

Why Is It Difficult to Organise Around Class in Malaysia?

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A common refrain is that the development of class consciousness in Malaysia is stunted due to the emphasis on ethnic-based politics. For example, we have seen over the years that communalism and the suppression of labour militancy were crucial in building the present-day centralised state;^[1] thus class interests are often subordinated to the stronger pull of ethnicity. This was apparent to Syed Husin Ali, academic turned politician, who noted in his 1984 book: “Ethnic and class forces pull the society apart, in vertical and horizontal directions as it were, but at the present juncture of history the ethnic pull is more forceful and dominant”.^[2] Economic competition became less about the struggle between different classes and manifested predominantly as conflict between ethnicities.

This was not always the case. In the 20th century, even in hostile environments, the working class organised and agitated for improved working conditions, wages and representation within industrial settings

and public life in general. Labour militancy reached its height in the aftermath of the Great Depression,^[3] in the postwar years and also during the Communist Insurgency in the early 1960s, before eventually being brought to heel by state repression. As we shall see below, while these struggles were not entirely free from communalism, they highlight how class consciousness could be shaped by conscious effort and organising.

Understanding the history of the workers' movement and development of class consciousness is becoming more important. Despite a reduced Gini coefficient, successive studies indicate that absolute inequality has risen in the past decade.^[4] The average household merely subsists in the face of rising costs of living, with a yawning gap in both income and asset ownership between the rich and the poor. According to a report by Khazanah Research Institute, a household earning less than RM 2,000 (US\$490) is left with only RM 76 (US\$19) after all expenses. There is some indication that intra-ethnic inequality is growing, too.^[5] For instance, Amanah Saham Bumiputera (ASB), a unit trust fund established for the benefit of Malay and indigenous Malaysians ("Bumiputera"), is disproportionately hoarded by the wealthy;^[6] the same is true of Tabung Haji,^[7] a fund set up for Muslims to save for their pilgrimage to Mecca. At the same time, the COVID-19 crisis has revealed the risks of shifting the economy towards precarity. Incomes are shrinking or disappearing altogether for many members of the working class and those self-employed in small businesses or in the gig economy. Growth projections are bleak; we face the prospect of massive unemployment. Could class consciousness be reinvigorated under these circumstances?

This can only happen if labour has a coherent voice that transcends traditional trade unionism. It requires an understanding of the past failures of class-based political platforms to generate ties of solidarity between different ethnicities and among the working class, as well as their inability to confront changing employment structures.

This is challenging for several reasons. First is the demise of organised labour and its relegation to the periphery by colonial and subsequent post-independence governments. Second is the evolution of the employment landscape, which obfuscates the nature of class relations. Third is the

dominance of communalism. This article will examine each of these barriers in turn.

Contours of Trade Unionism

Organised labour had a tumultuous relationship with colonial and subsequent post-colonial governments, petering into reluctant acquiescence to the interests of the state and capital. The movement originated in trade guilds among Chinese immigrant workers, later structured into forms more recognisable as trade unions.^[8] These were closely linked to the Nanyang Provisional Committee (NPC)—a predecessor of the Malayan Communist Party (MCP)—which initially gave prominence to the movement, but became a hindrance later as the state grew wary of the threat that communism posed to foreign capital.

The relationship between workers and the state was marked by alternating periods of militancy and co-optation. As early as 1928, after successive waves of industrial unrest, nascent class consciousness was obvious, not only to the workers but also to the colonial elites. Where previously the government had refused outright to recognise workers' organisations, now it would formalise them, ostensibly for the workers' benefit but also to elevate the moderates and delegitimise those "suspected of subversive tendencies".^[9] As we shall see, this practice persisted for decades.

The MCP was formed after a 1930 conference presided over by an envoy of the Communist International (Comintern).^[10] At the time, Comintern had a policy of "communist working within legal (usually labour) parties to connect their members to illegal communist parties".^[11] This led the MCP to mobilise the creation of General Labour Unions (GLU)^[12] and begin a recruitment drive by using their members' presence in Chinese associations. Unlike today's unions, GLUs were not fragmented by trades or enterprises.^[13] This movement had a slow start due to the disconnect between the leadership and the masses; indeed, much of their activity was limited to commemorative communist events.^[14]

Eventually, the MCP solidified its base, especially among Hainanese workers, and ramped up agitation in the years preceding World War II. The colonial government was wary of MCP's influence within trade unions, and

immediately after the war, legislation was introduced to counteract the influence of GLUs by facilitating a multiplicity of trade unions, disallowing the political use of union funds and conferring wide discretionary powers to the Registrar of Trade Unions to refuse registration of any trade union. In the words of C.G. Howell, the Attorney General, “the Bill was less important for what it contains than what it implies”.^[15] Some trade unions gained the stamp of legitimacy, but it came at the expense of labour militancy.

Despite the increasing hostility of the colonial state, the MCP became more prominent as it articulated the emancipation of both workers and the nation—they were the first voice in Malaya advocating for independence from colonial rule. Through the Malayan Federation of Labour Unions (MFLU), the MCP addressed workers’ grievances^[16] and actively shaped public discourse beyond industrial life. For instance, in 1947, the coalition of Pusat Tenaga Ra’ayat and All-Malayan Council of Joint Action (PUTERA-AMCJA) called a general strike (“*hartal*”) to protest the colonial government’s refusal to accept the labour-backed People’s Constitutional Proposal. Workers, consolidated into a single union, were the backbone of the movement.^[17]

Perhaps sensing the need to appease the labour movement and to curb the influence of communism, the colonial government in the early 1950s encouraged the formation of the Malayan Trade Union Congress (MTUC)—ostensibly a consolidation of unions. However, MTUC’s effectiveness was (and arguably remains) doubtful, as it could not be registered as a trade union, but instead merely as a society, precluded from taking industrial action. In 1956, an amendment to the Trade Unions Ordinance effectively prohibited general unions, effectively consigning workers into silos and fragmenting them further. Communist involvement within trade unions was dealt with a decisive blow in 1959 when unions were required to re-register, giving the (now independent) Malayan government power to refuse registration of those perceived as close to the MCP, such as the National Union of Factory and General Workers (NUFGW).

Subsequently, during the Communist Insurgency from 1968 to 1989, the link between unions and the MCP was severed. Unions gradually found their own footing and launched several major industrial actions unmoored

from the politics of the MCP. In the early 1960s, industrial militancy that could not be attributed to the MCP rose to new heights, with approximately 450,000 workdays lost in strikes in 1962, 300,000 in 1963 and 500,000 in 1964.^[18] A strike by the Railwaymen's Union of Malaya (RUM), beginning in December 1962 and ending in January 1963, culminated in the workers gaining public service status and monthly rates instead of daily rated wages. In 1964, the National Union of Plantation Workers (NUPW) organised a stoppage involving 200,000 workers over the renegotiation of their collective agreement. The ability of the unions to mobilise was impressive, given the hostile political and regulatory environment.

In the economic downturn of the 1960s, industrial militancy brought some successes for workers but also state retaliation. Laws allowed the government to dissolve unions that it considered militant, introduced compulsory adjudication by the industrial courts, and strictly prohibited any industrial action until adjudication was concluded. Certain issues were excluded from collective bargaining as "managerial prerogatives".^[19] Although introduced under the guise of ensuring stability in a time of emergency,^[20] these restrictions were eventually adapted into the contemporary tripartite industrial system that has since left workers completely debilitated.

Nevertheless, trade unions survived and, periodically in subsequent decades, gave indications of resurgence. Union density stabilised at 20% in 1970 and 21% in 1980. Shifts in the economic structure and rapid growth led to Malaysia being dubbed one of the "Newly Industrialising Countries" (NICs). The 70s and the 80s ushered in the proletarianisation of the Malays, who migrated from rural to urban areas. Where once trade unions had been predominantly Chinese or Indian, by the 1990s, Malays came to form the bulk of the organised working class.^[21]

However, unions were ensnared by the restrictive regulatory framework of tripartism. Further, in the 1980s, Prime Minister Mahathir Mohamad and the United Malays National Organisation (UMNO) undertook the project of national corporatism that saw the state further cementing its alliance with global capital, with the effect of undermining workers. Labour's bargaining power was eroded through the increasing flow of cheap immigrant labour in plantation agriculture, construction, domestic service and

manufacturing,^[22] as well as the tightening of labour laws, including deregistration for “illegal” industrial action. “In-house” unions, whose membership is specifically limited to the workers of one company, were vigorously promoted, further fragmenting workers. Just as the postwar government of the UK’s Labour Party had stifled organised labour in the colony on the pretense of empowering it, Mahathir and UMNO promised social mobility to working-class Malays while dismantling the very structures that would allow them to resist capitalist exploitation.

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Since then, trade unionism has been in steady decline. In 2014, union density in Malaysia was at 9.2%.^[23] This is low by international standards, but not overly so considering that trade unionism is in decline globally. (For reference, other upper-middle-income economies such as Brazil and South Africa have a union density rate of 18.9% and 28.1%, respectively).^[24] However, a point that is often elided is the extent of union coverage—that is, the extent that collective agreements shield workers, regardless of union membership. For instance, in France and the Netherlands, union density is not particularly encouraging (8.8% and 16.4%, respectively),^[25] but the coverage of collective bargaining is near universal.^[26] The same cannot be said for Malaysia, due to the fragmentation of labour. Additionally, its miniscule share of the working population means that in the Malaysian context, there is no clear benefit, such as a wage premium, to membership.^[27] The labour movement has yet to build ties of solidarity with the middle classes or even to force a reimagination of the working class given the hardships endured by informal workers.

Contradictory Class Locations

This imagination of a cohesive “working class” is further impeded by the evolution of class relations under state capitalism and the restructuring of

the society under Malaysia's New Economic Policy (NEP). The NEP, adopted in 1971, alleviated poverty and staved off mass dissatisfaction of the poor against the rich,^[28] and a rapidly growing Malaysia provided opportunities for the newly educated and credentialed masses to move into the middle classes. The polarised world of workers and capitalists did not come into being; class relations became more obfuscated by the emergence and prominence of middle-class salariats, differentiated from each other and from the traditional working class along lines of skill, authority, identity and political orientation. As Malaysia's economy shifted from agriculture to import-substitution and then toward the service sector, many found employment as managers, administrators, professionals, technicians and other kinds of office workers. In 1957, these occupations made up 27% of the working population; by 1995, the figure was 46%.^[29]

The positions of these workers in the interweaving web of class relations are often ambiguous. Sociologist Erik Olin Wright emphasised the variance of life chances and material interests of the middle classes, formulating the concept of "contradictory class locations within class relations".^[30] Workers, while exploited by capitalists, may nevertheless find it in their interest to maintain the status quo. For instance, while they remain workers whose labour is exploited for surplus value, managers and certain professionals have been delegated control of capitalist firms due to their increasingly complex operations, pitting them against workers on the lower rungs of the corporate ladder. Indeed, some managers eventually become manager-owners, creating a cascading set of incentives for workers to act in the interest of capital in the hope of eventually ascending. Other groups of professionals, while having strong bargaining power for their labour, do not own any productive means and are still vulnerable to exploitation. Similarly, the Malaysian state's dominant presence in the private sector has also created a class of workers whose interests are aligned with the expansion of state power rather than the empowerment of the working class.^[31]

The creation of these middle classes was intentional and state-driven. The race riot in 1969 heralded a political change: the government became more sensitive to inter-ethnic inequality and more overt in its economic intervention. As part of its project to economically uplift the Malays, the

government aimed for an expansion of the old middle classes (sales and service workers) and the creation of new middle classes (professionals) by generating over 50% employment in these types of occupations for Malays.^[52] In the 1970s, public resources were mustered towards this goal: the creation of Malay-focused educational institutions, the mushrooming of state-owned enterprises in agriculture, plantations and other industries, and direct intervention in private enterprises in the form of equity and employment quotas. To avoid over-reliance on ethnic Chinese capital, the government turned to foreign capital and further tightened labour laws to that end. For instance, restrictions to collective bargaining were introduced for trade unions in “pioneer” firms so that workers in those companies could not negotiate for terms that exceed the minimum standards set by the government.^[53] There were also instances of textile and garment workers in pioneer firms being prevented from holding strikes and forming national unions.^[54] At the same time, credentialled workers were recruited into management and technical positions.

Government intervention gradually relaxed in the 1980s and the 1990s. When a state-led effort at industrialisation was impeded by a recession in 1984, the then-premier relaxed rules regarding equity and employment quotas, stunting the development of the Malay middle classes and giving more room for capital to dictate terms as it saw fit. This promoted a form of “statist capitalism” that served to buttress the political and economic superiority of the Malay bourgeoisie.^[55]

The seeping influence of Malay capitalism was formalised in the 1990s through the promotion of Bumiputera Commercial and Industrial Community (BCIC) under the National Development Policy (NDP), which succeeded the NEP. Middle-class Malay entrepreneurs—who joined the “petty bourgeoisie”—were encouraged to form the supply and delivery chain that connects Malaysia’s industries to the global economy. This went hand in hand with the discouragement of workers’ collectivisation. This reassertion of capital’s dominance significantly affected the structure of employment. Own-account workers were encouraged in the forms of micro, small and medium enterprises, which became exploiters of labour, even as they themselves stood in rather precarious positions relative to more established multinational and state-owned corporations.

The middle classes and the self-employed present a serious challenge to the task of building resistance against capital. The development of class consciousness partly depends on the class relations being transparent to the actors occupying positions within its web. The strand that connects capitalist accumulation to workers' disenfranchisement would have been clearer if not for the intervention of the middle classes, who dominate the traditional working class while simultaneously being exploited by capitalists, albeit on less abusive terms. This obfuscation of class relations made class analysis increasingly difficult, and policymakers began to view society in gradations of income groups instead of highlighting the dynamics of domination and exploitation between classes. Terms for income groups such as "Bottom 40" (B40), "Middle 40" (M40) and "Top 20" (T20) rose in prominence. While making poverty more visible could help build class consciousness, the causal chain between poverty and capitalist exploitation is rarely made explicit in these analyses. Perhaps this failure to reveal how labour is exploited by both the state's bureaucratic elites and capital has created apathy—if not antagonism—among the middle classes towards the poor.^[36]

Simultaneously, the ethnic articulation of material interests adds another layer of complexity to the task of organising.

On Communalism Impeding Class Solidarity

Communalism as an organising paradigm has coexisted and competed with class since capitalist production was introduced and promoted by colonial rule. Colonial rulers encouraged the division of society according to the economic functions of ethnic groups.^[37] Malays, for instance, having shirked from serving as stable labour to capitalist production, were confined to the rural and agrarian economy, where subsistence was the norm until the post-NEP restructuring of the economy. Seeking to extract resources from a colony eventually dubbed "the dollar arsenal" of the British Empire, the colonial government resorted to importing labour from China and India, on extremely exploitative terms. For example, in 1937, female Chinese workers in biscuit factories in Singapore worked 10 hours per day for 20–30 cents—leaving nothing after daily expenses.^[38] The unrestricted importation of Indian labour also severely dampened workers' bargaining power, to the

advantage of capital: “the European plantation system ... relied for its profits not so much upon the investments of substantial amounts of capital as upon the exploitation of large quantities of cheap Asian labour”.^[39]

Class organising was hard: as noted above, the labour movement grew out of Chinese, particularly Hainanese, mutual aid associations. Early factionalism within the MCP was marked by sub-communal as well as ideological division.^[40] Further, Ho Chi Minh, a Comintern envoy who presided over the formation of the MCP, chided the local communists for failing to engage meaningfully with the indigenous Malays. Indian labour, due to their lack of tradition of organising, was manipulated by European capital to undermine the better-organised Chinese workers.^[41] Occasionally, Malay labourers were brought in to break up strikes.^[42]

Some success at consolidating labour eventually followed, but it was accompanied by the emergence of communal nationalism. In the Chinese-dominated labour movement, “Malayan nationalism” tempered the sub-communal division.^[43] The leadership pledged to make the movement multi-racial, and the working class instigated industrial unrest in the years preceding the war, in addition to organising resistance against the Japanese army. In the same period, encouraged by the independence movement in India, ethnic Indians’ communal nationalism somewhat submerged the competing, sub-communal identities, and Indian labour and elites began to organise for better working conditions. The changing demographic also pushed Malay sultans, aristocrats and administrative elites to “preserve the Malay character” of the colony and to stave off democratic, national emancipation, due to fear that non-Malays would dominate. The Japanese occupation and the MCP’s subsequent attempt at establishing a communist republic further exacerbated ethnic tensions, particularly between the Chinese and the Malays.

Ethnic divisions became a sticking point for class-based politics. Even at the height of its influence during the movement to support the People’s Constitutional Proposals^[44], labour was mostly made up of Chinese masses mobilised by the MFLU. The Malay Nationalist Party (MNP), initially in talks to form a united left within the AMCJA, was forced to withdraw, and formed a Malay-dominated left, PUTERA, to allay accusations that it was manipulated by the Chinese. During the 1947 *hartal* organised by PUTERA-

AMCJA, participation among the urban population—mostly non-Malays—was high, whereas it was muted among Malays, with some participation in towns in the east coast.^[45] Post-Merdeka (“independence”), even while facing heavy repression, the left attempted to organise along class lines. In the 1950s and 1960s, the predominantly non-Malay Pan-Malayan Labour Party (PMLP) worked with Malay-dominated Partai Ra’ayat Malaya (Malaya’s People’s Party) in the Socialist Front. However, there were intense dissensions over cultural and linguistic issues, and reportedly, chauvinism among the Chinese base.^[46] After the arrests of leading activists in 1969 and the subsequent departure of moderate elements from the left, class-based political parties struggled to survive.

Communalism asserted greater dominance in public life. The growth of the student population ushered in a new generation of activists who agitated for greater student autonomy, even as they themselves were fragmented along communal lines, reflecting the larger society at the time. By the late 1960s, many came from working-class and peasant backgrounds. Their radicalism was marked by intense disputes over religious, cultural and linguistic issues but inflected with discourse on class, as many noted the economic injustice endured by their communities.^[47]

Both sides of the political divide have attempted to transcend ethnic divisions, even if they have not quite articulated a class-based paradigm. These attempts include the Democratic Action Party’s “Malaysian Malaysia”, Mahathir’s “Bangsa Malaysia” and Najib Razak’s “1Malaysia”. Pakatan Rakyat (People’s Pact), a now-defunct opposition coalition founded in 2008, attempted to articulate a class paradigm that transcends race in its rejection of Malay supremacy, but it did not coalesce into a credible socialist alternative. As one scholar noted: “Often what appears to be a rejection of that [ethnic] paradigm, so it turns out on closer examination, is in reality an attempt to work around or through it.”^[48]

Contemporary Class Consciousness

Despite these obstacles, the left has sometimes overcome communalism. The PUTERA-AMCJA coalition, for instance, was a result of deft political bargaining among the left, touching on issues of culture, nationality and

socioeconomic justice. What is needed today is to confront the complexities of contemporary class relations and to cast a spotlight on the shared interests of the classes that are subordinated to the capitalist and state-bureaucratic elites. The development of class consciousness is itself a conscious effort.^[49]

Workers themselves are at the forefront. Hospital cleaners, for instance, began to organise in 2018 under a revived national union and started the process of collective bargaining with their employers for improved terms. However, this has been met with employer resistance and as the workers attempted to give visibility to their cause in the middle of the pandemic, the heavy hand of the state was used to suppress their activism.^[50]

Similarly, after taking office in November 2016, MTUC's former secretary-general Joseph Solomon ramped up outreach programs among workers and union leaders in order to raise awareness of the rights and platforms available to them under the industrial relations regime. Throughout the pandemic, the organisation has been critical of the government's handling of employment issues, particularly its decision to tap into social security funds to alleviate loss of income, hurting workers' long-term prospects and using these monies to subsidise employers for conducting COVID-19 screenings. To some extent, MTUC not only gave voice to the desperation of the workers, but also highlighted how workers have ceded control of their own funds to the state.

Galvanising workers to wrest back that control entails addressing some key challenges. First, workers need to be consolidated. Mr. Solomon and Dr. Nagiah Ramasamy, consultants for National Union of Bank Employees (NUBE), explained that MTUC has always been partial to the idea of national unions, but there is resistance from officers of existing in-house unions who would have to give up their positions: "We can't simply tell them to dissolve in-house unions, that would be suicidal ... [the campaign] has to be done very subtly." Second, there are divisions among MTUC affiliates, with public sector unions partial to the government, while private sector unions tend to be more critical. Third, some union leaders are uncooperative in empowering grassroots members and developing second-line leadership; Mr. Solomon has characterised them as "dead weights". Fourth, trade union laws in Malaysia are described as "very

rigid”, with the registrar possessing wide-ranging powers to dictate the scope and tempo of union activities.

However, there are signs of nascent class solidarity. Unions for executive level employees under Maybank (one of the largest banks in Malaysia) were previously separated into unions for Class I and Class II occupational categories, but earlier this year they were consolidated under a single national union out of their own volition. Further, MTUC aims to amend its constitution to facilitate the inclusion of associations of gig workers as affiliates. Once this is approved, MTUC is ready to coordinate actions of hundreds and possibly thousands of gig workers across the country, added Mr. Solomon. Additionally, while he did not provide any numbers, he indicated that more people have joined unions as a result of the pandemic.

A few other factors may aid in coalescing the fragmented groups into a cohesive whole. First, as noted above, growing inequality is acutely felt across society. For instance, the income disparity between CEOs and average workers is skyrocketing: in 2019, the CEO earned 141 times more than the worker, compared to 30 times in 1990.^[51] Between 2004 and 2014, the highest income growth took place among the wealthiest Bumiputera.^[52] In the social security fund, Employee Provident Fund (EPF), in 2014, 0.4% of members had more savings than the bottom 51.9%.^[53] Intra-ethnic inequality is becoming more salient,^[54] indicating common experiences across ethnic lines. This pressure is also keenly felt by the middle classes, especially by those with relatively weak financial positions, in light of the rising cost of living. Only a minority of “administrators, managers and professionals enjoy a higher income level”.^[55]

Second, the changing nature of employment has pushed more people into precarity. By one estimate, the percentage of informal workers (those without social protection) is 34%.^[56] Before the digital economy, precarity was overwhelmingly characterised by manual or low-skilled workers—janitors, cleaners, construction workers, childcare workers—who saw their wages downgraded into daily rated wages. As they are transient, it is difficult for them to organise. Large and small corporations are largely culpable for these changes, but the state is also complicit, for instance, in

subcontracting cleaning work in government hospitals to private companies.

Workers at different levels of authority and skill have to conceptualise a framework that devolves power, and articulate a moral compass where work would be less central to basic survival.

More recently, precariats also include the self-employed: ride-hail drivers, dispatch workers and various freelancers. A recent survey by the government^[57] has exposed the fragility of this type of employment—such workers typically have savings of less than a month’s income, and almost half have reported loss of employment during the COVID-19 lockdown. An estimated four out of ten lack employment-related protection and benefits.^[58] Our reliance on an economy of precarity, and our failure to provide social protection, are manifesting in their harshest forms. In the struggle for a more robust safety net, it is in the interests of the traditional working class and the precariats to solidify their alliance. Workers at different levels of authority and skill have to conceptualise a framework that devolves power, and articulate a moral compass where work would be less central to basic survival.

Conclusion

It is so far unclear whether labour could emerge as a political force. But it is not for lack of trying: Parti Sosialis Malaysia (PSM) is actively involved in organising and assisting workers, including hospital cleaners and migrant workers. In the past, MTUC has endorsed politicians it deemed friendly to workers, even attempting to develop a coalitional relationship by endorsing Gagasan Rakyat coalition in the 1990 election, though the coalition floundered a few years later. Since then, it has maintained a nonpartisan outlook, preferring the transactional approach of supporting worker-friendly policies, regardless of political affiliation. However, some within the trade union movement—Mr. Solomon among them—see this as inadequate: “MTUC will support the formation of a workers’ party,” he said, referring to a new party evolving out of the labour movement and composed primarily of workers.^[59]

Clearly, however, common experiences alone do not cultivate class consciousness. They have to be moulded into collective will by trade unionism and activism. In the past, the left achieved this while confronting an overtly hostile state and the dominating presence of communalism. Today, the challenge lies in navigating the more subtle repression of a restrictive industrial relations regime and also in clarifying the murky confluence of increasingly complex class relations and ethnicity, by articulating the exploitation of labour power to wide sections of the working and middle classes.

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