is not surprising because the VMOs chosen to serve plantations are normally general practitioners busy with their own clinics who cannot be bothered with spending time supervising medical care in plantations.

Alternative Health Services

The inadequacy of proper medical services on plantations results in workers and their families preferring to seek alternative treatments from nearby off-plantation medical facilities. For instance, of 332 workers interviewed in this study, 31.3 per cent preferred to use government hospitals, followed by 31.0 per cent who preferred government clinics, 17.1 per cent used private clinics while only 17.8 per cent used the estate clinics (refer Table 5.13). However, lack of transportation and the distance of these facilities from the plantations are major stumbling blocks for workers getting access to these facilities. On average, most of the plantations studied (whether MAPA, non-MAPA or sub-divided estates) are situated 10–19 km, and in some cases, 20–50 km from the nearest town and away from health centres of any sort, whether government health centres, hospitals or private clinics (refer Table 5.14). To make things more difficult, the plantation management does not provide transport facilities or pay for travel expenses, even though the Rump Labour Code states that the management is liable to pay for such transport and medical expenses for the worker. Only in some estates were workers reimbursed for transport or medical expenses they incurred.

Another factor compounding plantation workers' problems in seeking alternative medical services is that workers do not receive sick pay whenever they use medical facilities outside the plantations. In order to qualify for sick pay, they must get prior approval from the management. However, this is often difficult due to the frequency with which management accuses workers of 'malingering', and on this basis, refuses to give permission. This attitude discourages many workers from seeking proper medical attention. Furthermore, the workers cannot use the government health system after work because the clinics are closed by that time. This is an especially serious problem for female workers seeking pre-natal and ante-natal care as the pre-natal and ante-natal services in nearby government midwife

Table 5.13
Workers' Preferences on Type of Medical Facilities

Type of Estate	Type of Medical Facilities						Total
	Estate Clinic	Estate Group Hospital	Private Clinic	Government Clinic	Government Hospital	Traditional Healer	
MAPA Estate	23.3	3.8	17.6	33.3	21.9	–	210
Non-MAPA Estate	10.2	–	17.3	21.4	51.1	–	98
Sub-divided Estate	–	–	8.3	50.0	37.5	4.2	24
All Estates	17.8	2.4	17.1	31.0	31.3	0.3	332

Note: Percentages may not total 100.0 per cent due to rounding.
Source: Fieldwork data.

Table 5.14
Average Distance Between Plantations and Nearest Government Health Centre or Private Clinic

Type of Estate	Distance						Total
	<5 km	6–9 km	10–14 km	15–19 km	20–24 km	>25km	
MAPA Estate	11.1	11.1	22.2	22.2	22.2	11.1	18
Non-MAPA Estate	10.0	20.0	20.0	30.0	10.0	10.0	10
Sub-divided Estate	–	33.3	66.7	–	–	–	3
All Estates	9.7	16.1	25.8	22.6	16.1	9.7	31

Source: Fieldwork data.

clinics are normally only open in the mornings, during plantation working hours. Therefore, many mothers miss out on pre-natal and ante-natal services. Although these problems have been expressed by the workers and their union, none of the plantations studied have taken steps to improve the situation. As such, it is not surprising to see that immunization coverage among plantation children is very low compared to the overall 70 per cent coverage (for the third dose of DTT) in the nation (Mohd. Hatta, 1989).

Poor medical provision in plantations contradicts the government's commitment to the World Health Organization's target of 'HEALTH FOR ALL' by the year 2000, and the hard work of the Ministry of Health to achieve this target. In accordance with this slogan, priority has been given to providing more equitable distribution of health services in both rural and urban areas. For instance, under the Fourth Malaysia Plan (1980-85), the government's Applied Food and Nutrition Programme emphasised efforts to improve the nutritional status of the population in rural areas, covering 650 villages in 72 districts and benefiting 3.4 million people (*Fifth Malaysia Plan*, 1986: 511); this, however, did not include the plantation communities. In the same period, a total of 55 midwife clinics in rural areas were upgraded to rural clinics and 163 new rural clinics were built. In addition, 37 health sub-centres were built. The provision of these facilities contributed to an improvement in the ratio of rural population per health centre, from 25,800 in 1980 to 20,400 in 1985. An improvement was also registered in the rural population-facility ratio for midwife clinics and rural clinics (*Fifth Malaysia Plan*, 1986: 509). However, plantation workers were omitted from all these improvements. Their plight has been left totally in the hands of plantation managements, who allocate token amounts of their budget for health facilities, thus denying the workers their basic human rights such as adequate health services.

Child Care Facilities

Plantations are obliged by the Workers (Minimum Standards of Housing) Act to provide custodial child care facilities on estates. The Act also imposes a certain minimum standard for the construction and maintenance of child care centres in the estates, such as type of building, necessary equipment, supply of milk, number of female attendants and frequency of medical examination. Yet, in the 31 plantations sampled for this study, only 28.8 per cent actually

provided child care centres. Even in these cases, the basic requirement of a creche was not properly fulfilled. Normally, the creche is in the care of an uneducated elderly woman, popularly known as an 'amah'. According to the Act, only children under the age of three years are to be cared for in the creche and child minders are expected to take care of children in the ratio of one minder to 15 children. However, since most women are out working and there are no kindergarten facilities on the plantation, children of all ages (1-6 years) are sent to the creche. In my field work, I observed that almost two-thirds of the creches had one unqualified child minder taking care of groups of more than 15 children. Thus, overcrowding has become a chronic feature of the creches, which makes them unsuitable places for child-minding.

Furthermore, the creche itself is usually a small bare room, with not even a mat or chair, let alone equipment or toys to keep the children occupied (Nagaraj and Navamukundan, 1984: 7). Some of the creches were also found to be infested with rats, cockroaches and mosquitoes. In addition, the creches did not have adequate sources of water supply for cleaning. The children did not receive meals and conditions were so poor that many mothers preferred to leave their children at home in the care of older siblings, which in turn raised the drop-out rate among older schoolchildren, especially girls.

The observations made in my study were more or less consistent with those of a child care survey conducted by the Ministry of Welfare Services and UNICEF in 1983 on 537 centres in the country. The centres were of three types, i.e. institution-based, home-based and estate-based. This survey found that the centres on estates were worse-off compared with the institution-based and home-based centres. These centres have poor physical facilities and environmental health, high children-staff ratios and low educational levels and knowledge of health and child care among staff. Taking into account the present situation with respect to plantation creches, it would be expedient for the government to enforce existing provisions, which would certainly relieve some of the basic problems faced by plantation workers.

Education

Traditionally, plantations in Malaysia provide primary school education for the children of their workers. This element is normally part of the 'package' of welfare facilities offered to the residential work-

force on plantations. However, the schooling conditions are far from satisfactory, in comparison with the population as a whole, especially the progress achieved in the democratization of education since independence. Thus, the plantation workers' children have become an educationally disadvantaged group, with the highest drop-out rates, lowest achievement levels, and attending the 'poorest and smallest' schools in the entire nation. Almost all the schools in plantations are 'Tamil schools', reflecting the majority of the residential work forces — Indian Tamils. This section will review the characteristics and educational climate of these schools, along with other educational indicators such as enrolment rates, drop-out rates, and achievement rates. However, before going into these aspects in detail, let us review the historical development of the education system in plantations.

The Development of Education in Plantations

The development of the schooling system and the promotion of Tamil schools in plantations only began in the mid-nineteenth century when the colonial government built a Tamil school in Bagan Serai in the Krian District of Perak, and in Seremban, Negeri Sembilan (Dass, 1972: 25). Before this, a few Tamil schools had been managed by Christian missionary bodies and private individuals (Wong and Gwee, 1972: 10). However, demand for Tamil schools in plantations only grew after 1910 with the growth of rubber plantations in the interior and the consequent rapid increase in the South Indian Tamil labour force in Malaya. This forced the colonial government to introduce a Labour Ordinance in 1912 at the request of the Government of India, making provisions for the education of labourers' children. The Ordinance stipulated that a school should be erected on each estate with ten or more schoolchildren between the age of six to twelve (FMS, 1912). But no real interest was shown by most planters to adhere to this regulation, though some efforts were made by a few planters. Generally, the planters did not respond to the Labour Ordinance as they were fearful that once the labourers were educated, they might exhibit greater independence and activism. However, from the early 1920s and especially in the early 1930s, there was a growing realisation among planters that they had to provide welfare facilities, including schools, in order to stabilise and retain the work forces in the plantations. Therefore, Tamil schools on plantations grew in quantity, but not in quality. This growth was further accelerated by subsequent

labour codes, namely the Labour Code, 1923, and the Regulations for the Organization and Administration of Tamil Schools, 1929. The number of schools in the Federated Malay States rose from 235 in 1925 to 333 in 1930 and 535 in 1938. Enrolment of pupils also increased from 8,153 in 1925 to 12,640 in 1930 and 23,098 in 1938 (Arasaratnam, 1970: 180; Arasanayagi, 1969: 17).

Tamil schooling on plantations was disrupted during the Japanese Occupation. However, with British reoccupation, Tamil schools re-emerged. Meanwhile, new trends in the Malayan educational system emerged in the 1950s. The Barnes Report (1950) advocated a nationalistic approach to education through the use of Bahasa Malaysia and English. The primary purpose of this report was to create national consciousness by making Malay the official language, and English the language of administration. The Barnes Report on Malay education was followed by the Fenn-Wu Report on Chinese education and The Memorandum of the Indian Education Committee Report. Both the Fenn-Wu and the Indian Education Committee reports accepted Malay as the official language, but strongly stressed that the first six years of a child's education should be in their mother tongue (Ponniah, 1970: 62). This was reiterated by the Razak Report in 1956 (Federation of Malaya, 1956), and the Rahman Talib Report in 1960 (Federation of Malaya, 1961). The latter report also recommended that all Malay schools should be called national schools, and the schools teaching in other languages be called national-type schools; it also made the provision that primary education should be provided free for all children in Malaysia. In response to this recommendation, the government spent RM48.5 million and RM80.2 million for primary education in the First Malaysia Plan (1966–70) and the Second Malaysia Plan (1971–75) respectively (*Second Malaysia Plan*, 1971: 231; *Third Malaysia Plan*, 1976: 405).

These developments brought about many positive changes in primary education in Malaysia. However, even though some of these developments filtered through to the Tamil schools in urban areas, the large number of Tamil schools in plantations lagged behind because the government refused to take responsibility for the Tamil schools in plantations claiming that since plantations were private property, it was therefore not the government's policy or duty to construct school buildings on private property. (The government has powers to acquire or alienate land it wants for 'essential' purposes.) The government only provides teachers and expects plantation

managements to establish and maintain the schools in plantations. However, the priority of management in the industry is not the education of workers or their children. As such, workers' educational needs receive little attention in management's agenda, keeping Tamil schools poor in quality in comparison to other national and national-type schools (Marimuthu, 1990: 9). Thus, in Malaysia, the rhetoric of building national unity through 'single national-type schools' appears to stop at the plantation gates. This situation perpetuates low levels of education and achievement among Indian estate workers' children.

Educational Status

The educational status of plantation workers and their children is generally lower than that of others as revealed by the Drop-Out Study conducted by the Ministry of Education in 1973. According to the study, the highest drop-out rates occur in Tamil medium primary schools, especially those located in the plantations. The study also revealed that among children of school-going age, plantation youth (aged 13–19 years) came out worst in terms of school enrolment rates, registering only 22 per cent, compared to 42 per cent for their urban counterparts. The Malays and Chinese had much higher overall rates of 60 per cent each. Much more startling were the drop-out rates of primary to lower secondary schoolchildren enrolled in Tamil schools. More than 85 per cent of Tamil schools are located in plantations (Marimuthu, 1990:11). In addition to the above shortcomings, the report also revealed that Indian children have the lowest achievement rates, and low levels of aspiration and motivation in comparison to the other two communities. The Drop-Out Study, however, failed to provide any concrete solution to the high drop out rate among Indian plantation communities. A study conducted by the Socio-Economic Research Unit (SERU) in 28 plantations in Peninsular Malaysia almost one decade after the earlier report pointed out that 20 per cent of estate workers had no formal education at all, and only 20 per cent of workers' children had reached the LCE/SRP (Lower Certificate of Education/Sijil Rendah Pelajaran) level, of whom less than half passed. The report found that only 5.5 per cent of workers' children had reached the MCE/SPM (Malaysian Certificate of Education/Sijil Pelajaran Malaysia) level, of whom less than a quarter had passed. Only 0.3 per cent of workers' children had gained entry and completed university level education (SERU, 1983: 29).

Table 5.15
Workers' Educational Level by Gender

Level of Education	Gender		Total	
	Male	Female	No.	(%)
No Education	16.4	22.4	60	18.1
Standard 1-3	18.2	30.8	80	24.1
Standard 4-6	43.8	32.1	127	38.2
Remove Class	5.1	5.1	24	7.2
Form 1	4.0	4.5	12	3.6
Form 2	4.0	1.9	10	3.0
LCE/SRP	6.3	2.6	15	4.5
MCE/SPM	1.7	0.6	4	1.2
Total	100.0 (176)	100.0 (156)	332	100.0

Source: Fieldwork data.

My own findings were similar to those of both reports. Plantation workers and their children still suffer from low educational status and high drop-out rates. This is clear from Table 5.15, where out of a total of 332 respondents interviewed, about 18.1 per cent had never received formal education, 62.3 per cent had received primary level education and only 4.5 per cent and 1.2 per cent had managed to complete the LCE/SRP and MCE/SPM exams respectively. In comparison to their male counterparts, females had lower level educational status, with almost 23 per cent illiterate. This survey also found that of those who had received primary education, around 63.8 per cent had attended Tamil medium schools.

As with the workers, their children on the plantations also had low educational status. At the time of my survey, the 332 respondents had a total of 1,384 children of school age and older. Of these, 65 per cent (900) were still in school, while the remaining 35 per cent (484) were out of school. Of those children in school, about 54.1 per cent were studying in primary schools (refer Table 5.16). Of these, about

Table 5.16
Educational Status of Respondents' Children in School

Level of education	(%)	Total no.
Primary School	54.1	487
Lower Secondary	36.3	327
Upper Secondary	8.2	74
Form Six/College	1.1	10
University	0.1	2
Total	99.8	900

Note: Percentage does not total 100.00 due to rounding.
Source: Fieldwork data.

70 per cent were in Tamil medium schools, especially in plantation schools. The enrolment rate at the lower secondary level was also quite encouraging, about 37 per cent. However, the rates drop at the upper secondary level, where only 8.2 per cent of workers' children were enrolled, followed by only 1.1 per cent at the sixth form level.

The low educational status and high drop-out rates of respondents' children is clear when we examine the workers' children who have stopped schooling. Of 484 workers' children who had stopped studying, 54.9 per cent possessed a primary school qualification. Another 32.4 per cent managed to go up to the LCE/SRP level, but only 31 per cent of them passed the LCE/SRP examination (refer to Table 5.17). It was found that 11 per cent of the children had sat for the MCE/SPM examination, but only 28.3 per cent had passed. Very few of the respondents' children made it to Form Six level, let alone passed the HSC/STPM (Higher School Certificate/Sijil Tinggi Pelajaran Malaysia) examination. The possibility of a child from a plantation Tamil school achieving university education is therefore remote. This is clear from the survey, where only a minute 0.2 per cent of respondents' children had successfully completed a university degree. The low educational status among the workers children can be further explained by looking at their levels of achievement, particularly their performance in plantation Tamil schools.

Table 5.17
Workers' Children Out of School by Highest Qualification

Level of education	(%)	Total No.
Primary School Qualification	54.9	266
Form 3 without LCE/SRP	22.3	108
Form 3 with LCE/SRP	10.1	49
Form 5 without MCE/SPM	7.9	38
Form 5 with MCE/SPM	3.1	15
Form 6 without HSC/STPM	1.0	5
Form 6 with HSC/STPM	0.4	2
University Degree	0.2	1
Total	99.9	484

Note: Percentage does not total 100.00 due to rounding.

Source: Fieldwork data.

Achievement Levels

The level of achievement of children in Tamil schools is generally lower than for other primary schools (Marimuthu, 1984: 270). The usual way of assessing achievement levels in primary schools is by looking at the performance of students in Standard Five Assessment Tests, or the UPSR (Ujian Pencapaian Sekolah Rendah) examination. Table 5.18 shows the performance of Tamil school pupils in various subjects taken in the Standard Five examination for the year 1985. Although these figures refer to all Tamil schools, we can take them as representing conditions in plantation schools, which account for 85 per cent of the total Tamil school population. Table 5.18 also shows that Tamil school children account for lower shares at the highest grades and higher shares at the lowest grades. Their performance is particularly poor in critical subjects like Malay language, mathematics and science. It has been also reported that Tamil schools fared poorest compared with other schools in the UPSR examination (Ministry of Education, 1986).

According to Marimuthu (1984: 270), the educational inadequacy of plantation children at the Tamil primary school level greatly affects

Table 5.18
Performance of Tamil School Children in
Standard Five Assessment Examination, 1985

Subject	Grade					Total	Absent
	Distinction	Good	Satisfactory	Weak	Very Weak		
Malay Language	77 (0.6)	422 (3.8)	962 (8.6)	3051 (27.1)	6734 (59.9)	11246	987
English Language	913 (8.1)	2072 (18.4)	3904 (34.7)	2109 (18.8)	2249 (20.0)	11247	986
Mathematics	584 (4.9)	1911 (17.0)	3324 (29.6)	3162 (28.1)	2300 (20.4)	11245	988
Science	186 (1.7)	1434 (12.7)	3347 (29.7)	3945 (35.1)	2337 (20.8)	11249	984
Tamil Language	1869 (16.6)	3100 (27.6)	3042 (27.0)	1574 (14.0)	1665 (14.8)	11250	983

Note: Figures in paranthesis refer to percentages.

Source: Ministry of Education, Malaysia 1986.

attendance at the secondary level. He reiterates that poor performance in the Malay language in particular has strong implications for the educational success and mobility of these children at the secondary level. Children who are not proficient in the Malay language are unable to cope with secondary education, where the medium of instruction is only in the national language. To a certain extent, this explains why a large number of Tamil school children from plantations drop out and perform less well than their Tamil counterparts from national schools in the SRP and SPM examinations.

The findings of this survey and the above discussion clearly indicate that the level of achievement of plantation workers' children in primary education is unsatisfactory. Their level of education is also rather low, as reflected in the low attendance at the secondary school and university levels and also by the low percentage of passes at the secondary school level.

The Causes of Low Educational Status

The causes of plantation workers' children's low educational status are complex and deep-rooted, and cannot be reduced to any single factor. Some factors — observed by various studies — influencing the high drop-out rates and low levels of achievement are summarised below:

- a) Socio-economic variables: including factors such as household income, educational level of parents, propensity to save, child rearing practices, parent-child relations, and home environment.
- b) Attitudinal/cultural variables: such as the lack of drive and motivation to study arising from a student's lack of confidence or poor self-image. It also reflects the family's attitude towards education, the cultural values that determine parent-child relationships, and ultimately, the values transmitted to the child on the need to achieve.
- c) Peer group variables: this relates to the values and attitudes of peers towards educational achievement and school in general, and
- d) School variables: such as the facilities available in the school, class size, teacher competence and curriculum available.

Socio-Economic Variables

From the above list of socio-economic variables, the author selected some of the more important ones, such as low incomes and poor home environment. It is clear from the survey that the parents' low income prevented them from sending their children to secondary schools where greater expenditure was required for such items as transport, meals, books and other school necessities. Furthermore, most children would be expected to supplement household income at this stage, especially if they could earn adult wages. This is why many students do not try to re-sit once they fail their exams at the SRP level, around the age of 15 or 16 years old. This also explains why a large number of plantation youth enter the labour market at a very young age.

Apart from poverty, the home environment in plantations is not conducive to study. The housing conditions on plantations have already been dealt with earlier. Overcrowding and lack of privacy is a common problem in most households. This consequently results in quarrels at home, leading to family disorganization, noisy environments, lack of warmth, love and interaction. Subsequently, this prompts

students and youths in plantations to spend little time at home and as much time as possible with their friends, hence weakening their concentration on studies. According to Daniel (1981: 89), the overcrowded situation adversely affects students, e.g. in terms of lack of sleep, averaging only five hours at night, owing to the shortage of beds and the cries of babies. These factors contribute to poor academic performance in the schools, often misconstrued by teachers as laziness. Besides this, children on plantations are also left to themselves in their studies with no extra educational support such as tuition or coaching. They generally do not have access to newspapers, magazines, books, etc. In fact, there are no proper study tables in the houses and they also do not have alternative places, such as a library, to study in.

Some studies reveal that nutritional deficiencies appear to be common among plantation communities (Chandrasekaran and Marimuthu, 1982; Kandiah, 1982; Senan, 1980). In particular, these studies found children to be very much affected by nutritional problems in plantations. Malnutrition, of course, hinders intellectual development, lessens a child's motivation, ability to concentrate, and ability to cope. Hence, malnutrition, together with the socio-economic variables outlined earlier, have been the primary causes of poor school performance, low educational expectations, and the high drop-out rates among plantation children.

Attitudinal/Cultural Variables

The Drop-out Study of 1973 clearly points out that, in comparison to their peers in other medium schools, Tamil schoolchildren have suffered from low levels of aspiration and motivation, and are more likely to drop out earlier. To some extent, poor parental attitude and interest have promoted these values among the children. Parental interest in and attitudes towards the education of their children may be reflected by parents' visits to the schools to discuss their children's work, parents' aspirations for their children, the amount of time spent with their children in the evenings and the amount of help given for their study. In the words of Marimuthu (1977: 28), "the educational achievement of a child is dependent on his ability and motivation, both of which are partly innate and acquired from their parents".

However, in the plantations studied, while having high aspirations for their children's education, in practice, most parents did not provide them with any assistance or encouragement. According to a

few teachers and headmasters interviewed, the parents did not have the self-confidence to visit the schools to enquire about their children's education, let alone the ability to give help at home (Personal interview with Mr. Ramasamy, headmaster, Cha'ah Tamil school on 11.3.90, and Mr. Sidambaram, Keluang District Education Officer on 13.3.90). The parents also did not spend any time productively with their children in the evenings. Instead, they were prone to undesirable social habits such as alcohol abuse (among fathers) and were often preoccupied with video movies. Obviously, such habits do not support the children's educational development.

In addition to the above, plantation workers also suffer from lack of motivation and low self-esteem, and have developed fatalistic attitudes towards life. This attitude has probably been partly influenced by their religious and cultural beliefs. Being mainly Hindus, many plantation workers believe in the doctrine of *karma* and *dharma*. According to the doctrine of *karma*, one's birth and status in society is predetermined on the basis of one's actions in previous lives. Therefore, it is common among Indian workers within the plantation to attribute their persistent poverty, misfortune and their children's failure to *karma* or *viti* (fate) (Selvaratnam, 1978: 12). This belief and value system has discouraged workers from taking a greater interest in their children's education, believing that their children's success or failure in education depends on their fate. Consequently, this generates negative moral values among the children, which subsequently contributes to their poor academic performance.

Peer Group Variable

Broadly speaking, plantations have defined the boundaries of the workers' and their children's existence (Tinker, 1978: 178). They seldom mix around with people outside the plantations, nor is there any social or economic institution within the estate that encourages linkages with the world outside. This has resulted in plantation communities having a common social structure, common normative and value systems and behavioural patterns. In other words, over a period of time, they have been moulded in their social interaction into a shared standard pattern of behavioural norms and values. This shared standard pattern of behaviour has played a negative role in plantation children's educational development because schoolchildren tend to justify their low aspirations for education and poor academic

performance by referring at one another. Hence, they lack the peer group support, motivation and competition necessary for academic achievement. This is not the case among their urban counterparts who have acquired different norms and values since they are able to mix with a variety of children (of all classes) unlike plantation children.

Quality of Plantation Schools

The majority of schoolchildren in plantations attend the Tamil schools located within the plantations. Schools on plantations are classified as 'Government Aided Schools', unlike 'Government Schools', the norm in the rest of the country (*Fifth Malaysia Plan*, 1986: 484). Normally, 'Government Schools' are fully funded by the Ministry of Education in all respects. But in the case of 'Government Aided Schools' on plantations, the land and schools are provided by the plantation management, while the Ministry of Education sometimes construct schools, and provides teachers, books and equipment. The Ministry is reluctant to provide full aid and more funding, particularly to construct decent schools on plantations, arguing that plantations are private property and, as such, it is not justified in investing substantial capital for school construction. This results in great disadvantages for the plantation community.

The plantation Tamil schools are officially recognised as the 'smallest and the poorest' in the entire education system (Murad, 1973), with 88 per cent of the schools having enrolments below 200 pupils. In 1989, there are about 553 Tamil schools in the country, with a total enrolment of 81,051 pupils, of which 85 per cent were located on plantations (Marimuthu, 1990: 11). Of the 31 plantations surveyed, 23 (or 74.1 per cent) of the largely MAPA estates provided Tamil schools. Children from another five plantations went to two 'consolidated' group schools in nearby towns while the rest of the children — from another three plantations — went to nearby estate schools.

Many of the plantation Tamil schools lacked satisfactory physical and educational facilities such as proper buildings, class rooms, desks and chairs, toilets, libraries, canteens and play grounds. Most of the school buildings are wooden buildings with several partitions dividing the classrooms. Partitioning is by wooden screens, which do not reach the ceiling, and consist of several pieces of thin plank. As a consequence, noise from one class disturbs children in adjoining classes. In addition to the noise problem, schools in plantations are

generally in a dilapidated and deplorable condition and, as such, are unsafe for use (*New Straits Times*, 18.6.1987). Some of the schools were found to be abandoned rubber smoke houses, annexes to temples or other dilapidated buildings, and in some cases, the schools resembled cow-sheds rather than places to study.

Apart from these poor physical conditions, most schools also did not conduct extra-mural activities like netball, football, volleyball, badminton, etc. Only five schools surveyed, including the two consolidated group schools, organised annual sports carnivals with the help of the Parents and Teachers Association. The other schools could not even hold such an event due to the lack of proper sports equipment. Absence of electricity in these schools also discouraged indoor extra-mural activities in the evenings.

The poor state of plantation schools obviously contributes to low achievement levels as well as high drop-out rates, and remains an impediment to the education of plantation children. This situation was correctly observed by Stenson (1980) who wrote, "the estate Tamil Schools were often mere apologies, their rooms inadequate, their teachers untrained and they provide no opportunity for progress to higher education". Therefore, it is not surprising that 90 per cent of the workers interviewed in this study had a very low opinion of plantation schools. Yet, the workers were not in a position to send their children to better government schools nearby because of the distance, transport and cost problems already mentioned in connection with health care.

Tamil School Teachers

Teachers play a very significant role in the lives of school children. Their training, qualifications, attitudes, opinions, perceptions, values and behaviour affect the development of children's ability, which in turn affects their motivation and achievement (Marimuthu, 1984: 103). An in-depth analysis of plantation Tamil school teachers has been conducted by Colleta in a Tamil estate school in Kedah. Apart from describing the appalling physical conditions of the school, he revealed that the school staff had poor qualifications and inadequate training. A number of teachers were farmers, estate clerks and office hands, initially employed as temporary teachers after receiving some training on holidays and weekends. The teachers were also found to be not well equipped in terms of books and teaching materials (Colleta, 1975: 102).

My data on the educational qualifications and training of teachers in plantation schools support Colleta's findings. Most of the teachers possess only LCE/SRP qualifications, were trained many years ago and are of the older generation. Therefore, their pedagogic knowledge is often too out-dated to help their students' learning. Nonetheless, there has been a significant improvement in the qualifications of younger generation teachers, who have received proper training and have MCE/SPM qualifications, unlike teachers of the older generation.

In addition to the lack of qualified teachers, Tamil schools also face constant teacher shortages (Ponniah, 1970: 63). This results in a single teacher minding multiple classes in most of the plantations studied, with the exception of two plantations, where children went to a group or consolidated Tamil school in a nearby town. The teacher shortage problem has led to a high proportion of untrained temporary teachers in plantation Tamil schools. For instance, in 1986, there were 4,624 teachers in Tamil schools, of which 1,450 were listed as untrained. The untrained component in the teaching force of Tamil schools further lowered the quality of the teaching-learning process, clearly reflected in the low levels of achievement and high drop-out rates in Tamil primary schools as compared with other types of primary schools in the country.

To add to existing problems, teachers' dedication in plantation Tamil schools is problematic. Even though there are a lot of dedicated teachers found on plantation schools, many teachers were busily engaged in other activities, thus spending less time on school activities. In recent years, most of these teachers have become active in politics and business. Today, a large number of Malaysian Indian Congress (MIC) leaders at the rural level are Tamil school teachers. These activities have transformed the teachers into a 'professional' middle class in rural areas (Supernor, 1983: 197). However, the same activities affect their commitment and dedication to their pupils in school, reflected in their lack of teaching preparation, which diminishes the quality of teaching in plantation schools.

The Challenge

Educational success is one of the major factors determining opportunities for the economic advancement and social mobility of any community. However, the discussion above has clearly shown that plantation children suffer from poor education, low achievement

levels and high drop-out rates, caused by a host of inter-related elements such as socio-economic factors, poor home environment, attitudes and culture, lack of peer group support and pressure, and low schooling quality. The failure of plantation children in education has guaranteed a continuous labour supply for plantation management, but has progressively marginalized the plantation community from participating in mainstream socio-economic development. Thus, there is a real challenge and need to arrest and reverse this trend within plantation society. The challenge for the future lies in worker, management and government coordination of an integrated package aimed at improving educational standards. Particularly, a move by the Ministry of Education to upgrade the quality of schools in these areas is long overdue. Although the total enrolment in these schools is 3.6 per cent of the total enrolment in the country, only about 2.6 per cent of the total educational expenditure is devoted to them (Marimuthu, 1990: 11). To overcome this problem, it will be necessary to upgrade plantation schools from the status of 'government-aided schools' to fully fledged 'government schools'. This could be done by persuading the estate managements to donate the school sites for educational purposes so that plantation schools can be converted to government schools to qualify for all facilities available through the Ministry of Education. If this option is difficult to achieve, then an alternative would be for the government to insist on purchasing the land, thus converting the 'government-aided schools' to 'government schools'. It needs to be pointed out here that such agricultural land would not be expensive to purchase. The government should also upgrade the quality of teachers in plantation Tamil schools through in-service courses to improve teaching. In the meantime, the workers themselves should take the initiative to participate in teacher-parent associations to pursue their interest in their children's education. If these initiatives are not taken, then the continuous slippage of the socio-economic and educational status of plantation communities cannot be reversed.

Income

Income level is a major determinant of expenditure and consumption patterns, and also of savings and indebtedness. This serves as an important variable in the measurement of poverty incidence. Generally, income levels are regarded as the best proxy for living standards and welfare measurement. Accordingly, this section concentrates on the

patterns of income, expenditure, savings and indebtedness among plantation workers in order to look at their general welfare in comparison to workers in other industries, and with mainstream Malaysian society.

Income Distribution

In Malaysia, analysis of income distribution and welfare of people almost invariably refers to total household income as the standard of comparison. However, measurement of total household income is deficient for welfare comparisons simply because variation in household size is too great to be ignored when using income distribution for this purpose (Musgrove, 1980: 250). Thus, per capita household income is a better measure for the analysis of welfare or well-being since it automatically 'corrects' for household size (the distribution of per capita household income can be interpreted as the per capita income of households or the distribution of household income among individuals). This was clearly shown by Kuznets when he traced differences between the two concepts in great detail and concluded:

It makes little sense to talk about equality in the distribution of income among families or household by income per family or household when the underlying units differ so much in size... before any analysis can be undertaken, size distributions of persons (or consumer equivalents) by size of family or household income per person (or per consumer) (Kuznets, 1976: 87).

The first significant application of this methodology to Malaysia has been the important work of Anand (1983). Datta and Meeran (1980), using Malaysian income data, also came to the same conclusion in discussing the imperfect relationship between household income and per capita household income for welfare comparison. However, most Malaysian official statistics have used household income to indicate the poverty incidence and well-being among the population. Therefore, to compare the well-being of plantation workers with mainstream Malaysian society as a whole, this section will use both household income and household per capita incomes.

Household Income

This study adopts the concept of the household as a unit where a group of persons normally live together, pool their financial resources

and have common eating arrangements. This definition closely follows that adopted by the Household Expenditure Survey conducted by the Malaysian Department of Statistics. Workers in plantations may contribute to gross household income from the following sources:

- i) Wages or earnings from household heads or other individual recipients from their main occupations in plantations;
- ii) Income from members working elsewhere;
- iii) Income from subsidiary occupations;
- iv) Non-monetary income;
- v) Transfer income.

Earnings from Main Occupation

There are various occupations within plantations. In this study, rubber tappers form the predominant group, accounting for 33.7 per cent of respondents interviewed, followed by 23.8 per cent harvesters, 10.8 per cent sprayers, 10.5 per cent weeders, 7.5 per cent factory workers (both rubber and palm oil factories), 5.1 per cent loaders, 4.5 per cent line sweepers and 3.9 per cent drivers (refer to Table 4.4 in Chapter 4).

A number of systems of wage payment have been adopted for these plantation workers. The three systems commonly used in the rubber plantations are the MAPA-NUPW (Malaysian Agricultural Producers Association-National Union of Plantation Workers) system, the LEE system (on all estates belonging to the Lee plantation group), and the FR (free rate) system used by many estates which do not belong to either the MAPA-NUPW or the LEE group (Nayagam and Sepien, 1981: 27). In the case of oil palm estates, wages are paid according to the MAPA-NUPW system, and payment by weight for the total weight of ripe bunches and loose fruit harvested at a determined price level in non-MAPA estates. The MAPA-NUPW payment system is also used in some non-MAPA estates, whether rubber or oil palm estates. Of the 31 estates examined during this study, 74.2 per cent used the MAPA-NUPW system while the rest used the FR system.

Table 5.19 presents the percentage distribution of average monthly earnings of plantation workers according to income and occupational categories. From the table, it was found that 16.5 per cent of the respondents interviewed earned less than RM200 per month followed by 25.3 per cent in the range of RM201–250. Half the workers, around 50.3 per cent, declared incomes in the range of RM251–350. However, only 7.8 per cent earned incomes of more than RM350 per month.

Table 5.19
Workers' Incomes from Main Occupation

Income Categories	Occupation								Total	
	Tappers	Harvesters	Sprayers	Weeders	Factory Workers	Loaders	Line Sweepers	Drivers	No.	%
<RM100	2.7	–	2.7	2.9	–	–	–	–	5	1.5
RM101–150	4.5	–	22.2	5.7	–	–	13.3	–	12	3.6
RM151–200	16.0	7.6	11.1	14.3	–	11.8	20.4	–	38	11.4
RM201–250	18.6	21.5	30.5	40.0	28.0	17.6	53.3	–	84	25.3
RM251–300	28.6	27.8	19.4	20.0	32.0	35.3	13.3	30.8	89	26.8
RM301–350	27.7	26.6	13.8	17.1	28.0	17.6	–	30.8	78	23.5
RM351–400	1.8	10.1	–	–	8.0	11.8	–	38.4	19	5.7
RM401–450	–	3.8	–	–	4.0	5.9	–	–	5	1.5
>RM451	–	2.5	–	–	–	–	–	–	2	0.6
Total	100.0 (112)	100.0 (79)	100.0 (36)	100.0 (35)	100.0 (25)	100.0 (17)	100.0 (15)	100.0 (13)	– 332	100.0

Source: Fieldwork data.

Hence, the mean monthly income of all plantation workers is RM258 per month. The mean monthly income varied according to type of occupation. The highest mean monthly income was earned by factory workers (RM284), followed by harvesters (RM283), loaders (RM278), drivers and tappers (RM248), weeders (RM231), sprayers (RM229), and the lowest (RM203) being that of line sweepers, as shown in Table 5.20. It is interesting to note here that the mean

Table 5.20
Comparison of Monthly Incomes of Workers in
Various Industries, Peninsular Malaysia

Occupation	Mean Monthly Income (RM)
<i>Plantation Industry</i>	
Tapper	248
Harvester	283
Loaders	278
Factory Workers	284
Drivers	248
Sprayers	229
Weeders	231
Line Sweepers	203
All Estate Workers	258
<i>Electrical & Electronic Industry</i>	
General Labourer	315
Production Operator	480
Watchmen	491
Lorry Driver	673
<i>Tin Mine Industry</i>	
Semi-Skilled Workers	497
<i>Hotel Industry</i>	
Waiter/Waitress	630
<i>Banking Industry</i>	
Office Boy	492

- Sources: (1) Figures for plantation industry is derived from fieldwork data.
 (2) Figures for electrical and electronic industry were adapted from *Occupational Wages Survey in Manufacturing Sector, 1989*, pp. 3-4.
 (3) Figures for Tin mine, Hotel, and Banking industries were adapted from *Labour and Manpower Report, 1987/88*, pp. 76-78.

monthly income of the workers (tappers, harvesters and weeders) in this survey differs greatly from the official figures of RM333, RM391, and RM251 given by the Ministry of Labour. The discrepancy in these figures may be explained by the Ministry's calculation being based on the MAPA-NUPW wage system without taking into consideration the FR system in non-MAPA estates.

It is also worth noting that on the whole, plantation workers are earning a lower mean monthly income than workers in other sectors and industries performing comparable tasks. For instance, their mean monthly income of RM258 was much lower than the mean monthly incomes earned by general labourers (RM315), production operators (RM480), watchmen (RM491) and lorry drivers (RM673) in the electrical and electronic industry in 1989; RM497 earned by semi-skilled tin mine workers in 1988; RM630 by waiters/waitresses in the hotel industry in 1988; and RM492 earned by office boys in the banking industry in 1987 (refer to Table 5.20). Thus, plantation workers' wages are far below those of most other groups in the nation.

Plantation workers' wages also have not increased correspondingly to other workers in Malaysia over time. Wage trends over a period of 15 years, from 1974 to 1989 (refer Table 5.21) show that plantation workers, especially rubber tappers, have experienced the least improvement in money wages. Although oil palm harvesters were paid almost the same as rubber tappers in 1974, since then, they have been able to increase the wage differential in their favour. This has been due to two principal factors: the relative scarcity of oil palm harvesters (due to the more dangerous and arduous work involved) and the sustained rise in palm oil prices (Ministry of Labour, 1986: 158). However, due to competition from overseas suppliers, principally Indonesia, prices began to steady after 1983, and wages came down, although they remained higher than those for rubber tappers.

In contrast, the high growth electronic industry registered a 255 per cent increase over the 1974 wage level. Even relatively unskilled workers in the transport industry, such as bus conductors and lorry attendants, had significant pay increases during this period. Further, in the tin industry, semi-skilled workers gained between 127 per cent to 176 per cent improvements in their earnings. Thus, plantation workers' wages are far below those of other groups in the nation. It is surprising to see this situation, particularly among the tappers, who form the key group in the whole estate sector, because in the last 20 years or so, productivity in the rubber industry has risen 225 per cent

Table 5.21
Wages in Selected Industries, Peninsular Malaysia, 1974–89 (RM)

Industry/Occupation	1974	1980	1983	1985	1987	1989	Average Annual Growth Rate, 1974–89
<i>(1) Plantation Sector</i>							
Rubber Tappers	195	259	279	253	289	339	1.73
Oil Palm Harvesters	193	308	550	372	427	391	2.02
<i>(2) Transport Industry</i>							
Bus Drivers	211	313	405	410	422	434	2.05
Lorry Drivers	201	300	322	370	400	415	2.06
<i>(3) Tin Mines</i>							
Dredge Crew:							
Semi-Skilled Workers	208	229	400	449	460	474	2.27
Gravel Pump Mines:							
Semi-Skilled Workers	199	420	496	530	535	550	2.76
<i>(4) Electronic Industry</i>							
Production Operators	135	275	444	380	470	480	3.55

Sources: The above statistics have been compiled from the following documents:

- (1) *Occupational Wage Surveys*, Ministry of Labour and Manpower, Malaysia, 1974, 1980 and 1984.
- (2) *Labour and Manpower Report, 1984/85*, Ministry of Labour, Malaysia.
- (3) *Labour and Manpower Report, 1987/88*, Ministry of Labour, Malaysia.
- (4) *Labour Indicators, 1987/88*, Ministry of Labour, Malaysia.
- (5) *Occupational Wages Survey in Manufacturing Sector*, Ministry of Human Resources, Malaysia, 1989.
- (6) Research and Planning Division, Ministry of Human Resources.

in current price terms while the profit rate in rubber plantations rose about 100 per cent over the same period, while workers' wages have not followed suit (Jomo, 1986: 7). Obviously, this fact has contributed to pushing down the real incomes of plantation workers in comparison to the significant improvements gained by workers in other sectors of the economy. As we shall show in our discussion in Chapter Six, the presence of a high level of unionized labour in the plantation sector (organized by a single national union, the NUPW) does not appear to have improved workers' conditions.

Subsidiary and Non-Monetary Incomes

The low level of wages in plantations has forced workers to look for additional sources of income. However, such sources of income are limited within plantations. The principal avenues open to workers are either to work within the estate in the evening or to engage in 'non-estate' activities to generate supplementary incomes. Work on the estates in the evenings or on holidays consists of such jobs as weeding, pruning overgrown oil palm tress and applying stimulants to rubber or oil palm trees. This work is too infrequent and restricted to provide a dependable source of income. Only 5.7 per cent of the workers interviewed for this study were involved in these sorts of activities. Most workers complained that they do not get an opportunity to do these jobs as managements prefer to contract out to Indonesian illegal immigrants willing to perform the jobs for lower pay.

Thus, some workers are forced to engage in 'non-estate' activities such as vegetable cultivation on 'kitchen' (or backyard) gardens and allotments; chicken and cattle rearing; and working in neighbouring towns or villages. Vegetable cultivation and cattle rearing are conducted on the strips of land provided by estate managements in the fringes of estates, while chickens are reared behind the labour lines. In those cases where the estates are located near a town or village, a very small proportion of estate men occasionally manage to find some temporary work. However, as a whole, only 6.0 per cent of workers in this study were involved in 'non-estate' activities and the income earned from these activities was very small. Since a negligible number of the workers interviewed for this study were involved in generating subsidiary incomes, this study does not tabulate subsidiary incomes in the analysis of average household incomes.

However, non-monetary income has been tabulated for the analysis

of household income because in almost all estates, facilities like free housing and water supply were provided. The bulk of the estates, particularly the MAPA estates, also provided limited electricity supply and medical facilities (estate clinics). The value of these facilities had to be computed in accordance with regulations laid down by the MAPA-NUPW agreement, while a worker for whom no approved accommodation is available on the estate is entitled to a housing allowance of RM50 per month, paid to the worker who is the principal bread-winner of the family. In other words, only one working member in the household is entitled to this benefit. However, this payment system is not followed by non-MAPA estates and sub-divided estates if the workers stay outside the estate labour lines.

Household Size and Income

Turning to the question of household income, apart from earnings from their main occupation and non-monetary incomes, household income is also influenced by several factors. The three main determinants are (a) the number of working members in the household; (b) their occupational status; and (c) transfer income received.

Most households studied had more than one working member, as indicated in Table 5.22. The majority of households, about 61.4 per cent, had at least two working members, usually husband and wife.

Table 5.22
Number of Workers Per Household in Plantations

Number of Working Members	Households	
	Number	%
1	43	13.0
2	204	61.4
3	61	18.4
4	16	4.8
5	8	2.4
Total	332	100.0

Source: Fieldwork data.

Another 25.6 per cent had three or more working members, consisting of grown-up children or other members of extended families. The number of working members per household increases with household size, taking into consideration the age structure of household members.

On average, respondents in this study had large household sizes. For instance, 60.2 per cent of them had household sizes of six or more persons (refer Table 5.23). This helps to explain why 25.6 per cent of households had more than three working members. However, of these households, only 12 per cent of the workers worked outside the estate concerned — mainly in nearby factories and towns. In particular, the rates of involvement in these activities are high among the recent school drop-outs, rather than elderly workers. In addition to income from such collective household activities, a total of 16 families received transfer income from their unmarried sons working in the cities (Singapore, Klang Valley, and Penang). This income has been included in total household income.

After considering these factors, 79.6 per cent of respondents' households earned more than RM350 a month (refer to Table 5.24) which corresponds to the poverty line in Malaysia for a household size of 5.14 persons in 1988. Further analysis of the data revealed that average incomes varied from one household size to another, but the observed trend was one of increasing income as one moved towards larger household sizes. Therefore, it is not surprising to see the 20.4 per cent who fell below the poverty line in this study being of smaller family size with one working member in the household (refer to Table 5.24). This poverty rate is in line with the poverty rate of 19.7 per cent among estate workers, as estimated by the Fifth Malaysia Plan (1986: 86). The mean monthly household income of RM455 in this study is also far higher than the poverty line for Malaysia.

Whatever the poverty rate, the question now is whether it is right to say that 79.6 per cent of the households in this study are living above the poverty line just because they earn more than RM350 per month. Even though the households earned more than RM350 per month, technically speaking, this income has not been adjusted for household size. The mean household size in this study is 6.1 persons and household income is, naturally affected by family size. Therefore, the absolute living standard of a household and the incidence of poverty among the workers can only be meaningful if we measure their per capita household income.

Table 5.23
Size Distribution of Households by Income Category

Income Categories (RM)	Household Size									Total %	Total No.
	2	3	4	5	6	7	8	9	10		
<200	20.0	35.0	20.0	10.0	10.0	–	–	5.0	–	100.0	20
201–250	14.3	42.9	14.3	7.1	7.1	14.3	–	–	–	100.0	14
251–300	7.7	38.4	15.4	7.7	7.7	7.7	–	7.7	7.7	100.0	13
301–350	4.8	23.8	19.0	4.8	9.5	14.3	9.5	9.5	4.8	100.0	21
351–400	5.4	5.4	19.6	17.8	30.3	16.0	1.8	–	3.6	100.0	56
401–450	4.8	6.5	9.7	27.4	33.9	9.7	3.2	–	4.8	100.0	62
451–500	4.4	4.4	17.7	20.0	24.4	8.8	6.6	–	13.6	100.0	45
501–550	–	–	–	11.1	27.8	38.9	16.7	5.5	–	100.0	18
551–600	–	–	–	–	10.0	20.0	35.0	20.0	15.0	100.0	20
601–650	–	–	–	–	–	5.5	50.0	27.8	16.7	100.0	18
651–700	–	–	–	–	–	10.0	30.0	40.0	20.0	100.0	10
701–750	–	–	–	–	9.1	–	18.2	45.5	27.2	100.0	11
751–800	–	–	–	–	10.0	10.0	20.0	30.0	30.0	100.0	10
>801	–	–	–	–	–	14.3	14.3	42.9	28.6	100.0	14
Total	4.8 (16)	9.6 (32)	11.7 (39)	13.6 (45)	19.3 (64)	13.0 (43)	10.8 (36)	9.6 (32)	7.5 (25)	100.0 –	332 332

Source: Fieldwork data.

Table 5.24
Income Distribution of Households by Household Size

Income Categories (RM)	Household Size									Total No.	% Total
	2	3	4	5	6	7	8	9	10		
<200	25.0	21.9	10.3	4.4	3.1	-	-	3.1	-	20	6.0
201-250	12.5	18.8	5.1	2.2	1.6	4.6	-	-	-	14	4.2
251-300	6.2	15.6	5.1	2.2	1.6	2.3	-	3.1	4.0	13	3.9
301-350	6.2	15.6	10.3	2.2	3.1	7.0	5.6	6.3	4.0	21	6.3
351-400	18.8	9.4	28.2	22.2	26.6	20.9	2.8	-	8.0	56	16.9
401-450	18.8	12.5	15.4	37.8	32.8	14.0	5.6	-	12.0	62	18.7
451-500	12.5	6.2	25.6	24.4	17.2	9.3	8.3	-	8.0	45	13.6
501-550	-	-	-	4.4	7.8	16.3	8.3	3.1	-	18	5.4
551-600	-	-	-	-	3.1	14.0	19.4	12.5	4.0	20	6.0
601-650	-	-	-	-	-	2.3	25.0	15.6	12.0	18	5.4
651-700	-	-	-	-	-	2.3	8.3	12.5	8.0	10	3.0
701-750	-	-	-	-	1.6	-	5.6	15.6	12.0	11	3.3
751-800	-	-	-	-	1.6	2.3	5.6	9.4	12.0	10	3.0
>801	-	-	-	-	-	4.6	5.6	18.7	16.0	14	4.2
Total	100.0 (16)	100.0 (32)	100.0 (39)	100.0 (45)	100.0 (64)	100.0 (43)	100.0 (36)	100.0 (32)	100.0 (25)	332 332	100.0 -

Source: Fieldwork data.

Household Per Capita Income

Table 5.25 presents the per capita household income of the workers studied. The table clearly shows an inverse relationship between monthly household income and monthly per capita household income. The monthly household income increases proportionately with household size. In contrast, income per capita decreases as household size increases.

Using the average household size of 6.1, the per capita monthly household income for all household sizes in this study is RM75 (RM455/6.1), very much higher than the national per capita poverty line income of RM68 per month (RM350/5.14 persons). However, using the national per capita poverty line income of RM68, it was found that about 38.1 per cent of households in this study fell below the poverty line (refer to Table 5.26). Poverty incidence through such measurement shows a higher incidence in comparison with the 20.4 per cent found by the household income measurement.

Whatever the measure, the important thing is that plantation workers have recorded a high rate of poverty in comparison with the incidence of rural (24.7 per cent) and urban poverty (8.2 per cent) (*Fifth Malaysia Plan*, 1986: 86). The poverty eradication measures taken

Table 5.25
Distribution of Per Capita Household Income (RM)

Household Size	Average Household Monthly Income	Monthly Per Capita Income
2	158	79
3	291	97
4	368	92
5	405	81
6	420	70
7	462	66
8	560	70
9	621	69
10	640	64

Source: Fieldwork data.

Table 5.26
Per Capita Household Income by Household Size

Per Capita Household Income (RM)	Household Size									Total No.	% Total
	2	3	4	5	6	7	8	9	10		
<50	-	-	10.3	6.5	6.3	13.9	8.3	6.3	32.0	30	9.0
51-55	-	3.1	2.6	-	3.1	16.3	5.6	3.1	4.0	15	4.5
56-60	-	15.6	2.6	4.4	7.8	13.9	5.6	6.3	4.0	23	6.9
61-65	-	3.1	-	4.4	23.4	7.0	8.3	12.5	12.0	31	9.3
66-70	-	3.1	2.6	17.4	7.8	7.0	13.9	9.3	8.0	28	8.4
71-75	-	12.5	2.6	2.1	34.4	11.6	8.3	15.6	8.0	43	13.0
76-80	-	3.1	2.6	-	9.4	11.6	19.4	9.3	16.0	27	8.1
81-85	-	3.1	7.7	8.7	-	7.0	13.9	18.8	-	22	6.6
86-90	18.7	9.4	5.1	26.1	-	2.3	2.8	-	-	22	6.6
91-95	6.3	3.1	17.9	17.4	6.3	2.3	5.6	12.5	-	28	8.4
96-100	-	-	5.1	8.7	1.6	-	2.8	6.3	4.0	11	3.3
101-120	12.5	15.6	20.5	4.4	-	2.3	5.6	-	12.0	23	6.9
121-140	6.3	18.7	5.1	-	-	4.7	-	-	-	11	3.3
141-160	-	9.4	2.6	-	-	-	-	-	-	4	1.2
161-180	6.3	-	12.8	-	-	-	-	-	-	6	1.8
181-200	18.7	-	-	-	-	-	-	-	-	3	0.9
>201	31.2	-	-	-	-	-	-	-	-	5	1.5
Total	100.0 (16)	100.0 (32)	100.0 (39)	100.0 (45)	100.0 (64)	100.0 (43)	100.0 (36)	100.0 (32)	100.0 (25)	332 332	100.0

Source: Fieldwork data.

by the government since 1970 successfully reduced the incidence of poverty in other sectors of the economy. But poverty rates have not declined in the plantation industry, largely due to managements' reluctance to increase wage rates coupled with slumping commodity prices (Mehmet, 1988: 20). However, the late 1980s have recorded good prices on the world markets for both rubber and palm oil. Even with these high prices, the real wages in the industry did not rise, an essential factor in reducing the incidence of poverty. Therefore, the high incidence of poverty in plantations will be difficult to erase without proper wage increases in the industry, since income is the basic measure used in determining poverty incidence.

Expenditure

Income has a direct influence on purchasing power, expenditure, savings and indebtedness. The term expenditure in this study refers to consumption expenditure on items such as food, liquor, education, clothing, transport, medicine, repayment, water, electricity, lighting fuel, entertainment, and contributions (union, temple, and political association fees). In particular, expenditure on food and consumption can be a good indicator of the social well-being of any community or people. This section will attempt to examine this relationship.

Household Expenditure

Table 5.27 compares expenditure and household income, showing that 22.8 per cent of respondents incurred expenditures of less than RM350 per month, followed by another 34.3 per cent in the category of RM351–500 while another 42.6 per cent spent more than RM501 per month. A closer look at the table also reveals that almost all respondents in every income category spent more than what they earned. This pattern is reinforced if we look at mean monthly household expenditure.

The mean monthly household expenditure for all estate income categories and household sizes in this study was estimated to be RM483 per month (refer to Table 5.28). If compared with the mean monthly income of RM455, most estate workers spent more than what they earned. The same relationship is also explained by monthly per capita household income of RM75 and expenditure of RM79. However, closer examination of different household sizes points out that

Table 5.27
Total Household Expenditure by Household Income (%)

Income (RM)	Expenditure (RM)														Total	%
	<200	201-250	251-300	301-350	351-400	401-450	451-500	501-550	551-600	601-650	651-700	701-750	751-800	>800		
<200	61.5	21.1	14.3	8.7	6.7	-	-	5.0	-	-	-	-	-	-	20	6.0
201-250	15.4	21.1	14.3	4.3	3.3	5.3	-	4.0	-	-	-	-	-	-	14	4.2
251-300	7.6	15.7	9.5	8.7	3.3	2.6	2.2	-	-	-	4.0	-	7.7	-	13	3.9
301-350	-	5.3	19.0	13.0	10.0	7.9	4.3	-	3.8	3.8	8.0	-	7.7	-	21	6.3
351-400	7.6	15.7	14.3	30.4	30.0	26.3	19.6	28.0	15.4	3.8	-	4.3	-	25.0	56	16.9
401-450	7.6	15.8	19.0	21.7	26.7	34.2	45.6	8.0	3.8	3.8	4.0	-	7.7	25.0	62	18.7
451-500	-	5.3	9.5	13.0	20.0	21.0	21.7	36.0	7.7	3.8	4.0	4.3	7.7	-	45	13.6
501-550	-	-	-	-	-	2.6	4.3	8.0	19.2	15.4	4.0	4.3	7.7	25.0	18	5.4
551-600	-	-	-	-	-	-	2.2	8.0	19.2	27.0	8.0	13.0	-	-	20	6.0
601-650	-	-	-	-	-	-	-	4.0	11.5	15.4	16.0	13.0	15.4	25.0	18	5.4
651-700	-	-	-	-	-	-	-	-	3.8	7.7	12.0	13.0	7.7	-	10	3.0
701-750	-	-	-	-	-	-	-	-	3.8	7.7	12.0	17.4	7.7	-	11	3.3
751-800	-	-	-	-	-	-	-	-	3.8	3.8	8.0	13.0	23.0	-	10	3.0
>800	-	-	-	-	-	-	-	-	7.7	7.7	20.0	17.4	7.7	-	14	4.2
Total	3.9 (13)	5.7 (19)	6.3 (21)	6.9 (23)	9.0 (30)	11.4 (38)	13.9 (46)	7.5 (25)	7.8 (26)	7.8 (26)	7.5 (25)	6.9 (23)	3.9 (13)	1.2 (4)	332 332	100.0 -

Source: Fieldwork data.

Table 5.28
Patterns of Income, Expenditure and Savings (RM)

Household Size	Average Household Monthly Income	Monthly Per Capita Income	Average Household Monthly Expenditure	Monthly Per Capita Expenditure	Average Household Monthly Savings	Monthly Per Capita Savings	Total Number of Households
2	163	82	194	97	-20	-15	16
3	296	97	278	92	13	5	32
4	368	92	348	87	20	5	39
5	405	81	421	84	-16	-3	45
6	420	70	473	79	-50	-8	64
7	462	66	554	79	-92	-13	43
8	560	70	614	77	-54	-7	36
9	621	69	671	76	-50	-7	32
10	640	64	724	72	-84	-8	25
Mean	455	75	483	79	-33	-6.20	6.1

Source: Fieldwork data.

household sizes of 3 and 4 people manage monthly per capita savings of RM5 after expenditure. This is basically due to the relatively low expenditure incurred by such households in comparison to the income earned by households with two working members.

Expenditure Pattern

For the 332 respondents' households, the main expenditure item, by far, was food (refer Table 5.29). On average, the respondents spent about 68.1 per cent of their monthly income, or RM324 per month, on food. This was followed by 9.1 per cent on education, mainly for the travelling expenses of schoolgoing children and miscellaneous expenditure such as for buying books, and so forth. Another 6.2 per cent went for repayments or payment instalments, and 3.9 per cent was spent on liquor.

From the expenditure pattern, it is clear that only a small amount (2.7 per cent) was spent on clothing, which can perhaps be explained

Table 5.29
Breakdown of Monthly Expenditure of Estate Households

Item	Expenditure (RM)	% of Expenditure
Food	324	68.1
Education	44	9.1
Clothing	13	2.7
Transport	18	3.7
Medicine	11	2.2
Repayment/Instalment	30	6.2
Water/Electricity/Fuel	2.50	0.8
Entertainment	9	1.8
Compulsory Contribution (union, temple, political organization)	7.50	1.5
Liquor	19	3.9

Source: Fieldwork data.

by the fact that poor households very seldom incur expenditure on new clothing. However, according to the respondents, their expenditure on clothing rose before major festivals and school reopening at the end of every year.

A small percentage of income (3.7 per cent) was also spent on transport, reflecting the fact that the workers remain mostly within the confines of their estates. The main mode of transport within the estates has always been the bicycle, but it is fast being replaced by the motorcycle. The workers use buses, taxis or trains only for travelling long distances for functions.

Expenditure on medicine, water, electricity and entertainment was also found to be minimal. Even though the workers were dissatisfied with the health services provided in plantation clinics, they did not often have the means to use outside medical facilities, except in case of emergency and unavoidable circumstances. They do not spend much on water and electricity since these are supplied in most estates by management, though as discussed earlier, this is far from satisfactory. The most popular form of entertainment is film-going or video rental, which incurs money. Compulsory contributions, such as fees for union membership, temple and political organizations, also constitute a small proportion of their monthly expenditure. Since the bulk of workers' monthly expenditure goes for food, let us examine this item in detail.

Food Consumption

Expenditure on food items and the quantity of food consumed by a household is largely dependent upon household size, the age structure of household members, income received, and the availability of credit facilities to purchase these foodstuffs. On most estates, the workers purchased their food items from estate provision shops, vegetable vans and provision shops in nearby villages or towns. While the majority bought from more than one of these sources, the largest purchases were from shops in nearby towns, particularly on paydays. Whatever the source, it was found that almost all households purchased their food and other household necessities on credit mainly due to the low cash holdings of households as a consequence of the low levels of income earned. As such, the majority of workers are heavily indebted to these provision shops. At times, shopkeepers refuse to provide the amounts of food requested by workers.

A detailed description of expenditure on food consumption is given in Table 5.30. The table shows that the biggest expenditure item is rice and other cereals which are the staple diet of most plantation workers. Together with rice, cereals, fruit, vegetables, and other starchy staples, these basic items accounted for almost 66 per cent of total household expenditure on food. Only about 28.9 per cent of household expenditure on food was available for the purchase of protein-rich items such as meat, fish and eggs.

These relatively poor households spent about 5 per cent of their budget on liquor, usually illicit samsu, condemned by the Ministry of Health as a cause of blindness and even death among plantation workers. Various reasons have been suggested to explain the high level of alcohol consumption among plantation communities. Firstly, it occurs mainly due to the lack of entertainment and recreation

Table 5.30
Estimates of Monthly Household Food Expenditure of
Ten Selected Households

Article	% of Expenditure
Rice	26.3
Bread and Other Cereals	8.3
Meat	16.8
Fish	8.1
Milk and Eggs	4.0
Oil and Fat	0.8
Fruits and Vegetables	16.5
Sugar	6.2
Coffee and Tea	2.5
Liquor	4.7
Other Food	5.6
Total	100.0
Food as % of Total Expenditure	68.1

Note: Sample size = 10 households. Two households each from household sizes 3, 4, 5, 7 and 9.

Source: Fieldwork data.

facilities in plantations. Secondly, it is a common belief among workers that certain types of alcohol (e.g. beer and stout) restores energy after a hard day's work. Finally, for many workers, it is a way of escaping from the worries and stress they face in their daily life. However, alcohol consumption does not only eat into the family budget, but also contributes to family quarrels, friction and unhappiness.

On the whole, plantation household expenditure on food appears to be lower than that for other groups in Peninsular Malaysia. The results of the comprehensive Household Expenditure Survey in 1973 is summarised in Table 5.31. It shows that the average expenditure of all income classes on food was 36.2 per cent for Peninsular Malaysia as a whole. But urban lower income households spent 39.5 per cent,

Table 5.31
Composition of Food Expenditure by
Lowest Income Groups, Peninsular Malaysia, 1973 (%)

	Peninsular Malaysia	Lowest Income Group (RM199 & below)	
		Urban	Rural
% of Households to			
Total Households	100	9	38
Rice	24	22	37
Bread and Other Cereals	9	11	8
Meat	15	15	5
Fish	14	15	14
Milk, Cheese and Eggs	7	8	5
Oil and Fat	4	4	4
Fruits and Vegetables	16	15	13
Sugar	5	4	8
Coffee, Tea and Cocoa	3	2	3
Other Foods	3	3	3
	100	100	100
Food as % of Total Expenditure	36.2	39.5	52.6

Source: *Economic Report, 1978/9*, Table V, p. 166.

whereas rural lower income households spent 52.6 per cent. The survey also revealed that the rural households spent about 76 per cent on rice and other starchy staples, whereas urban households spent 62 per cent, while the national average was 64 per cent. By way of contrast, urban households devoted 38 per cent of their food expenditure to protein-rich food such as meat, fish, milk, cheese and eggs: the national average was 36 per cent while rural households spent 24 per cent on such relatively expensive items. It is worth noting that even in 1990 (when my field survey was conducted), plantation workers devoted only 28.9 per cent of their household food budgets purchasing protein-rich food.

The study of rubber plantation households undertaken by the Socio-Economic Research Unit of the Prime Minister's Department in 1981 provided some useful data for comparison. As summarized in Table 5.32, this survey clearly revealed that there is a strong inverse relationship between household income size and the proportion of the household budget spent on food. Households with the lowest incomes (RM140 and less) were reported as having spent 121.1 per cent (*sic*) on

Table 5.32
Mean Monthly Expenditure on Food by Income, SERU Survey, 1981

Income (RM)	Mean Expenditure on Food (RM)	Percentage of Income Spent on Food
No Information	223.4	—
140 & less	170.8	121.1
141–180	167.1	104.1
181–220	180.4	90.0
221–260	195.5	81.3
261–300	175.4	62.5
301–340	206.2	64.3
341–380	229.7	63.7
381–420	237.9	59.4
421–460	246.7	56.0
461 & more	278.6	60.6

Source: SERU, 1981: 99.

food, whereas the next lowest group spent 104.1 per cent of their income on food. The same survey revealed that even the highest income households in rubber estates spent about 60.6 per cent of their income on food items. This is close to the results of the present study which showed that, on average, estate households spent 68.1 per cent of their income on such purchases.

Savings

The high household expenditure incurred and low household incomes of plantation workers have made capital accumulation by them very difficult. This is clear from Table 5.28, where respondent households have recorded negative average monthly savings of RM33 and negative monthly per capita savings of RM6.20. Only 21 per cent of the respondents said that they saved part of their income every month.

Saving takes place in various forms and the amounts saved differ from household to household. On average, saving ranges from RM30 to RM80 per month. The most popular method of savings is to deposit money in the National Savings Bank, whose facilities are provided in every post office throughout the country. However, post offices may be quite a distance away from plantations. This has encouraged savings through *kootus* (tontine or rotating credit groups) as another popular form of credit-savings practised by most workers.

A *kootu* is a savings group, comprising approximately 10 to 20 workers who agree to make regular contributions to a fund that is distributed in whole or in part to each contributor in rotation (Jain, 1970: 164). The amount contributed varies from RM10 to RM80 per month. Usually, there are two types of *kootu* found on plantations. First, *cittu* by lot (*kulukku-cittu*) or draw, and second *cittu* by bid (*ela kootu*), or bid chit-funds, also popularly known as *cittu* by auction. Both types of *kootu* have been described by various researchers (Jain, 1970: 165; Wiebe and Mariappan, 1978: 120; Supernor, 1983: 113; and Bala, 1988: 344–348; 1989: 351–368) and it is therefore not necessary to recapitulate their work in detail here.

As pointed out by Supernor (1983: 113), draw *kootus* involve smaller amounts (RM100–200) with each family's name selected at random. Everyone gets their full share of the funds minus RM5 for the individual running the *kootu*. *Cittu* by bid (*ela kootu*) involves greater amounts of money, where individuals (workers) bid against

one another for the fund each month, receiving the amount minus the bid. The amount bid is then divided up among the other members of the *kootu* who pay the reduced amount for the month to the 'winner' of the bid. On the whole, *kootus* have been able to provide credit and serve as important channels for the workers to generate large sums of money needed for various purposes.

Apart from the *kootus*, workers also save money by purchasing shares or small insurance policies. The workers have purchased shares in the National Land Finance Cooperative Society (NLFCS), MIC Unit Trust, Maika Holdings, Koperasi Pekerja Jaya (KPJ), Nesa, NUPW Cooperative, Tabong Haji or Amanah Saham Nasional (ASN). However, savings through buying shares are too small to quantify unlike savings in the National Savings Bank and through *kootu*.

Asset Ownership

Apart from saving, an analysis of the asset ownership pattern can give some insight into the wealth of households and indications of the real standard of living enjoyed by workers. There are two types of asset ownership. First, investment assets — such as land, houses, gold jewelry, shares, insurance policies and livestock. Second, consumer durables, such as radios, television sets, video players, bicycles, motor-cycles, cars, etc.

Analysis of my data revealed that 8.7 per cent, 9.9 per cent, 8.4 per cent of the respondents owned land, houses, and livestock respectively. A high proportion of households (58.7 per cent) had gold jewelry in their possession (refer Table 5.33). From these figures, it is clear that plantation workers neither had large savings nor the means to purchase expensive assets. However, it is interesting to note that most workers had the tendency to invest in gold jewelry. There are a number of reasons for them to do so. Firstly, gold jewelry signals the relative prosperity of a family in plantations. According to Indian tradition, it is important for a parent, particularly with many girls of marriageable age, to buy as much jewelry as possible. This is because it is an Indian custom to dress the bride with gold, to impress family, neighbours and the bridegroom's parents as this forms part of the dowry (Daniel, 1978: 116).

Secondly, gold is the most liquid of all assets. For most poor plantation workers, it can serve as collateral for borrowing money

Table 5.33
Assets Owned by Households

Items	Percentage
<i>Investment Assets</i>	
Land	8.7
House	9.9
Gold jewelry	58.7
Shares	7.5
Insurance Policy	3.9
Livestock	8.4
<i>Consumer Assets</i>	
Sofa Set	60.0
Watch/clock	78.0
Radio Cassette	79.0
Electric Fan	36.0
Colour T.V.	40.0
Refrigerator	1.8
Video	8.4
Sewing Machine	39.0
Bicycle	60.0
Motorcycle	41.0
Car	2.1

Source: Fieldwork data.

from pawn shops at fixed rates of interest. However, in the course of doing so, many workers have lost their gold jewelry to pawnbrokers, due to failure to keep up interest payments promptly. Despite provisions made in the Pawnbrokers Act, 1972, limiting interest rates to be charged, there are frequent cases where the pawnbrokers take advantage of uneducated plantation workers by charging excessive interest rates or tampering with the pledges pawned.

Apart from investment assets, consumer durable items, such as sofas, radio cassettes, bicycles and motorcycles, are quite common in most plantation households. It is interesting to note that 40.0 per cent of the workers owned a colour T.V., which is one of the most

important means of entertainment in plantations. Most of these items are bought on hire-purchase and have been paid for over the years. These items generally are old and unsophisticated, showing workers do not have the financial means to replace these items, further reinforcing their low economic status and standard of living.

Indebtedness

Another important index of poverty among estate workers is their level of indebtedness. There are several reasons for this situation, but once the workers are in debt, the mechanisms of credit and debt are often manipulated in such a way that they cannot rid themselves of debt. According to Kurian (1982: 94), in her study of plantation workers in Sri Lanka, this is one of the main reasons for the prevalence and perpetuation of indebtedness.

Similarly, in my study, workers get into debt simply because they have insufficient income to make ends meet. Such financial shortfalls are often caused by the customs, ceremonies, and social practices of the workers. A good example is weddings. A large sum of money (on average around RM5,000 to RM7,000) is spent on this ceremony. The workers usually borrow money from their friends and relatives to meet these expenses. The rationale for such expenditure is that it is a once in a life time affair. Apart from this, the workers at times also get into debt to meet their children's higher educational expenses and family members' hospitalization expenses.

A socio-economic study of rubber estate workers in 1981 reported that 68 per cent of the workers were indebted. The report further observed that the conditions of indebtedness among plantation workers "on the whole reflects that estate incomes were generally insufficient to meet the household expenditure of workers" (SERU, 1981: 111). As Table 5.34 shows, the majority of debts were for smaller amounts (about 45 per cent for debts of less than RM400). But for many informal arrangements of credit, it is not the initial borrowing that is important, but the amount accumulated over a period (with penalty rates attached).

My study found that 72 per cent of the workers interviewed were in some form of debt. On average, their debt was around RM422, although in individual cases, it varied from as little as RM50 to more than RM2,000 (refer Table 5.35). They were mainly in debt to provi-

Table 5.34
SERU Report: Percentage of Respondents by Level of Debt Incurred

Debt (RM)	Percentage
None	32.3
<201	26.9
201 – 400	18.3
401 – 600	10.8
601 – 800	1.7
801 – 1000	5.2
1001 – 1200	0.4
1201 – 1400	0.1
1401 – 1600	0.5
>1600	3.7
Total	100.0 (N=936)

Source: SERU, 1981: 112.

Table 5.35
Respondents' Debt Levels

Debt (RM)	Percentage
None	28.0
<250	21.0
251 – 500	20.2
501 – 750	15.0
751 – 1000	3.8
1001 – 1250	2.8
1251 – 1500	2.4
1501 – 1750	1.8
1751 – 2000	1.8
>2000	3.2
Total	100.0 (N=332)

Source: Fieldwork data.

sion shops, from whom they obtained credit to purchase foodstuff and household goods. Payments due to pawnbrokers and for hire purchase goods were also major instances of indebtedness. Apart from this, a small percentage of workers were in debt to moneylenders, friends and relatives.

In summary, discussion on income, expenditure, savings and indebtedness patterns among plantation workers clearly shows that workers are trapped in poverty. Their low incomes are not enough to meet basic household expenditure, resulting in dissaving and high indebtedness, causing low standards of living. It is in this context that the income, expenditure, savings and indebtedness problems among the plantation community should be seen.

Conclusion

This chapter has examined prevailing basic needs and living standards among a cross-section of mainly Indian plantation workers in Peninsular Malaysia. The generally low living conditions among plantation workers — for instance, poor housing, unhealthy sanitary conditions, irregular water and electricity supply — reflect the cycle of poverty and low economic and social mobility that have characterised them. In a rapidly developing society like Malaysia, rapid upward mobility can be achieved through educational advancement of children. But little progress has been made in the plantation sector because of poor schooling facilities. Most studies of school performance in Malaysia have highlighted the fact that Indian plantation children are in one of the worst situations with drop out rates at the primary school level of the order of 20 to 25 per cent.

While the lack of adequate educational opportunities has undermined the upward mobility of plantation labour, a whole range of other social and economic conditions has trapped them in persistent poverty. In this chapter, it has been shown that low levels of income and poor nutritional practices result in poor food consumption. In order to supplement their inadequate supplies of food and other social needs, families are forced to purchase food items on credit, leading to indebtedness. Such hopeless conditions, with households barely able to rise above their debt, has encouraged anti-social and deviant behaviour such as alcohol abuse among adult males. The alcohol generally available in plantations is illegally brewed *samsu*, a potent concoction that can cause permanent blindness. Also, health facilities

have been reduced in most plantations, forcing workers to seek treatment in private clinics located some distance away. This has hit families hard because of the double costs of transport and medical fees and loss of income for several members of the family, including those who accompany the sick. These circumstances have led to the 'persistence of poverty'. Meanwhile, both in absolute terms and in relation to the rest of Malaysian society, Indian plantation workers have become the 'forgotten people'.

6

EARLY LABOUR PROTEST

This chapter seeks to explain the late development of class consciousness and class-based organizations among Indian plantation workers (in contrast to Chinese workers) and to discuss the consequences of the domination of their movements by the Indian middle class. In particular, the chapter attempts to deal with the inherent weaknesses of the Indian labour movement in the pre-war period, its disruption and subordination to anti-British nationalist causes during the Japanese Occupation of Malaya, and the brief period of militancy under communist leadership in the immediate post-war era. The impact of this uneven development of Indian plantation workers' organizational ability and self confidence became quite obvious when the government declared a state of Emergency and banned most anti-colonial activity in 1948. This chapter also serves as background to the revival of trade unionism under active government sponsorship and the role of the 'moderate' leadership of the National Union of Plantation Workers (NUPW) in the following chapter.

The Pre-War Beginnings of Worker Protest

The following discussion will show that Indian plantation labour was slow in establishing its own organizations to fight for better terms and conditions in the estates despite their numerical strength. Although trade unions were not legally recognized in Malaya until the passage of the Trade Union Ordinance of 1940, a labour movement, or rather several such strands emerged in the inter-war years, mainly among skilled Chinese workers in urban areas. These developments had minimal effects on Indian plantation workers, whose views were articulated by the urban middle class leaders committed to the Indian nationalist movement and the achievement of India independence.

However, when spontaneous labour unrest and 'strikes' occurred among Indian plantation labour the Indian middle class leadership was forced to articulate the plantation workers grievances and seek redress. However, these *ad hoc* protests and meetings did not help to coordinate or even encourage workers' grass-roots organizations among Indian plantation labour because of the social distance between the two classes.

The pre-war beginnings of worker protest in Malaya can be divided into three main formative periods: the inter-war period of the 1920s and 1930s marked by often unfocused reformist agitations; a period of heightened nationalism and anti-colonialism engendered by the defeat of the European powers in Asia as well as the subsequent collapse of the Japanese Empire; and finally, the immediate post-war period, during which the labour movement grew rapidly under communist leadership, until the repression associated with the Emergency from 1948. It will be shown that the Japanese military occupation of Malaya, from 1942 to 1945, gave the working class greater self-confidence and political awareness to sustain the post-war labour struggles.

Inter-War Period (1920–41)

In colonial Malaya, trade union activity began not on the plantations, but in the towns, particularly in Singapore, where a growing urban proletariat was becoming increasingly conscious of its rights and discontented with its lot. They drew some strength from long-established Chinese guilds as well as secret (triad) societies which, although proscribed, continued to operate among Chinese workers in the early 1920s. In particular, the Chinese organised themselves in groups inspired and influenced by the socio-political developments in China. The Nationalist Revolution of 1911 led by Dr. Sun Yet Sen made Chinese workers more self-conscious of their role in the economy and stimulated the growth of modern labour movements in Malaya. The height of militant development of the labour movement in China was from 1924 to 1927; the stronghold of the movement was the province of Kwangtung (Guangdong), from which many emigrant Chinese came (Awberry and Dally, 1948: 26).

As the rivalry between the Kuomintang (Guomindang or Nationalist Party) and the Chinese Communist Party took centre stage, their supporters in Malaya also took sides and intensified their respective

organising efforts and campaigns, boosting the growth of unions in Malaya. With the formation of Malayan Communist Party (MCP) in 1928, Chinese workers were organized into unions through the formation of illegal mutual aid associations, many of which were militant in nature. They aimed not only to improve workers' welfare, but also to bring about the eventual destruction of British colonial rule and the capitalist system (Yeo, 1976: 38). During this period (1920s and 1930s), unions started to stage strikes and protest actions to condemn wage cuts imposed by employers during the economic depression. This worried the colonial government, encouraging it to require the registration of societies on a wider scale from 1928. Subversive societies were excluded from registration and outlawed.

The inter-war period saw the birth and development of a number of associations. Some of these performed trade union-like functions even though they existed largely on sufferance and without freedom to act independently on industrial issues such as wages and working conditions (ILO, 1962: 28). In the absence of much scope for legitimate trade union activity, agitation for the improvement of labour conditions was taken over by other bodies. Prominent among these groups was the Malayan Communist Party which, though illegal, was able to provoke a number of important strikes, especially after the mid-1930s, when the effects of the Great Depression began to be felt in the country. To counter the activities of militant Chinese labour organization, the government introduced legislative measures such as the Banishment Ordinance, the Aliens Ordinance and the Registration of Schools Ordinance.

In the 1920s, a number of unofficial labour unions were formed in Singapore and peninsular Malaya under the auspices of the Malayan Communist Party (MCP). These included the Malayan General Labour Union (MGLU) and the Singapore General Labour Union (SGLU). The MCP began to make great headway among the Chinese coolies and some Indian labourers outside the plantations (Thompson and Adloff, 1950: 126). Although the MCP made some attempts to recruit Indian cadres, plantation labourers were untouched. Stenson (1970: 25) has noted "the Indian estate labourers who comprised the largest body of industrial type of labour were isolated in their cocoon-like environment".

Only in the 1930s, with the formation of the Central Indian Association of Malaya (CIAM), were Indian plantation workers organised and their voice heard. This followed the 1929 Crash, after which thousands of Indian plantation labourers were repatriated back to

India, to avoid labour unrest on plantations. This calm did not last for very long, however. The late 1930s witnessed active labour struggles in plantations with the CIAM very active, particularly among Indian labourers. The MCP was also active among Chinese workers, both in and outside plantations (Khoo, 1972: 51). The Ulu Langat strike of 1937 by the Chinese and the Klang district strike in 1941 by Indian plantation workers are the best examples of these organizations' efforts in organizing militant strikes to benefit workers even though they were politically motivated in their struggles. Not surprisingly, this labour unrest also contained many political elements unconnected with working conditions.

CIAM and Plantation Labour

Through the first few decades of this century Indians formed the overwhelming majority of the labour force in the plantation sector. Sections of the urban middle class that began to show an interest in the plight of the plantation workers were members of various Indian Associations. These had been set up primarily for relatively well-off middle class Indians to sponsor educational and cultural programmes and celebrate religious festivals for the Indian community. Most middle class Indians worked in the colonial bureaucracy and consequently tended to be conservative, if they were interested in politics at all (Mahajani, 1960: 198). Only in 1936 was a body that united all Indians — irrespective of ethnic origin, language, or religious affiliation — set up in Malaya. It was named the Central Indian Association of Malaya (CIAM). In the absence of any grassroots organization among Indian plantation workers, it was not surprising that they acquiesced to the middle class leadership of the CIAM, grateful for the protection afforded by those willing to speak up for their cause.

The CIAM was concerned with labour issues and with protecting the interests of Tamil and Telugu estate workers. The leadership, however, was in the hands of middle-class English-educated North Indians or *Malayalees* (Wilson, 1981: 3). Their multifarious aims and activities were reported in the annual report of the fourth annual general meeting of the CIAM on 26 January 1941. The CIAM's stated aims and objectives were as follows (*The Indian*, 16.1.1941):

- (1) To fight for better wages and working conditions for Indian labour on estates and elsewhere;
- (2) To watch the interest of the community as a whole;

- (3) To co-ordinate the efforts of various Indian associations and other Indian bodies;
- (4) To try for better educational facilities for Indian children in Malaya and for their higher studies in India;
- (5) To negotiate for better shipping facilities between Madras coast port and Malaya; and
- (6) To help in the redress of deck and other class passengers' grievances.

Under constant pressure from CIAM, as more and more Indian workers were left unemployed and destitute as a result of the Great Depression, the government announced a one-man commission of inquiry headed by a prominent Indian who had served with distinction in the Indian Civil Service, Sir Srinivasa Sastri. The Sastri Report turned out to be a disappointment as the Commissioner mainly consulted with government officials and employers and planters rather than with the rank and file of the Indian working class. Apart from suggesting some minor changes in housing and educational facilities in the estates, the Sastri Report was little more than an apology for the plantation system, according to the CIAM. Indian leaders in Malaya were particularly disappointed that the Report failed to address the political status of Indians in Malaya, especially the explicitly discriminatory employment policies of plantations in depressing Indian wages in contrast to Chinese wages, which generally tended to follow market conditions more closely (Stenson, 1980: 46).

Despite the failure of the Sastri Report, the CIAM continued to pursue its goal of achieving an acceptable level of living for the vast majority of Indians in the rubber plantations. When the employer group, the United Planters Association of Malaya (UPAM) sought to cut the average wage rate from 50 cents (recommended by the Sastri Report in 1937) to 40 cents per day, the CIAM opposed the move. In 1938, as a result of representations made by the CIAM, the British Indian government imposed a ban on emigration of all unskilled labour to Malaya. This drastic action on the part of the Indian government may be regarded as the single-most outstanding victory for the workers and their sympathisers against their employers. With the end of the unrestricted flow of unskilled labour from India, Indian workers were better able to negotiate their pay according to local labour market conditions, just as Chinese workers had done for some time. This proved to be the case soon after the ban was imposed, and especially after the demand for commodities rose just after the outbreak of hostilities in Europe.

Meanwhile, the CIAM built up its image and solidarity among Indians by organising speaking tours of prominent and popular Indian nationalists who visited Malaya, often sponsored by the CIAM itself. The following visits of Pandit Nehru (1937), Pandit Kunzuru (1938) and A.K. Gopalan (1939) left an outstanding impression on the local Indian community. The visit of Pandit Nehru — the charismatic leader of Indian politicians of the time engaged in Swaraj, or Independence for India — proved especially encouraging. He clearly endorsed the stand taken by the CIAM in dealings with the colonial administration: in particular, that “the labourers needed trade unions, deserved wages equal to those of the Chinese, and deserved better education and needed the protection from the evils of toddy drinking” (Stenson, 1980: 47).

The activities of the CIAM were boosted by its energetic secretary, K.A. Neelakanda Aiyer, who spoke at public meetings and wrote in a variety of publications on the Indian problems in Malaya. His book on the same theme, published in 1938, was the pioneer of a new genre of political tracts which attempted to address Malayan social problems. The sense of purpose that the CIAM leadership was able to infuse into the Indian population was remarkable. The ‘uplift’ campaign was largely carried out by Indian teachers and ‘kanganis’, and other similar groups who had traditionally looked down on the workers as ‘low caste’ and therefore beyond redemption (Jain, 1965). Although dominated by Hindus, the CIAM adopted a secular approach to the uplift programme and infused a spiritual and cultural dimension that cut across petty traditional divisions that had dammed Indian political and economic progress in Malaya. This ‘mental revolution’ transforming Malayan Indians clearly influenced the extraordinary labour militancy among plantation labour in the late 1930s and early 1940s.

At the same time, the CIAM’s spirit was boosted, and its members radicalised by the successful strikes staged by Chinese workers in plantations and elsewhere. The March 1937 strike staged by Chinese workers in Ulu Langat was very successful in achieving its aims. This encouraged the CIAM to adopt militant radicalism and to stage strikes for concessions to Indian workers, including the famous 1941 Klang district strike. The Ulu Langat and the Klang district strikes were the two major strikes of this period.

The Klang District Strikes of 1941

The events surrounding strikes of 1941 in the Klang District in the state of Selangor were the culmination of years of pent-up frustration

among Indian plantation workers. Indian plantation workers were traditionally regarded by estate management as docile and law-abiding, and consequently, their grievances were seldom investigated or resolved. It was undoubtedly the example of Chinese workers' militancy and ability to secure higher wages with improved productivity and market conditions for Malayan export products that induced Indian plantation workers to demand better terms from their employers. In the absence of proper institutionalised grievance procedures and recognised trade unions for plantation workers, it was the CIAM that provided the organizational means for the strikes.

The struggle between plantation workers and employers was to last for four months, although the intensity of strike activity fluctuated during this period. In order to better appreciate the full significance of this watershed event in plantation labour history, we may conveniently divide the strike period into three phases: first, the period of the early strikes which ended on 8th April; second, the period of renewed strike activity, ending with the arrest of a strike leader on 6th May; and third, the period of riots, which commenced on 8th May and lasted until the end of May.

Early in 1941, Indian plantation workers had been helped by CIAM to present petitions to estate managements on a variety of issues, but principally to ask for a new wage rate of 70 and 60 cents per day for male and female workers respectively. It was argued that the prices of rice had risen from 26 to about 39 cents per katty since the outbreak of World War Two in Europe and that, partly due to hoarding by merchants and middlemen, the cost of living had generally doubled. Over the same period, plantation employers had increased Chinese workers' wage rates from 60 cents to \$1.20, in keeping with labour market conditions (*The Indian*, 27.3.1941). Meanwhile, Indian plantation workers were required to work longer hours on a variety of tasks in order to meet wartime needs overseas.

Failing to obtain a hearing from plantation employers, the first group of about 400 Indian workers from Glenmarie estate went on strike. They were soon followed by workers in Bukit Jelutong, Damansara, Lavang Padang, Bukit Kamuning, Tanah Bahru, Ebor, Carey Island, Seaport, Sungei Sedu, Sungei Nibong, Midlands and Highlands estates, involving a total labour force of well over 3,000 workers (*The Indian*, 20.3.1941). Incensed employers tried all means to break the strikes, including forcing some employees (who appeared to be the 'ring leaders') to leave estate property at short notice and

attempting to prosecute the families left behind for 'trespass'. Some workers were even subjected to privations such as cutting off water and the rice ration. The strike continued until a settlement (based on wage rates of 60 cents for men and 50 cents for women workers) was reached on the initiative of the Indian Agent. The Indian Agent was a relic of the early colonial days when an officer was sent by the Indian government to look after the welfare of Indian workers hired in Malaya. Essentially, his role had been to report annually on the condition of Indian workers to the Government of India.

Both the plantation workers and the CIAM regarded the settlement as a 'sell-out' by the Agent, himself an employee in the colonial service. Rather than fatalistically accepting this outcome, Indian plantation workers became more militant in the second phase of the strike, taking the cue from the militancy of the times. The increasing politicisation of the workers was largely due to the Klang District Indian Union which began to organise funds and support groups to keep the strike momentum going (Wilson, 1981: 7). The strike moved from mere 'wage-related' concerns to international issues, with most workers displaying open support for Indian independence by wearing the 'Gandhi' cap and waving the Indian nationalist tricolour flag in open defiance of government regulations in Malaya.

Nathan, a leading Indian nationalist and editor of a Tamil daily newspaper, was an active campaigner in the plantation labour cause. He outlined the 'basic demands' (Stenson, 1980: 64) as follows:

- (1) Equal pay for both Indian and Chinese plantation workers;
- (2) Removal of supervisory staff known to have abused workers;
- (3) Provision of proper education facilities for children;
- (4) Elimination of sexual harassment of female workers;
- (5) Provision of adequate health and medical facilities;
- (6) Prohibition of all 'toddy' (alcohol) outlets within estates;
- (7) Free access to the estates for workers' relatives and friends;
- (8) Freedom of speech and assembly for workers in estates;
- (9) Abolition of the rule requiring workers to dismount from bicycles when passing European and Asian managers;
- (10) Reduction of excessive working hours of 10 to 12 hours;
- (11) Assurance of non-victimisation of workers presenting petitions; and
- (12) Freedom to organise trade unions of plantation workers.

What the plantation employers thought of these demands can be surmised from the events that followed. Under pressure from the

United Planting Association of Malaya (UPAM), the most powerful employer group in the country, the police arrested Nathan on May 6, 1941, thus escalating the dispute into its third phase.

Upon hearing of Nathan's arrest and detention by the police, workers all over Malaya came out on strike and demonstrated, often violently. Protests and demonstrations against employers and the colonial administration for what was perceived as anti-Indian actions soon spread throughout Selangor and other states, involving some 6,000 to 9,000 workers (*The Indian*, 8.5.1941). The violence of the workers' demonstrations reached a peak in the week of 10–17 of May. On 11 May 1941, workers began to destroy 'toddy' shops and burnt one down in the Kuala Langat area, besides assaulting two Indian conductors and an European estate manager who stood in their way. In many estates, the workers began to wreck the machinery and other properties in protest against widespread arrests of workers and their sympathisers. The police force in the state of Negeri Sembilan was reported to have arrested four protesters and seized sixty-five bicycles, then probably the most expensive possession an estate worker might have owned. So concerned were the authorities that they declared a State of Emergency on 14 May and call up the following volunteer reserves into service:

2nd Battalion, F.M.S.V.F
 Signal company, F.M.S.V.F
 Armoured car unit
 The F.M.S.V.F. motor transport company
 The Mobile Field Ambulance and
 The Administrative Platoon (*Malay Mail*, 17.5.1941)

With the assemblage of such a powerful force, it was not surprising that violence in the estates escalated in the following days. When rioters began to threaten a manager in Banting, the police and other forces intervened against the workers who were armed with wooden poles and long knives in a crowd of over 300. To quell the riot, the police opened fire, killing four workers and wounding several others. With the shooting of the workers, the whole movement collapsed. During the period of intense protest activity, the police made 386 arrests under the Emergency Regulations, deported 21, detained 49 and banished 186 from the Klang district. A further 95 workers agreed to be sent back to India. Nathan himself was deported to India on 19 May 1941. The Klang District Indian Union was banned,

and most plantation workers returned to work, cowed by the overwhelming violence of the measures undertaken by the British authorities, without any promise of any improvement in the plantation workers' welfare (Wilson, 1981: 23).

Although the workers were dispirited, the CIAM regenerated activities by demanding a public inquiry. With the spread of the Second World War and the expansion of Japanese power in East Asia, the Malayan government was in no mood to let people speak out. As far as the government was concerned, defence matters took a central role and all aspects of administration were devoted to maximising military preparedness. The idea of 'winning the hearts and minds' of the Malayan people was not an issue then as it became after the war. But as we shall see in the next section, the emerging Indian nationalism — born of the 'unofficial' strikes and labour struggles of the late thirties and early forties — was soon to get a boost after the Japanese conquest of Malaya.

Japanese Occupation (1942–45)

Although Japanese military rule in Malaya during the Second World War lasted less than four years (from 1942 to August 1945), it nevertheless had a significant impact on the people. An increased level of organization among Indian and Chinese workers raised tensions in communal relations, and the upsurge in anti-colonial agitation after the war can be substantially attributed to the impact of the Japanese Occupation.

Above all, Japanese rule was noted for the tremendous hardship it caused to the people. The economy was in a constant state of anarchy, with prolonged shortages of essential food and medical items. Jobs were scarce, and unemployment was widespread due to the breakdown of international trade. To consolidate their rule, the Japanese militarists introduced forced labour schemes whereby workers were assigned to various posts in the country as well as to other areas under Japanese control. Tens of thousands of people, mostly Indian plantation workers, were transported to Thailand and Burma to work in the Siam-Burma ('death') railway project. Under prevailing circumstances, it was impossible for workers to organise. The main resistance to Japanese rule was led by the MCP through its major united popular front organization, the Malayan People's Anti-Japanese Unit (MPAJU) and the Malayan People's Anti-Japanese Army (MPAJA) (Purcell, 1965: 258).

The Indians had their first opportunity to freely express their nationalism when many of them were encouraged to enlist in the Indian National Army (INA) led by Subhas Chandra Bose (Stenson, 1980: 91–102). Most members of the INA were recruited from plantations, and such involvement brought about radical changes in the attitudes of Indian workers in Malaya. The experience of Indians, both inside and outside of the INA, resulted in many adopting an anti-British attitude when the war ended. Some subsequently became trade union leaders after the war (Ramachandra, 1970: 262).

The INA and Plantation Labour

Indian plantation labourers had a difficult time during the Japanese Occupation. The vulnerability of their position left them very few options, none of which were very attractive. First, the Indian Independence League (IIL) was urging estate Indians to join the INA, which was preparing to invade India and fight the British Army. Second, anti-Japanese guerillas were known to pressure Indian estate workers to join the resistance. Third, the Japanese recruited Indian labourers, often by force, to work on the 'Siamese Death Railway' (Jain, 1970: 242). The plantation labourers, who were agitated by the events of the Klang strike of 1941 and wanted to avoid work on the Siamese Death Railway quickly accepted, and joined the INA to fight against Britain (Gullick, 1981; Mahajani, 1960; Sandhu 1969; Stenson, 1980). Thus, CIAM leaders inevitably became involved in the Indian Independence League (IIL).

The inauguration of the IIL in Malaya was part of the careful formulation and implementation of Japan's Indian policy, which went through three distinct stages during the Japanese Occupation: first, formation in 1942, second, expansion under Chandra Bose in 1943, and finally disillusionment in 1944. The league, formed by an exiled Indian nationalist, Rash Behari Bose, was sponsored by the Japanese and fought, from Malaya, for Indian independence. The military wing of the IIL was the INA, under Mohan Singh. The league was strongly influenced by the Indian National Congress, as reflected in their choice of flag, national anthem (*Bande mataram*) and the general tenor of their propaganda (Ampalavanar, 1981: 8). By August 1942, there were forty branches of the IIL, with 120,000 members, while the INA had 16,300 Indian members in Malaya (Stenson, 1980: 92). The league made a good impression on the majority of the Indian community, but conflict

developed between key league officials and the Japanese. The conflict mainly arose due to the Japanese attitude towards the league and the INA. The Japanese wanted both organizations under their thumb, and wanted to use the INA for propaganda purposes, whereas its leaders were opposed to the idea. This resulted in the resignation of key members of the IIL and the INA and its dissolution, which marked the end of the first stage.

The second stage began with the revitalization of the INA in 1943 under the charismatic leadership of Subhas Chandra Bose. On accepting the leadership of the IIL and the command of the INA on 4th July 1943, Bose provided the movement with a strength and dynamism to make it a popular movement. He toured the nation on membership drives, advocating revolutionary action. His Indian nationalist campaign on the plantations evoked a strong response from the Indian workers. The slogan 'Delhi Chalo' (on to Delhi) was on everybody's lips. So it was not a surprise when league membership exceeded 350,000 and 100,000 Indians volunteered to join the INA (Ramachandra, 1970: 262). The once submissive masses absorbed Bose's dynamic brand of nationalism, and were ready, even eager, to fight for the cause. Bose also desired to be independent of the Japanese as far as possible in raising funds for equipping his army. Large sums of money were collected in Malaya for this purpose from wealthier Indians, although donations were not always given voluntarily (Arasaratnam, 1970: 106).

The mass enthusiasm for the INA reached its peak during the Imphal campaign. The defeat of INA forces at Imphal, Burma, however, and the subsequent Japanese defeat in Burma, proved to be the turning point of the Malayan-based Indian independence movement, after which mass interest in it declined. There followed the third stage of the INA — the political disillusionment of June to August 1944. During this stage, recruitment for the army continued, but on a much smaller scale. New volunteers were in search of food rather than the liberation of India. Desertion became rife and Indian labourers began to avoid all contact with the IIL, which served as a 'Japanese recruiting agency' (Stenson, 1980: 98). In fact, the plantation workers' hatred towards the INA and the Japanese occupiers for the atrocities they committed started, eventually leading them to switch their support to MPAJA.

Several types of atrocities were committed by the Japanese against Indians in Malaya. First and foremost, Indian plantation workers

suffered during the Japanese Occupation through the forced recruitment of labour for the construction of the Burma-Siam railway project between November 1942 and October 1943. Of the 74,000 Asians, mostly South Indians, taken to Siam from Malaya for the construction of the 'Death Railway', 25,000 died, 12,000 returned to Malaya, 5,000 escaped and 32,000 went missing (Gamba, 1962b: 13). Workers' deaths on the railroad resulted from numerous causes, including drinking brackish water, pneumonia and punishment for refusing to work (Jain, 1970: 302). The physical and health conditions of many of those who returned were appalling. The tragedy was even worse for the families of those who died — some 5,730 women were widowed and 9,341 children were made orphans (Gamba, 1962b: 13).

Second, the Indian workers were subjected to a lot of hardship in plantations. During the Japanese Occupation, the rubber industry was virtually paralysed, and since the situation only improved gradually, unemployment prevailed. The Indians, mainly wage-earners in rubber estates, found it extremely difficult to continue to survive with lower wages and higher costs of living. To add fuel to the fire, the Asian staff exerted maximum pressure on estate labourers to gain the favour of the Japanese who had appointed them. In order to avoid Japanese suspicion, the Asian staff who came into direct contact with the Japanese officers meted out ruthless and harsh treatment to the labourers. Jain (1970: 302) depicted the situation as follows: "...the more tyrannical a *kirani* (*sic*: clerk) was, the more successful he became with the Japanese. Conversely, in the eyes of Japanese officers, a *kirani* who identified himself with the labourers was at best incompetent and at worst suspect. In either case he was penalized".

Third, the Japanese Kempetai and the INA harrassed Indians for financial contributions as their expenses increased. S.C. Bose, who was in real need of funds, became tyrannical and issued threats, stating that: "I stand here representing the provisional government of Azad Hind, which has absolute right over your life and properties... we have to carry out total mobilization voluntarily if possible, by compulsion if necessary" (Arasaratnam, 1970: 106). In 1944, he changed from voluntary contributions to a systematic levy on property. When funds did not flow to the coffers of the league, the Japanese Kempetai was used to coerce the Indian poor (Stenson, 1980: 97).

Finally, the Japanese Occupation was marked by insufficient food supply, which contributed to deaths from malnutrition. Children were often the first casualties (Gullick, 1981) and the entire labour

force was destitute. This bitter suffering encouraged Indian labour to give almost total support to the MPAJA by the end of the Occupation in one way or another. For the workers, this was the only effective alternative organization that could help them endure the tyranny of estate life under Japanese Occupation.

Although the Japanese Occupation created a lot of hardship, the activities of the INA and the IIL had a great influence on the subsequent history of Indians in Malaya. The INA's most important contribution in this respect was to post-war trade union actions. Trade unionism requires a labour force willing to stand up for its rights, and people capable of organizing and leading such a force. These prerequisites were absent in Malaya prior to 1941, but were supplied by the INA, IIL and MPAJA during the Japanese Occupation.

In summary, it may be stated that even though there was no trade union movement during the Japanese Occupation, the political and economic struggles of the period affected the labour movement in the immediate post-war period. The pre-war years and the period of Japanese Occupation had, in fact, set the stage for the subsequent surge of trade union activity and the development and growth of a disciplined and assertive labour movement in the immediate post-war years, when the MCP sought to destabilise the colonial regime.

MCP and Revolutionary Politics (1945–48)

During the weeks following the sudden collapse of Japanese imperial power before the arrival of British military forces in Malaya in September 1945, the 'power vacuum' was temporarily filled by the MCP (Malayan Communist Party) and its military wing, the MPAJA (Malayan People's Anti-Japanese Army). The MCP was undecided on whether to move immediately to establish a revolutionary regime and repudiate its alliance with British colonial power, or to work towards greater consolidation of worker-peasant organizations and to strive for power through legal means. The MCP did not command enough popular support to make revolution feasible (Stenson, 1980: 108). The party leadership may also have been over-confident, assuming that as the main group that had fought the Japanese in collaboration with Allied Forces from the Malayan jungles, they would be granted special political privileges in the post-war reconstruction of the country (Khong, 1984: 51).

Although the MCP had initially tried to ignore the colonial admin-

istrative division between Singapore and Malaya for practical and tactical reasons, it was soon forced to restructure its operations. The General Labour Union (GLU), as well as many other front organizations, had been organised in both Singapore and Malaya. But the Trade Unions Ordinance — or more specifically, its interpretation by the Registrar — prohibited the activities of unions across the two territories or the formation of pan-Malayan unions. The GLU was forced to decentralise its highly effective administration, splitting into the Singapore General Labour Union (SGLU) and Pan-Malayan General Labour Union (PMGLU)

The PMGLU was a central coordinating body for Malayan labour which helped to break the classic 'divide-and-rule' tactics of the colonial administration by putting forward 'basic' universal demands for all workers (Shurcliff, 1951: 274). It was able to maintain effective influence over its affiliated unions and the widespread membership through its weekly paper, the *Vanguard*, which was published in four languages, as well as through its many broadsheets, strike bulletins and other workers' publications (Hua, 1983: 75). With its highly centralised and therefore effective resources of tacticians, propagandists, negotiators and legal advisers, the PMGLU was almost on par with employers and their associations. It was able to cope with a variety of industrial relations problems by providing assistance such as strike relief, protection against victimization and employer compensation or reinstatement for wrongful dismissal. It was not surprising that the PMGLU was able to claim the affiliation of around 80 per cent of all trade unions in Malaya and a membership of 263,598, or about half the eligible labour force in April 1947 (*Malaya Tribune*, 29.4.1947; Stenson, 1970: 124).

Labour Unrest in the Plantations

With the return of British rule, the focus in the plantations was principally on the recovery of profitability for British registered companies and their agencies. The plantations had mostly been neglected during the war, and the process of rehabilitation was to take some time before pre-war levels of production could be reached. Most managers were new to the industry, and being charged with the task of raising productivity and profitability for the benefit of absentee owners, they had little time or sympathy for the needs of workers. Knowing that the plantation economy formed the backbone of the

whole Malaysian economy, as well as the government budget, they felt sure that the government would be obliged to keep the peace on the labour front.

Some of the 'old hands' who returned to take over the management of some plantations found, however, that they were confronted with a more volatile labour force that appeared to respect neither their elders nor the estate *dorai*, or master, accustomed to run the plantation like a fiefdom (Morgan, 1977: 169). Some intimidation of worker leaders who had been associated with the Indian National Army (INA) or its offshoots, such as the Youth Corps (or *Bala Sena*) did take place, but without much effect (Mahajani, 1960: 202). In fact, the number of workers associated with these anti-British organizations during the war was too large for any discriminatory action. Such prosecution of wartime 'collaborators' could have only heightened Indian nationalist feelings among the workers and led to greater acts of sabotage against the production of rubber and other vital export commodities.

The variety of influences that affected plantation labour at this time, both within and outside the plantations, caused the allegiances of the workers to be split three ways. By far, the greatest number belonged to the MCP-sponsored national federation of unions, the PMGLU. Second, a substantial number of Indian plantation workers joined the movement called *Thondar Padai* (Youth Corps), a reformist movement founded by A.M. Samy, an elderly shopkeeper and driver in Kulim in Kedah (Ampalavanar, 1981: 49). Under Samy's leadership, *Thondar Padai* members sought the salvation of the Indian working class from the depressed conditions of plantations through programmes of self-improvement. Thirdly, there were pockets of plantation workers, especially in the smaller, more isolated estates, which militant union organisers had not yet entered, who belonged to independent local unions under the control of moderate union leaders. Such house or 'company' unions may sometimes have been encouraged by individual managers to shut out larger unions, although such practices were rare.

The PMGLU and the Plantation Workers

Until the proclamation of the state of Emergency in June 1948, the PMGLU enrolled the bulk of plantation workers in its affiliated unions. There were two reasons why the PMGLU was more popular

than independent unions. Firstly, being a nationwide organization, the PMGLU had far greater bargaining power than its rivals, and was therefore better able to secure benefits for its members. Secondly, the PMGLU had more dynamic labour leaders than its rivals, which resulted in better-organised campaigns for wages, which attracted a lot of workers. The PMGLU could afford to have dynamic leaders, partly because it offered conditions which its rival could not match — good salaries and the high status of working for a nationwide organization, and partly because it took care to give its organisers considerable autonomy at the local level (Gamba, 1962a: 111).

In order to gain the support of plantation workers, the PMGLU was careful to accommodate Indian communal feelings, as Indians formed the bulk of the labour force in the plantation industry. At the local level, they were allowed to organise communal unions, provided these were affiliated to the PMGLU. In order to break down communal boundaries, the PMGLU appointed Indian leaders to various national and state level committees. S. Mohan, for instance, became vice-chairman of the Selangor Federation of Trade Unions; P. Veerasenan, vice-president of the Singapore Federation of Trade Unions, while S.A. Ganapathy was appointed president of the PMFTU in 1947 (Ampalavanar, 1981: 48). As a result, a large number of Indian workers joined PMGLU-affiliated unions by 1947 (Netto, 1961: 80). In fact, the PMGLU's campaign to attract Indian-based estate unions during 1946 — as a way of breaking down communalism — proved successful when all the newly formed Indian unions, with the exception of the Negeri Sembilan Indian labour union led by — H.K. Choudry and P.P. Narayanan — were brought together under the PMGLU (Morgan, 1977: 153).

The most important reason for labour unrest in the plantations in the immediate post-war period was the gross inadequacy of wages, which led to much suffering among plantation workers. The maintenance of low wage levels in the colonial possessions can best be understood in the context of post-war policy in Britain. In the post-war period, foreign exchange earnings from Malaya became crucial to Britain to finance post-war reconstruction and the many social reforms promised by the new Labour government in Britain and to service the Lend Lease debts owed to the United States. Despite the fact that the labour force was undernourished, unhealthy, ill clothed and housed, and greatly reduced in numbers, the rubber industry

actually succeeded in producing a record output in 1947, when Malayan rubber alone earned Britain US\$200 million (Stenson, 1980: 113). Therefore, without Malaya's contribution, it was unlikely that Britain would have recovered financially. Purcell, a former civil servant in Malaya, acknowledged that "without Malaya the sterling system as we know it could not exist" (Morgan, 1977: 157). Under these financial constraints, it was not surprising that the British Colonial Office gave little support for social and economic reforms in Malaya.

In 1946, however, the wages of plantation workers were increased marginally. Nevertheless, the wage increases were not the same for Indian and Chinese plantation workers. Chinese workers were paid slightly more than Indians on the grounds that they were better workers (Gamba, 1962a: 271). This was a further source of discontent among the Indian workers. Although the Chinese were paid higher wages than the Indians, they too felt dissatisfied with the still low wage rates. This and a number of other factors prompted strike actions in plantations. Some of these were the lack of educational facilities for estate labourers' children, attempts by employers to introduce splinter unions, the application of a trespass law preventing workers from moving in and out of the estates, and denial of freedom of association for workers to participate freely in political and trade union activities.

Workers' dissatisfaction, together with aggressive PMGLU leadership, led to labour unrest in 1946 in most plantations in West Coast states; Johore, Negeri Sembilan, Selangor, Perak, Perlis as well as in the East Coast state of Pahang. Both Chinese and Indian workers took part in these strikes. The tempo of the strikes in the plantations increased considerably in 1947 due to a 20 per cent cut in wages paid to contract rubber tappers, instigated by UPAM because of the fall in the price of rubber by 20 per cent. As a result of this cut, Indian and Chinese workers became even more unified in their opposition to UPAM. In reaction to the wage cut, PMFTU quickly sponsored the combination of various estate workers' unions into the Pan-Malayan Rubber Workers Council with the intention of entering negotiations at a national level with UPAM. However, the formation of this council did not bring any improvements in terms of wages in spite of nationwide strikes resulting in 372,341 work days lost in 1946, followed by 696,036 and 370,464 in 1947 and 1948 respectively (Gamba, 1962a: 300).

Thondar Padai and Plantation Labour

Apart from participation in PMFTU, some plantation labourers were members of *Thondar Padai* (Youth Corp) in the post-war period. *Thondar Padai* was a self-respect movement with considerable support from Indian plantation workers. Its formation can be attributed to the nationalist heritage of the IIL and the INA (Stenson, 1980: 136). Its stronghold was Kedah state, and it later spread to other states as well (Ampalavanar, 1981: 49). The main objectives of the *Thondar Padai* were better living conditions for Indian estate labourers and general improvements in the position of the Indian community. Of particular concern was toddy drinking. According to *Thondar Padai*, toddy drinking was the fundamental cause of poverty and impoverishment among Indian labourers. The members of *Thondar Padai* therefore vowed to abstain from alcohol as well as to propagate the aims and objectives of the movement (Nadarajah, 1981).

The *Thondar Padai* youths — who dressed in khaki shorts and drill caps, carried sticks, and drilled in military fashion — were generally quite militant. They played an active role in enforcing bans on toddy drinking, improving health care and solving marital and other disputes (Stenson, 1980: 136). They established informal courts to judge breaches of discipline and bad behaviour. In some cases, men found drunk were tied to trees for a few hours as punishment (Gamba, 1962a: 283). *Thondar Padai* also resorted to strikes and riots to intimidate managers. PMFTU, which was garnering labour support at this time, noticed that *Thondar Padai* had the potential to contribute to other organizing as well as to fight for the economic and social welfare of the Indian workers. *Thondar Padai's* discipline and dedication attracted the attention of PMFTU, which tried to involve it in the struggle for worker emancipation. In collaboration with the PMFTU, *Thondar Padai* staged a few militant strikes in Kedah, known as the Kedah incidents.

The first of these strikes broke out in Bedong on 28 February 1947, when a party — composed of women, boys and girls — picketed the toddy shop in Bedong to prevent their menfolk from entering it. The picketing party had considerable success, and many men were persuaded not to enter. However, before the picketing started, there had been a fight in front of the toddy shop. The police were called by the management to stop the fight and to disperse the unlawful assembly. A police officer asked the workers to leave the place. However, the picketers refused, saying that they had not come

to make any trouble, but to do a social service for their community. This created a violent tussle between police and workers. One worker died as a result of the violence and nine others were wounded by the police. For a detailed account of the Kedah incident, refer to *The Findings of The Board of Inquiry Into The Kedah Incidents, 1947*, an unofficial enquiry conducted by the MIC, with representatives from the MNP, MDU, PMFTU, MCP, and the All Malaya Council of Rubber Workers Unions.

The second incident occurred at Bukit Sembilan estate on 3 March 1947. One woman employee complained to the manager about the loss of her two bullocks. Later, she was assaulted by the manager and a clerk and ordered to leave the estate. Balaya, a factory hand in the estate, was ordered to load her belongings into a lorry. He refused, and a strike commenced in protest against this arbitrary action by the management. To end the strike fever, a strong body of police went to the estate to arrest Balaya for alleged criminal intimidation. A violent riot took place on their arrival. As a result, 66 people, including women, were arrested and taken away. They were tried at the criminal court for rioting and later dismissed from the estate (Ampalavanar, 1981: 50).

The third incident occurred at Dublin estate on 28 April 1947. A letter was sent on 24 April to the estate manager by the Kulim Rubber Workers' Union, Pakow Branch, countersigned by the Kulim Indian Labour Union, Pakow Branch. The letter informed the manager that a meeting was to be held at the home division four days later to discuss matters pertaining to May Day celebrations. The manager, Mr. Herring, gave no reply to this letter. Instead, he communicated with O.S.P.C. in Sungai Petani, who brought in the police to break up the meeting, assuming that such a display of force would discourage subsequent labour unrest. When the police arrived, there was violence with the workers. One worker, Low Teik, was shot dead and several others injured (*Indian Daily Mail*, 6,10, and 13 September, 1947).

The frequent use of force by the police to intimidate and suppress members of *Thondar Padai* caused a great deal of resentment among the Indian workers. At the same time, Indians also became aware of the superior tactics and organizational abilities of the MCP-sponsored PMGLU. Plantation workers could clearly see that the police behaved in a more restrained fashion toward urban Chinese workers than toward Indian plantation workers. Such incidents, like the one in Kedah, produced a public demand for a commission of inquiry.

However, the colonial administration, fearful of the potential effect on the morale of the police force, failed to institute any public inquiry into police abuses in the estates. Ultimately, *Thondar Padai* was banned when the government declared a state of Emergency and suppressed all labour and anti-colonial activity in 1948.

The Fostering of Moderate Trade Unionism

The rapid growth of trade unions and the escalation of their demands to employers as well as the government came to an abrupt end with the declaration of Emergency in 1948. Under the Emergency Regulations, the colonial administration was able to exercise coercive powers through the police force and the courts of law unavailable during normal times. It became more difficult to organise anything in favour of labour, whether in 'straight' trade union terms of seeking better wages and conditions, or as left-wing political parties based on the mass organization of workers and peasants. Labour laws became coercive toward trade unions and were supplemented by Emergency Regulations under which most radical views could be twisted to represent support for the MCP. Since the 1948 Amendment to the Trade Unions Ordinance prohibited the formation of federations of unions from diverse industries and occupations, the MCP-led PMGLU was not allowed to function. Furthermore, under this legislation, the Registrar of Trade Unions, a normally minor functionary of the Labour Department, began to exercise extraordinary powers to ensure that only small unions led by moderate leaders would be officially registered. He adhered — very literally — to the definition of a trade union in the 1946 legislation as, "an association of workmen within a particular trade occupation or industry or between workmen in particular trade occupation or industry".

In implementing the ordinance, the government ruled that all federations, including the PMFTU, had to apply for registration or exemption, and to follow the regulations applied to individual unions from October 1946. The Registrar of Trade Unions also declared in November 1948 that all state FTUs should dissolve and wind up their assets, and could only reconstitute as federations upon the wishes of the affiliates already registered. He further insisted that any federation formed should have no executive powers and should only act in an advisory capacity. The new rules were clearly intended to undermine the centralized power of the PMFTU, and to destroy the

main bases of the PMFTU's influence, and its leadership of the labour movement (Khong, 1984: 124–128; Stenson, 1970: 136–137).

Although affected by the union regulations, the PMFTU nevertheless continued its campaign to extend its organisational and political bases. In fact, labour unrest heightened in 1947–1948 due to PMFTU and *Thondar Padai* activity (Gamba, 1962a: 288). The violent strikes prompted the government to introduce three more amendments to the Trade Union Ordinance in May 1948 to reduce labour activity. This was a blow for the PMFTU. The amendments were: first to restrict office-holders of trade unions (with the exception of the secretary) to persons who had a minimum of three years experience in the industry concerned; to bar persons convicted of extortion, intimidation and other similar crimes from holding office; and to restrict labour federations to unions of similar occupations or industries. The later provision led shortly thereafter to the forced dissolution of the PMFTU (Hanrahan, 1971: 103). The state of Emergency marked the end of militant unionism in Malaya.

The demise of militant unionism and the state of Emergency created a vacuum and an opportunity for the Trade Union Advisor (TUA) to promote 'responsible', 'independent' and 'moderate' trade unions. The TUA, John Brazier, had been brought in for this purpose from England, and had little success after starting his job in 1946. However, with the Emergency, the majority of workers were left unorganized (Rudner, 1982), making Brazier's task of promoting moderate trade unions easier.

As noted by Stenson (1980: 139), Brazier initially directed his attention to white-collar (railway and other colonial government employees) and Indian workers because the union officials were mainly English-speaking and amenable to persuasion. Brazier also managed to establish a good relationship with the Indian workers' unions in the various states. Given the importance of the Malayan rubber industry to the British economy, it was especially important for Brazier to establish moderate trade unions in the plantation industry. Apart from the plantation sector, Brazier also managed to establish moderate unions in various other key industries. Clerical and Agricultural Department Workers, Electricians, Hospital Employees, Mechanics, Railway Workers, and Public and Works Department Workers all joined such moderate unions (Trade Union Registry, AR 1947).

The support and encouragement given to the 'new' unions were part of an attempt by the colonial government to incorporate 'moderate' labour leaders and unions. This is evident from the appointment of a number of labour leaders to some important state bodies and the supportive role they were to play in furthering the government's labour scheme. With their sudden rise to prominence, and with the prestige and glamour they now enjoyed as a result of the appointments, these moderate labour leaders were more grateful to the government and felt obliged to support it. This is evident from the part they played in setting up the Malayan Trades Union Council (MTUC) and in their 'responsible' leadership of the trade union movement, fulfilling the expectations and hopes of the government.

Brazier's task of building up and encouraging 'new' unions was pursued more vigorously after the declaration of the Emergency and repression of militant unionism. With state repression against the communist-led labour and anti-colonial underground, including remnants of the PMFTU-led unions, his task was made easier. Again, he and his colleagues in the TUA Department concentrated their efforts on rubber plantation workers as well as public sector employees, with whom he had already established some important links. Apart from that, the plantation sector was also crucially important in the economy, and if he could reorganise rubber workers under 'sound' and 'responsible' unions, this would benefit the state as a whole.

However, most 'new' unions were small, fragmented and weak, with a limited capacity to bargain with employers. Even in the case of the few, relatively large ones, like the railway and plantation unions, the kind of union leadership produced by the Emergency circumstances and state patronage tended to weaken or 'moderate' the unions' position in dealing with the employers. In the tense Emergency climate, and with employers strongly antagonistic to unions, most union leaders tended to look to the government, particularly the TUA Department, for support. In doing so, they submitted themselves further to the influence, if not control of the government. Besides subjecting them to continuous police surveillance, the government expected them to serve as the 'eyes and ears' of the state in the war against communism and militant unionism.

Conclusion

This chapter has attempted a brief discussion of the historical origins and development of the labour movement in Malaya. As the bulk of

the wage labour force in large and medium scale enterprises were then made up of recent migrants from China and India, they were often more inspired by developments in those two countries than in Malaya. Thus, the formation of the CIAM by the Indian middle class and the establishment of the clandestine MCP by Chinese workers and intellectuals were inspired by developments in India and China besides working class protest in the mines, plantations and other related industries in Malaya.

These overseas influences on the labour movement have been profoundly affected by the close and collaborative relationship that has always existed between capital (largely British, but with important segments of Chinese capital) and the colonial state. The colonial state was critically dependent on the profitability and export performance of primary industries, not only for its own administrative purposes, but also — especially in the immediate post-war period — for the economic survival of Britain. The incompatibility between the revolutionary agenda of the MCP and the financial constraints of British colonialism ultimately led to the proclamation of the Emergency in 1948, an event well anticipated by plantation and mining employers.

It is in this context of state repression of trade union radicalism and state nurturing of 'moderate unions' that the next chapter will turn to the saga of the National Union of Plantation Workers (NUPW), the giant union in the plantation sector. The monopolistic position of the (NUPW) among Indian plantation workers and the fact that the union leadership became bureaucratized and insensitive to the needs of the workers were — to a large extent, as the foregoing account reveals — made possible by the inconclusive nature of their early struggles and the lack of strong grassroots organizations, as will be shown in the following chapter.

7

THE NATIONAL UNION OF PLANTATION WORKERS

This chapter will highlight the emergence and subsequent growth of the National Union of Plantation Workers (NUPW) as a moderate trade union and discuss its record in bringing about economic and social advancement for plantation labourers. However, it is only possible to assess the achievements of the NUPW in the context of the tripartite relations among the union, state and capital. To serve this purpose, collective bargaining and wages on the basis of collective agreements between the NUPW and MAPA (the Malaysian Agricultural Producers Association) will be analysed. Although the union has claimed that its own programmes have uplifted workers' welfare, its approach has not brought significant benefits to workers, and has in fact caused more problems for them. This chapter will demonstrate that the conservative approach of the NUPW in tackling workers' problems has contributed to the marginalization of Indian plantation labour.

The Emergence of Plantation Unions

Following the declaration of the Emergency in 1948 and the actions taken by the government against communist-dominated organizations such as the PMFTU (which succeeded the PMGLU when the latter failed to get government registration as a union), there was a lull in trade union activity throughout Malaya. The government feared that such drastic action against all working class activity would inevitably drive all such activities underground, making them difficult to monitor and police. Moreover, the government believed that it was not good for Malaya's image abroad as the absence of trade unions of all kinds might be cited as yet another instance of colonial oppression. Even

during the heady days of militant unionism, when the PMFTU was able to inspire workers in large numbers, the government had distinguished between 'communist-led' and 'independent' unions.

John Brazier, the colonial Trade Union Adviser, was particularly impressed by the leaders of the Negeri Sembilan Indian Labour Union (NSILU) which, like the others, was small and organizationally weak because of its limited membership, restricted mainly to Indian workers. Led by Narayanan and Choudry, the NSILU had taken bargaining initiatives with estate employers independently of the communist-led PMFTU (Morais, 1975: 18). Brazier was determined to set up 'independent' unions, primarily based on Indian workers and their leaders who felt that the communist-led organizations, had motives other than the improvement of Indian workers' welfare. The fact that many of the PMFTU negotiations ended in the traditional gap between Chinese wages and Indian wages growing wider, was used to mobilise more support from Indian workers. However, for official publicity purposes, it was important to deny the narrow ethnic basis of such unionisation, and soon the leadership decided to change the name of the union to Negeri Sembilan Plantation Workers Union (NSPWU).

Meanwhile, plantation employers began to consider forming an organization of their own to coordinate wage and labour policy as well as to provide common strategies in industrial relations, particularly in collective bargaining situations. Thus, the Malayan Planting Industries Employers Association (MPIEA) was established in 1949, long before the unions had been able to establish even an *ad hoc* negotiating body. In 1952, the MPIEA gave notice of massive wage cuts for plantation workers later in the year and possibly into 1953 as well ostensibly because of declining world rubber prices (MPIEA, 1952). This was immediately after most plantation companies had enjoyed windfall profits as a result of the Korean War boom of 1950–51. This abrupt decision forced union leaders to temporarily suspend their factional differences to form an *ad hoc* body to fight the employers' unilateral decision (Kumaran, 1970: 5). They mounted a campaign on behalf of plantation workers under the umbrella of a new *ad hoc* body called the Pan-Malayan Rubber Workers' Union (PMRWU), formed by representatives from the five major plantation unions existing at the time:

1. Negeri Sembilan Indian Labour Union (NSILU);
2. Perak Estate Employees Union (PEEU);

3. Alor Gajah Labour Union (AGLU);
4. Malacca Estate Employees Union (MEEU); and
5. Johore State Plantation Workers Union (JSPWU).

Although the strength of the newly formed union proved insufficient to reverse the employers' plans to reduce wages, concerted action kept negotiations going for some time until, facing total disagreement on the basic issue of wage rates, the parties to the negotiation agreed to the arbitration option. The arbitration award, known as the Taylor Award, was implemented in 1954, largely supporting the employer case and critical of the negotiating style of the unions. The 1953 proceedings of the Arbitration Commission (Taylor) highlighted the weaknesses inherent in the *ad hoc* nature of plantation union solidarity and their lack of professionalism without the support of an efficient union secretariat. Finally, the arbitrator questioned the effectiveness of the union federation (PMRWU) in representing workers' interests and their ability to enforce agreements throughout the plantation sector, indeed questioning their credibility as a representative body for all plantation workers (Sangamani, 5.1.1954).

Thus, the Taylor Award provided a major impetus for the small and weak plantation unions to unite for greater bargaining strength (Sangamani, 5.11.1954). However, the process of amalgamation had to overcome a host of problems that afflicted Indian labour leaders at that time. The most important of these was the regional power base from which most Indian labour leaders in the plantations tried to negotiate. They were worried about a national trade union organization in which their personal popularity and power would be diminished. Nevertheless, so strong was the need for amalgamation, that in September 1954, three unions decided to notify all branches to send delegates to a meeting in Kuala Lumpur so that a *pro tem* committee of the proposed National Union of Plantation Workers could be elected (NUPW, 1959). The unions were the Malacca Estate Workers Union (MEWU), the Perak Estate Employees Union (PEEU) and the Plantation Workers Union of Malaya (PWU), which was the old Negeri Sembilan union. On hearing of these new developments, the remaining two unions — from Johore (JSPWU) and Alor Gajah (AGLU) — decided to join forces with the majority of plantation workers. At the inaugural meeting, it was decided that the NUPW should not restrict its activities to rubber plantations alone, but should organise workers in all commercial agricultural enterprises, including oil palm, coconut, tea and pineapple estates.

The leaders principally responsible for the amalgamation of the numerous, small and scattered plantation unions into the NUPW were:

- a) S.P.S. Nathan, P.P. Narayanan, and H.K. Choudry from the Plantation Workers Union of Malaya,
- b) John Emmanuel, A. Venugopal, and S. Ramasamy from the Perak Estate Employees Union,
- c) A. Jacob, A. Rajagopal, and R. Retnam from the Johore Plantation Workers Union,
- d) C.P.R. Menon, and M. Subbiah from the Malacca Estate Employees Union, and
- e) Ponnusamy, and K.S. Dawood from the Alor Gajah Rubber Workers Union.

Among the visitors who attended the founding of the NUPW were the High Commissioner and other important government officers, the President of the MPIEA and two former British trade union officers, namely Brazier, who was the Trade Union Adviser (TUA), and Bavin, who was the ICFTU representative in Malaya (*Tamil Nesan*, 3.11.1954). The latter had sensed the importance of quickly filling the gap left by the demise of the PMFTU with moderate unions led by Indian trade union leaders who had shown their independence from the left. Among those who impressed Bavin was Narayanan, who had proved useful in the establishment of the Malayan Trade Union Council (MTUC) in 1950.

Since its formation, the NUPW has remained unchallenged as the representative of plantation workers in Malaya except in the mid-sixties. Despite attempts to form alternative unions, the NUPW emerged as the sole trade union organization for plantation (field) workers in Peninsular Malaysia (Gamba, 1962a: 25; Ragunathan, 1970). The Registrar of Trade Unions (RTU) — who held considerable discretionary powers under the Trade Union Ordinance — rejected the possibility of other unions competing with the NUPW for members.

The NUPW's members were mainly Indians, and the union was almost exclusively led by Indians who had distanced themselves from the earlier militant unionization under the PMFTU. Few Chinese chose to join the NUPW. Having previously appealed for the support of Indian workers on the basis of communal arguments, it was not possible for Indian union leaders to switch tactics in order to gain support from other ethnic groups, particularly the Chinese. Further-

more, there were language and cultural differences which created difficulties for the Indian leadership to gain the support of Chinese workers. There was also a general assumption among Indian trade union leaders that the vast majority of Indian workers would accede to their leadership, whereas Chinese workers might prove more rebellious. The recruitment of Chinese workers became more difficult as the Emergency progressed and the shooting war escalated. More and more Chinese-dominated settlements near plantations were designated 'black' areas by the police. These were areas suspected of aiding the MCP-led guerrillas in the jungle by providing them with food and medical supplies (NUPW, 1954b). During this time, it was particularly difficult to organise workers in such 'black' areas without breaching government regulations such as curfew hours (Ragunathan, 1970: 111).

At the time of amalgamation in 1954, the NUPW had 46,835 members. In 1955, the year after its formation, the NUPW's membership increased to 82,300. Correspondingly, union density in the industry increased from around 16 per cent in 1954 to 26 per cent in 1955 and 38 per cent in 1956 (refer Table 7.1). Nevertheless, even now, the union has remained predominantly Indian in membership, although there has been a slight increase in Malay members as a result of the considerable increase in the number of Malays in the plantation industry. Yet, it is true to say that the NUPW leadership was content to have the membership largely Indian to retain hegemony and for administrative convenience, a circumstance that deprives the union of greater bargaining strength, as Gamba has observed (Gamba, 1962b: 28).

Objectives

In very general terms, the overall objectives of the NUPW were no different to those of other trade unions in developing countries. The NUPW has been concerned with improving the working terms and conditions of its members, such as hours of work, rest days, paid holidays and employment security (NUPW, 1955: 1-4). With plantations classified as private property, the union has also been concerned with living conditions such as housing, medical facilities, schooling for the children of workers, electricity and water supply. But it will be shown that the NUPW has tended to focus on the wage rate paid to workers and related benefits, including redundancy provisions and retirement benefits.

Table 7.1
NUPW Membership Growth, 1954–69

Year	NUPW Membership	Total Workforce	Unionization Rate
1954	46,835	294,511	15.9
1955	82,300	309,198	26.6
1956	119,094	309,340	38.5
1957	113,200	307,010	36.0
1958	113,754	313,640	36.3
1959	89,773	311,370	28.8
1960	90,323	314,440	28.7
1961	89,681	285,560	31.4
1962	102,413	316,990	32.3
1963	104,224	316,950	32.9
1964	106,119	306,670	34.6
1965	110,939	300,460	36.9
1966	103,792	290,700	35.7
1967	95,194	272,570	34.9
1968	80,921	270,000	30.0
1969	84,519	263,650	32.0

Sources: Annual Reports of the Registry of Trade Unions.

From the late 1960s, the NUPW argued that members should look beyond routine issues of pay and fringe benefits, and focus on policies for self-reliance by developing and expanding their productive potential through their own business ventures. Such arguments led to the foundation of the Great Alloniers Trading Corporation (GATCO) in 1967 and the Multi-Purpose Cooperative Society in 1968. Members of the union were urged to invest in both these business ventures so that they might realise business dividends later in life. Another argument advanced in favour of these businesses was that with declining employment opportunities on the estates, workers would be assured of securing employment for their children in the new industries to be set up by the union enterprises. In order to under-

stand the union's activities, it is necessary to examine the role played by the union in changing plantation workers' lives.

Organizational Structure

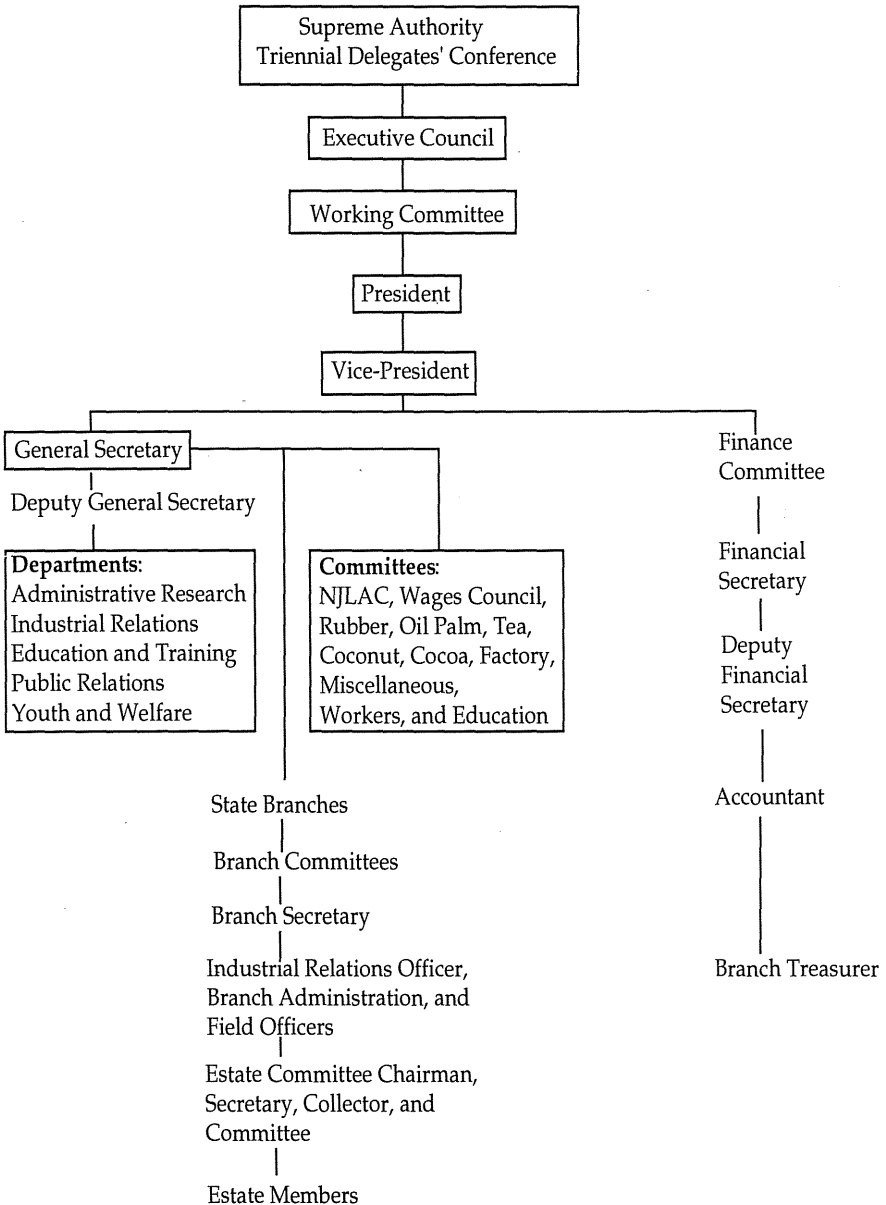
The NUPW is divided into eight autonomous state branches with the national headquarters in the plantation house popularly known as 'Thotta Malligai' at Petaling Jaya. At the national level, there is an Executive Council, which is the highest authority responsible to the National Delegates Conference. This council has a President, three Vice-Presidents, a General Secretary, his deputy, an appointed Executive Secretary and a number of Council members reflecting a ratio of one for every 5,000 members (refer to diagram 7.1). These officials are elected at the Triennial National Delegates Conference. This conference is the union's supreme authority. Theoretically, union membership allows workers to have a final say in all matters. However, in reality, this is not the case because nominations to the Executive Council are carefully guarded to ensure that no individual is able to sit on the Council without the tacit approval of the General Secretary. (This was confirmed in private interviews with various leaders of the NUPW at the estate, state and national level). Although power rests with the Executive Council, the most important decisions, including the hiring and firing of key administrative personnel, are delegated to the General Secretary. The union's Executive Council is not known for its independence and decisiveness, but for its deference in all matters to the leadership of the General Secretary (Supernor, 1983: 148).

The Executive Council meets once every three months. Between Council meetings, the working committee decides on urgent issues. The members of this committee are elected from the Executive Council. This committee is responsible to the National Executive Council (NUPW, 1978).

At the state level, the same structure is replicated with minor alterations. Each state branch is governed by a branch committee, comprising a Chairman, two Vice-chairmen, a Secretary, a Treasurer and 13 to 17 Committee members, depending on the size of the branch. All members of the branch committee, with the exception of the Secretary and the Treasurer, are elected by popular vote at the branch triennial general meeting.

The Secretary and the Treasurer are appointed by the General

Diagram 7.1
NUPW Organizational Structure



Secretary, and they are directly responsible to the State Executive Committee (NUPW, 1979). These two persons are responsible for all union activities and the management of union affairs at the state level. Normally, the men of power and influence in the union are English-educated and from middle-class backgrounds (personal observation at the four state branches in Johore, Selangor, Kedah and Negeri Sembilan). With few exceptions, such union officials are appointed to represent, organize and guide the workers' movement. Essentially, they are an 'elite' group of people who have founded an organization through which they sustain their superior social position. Mostly, they are not concerned with workers' problems and not committed to the protection of the workers welfare. Directly responsible to the Secretary are the Industrial Relations Officers (IROs), the Field Officers and a number of clerks and drivers. The union also conducts monthly Branch Secretaries' meetings, to bring the Branch Secretaries up to date with developments at the national level, and vice-versa, and to collect due monthly subscriptions.

The Branch Secretary is the link between the national headquarters, the state executive committee and the estate committees. His information is gathered by field officers. The Branch Secretary attends to the day-to-day matters of the union, settling disputes not resolved by the IROs, managing the administrative staff under him and other union matters arising. He does not make any policy decisions. These are left to the national headquarters and the State Executive Committee. He attends monthly meetings at the NUPW Headquarters in Petaling Jaya, where all the Branch Secretaries are briefed on union policies concerning specific issues and on any other matters to be communicated to the estates. The Branch Secretaries communicate directly with the Estate Secretaries at the monthly meetings held at district level. In addition to these, he visits estates when the members require particular attention.

The role of the Field Officers is an important one. The Field Officers are the link between the estate members, the branch office and, more indirectly, the national headquarters. They make field trips to hold regular meetings on the estates. There is no strict rule regarding the regularity of these meetings. Usually their frequency depends on the estate concerned. If members are paying their subscriptions regularly, there are no industrial problems and everything is proceeding smoothly on the estates, meetings are only rarely held. Field Officers also explain to workers the outcome of negotiations

held between the estate committee or the IRO and management. In doing so, they form a channel of communication between management and the workers.

The state branch also organises the workers at the estate level and forms estate union committees consisting of a Chairman, Deputy Chairman, a Secretary/Collector and 7 to 13 committee members. These officers are elected at their Biennial General Meeting. The Secretary/Collector, as the name implies, collects the dues and transfers it to the branch treasurer at the respective state branch office. In some estates, there is an understanding between management and the NUPW to deduct subscriptions from the workers' pay. In 1993, each member contributed a subscription of RM5 per month. The Secretary/Collector is given a commission of 7 per cent from the total estates' collection. In addition, the committee also looks after petty problems that may arise at the estate level. If they fail to solve these problems, these will be forwarded to the state branch. The Branch Secretary takes these issues up personally or assigns one of the union branch's Industrial Relations Officers (IROs) to pursue the matter. If the state branch fails to solve it, the matter is reported to national headquarters. Ultimately, the terms and conditions of employment, negotiations with employers and conclusion of agreements come under national level jurisdiction (NUPW, 1979).

According to branch administrative regulations, each estate or division should have at least one meeting every six months, although this is not always the case. Some of the main reasons for the irregularity of meetings in some estates are: the poor turn-out for meetings, absence of apparent disputes or messages to be communicated, and the inefficiency and ineffectiveness of local leaders in conducting meetings. However, these problems are normally solved by the intervention of field workers or state officials.

Most of the locally elected office holders (on estate committees) are factional leaders who have engaged in union activities for their own narrow power patronage purposes. In some estates studied, these leaders also worked closely with management in order to get better jobs for themselves and their families while appearing quite unconcerned with other workers' problems. Few of them are educated beyond the primary school level and most appear to be in awe of their appointed superiors. They have few or no opinions on what the union should or could be doing to improve the position of labourers (apart from what the union has ostensibly been 'fighting' for), but

their loyalty to the union is steadfast. They deliver the votes, collect monthly dues, attend meetings, listen passively to official union propaganda presented to them by state Branch Secretaries, and then return to their estates to disseminate information that generally supports the widely held belief that the union is 'doing all it can' to help the workers (Supernor, 1983: 150).

The chief executive of the union is the General Secretary and, to assist his work, various departments have been established at the National Headquarters:

1. Administrative Department: This department is responsible for day-to-day office administration, as directed by the General Secretary.
2. Industrial Relations Department: This department attends to trade disputes referred to it by state branches. It also assists the members on legal matters and liaises with the union's legal advisers.
3. International Department: This department is responsible for attending to and liaising with foreign friends who visit the NUPW.
4. Press, Publicity and Public Relations Department: This department liaises with the press, prepares statements and publicity material, and is responsible for union publications and the newspaper.
5. Finance Department: This department is responsible for the accounting of income, expenditure, assets and liabilities of the union, as directed by the Financial Secretary.
6. Research Department: This department collects facts and figures regarding aspects of the industry and assists the General Secretary in collective bargaining.
7. Education and Training Department: This department attends to the needs of members' children who have achieved scholastically to further their education without hindrance due to financial reasons, and
8. Development and Projects Department: This section is responsible for investigating avenues through which the union may participate in industrial matters.

The union has 185 full-time staff members at both the headquarters and the eight state branches (NUPW, 1988: 12). In comparison with other trade unions in the country, the NUPW has an impressive organizational set-up, with the largest number of members and full time personnel.

In gaining important union posts, there are no prerequisites of first-hand knowledge or experience of the living and working conditions of labourers. Administrative ability and loyalty to present leadership, however, appear to be the two most important criteria for securing top union jobs. With the objectives and organizational structure of the NUPW discussed above, let us examine the performance of this giant union in improving the plantation workers' socio-economic status.

Performance

The largest trade union in Malaysia has existed since 1954 and, until 1993, was managed by the same General Secretary, P.P. Narayanan, popularly known as 'P.P.' During this period, both the NUPW and 'P.P.' have had a disproportionately great influence on the Malaysian Trade Union Congress (MTUC), the peak body, as well as the labour movement generally. This was largely made possible by the government's perception of the NUPW and its leadership as a moderate non-ideological group which offered no challenge to the political dominance of the Alliance and National Front governments. The hegemonic role of NUPW within the Malaysian trade union movement was both enhanced and sustained by international trade union connections, particularly with the International Confederation of Free Trade Unions (ICFTU).

The following section shall examine why the NUPW, which succeeded in building up a giant union with funds, failed to deliver significant benefits to the plantation workers of Malaysia. This review of union performance will fall under the following four areas of labour welfare:

- 1) Subdivision crisis;
- 2) Conditions of work, terms of employment and fringe benefits;
- 3) Trends in wage rates, bonus payments and social security;
- 4) Improvements in the morale of the workers, through greater participation in union activities, not only in worker struggles, but also in social and educationally uplifting activities.

Subdivision Crisis

In the 1950s, the NUPW began to organise and seek agreements with MPEIA to improve socio-economic conditions in the estates. This proved less favourable because of the fall in rubber prices brought

about by the post-Korean War conditions and the build-up of the rubber stocks under the Strategic Services Administration of the US government. Periodic sales by the US government of what they termed 'excess stock' kept a downward pressure on world rubber prices. More importantly, many estate managements found that the cost of providing security to their senior staff, especially in the remoter plantations, was rapidly escalating as a result of the ongoing Emergency in Malaya.

During the preparations made by the British colonial administration for Malayan independence, many sterling companies decided to sell and repatriate their capital or to diversify their investments (Aziz, 1963: 30). The process of divestment by British companies set in train very lucrative speculation which involved real estate agents, financiers and a host of would-be small estate owners. Many of the direct purchasers of the large estates were essentially speculators and soon caused the estates to be subdivided and sold to other speculators and investors, thus securing speculative profits from land sales at several stages. As Stenson (1980: 20) observes: "Between 1950 and 1967, about 324,931 acres (131,551 hectares or 18 per cent of the total estate acreage) involving 28,363 employees was subdivided for sale to mainly Asian owners. The invariable consequence was drastic reductions in wages, health and other facilities, where workers were not thrown out of work altogether".

The NUPW and MIC leaders felt that this was a more serious threat to the long term welfare of plantation workers, and urged the government to regulate subdivision in order to slow it down through administrative procedures (such as giving notice), if not stop it altogether. The government was finally persuaded to set up a commission of inquiry under Professor Ungku Aziz, of the University of Malaya which presented its report to Parliament in 1963. However, throughout this period, the interests of financiers and land speculators were predominant and they were able to convince the government that subdivision ultimately benefited Malayan capitalists and small farmers. The NUPW leadership laid great store by the Aziz Report and pressured the government to act on its recommendations. The influence of large plantation companies (which stood to gain from the sales) and the local businesses, however, proved to be too great an obstacle. The union finally resorted to forming a workers' cooperative to pool resources to purchase some of the subdivided lots to operate. This proved to be no more than a token gesture, as neither the workers

nor the union could mobilize the financial resources to undertake the purchase and operation of large estates. The MIC, backed by urban middle class entrepreneurs and some businessmen, proved more successful in such ventures. Even so, by 1966, the Land Finance Corporation founded by the MIC leadership owned only six estates, with a total area of 4,860 ha. employing 2,000 workers (Stenson, 1980: 206).

The failure of the largest and most affluent union in the country, the NUPW, to protect the jobs of its members and the meagre living standards of estate workers — such as housing and health facilities in the estates — from subdivision, demoralised plantation workers generally. The marginalization of the union and its membership in the estates began to be seen as employer and government indifference to the deterioration of the social and economic conditions of estate workers (which unlike company profits did not benefit much from higher rubber prices such as those experienced during the Korean War boom). The monopoly position which the NUPW had within the estate set-up (encouraged by trade union law and the favourable attitude of the Registrar of Trade Unions) led the middle ranking officers of the union to be complacent and to even disregard worker complaints about management abuse. The union bureaucracy faced no competition from any other trade union championing the cause of workers in the same industry: those who sought to do so were refused registration by the Registrar for the most insubstantial of reasons, as was the case with the United Malayan Estate Workers' Union (Ramasamy, 1990:530).

The leadership of the NUPW became less interested in the day-to-day administration of union affairs, particularly in attending to workers' grievances, as the effective head, Narayanan became involved in the international trade union body, ICFTU, eventually becoming its president. The leadership of the union was also diverted by the numerous business ventures which Narayanan established with union funds and bank loans, in collaboration with foreign capital, ostensibly for the future benefit of plantation workers and their children. Most of these joint ventures turned out to be financial disasters for reasons discussed later in this chapter.

Terms of Employment and Fringe Benefits

Since the first NUPW-MAPA agreement, signed in November 1954, union officials have pointed to the number of provisions that have

been included for the benefit of workers such as paid public holidays and annual paid vacation of varying lengths, depending on the number of years of service of the plantation workers. The NUPW record of these paid holidays shows that in 1954, workers were entitled to only three days each year while such benefits rose to 10 days in 1956, and to 19 days in 1964 (NUPW, 1967: 1). However, this remarkable success was largely due to the implementation of the Employment Act, 1955, which required all employers to observe certain *minimum* standards of work, such as working hours, rest periods, weekly rest days as well as observance of public holidays and annual paid leave. Even so, in many cases, the NUPW settled for less than the conditions prescribed in the Employment Act. Thus, in 1990, the NUPW agreement boasted a total of 26 days' paid leave (by aggregating public holidays and annual leave), whereas the Employment Act already provided for 26 days' paid leave for workers with more than five years' experience.

The NUPW also took pride in its achievement in obtaining better hospitalization benefits. Hospitalization benefits at half pay for fourteen days were secured for ill and injured workers from 1954. The number of days was later increased to 60 in 1962 and to 90 in 1964. The 1964 agreement stipulated that hospitalization benefits should be paid at half pay for up to 90 days at any one time in a year. In 1968, a maximum of 28 days at half pay in a year for certified sick leave granted by a registered medical officer was secured. Tuberculosis leave pay was also introduced for the first time in 1968, with workers eligible for half pay in hospital for up to 90 days at any time in a year. In 1972, fully paid sick leave was granted for 60 days per year if hospitalization was necessary. However, the NUPW failed to obtain better services in estate dispensaries for the workers.

Traditionally, the larger estates provided free medical and hospitalization facilities. However, what was regarded as 'adequate' in the 1920s cannot be seen as such today, especially as such facilities are not supervised by the government or independent professional bodies such as the Malaysian Medical Association (MMA). Today, as discussed in Chapter Five, most workers prefer to go to general practitioners located several miles away in the nearest town, rather than to trust the unqualified para-medics in estates.

The NUPW has also fought for other terms of employment for workers, such as weekly rest, overtime payments, housing allowances, retrenchment benefits and gratuity or severance pay, as provided for

in the 1955 Employment Act. A guaranteed day of rest was finally won in 1956. In 1965, this was changed to specify a fixed Friday or Sunday to help ensure compliance with this stipulation of the union contract. However, the day of rest meant little to the plantation worker who was not entitled to any wages on that day. Retrenchment benefits amounting to RM600 were only won in 1969 and overtime pay was introduced in 1968.

A housing allowance was introduced for the first time in 1964. All non-resident male workers (plus certain other categories laid down specifically in the housing allowance agreement such as widows and divorcees) who were not provided with approved accommodation on the estates received a housing allowance of 50 sen per day worked. This housing allowance was increased to RM15 in 1968, RM25 in 1976, RM30 in 1979 and RM50 in 1966. However, these increases failed to keep pace with the rate of inflation in the country. Since the housing allowance was only payable to one person in the family (where several members were employed, usually to the head of the household), living conditions were inadequate.

Furthermore, the type of housing traditionally provided in estates was of the most primitive kind and provided little privacy or comfort. Most of the older structures have remained in a state of disrepair since the 1950s, when many companies refused to improve basic amenities for workers ostensibly because of prevailing political uncertainties during the Emergency. By 1957, when independence was gained, foreign capital flight was a reality and consequently, workers' housing was not given priority.

The free supply of water and electricity with housing is often used by the management as an argument against raising wage levels. But what is often ignored is that such facilities could not be provided by any other firm or agency, since the plantations represent huge acreages of private property which cannot be alienated to private individuals for housing or commercial development. In addition, the quality of such services is frequently not comparable to current national standards: not only is the quality of water poor, it is often only available in common public places; and electricity supply is often limited to three or four hours per day, mainly in the early part of the evening (refer Table 7.2).

The union has long sought to gain for its elderly and long-term workers a gratuity or severance pay upon retirement or when their employment is terminated. Attempts to gain an annual bonus, based

Table 7.2
Housing Conditions in Estates

Year	Substandard Units	Meeting Minimum Standards
1975	99,759	17,054
1980	70,999	39,389
1985	52,539	56,093

Note: The above figures are based on estates inspected by officers of the Ministry of Labour and do not cover all estates.

on the idea of profit sharing, and some type of employer-contributed insurance scheme, have been largely unsuccessful, although a two tier system of gratuity pay has been implemented. This system consisted of RM50 per year of service, for years of service up to 31 December 1975. From 1 January 1976, it was RM70 per year of service and from 1 January 1986, RM110 per year.

The NUPW officials also argued for the establishment of a "workers' house ownership scheme", an idea that was endorsed and briefly promoted by the government in the mid-seventies, so that retiring workers would not become a burden on public social security provisions (Soh, 1982: 28). However, lack of proper organization and planning resulted in the union's failure to achieve any of these schemes for plantation workers. In their negotiations with MAPA, the employer organization, the NUPW failed to introduce any comprehensive proposals for the housing and welfare of workers upon retirement.

Considering the importance of basic needs, such as housing, education and medical facilities in raising workers' standards of living, it is surprising that NUPW has conspicuously neglected such provisions in their negotiations with MAPA.

Collective Bargaining and Wage Negotiations

Since its formation in 1954, the NUPW has been represented by the government and others as a model of trade unionism for developing countries, not only in terms of its size and unified structure, but also in terms of its structured and disciplined approach to industrial relations within the provisions of prevailing labour laws.

As Table 7.1 shows, its membership began to increase dramatically after 1954, once the workers found that the union had received government and employer approval. In the period of membership recruitment during the Emergency, NUPW leaders had practically no competition. In addition, the government, through the Trade Union Adviser, showed great understanding and encouragement for the new anti-communist union.

However, despite these favourable conditions for the new trade union, the real test of the effectiveness of unionism rests on a union's achievements, e.g. through the process of collective bargaining. In particular, we shall examine the issues and outcomes of negotiations in the period before Malayan Independence in 1957.

Soon after its formation in 1954, the NUPW was able to negotiate with the employers through a formal machinery for negotiations in the plantation industry as a whole. However, this was restricted to estates whose owners belonged to the MPIEA which, in the early years, almost exclusively consisted of European employers. Since MAPA represented the largest estates in Malaysia, it was important that the NUPW developed a working relationship with them, so that subsequent negotiations with other non-MAPA employers could be modelled on the larger agreement. Essentially, both sets of agreements, those with MAPA and non-MAPA employers, contained key elements such as basic wages, cost of living allowance, incentives, price factors, standard task, scrap payments, working and living arrangements, all of which directly impacted on the welfare of the workers and their families. The next section will attempt to account for the evolution of the specific plantation wage structure under the influence of the collective bargaining strategies of NUPW.

Wage Negotiations since 1954

The failure of the Taylor Award to offer better wages prompted the NUPW to sign its first wage agreement with the MPIEA in 1954 (NUPW, 1954d). This agreement fixed the daily wages of rubber tappers and field workers at RM2.40 and RM2.05 respectively (refer to Table 7.3). However, the union was not content with the agreement and moved to reach a new agreement in 1955. Nevertheless, no progress was made in making a new collective agreement and, to the union's surprise, the MPIEA proposed a wage cut and also that workers bear the burden of the increased export duty.

The MPIEA refused the NUPW's proposals for a new collective agreement, stating that it was unreasonable to expect the same or higher wage rates when the employers had to pay an increased 'export duty'. In fact, the MPIEA invited the union to join in resisting any further increase to export duties which the government might impose, in order to avoid wage cuts. The MPIEA argued that the export duty is non-refundable and therefore the employers expected workers to share the burden to ensure the continuous profitability of the plantation. The union was not prepared to accept this burden and stated that it was not concerned with the export duty. The union's strong stand forced the MPIEA to agree to discuss a new wage formula. Nevertheless, the MPIEA emphasised that if the government was to change export duty rates again, the union should stand shoulder to shoulder with them to resist. The union accepted this request when its General Secretary, P.P. Narayanan, endorsed the MPIEA's demand. With both parties compromising, a revised collective agreement was signed on 29 August 1955. Unfortunately (despite high rubber prices), this new agreement did not bring any benefits to the workers either.

With no gains in the 1955 agreement, the union launched a major offensive by submitting a memorandum on 8 March 1956 demanding new agreements (NUPW, 1956), asserting that the whole principle of hitching wages to the selling price of rubber was wrong. This was tantamount to transferring losses to the labourers without giving them a share in the profits. The union argued that wages should be based on a level that would allow labourers and their dependents to lead a decent life above the poverty line. This was clearly stated in item three of the memorandum as: "The NUPW has increasingly becoming concerned in the trend of the standard of living of its members — the plantation workers. Through careful and repeated enquiries, the NUPW has discovered that this trend has now reached a critical state when the daily rated workers and, more so, the field workers, the women and children, are subsisting on standards which may be called at or below the poverty line".

The NUPW demanded a basic wage of RM4.50 per day for field workers, with a further increase for various categories of tappers. The union also worked out the details of the cost of living for a labourer's family based on a diet of minimum nutritional value. Item 5 of the memorandum reports this as follows:

...the NUPW is of the opinion that, on the one hand, present wages must

be lifted to a level at which they will cover minimum needs and, on the other, they must not be allowed to fall any further. Such a fall would gravely affect the standard of living of the workers, already precariously low. NUPW therefore requests that the rates it has now demanded should represent an integrated total (basic plus cost of living allowance and other elements). This would apply to all grades of labour, i.e. field, check roll, contract and other workers. The total earnings of tappers would still depend on output.

The employers flatly rejected the basic wage structure proposed by the NUPW on the grounds that the industry could not afford it. In fact, they later said that they were not even prepared to discuss the 'unrealistic' wage demands presented to them by NUPW. The MPIEA argued that the union's proposal would raise the industry's wage bill from RM3 million to more than RM5 million. The English language daily newspapers supported this view (Gamba, 1962b: 161). At this juncture, the Labour Department sought to use its office to prevent a breakdown in the industry. As a result of the Department's involvement, the union reduced its demands to a minimum rate of RM3.25 ringgit per day, but the MPIEA refused to sign any new concessions. This left the union with no other choice but to take industrial action.

The industrial action was launched on 25 April 1956 in the form of a 'go slow'. The 'go-slow' organised by the NUPW throughout the country proved to the employers that the new union had achieved worker unity far beyond their expectations (Kumaran, 1967: 9). Unlike the pre-1948 period, when workers had often been led into violent and abortive action by predominantly Chinese and communist-led unions, plantation workers in the mid-fifties discovered the need for working class unity through their own experience.

For the 'go-slow' policy, the NUPW instructed members to perform only the minimum allotted tasks, to take as much time as possible, not to work overtime, not to work on rainy days, and to take their weekly day of rest when it was due. In this way, the union successfully hampered production.

To counter the 'go-slow' action, the MPIEA went on the offensive. They threatened to cut the wage rates of the 'go-slow' check-roll men if they failed to accomplish their tasks; to dismiss and evict workers from the workers' quarters; and to close the water supply, estate schools, dispensaries and estate shops (NUPW, 1954/56: 6).

The 'go-slow' action continued for four consecutive Fridays before violence began to erupt in some estates. The Minister of Labour expressed his concern over the tension (probably having in mind the

earlier experience of communist 'terrorism'), which he thought might lead to political instability. Thus, the NUPW came under pressure from the government. The union leaders feared that the government might take action against them if they did not end the conflict. At the same time, the union's executive staff feared that their positions might be threatened as the number of militant workers increased. With these considerations in mind, the NUPW agreed to end the strike when the plantation employers agreed to offer the tappers RM2.60 per day (a rise of 20 sen) and field and general workers RM2.60 per day (a rise of 55 sen) (refer Table 7.3).

These rates applied until a new collective agreement was negotiated in 1959, in which a new arrangement made up of three elements was introduced: a basic wage (said to be 'guaranteed') of RM2.20, together with a price bonus (varying with the world market price of rubber) and an incentive or productivity element (based on output beyond a

Table 7.3
Estate Workers Wages and Other Benefits, 1954–59

Wages and Other Benefits	1954	1956	1959
Rubber Price Zone sen/lb	65/70	60/80	60 and above
<i>Wages (per day)</i>			
Tappers	RM2.40	RM2.60	RM2.20
Field Workers	RM2.05	RM2.60	RM2.60
<i>Other Benefits</i>			
Paid Holidays Per Year	3	10	10
Hospital Benefits	14	14	14
Weekly Rest	— One day after six worked days —		
Price Bonus	—	—	14 sen*
Late Tapping	—	—	—
Wash-out Days	—	—	—
Application of Stimulants	—	—	—
Housing Allowance	—	—	—

Note: * For every 10 sen increase in the price of rubber in excess of 60 sen.

Source: Compiled from NUPW (1967) *Black and White Book*, pp. 1–14.

certain weight of rubber). Both the price bonus and the productivity element were fixed such that the total wage bill would increase significantly only in exceptional circumstances.

While the basic wage appeared to provide a 'guaranteed minimum', it was nothing more than a base on which the more flexible elements of the wage rate could be assembled. The new wage package gave the employer greater flexibility in negotiating wage rates with the union, as indeed was the case in subsequent years. With such a flexible wage system, the employer has the option of keeping the basic wage rising more slowly while the workers are offered attractively larger 'flexible' elements, such as price or productivity elements, that shrink more than proportionately with a market downturn or contraction. It is for this reason that the threshold for the productivity element has been raised systematically over the years as the new higher yielding rubber trees have reached full tapping potential. The tapper was expected to complete tapping about 250 trees in the mid-fifties, whereas since the 1990 agreement, the same tapper is expected to complete a round of 600 trees per day.

Wages in the 1960s

The implementation of the 1959 collective wage agreement did not meet the workers' expectations. There were numerous complaints, particularly concerning the raising of productivity threshold levels in the field, both before and after application of yield stimulants, resulting in lower earnings for the affected tappers. Consequently, the take-home pay of workers remained more or less at the pre-negotiations level. This led the union to submit proposals on 27 April 1961 for new agreements to raise rates in the guaranteed and output factor. Subsequently, the union signed a new agreement in 1962, after ten months of negotiations (NUPW, 1962).

Apart from a slight increase in wages of 5 sen per day for tappers and 30 sen per day for field workers, the 1962 Agreement failed to redress the slow rate of income growth in the plantation sector. An exception was the removal of an anomaly with regard to tappers' wages on 'washout' days. Hitherto, when rain 'washed out' tapping for the day, tappers were paid only for that part of the day they had actually worked, based on the proportion of the daily task completed. The 1962 Agreement entitled each worker to receive the 'guaranteed' minimum daily rate of RM2.25 on such days (refer Table 7.4).

Table 7.4
Estate Workers' Wages and Other Benefits, 1962-65

Wages and Other Benefits	1962	1964	1965
Rubber Price Zone sen/lb	60 & above	60 & above	60 & above
<i>Wages (per day)</i>			
Tappers	RM2.25	RM2.55	RM2.55
Field Workers	RM2.90	RM3.10	RM3.10
<i>Other Benefits</i>			
Paid Holidays Per Year	16	19	19
Hospital Benefits	60 ^a	60 ^b	60
Weekly Rest	—One day after six worked days—		
Price Bonus	2 sen ^c	2 sen	2 sen
Late Tapping	2 sen ^d	2 sen	2 sen
Wash-out Days	—————guaranteed factor—————		
Application of Stimulants	—————varying rates—————		
Housing Allowance	—	50 sen ^e	50 sen

Notes: ^a At half-pay in a year.

^b Half-pay for a maximum of 3 months, and for T.B. a maximum of 9 months, plus a maximum of 28 days certified sick leave by any registered medical practitioner.

^c For each one sen increase in the price of rubber in excess of 70 sen.

^d Extra payment at 2, 3, and 4 sen for field categorized as A, B and C.

^e Per worked day for male workers with no accommodation on the estate.

Source: Compiled from NUPW (1967) *Black and White Book*, pp. 1-14.

Disappointed with the outcome of the 1962 negotiations, the NUPW renewed claims for better terms in August 1963. The new strategy aimed to convert all plantation workers from a daily rated system to a guaranteed daily rated system (NUPW, 1963). But the MPEIA was strongly opposed to such a change and described the demand as 'extravagant to the point of fantasy' (*New Straits Times*,

6.4.1964). In a period of general labour unrest in the country, the NUPW felt it expedient to call for strike action to force employers to negotiate (NUPW, 1964). However, the government intervened by calling on both parties to submit to mediation by a committee of independent persons from the civil service and the university, headed by Raja Mohar. The mediation committee handed down their recommendations in May 1964 and the new 1964 Agreement was based largely on its recommendations (Kumaran, 1964: 33).

The 1964 agreement did not show any changes in the structure of workers' earnings. It paralleled the 1962 wage agreement except for the introduction of two minor provisions:

- (i) The price element was now a separate item and was termed the price bonus with the guaranteed factor in the 1964 Agreement referring only to the basic element in the 1962 Agreement. The price bonus now varied with every 1 sen change in the price of rubber, and not with every 10 sen change as before.
- (ii) More details on the method of adjusting changes in the rates of the other categories of daily-rated workers were also introduced. Overall, although the union had asked for RM3.50 per day, the agreement brought about an increase of 30 sen per day for tappers, which was a 17 per cent increase on the average guaranteed rate of RM2.55. Pay for weeders and field workers was increased from RM2.90 to RM3.10. For young persons, the wage was increased from RM2.15 to RM2.50 a day (refer Table 7.4).

There was a period of industrial peace in 1964 and 1965 in response to the second Emergency due to the Indonesian 'Confrontation' in opposition to the formation of Malaysia. However, the NUPW renewed its claims for improved wages once again in January 1966. While these claims were being negotiated, the MPIEA was restructuring itself into a larger and stronger employer group called the Malaysian Agricultural Producers' Association (MAPA). MAPA emerged as a tougher negotiator on behalf of plantation employers and, rather than entertain the NUPW's claims, it proceeded to negotiate for a wage reduction due to falling rubber prices (*Malay Mail*, 20.6.1967). The 1968 trade dispute was therefore referred to the Industrial Court, which had been recently set up under the 1967 Industrial Relations Act.

The NUPW's performance at the Industrial Court must have been sufficiently impressive because the final award made in March 1968 served to increase tappers' wages from RM2.55 to RM3.10, an increase

of 55 sen. However, the field workers' wages remained the same (Industrial Court Award, 1968). For the first time, the agreement also included scrap payments for latex collected, task bonus, overtime payments, triple pay for working on a special holiday and normal daily rates for double tapping (to make up for lost production due to public holidays) (*New Straits Times*, 23.3.1968).

The local press described this increase as a 'big pay boost' and a 'major victory for NUPW' and 'more pay for 260,000 workers' (*New Straits Times*, 26.3.1968). But closer analysis of the terms of the award reveals that the tappers would actually have to work harder for the increased pay packet. The court recognised that for the survival of the industry, greater productivity and lower costs were the key factors. As such, the tappers' daily task size was increased from 450 trees to 465 trees, that is, an additional 15 trees in low yielding fields, and up to a maximum of 600 trees, an additional 50 trees in high yielding areas. This means that there was no real increase in tappers' wages, as boasted by the press (refer Table 7.5). On the whole, the award increased the guaranteed wage but reduced the amount that could be earned from other rates; hence, the net effect was a decrease in the earning level of workers to conditions similar to those which existed in pre-war days. This was clearly argued by Allington Kennard (*New Straits Times*, 27.3.1968), who stated that "the effect of the award was a fall in tappers' wages, despite the increase in basic pay".

In earlier years, the wage structure encouraged workers to strive for productivity payments, and to achieve this, the MPIEA kept the basic rate low so that workers could supplement it with productivity payments. From the fifties to the late sixties, the daily task was approximately 450 trees. With extensive new planting of high yielding varieties of rubber, MAPA changed its negotiating strategy. MAPA expected the tappers to tap more trees to increase productivity, by

Table 7.5
Comparison of Tappers' Wages and Tasks

Year	1954	1962	1968	1972	1979	1986	1990
Wage Wate (RM)	2.40	2.20	3.10	3.10	4.30	7.90	8.75
Task (No. of Trees)	450	450	465	500	600	600	600

Source: Compiled from various NUPW-MAPA collective wage agreements.

raising basic rates and the threshold for productivity payments. As such, since 1979, a tapper is normally expected to complete approximately 600 trees for the basic rate of pay.

The third pay element is the price bonus, which varies with the world market price of rubber. With the constant upward shift of this bonus threshold, workers only receive a bonus when rubber prices are very high. As Table 7.6 shows, the price bonus system has the appearance of 'profit sharing' on a sen for sen basis, but this is deceptive. At higher prices, the company's surplus profits will grow exponentially due to fixed overhead costs while wage rates would go up only incrementally. In any case, the NUPW leadership seems to have realised that this 'price bonus' element has been very much of a 'pie-in-the-sky', and has, since the 1990 Agreement, had it consolidated with the basic rate.

The workers became disappointed with the award when they realised that they did not benefit greatly from the agreement. This dissatisfaction became obvious when workers protested against acceptance of the award outside the head-offices of their respective state branches, and approximately 100 tappers demonstrated outside the NUPW headquarters in Petaling Jaya, condemning the union and describing the award as a 'sell-out' to management (*New Straits Times*, 10.4.1968). This was a major blow and an unexpected shock for the NUPW and its leaders. It was the first time NUPW members openly criticised the union's incompetence. Consequently, in 1969, the NUPW was forced to submit new claims, particularly for new rates and bonuses for its members (*New Straits Times*, 22.8.1969). The

Table 7.6
Variable Price Bonus for Rubber Tappers

Price Zones (sen/kg)	Price Bonus Element (sen)
Below 50	nil
50-55	5
55-60	10
60-65	15
65-70	20
Above 70	20

Source: Industrial Court Award No. 8/68

agreement gave workers 30 to 60 sen per day in price bonus, depending on the price of rubber within the 70–90 sen range.

Wages in the 1970s

After the May 1969 racial incidents and the political crisis that ensued, Malaysian labour struggles were curbed by the imposition of Emergency rule by the government. Plantation labour was particularly affected as new employment regulations required that employment in all enterprises, public or private, should be reserved for citizens only. About 20 per cent of the plantation labour force was affected by the new legislation. Several thousand plantation workers took advantage of the option to take cash benefits and free passage to India. It was reported that about 10,000 Indian plantation workers applied to the Indian Labour Fund for free passage and that about 60,000 one-way bookings to Madras (India) had been received by shipping agents by December, 1969 (*New Straits Times*, 6.12.1969).

A crisis in the plantation industry due to a sudden shortfall in labour supply was only averted after strong employer pressure was brought to bear on the government. The government merely conceded temporary employment permits — which had to be renewed annually — to such workers. Of 140,000 applicants for work permits, 59,000 were Indian plantation workers (*Far Eastern Economic Review*, 25.12.1969).

The failure of the NUPW to have their members registered as citizens through active campaigns among the plantation labour force was one principal cause for the marginalization of plantation labour. With workers having to secure identity cards to gain employment, non-citizens were disadvantaged because they were relegated to the more menial and casual jobs in the labour market.

The prevailing conditions did not permit trade unions much scope for innovative bargaining as the government was desperately wooing foreign capital investment to take the country out of the economic recession of the early 1970s. The 1972 wage agreement therefore realised few benefits for the workers as the basic pay remained the same (RM3.10); except that with improved incentive payments, average earnings went up to about RM3.60 per day (refer Table 7.7). But this improvement was achieved at the cost of task intensification for workers, who were now expected to tap 500 trees daily instead of 465 before the agreement.

Table 7.7
NUPW-MAPA Rubber Tappers and Field Workers Wage Agreement, 1972 (RM)

Price Zone (sen per lb)	35/40	40/45	45/50	50/55	55/60	60/65	65/70	70/75	75/80	80/85	85/90
<i>Tappers</i>											
Basic Wage	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Price Bonus	-	-	-	.05	.10	.15	.20	.30	.40	.50	.60
<i>Basic Poundage</i>											
High Yield	.21	.21	.21	.21	.21	.21	.21	.21	.21	.21	.21
Low Yield	.15	.15	.15	.15	.15	.15	.15	.15	.15	.15	.15
<i>Incentive</i>											
High Yield	.04	.05	.06	.07	.08	.09	.10	.11	.12	.13	.14
Low Yield	.06	.07	.08	.09	.10	.11	.12	.13	.14	.15	.16
<i>Scrap Rate</i>											
First 15 lbs	.04	.04	.04	.04	.05	.05	.06	.06	.07	.07	.08
Above 15 lbs	.03	.03	.03	.03	.04	.04	.05	.05	.06	.06	.07
<i>Field Workers (Men and Women)</i>											
Males	3.10	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20
Females	2.70	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Young Persons	2.35	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

Source: NUPW-MAPA Collective Wage Agreement, 1972.

The hardpressed plantation workers hoped for a better deal in the 1976 Agreement since there had been a 100 per cent increase in the rubber price and significant inflation, which had depressed real earnings since the beginning of the decade. But the union disappointed the workers again. In comparison to the 1972 Agreement, the 1976 Agreement brought only a 40 cent increase to RM3.60 for tappers and fieldworkers (refer Table 7.8). Meanwhile, the daily task size had been increased from 500 to 600 trees. Equal pay for women was the only significant achievement of this agreement, but this only affected fieldworkers, as tappers had already been receiving equal pay for equal work.

But the NUPW, the largest trade union in Malaysia, should have achieved equal pay for women at least a decade before. It should have set the example instead of following what the other unions had achieved so late in the day. Thus, one could argue that over the four years from 1972, despite the doubling of the rubber price in this period, from the 35/40 price zone to the 85/90 zone, nothing much came out of the 1976 agreement.

The agreement between the NUPW and MAPA negotiated at the end of 1979, when rubber prices were at an all time high, provided for a basic wage of RM4.30 (refer Table 7.9). This was an increase of 19.4 per cent on the RM3.60 negotiated in 1976. With the productivity incentive and scrap latex collection, a tapper could earn an average of RM6.69 per day during this period. Although the basic guaranteed wage was increased, the official cost of living index rose over the same period by 21.5 per cent. Thus, NUPW wages did not even keep up with the conservative consumer price index (CPI) figures of the government.

The Monthly Wage Issue

When the NUPW raised the question of converting the daily rates of pay in the plantation industry to monthly rates in the 1982 negotiations with MAPA, the employers were extremely dismissive of the issue. As the NUPW demand for a monthly rated structure in the plantation industry has been one of the main collective bargaining issues since the early sixties, it has become a matter of credibility for the union leadership. The protracted negotiations with MAPA did not yield results as the employers stood firm against the proposal and the dispute was taken to the Director General of Industrial Relations for

Table 7.8
NUPW-MAPA Rubber Tappers and Field Workers Wage Agreement, 1976 (RM)

Price zone (sen per lb)	50/55	55/60	60/65	65/70	70/75	75/80	80/85	85/90	90/100	100/110
<i>Tappers</i>										
Basic Wage	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Price Bonus	–	.10	.10	.20	.20	.40	.40	.60	.80	1.00
<i>Basic Poundage</i>										
High Yield	.21	.21	.21	.21	.21	.21	.21	.21	.21	.21
Low Yield	.15	.15	.15	.15	.15	.15	.15	.15	.15	.15
<i>Incentive</i>										
High Yield	.07	.08	.09	.10	.11	.12	.13	.14	.14	.14
Low Yield	.09	.10	.11	.12	.13	.14	.15	.16	.16	.16
<i>Scrap Rate (per lb. wet)</i>										
	.03	.04	.05	.05	.06	.06	.07	.07	.07	.07
<i>Field Workers (Men and Women)</i>										
Basic Wage	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Price Bonus	–	.10	.10	.10	.20	.20	.20	.40	.80	1.00
Additional Payment	.30	.30	.30	.30	.30	.30	.30	.30	.30	.30

Source: NUPW-MAPA Collective Agreement 1976.

Table 7.9
NUPW-MAPA Rubber Tappers and Field Workers Wage Agreement, 1979 (RM)

Price Zone (sen per lb)	65/70	70/75	75/80	80/85	85/90	90/100	100/110	110/120
<i>Tappers</i>								
Basic Wage	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30
Price Bonus	.20	.20	.20	.20	.20	.20	.20	.20
<i>Basic Poundage</i>								
High Yield	.21	.21	.21	.21	.21	.21	.21	.21
Low Yield	.15	.15	.15	.15	.15	.15	.15	.15
<i>Incentive</i>								
High Yield	.10	.11	.12	.13	.14	.14	.14	.15
Low Yield	.12	.13	.14	.15	.16	.16	.16	.17
<i>Scrap Rate</i> (per lb. wet)								
	.05	.06	.06	.07	.07	.07	.07	.07
<i>Field Workers (Men & Women)</i>								
Basic Wage	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30
Price Bonus	.20	.20	.40	.40	.60	.80	1.00	1.20
Additional Payment	.50	.50	.50	.50	.50	.50	.50	.50

Source: NUPW-MAPA Field and General Employees Agreement, 1979.

conciliation (*New Straits Times*, 8.7.1984). When this failed, the Minister referred the dispute to the Industrial Court for arbitration in February 1985. Among the NUPW arguments for a monthly rated structure were:

1. labour productivity had more than doubled in the previous 20 years, whereas the real wages of tappers had risen from RM140 to RM157, or a mere 12 per cent;
2. that a monthly wage system can be monitored more readily to ensure that it is above the national poverty line (expressed in terms of monthly income);
3. a monthly income was already 'guaranteed' by Section 16 of the Employment Act, which requires that the incomes of plantation workers should be 'topped up' every month, as if they had worked for at least 24 days in the month.

In March 1986, after about one month of hearings, the Industrial Court rejected the NUPW claims on the following grounds, which appeared to emphasise the employers' arguments (Industrial Court Award, 1986):

1. the daily rate structure of wages assured a decent level of earnings to hardworking employees in estates while ensuring high productivity for the industry;
2. the monthly wage structure would destabilize the industry and result in lower employment all round;
3. the Court felt the NUPW had not presented a convincing case for the monthly rated structure and went to some length to question the credibility of the union, whose own estates in Kelantan and Sungei Siput had not adopted a 'monthly pay' structure. The Court felt that the union's case was weakened by its own practice!

Thus, the NUPW itself was the main reason for the failure of the claim, because while the union wanted the employers to agree to a monthly wage system, it was not, however, willing to implement such a system in its own estates. The MAPA effectively used this to criticise the union and ultimately, to win its case.

The Industrial Court's decision to reject the monthly wage claim was a big blow for the NUPW and for the ten of thousands of its members. It is interesting to note here that the Industrial Court disallowed the monthly wage claim when Court President, Fong Seng Yee put in a negative casting vote after the other Court members'

votes had tied at two for and two against. Thus, the NUPW efforts for four years to pursue the claim ended fruitlessly after the union spent half a million ringgit (private interview with NUPW officer). Ultimately, the award only provided a basic wage of RM7.90 per day for rubber tappers and field workers plus the inclusion of some other fringe benefits (refer to Table 7.10). However, the frustrated union encouraged its members to stage a one-day strike on 7 April 1986, immediately after the verdict, to demonstrate their bitterness over the Court's decision. The action was strongly criticised by the Industrial Court President as obviously not intended to benefit the workers (*Utusan Konsumer*, 1990).

The 1990 Strike and the Monthly Wage Issue

In 1989, with the expiry of the 1986 Agreement, the NUPW started preparing a new set of proposals for negotiations with the employers. The proposal centred on Section 16(1) of the Employment Act, which guaranteed plantation workers a minimum of 24 days work even when the employer is unable to provide work for 24 days in each month due to 'natural reasons' such as bad weather, etc. Where the labourer is willing and fit to work, the employer is bound to pay the labourer each day's wages at the nominal work rate. The income is not to depend on what they produce on a daily basis. The NUPW argued that the proposed monthly wage would elevate plantation workers from poverty. However, MAPA refused to follow this section, arguing that the plantation industry did not have the capacity to pay monthly wages and that if monthly wages were paid, the industry would be ruined and workers' productivity would decline. MAPA also claimed that the monthly wage would make them uncompetitive vis-a-vis other producer countries as no other country in the world provided basic monthly wages to plantation workers (*New Straits Times*, 1.2.1990). MAPA defended the existing system, which it said rewarded productivity through the incentive scheme. The Association claimed that a drastic price fall would make a monthly wage unsustainable, and thus dismissed the idea of a monthly wage. However, the NUPW insisted on following Section 16(1), and proposed a monthly basic wage of RM350 for every estate worker, with other incentives to elevate them from poverty.

The protracted negotiations between the NUPW and MAPA failed to make progress as the employers were adamant that the conversion

Table 7.10
Rubber Tappers and Field Workers Wages — Industrial Court Award, 1986 (RM)

Price Zone (sen/kg.)	160/180	180/190	190/200	200/220	220/240	240/260	260/280	280/300
<i>Tappers</i>								
Basic Wage	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90
Price Bonus	Nil	.40	.60	.80	1.00	1.20	1.40	1.60
<i>Basic Weight</i>								
High Yield (per kg.)	.10	.10	.10	.10	.10	.10	.10	.10
<i>Incentives</i>								
High Yield (per kg.)	.27	.29	.31	.31	.32	.34	.36	.37
<i>Scrap Rate</i>								
(per kg. wet)	.13	.155	.155	.155	.155	.155	.155	.155
<i>Field Workers</i>								
Basic wage	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90
Price Bonus	Nil	.40	.60	.80	1.00	1.20	1.40	1.60
Additional Payment	.50	.50	.50	.50	.50	.50	.50	.50

Source: Industrial Court of Malaysia, Award No. 111 of 1986.

to a monthly rate of pay for plantation workers would ruin the industry. Matters came to a head in early 1990 as the union leadership began preparations, as required under the 1959 Trade Union Act, for strike action. Finally, although MAPA remained convinced that a strike would not eventuate, the NUPW called a three-day strike on the first day of February 1990, and managed to get remarkable support from the workers, with 65,000 union members and others taking part (*The Star*, 2.2.1990). It was reported that to stop the strike, some employers had cut water supplies, closed estate dispensaries and forced some staff to carry out the duties of striking NUPW members (*The Star*, 2.2.1990).

Despite the industrial strike, the question of the monthly wage rate of RM350 was not resolved (refer Table 7.11). Instead, MAPA offered a daily basic rate of pay of RM8.10 with other benefits (refer Table 7.12). The proposed RM8.10 rate would yield RM194.40 for 24 days. Thus, the increase was a mere RM4.80 per month in comparison to the 1986 Industrial Court Award. The NUPW did not agree to this proposal and consequently, intense arguments occurred on the issue.

With each party blaming the other, and with the industrial relations scene muddied by the strike, the Malaysian Government decided to intervene. The Minister of Human Resources referred the dispute to the Industrial Court, thus forcing an end to the strike. Although the disagreements dragged on, both parties to the dispute realised that a hearing before the Court would be both time con-

Table 7.11
NUPW Proposed Wage Structure, 1990

	Monthly Basic Wage: RM350 for Every Estate Worker						
Price Bracket (RM/kg.)	1.40/ 1.70	1.70/ 2.00	2.00/ 2.30	2.30/ 2.90	2.90/ 3.50	3.50/ 4.10	4.10/ 4.50
Minimum monthly quota of rubber to be tapped by estate worker (kg.)	235	235	235	235	235	235	235
Incentives (sen/kg.)	30	35	38	40	41	43	45
Scrap (sen/kg.)	15	17	19	21	22	23	24

Source: *New Straits Times*, 1.2.1990.

Table 7.12
MAPA Proposed Wage Structure, 1990

	Monthly Basic Wage: Nil							
Price Bracket (RM/kg.)	1.60/ 2.00	1.80/ 1.90	1.90/ 2.00	2.00/ 2.20	2.20/ 2.40	2.40/ 2.60	2.60/ 2.80	2.80/ 3.00
Basic wage (per day)	8.10	8.10	8.10	8.10	8.10	8.10	8.10	8.10
Minimum daily quota of rubber to be tapped by estate worker (kg.)	11	11	11	11	11	11	11	11
Scrap (sen/kg.)	14	16.5	34	34	36	38	40	41

Source: *New Straits Times*, 1.2.1990.

suming and a drain on their resources. They therefore worked hard to arrive at a settlement, and were encouraged to do so by officers of the Ministry of Human Resources. An agreement was finally reached and the Court handed down a Consent Award that would help preserve industrial peace for the following three years, the life of each Court Award (*New Straits Times*, 7.4.1990).

The Consent Award settled at a rate of RM8.75 per day for rubber tappers and general and field workers (refer to Table 7.13). This was an increase of only 85 sen a day compared to the previous Industrial Court Award in 1986. Other changes provided for in the Award were:

- i) The basic weight was increased from 10 kg. to 11 kg.
- ii) The basic weight regarding low yielding areas was determined at 7.5 kg.
- iii) The incentive rates for high yielding areas were enhanced by between 1 to 4 sen.
- iv) The new incentive rates for low yielding areas range from 33 to 48 sen.
- v) Scrap rates were enhanced by 1.5 sen from the price zone above 190–200 (inclusive) to above 280–300 (inclusive). These rates are applicable to low yielding areas as well.
- vi) For the first time, the agreement also provided for the allocation of non-hazardous duties to pregnant workers, but this depends on the recommendation by the visiting Medical Officer.

Table 7.13
Industrial Court Award, 1990

Price Bracket (RM/kg)	1.60/ 1.80	1.80/ 1.90	1.90/ 2.00	2.00/ 2.20	2.20 2.40	2.40/ 2.60	2.60/ 2.80	2.80 3.00
Basic wage (RM/day)	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75
Price bonus (RM)	nil	0.40	0.60	0.80	1.00	1.20	1.40	1.60
Minimum daily quota of rubber to be tapped by estate worker (kg.)								
High yield	11	11	11	11	11	11	11	11
Low yield	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Incentive (sen/kg)								
High yield	28	32	33	33	35	37	39	41
Low yield	33	36	38	39	40	40	43	48
Scrap rate (sen/kg)	14	16	17	17	17	17	17	17

Source: The Industrial Court, Case No. 1/2-17/20. Award No. 92/90.

In effect, the employers in the plantation sector were prepared to concede a 'monthly' pay of at least RM210, that is RM140 less than what the NUPW had demanded. After generating enormous grass roots support for a protracted industrial action against employers, the Minister's referring of the matter to the Court meant the end of the NUPW strike action. The outcome was ambiguous, although the NUPW claimed to its membership that it had won its demand for monthly pay. The employers, on the other hand, had merely agreed to a Consent Award which gave each worker a pay of RM8.75 per day, although they had now agreed to guarantee a minimum of 24 days work per month, a provision of the 1955 Employment Act which the NUPW had never previously sought to have enforced!

But even this 'successful' wage negotiation cost NUPW members a greater workload: rubber tappers' minimum production was raised from 10 to 11 kg per day. The only favourable outcome for workers from the Agreement appears to be the provision that pregnant women should not be exposed to hazardous work such as ladder tapping.

The RM8.75 per day achieved by this agreement means that a worker will only take home a basic wage of RM210 per month (for 24 working days), which is RM140 less than what NUPW had asked for. Even with the incentive rates, it will be difficult for a worker to earn more than \$350.00 per month which was the poverty line income in Peninsular Malaysia for an average household size of 5.14 persons. To live above the poverty line, an estate worker needs to be paid at least RM12.50 per day. This suggests that the NUPW should have insisted on better daily rates or a three-tier wage system which would increase the take home pay of a worker, rather than on monthly wages. It is this daily rate, rather than a strict adherence to Section 16(1), which will significantly improve the workers' monthly income. Therefore, it can be argued that the NUPW failed to address the real issues in their latest collective agreement.

This review of collective agreements indicates that from 1954, the NUPW attempted to score gains for its members in terms of working conditions, fringe benefits and, to a lesser extent, wages. But these gains have not greatly improved the low wages of plantation workers and thus elevated them from poverty despite the fact that the NUPW has had the capacity to do so. Although negotiation is tough in the context of the existing industrial relations system of Malaysia, however, the union is to blame for the failure to obtain better wages and working conditions for its workers. This is because, firstly, it is clear that the union has been consistently ill-prepared for presenting its case during the collective bargaining processes since 1954. The employers have always taken advantage of this weakness to secure favourable deals for themselves — this view was expressed by ex-planters and labour officers. Secondly, the union often pursued wage negotiations when commodity prices were low, which has resulted in detrimental deals for the workers. Finally, the union's weakness is reflected by its lack of research and investigation into labour conditions in the plantation industry. As the richest union in the country, the NUPW should not have had problems in using financial resources for research which could have been used for the advancement of plantation workers.

Business Ventures

Inspired by the corporatist and accomodationist unions in Singapore, with which the leadership of NUPW increasingly identified, the union leadership sought to form cooperative societies among its members

and to venture into business activities. However, questions are often raised concerning the way in which trade union business ventures can influence workers or whether they are merely profit making ventures. According to the NUPW's then general secretary: "the involvement of the trade union movement in the economic sphere will bring about a silent revolution in the minds of the people. Thus, it will not only act as a source for supplementary income, but also will help open the eyes of those who so far chose to remain outside the realm of trade unionism" (Narayanan, 1977).

On another occasion, P.P. Narayanan gave two main reasons for this new policy of the union to venture into economic activities:

"there are two main features in this new policy. The first is to provide appropriate training to workers so that they will be able to obtain alternative jobs in other fields of economic activity.... The second important feature in our new policy is to mobilize the savings of workers and to invest them in profitable ventures with a view to create new employment opportunities for estate workers' children and also to ensure that they secure additional sources of income through participation in such ventures" (Narayanan, 1974).

As the early 1960s was a period of poor economic growth and rising unemployment, the rhetoric of worker participation in managing their economic future, especially through cooperative efforts, was a powerful argument to capture worker enthusiasm and support. Plantation workers have been particularly affected by adverse economic conditions because of the subdivision of large foreign-owned plantations caught in the speculative boom for real estate and the desire for Malaysian ownership of small holdings and medium size estates (Aziz, 1963: 30). The NUPW leaders argued that through a cooperative society, its members could purchase such agricultural holdings and help to provide employment opportunities for themselves and their children (Narayanan, 1977: 17).

Failing to get immediate approval for a giant National Multi-Purpose Co-operative Society, the NUPW leadership founded a public limited liability company called the Great Alloniers Trading Corporation (GATCO) in January 1967 with an authorised capital of 30 million ringgit. GATCO's attempt to raise a million ringgit from NUPW members proved too ambitious: they managed to raise only about 150 thousand ringgit through the sale of 293,000 ordinary shares at 50 cents each. The remaining funds came from the union and bank loans (*New Straits Times*, 31.7.1967).

In 1968, the NUPW leadership managed to set up the National Multi-purpose Co-operative Society with union members. The Multi-purpose Cooperative bought two rubber estates, the Lapan Hutan Estate in Selangor and the Channing Estate in Kelantan; GATCO already owned Dovenby Estate in Sungai Siput, Perak (refer to Table 6.14). Thus, in the late 1960s, the union, which organised plantation workers to secure a better life for themselves, became the owners and managers of three large plantations.

One would have expected the union to manage these estates efficiently and to demonstrate how worker participation could boost not only morale and productivity, but also earnings. However, most observers have found that the NUPW has not managed the estates well nor have they provided adequate water, electricity, sanitation and other amenities as some other corporations have. Finally, wages on their estates were no higher than those achieved by the union through collective agreements with MAPA (*The Star*, 3.11.1983).

To make matters worse, all but one of the eight companies shown in Table 7.14 made losses; some ceased to exist or have been placed under receivership. Shareholders have yet to receive any dividends and because of a lack of buyers, they cannot dispose their shares.

Table 7.14
Business Ventures of NUPW, 1989

Name	Nature
<i>Great Alonioners Trading Corporation (GATCO)</i>	
1. Chempaka Negeri Lakshmi Textiles	textiles
2. Parry's Confectionery	confectionery
3. Asian Holding Sdn. Bhd.	investment co.
4. J.G. Container Sdn. Bhd.	bottle and glass
5. Tatab Industries Sdn. Bhd.	vehicle assembly
6. Sri Sai Oils and Oleoresins	essential oils
7. Pan Century Edible Oil Sdn. Bhd.	edible oil
8. Ambadi Engineering Bhd.	cycles timing chain
<i>National Multi-Purpose Cooperative Society</i>	
1. Syarikat Kijang	rubber plantations
2. Lapan Hutan Estate	rubber plantation

Source: NUPW Annual Reports and *The Star* (5.10.89).

Of the eight companies mentioned in Table 7.14, Chempaka Negeri Lakshmi Textiles Sdn Bhd was the most expensive and favoured investment of GATCO. This is a textile mill involved in the production of yarn with a nominal capital of 30 million ringgit. There are three partners in this company: GATCO with 35 per cent; the Negeri Sembilan State Development Corporation Holdings with 20 per cent; and the Laxshmi Textile Private Limited, which holds 20 per cent of the shares. The remaining 25 per cent of shares were reserved for the public. The NUPW contributed RM3.26 million to participate in this project.

The mill created 556 jobs, of which 40.8 per cent were filled by Indians (plantation workers), 39 per cent by Malays and 20 per cent by Chinese (Narayanan, 1977: 18). But the recruitment and training of the first group of Indian youths for the textile industry exposed the union's shortcomings in reserving job opportunities for the rural unemployed. High school dropouts in the urban areas whose parents were union-appointed officials or relatives of union executives were sent to India with NUPW funds to learn the technical and supervisory skills necessary to run the textile operations in Malaysia. The unemployed sons of a NUPW Vice-President then are the most notable examples of those allowed to take advantage of this programme which was ostensibly designed to benefit unemployed rural youths. The prominence of well-connected urban youths in this programme has subverted the official purpose of such projects and contributes to widespread disillusionment with the results of NUPW efforts on behalf of workers (Supernor, 1983: 177). Ultimately, the 'giant investment' came to an end when the union decided to sell GATCO's shares in the textile company on the 30 November 1988 at a loss of RM3.45 million (NUPW, 1989: 20).

Similar investments in other companies did not bring any benefits to workers. Sri Sai Oils ceased operations in 1987, while the other companies accumulated huge losses without developing prospects for a promising future. Pan Century seems to have been GATCO's only profitable investment, making accumulated profits of close to RM18 million by 1985. GATCO owns approximately 6 per cent of Pan Century and has received close to RM300,000 in dividends from this company. Nevertheless, on the whole, GATCO suffered accumulated losses close to RM5.5 million from its various investments.

Despite the dismal failure of its business ventures, the union leadership has profited enormously from these non-union activities.

Table 7.15
Remuneration of GATCO Directors

Remuneration	1977	1987	1988
Fees	36,000	37,900	41,400
Other Expenses	9,427	70,365	5,202
Total	45,427	108,265	46,602

Source: GATCO Annual Report, 1987 and 1989.

For instance, most company directors of GATCO have been drawn from the NUPW leadership at the national level. For example, P.P. Narayanan the NUPW General Secretary until 1993, was also the managing director of GATCO. Moreover, he also sits on the boards of all the other subsidiary companies as a director (*The Star*, 5.10.89). In their capacities as company directors, NUPW leaders enjoyed many perks and obtained remuneration fees for their services even though the companies performed badly. GATCO, for example, has spent hundreds of thousands of ringgit on its board of directors (refer Table 7.15) while the poor workers who have invested their hard earned money in the companies have received nothing in return. Thus, it is clear that NUPW's business ventures have benefited its leaders rather than the workers.

Welfare Activities

The NUPW has also ventured into providing welfare activities for the benefit of its members. The major projects undertaken by the union for this purpose are: a land settlement scheme for workers, student hostels, industrial training complexes and orphanage homes.

The aim of the land settlement scheme — NUPW Sugarcane Smallholders Settlement Scheme — is, in the words of the NUPW, 'to upgrade the plantation workers into agricultural entrepreneurs'. The settlement scheme was undertaken on the basis of an understanding between NUPW (through GATCO) and the Negeri Sembilan State Government. The former agreed to lease an area of 4,936 acres at Air Hitam, Bahau, Negeri Sembilan, adjacent to Syarikat Gula Negeri Sembilan to set up a sugarcane cooperative plantation which would

sell sugarcane to Gula Negeri Sembilan. This project would resettle 540 families in the scheme and eligibility to participate was restricted to members of NUPW. Each prospective settler was allotted one acre of land together with a house constructed thereon for dwelling and general farming and ten acres of cultivable land. The cost of the house would be borne by each settler funded by a loan from the Malaysian Building Society Berhad. To qualify as a settler, each person had to contribute a capital down payment of RM7,600 (GATCO, 1988). The first batch of about 200 settlers arrived in 1979, but before the second batch could be brought in, the sugarcane industry collapsed due to the closure of Syarikat Gula Negeri Sembilan.

The settlers in the land scheme were left without jobs on this 'wonder-land' project of the union, and were forced to take jobs outside the scheme, often having to travel 40 to 50 miles daily to work in other agricultural settlements such as FELDA (Federal Land Development Authority) schemes. The settlers are not certain of their future. Since they do not have proper jobs, they find it hard to repay their housing loans which has increased their debt with the Malaysian Building Society; it is estimated that each settler owes RM20,000–25,000 (from private interviews with the settlers). For financial reasons, some settlers also find it difficult to send their children to schools, which are 30 miles away on average. According to the workers, it seems that the NUPW has lost its interest in this project and left them in the lurch.

The union has also boasted having built hostels and given other assistance to improving its members' children's education. The P.P.N. Students Hostel in Petaling Jaya, close to several tertiary educational institutions, is the most outstanding example of a project intended to boost educational opportunities at the highest level. It provided students with reasonably priced accommodation in the national capital. The second hostel, built in Kelantan, was established to accommodate secondary school students from the plantation sector, particularly children of NUPW members.

Both the hostels were built with contributions collected from the workers in addition to the one ringgit monthly collected for 'education' with the monthly membership subscription. However, after some time, the union could no longer run the hostel and provide adequate facilities to the student hostelites. This prompted the students to protest to gain public support to improve the facilities (*Tamil Nesan*, 8.9.1984, 12.11.1987; *Tamil Osai*, 12.11.1987, 15.11.1987). The union also

suspended the award of scholarships and study loans for students citing non-repayment by earlier loan beneficiaries (NUPW, 1988: 52). The union secretly mortgaged the P.P.N. students hostel for RM1.5 million in 1989 to repay loans and to meet the shortfall in income caused by much reduced levels of revenue resulting from falling membership. The risky and uncertain choice made by the union to mortgage the hostel brought about a catastrophic ending: the bank decided to demolish the hostel and to re-develop it as a commercial complex. As a result, workers and others have formed various groups to save the hostel. This resistance is likely to fail, as the NUPW's decisions were made covertly by its officials, which makes it impossible for the workers to arrange alternative plans in the time frame allowed by the bank.

In 1975, the NUPW was also involved in setting up a vocational training centre, the Agro Industrial Training Complex (AIRC) in Negeri Sembilan. This centre is jointly run by the NUPW-Negeri Agro Industrial Training Complex, Negeri Sembilan State Development Corporation and the Lutheran Church of Singapore and Malaysia (NUPW, 1988: 85). The aim of this project is to provide agro-industrial skills to unemployed youth who have left secondary school. The union claims that so far, it has sponsored 857 students at the centre, of whom 84 per cent are now gainfully employed.

Despite apparent concern for the education of workers' children, the poor state of Tamil education on most rubber and oil palm estates throughout the country has not been addressed by most NUPW leaders. While a handful of students in higher education have had some help from the union, the problems of the vast majority of students at more elementary levels have largely been ignored. In the words of Stenson (1980: 205), the higher education scholarship and hostel schemes by the NUPW illustrated the 'empty formalism' of a union "that continued to ignore the initial closing of opportunities caused by the estate Tamil school system. It also reveals the orientation of the union leadership intent upon liberating a few talented students from the estate proletariat while in no way attempting to emancipate the working class as a whole".

In retrospect, it is clear that the NUPW's socio-economic welfare ventures, involving millions of ringgit, have not benefited its members very much. In fact, the business ventures raise a number of issues. Firstly, a focus on business ventures has consumed much time and energy, resulting in the neglect of traditional and mundane respon-

sibilities in trade union work such as the education and organization of workers. Secondly, there are conflicts of interest. By committing themselves to business activities, and in the process, subjecting themselves to the dictates of profit considerations, the unionists and the NUPW were aligning themselves ever more closely with capital, while undermining their own proclaimed role as the champions of labour. The emergence of a new breed of company directors and managers among the unionists, including those who have been the main advocates of the policy, brought this question of conflicting interests into focus. The positions they occupied, and the functions they had to perform for their respective union business concerns were certainly not much different from those of other corporate functionaries and directors, particularly with respect to assessing and making decisions about investments, enterprise performance, and profit generation. Needless to say, operating in a competitive market (in which they eventually failed), these 'business unionists' had to resort to various cost-cutting measures, including those which militated against the very workers in whose interests the business projects were (supposedly) undertaken in the first place.

The position of these business unionists became more contradictory when they were faced with disputes with their own workers. It was difficult for a business-owning union to rationalise its position with respect to the struggles by workers (including its own) to organise when such activities could affect its own business interests. An interesting example was when the NUPW's role as employer of textile workers at a time when there were attempts by the country's textile workers (with the apparent assistance of the MTUC) to form their own industry-based national union. Despite MTUC's own protracted campaign for the amalgamation or merger of unions in line with its belief that 'big means strong and effective' (apparently inspired by the NUPW and other similar unions), the NUPW leaders did not lend their support to the textile workers in their efforts.

In any case, these questions did not prevent the NUPW leaders from continuing their business ventures as they claimed 'worker capitalism' was not in conflict with labourers' overall interests. However, the immediate question for NUPW members is not whether or not this sort of activity is in conflict with the trade union movement, but whether their hard earned money should be spent subsidizing the indulgences of the union leaders involved in business ventures. So far, the union's business activities have mainly brought hardship for

the members as their savings, investments and subscriptions have been squandered, mismanaged and misused.

Workers' Assessments

It is also clear that the NUPW has failed to uplift the workers' socio-economic status by providing them with decent housing and educational facilities and reasonable wages. The union has sought too much accommodation with the plantation managements and the government. This has often meant that conflict between labour and capital has been suppressed by union leaders and only piece-meal concessions have been made to the workers, as discussed earlier.

The accommodating attitude of the NUPW has developed to the extent that many plantation workers have become totally disillusioned. They no longer have confidence in the union, and as a result, have started to pull out of the union. This is clearly indicated by the sharp drop in membership from 123,996 in 1983 to 65,000 in 1989, as shown in Table 7.16. This is clear evidence of the union's decline in recent years. However, by looking at the union's record, its decline can be traced to the 1960s, though membership decline was more pronounced in the 1980s.

The accommodating attitude of the NUPW frustrated plantation workers, causing them to vent their grievances against the union by organizing 'illegal strikes' and demonstrations. For example, spontaneous 'wildcat' strikes were largely responsible for the loss of 251,930 workdays in 1968; 15,158 in 1975; and 25,220 in 1985 (information from Ministry of Labour). In some of these cases, the union intervened and was able to negotiate a settlement. Nevertheless, union members were dissatisfied with the NUPW's passive attitude, and as a result, often sought help from other unions and social organizations according to information collected in interviews with 332 workers. Of this number, 219 (66.0 per cent) of the workers were members of the NUPW. Even the members generally did not have very good opinions of the union. For example, 58.4 per cent of the members interviewed said that the union was not really effective, compared to 37.9 per cent who believed that the NUPW was doing something beneficial for them (refer to Table 7.17). Most workers who claimed satisfaction were those who had some kind of position at the local NUPW level or were related to such people. However, all the workers agreed that they needed a union to gain a better deal from

Table 7.16
Membership Trends, 1970–89

Year	Membership	Total Plantation Workforce	Unionisation %
1970	84,519	277,280	30.4
1971	75,998	249,620	30.4
1972	81,568	252,010	32.3
1973	83,865	247,790	33.8
1974	120,654	255,050	47.3
1975	117,704	261,740	44.9
1976	107,211	258,290	41.5
1977	114,390	235,980	48.7
1978	115,786	250,850	46.1
1979	109,531	254,890	42.9
1980	109,531	253,170	43.2
1981	117,273	244,620	47.9
1982	123,220	248,450	49.5
1983	123,996	235,620	52.6
1984	100,052	238,140	42.0
1985	100,052	232,253	43.0
1986	90,052	204,480	44.0
1987	90,410	220,120	41.0
1988	83,992	230,900	36.0
1989	65,000	233,896	27.0

Source: Annual Reports of Registry of Trade Unions.

Table 7.17
Attitude of Members Towards NUPW

Attitude	Percentage
Very effective	16.4
Effective	21.5
Not effective	58.4
No Answer	3.7

Source: Fieldwork data.

management and that nothing could be done with arrogant management on an individual basis.

In light of this, it is important to review the NUPW's role in response to the formation of a second union in the plantation sector. After its formation in 1961, the United Malayan Estate Workers' Union (UMEWU) successfully organised workers in Bukit Asahan Estate near Malacca and led the workers in several disputes against their employer. The new union was able to show that the NUPW had been negligent in ignoring the plight of sacked workers in the estate. When the NUPW leadership discovered that the plantation workers' support could no longer be taken for granted and that there was imminent danger of workers transferring to the rival union, the NUPW persuaded the government to act against the rival union. In 1964, the UMEWU was deregistered as a union, and the NUPW sought to assume the mantle of 'militancy', by organising a one-day strike throughout the industry.

The 1970s were a relatively inactive period for the NUPW, following the political crisis of May 1969, and a substantial number of plantation workers, mainly of Indian origin, found themselves stateless and jobless due to new legislation by the government. The NUPW's lack of interest in the social and political status of their members was revealed when almost 24 per cent of estate workers were denied employment because they did not have citizenship. Many of these workers took advantage of the government's offer of small cash benefits and a free passage to India while the union remained largely inactive. Ironically, it was the employers' association, MAPA, that persuaded the government to halt this repatriation of Indian workers by threatening the collapse of the industry. The falling membership (Table 7.16) and the absence of any significant gains in terms of wages or conditions of work in the Collective Agreements of 1972, 1976 and 1979 suggest that this was a low point in the NUPW's history.

The 1980s witnessed a number of important wild-cat strikes, which stimulated widespread publicity of workers' grievances and adverse publicity for the union. The union's weak commitment to workers' causes, their misappropriation of funds, poor management and nepotism were thoroughly exposed by the mass media, social organizations and academics during this period. Increasingly, frustrated members turned to social organizations such as the Consumers' Association of Penang (CAP), Friends of the Earth,

Malaysia (SAM), INSAN and ALIRAN to take up their grievances, marking the decline of the NUPW in the 1980s.

Throughout the 1980s, there were a series of spontaneous strikes and other acts of defiant protest against working and pay conditions on several plantations throughout Malaysia. In 1984, the Cheroh-Raub oil mill workers struck for better wages and improved housing conditions, but were denied any assistance by the union because some workers had been detained under the Internal Security Act, harsh legislation ostensibly intended to curb communist subversion (Ramasamy, 1987: 98). The Batu Arang estate case was another incident where the plantation workers' plight was ignored by the NUPW bureaucracy. In 1990, a group of NUPW members were summarily thrown out of their houses at United Petani Estate in Sungai Petani without adequate compensation; yet, the NUPW national leadership did not intervene on their behalf. There were several other similar cases of arbitrary action against workers by employers which did not appear to concern the NUPW leadership, who appeared more preoccupied with other matters.

The NUPW's failure can be illustrated further by looking at the pathetic conditions facing workers in non-MAPA estates. Generally, workers in non-MAPA estates are not unionized by the NUPW even though they form almost 30 per cent of the estate labour force. There are various reasons why non-MAPA estate workers are not organised. One of the difficulties expressed by the NUPW regarding the organisation of non-MAPA estate workers was employer's discouragement and intimidation aimed at preventing workers from joining the union. This was true in four non-MAPA and all subdivided estates where interviews were conducted for this study. In some estates, the management engaged thugs to make sure workers did not join the union. The NUPW claimed that that even though it was successful in organising workers in some non-MAPA estates, it was difficult to collect subscriptions from them. And if they do not pay their subscriptions, after some time, they are no longer represented by the union.

Workers interviewed in non-MAPA estates, however, have a different story. They claim that apart from management discouragement, the union itself is not interested in organising them due to the location of their estates in interior rural areas which are more difficult to access. They admitted that, so far, no union official had approached them to join the NUPW. The NUPW's proposed amendments to its

constitution in 1989 supports these worker's claim that the union lacked interest in them. At the Delegates' Conference, the union proposed that workers from holdings smaller than 40 hectares (about 100 acres) — i.e. smallholdings according to official parlance — could not become union members (*The Star*, 28.4.1989). This resulted in criticism by trade union leaders both from within and outside the NUPW. Ultimately, the proposed amendments were rejected by the Director General of Trade Unions. By neglecting workers in small estates, the union has failed to extend to them the various benefits that have accrued to workers in large MAPA estates.

Most abuses of workers' rights on these plantations would have been ignored and forgotten by the media and the public were it not for social and public interest organisations like CAP, SAM, INSAN and ALIRAN. It was therefore not surprising that at the 1989 Triennial Delegates' Conference, the post of General Secretary — held from the outset by Narayanan — was challenged for the first time. Nor was it surprising that the union machinery ensured that Narayanan retained his powerful post. One outcome of this challenge was that the leadership was forced to regain support by reviving the issue of monthly pay for plantation workers.

NUPW members' confidence in their union further eroded when the daily newspapers (Tamil, English, Malay) exposed the union's income and expenditure in mid-1989. The union members pay a monthly subscription of RM5. Now, they discovered that 90 per cent of their contributions went towards salaries, allowances, expenses of the union establishment and other payments which did not benefit members (Table 7.18, 7.19, 7.20). Thus, some members felt that the union leaders were much more interested in their fat salaries, rather than workers' welfare, which had contributed to the decline in membership. In a vain attempt to reverse the membership decline, the NUPW began to recruit immigrant workers. Also, the NUPW has had some limited success in increasing their membership, now close to 70,000, following the three-day strike in February 1990 and the implementation of supposedly monthly wages. However, this does not mean that the union has won the workers' confidence.

In my survey, 81 per cent of NUPW members expressed dissatisfaction and felt that the union could have achieved more for them if the leaders had been more serious and committed to the workers' well-being. About 42 per cent of the workers expected the NUPW to prioritise better wages for them, another 12.8 per cent by improvement

Table 7.18
Income and Expenditure, NUPW, 1988

Item	Amount (RM '000)	Per Cent
<i>Income</i>		
1. Workers Subscriptions	4,488.4	84.8
2. Entrance Fees	11.6	0.2
3. Donations	35.5	0.7
4. Other Receipts & Claims	352.4	6.7
5. Excess of Expenditure	403.7	7.6
<i>Expenditure</i>		
1. Salaries & Est. Expenditure	3,201.7	63.4
2. Employees' Provident Fund	247.6	4.9
3. Educational, Social & Other	244.9	4.8
4. Conducting Trade Disputes	26.8	0.6
5. Benevolent Benefits	102.9	2.0
6. Other Payments	1230.7	24.3

Source: *The Star*, 28.4.89.

Table 7.19
Breakdown of Salaries, Allowances and Expenses for
NUPW Administration, 1988

Item	Amount (RM '000)	Per Cent
1. Commission	449.4	14.2
2. Travelling	245.3	7.8
3. Petrol and Oil	69.5	3.4
4. Repairs, servicing	39.8	1.1
5. Tyres and Tubes	10.3	0.3
6. Meeting Expenses	100.6	3.2
7. Allowances	123.4	4.0
8. Medical Expenses	33.4	1.0
9. Medical Insurance	7.5	0.2
10. Salaries	2001.7	64.9

Source: *The Star*, 28.4.89.

Table 7.20
Salaries of Union Executive Officers, 1988

Union Officials	Salary (RM)	Per Cent
Executive Secretary	77,000	3.9
General Secretary	60,000	3.0
Financial Secretary	60,000	3.0
Deputy General Secretary	60,000	3.0
President	36,000	1.9
Rest of Staff	1,700,000	85.2

Source: *The Star*, 28.4.89.

Table 7.21
Workers' Expectations of Union

Expectations	Male %	Female %	All %	No.
Negotiate for better wages	58.7	41.3	42.0	92
Negotiate for better living conditions	39.3	60.7	12.8	28
Negotiate for better working conditions	37.0	63.0	12.3	27
Negotiate for better medical facilities	39.1	60.9	10.5	23
Negotiate for better educational facilities	52.6	47.4	8.4	19
Set up cooperative	100.0	—	2.3	5
Provide better religious facilities	50.0	50.0	2.7	6
Workers house ownership scheme	66.7	33.3	4.1	9
Return their investment	70.0	30.0	4.6	10

Source: Fieldwork data.

in working conditions, improvement in living conditions (12.3 per cent) and improvement in medical facilities (10.5 per cent) (refer to Table 7.21). Expectations differed according to gender. Some members were also concerned with their investments in the union projects and expected some returns. If the union was not going to fulfill the workers' expectations, then there is every possibility that such workers will pull out of the union in the future even though such action

however, will not help workers to rectify their present marginalized position.

Conclusion

The discussion in this chapter has shown the NUPW's failure to significantly improve the socio-economic welfare of workers and their families in the plantations. From its formation in 1954 until the early 1960s, the NUPW successfully mobilised Malaysian plantation workers, mainly Indians, and provided them with a semblance of a labour organization through which they could strive for improvements. However, the rapid unionisation of workers was not accompanied by greater participation at the grassroots level. There has been no effective change in the NUPW leadership in the last four decades — even after the General Secretary was forced to step down in 1992 due to poor health — and successive generations of promising labour leaders have been eased out of their positions to pre-empt challenges to the leadership. The hegemonic role the NUPW has assumed would not have been possible without government patronage and close collaboration between the union leaders and management.

Since the early 1970s, the NUPW leadership has urged trade unions to move away from their traditional roles in collective bargaining to assume a more 'acceptable' role as mediators and conciliators. The Code of Conduct for Industrial Harmony (a guidebook of dos and don'ts for employers and trade unions) was launched in 1975 mainly by the NUPW leadership and the Labour Ministry. By then, an accommodating government had changed the trade union laws to allow unions to venture into business, hoping that, as in neighbouring Singapore, a keen interest in maintaining the profits of their businesses would moderate union leadership. Indeed, as shown above, Malaysia has witnessed the emergence of a 'labour aristocracy', particularly in the plantation sector, where the socio-economic gap between the mass of workers and the top members of the NUPW executive has been remarkable. This has been possible in the plantation sector, largely because of its relative isolation from other workers, coupled with the lack of competition from rival unions in the industry. As the leadership increasingly turned its attention to business ventures and made desperate attempts to shore up failing companies, the affairs of the union became secondary and have been left to ineffective lower rung officers whose main qualification appears to have been their loyalty to the union leadership.

8

PLANTATION LABOUR AND NATIONAL POLITICS

Apart from the social, economic, educational, cultural and organizational factors that have contributed to the marginalization of plantation labour in Malaysia, we need to consider the overall impact of the Malaysian political process, particularly at the national level, on these workers. As has been shown in chapter six, the declaration of the state of Emergency in 1948 and the crackdown on communist and labour leaders restructured working class politics. All left wing parties were under surveillance by the police's Special Branch in the colonial administration ostensibly because of the dominance of communist-led trade unions and working class organizations in the anti-colonial agitations in the aftermath of World War Two. As most jobs in both the private and public sectors had to have some sort of 'political clearance', especially at the clerical and supervisory or managerial grades, few could afford the luxury of organizing and leading left wing political parties.

Most of the political analyses of post-war developments in Malaysia tends to focus heavily on communal (ethnic) politics and race relations. Indeed, the compartmentalization of the peoples of Malaysia into the three major 'races' not only derives from official colonial administrative practice, but also the consolidation of 'racial' categories in numerous official documents, such as the census, and various policies. The post-colonial state in Malaysia, being essentially of a conservative mould (due in large part to the nature of the Federal Constitution bequeathed by the departing imperial power), was content to carry on administration along similar lines. Indeed, the Alliance government that assumed the mantle of power when Malaysia became independent in 1957 was praised in some circles for continuing the policies and programmes of the previous colonial administration with minimal changes. In this chapter, an attempt will be made to analyse post-colonial political development and its impact

on the working class, particularly the marginalization of Indian plantation labour. A special focus is given to the ineffective representation by the Malaysian Indian Congress (MIC). The MIC, the largest Indian-based political party, enjoys much grassroots support from plantation workers.

The Alliance Government, the MIC and Indian Plantation Labour

In the post-independence period, communal politics was consolidated under the Alliance Government. In an ethnically-defined political system, it seems only reasonable that politicians would champion the causes of their own respective races. On this basis, the UMNO (United Malay National Organisation) went into rural areas, where large numbers of Malays reside to champion the socio-economic issues of the Malays. The MCA (Malayan, then Malaysian Chinese Association) went to Chinese areas, taking up the citizenship issue, Chinese education issues and Chinese new villagers' problems. Similarly, the MIC (Malayan, then Malaysian Indian Congress) went into plantations to recruit Indian plantation workers who formed the bloc of Indians in Malaysia.

This task was emphasised from 1956 by the newly elected fifth MIC President, businessman and estate owner, V.T. Sambanthan, and his deputy, another Indian businessman, V. Manickavasagam. Previously the MIC had been an urban-based 'middle class' party whose membership comprised largely of urban clerks (Stenson, 1980: 149). Sambanthan's ascension to the party leadership reflected the growing Dravidianization and Hinduization of the party. Sambanthan, like his UMNO and MCA counterparts, tried to champion some Indian issues mainly citizenship problems, and the subdivision of plantations, which directly affected Indian workers.

The MIC, Indian Plantation Labour and the Citizenship Issue

Upon independence in 1957, the Malayan Constitution offered citizenship to non-Malays on three bases:

- a) Citizenship by operation of law, or the principle of *jus soli*,
- b) Citizenship by registration, and
- c) Citizenship by naturalisation.

Citizenship by operation of law was offered to all non-Malays born in Malaya on or after Independence Day, 31 August 1957. To

qualify for citizenship by registration, a person was required to have resided in the country for at least five of the preceding seven years, and was also expected to possess an elementary knowledge of the Malay language. For citizenship by naturalisation, qualification meant that a person must have resided in the country for eight of the preceding twelve years, and should have an adequate knowledge of the Malay language (Ratnam, 1965: 75–101).

Most Indian plantation workers who faced problems in acquiring citizenship were those seeking citizenship by registration and by naturalisation. Even though the workers qualified for citizenship under these categories, they were basically ignorant of the laws and regulations relating particularly to their citizenship rights and privileges. They were unaware of the privileges accorded to them by becoming citizens, and of the process and procedures for obtaining citizenship. Basically, the uneducated plantation workers did not know whether they were entitled to citizenship or qualified to make an application for citizenship. Furthermore, they did not know how to go about making an application for citizenship. They often did not have the proper documentation necessary for such applications.

In some cases, they found the procedure time-consuming and complicated, and gave up. The workers often could not afford to make the numerous trips to the registration centres deemed necessary. Applications for citizenship often involved several visits to the registration centres, and each day spent at the registration centres usually meant foregoing a day's income besides the expenses incurred. In some instances, the whole process took a number of years to finalise. To be fair to these workers, it should be said that in many cases, the process was unnecessarily complex and the whole procedure could have been made easier had the bureaucratic machinery been more flexible. Due to these problems, a large number of plantation workers did not bother to apply for citizenship.

The MIC and its leaders, headed by Sambanthan and his Deputy Manickavasagam (then Labour Minister), talked about the citizenship problems of the workers, but failed to address the issue adequately. The leaders did not effectively take up the issue in Parliament, encourage the workers to take up citizenship, nor use the party machinery to help poor workers or warn them that fence-sitting could be a dangerous practice in determining their status in the country. As a result, by 1969, only about 80 per cent of the Indians in Malaysia had taken up citizenship while the remaining 20 per cent (largely from plantations) effectively remained 'non-citizens' despite the fact that all

of them had the residential qualifications to become citizens (Suryanarayan, 1982: 44).

Immediately after the 13 May 1969 incident, the government introduced Emergency rule under a National Operations Council (NOC). The NOC government announced that all employment opportunities would in future be restricted only to Malaysian citizens. Even before this, it had long been an established practice that only citizens would be employed in public service but the private sector had been left alone because of the practical and economic difficulties of enforcing the principle. However, once announced, Labour Departments throughout the country were empowered to enforce the new rule. As a result, thousands of workers, particularly in the plantation sector were denied employment on the grounds that they did not possess Malaysian citizenship. Under employer pressure, however, the government was forced to issue special 'work permits' to non-citizens on a pro-tem basis (three-month and six-month permits for unskilled and semi-skilled workers respectively). The government announced that the work permits would not be renewed, which for all practical purposes was clear warning to non-citizens to quit the jobs within the work permit period.

About 60,000 of the 140,000 workers affected by the new rule were Indian plantation workers, or nearly 20 per cent of the total Indian workforce in Peninsular Malaysia (Sukumaran, 1970: 31). Of that number, the NUPW estimated that 80 per cent were eligible for citizenship, but had failed to apply for or gain it for reasons of remoteness, illiteracy, errors in particulars or documents, lack of marriage certificates, bureaucratic obstruction, or failure to understand the importance of citizenship (Stenson, 1980: 206). As a consequence of this rule, large numbers of distressed Indian plantation workers took advantage of the government repatriation programme offering some modest cash benefits and a free passage to India during 1969-70. Remaining Indians were forced to migrate from plantations to urban areas in order to find work or to make other alternative arrangements. On the whole, the introduction of work permits had a major impact on plantation workers.

The Indian plantation workers affected by the work-permit regulations expected the MIC to assist them. However, as mentioned earlier the MIC leaders, Sambanthan, the MIC president, and Manickavasagam as Minister of Labour and also MIC Deputy president, did little to assist these workers. Sambanthan, in particular, was heavily criticised

because although he was a close friend and confidante of the first Prime Minister, Tunku Abdul Rahman, he failed to influence the government's decision in the workers' favour. Both Sambanthan and Manickavasagam seemed to ignore the plantation workers' problems. Ultimately, it was the employers' association, MAPA which persuaded the government to halt this repatriation of Indian workers and to grant extensions to work permits by threatening the closure of the whole industry. The government could not ignore the employers' demands because rubber was a major income earner for the country at the time. With the extension of work permits, a large number of workers subsequently applied for and obtained Malaysian citizenship, though the MIC failed to do much to obtain citizenship for the plantation workers during this difficult time. Although the MIC opened a citizenship bureau in the 1970s, the bureau did not play an effective role in assisting the workers.

MIC and the Subdivision of the Plantations

The subdivision of plantations took place from the fifties when foreign companies began to sell off their estates (Aziz, 1963: 30). Speculators moved in, bought and subdivided the estates, disposing them off as smaller plots at handsome profits. This resulted in a large number of mainly Indian plantation workers being displaced. The MIC, together with the NUPW, did not try to stop this subdivision process by asking the government to intervene. As the Aziz Report stated in 1963, 290 estates, covering an area of 231,850 acres, were affected by such subdivision, according to a survey of estates in March–May 1961. But as the report stated, it was ongoing and was still gathering momentum at the time of the survey. Stenson (1980: 206) estimated that about 28,363 plantation workers were either directly or indirectly displaced by subdivision. However, despite subsequent requests by MIC and NUPW, no further studies of subdivision were carried out by the government in spite of the final conclusions of the government-commissioned report which stated: "...there is absolutely no doubt that subdivision has had a deleterious effect on the Malayan economy.... Subdivision is an 'anti-development' process. It is against the national interest in its effects on farmers and rubber workers and on national land resources.... It increases the inequality of incomes in the rural areas and promotes increased ownership of farm land by urban people" (Aziz, 1963: 190).

This situation led the MIC to step in to buy some subdivided estates ostensibly in order to protect workers' employment and welfare. The plan to buy subdivided estates was encouraged by Sambanthan with the formation of the National Land Finance Cooperative Society (NLFCS) in 1964. To finance the cooperative, plantation workers were encouraged to join and purchase shares in the cooperative. In the first year, the NLFCS enrolled 15,000 members, mainly plantation workers, and raised over one million ringgit to purchase its first rubber estate, the Bukit Sidim Estate in Kedah. Subsequently, it purchased a few other estates. At the moment, its assets are estimated to be close to RM350 million (Jayasankaran, 1985: 9). The NLFCS is the largest enterprise ever owned by Malaysian Indians.

Arguably, the formation of the NLFCS was the greatest success of the MIC during this period, perhaps because the party did little regarding other issues concerning workers and Indians as a whole. Even though, the MIC tried to resolve plantation workers' problems, such as the citizenship issue, in the Parliament, it achieved very little.

The NEP and the MIC

The introduction of the New Economic Policy (NEP) after the racial riots of 1969 sought to improve the economic standing of Malays. The NEP had two prongs, i.e. to reduce poverty and to enhance the economic position of Malays.

The government reinforced the 'special rights' of Malays guaranteeing them certain privileges such as preference in recruitment to the civil service, where a quota of four Malays to one non-Malay exists, quotas for entry and scholarships to educational institutions, licences in road transport, government contracts and so forth. This pro-Malay bias was reflected in most aspects of policy planning and implementation (Means, 1972: 29-61).

The NEP stated that non-Malays would not be adversely affected in the course of government efforts to promote Malay advancement. Nevertheless, when various policies and goals were translated into action, non-Malays felt that their interests were being neglected (Rajoo, 1985: 49). Many Malaysian Chinese regarded the NEP as a means to attack the economically powerful sections of the Chinese community. Many Indians regard the NEP as a constraint in terms of opportunities for employment, education, participation in business enterprises and other public goods. After the launch of the NEP, Indians recorded

relatively higher unemployment rates, lower educational status, and almost negligible participation in the corporate sector in comparison to Malays who have government support and Chinese who have a stronger economic foundation (Magesvaren, 1985: 6). Even though the NEP was committed to the 'eradication of poverty regardless of race', the pro-Malay bias of the government probably explains the lack of much action to improve the situation of Indian plantation workers. The MIC also failed to extract anything meaningful from the government to protect the further erosion of plantation workers' already low socio-economic status.

In 1974, the MIC sponsored an economic seminar on the NEP and Malaysian Indians. The seminar dealt with the worsening situation of plantation workers, the Indian position in employment, land and capital ownership and education. One outcome of the seminar was the production of a MIC blueprint entitled 'NEP and the Malaysian Indians' which described the problems faced by the Indian poor coupled with recommendations and suggestions for improvement (MIC, 1974). The blueprint, submitted to the Prime Minister in the same year, regarded the NEP and Indians in the following way:

The objectives of the New Economic Policy to eradicate poverty and bring about balance in employment and ownership of productive assets are most appropriate for the improvement of the position of the Indians. These are the areas in which the Indian position is also weak. The New Economic Policy is doubly important for Malaysian Indians. It is vital for achievement of national unity based on a just and equitable society, as well as crucial to bring about substantial improvement to their own position in Malaysian society and economy (MIC, 1974).

Generally speaking, the recommendations and suggestions regarding Indians in the blueprint were rather vague. The blueprint did not put forward constructive suggestions to achieve what the MIC ostensibly wanted for the Indian community, particularly urban Indian squatter settlements and plantation workers. According to my interviews with some of those involved at that time, Prime Minister Razak was neither enthusiastic nor impressed by the MIC blueprint and was not persuaded to consider the 'Indian problem' a national priority.

However, subsequent criticisms of the NEP — as embodied in the Second Malaysia Plan issued in 1971 and the Mid-Term Review published two years later — by various quarters, including the MIC, persuaded the government to broaden its poverty eradication measures. The Third Malaysia Plan for 1976–80 (1976: 169–176) identified specific

target groups for poverty eradication programmes, including rubber smallholders, paddy farmers, plantation workers, fishermen, coconut smallholders, new village residents, other agricultural workers, urban poor, and *Orang Asli* (indigenous people). With the identification of these poverty groups, provision of improved inputs, basic-needs, amenities and facilities for the poor — such as education, housing, water, sanitation, electricity and health — were to be accelerated. However, even though plantation workers were identified for priority, the apparently new policy was not implemented to benefit them. Their plight receives very little attention among non-Indian politicians and government planners. In contrast to other target groups, less than five lines in the Fifth Malaysia Plan (1986: 90) were devoted to their economic conditions and welfare. Thus, they have been largely marginalized from Malaysian policy planning.

The MIC organized the Second Malaysian Indian Economic Seminar in 1980 in Kuala Lumpur, hoping that their suggestions and recommendations would be incorporated into the *Fourth Malaysia Plan, 1981–85*, due out the following year. However, the seminar's recommendations did not focus on or highlight any particular problems of the plantation workers. Instead, the recommendations included: allocation of jobs to Indians commensurate with their population ratio; medical, welfare and sanitation measures in rural areas and plantations; provision of housing facilities; amalgamation of smaller schools into viable educational units; better educational facilities for plantation Tamil schools, and relaxation of entry qualifications so that the proportion of Indian students in all educational institutions rose to at least 10 per cent (Suryanarayan, 1982: 51). However, throughout the Fourth Plan period, nothing much was achieved for Indians, particularly for the plantation workers. In fact, after putting forward this suggestion, estate poverty increased during the Fourth Plan period (Mehmet, 1988: 20).

The question here is why the enormous benefits which flowed from Malaysian development planning did not extend to or even trickle down to the plantation workers. It is also interesting to note how the government legitimises its marginalization of plantation workers, defining or classifying plantations in policy and plan documents as beyond the scope for rural development programmes, consequently largely limited to the Malay smallholding sector. Yet, all plantations are geographically located outside the urban population centres. According to government politicians and policy planners,

it is not their responsibility to provide facilities on estates, which are the property of private limited companies with adequate financial resources to provide them. Thus, plantation workers are effectively excluded from official poverty eradication schemes. Efforts to reduce poverty among Indians should first be concentrated on plantations as the bulk of poor Indians reside in the estates.

The Third Malaysian Indian Economic Congress in 1990 considered this problem. The MIC subsequently suggested to the National Economic Consultative Council (NECC) the status of plantations should be changed from private property to rural areas to benefit plantation workers. The MIC wanted this to be incorporated into the Second Outline Perspective Plan (OPP2) from 1991–2000. However, its weak bargaining position in the Barisan Nasional government and other political priorities have ensured that these have not been actively pursued. Even though the new official policy documents issued in 1991, especially the Sixth Malaysia Plan (1991–1995), pays far more attention to the economic plight of the Indians, actual developments since then suggest that there is no reason to expect any significant progress in this area for the time being.

MIC's Business Ventures

The MIC sought to emulate their senior partners in the National Front, UMNO and the MCA, and therefore ventured into business activities ostensibly in order to advance the economic interests of their own community in the country, as desired in the three economic seminars organized by the MIC in 1974, 1980, and 1990. In the beginning, MIC leaders proposed and expected the government to help them improve the Indian share of the national economic pie. However, when they realised that this was unlikely, they formulated their own business initiatives.

In 1969, Malaysian Indians owned 0.9 per cent of equity in Malaysian companies, while Malays owned 2.5 per cent and Chinese owned 22.8 per cent. By 1990, Malays had increased their stake to 20.7 per cent and Chinese to 44.9 per cent. In contrast, Indians had increased their share only marginally to 1.0 per cent. The MIC's efforts to improve this situation by purchasing a major stake in the United Asian Bank, insurance companies, and in other commercial ventures did not get much support from the government (*Asiaweek*, November 1986: 68). To increase Indian equity participation, the MIC also tried to set up

a unit trust along the lines of the Amanah Saham Nasional (for Bumi-puteras started by the government in 1981) for Indians. The MIC proposed to start this scheme by using the forced savings of Indians in the form of Employee Provident Fund (EPF) contributions. The MIC repeatedly attempted to secure government approval for earmarking a proportion of the Indian-sourced funds within the EPF's RM15 billion (in 1984) for special Indian investment projects, but without success (Suhaini, 1984: 26).

Equally worrying to the MIC leaders were the sharp falls between 1970 and 1988 in the Indian share of administrative and managerial jobs (7.8 per cent to 4.6 per cent), clerical positions (17.2 per cent to 8.8 per cent) and sales jobs (11.1 per cent to 5.9 per cent). Nevertheless, the government claimed that Indians were not indigenous and also still economically better off compared to Malays, and as such, less attention would be paid to them in economic planning.

Indians' upward mobility was further hindered by their low educational achievements. As already discussed in chapter five, plantation Tamil schools were primarily responsible for the plantation workers' children's limited upward mobility. The Tamil schools are the 'smallest and poorest', provide appalling facilities and record the highest drop-out rates — which the MIC is well aware of. To improve this situation, in 1975, the MIC prepared a major submission to the Cabinet Committee on education, calling for, among other things, upgraded Tamil syllabuses, better school buildings, improved teacher training and special residential schools "to enable students to overcome the debilitating effects of their socio-economic environment" (Clad, 1984: 24), almost none of the proposals in the MIC paper have been implemented. Samy Vellu took over the MIC leadership in 1979 and put greater emphasis on improving Tamil school conditions by calling on the government to provide full funding for the schools. Even though Samy Vellu managed to get some government funds, such *ad hoc* allocations have brought little improvement to the educational levels of the plantation community as a whole. The MIC leaders — realising that they could not deliver many goods with limited government assistance — have started their own cooperatives and self-help projects to help and patronise the community.

These projects began in the mid-1970s under the leadership of then MIC president V. Manickavasagam who attempted to increase the Indian share of the economic pie for Malaysian Indians by setting up various cooperative societies. On this basis, four cooperative

societies were established by MIC leaders during 1974–79: NESA Cooperative in 1974; the MIC Unit Trust in 1976; the Maju Jaya Cooperative and the Cooperative Pekerja Jaya in 1978. Indian plantation workers were actively encouraged to join. However, the response from workers was quite poor due to their poverty. Basically, these cooperatives ventured into property development, especially of commercial property, and dealt with shares in the open market, but without much success. Not unlike business ventures that had previously been set up by UMNO and the MCA, these Indian ventures were established under the Cooperative Societies Act, and had to be operated under the supervision of the Malaysian Director of Cooperatives and his senior officers. Few Indian businessmen were involved in such ventures, and even if they had been, they would not have had much influence on these politically-run operations. Finally, two of the deposit-taking co-operatives — NESA and Maju Jaya — with some 63,000 shareholders between them went into receivership in 1988 (*Asiaweek*, March 1990: 32).

However, MIC leaders seemed to be obsessed with the idea that the socio-economic conditions of Indians could only be improved by increasing their equity participation in commerce and business (Magesvaren, 1985: 6). Thus, when Samy Vellu took over the MIC leadership in 1979, he started to push the idea of having an investment company for the MIC. He achieved his goal in 1984 when the MIC managed to collect RM106 million to start a holding company named Maika Holdings. Unlike the cooperative ventures mentioned above, Maika Holdings was a more ambitious venture, clearly an imitation of the UMNO founded Amanah Saham Nasional and the MCA-owned Multi-Purpose Holdings, established under the Companies Act. It's initiators may have had their own political and economic futures in mind, although the majority of shareholders believed at the time that they would participate equally in the economic success of such a venture. The aim of the investment company was to acquire equity in leading Malaysian firms, and to promote its own business ventures. Quite a number of Indian plantation workers purchased shares in the company. Most of the workers who purchased shares said that they had pooled together their hard earned savings, borrowed money and pawned their jewellery. Unfortunately, this investment has not brought them as much in returns as promised to them.

Maika's poor performance can be attributed to two factors. First, it does not get much support from the government. In Samy Vellu's

words, "we could not go into banking, finance, insurance, transportation or even distribution sectors. Could not even get an agency. Wherever you look, the word no, no, no was there. All we need was a small lift in life and the rest will be done by us" (Magesvaren, 1985: 9). So far, the only worthwhile equity allocated by the government through the MIC to Maika had been shares in the country's private TV station, TV3. Maika was allocated 10 per cent of its shares, but these shares were sold in 1990 to reduce some of Maika's other problems.

Samy Vellu's claim that Maika does not get government support may not be totally true. This is clear from the Maika-Telekom shares controversy. The Treasury offered 10 million Telekom shares to Maika in 1990. However, the 10 million shares did not go to Maika. Initially, Samy Vellu claimed that Maika could not afford to purchase the shares, but later changed his story, saying that the shares were not offered to Maika because it had a poor track record in its investments (*Aliran*, 1993: 7). Consequently, only one million shares were given to Maika and the remaining nine million, in three million lots each, were allocated to Clearway Sdn Bhd, S B Management Services Sdn Bhd and Advance Personal Computers Bhd. Notably, the latter two companies were RM2 shell companies.

The allocation of the nine million shares to the three companies created a major furore. As a result, the Anti-Corruption Agency investigated this controversy but later cleared Samy Vellu of any wrongdoings. Nevertheless, the fact remains that even when Maika was given government support, albeit relatively paltry, this was abused by the MIC leadership for their own advantage, and have consistently failed to deliver to the shareholders.

Second, Maika's poor performance was also caused by poor vision, weak leadership and bad investment strategy. Most of its investments were in ailing companies. For instance, its investments in soft-drink bottling operations, book stores, a construction company as well as manufacturing and trading ventures made huge losses. To make matters worse, the company's public image took a further beating with the resignation of D.P. Vijandran, its chairman, following a pornographic video scandal in 1990. Since then, there have been some changes in Maika's leadership, with the replacement of its managing director, Rama Iyer, but Maika's performance has remained rather dismal. Not surprisingly, Maika shareholders now have little faith in the company. They grumble that, apart from its first two years, Maika failed to pay them any dividends until 1992, when dividends were paid although the company continued to make losses!

The disheartened workers also complained that they could not even dispose of their shares. Some of the plantation workers who have borrowed to purchase Maika shares are in greater debt due to this unlucrative investment. As such, although the MIC can claim credit for encouraging and mobilising Indian plantation workers' participation in investment activities, so far, workers' involvement in these projects has only brought them more problems.

The 'self help' projects of the MIC have gone beyond the co-operatives and Maika. The popular view among MIC leaders and Indian scholars is that education is one of the best ways to overcome poverty and promote upward mobility among Indians. This realisation was already evident in the early 1970s, when the MIC set up the Tan Sri Manickavasagam scholarship fund in 1972, and the MIC education fund in 1973 (MIC, 1978: 18). The former is to assist Indian students at the university level, while the latter is to help Indian students at the secondary school level. Another initiative called the Maju Institute of Educational Development (MIED) was started in 1984. Although scandal has tainted the fund raising lottery operations of the MIED, it has purchased two institutions, namely the Negeri Institute of Technology (later renamed TAFE college) and the Vanto Academy (later renamed TAFE PJ). Presently, these two institutions serve as feeder centres to institutions of higher learning.

Through its youth wing, the MIC has been conducting tuition classes for disadvantaged students in rural plantations, though these are often irregular. Despite these efforts to improve the educational status of Indians, it has not contributed much to upward mobility among Indian workers. One reason for this shortcoming is that few of their children advance to upper secondary or university level to qualify for these scholarships. The basic problem remains at the primary school level. However, the MIC has not attempted to tackle the problems of plantation Tamil primary schools through their 'self help' educational projects.

While the MIC's initiatives to increase equity participation of Indians should be applauded, nevertheless, their socio-economic ventures have not brought promising returns to the Indian community as a whole or to the Indian plantation workers in particular.

Plantation Workers and Political Participation

My survey of workers' views on political matters as well as their access to information and the extent of their participation in politics enables us to explore plantation workers' political participation, as

well as their attitudes and perceptions towards their political parties and leaders. Their expectations of and dissatisfaction with political leaders and their lack of commitment to the workers will also be reviewed. In doing so, the workers' political perceptions and consciousness will be explained by looking at two types of political participation and dissatisfaction, in the MIC and in national elections.

Attitudes Towards Politics

As in Malaysian society in general, my survey showed that there was a general lack of enthusiasm about party politics in general, which may have been affected to some extent, by the low incomes and poor schooling of plantation workers. As newspapers are the principal source of information, the workers interviewed were asked questions concerning newspapers they read and the frequency with which they read them. A large proportion of workers interviewed were Tamil speakers (first language) familiar with Tamil newspapers such as the *Tamil Nesan*, *Tamil Osai*, and *Thinamani*. The questionnaire did not ask whether they actually bought these newspapers, but only whether they had any opportunity to read any of them, daily, weekly or at other time intervals. The majority of workers had opportunities to read one or several of these newspapers at the local coffee shop or grocery store which would subscribe to them in order to attract more customers. Some workers purchased newspapers occasionally and such reading material might be shared with neighbours and friends.

As Table 8.1 shows, almost 30 per cent of plantation households do not have access to a newspaper, either because they cannot read or do not have the opportunity. Only 17.5 per cent of the households interviewed reported that at least one member of the household read a newspaper daily. Those who reported reading newspapers more than 'once weekly' (13.6 per cent) had the opportunity to read between two to six days weekly. If we were to group these two categories as the more 'regular' readers of newspapers, we find that they account for only 31 per cent of all households interviewed.

The only public places on plantations which provide newspapers daily are the estate coffee shops. The estate coffee shops thus serve as centres of political awareness. It is a regular meeting place for many estate workers. While workers frequent the shops to purchase drinks, they normally take the opportunity to read the newspapers and to discuss issues with their fellow workers who have gathered there.

Table 8.1
Newspaper Readership Among Plantation Workers

Status	Percentage
Cannot read newspaper	18.0
Do not read newspaper	11.7
Every day	17.5
Two to six days weekly	13.6
Weekly	10.5
Occasionally	18.6

Source: Fieldwork data.

The discussions depend on the workers' interests. Some workers keep track of the sports column, movies and local affairs. Others who are politically inclined will discuss items of political interest.

While having informal discussions with workers in the coffee shops, I found a significant tendency for workers to focus their discussion on politics. However, an interesting point to make here is that only male workers spent their time in the coffee shops, and as such, were more aware of various political developments. Women workers spent more time at home occupied with household chores. The workers spoke mainly about MIC politics, communal politics as well as politics in India and, to some extent, Sri Lanka. It was clear from their discussions that they were well informed about the internal problems of the MIC, such as the leadership struggle between party president, Datuk Seri Samy Vellu and his deputy, Datuk S. Subramaniam, factional fights within the party, caste politics and so on, reflecting the political coverage given in the newspapers. According to a survey, almost 35 per cent of the news content of Tamil newspapers concerned politics, either Malaysian or foreign (mainly Indian and Sri Lankan) (Karthigesu, 1989: 195). However, most workers were relatively un-informed about issues concerning other communal political parties, such as UMNO and the MCA, and took little interest in national politics. For these workers, political participation is not too oriented towards national political issues, but rather towards making some immediate gains for the betterment of their own lives by joining the MIC.

Political Participation

Political participation is at the heart of the political process. I found that almost 54.5 per cent of the workers studied were members of a political party, as shown in Table 8.2. In terms of gender, the males recorded a higher participation rate, approximately 53 per cent in comparison to the female rate of 47 per cent.

The majority of the workers surveyed (42 per cent) were affiliated to the MIC, followed by 6.6 per cent to UMNO, 2.7 per cent to the MCA, and the remainder (1.8 per cent) to the DAP and PAS respectively. This was not surprising since the bulk of the workers were Indians and the MIC had deliberately established branches close to the estates in order to boost membership. However, despite their apparent need for political help from the outside world, only slightly more than half of those interviewed admitted to membership of any political party.

Perceptions of the MIC

Almost half the respondents interviewed had a positive opinion that the party of their choice was working towards their wellbeing, in comparison to another 50 per cent who had a negative opinion about

Table 8.2
Political Party Membership of Plantation Labour

Party	Male %	Female %	All %	Number
UMNO	59.1	40.9	6.6	22
MCA	55.6	44.4	2.7	9
MIC	62.3	37.7	41.6	138
PAS	66.7	33.3	1.8	6
DAP	50.0	50.0	1.8	6
Not a member	43.0	57.0	45.5	151
Total	53.0	47.0	100.0	332
Number	176	156		

Source: Fieldwork data.

political parties. Those who had a positive opinion stated that only an ethnic based party could truly represent them, but could not give any specific examples of benefits they derived from the political parties. This was very clear among those who supported the MIC. The Indian plantation workers affiliated to the MIC had a sentimental attachment to the party because they saw the party fighting for the 'Indian cause'. The majority of workers interviewed felt that the MIC had preserved and promoted the use of Tamil language and culture, which they regarded as very important. Even though they were dissatisfied with plantation Tamil schools, they felt it important to learn Tamil in order to maintain their culture and identity.

Those who expressed negative opinions, particularly concerning the MIC, complained that the party was too weak to deliver any goods for them. They felt that the party should first solve the political and personal differences within the party, factional in-fighting, paternalism and corruption, before they could fight more directly for the workers. They based this opinion on newspaper articles and also on their experience with the MIC at branch level. The respondents also claimed that there should be better communication between national and state MIC leaders with the members (workers) so that their problems would at least be more clearly understood by the leaders .

At the moment, the MIC is structured on a hierarchical basis, with the Central Working Committee (CWC) at the national level, the State Committee in the middle, and the Branch Committee at the local level. Branch leaders are elected by grassroots members, state leaders by branch committee delegates from the states, while national leaders were elected by delegates of branch committees from all states (MIC, 1978: 21). For a branch to function, there had to be a minimum of 100 members. At the time of the survey, there were around 1,500 branches throughout the country.

Of all the respondents interviewed, 12 were committee members in branch committees. The branch committees were normally dominated by Tamil school teachers, small businessmen, and estate conductors. According to the 12 branch committee members from the ranks of plantation workers, Tamil school teachers and other branch committee members were not keen to take up workers' issues at the state or national levels. It seems their main interest was in cultivating good relations with top level party leaders for their personal gain. This was reiterated by plantation worker members, who commented that on the

whole, there is a lack of activities at the local level organised by the branch committees. Some even complained that annual general meetings or elections at branch level were not held regularly and local activities were not organised. Branch committee members denied these allegations. They argued that they were not in a position to organise any activities at the plantation level, not because they were disinterested in workers' issues, but because they could not get permission from estate managers to hold activities on plantations. The estate managers have the discretion and power to determine whether activities organized by outsiders, including political parties can be held on the plantations. In most cases, the managers do not give permission.

This made it difficult for the MIC to directly organise activities at the grassroots level on plantations. However, at the same time, the party's 'top-guns' do not make any effort to communicate with rural plantation workers because they are so busy with their own leadership crises and struggles. The only time they made attempts to visit rural areas, including plantations, was before state or national MIC as well as general elections. Although the MIC was dependent on the support of plantation workers, many of whom are party members, the party leadership generally neglected their interests. When glaring abuses are reported in the media, the MIC leadership is usually taken by surprise and immediately promises action. But while some non-governmental agencies (NGOs) have investigated and exposed such abuses, the MIC has failed to do so.

For example, the MIC stayed out of the Cheroh Oil Mill strike in 1981. As a result of the strike, nine active committee members of the NUPW Cheroh Estate, near Raub, were detained by the police under the Internal Security Act (ISA) on grounds that they were members of a secret society. However, a detailed investigation by INSAN then revealed that the nine had been very responsible and active trade unionists who selflessly fought for the workers of Cheroh estate (Ramasamy, 1987: 98). This matter was brought to the MIC's attention by the families of the detained workers, but MIC leaders refused to intervene to help the workers, claiming that it was a police issue. Ultimately, the nine were released after pressure from INSAN and others. The MIC's lack of commitment to plantation workers' problems was also clear in many similar episodes, though occasionally, some MIC leaders have brought workers' problems to public attention.

These examples of MIC neglect suggest that the leadership has

often been out of touch with grassroots problems at the constituency level and that the party elite has been content to negotiate their share of the 'NEP cake' at the national level while neglecting the masses on the plantations. At the same time none of the Barisan Nasional affiliated parties has done anything for labour comparable to what UMNO has done for the Malay peasantry. Hence, it is surprising that the MIC, a member of the National Front, has managed to retain support among the Indian masses despite its lack of interest and inability in championing the cause of Indian plantation workers.

General Elections and Indian Plantation Labour

The discussion above has focused on the political participation, attitudes, perceptions and dissatisfaction of plantation workers in relation to the MIC. We now review the political participation of plantation labour in a wider context by looking at national elections and the benefits workers get from their elected national level leaders.

According to local estimates, approximately 70 per cent of plantation residents usually turn up to vote in general elections. Transport to the polling station is normally provided by the estate management and various competing political parties in the area. Prior to polling day, campaign activities are carried out by the competing parties. The usual campaign methods are the house to house campaigns, talks and meetings. This is the time MIC leaders made efforts to garner workers' votes to support the ruling coalition. It is also at this time that branch level committee members play a particularly active role. This is also the only time federal and state level candidates for the constituency visit the plantation. When doing so, they usually promise many things to the workers, but these are usually forgotten after the election.

From the plantation workers' perspective, elections are not so much an opportunity for choosing leaders as a means by which the ruling coalition legitimizes its rule of the country. Hence, the ordinary plantation workers are not supposed to be particularly concerned with the identity of a particular candidate unless he/she happens to be a very well known personality, such as a cabinet member or a chief minister. What seems to be more important is the party to which the candidate belongs. The MIC branch leaders and party workers usually play an important role in persuading the plantation workers to put a cross against the Barisan Nasional candidate. This was

Table 8.3
Plantation Workers' Contact with
Federal and State Elected Representatives

Frequency of Contact	Percentage	Number
Once a year	6	20
Once every two to three years	19	63
Once every three to four years	13	43
Once every five years	62	206

Source: Fieldwork data.

reflected by the workers' ignorance of their elected state and federal representatives. Only 22 per cent of the respondents interviewed said they knew who their State and Federal representatives were; the remaining 78 per cent had no knowledge of the elected leaders. The bulk of these workers admitted that the reason for not knowing their elected political representatives was that they voted for the party symbol, rather than the candidate who stood for election. Another reason for not knowing their political representatives is the fact that the elected representatives do not visit their respective constituencies often enough for the workers to get to know them. According to a large percentage of respondents, they only had the opportunity to meet their political representatives once every five years just before the elections. Apart from such occasions, plantation workers rarely meet their elected representatives, as clearly indicated by Table 8.3.

The above mentioned facts indicate that the elected Members of Parliament and State Assemblymen have little contact with their constituents after the elections. Even when workers approached their elected representatives for help, they received no response. A good example of the unsympathetic and unhelpful attitudes of Members of Parliament and State Assemblymen towards plantation labourers occurred during the United Petani house demolition incident in Sungai Petani in January 1990. Originally, the estate was owned by Arumugam Pillai, a prominent Indian businessman. In 1976, the estate became the property of the Kedah State Economic Development Corporation (KSEDC). The residents had lived and worked on the estate for almost 50 years, although at the time of the demolition,

many of them were retired. According to the residents, various development projects — such as low-cost housing and a country golf club — were built after the KSEDC took over the estate. In fact, the house demolition was undertaken by the KSEDC to pave the way for the opening ceremony of the golf club. The residents complained that they were not issued letters of eviction, or given sufficient time to make alternative arrangements, or offered adequate compensation to move out. In contrast, the KSEDC officials argued that the residents had been issued a notice of eviction more than a year before the incident and that the corporation was willing to pay RM3,000 as compensation.

After consulting both parties, the researcher found that although some residents had received a year's notice of eviction, as stated by the KSEDC officers, not all the workers were given notice and sufficient time to move out. Furthermore, negotiations for compensation and better alternatives were still in progress when the demolition took place. The 48 resident families had not made preparations and had no alternative places to stay. The estate temple sheltered the residents for the next couple of days while they found new homes.

Prior to the demolition, the estate residents appealed — through the Consumer Association of Penang (CAP) — to various political leaders, including their respective Members of Parliament and State Assemblymen. Telexes and telegrams were sent to the *Menteri Besar* (Chief Minister) of Kedah, Datuk Haji Osman Aroff; MIC President, Datuk Seri Samy Vellu; the Managing Director of the KSEDC; Tun Daim Zainuddin (then Finance Minister) and Puan Rokiah, the Member of Parliament and the State Assemblywoman respectively for the area, to grant them one month reprieves to enable them to reach an amicable settlement. However, their calls for help were totally ignored by all except the MIC president, who instructed the state MIC leaders to look into the problem. However, the MIC's intervention was too late to stop the demolition. Some time later, the workers passed a motion of no confidence against their Member of Parliament and State Assemblywoman (*Tamil Osai*, 22.1.91).

This case clearly indicates that elected Members of Parliament and State Assemblymen take very little interest in the welfare of Indian plantation workers. This is not an isolated case, but merely one example of plantation workers' problems and the responses they receive from their elected leaders. This case suggests that plantation workers are politically marginalized and ignored by their political

leaders. Nevertheless, the workers still feel that political avenues are very important channels to try to overcome their problems. Since these workers have little faith in their elected representatives, they mostly rely on the MIC for assistance. However, as already discussed, the MIC has its own problems, and therefore frequently fails to politically represent plantation workers effectively.

Conclusion

The discussion in this chapter has attempted to show how the structure and process of national politics has tended to bypass the vast majority of plantation workers. The ethnic-based approaches of most Malaysian political parties have meant that issues and programmes that cut across ethnic and linguistic divides are often ignored as irrelevant or worse, as 'unproductive' in gaining political support and favourable election outcomes. Furthermore, official government attitudes and policies, both in the colonial and post-colonial periods, have actively discouraged universalist ideologies, such as those based on working class movements, as being extremist and anti-national, and therefore to be proscribed. Thus, the Malaysian political process appears to be built on the rationale that by concentrating on its own affairs and interests, each ethnic party would maximise the welfare of the nation as a whole. Some contradictions involved in this approach have been discussed elsewhere in this chapter, particularly in relation to plantation workers.

Successive governments in Malaysia have tended to ignore the problems faced by plantation workers as solely the responsibilities of the managements of rubber and oil palm estates. Moreover, the official view was distorted by employer arguments that plantations provided a whole range of benefits (practically a 'welfare state', according to some employers) in addition to 'competitive' wages and other remuneration.

In the context of Malaysia's ethnic politics, this study has shown that the only political party that has shown any interest in plantation labour as its constituency has been the MIC because of the predominance of Indians among them. This has further disadvantaged the cause of plantation labourers for two reasons: firstly, the leadership of MIC is largely dominated by an urban business and professional class, which has tended to focus on its own interests to the neglect of plantation workers; secondly, the MIC, being very much a weak junior partner

in the ruling coalition composed of various ethnic parties, has had limited influence and power in determining policies favourable to Indian workers.

Inadvertently, the MIC leaders themselves have admitted their political impotence. In recent debates over party posts, MIC President, Samy Vellu, argued that his opponents had failed to uplift the welfare of Indians while holding influential posts in the Government. He went on to elaborate that while being Deputy Minister of Health, Datuk Pathmanaban had failed to improve the appalling health conditions in the rubber and oil palm estates, and as a result, these workers were reported to have the lowest health indices in Malaysia (see Chapter 5). He also criticised his other rival, Datuk Subramaniam, for having failed to upgrade living and housing conditions in the same sector while being Deputy Minister for Housing and Local Government. This party rift was widely discussed in the Tamil newspapers and this has undoubtedly encouraged plantation workers to become more cynical and negative towards the MIC leadership.

The ineffectiveness of the MIC leadership in advancing the cause of Indian plantation workers was even evident with earlier Alliance governments. It is remarkable that both Sambanthan and Manickavasagam, who were MIC Presidents in the 1960s and 1970s, with the latter holding the post of Minister of Labour for a long time, did not halt the disruption caused by the subdivision of estates nor the exodus of plantation workers displaced by the citizenship rule enforced in mid-1969, in the wake of the race riots of 'May 13th'. Workers in plantations often state that these events demonstrate that they have very little influence on politics and that their participation is merely sought at election time to cast votes in favour of the ruling coalition, of which the MIC is a member, on ethnic grounds. Plantation workers and their families seem to be objectively and subjectively marginalized in the Malaysian political context.

9

CONCLUSION

There has been a tendency among economists and other social scientists to ignore plantation labour in Malaysia for several reasons:

- a) it is part of the rural scene and it is widely assumed that it will be taken care of as part of government-sponsored rural development programmes;
- b) it does not fall neatly into official rural or urban categories of employment, which form the traditional framework for most social studies in the country;
- c) it does not require any special investigation because it is already protected by excessive government regulation (since the colonial period) and paternalistic employer attitudes;
- d) it is supposedly well looked after by the largest trade union in Southeast Asia.

However, despite these seemingly reassuring arguments, Indian plantation workers and their families have experienced a gradual loss of welfare that has led many researchers to describe this segment of Malaysian society as the 'forgotten people' or 'persistent poor' (Colleta, 1978; Mehmet, 1988). Despite the years of prosperity and growth that the plantation industry has enjoyed in Malaysia, which was shared in remarkable ways by the rest of the country, the workers — who were the primary producers of this enormous wealth — have witnessed a progressive decline in their living standards. Although this decline was spaced out over a long period, the two most important events contributing to this trend were the widespread sale of British estates in the fifties and early sixties and their consequent subdivision. Also, the initiatives taken immediately after the race riots of 1969 by the government to deny work to non-citizens had a traumatic effect on many Indian plantation workers, who in many cases had been resident in the estates for several generations.

Marginalization

None of Malaysia's many rural development programmes were extended to plantations. The government has asserted that it is not its obligation to improve the conditions of the workers. This is because the plantations are neither urban nor rural in the official government definition for development projects. The plantations are also classified as 'private property', where the government expects plantation managements to look after the socio-economic welfare conditions of the workers on their property. But since workers' welfare is not the priority of plantation managements, their welfare receives scant attention. This has led to the erosion of the welfare of plantation labour over time (Mehmet, 1988: 19). In this context, plantation workers, many of whom are Indians, have been bypassed even as the nation as a whole prospered (*Far Eastern Economic Review*, 7 June 1990).

The *Sixth Malaysia Plan, 1991-1995* admits the lack of government action in plantations and vaguely promises that "the government will implement specific strategies to improve housing, health, educational and social conditions in the sector to enhance the quality of life of the estate population", but at the same time asserts that "employers have a responsibility to provide some of these facilities, in those areas where large capital outlay is involved..." (*Sixth Malaysia Plan*, 1991: 95). Nevertheless, it is surprising that to date, no initiatives for any such development have been forthcoming from employers or any one else.

Spatial marginalization felt by communities in the plantation sector has not been caused by government neglect alone. Since Independence in 1957, Malaysia has been undergoing rapid urbanization. The historical isolation of the plantation communities has been further aggravated by the lack of transport facilities as well as retail outlets and service facilities, most of which found more profitable investments in nearby urban areas (both small and medium size).

The importance of social and cultural characteristics of Indian plantation communities has often been stressed in defining their relative isolation from mainstream social and political development (Jain, 1970: vii). In this study, for instance, it was found that the subjective feeling of isolation and remoteness from 'Malaysia government authorities outside' was induced by a lack of socialisation, inability to communicate in the official language (especially among

older workers), insufficiency of funds to charter private transport in case of emergency and, most importantly, a general lack of confidence in dealing with the world outside the plantation. Thus, even if the plantations are physically located near urban areas, there is a general lack of movement outside the plantation, except in the most urgent situations, such as hospitalization. Every trip outside would mean a loss of income for the whole family, especially as younger members of the family (more knowledgeable in Bahasa Malaysia) would be expected to accompany their parents.

Spatial marginalization also involves the denial of specific human rights. Under Malaysian law, estate land is private property, and those who are not normally resident there as workers can be excluded by the estate 'jaga' (gatekeeper or watchman) or prosecuted for trespassing. Estate communities are thus less free than other Malaysian citizens to take part in festivals, processions or public meetings, all of which have to be specially sanctioned by the management. As has been shown in Chapter Eight, political parties have found this requirement particularly irksome. Even previous residents, who have been retrenched or dismissed for whatever reason find it extremely difficult to maintain social relations with the plantation community because of restrictions imposed by estate managements.

It is interesting to observe that the 'degree or level' of spatial marginalization tends to be greater when the plantation is closer to urban or other rural centres. Proximity to developments in these centres do not appear to have benefited plantation households. Deterioration of living conditions in the plantations and its impact on plantation social and cultural life were discussed in Chapter Five. During the fieldwork, I came across few estates that had sought access to water mains and electricity grids that were available to other rural or small urban settlements. It is unlikely that estate managements would undertake such improvements without special government subsidies and grants. The excuse that government ministries often provide for taking no action, as well as refusing to build proper schools or health clinics, is that they would be enhancing the value of private property. This attitude contrasts sharply with the 'tax holidays' and subsidised factory space provided in free trade zones and elsewhere. This 'discrimination' practised against estate residents used to be justified by noting that the estates were mainly foreign-owned. But now that the majority of plantations are in the hands of

Malaysians (including many state enterprises), such excuses for perpetuating socially divisive spatial marginalization have become less credible. Yet, the Sixth Malaysia Plan for 1991–95, after admitting little progress has been achieved in providing social amenities in estates, does not propose any new programmes except to urge employers to perform these tasks.

The Plantation as a Social System

This study has sought to locate the process of marginalization, as it has impacted on the labour force in the plantation, in a social system geared to profit-making. The bottom line for the plantation sector has always been the profits and dividend payouts to shareholders. As in any capitalist undertaking, the primacy of profit making must have impacted on relations between capital (or management) and labour. It has been shown in Chapters Two and Four that from colonial days, the government has been anxious to ensure the long term viability of the plantation industry. In return for government assurances of labour supply (e.g. through the Indian Immigration Fund set up in 1908) legal observance by management of minimum working conditions standards (such as provision of return passage by the employer upon the expiry of the indenture period limited to three years). This was the beginning of labour laws, such as the Rump Labour Code, specifically designed to 'protect' plantation labour. With the passage of time and the (more or less) permanent settlement of immigrant plantation labour and their families, government assistance in securing labour lost its significance and the management felt less need to reciprocate; thus, many of the old labour-related laws for estates are believed by management to be no longer applicable. The discussion in Chapter Four — on work organization, occupational hazards, work related accidents and illness and social security benefits — shows clearly that traditional authoritarian and hierarchical management practices still prevail and are primarily accountable for workplace relations and working conditions. Their contribution to the marginalization of the labour force and their families forms the major part of the discussion in Chapters Four and Five.

Although the present study focuses on the contemporary situation in the plantation industry, the book traces the historical development of interactions among management (capital), the state and the workers'

union. Thus, the process of marginalization is better understood in historical perspective as a dialectical, rather than a linear process. The following summary will cover workplace relations and working conditions, living conditions, trade unions, and national politics.

Workplace Relations and Working Conditions

The second chapter dealt with the development and growth of rubber plantations in Malaysia, largely due to the injection of foreign capital coupled with great demand for rubber in Europe and America. The role of foreign capital in the formation of plantations was explained by analysing the role played by agency houses. Having discussed the forces that led to the formation of the plantation system, the second chapter then proceeded to examine the nature of capital-labour relations in the plantations of colonial Malaya by considering the wages and related amenities provided by the employers, such as housing and educational facilities.

In Chapter Three, it was shown how capital has resorted to recruiting illegal Indonesian immigrants as contract workers to continue their control of labour in the contemporary period. This new form of 'contract' labour has had a greater impact on marginalizing Malaysian labour because the former is more willing to accept lower wages and poorer working conditions than Malaysian 'contract labour'. Despite protests from the NUPW that 'illegals' were taking the jobs of citizens of the country, the government has taken no active steps to ban or limit their employment. The estate managements have persuaded the government that there is little alternative to employing more immigrant labour.

In Chapter Five, it was shown that the poor living conditions prevailing in plantations are directly traceable to the hierarchical and authoritarian nature of labour control and management that still persist in the estates. Because of the social distance that exists between top management and the mass of workers, and the relegation of labour management as a relatively unimportant chore to be handled by lower level estate staff (like *kanganies* and conductors), the problems faced by workers performing their tasks daily are not communicated to top management. As shown in Chapter Four, many industrial accidents that happened in estates could have been avoided if workers had been properly trained, but the general attitude among estate managers is that training cannot be justified in terms of cost or loss of production.

Living Conditions

Marginalization arises not only from management practices, but also government policies. Despite the massive social engineering programme undertaken by the government under the NEP, the plantation sector has been systematically excluded, on the pretext that it is private property and hence, not 'rural'. This is important because every Malaysia Plan has devoted around 35 per cent of its total development budget (for the economic sector) to rural development (Sixth Malaysia Plan, 1991: 62). None of this money has been spent to benefit plantation labour. Thus, plantation workers have not benefited from the enormous government public development expenditure that has gone into providing basic amenities, such as water, electricity, sanitation, health care and education, intended to raise rural living standards. It should be emphasised that the plantation workforce has not benefited significantly from other major expenditure in the development budget, whether social or general expenditure.

The exclusion of plantations from the development plans has left near total responsibility for fulfilment of basic needs in plantations in the hands of employers. However, since workers' welfare remains low in priority for management, no significant changes have occurred in this area, especially as the government has been reluctant to introduce any new legislation ostensibly for fear of undermining Malaysian plantations' international competitiveness. This is evident for instance, from the quality of housing provided by the managements. Most of the houses in plantations are small, overcrowded, old and dilapidated. Water and electricity supplies, when provided, are inadequate and irregular. Some estates, especially the non-MAPA estates, do not even attempt to try to provide these facilities at all. To make matters worse, sanitary facilities are totally inadequate in most estates.

Health conditions are woefully inadequate, the basic health services being managed by unqualified estate Hospital Assistants. Plantation workers are often forced to use alternative health facilities in nearby urban centres at their own expense. Working mothers suffered most as they cannot afford to travel to get pre-natal and ante-natal health care due to the inconvenience and expense of travel, as well as the loss of earnings that such visits entail.

Plantation Tamil schools are classified as Government Aided Schools — unlike the usual Government Schools in the rest of the country — due to the location of these schools on private property.

Therefore, the government only provides partial assistance for the maintenance of these schools by providing teachers, books and some rudimentary equipment. The provision of land and buildings for the schools is the responsibility of the employer, who still subscribes to the view that plantation children should not get any significant level of education, which might encourage outward social mobility. This lack of educational facilities also contributes to the reproduction of plantation relations by virtually guaranteeing a readily available labour force. This has resulted in plantation Tamil schools earning a reputation as the smallest and the poorest in the entire education system of the country, which has in turn helped produce the highest child 'drop out' rates among all the schools in the country.

The workers not only find it difficult to send their children to better schools outside plantations, but also cannot participate in other activities taking place outside the plantations. They are also unable to supplement their estate incomes by working in nearby urban areas. This reinforces their total dependence on and subordination to the plantation system for their survival. It is therefore not surprising that real wages in the plantation sector are the lowest among wage earners in the country (Chapter Five) with the result that several studies suggest that household debt among plantation employees is the highest among several groups of workers.

Trade Union

The trade union is supposed to uphold the interests of the workers, and should therefore be directly opposed to the forces of marginalization. But trade unions can contribute to the process of marginalization by default by not taking appropriate action in the interest of their members. Chapter Six described how the emergent working class movement in the plantation sector was manipulated by urban middle class Indians before and during the Japanese Occupation and also why the militancy promoted by the MCP failed to bring lasting benefits to the workers.

Historically, the state was greatly involved in the welfare of plantation labour, especially before the thirties, largely because of the need to regulate labour supply, which the industry was incapable or unwilling to undertake itself. This state involvement was a legacy that the independent government took over from the late fifties by

continuing to groom the 'moderate and responsible' union leadership sponsored by the colonial authorities from the early fifties. The NUPW has been officially touted as a model of a big trade union with a 'positive' approach to workers' problems, unlike the politically-motivated communist-led unions dominant prior to the Emergency period from 1948. Yet, this study shows that despite a vast and well-paid bureaucracy, the NUPW has failed to stop the erosion of plantation workers' living and working conditions over the years. By any yardstick of comparison, plantation workers have fallen behind all other major groupings of workers in the Malaysian economy. As shown in Chapter Seven, workers have been voting with their feet by leaving the union in droves, as clearly reflected in rapidly falling union membership.

An examination of MAPA-NUPW collective agreements clearly indicates that the failure of the union to bring significant material benefits to the workers has been primarily caused by the union's own weaknesses, including excessive accommodation with the government and employers, bureaucratic inefficiency, factional infighting within the union, and poor preparation by the union prior to collective bargaining. A recent example of union failure involves the much publicised NUPW demand for a monthly-rated pay scheme for its members. The issue was raised once again in 1989, only to have the claims rejected totally by MAPA. Subsequently, with the help of Labour Ministry officials, a compromise was worked out, with the outcome dressed up as a Consent Award by the Industrial Court. However, this award merely recognised the workers' right to a minimum of 24 days' wages in every month. This was claimed as a great victory by the union, despite the statutory provision for such 'minimum pay' in the Employment Act, 1955. The fact that this provision had not been previously enforced was not mentioned by either the union leaders or officials of the Ministry of Human Resources.

Chapter Seven points out that in recent decades, the union leadership has taken a greater interest in its business ventures than in other union activities. Union investments grew rapidly, although there has been only limited success in managing these assets profitably for the benefit of the workers. The history of union involvement in business ventures has been one of failures and bankruptcies, where the greater indebtedness of the union to the banks has been the only significant outcome.

National Politics

One of the most traumatic events in the history of Indian plantation labour was government enforcement of strict identity card checks as a condition for employment in the estates after the May 1969 political crisis. The introduction of the six-month, non-renewable work permit for all non-citizen workers on the estates was a clear break with the previous practice of allowing non-citizens to work in plantations. It was generally admitted that conditions in the estates had not allowed the maintenance of proper official records such as birth certificates, etc., necessary to prove domicile especially during the Japanese Occupation. Moreover, as has been stressed in Chapter Eight, the major political party, the MIC, has ignored the problem of citizenship acquisition by plantation workers.

The discussion in Chapter Eight also focused on an essential feature of Malaysian politics, namely ostensible Malay political hegemony. Meanwhile, though the MIC has had an interest in building a constituency among plantation workers, its ability to effectively represent the cause of plantation workers has been constrained by various considerations, not least of which has been the opportunistic nature of its leadership. Their failure has been particularly felt in terms of access to health, education, housing and related facilities systematically denied to these workers by the government on the grounds that they would be better provided by the employers.

The Future?

The marginalization of Indian resident labour in the plantations has gathered momentum due to two important factors. The pace of industrialization has continued to attract the younger and better educated members of plantation households into industrial areas in neighbouring towns and cities throughout Malaysia. This has resulted in an ageing labour force apparently content to see their days out on the estates rather than demand better wages and improved conditions of work. The second factor has been the flood of Indonesian migrants who provide cheap contract labour often displacing the existing labour force. By 1990, various estimates have put the figure for such immigration to over one million workers in the Peninsular Malaysian economy. Certainly, this impact was very evident during my survey

of early 1990, which revealed that Indonesian labour accounted for 40 to 60 per cent of estate labour supply. The problems of transition for the traditional plantation labour force will undoubtedly be traumatic. The generational gap that has been growing in plantation families has been accelerated by the language policy of the national education system. This study has drawn attention to the marginalization of plantation labour. It is the task of future researchers to work on the reorganization or redeployment of the remnants of the once vast and exploited workforce that has made a significant contribution to the economic development of Malaysia.

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