SPATIAL AND OCCUPATIONAL MOBILITY
OF PLANTATION LABOUR IN MALAYSIA
Retrenchments, Outmigration and Closure of Plantations, 1951-2012

Athi Sivan T Mariappan
SPATIAL AND OCCUPATIONAL MOBILITY OF PLANTATION LABOUR IN MALAYSIA:
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Preface

This labour of passion has been a long and arduous journey right from its inception. It began with a plan to examine the plight of Tamil plantations workers in Medan, Indonesia, which had hitherto escaped the scrutiny of historians or social scientists. Unfortunately, poor progress in learning the Dutch language and problems encountered in deciphering documents in the Dutch language, especially that of 19-century Dutch handwritten documents, brought this venture to an abrupt halt. After spending more than six months, I moved to an area that I am much more familiar with – that of plantation labour in Peninsular Malaysia.

This study began by focusing on the disparities among families in the plantation and the differing outcomes of their social mobility trajectory. I had noticed that amidst the majority of the impoverished plantation families, there was a small intergenerational upward mobility category. The first fieldwork conducted in 2009-10 led me to explore the roots of these disparities and to examine how they shaped the outmigration from the plantation. On processing this data, I found that there were more questions than answers. This prompted me to explore the fundamental reasons for the plantation families moving-out despite having been anchored there for generations. I then realized that it was much more complex than the conventional wisdom of attributing this outmigration to the plantations’ conversion to less labour-intensive crops or to the development of plantation land for commercial purposes. The whole process was complicated and deeply embedded in the tapestry of the social and economic structures.

This compelled me to return to Malaysia for additional fieldwork – I made several visits for durations ranging from six weeks to two months each time. Each visit was to explore yet another dimension that I had belatedly discovered and regarded as being a critical area. In the midst of compiling information on the ‘organisation of exit’ – how different methods were employed by labour families in moving out of the plantation – I discovered that there was also a phenomenon of mass ‘return to plantation’ in the 1970s by those Indian labour families who were displaced from the late 1960s. This phenomenon was initially masked by the acute labour shortage of that period, especially since 1978. Later, when the figures for Indian labourers were separated from the total number of labourers, the aggregated data supported my findings on the phenomenon of ‘return to plantation’. Since this phenomenon has never been described in the records of either the plantation fraternity or the state, I was extremely keen to delve into this further. However, I was in a quandary – how do I elaborate on ‘the return to plantation’ in a work focusing on the mass exit from plantation?
It was around this juncture that Prof. Jan Breman, a commentator of my paper, suggested a focus on the structural historical perspective of the displaced plantation families. Since Prof Breman had studied the plantation labour in Sumatra, I was motivated to explore the historical angle of displacement. This led me to focus on two significant events - the ‘subdivision of plantation’ and the Employment (Restriction) Act (ERA). These two events shed a record number of labour families from the plantations particularly since mid-1960 to 1969, but very little is known about this. By this time, I was already back in Malaysia. Thus, began my journey in archival work, lasting almost 15 months. It helped me to better understand the development of labour shortage in plantations and the formalisation of foreign labour in Malaysia.

Upon conclusion of my archival work, I was able to appreciate the uninterrupted sequence of commodification of plantation lands (and labour) right from the pre and post-independence period to this day. By focusing on the family as the social unit of analysis, I was able to reconcile what had earlier appeared to be a contradiction – family members returning to, and at the same time, exiting the plantations. The younger family members, born and bred in the plantation, left for employment, while the older labour families who had been displaced in a series of retrenchments earlier, returned to plantation employment and accommodation. Apart from that, the spatial character of commodification and crop preference was also becoming evident. Observing and analysing data over a period of several decades showed not only geospatial transformation, but also the differences between ‘coastal’ and ‘interior’ plantation lands and the types of crops, and the expansion of urban development and sporadic rural developments.

The next dilemma faced was to explain this process using a theoretical framework. The most influential theory of migration among agricultural families in the Third World was developed by a well-known Harvard scholar, Prof. Oded Stark, who emphasised the diversification of income risk as the primary motivation to migrate. It was evident that in the case of Malaysian plantation families at least, this was flawed. My focus then shifted to theoretical frameworks that laid importance on an organic community dependent on the land for their work and living. It was then that I returned to the impressive classic *The Great Transformation* (1944) by Prof. Karl Polanyi, focusing on Polanyi’s notion of commodification of land and labour.

By this time, I had the data on a good number of plantations that had disintegrated. However, most commentators of my study suggested I provide an estimation of the scale of the commodification as well as elaboration on the compensation. Thus, I ventured to further data collection in this area. This was the most challenging task. It involved some archival work but most of it was raw data collection from former workers, plantation union and others. This was indeed time-consuming despite the
great assistance from the Selangor Union branch and former plantation leaders. This data provided a picture of the position of plantation families on the eve of their final migration.

This study aimed to coherently explain retrenchments, outmigration and displacement among plantation families over a span of six decades by focusing on a meso level of analysis. Covering such an extended period and with a focus on the community scale of socioeconomic processes lead to an inevitable shortfall – the need to sacrifice the rich micro details of individual plantations and their residents. This was unfortunate but necessary. The next challenge was to determine the extent of details to be incorporated into the meso level of analysis. In this context, this work is an ongoing project, with the hope that more in-depth studies will be undertaken by others to further enrich the subject.

This study took an unusually long time due to various challenges. A major issue faced was that most of the empirical discussion had to be based on primary data collection, in view of the paucity of published literature in this area. Data had to be extracted from old files and records, some of which were classified information. In addition, there was much contradicting or apparently plausible data, the authenticity of which had to be verified through further research including interviewing relevant personnel. Apart from that, my return from Amsterdam to Malaysia in mid-2012 also marked my return to my employment. I was compelled to juggle between the requirements of working and that of completing my study. To add to my woes, while writing the final chapters and intermittently refining the data, I met a serious motor accident in March 2016 that incapacitated me for almost seven months. This also involved undergoing surgery twice, which further delayed my plan of completion. By the time of the defense, a decade has passed. With all the limitations, it is hoped that this work will provide some insights on the plantation families encounter with retrenchments, outmigration and closure of plantations.
Acknowledgements

This work would not have been completed without the help of many people. It is truly a gotong-royong (collective work), as expressed in Malay. First and foremost, I am indebted to the plantation families for sharing their insights and valuable time. Research ethics require that the identity of informants be protected and I have taken all measures possible to observe this. Nevertheless, wherever it is not ‘invasive’, names of persons and places are provided without photographs. The constraints of anonymity restrict my expression of gratitude to some plantation families for the role they played in the completion of this work. With many of them, I share a friendship beyond the requirement of work.

I was able to undertake this study with a scholarship from the National University of Malaysia and the Government of Malaysia (2008-12). The late Prof Mario Rutten was my supervisor in the first few months in AISSR, and under his guidance I did the initial preparatory work. It was with Prof Brian Burgoon, my primary supervisor, that this work was undertaken and completed. His sharp observation always amazed me and it greatly helped me to refine my arguments. I am also most grateful to him for the patience, trust and the support he rendered over the years, without which this work would not have seen the light of day. Brian never failed to allot time for me despite his busy administrative function as Director of AISSR, and for all this I am always indebted. Prof. Thomas Blom Hansen co-supervised my work until he left for Stanford University in my second year, after which Dr Julian Gruin took over the function of ‘co-promotor’. I am grateful to both of them.

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Chapter 1

Retrenchments, Closure of Plantations and Outmigration: The Questions

‘If any of the members of the so-called settled force on the estates cut themselves adrift from it, and yet elect to stay in this country, they will form a floating population in the towns occupying lowly positions and merging themselves in the lowest element of the populations in Malaya’
K. A. Neelakandha Aiyer (1938:49)

1.1 Introduction

A British planter who arrived in Malaya around Independence in 1957 recalled the Indian labour’s dependence on plantation work and living as follows,

The Tamil estate labourer needed the security of the estate in an alien land. He needed the assurance and companionship of being with his own kind, other Tamils who could speak his own language. He needed the estate in order to have a place to perform pujah at the estate Hindu temple and he looked on the estate as his home, his village, his family—his everything. To be thrown off the estate was tantamount to disaster (Thorp, 2009:36).

This perceptive observation of the planter will find agreement among the plantation fraternity of the time. The picture painted by the planter captures accurately the reality of the immigrant labour’s dependence on plantation (or ‘estate’ as referred to locally following the British). Several years later, in the early 1960s, R.K Jain who conducted the first field study among the Tamil plantation workers made a similar observation. In addition, Jain who observed the function of the communal system that existed side by side with the regimented and disciplined ‘industrial sub-system’ concluded that the plantation community system was a ‘total institution’ (following Goffman, (1961)) which further reiterates the labour’s dependence and ties to the plantation (Jain, 1970).

The labour families dependence on the plantation was severely tested when certain events unfolded from the mid-1960 to 1970. A series of sudden mass retrenchments occurred in the plantations and tens of thousands of labour families who were totally dependent on plantations lost their jobs and were forced to move-out of the plantations. It started with the ‘subdivision of plantations’ and concluded with the
‘Employment (Restriction) Act, 1968’. The retrenched labour families struggled to remain in and employed by the plantations but without much success. Mass spatial and occupational displacement of plantation labour occurred. The mass retrenchments traumatised the entire plantation labour, including those not retrenched. The possibility of sudden eviction became real. This disruption to plantation work and living environment was unprecedented in the history of the plantation industry. Never before in a non-crisis and peaceful period where the economy was largely stable, if not thriving, had so many families been rendered jobless and homeless.

However, in about two decades from the observation made by the English planter and a decade after R.K Jain’s study, the situation began to change dramatically. In the post-1970 period, plantation families gradually moved out of the plantations and many did so voluntarily. It was estimated that about 300,000 people were displaced between 1980 and 1990 alone. R.K Jain who revisited the plantation in 1998 after a span of 35 years observed that most of his respondents had left the plantations (2013:57). Having dwelled in the plantation – an isolated ethnic enclave – for a few generations with an intact kinship and social support system, the decision to totally uproot demands enormous courage and effort. Despite this, by the turn of the new millennium, Indian labour ceased to be the major workforce in the plantation. In fact, today they are a negligible workforce in the industry that they once pioneered and dominated. The exodus from the plantation since the 1970s gained steady momentum in the 1980s and 1990s and by the end of 2000s completely transformed the spatial and occupational trajectory of most of the plantation labour.

What were the underlying forces that triggered the massive and sustained movements of people? Why did the labourers, among the poorest in the agricultural sector, uproot themselves and their families from the only place known to them as home – the plantations where they had been residing for generations? These questions motivated us to pursue this study. In broader terms, this is a study on an organic community of settled labourers dependent entirely on the plantation social system, and plantation work and shelter but had gradually moved out of the plantations.

This question, relating to the migration of plantation labour, is interesting and deserves a close study for several conceptual and theoretical reasons. Conceptually, the migration from plantations is interesting on two fronts, first the unusual nature

1 See Chapter Four and Chapter Five respectively for ‘subdivision of plantations’ and ‘Employment (Restrictions) Act, 1968’.
2 The estimation was made by Center for Public Policy Research (2006). We will get back to this estimated figure in Chapter Nine.
of the retrenchments and second, the unusual pattern of migration. Mass retrenchments – for whatever reasons – will mostly be followed by eviction of the workers and their families from the plantations, as the plantation is not only a ‘production unit’ but also a ‘settlement unit’ of capitalist venture. The settlement can only be occupied until employment lasts and until the plantation remains in operation. Beyond this, the labour would be required to vacate or be forcefully vacated. In this sense, plantation retrenchment is much more complicated than conventional forms of retrenchment that revolve around the termination of the employment contract. Plantation retrenchments have far reaching implications, and is thus worth exploring further as it also affects and transforms the spatial and occupational trajectory of the affected families.

Second, the labour migration demonstrates an unusual pattern. This can be further viewed from two interrelated aspects. First, migration studies normally investigate the migration of individuals or members of a family but the family unit will remain stationed in the origin. However persuasively arguments are advanced on why migration occurs, the fact that the base community are non-migrants is unchanged. Second, migration theories and empirical studies mainly focus on ‘labour’ migration and not ‘family’ migration. Though a shift in the unit of analysis from ‘individual’ to ‘family/ household’ is evident in migration studies, it does not include the possibility of ‘family’ migration. However, in the context of the plantation, the scenario is different – all members of the family will eventually move-out of plantation and no base community will ultimately remain – and the last among them, anticipate and awaits the final migration. In other words, all forms of migration from the plantation eventually involve the entire family unit.

On the theoretical front, a study is warranted to explore further the explanations given by migration theories. Drawing from an influential and dominant body of theoretical works known as ‘New Economics of Labour Migration’ (NELM), migration in a nutshell is explained as follows. Rural-urban migration among agricultural workers in less developed countries (LDCs) is motivated by evaluations of income risk. Families are said to diversify the income risk by having a member or members to be employed in urban areas regardless whether the expected income is obtained. By diversifying the income source to different ‘portfolios’, the families are collectively less affected by the risk of income shock at family or household economic units (in the absence of insurance mechanism in LDCs). However, the rates of migration increase with relative deprivation within a communal unit, especially when the disparities of income are high within the reference group. Relative deprivation is the explanation for increase of migration rates from a specific area. In short, Oded Stark (the main proponent of NELM), views migration among agricultural family in the LDCs as utility seeking family units with income as the important component in motivating migration of people.
Can the same explanation be applied to migration of plantation families? On the onset, it appears that not only the members of a family but the entire family/household eventually move-out of plantation. If it is a risk diversification strategy, why the family at origin do need to migrate? If so, how else to explain migration of the plantation labour families?

Following Polanyi, we argue that when there is commodification of land and labour, a major transformation of the plantation occupants’ social and economic trajectory follows, especially when the community is totally dependent on the land for their existence and livelihood. We encapsulate the agency’s fear of commodification as the risk of plantation work and living. We argue that it is not the risk of plantation income but the ‘risk of plantation work and living’ that caused migration from plantation. Since the early 1950s and particularly from the mid-1965, the sudden commodification of plantation land caused serious unemployment and displacement as tens of thousands of labour families became jobless and homeless upon retrenchment. Settled in plantations for several generations, the impact of commodification came as a rude shock. As they were retrenched and eventually evicted from the plantations, the retrenched families were left stranded without employment and shelter. This created a huge shock to the remaining plantation families unaffected by the sudden commodification. The fear of the risk of losing plantation work and the living quarters was the hard truth that the remaining labour families had to face when the commodification continued. It is the fear of this risk, we argue, that triggered a complex form of outmigration even before the commodification of plantation land actually materialised.

Commodification of plantation land is basically a process whereby part or the whole plantation land is sold, but not for the purpose of pursuing the plantation economy, instead land as a lucrative commodity to be profited. Integral to this, is the treatment of labour as a mere commodity that can be discarded with meagre compensation (or not), and in the process invalidating the entire communal living developed for generations. The commodification of land is viewed as a business transactions and the impact on labour families is reduced to a labour issue of retrenchments and compensation to be dealt within the contract of employment. As the remaining families unaffected by the initial commodification process began to voluntarily move-out of plantations, the commodification itself continued to engulf the plantation lands sporadically.

Eventually, the lucrative business of commodification developed into a giant industry, with a clear, concrete and institutionalised form. The commodification

3 Chapter Two presents an elaborate discussion on NELM’s theoretical explanation and the alternative approach of our study.
exercise was consolidated by plantation companies through corporate restructuring with the plantation companies being directly involved in developing plantation lands for commercial purpose. In other words, the lucrative business of the commodification of plantation lands and commercial developments were operated by the plantation companies itself. This can be seen with the diversification of business portfolios, particularly in the creation of property development subsidiaries. This happened both in the state owned commercially operated plantations under Permodalan Nasional Berhad (PNB) and in the other privately owned plantation companies. Commodification of plantation land became a multi-billion industry catering for residential and commercial needs of the middle and upper middle class.

We argue that the remaining plantation labour families unaffected by the initial mass closure of plantations and retrenchments, plan their migration – we refer to it as organisation of exit – to mitigate the risk of losing plantation work and shelter. The outcome is differentiated form of migration, to safeguard their families within the existing work and living environment. In this context, the families residing still in plantations are continuously reminded of the risk of losing their work and shelter as the process of commodification persists. The families internalise the risk of commodification and this can be seen with some family members residing in the plantations until the final retrenchments while others are employed in the nearby urban areas. This complex mode of moving-out is part of the organisation of exit.

1.2 Brief Overview of the Wave of Commodification of Plantation

A detailed discussion on the commodification of plantations in the 1950s and 1960s is discussed in Chapter Four. The scale, nature and impact of the commodification from the early 1980s to the present are presented in Chapter Seven. Here, we provide an overview of the commodification of plantation land as an idiom of the modernity project of ‘development’ in Malaysia. We approach it from the angle of the plantation agency. The problem of closure of plantations and mass retrenchments, as understood today, began in the 1960s and attracted attention at least since the mid-1960s when displacement of Indian plantation labour was seen as reaching troubling level. For instance, in 1965 this issue and its consequences were brought up and debated in the Selangor State Legislative

4 Property development division within all the biggest plantation companies in Malaysia. Sime Darby Properties instantly became the biggest property developer and IOI Properties became the second biggest. Numerous companies were formed in solo or as joint venture to develop plantations lands. In this, even companies not associated with plantation were involved in purchasing and operating plantations, in view of developing the plantation ‘land bank’ later – this is best illustrated in the case of Genting Plantations Berhad and IJM Plantations. For discussion on state owned plantation companies, see Chapter Three.
Assembly and it was accepted by the House that the closure of plantations for industrial and housing development caused unemployment and massive labour displacements.\(^5\)

This is not in any way surprising given the pace of the capitalistic developments in Selangor – the focal state of this study. For instance, the massive developments especially since the birth of the first satellite city called Petaling Jaya in 1954, show that new developments were largely on the existing plantation lands. For instance, in 1952, the Selangor government allocated 480 hectares of the Effingham Rubber Estate to develop for Petaling Jaya. The Jeram Rubber Limited, owner of Palmlands Estate gave another 639 acres for Petaling Jaya. A large part of later developments of Petaling Jaya was on Petaling Rubber Estate land together with some parts of Pilmoor Estate. As Petaling Jaya expands, other adjacent plantations were also sold for development purpose by private entities.

The sale of plantations did not stop with the development of Petaling Jaya – other townships sprouted on private plantation lands in areas bordering Petaling Jaya. Among the notable landmark developments that bear the name of the original plantations are Damansara, Bangsar, Bukit Kiara and Subang. The massive development of plantation land continued. For instance, Shah Alam, the new township and later capital of Selangor that was approved for development in 1966 was also built on plantation lands. The developments of Petaling Jaya and Shah Alam linked two existing cities namely Kuala Lumpur and Klang into a massive corridor. The initial phase of Shah Alam and the new industrial estate of Petaling Jaya together consisted of 5,600 acres of plantation land.\(^6\) With the largest and most important seaport in Klang, the corridor now added on an international airport, the Subang airport, in the mid-1960s which was also built on plantation land. Together, it formed the nucleus of what is known as the Klang Valley, the fastest growing and richest region in the entire country.

With such extensive developments on the plantation land, the impact on the poor labour families was indeed calamitous. The highest number of exit from plantations and mass labour displacement at all time was in the decade 1962-1972. Aggregated figures indicate that about 70,000 labourers left plantation work and were effectively displaced.\(^7\) The figure works out to be 25 percent of the total plantation work force at the time. If the family members are included, an estimated total of nearly 300,000 would have been forcefully displaced. Most of the retrenched families were rendered homeless instantaneously. Many among them found illegal settlements along the railway tracks, squatter areas and other temporary

\(^5\) The situation was termed then as ‘unique problem’.
\(^6\) ST, 23 May 1966:7 ‘No land problem expected for new State Capital’.
\(^7\) The figures were computed from various sources. See Chapter Three.
settlements. By this time, all available data indicates that ‘Indians’ were the far most unemployed among all ethnic groups in Selangor (Pyror, 1975:62). Evidence of high level of vagrancy in urban areas forced Sangamani, the mouthpiece of the National Union of Plantation Workers, to conduct a survey in 1969. The high vagrancy suggests that widespread ‘pauperisation’ emerged out of the commodification of plantations. Such was the magnitude and impact of the displacement of plantation labour during this period.

It will also be a mistake to view the retrenchments and closure of plantation in the 1960s and before as disconnected from the events of 1980s and 1990s and after. The ongoing commodification of plantation lands did not end with the largest displacement it caused in the late 1960s. However, what was different since the 1970s and particularly the 1980s and 1990s was the pace and characteristics of plantation closures. The ever expanding and rapidly developing Klang Valley resulted in more and more plantation land being commodified for extensive development projects – and the boundaries of Klang Valley expanded manifold. By now, big corporations were in the place of syndicates and agents, and transactions were made in the corporate board rooms. Instead of selling the plantation lands in small plots as before, the post 1970s witnessed plantations sold as a single unit or sometimes several plantations together. In most instances, the plantation companies were leveraging on the highly appreciated price of their ‘land bank’ and most of these companies diversified their business to include property development section. Small plantation companies were either involved in joint-venture development of their land or sold part of their holding for a premium price.

Soon the outward expansion of Klang Valley took a leap towards southern Kuala Lumpur when the new federal administrative capital, Putrajaya, and the new international airport, Kuala Lumpur International Airport (KLIA) were developed in the 1990s. Four plantations were affected in Putrajaya and another seven for the airport in Sepang district. Such gigantic development projects triggered more developments to grow on the surrounding plantation lands. In short, the expansions of urban areas eventually engulfed the rubber and oil palm plantations on all boundaries of the Klang Valley. The force behind the steady closure of plantations in the 1960s continued its onslaught after 1970s, but with greater urgency and vigour.

So, what takes over the social and economic landscape of the former plantation community? The rapid encroachment of plantations was not only for the construction of airports, government offices and other public institutions. The biggest outcome of commodification was in the development of residential and

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8 For spatial visualization, see the Chapter Eight on land use maps over the periods.
commercial townships. In the words of the biggest property developer in Malaysia, Sime Darby Properties Berhad, a subsidiary of a government owned plantation company that is in the business of developing plantation lands, it developed ‘some of the most well-known townships in Malaysia;’ among others ‘740-acre freehold up-market development’ ‘located between two of the Klang Valley’s most prestigious gold clubs’, a ‘luxurious resort condominium’, a ‘strategically located … urban center …that offers convenient lifestyle’, an ‘award-winning planning and landscape designs … one of Klang Valley’s premier developments … with the high-end properties enjoying very good take up rates during each launch’, a ‘retail and exclusive business suites’, ‘a 680-acre development located strategically… features low density residential development, two landscaped lakes and open parks’, ‘150-acre exclusive low density guarded community development’, an ‘exclusive, gated residential community set within 270-acres of mature orchard land’, and so on and so forth (Sime Darby, 2009: 68-71).

The labour families had no place in these development projects that mostly cater for the upper echelons of the urban residents with the marketing tag line ‘low density population’ and ‘exclusive neighbourhood’. In the meantime, labour families toiling in the remaining plantations continued with their organisation of exit. The younger generation were gradually exiting plantation work and later, the plantation settlements itself. The older generation mostly continued to work and live in plantations, awaiting the final retrenchments and closure of plantation operations. In the meantime, as a part of the organisation of exit, labour families carefully consider measures to optimise the termination compensations and other possible benefits. The whole process created differentiated forms of outmigration and economic disparity unknown before in the plantation community.

1.3 Outmigration of Plantation Labour: A Review

Indian plantation labour in Malaya and later Malaysia is relatively understudied when compared to plantation studies on the Caribbean or the northeast of India, both in terms of the breadth and depth. This despite the fact that the volume of Indian migration to Malaya in the colonial period was only second to Sri Lanka and given that the plantation legacy in Malaysia is enduring and still operative. In recent decades, the number of plantations itself had reduced drastically and foreign labour comprises a substantial percentage in the remaining plantations. Although mass retrenchments, closure of plantations and outmigration have characterised the plantation industry for several decades, dedicated studies on these critical questions are scarce.

We present here some of the studies that provide information on the retrenchments and the main themes they highlight. Generally, these retrenchments and
outmigration can be divided into two periods based on the characteristics of outmigration. First, the ‘subdivision of plantations’ period that concluded with the Employment (Restriction) Act, 1968 (about 1951-1970) that was characterised mainly by forced outmigration and second, is the post 1970 period that was characterised mainly by a complex combination of forced and voluntary migration. Studies on the first period are limited with the exception of Aziz (1962). A detailed review of Aziz is presented in Chapter Four. Almost all other studies covering Indian labour of the period made reference to the sub-division in terms of its impact on the affected plantation labour (Arasaratnam, 1970; Stenson, 1980; Ramasamy, 1994). Brief references to the events, particularly subdivision, are also available (Gamba, 1962; Bennet, 1961; Mehmet 1972; Rudner, 1994).

Nevertheless, details on the retrenchments and outmigration of plantation labour can be garnered from other sources. Information of ‘plantation migrants’ can be captured from studies on urban Indians, particularly studies on squatter settlements. For instance, Rajoo (1985:76-77) and Dillion (1991:81) report that 74% and 78% of the squatter residents in their samples from Kuala Lumpur were originally from plantations. Official records for Kuala Lumpur alone state that the number of Indian squatters in 1980 was 36,480, double the figure from 1960, and a substantial number of them are believed to be from the plantations (re-calculated from Dillion, 1991:51). Dillion also describes how male plantation migrants normally move to the squatter settlements, followed by other family members from the plantation. Later Rajakrishnan (1996), perhaps the first to specifically demonstrate the drift of plantation labour to urban areas, clearly highlighted the magnitude of this trend based on a case study of a plantation. These studies primarily view migration as a result of ‘push and pull’ factors – favourable conditions in destination and unfavourable situations in origin.

The later work of R.K Jain (2013) deserves special attention. Jain who revisited the plantation after 35 years observed that outmigration was very high among the people he had worked with earlier. The spatial and occupational mobility must have surprised Jain as earlier he had contended that ‘in Malaya, the majority of these young men do not aspire to a status higher than that of estate labourer… in general, in their own estimation, the conditions of working and living on the estate that they enjoy today represent the optimum’ (1970:432). Jain was also convinced then that ‘… the Indian estate labourers accepted their fate as rural proletariat … [so] little wonder, therefore, that there was no movement at any stage among them for upward economic mobility through change of occupation’ (1970:428).

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9 This will be explained further in Chapter Two. Basically it refers to voluntary migration of the members of a family while the remaining members will stay put until the final retrenchments by the plantation management.
The later Jain traced and located some of the former plantation families and inquired about the whereabouts of others. He found that most of them had relocated in urban areas and were quite favourably placed. He also witnessed upward intergenerational social mobility among some of the former plantation families. In assessing the transformation, he observed as follows: ‘I am going to argue that in this area at least the decisions of the majority of the Tamil workers and their progeny not to continue as estate workers were ‘proactive’ ones…the dynamics and scattering of Pal Melayu’s Indian population has been positive, planned and concerted movement of variously informed and resourceful agents in a process’ (Jain:2003:57). Jain’s optimism aside, the restudy provides valuable contrast on the spatial and occupational mobility of the former plantation labour families. Jain attributes the profound transformation and shift among former labour to the ‘economic dynamics’ and ‘cultural change’, particularly in terms of ‘kindred and caste’ (2009:123).

These scholars found that migration had a positive outcome based on their studies on the post-plantation phase. Dillion focussed on the labour group that inhabited a squatter settlement as a ‘transition’ in seeking for a better living and housing. Jain, who found almost the entire generation of labour children missing from the plantation during his re-visit, and had relocated quite favourably in various localities, cautiously approved it as ‘dynamics and scattered…if not actual mobility’ (1998:83). Similarly, Rajakrishnan witnessed improved conditions among the workers from a plantation who had moved to four different urban destinations. Others have also found that the lives of former plantation labour was better placed relative to that experienced in plantations resided. This can be seen in studies looking at Indians as an ethnic group (among other ethnic groups) that were segregated in the plantation as a social group. These studies explored a variety of themes, namely, intention and socio-economic background of potential migrants (Selvaratnam & Dissanayake, 1976; Supernor, 1983), socio-economic development of urban Indian labour (Oorjitam, 1987) as well as their post plantation demographic characteristics (Shri Dewi et.al, 2008).

Not all studies that touch on plantation labour view outmigration favourably. Some works view the process of outmigration itself as problematic and that exit from plantations only extends the suffering experienced in the plantations, and post plantation life can be worse off. These studies argue that the ethicised state apparatus and rising Islamisation were the problem on the eve of exit and during the post migration period. They view the end of communally protected plantation

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10 While studies on plantation migrants as an ethnic group are somewhat limited to the above, one aspect that has received disproportionately more attention for about two decades, especially from foreign scholars, is the religious practices of post-plantation Indians. The focus is largely on the ‘revival of Hinduism’ vis a vis Islamisation of the state. We will discuss this later.
period as the beginning of a hurdle where the former plantation labours are deprived of their citizenship endowments. Discrimination and marginalisation are two evils they had to encounter (Nagarajan, 2004; Anantha, 2010). Broadly in the same outlook, some of the works include ethnically spatialized space approach to forward the arguments (Bunnell, 2004).

Another group of works focussed on the religious practices and rituals of the poor Indians. These studies were mostly based on former plantation labour in urban areas to investigate their Hindu practices and rituals (Willford, 2006; Belle, 2015.) According to these studies, the practices and rituals of the poor labouring class are different from the ‘Sanskritised’ Hinduism practised by the middle class Indians, and they further suggest that a sort of Hindu ‘revivalism’ was evident among the poor labouring group. Two main reasons were attributed for this: first, their cultural displacement as a result of outmigration, and second, their response to the vigorous ‘government’ promoted Islamism. In the same line of reasoning, some studies focussed on participation of the former Indian plantation labour in a mass protest, the ‘Hindraf Protest’ in 2007, as a manifestation of anger arising from such alienation, cultural displacement and state sponsored Islamism (Arunajeet, 2011, Bunnell et.al, 2010).

Recently, a new study with some attention to retrenchments and displacement of plantation labour was published. The study by Willford (2014) with empirical inputs from Nagarajan (2004) employed poststructuralist theorising to interpret fieldwork narratives on plantation closure and retrenchments. Willford (2014) shifted the axis from Indian plantation labour to ‘Tamil’ plantation labour following his earlier work (2006). However, the focus was not so much on ‘compensation strategies’ that are ‘less salient’ but on the ‘growing sense among Tamils that justice and legality were not aligned’ in the wake of retrenchments. Willford emphasises that the Tamil labourers were psychologically affected by the idea of deprivation of ‘justice’. Given this reality, the author moved away from a detailed discussion on ‘material compensations’ and focussed on the hidden notion of yearning for ‘justice’ among the affected Tamil labourers. Willford’s study follows his earlier approach and maintains that the state and rising Islamisation had a role in discriminating and marginalising plantation labour.

Apart from these studies, other studies have examined aspects of outmigration from plantation. Around the 1980s, outmigration and labour shortage in plantations prompted studies by government agencies for policy purpose. The studies are normally classified as confidential and had limited circulations and was limited for policy recommendations purpose. The studies were conducted by the Socio Economic Research Unit (SERU) and one by the Economic Planning Unit, both
agencies under the Prime Minister’s Department. The studies were prepared as reports and largely focused on the socio economic index and income/expenditure of plantation labour through case studies. It should be noted that the reports show that the government closely monitored the rapid outmigration and the ensuing labour shortage of the period. The studies which were mainly for policy implementation or policy inputs usually recommended improvements in the living conditions and the need for house ownership program. All the studies cited except one were undertaken to study the outmigration problem in plantations that was said to cause severe labour shortage (1978-84).

The reports generally attribute labour migration to the ‘push and pull’ factors. Apart from the state agencies studies, a few studies also attempted to throw light on why plantation labour families moved out of plantations in large numbers since the early 1970s. Once again, the common explanation was to demonstrate the ‘push’ and ‘pull’ factors, the push in the ‘origin’ – the appalling conditions in the plantations and the pull in the ‘destination’ – the attractive contrast in the ‘new’ work and living, as the primary cause of migration (Audong (2009); Navamukundan (2012)). In addition, the differential distribution of income and other opportunities between the plantation sector and the ‘new’ labour market were cited as the cause for the outmigration (Selvakumaran (1993); Orjitham (1987); Rajoo (1985); Athukorala & Wai-Heng (2009:201-2)). This is particularly true because of the workers low wages and poor working and living conditions in the plantations, whilst in contrast the urban/semi-urban areas offered better wages and working conditions.

Studies using large data sets from census data usually focus on categories such as ‘Indians’ or ‘labour’. However, by and large studies using large data on internal migration, including on the state of Selangor – the state with the highest movements both generally and in the plantations – often exclude outmigration from plantations, except sometimes in passing. Outmigration of plantation labour also seems to have escaped the attention of those with broader interest on migration and

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12 See for instance works by well-known demographer Pyror on migration in Selangor from sample surveys in 1967 and 1969, and the 1970 Census data. His ‘Selangor Mobility Studies’ was conducted in 1969, by which time forced migration from plantations was prevalent and well-known. The UN study through ESCAP (1982) is another example. Other major large scale surveys are MFLS I (1976-1977) and MFLS II (1988-1989) by the Rand Corporation, but these surveys suffer from unrepresentative sampling in the case of plantation labour.
its relation to ethnicity and state policies (Soon (1978), Chitose (2003)).\textsuperscript{13} In most other studies on migration and urban workforce, the migrant from the plantation as a category is either avoided, mentioned in passing or lumped together with other urban Indians.\textsuperscript{14} The main constraint with large data is the number of plantation workers who migrated is either too thin or there is difficulty to isolate the migrant from the rest of the plantation residents. However, a few studies on urbanization do indicate in-migration of Indians to towns and cities, and some studies on the ethnic composition of urban labour market provide scattered information on the presence of the former plantation labour.\textsuperscript{15}

Nevertheless, studies based on large dataset or without privilege of field work, sometimes misunderstand completely the cause of the outmigration. For instance, it was explained that ‘mechanization on the rubber estates has stimulated considerable migration of rubber workers (primarily Indians) to more urban places’ (Goldstein and Goldstein, 1983:16). This is a primary confusion between ‘field’ plantations that allow mechanization compared to ‘tree’ plantation, as the case with rubber that had limited impact of mechanisation. Nevertheless, it should be stressed that mechanization does have some positive relationship with labour shedding in the oil palm plantations but not rubber.

The above studies are important in elucidating aspects of retrenchments and outmigration and the post-plantation period as they provide information on a critical subject that has remained elusive for a long time. The sharp division of opinions on the outcome of migration to the post plantation phase, we believe, arise from the problematic of categorising the workers before migration, on the one hand, and in accounting for the space-time outmigration patterns, on the other. By and large, the studies reviewed presumed plantation labour as a single homogenous category (the presumptions are discussed below). As discussed in Chapter Three, plantations families on the eve of migration was not a homogenous group but comprised of different economic categories. The transformation within plantations in terms of wage differential and more importantly, the remittance from urban employment created economic disparities never known before. And in terms of space-time of a migration and the differentials in the ‘organization of exit’ in a given time, a differentiated approach to migration can be observed, even within a

\textsuperscript{13} For example, Soon’s (1978) study on the socio-economic differences of migrant-natives in Klang Valley, and Chitose’s (2003) on the impact of state policy on migration differences among Malays and non-Malays. Both completely ignored plantation migrants.

\textsuperscript{14} Exception will be on the grand project by the state to promote plantation settlement to assist the native Malays. Here, among the main focus is in-migration to plantation (Bahrain: 1988, Baydar et.al,1990)

\textsuperscript{15} See for instance Hirschman (1976) and Hirschman and Yeoh (1979).
plantation. This largely explains the differentiated spatial distribution and employment placement of the former plantation residents.

The studies cited above are generally grounded on certain presumptions which underlie and recur in the analysis of plantation labour. One or more of these presumptions are evident in the studies cited above.\(^\text{16}\) The presumptions are as follows. First, Indian plantation labour is seen as a homogenous category both in status and class. Second, most of the plantation labour is assumed to have moved out only upon the closure of plantations. Third, most of these migrants are seen as completely stranded upon exit thus they ended up in squatter colonies, other illegal settlements upon exit from plantation – thus displaced. Finally, the presumptions that the retrenchments and closure of plantations are developments of the post-1980s and not related to events of the 1960s. The contrast to the presumptions are discussed further in Chapter Three and with empirical cases in Chapter Eight.

These presumptions developed largely because of the lack of broad and wide-ranging essential sociological data on retrenchments and closure of plantations in historical perspectives. Plantation retrenchments and evictions is a complex phenomenon and in most cases occurs gradually over a period of time. Case studies that focussed on control categories – squatters, plantations in industrial dispute, specific housing settlements etc. – are context specific but are sometimes unrepresentative of the whole range of plantation retrenchments and outmigration. In Chapter Three we provide a background context of plantation community and the transformations of the community over a period of time. In short, a study based on a wide-range of essential data on retrenchments, closure of plantations and outmigration in historical perspective is pertinent to understand the complexities of the spatial and occupational mobility of the plantation families.

1.4 **Objective of the Study**

The study sets out with two main objectives, namely to provide essential sociological information and analysis on retrenchments, closure of plantations and outmigration from plantations, and second to engage in contemporary theoretical debate on migration, particularly to question the notion of income risk as a primary cause of outmigration and to provide an alternative explanation.

Retrenchments, closure of plantations and outmigration of plantation labour are the most under studied aspects of Malaysian labour studies. The social developments related to labour shedding and mass retrenchments since the independence, namely

\(^{16}\) The presumptions are also widespread in studies on other aspects of plantation labour. See, for example, Belle (2013).
the ‘subdivision of plantations’ and work permit enforcement (1951-1969) are almost unknown or at best, described in passing. The events had led to more labour shedding in the then biggest employment sector than any other events in the history of post-independence Malaysia. The retrenchments, closure of plantations and outmigration in the post 1970 period continued unabated and eventually reduced the resident Indian plantation labour to a negligible work force. Nevertheless, very little is known about these crucial developments in Malaysian plantation history.

Given the scarcity, essential information on the retrenchments such as the number of plantations involved, the kind of compensations awarded, the geography of plantation closure, the remaining plantations in operation and labour composition, number of people affected and so on, our focus will be on these fundamental issues. In other words, the main objective of this study is to provide a comprehensive coverage and analyses on retrenchments, closure of plantations and outmigration of plantation labour from the 1950s to the present. We explore the processes from a meso-level of analysis by focussing on the state of Selangor – the state with the largest number of plantation closures and retrenchments.

Focussing on time-space dynamic, the study examines the factors that shaped retrenchments and outmigration from the plantations at different periods of time and aims to show how retrenchments and developments were interconnected in certain aspects at the different periods of time. On the theoretical aspects, we reject the ‘push and pull’ explanation offered by specialist that focussed on the differential distribution of income and other opportunities between origin and destination. We offer an alternative explanation to the ‘push and pull’ explanation and the NELM’s explanation of income risk.

1.5 The Research Questions

To a keen student of plantation labour the most disturbing question when viewing plantation settlements over several decades would be: ‘Why did the resident labour families move-out of the plantations steadily and quite rapidly since the 1970s despite being settled there for several generations? How did the plantation that was conceived as akin to their native village transform into a transient settlement? Or, how did they transform from a group that desisted the idea of moving-out to voluntarily exiting plantation work and the living settlements? This is the main question undertaken in this study.

The immediate response to the question among the plantation scholars and specialists will be retrenchments, either because of the closure of plantations and/or conversion from rubber cultivation to the less labour intensive oil palm. A more penetrative observer cites the ‘push and pull’ factor, referring to the unfavourable
conditions in plantations vis a vis attractive conditions in urban areas – mainly better wages and better status employment. While this argument is generally true and indeed did contribute to the retrenchments and outmigration, the underlying complexity of outmigration remained unexplored. The push-pull explanations also raise more serious questions than answers. Given that major events of retrenchments and outmigration during peaceful times happened since the 1950s and with greater intensity since the mid-1960s right into the present, the push-pull explanations given appear to transcend the time and the spatial dynamics. It cannot explain why the outmigration period were stretched and outmigration was uneven among the potential migrants, and why some delayed outmigration till the future.

Listed below are a number of questions that arise from a close observation on retrenchments and outmigration from the plantations. These will be the key questions explored in this study.

1) The retrenchments and closure of plantations in peaceful times have a long history. Retrenchments that began in the early 1950s intensified from the mid-1960s to 1970. In this period, the industry shed a record number of workers forcefully and maintained a stable workforce, but by 1978 records indicate that plantations began to experience acute labour shortage.

   i) How to conceptualise the major disruptions in the plantations from 1951 to 1970 that resulted in mass retrenchments? What tools do we use to explain the disruptions in terms of its effect on the plantation community? If migration was a strategy by families to spread income risk, why then the family move-out as well? How to theorise the disruptions that transformed them from a group that avoid outmigration to eventually voluntarily migrating in the post-1970 period? (Chapter Two).

   ii) How did the major disruptions, particularly the subdivision of plantation (Chapter Four) and the ‘Employment (Restriction) Act, 1968’ (Chapter Five) evolved and caused mass retrenchments in the plantations labour of the period. What is the scale of the effect on plantation families? What was the impact of these events on the remaining labour families notion of working and living in the plantation.

2) Labour shortage in plantations is the other side of the coin for outmigration. Where and why did labour shortage originate and how did it develop? What is the nature of the labour shortage? What was the role of capital and the state in identifying and solving the labour shortage problem? How did the quest for new type of subsistence labour (foreign labour) evolve and how did it lead to the formalisation of foreign labour? How did the formalisation of foreign labour
impact the resident Indian labour? And why has the labour shortage remained the mainstay of the plantation industry ever since (Chapter Six).

3) What was the dynamics surrounding outmigration planning from the micro household perspective? How did the plantation families approach and plan outmigration – the ‘organisation of exit’? What were the different types of outmigration and how do we account for the differentiation? Why did some family members continue to reside and work in the plantation while others moved out and gained employment in non-plantation sectors? And why did some members of the plantation family continue to stay in the plantation in defiance of the eviction order despite the plantation having ceased operations and most labourers having vacated the plantation? (Chapter Seven).

4) What caused the closure of plantations? What was the scale of this problem in Selangor? What was the pattern of plantation closure in terms of spatial distribution and type of crops, across time? What was the compensation awarded to the affected families and the community institutions? Why did disputation arise in some cases of final retrenchments and how was it dealt with? What is the number of remaining plantations and what is its workforce composition? How do we account for the plantation that continue to exist and why some labour families still work and reside in these plantations? (Chapter Eight).

1.6 Organisation of Chapters

Chapter Two presents the conceptual and theoretical framework to account for the outmigration from plantation. The key terms and concepts used in this research are also defined. The notion of income risk as propagated by the leading body of migration theorists—NELM—is presented in detail with the accompanying assumptions. The notion of income risk is then questioned on several of its positions. We suggest that income risk is not befitting for studying the case of plantation labour in Malaysia and thus we offer an alternative notion of ‘risk of plantation work and living’. The alternative notion is positioned within the framework of Polanyi’s ‘fictitious commodity’. We elaborate on the application of commodification of land and labour and the ensuing transformation on the spatial and occupational trajectory of the plantation families.

Chapter Three deals with the pertinent developments in the plantation industry in regard to the migration of plantation labour. The chapter also provides some background on the process of outmigration from the plantations. This is related to the scarcity of studies on plantations in Malaysia and to correct certain misleading assumptions on plantation as highlighted in the review of literature (Chapter One). Among others, we discuss the rise of communal living, the changes that occurred in
plants since the end of 1970s in terms of creating disparities within plantation families, the introduction of foreign labour and the role of the state in relation to plantation ownership. A brief background information on plantation crop and labour is also provided.

Chapter Four investigates the subdivision of plantations (1950-1969), which resulted in the biggest retrenchment and outmigration during a non-crisis period. It traces the developments and the progress of subdivision as a process. It defines the subdivision as a commodification of plantation land whereby the lands were subdivided into smaller plots for sale either by the owners or agents for quick profits. The consequences of subdivision on the plantation labour is examined. The chapter divides the phenomenon of subdivision into two periods and discuss the different impacts of each period on plantation labour. It also discusses how labour shortage mitigated the full blown impact of retrenchments on the labour families during the first period and the outright forced exit from plantations during the second period. Other factors that contributed to the retrenchments, particularly in the second period, are also discussed. The chapter is based on archival materials and unpublished reports.

Chapter Five describes and analyses the Work Permit ordeal that followed the introduction and enforcement of the Employment Restriction Act (ERA). The Act required non-citizens to obtain temporary Work Permit for three or six months and thereafter they were retrenched. The chapter traces the development and progress of ERA as a policy and how it was first made known to the labourers in the plantations. The status of Indians categorised as ‘non-citizens’ is examined as per the citizenship provisions under the Malaysian Constitution. Also examined is why the issuances of three and six month’s non-renewable visa created panic in the workers union and among the work in plantations and the sudden administrative ‘nightmare’ for the Labour Department to periodically renew the Work Permits. The chapter shows that it was outmigration and displacement rather than repatriation to India (as earlier thought by Indian specialists) as the main consequence of ERA. The impact of ERA in the aftermath period and the intergenerational transfer of vulnerability among the poorest class is also discussed with some estimation on the scale of affected labours (1969-1978).

Chapter Six showed the phenomenon of ‘return to plantation’ among labourers who were displaced earlier from plantations. The chapter also traces the origin and development of labour shortage in plantations and the subsequent entry of foreign labour (1978-1983). It focuses on the role of plantation capital and the state in formalising foreign labour – ‘the reserve army of labour’ from depressed areas of the region. The classic feature of subsistence labour as a pre requirement of plantation industry is discussed. The role of plantation capital through the planters
associations and the response by the Labour Department and the plantation workers Union are discussed as they progressed. The growth of the state owned plantations, particularly the massive development of regional level integrated plantations that created an unprecedented demand for new labour is discussed. Chapter Six also examines how the shift of preference for cheap foreign labour by the private plantations and the unprecedented demand for labour in state land development projects ultimately led to the formalisation of foreign labour by the state. The shift to foreign labour was both the cause and effect for the outmigration of the plantation labour.

Chapter Seven moves to the micro level of familial unit to explain how outmigration was planned and undertaken at the household/community level. How the families braced and planned the moving-out of plantations within the existing constraints is discussed. Data were generated from in-depth interviews with plantation families to understand the ‘organization of exit’. Respondents were selected from two categories of families, namely the intergenerational mobility category and their peers from the social reproduction category. The chapter explains how a differentiated approach to outmigration was undertaken by the families across the said categories as well as the various outmigration approaches adopted by members of the families. The chapter also analyses the differentiated approach of exit to see whether any variants exist between the two categories of families. The chapter explains why some members of the family units remain and continue to work in plantations while others were employed in non-plantation sectors. And why some families or its member/s continue to remain in the plantation even after it ceased operations are also explained.

Chapter Eight provides an overview of the scale of commodification of plantation lands in terms of retrenchments and outmigration from plantations with concrete data from 1983 to 2012. Apart from that, critical information on the types of compensation awarded by the plantation companies during the final retrenchments, both for individual labourers and for community amenities, is presented. Over a hundred cases of plantations that retrenched the workers and ceased operations were identified, and the data on the compensations awarded were compiled. The chapter also focuses on other structural transformation of the plantations from 1970 to 2010, mainly on the shift from planting rubber to oil palm. The longitudinal spatial characteristics by districts (1968-2015) is presented to show the dwindling pattern of plantation land either by closure or conversion of crops from rubber to palm oil, or both. The spatial characteristics by districts provide insights on ‘palm oil districts’ and ‘rubber districts’ and the transformation over time, and shows that the whole exercise of commodification of land leading to retrenchments and plantation closure is highly spatialized. The chapter also illustrates these changes in the form of land use maps for better appreciation of the spatial transformations.
Chapter Nine concludes the study by revisiting the main research question. It was argued that the risk of plantation work and living was the catalyst for outmigration, and not the poor wages and working and living conditions. With the benefit of post hoc perspective, the chapter shows that the archaic framework of labour originally designed in late 19th century to administer transient Indian labour in plantation, was employed without revision to administer the settled labour community since the 1920s. The plantation capital’s framework views the labour group within the parameters of employment contract and not as organic community in the plantation. This framework was inherited and administered to present time in mass retrenchments and evictions in plantations despite the labour families been living and toiling in the plantations for several generations.

1.7 Conclusion

This chapter has presented the main research problem and other questions explored in the individual chapters. A brief introduction on the theoretical approach were also provided. We contend that a study on retrenchments, closure of plantations and outmigration is important for conceptual and theoretical reasons. It was maintained that dedicated studies on retrenchments and outmigration are scarce despite the plantation industry having shed a record number of plantation families over time – and the process has transformed the spatial and occupational trajectory of the plantation families permanently. The lack of essential sociological data had resulted in certain presumptions among plantation scholars and specialist that shaped the discussion on retrenched plantation labour. As such, the main objective of the study is to present essential sociological data and analysis on the subject apart from explaining why plantation families moved-out of plantations almost voluntarily in the post-1970 period. We maintain that an understanding of the mass retrenchments and outmigration from the earlier period, particularly from the mid-1960 to 1970 is important to understand the development of outmigration in the subsequent period.
Plate 1  Developments on Plantation Lands (Petaling Jaya), 1960s

Source: National Archives of Malaysia

Plate 2  Developments on Plantation Lands (Petaling Jaya), 1960s

Source: National Archives of Malaysia
Plate 3  Developments on Plantation Lands (Shah Alam), 1960s

*Source*: National Archives of Malaysia
Plate 4  Developments on Plantation Lands (Shah Alam), 1960s

Source: National Archives of Malaysia
Retrenchments, Closure of Plantations and Outmigration: The Questions
Chapter 2

Theoretical and Methodological Questions: Review and Approach

“Hence insight may be regarded as the core of social knowledge. It is arrived at by being on the inside of the phenomenon to be observed, or, as Charles H. Cooley put it, by sympathetic introspection. It is the participation in an activity that generates interest, purpose, point of view, value, meaning, and intelligibility, as well as bias.”
— Karl Mannheim (1954: xxii)

2.1 Introduction

The chapter will discuss the theoretical approach to explain the migration of plantation labour. The migration from plantations is dynamic and multifaceted when viewed over several decades particularly since the 1950s. Generally, the migration of plantation labour can be broadly divided into two, namely, forced migration that normally occurs through retrenchments and second, voluntary migration. Later, the migration from plantations evolved into a complex form of forced and voluntary migration when viewed within family contexts, particularly since the 1970s. In this period, some family members migrate for employment while leaving others to work and live in the plantation until the final retrenchments.

How do we explain the complex forms of migration of plantation families over the period? The chapter argues that migration of plantation families cannot be reduced to ‘labour migration’ but needs to be viewed and explained based on their dependence on work and living in plantations and more importantly, the threat posed to the work and living order by the process of commodification of land and labour.

The plantation is the site to work and live where the labourers have been residing for several generations. The settled labour groups since the 1930s eventually developed into a complete community akin to village community. The productive function of work that characterise the selling of labour only forms part of their life. However, when the plantation lands that were mostly established nearly a century ago were begun to be commodified in the 1950s and 1960s, the impact was catastrophic on the plantation labour. By extension, the plantation community overnight was reduced to commodity as well – the retrenched labour force. It rendered tens of thousands of labour families homeless and jobless overnight and they lost the entire social support system, social capital and coping mechanism
Theoretical and Methodological Questions:

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developed overtime. Those not affected had to be grateful and live with reduced protection and facilities. For the remaining unaffected plantation families who witnessed the sudden commodification offensive, the fear of the risk of plantation work and living emerged and developed into a complex form of forced and voluntary migration from plantations. This would characterise the outmigration process in the post-1970s period.

Comprehensive reviews of migration studies and migration theories are available and as such, duplication is not necessary here. This section will focus on an important and widely discussed theory of migration that was developed originally on the migration of rural agricultural families – the New Economics of Labour Migration (NELM) theory. A systematic presentation of the theory will be followed by a critique on certain aspects of the theoretical explanations. This will be followed by the presentation of an alternative explanation tool based on a well-known approach to the study of social change pioneered by Karl Polanyi (1944; [2001]). The final part will be a discussion on the application of that framework on the migration of plantation labour in Malaysia.

We begin with why this theory is selected and the importance of this theory in Less Developed Countries (LDCs), the multidiscipline call in migration studies and a brief methodological note. Theory of internal migration among agricultural workers proposed by Oded Stark and associates, known as the ‘New Economics of Labour Migration’ (NELM) and it has remained one of the most influential theories of internal migration. NELM has also developed as a key approach to analyse and explain international migration. Reflecting on the progress made by NELM since the 1980s, one of the NELM associates remarked the originality of the approach as ‘fundamental departure from past migration research’ (Taylor, 2001: 181). A more recent reviewer contended that ‘the most crucial innovation to the [migration] debate came from the NELM’ ‘but due to disciplinary divisions, it has remained unobserved’. However, it was added that NELM has strong ‘conceptual parallels’

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1 See the authors cited in para two and three, and de Haas (2010) for the reviews. For the most comprehensive migration theoretical review, see Massey et.al (1998). For an excellent review of internal migration by economist see Lucas (1997). For recent handbook on migration, see Gold and Nawyn Routledge International Handbook of Migration Studies (2013). For a review on migration studies and approaches in Southeast Asia, see Cole, Wong and Brockhaus (2015).

2 We retain the term LDCs used by migration economist for convenient purpose of reference only. Even a more neutral term ‘developing country’ is seen as lacking in precise definition and has been removed from the World Bank 2016 World Development Indicators. On a different note, it is interesting to note that a senior economist with the World Bank was reported to have cited Malaysia in reference to the imprecision of term; ‘The main issue is that there is just so much heterogeneity between Malawi and Malaysia for both to be classified in the same group—Malaysia is more like the US than Malawi.’ (https://qz.com/685626/the-world-bank-is-eliminating-the-term-developing-country-from-its-data-vocabulary/ cited on 20 May 2016).
with ‘pluralist strands’ of sociological and anthropological research on migrants’ (de Haas, 2010:242).

Though migration studies have been traditionally approached by several disciplines, the need for an inter-disciplinary approach and with that a multimethod approach, has been continuously discussed (van Hear, 2010; Smith & King, 2012; King, 2012; Brettell & Hollifield, 2015). The need for an interdisciplinary approach has general consensus among scholars. The ‘diverse and fragmented nature of the field’ and the complexities of the subject have been mainly cited for the lagging and problems of general consensus (Molho, 2013). It has also been stated that the problem of ‘interdisciplinarity’ is a ‘struggling ideal’ mainly because of non-intrinsic reasons (Favell, 2015). However, efforts in ‘constructing an accurate and comprehensive theory’ of migration (Massey et.al: 1993), have now shifted to the question of whether that is a desirable direction given the complexity of migration (Massey et.al, 1998, Arango, 2000; Samer, 2010; Castles, 2010). Migration studies – unlike other areas, for instance social mobility studies – made good progress in employing mixed methods. A leading proponent of migration studies even coined the term ‘ethnosurvey’ for the study of social processes underlying aggregate patterns of migration and later applied and validated ethnosurvey as an accurate and reliable method (Massey, 1987; 2000).

At the onset, it should be noted that Stark and associates used aggregated data while our study employs data gathered from close in-depth interviews and the archives. However, both data primarily focussed and analysed the behavioural pattern pertaining to micro aspects of migration, particularly to the question why members of rural agricultural families migrate. In this study, we propose a modest approach to compare the findings of Stark and associates pertaining to internal migration of agricultural family members and compare that to the migration of plantation workers and their families. The focus is on comparing the findings and not the comparability of the ontology and epistemology of the two different methodologies. The objective is simple: Starks’s findings have far reaching consequences, mainly in formulating migration and labour market related policies. Stark acknowledged that the function of the knowledge derived on internal migration to the policy making circles and stressed that the knowledge must be

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3 See, for instance the methodological antagonism by Goldthorpe (1990: 399-438). See also Morgan, Grusky and Fields (2006) on interdisciplinary approach on social and economic mobility studies.

4 We have seen various reports of United Nations agencies and other international agencies including World Bank providing policy consultations to ‘developing countries’ on rural poverty alleviation and development. Stark’s rural migration approach had a strong influence in the policy circles. It is our intention to look closely on how solutions for ‘Third World’ problems was done.
used to improve development and human agency and not with the intention to control or suppress the migration. Stark,

… makes a plea for a major re-evaluation which could and should provide a turning point in academic work and institutional thought. The emphasis is on reformulation of the policy-related presumptions on which research has been based for the past dozen years. Rather than trying to reach a better understanding of the decision-making process generating rural-to-urban migration and its sectoral and overall social implications so as to devise more effective measures to contain/reverse it, the starting point should be an effort to effectively manipulate the phenomenon so as to turn it into a vehicle of national development and personal betterment (Stark, 1982:53).

In the spirit of Stark’s statement above and the call for a multimethod approach by the migration studies fraternity, we contend that comparability on the findings to the question ‘why agricultural workers migrate’ will be a useful step. As stated above, the importance and usefulness of such comparison cannot be understated in view of the impact on migration and labour market policies that affects large number of people in LDCs. Given the importance of the findings on public and policy related decisions, the questions of methods and the modelling of the justification can be relegated temporarily to observe findings from alternative methods. We believe this will enrich further our understanding of the complexities of migration and pave the way to the question of multidimensional approach in social sciences and economics.

Employing data from archival, interviews, letters and life history is not new in the study of migration. The striking example will be one of the classics of social sciences by William Thomas and Florian Znaniecki, The Polish Peasant in Europe and America (1918-1920) – ‘probably the most impressive book ever written on the subject of migration’ (Arango, 2000:284). Thomas and Znaniecki were pioneers in introducing some of the key discussions and concepts of migration – such as family as social and economic unit, social capital, migration networks and remittance – which were re-introduced in NELM in the 1980s and effectively made NELM to depart from the neo-classical theories of migration⁵ and be a leading new player of migration studies. Thomas and Znaniecki also pioneered the important discussion on ‘social change’ in sending and receiving areas (remittance and beyond). These concepts presented by Stark through NELM and it gained currency much latter and became standard locus of migration studies.

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Before we elaborate on the key discussions of NELM, a brief note on the comparability of the findings is in order. Though the comparison of findings is desirable for good reasons, it should take into account the process by which the findings are obtained. Stark’s econometrics approach is nomothetic in nature and employs deductive approach to derive at the findings. Our approach is mainly idiographic and descriptive/analytical and employs inductive approach to reach the findings. The source data are accordingly census and sample survey data for the former and historical and ethnographic data for ours. In comparing the findings, we confine to Starks internal migration studies, particularly on Botswana and Mexico. In the following section, we present NELM main arguments on migration among members of the rural agricultural families.6

2.2 NELM Approach to Migration

Starks focal point for migration of agricultural workers from rural-to-urban areas is aversion to income risk at origin. Migration is conceived as a rational act to mitigate the market imperfection, particularly the credit and insurance market. Migration is the logical option to diversify income when all other approaches to mitigate risk at origin are exhausted 7 – the risks at origin, among others, are ‘traditional agriculture, to stochastic variability in rainfall and weather conditions, plant disease, attacks by pests etc., all affecting both grown and stored crops’. By undertaking migration, the migrant will be immune and not subjected to ‘similar periodic risks’ (Stark, 1982:67). Stark summaries his approach of income risk as the cause of migration in the following words:

In a nutshell, it is suggested that an optimizing, risk-averse small-farmer family confronted with a subjectively risk-increasing situation manages to control the risk through diversification of its incomes portfolio via the placing of its best-suited member in the urban sector, which is independent from agricultural production. The severely limited possibilities for diversification that generally characterize human capital thus cause no special problem in this case (Stark & Levhari, 1982:192).

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6 Most of the works by Stark and associates on labour migration have been compiled in the volume The Labour Migration (1991). It contains 23 previously published articles on the subject and five new articles. Our reference to Stark’s works will be limited to migration of agricultural workers to urban areas and mainly from the volume.

7 ‘Widespread traditional risk-reducing practices are staggered planting whereby deviations from optimal planting time (reduction in expected yields) are traded in particular for minimization of the effects of randomly incurred periods of water stress, and the interplanting of one crop with another (intercropping), where the various crops differ substantially in their "environmental resistance" to stochastic environmental variability-e.g., to drought, local pest damage, and bird damage’ (Stark & Lehvari, 1982: 193).
The non-farm income to mitigate risk at farm through migration was further elaborated. According to Stark, ‘In real life, it is likely that migration decisions are influenced by both absolute and relative income considerations’ (Stark, 1991:145). Absolute income influences migration through income differentials and by relative income. Stark refers to ‘nontraditional’ benefits where efforts to improve their income relative to others within their social settings who were perceived to be earning higher income, hence relative income considerations (or deprivation). The relative income is grounded on the notion of relative deprivation, where a potential migrant, even when her income is constant, perceived the income of a person from the reference group (say, village) as higher, will undertake migration. The higher the disparities of the income distribution within the reference group, the higher will be the rate of migration from the ‘village’. This observation was largely derived by Stark from migration of rural Mexicans to urban areas (and to the United States).

In explaining the dynamics of income risk as the main factor for migration among agricultural workers, Stark moved beyond the neoclassical approach that conceived migration as individual utility seeking behaviour. The focus and the unit of analysis shifted from the individual to family/household as the decision making unit to explain the behaviour of the migration. By introducing the family/household instead of individual, a number of important issues in the neoclassical theory of migration were avoided and NELM was able to offer a coherent, neat and sound explanation to migration related practices. It should be noted that NELM acknowledged that the pioneering concept of ‘family’ as the social and economic unit by economists was common among anthropologists (Lucas and Stark, 1985:901).

The main line of NELM arguments are as follows:

a) ‘Risk loving’ to ‘risk aversion’: In neoclassical explanations, migration views the individual as the risk taking agent. When family was made the decision making unit, migration became an act of risk aversion. In most LDCs, protection from the risk of sudden income shocks is not available for poor and rural agricultural workers. In the absence of such mechanism, it is the duty of the family/household not only to increase income but to minimise risk. This is done by organising and distributing the labour resources of the family between

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8 In the decade of 1980’s, economist introduced the concept of family in economic analysis. It gains popularity since the publication of Becker’s (1981) *A Treatise on the Family*. Micro economist begun to investigates issues such as family formation (marriage), altruism and resource management and transfers at intra and intergenerational levels within the units. Many of the concepts were derived from field data of sociological and anthropological studies that have a long tradition on this subject. The economist derivatives, however, were mainly confined to objective measurable variables.
different economies to ensure their collective welfare is taken care of. Families place different members across ‘portfolios’ and by so doing, the family are able to control and minimise risk. The selection of the best suited candidate to migrate to urban employment is a decision made at the family/household unit.

b) Income and coinsurance: As migration is driven by risk aversion, it continues even when there is no difference in perceived income at destination. On the other hand, by distributing the risk with family member/s placed in urban areas, the family is aware that the expected income from urban areas may not be available immediately upon migration. The migrant may have to settle for lower income while trying for better income. As such, during times of uncertainty of income or when urban areas affected by economic crisis, the family provides the migrant member in urban areas with financial assistance from origin. Once stability is achieved in migrant income, the migrant will reciprocate with remittance to family. The family can then invest the money in efforts to improve yield and other investments. The nature of remittance in NELM in terms of its durability and strength is unclear.

c) Remittances: Remittance from migrants is the return from risk diversification strategy and a goal for migration. NELM ‘views remittances as part of, or one clause in, a migrant family's self-enforcing, cooperative, contractual arrangement’ that bind the migrant to the family. It is an ‘intertemporal contract’ which is most effective with family member than a third party. Apart from the unwritten understanding between migrant and the family, other factors that bind the migrants to remit are altruism, family as ‘source of economic security’ in time of migrants need (mutual dependence), ‘emotional satisfaction’ from family’s social status and prestige in the community, and securing chances of ‘tangible assets’ to be inherited by migrant (Stark and Lucas, 1988:470). The remittance is used for consumption and/or for venturing into investments in their farm that can be risky at times. Here, remittance functions as a kind of credit in the absence or inefficient rural capital and insurance markets. In other words, the migrant and the household co-insure each other during times of income vulnerability.

Apart from the above, NELM also introduced or reconfirmed other notions regarding the migration of rural families among economists. For instance, NELM rejected the sharp dichotomy of dual sector of urban and rural, and recognised the fluidity of movements and income between urban and rural sectors based on the distribution of labour in rural farmland and urban areas. This reconfirms the criticism of dual economy models by other economists. Nevertheless, contrary to expectation, the function of social ties in promoting migration is seen weak by NELM for migration between rural and urban areas (but stronger for international
migration). Once a migrant is settled in destination, he or she will contribute to household income through remittance. NELM argues that remittance may create initial inequality but as more families are involved in migration, remittance will have an equalising effect in the sending area. Finally, when a migrant return to the village after the stint in urban areas, the neoclassical approach generally regards it as failure of migration but NELM regards it as the completion of the mission of migration.

NELM is best appreciated when compared to the neoclassical approach that dominated migration studies for a long time. In fact, NELM developed largely as a critic of neoclassical theories of income by including social units and subjective experience of human agency as part of migration experience. NELM asserts strongly and clearly that ‘owners of labor have both feelings and independent wills. Indeed, most aspects of human behavior, including migratory behavior, are both a response to feelings and an exercise of independent wills. These simple observations divorce migration research from traditional trade theory…’ (Stark and Bloom, 1985:173). In this aspect, NELM departed from neoclassical approach but some of the important residual elements will remain, as discussed in the next section. However, it should be noted that NELM is stronger as a theory than rigorously tested with empirical cases as far as internal migration is concerned. As pointed by one of the associate of NELM, many of the key propositions were not thoroughly tested and ‘tests of any resultant hypotheses have normally been conducted in one context at best’, namely Botswana and Mexico (Lucas, 1991:786). Even here the need for specialised survey limits certain observations particularly on return migration and remittance.

How plausible is the explanation provided by NELM in the case of plantation labour? Can this explanation enlighten the mass movement in the given context of the plantation retrenchments and migration described earlier? And how will the risk of work and living feature in outmigration of plantation families? It will be a worthwhile exercise to evaluate if outmigration of plantation with its distinct unit of production and unit of settlements fit the theoretical explanation of NELM (on migration of agricultural workers).

2.3 Critique of NELM

In the following, we will present problems associated with NELM theory of internal migration of rural labour to urban areas in LDCs. This is largely in reflection of our own study on migration of rural agricultural labour from plantations. We will present three general problems followed by three specific problems of NELM on internal migration. Finally, we probe the main answer provided by NELM on why rural labour migration occurs. The general problems
are as follows; first, who is the ‘small rural farmer’ referred to by NELM in LDCs, second, how to rationalise the dominant flow of migration in LDCs and its relation to income diversifying argument and third, the nature and function of the original conditions that triggered the need for migration.

One of the main problems in NELM is lack of precise definition or reference to what comprised of the ‘LDCs small rural farmer’. How representative is this ‘small rural farmer’ in developing a theory of migration on LDCs (and for policy recommendation purposes)? Our efforts thus far failed to obtain answers for the two questions in NELM literature or from NELM critics. In most surveys, the general classification for ‘small farmer’ is farmers with crop land of less than two hectares although some scholars include either the criteria that it should be subsistence production or that it entails the use of family/household labour in most of the production. The NELM literature only informs that the main body of theoretical work was developed from empirical evidences from Botswana and Mexico’s ‘small rural farmers’ but the characteristics of these farmers were not specified. However elsewhere, Stark (1978:9) had provided justifications on why the focus should be on ‘small rural farmers’ in LDCs. In a less known report to World Bank, Stark stated as follows:

(a) in most less developed countries, when grouping is done according to certain broad economic characteristics, the largest single group, usually in a sense of majority too, is that of small self-employed farmers having access to sufficient land to provide subsistence income to their families, but very limited access to productive services;
(b) the bulk of the poor in these economies is concentrated in rural areas;
(c) small farmers constitute the largest component of these poor;
(d) it is members of such families (rather than landless labourers for example) who dominate the rural-to-urban migration flow.

Stark developed the above reasoning from the works by Chenery et.al (1974) for (a), (b) and (c) and Connell et.al (1976) for the (d). The category of ‘small farmers’ as a dominant category in LDCs was derived from Chenery et.al. However, Chenery et.al only assumed it on very general and broad terms based on three cases from LDCs (including Malaysia), where Chenery et.al. stated,

… in all cases the poorest group corresponds to the lowest 40 percent to 50 percent of the population. About two-thirds of this group earn their livelihood from agriculture and can be assumed to be small farmers and farm workers (my emphasis).

9 Other definitions, such as the World Bank asserts that small farmers are those with a ‘low asset base, operating less than 2 hectares of crop land’ (World Bank, 2003).
It should be noted that Stark excluded ‘farm workers’ from his analysis and no definition of small farmers was provided by Chenery et.al as well. All the reasoning except (b) is problematic based on evidence available from LDCs at the time NELM was developed. On the other hand, Chenery et.al assumption was certainly problematic in the case of Malaysia\(^\text{10}\) and debatable in the case of other LDCs.\(^\text{11}\) It is not our purpose here to refute Stark’s theoretical foundations but simply to raise doubts on the representativeness of NELM as a body of theoretical work on LDCs migration, particularly its relevance and validity on rural agricultural labour (other than rural ‘small farmer’ – in our case rural plantation labour). In fact, it is estimated that currently around 450 million agricultural workers are there out of the 1.1 billion people currently engaged in agriculture activities (Hurst, 2007: 32) and about 2/3 of them were mainly dependent on the plantation industry.\(^\text{12}\) We will end the discussion on definition and categorization of rural ‘small farmer’ with reference to a paper by Food and Agriculture Organization of the United Nations (FAO) discussing definition bias of small farmers and general problems in defining ‘small farmers’ for survey purposes, by suggesting,

\[\ldots\] context matters also for the operationalization of definitions of small-scale farmers. The key lesson from this discussion is that surveys may start with a broad ‘international’ definition based on a combination of criteria (relative production scale and labour use patterns), but then will have to adapt such definitions to each context in terms of: country, crop and technology. In other words, \textit{universal criteria such as ‘less than 2 hectares’ or ‘only using family labour’ should be avoided} (emphasis original) (Oya, 2015:32).

The second general problem pertains to the volume and destination of outmigration from rural areas. This is related to the first general problem discussed earlier. In the LDCs, the volume of ‘rural-to-rural’ migration was and is far bigger than the

\(^{10}\) In Malaysia, the number of wage earner in agricultural economy, particularly in the cash crops, was much higher than small farmers (smallholdings) until the 1960s. With the development of rapid land settlement programs since 1960s, small farmers exceeded the wage earners. However, with the ageing first generation settlers, smallholdings returned to wage earners in centralised management system. Moreover, the official definition of small farmer in Malaysia in terms of land ownership is farmers with not more than 40 hectares.

\(^{11}\) For Botswana, Adam (1991: 298) suggest that ‘a dynamic labour market exists in rural Zimbabwe ... [where] ... it was found that in addition to the many part time rural wage workers, there is a group of people who depend upon wages for all or the bulk of their income ... who have been largely ignored by policymakers, cannot be defined as farmers at all’. Adam also cited a national survey from CSO ‘stating that the number of paid employees in the Tribal Trust Lands was 50,000 of the total of 322,000 adult males reported in 1962’.

\(^{12}\) ILO, \textit{Decent Work in Plantations} (2017:3).
volume of ‘rural-to-urban’ migration.\textsuperscript{13} This trend seems to persist now in two large LDCs, for instance in China, the country with the highest recorded internal migration in the world where a recent data estimates rural-to-rural labour movement between 1988 and 1995 had been much faster than in rural-to-urban movement (Lohmar, Rozelle and Zhao, 2000). And World Migration Report stated ‘the predominant mobility pattern in India is rural-to-rural movement for short distances and short durations’ and it is ‘an internal state [within state] phenomenon’ with the volume of 268 million or 26 per cent (WMR, 2015:52). Given the importance and volume of migration of rural agricultural workers to other rural areas in LDCs, NELM notion of diversifying risk to different portfolios is put into question, as workers actually move from one farm economy to another farm economy i.e movement to same ‘portfolios’.

On the third general question, we argue that the function of the original ‘risk’ that forced the families to migrate, plays a small role in Starks’s analysis. Two aspects need to be noted here. First, the risk is limited to conditions of natural ‘stochastic’ elements of environmental disaster (from pests, plant disease to drought). It is not mentioned if the farmer families suffer from other types of agrarian structural conditions – middle man, moneylenders, ownership of land in terms of size and fertility, landlessness, price fluctuation, infrastructure development (irrigation and transportation facilities), access to labour market, and others. Second, the rational choices of the risk aversive families are viewed in isolation of the socio-psychological pressures of the original conditions that may impinge the decision making process of the household. Stark’s approach views the structural ‘risk’ narrowly because it regards the original structural risk component as subjective and rather independent from decisions made by the migrants’ families. This is so because Stark believed migration decisions to be determined by predictable rational choices of income.

Three specific assumptions of NELM, which are to a certain extent inter-related, are presented below. These assumptions were revisited after we conclude our study and they are presented here instead of Conclusion chapter for coherence in discussing NELM. The assumptions are as follows,

1) NELM asserts migration does not happen out of desperation but only as an option. Stark used the term family ‘strategy’ to explain the decision making process of the agency. The underlying optimism of devising a ‘strategy’ is because NELM ‘views migration as a "calculated strategy" and not as an act of desperation or boundless optimism’ (Stark, 1985:175).

\textsuperscript{13} See Nam, Serow and Sly (1990). The Indian data from 1971 and 1981 censuses shows more than half of total migration is rural-to-rural with 62 per cent and 57.4 per cent respectively (Skeldon, 1986:765).
2) Poor families and families from very poor regions did not migrate mainly because it was considered too risky for the households as well as a costly undertaking. Moreover, the poor households would suffer further in the absence of the productive member in the origin.

3) In the long term, remittances through migration removed the disparities in the sending areas as remittances had an equalising effect. In the short term, it creates rural inequality as a consequence of inflow of remittances. However, as migration matured with more households sending their family members to non-farm economy, the disparities will be largely removed.\textsuperscript{14}

Our assessment is based on the cases of voluntary migration of plantation residents. On the outset, the three assumptions seemed to be problematic in the case of rural plantation families. We find that desperation was a strong motivation to migrate especially when working and living in plantation became too risky. In many cases, migration was not a question of option. We concur that the rural families mitigated the risk by organising their resources between different ‘portfolios’ but the mitigation was clearly conditioned by structural limitations. Furthermore, the migration among the rural agricultural families without exception included member/s of the very poor families. While it is true, that remittances did have an equalising effect on some families, on the whole they increases the disparities unknown before among the plantation families.

To the main question of this study, namely, why rural agricultural workers migrate, NELM asserts that migration is mainly driven, not only by income maximization but also risk minimization.\textsuperscript{15} The refutation on the main findings of NELM that income motivation in terms of diversifying risk caused migration of rural agricultural workers is challenged on the following premises. First, we reject migration as ‘one-way causality’. This study conceives migration as part of a larger process of transformation. The base idea here was adopted from Karl Polanyi’s (1957) approach on the rise of the market economy and nation-state and the resulting great transformation in society. Taking this position, we contend that the effort to view migration in isolation will only produce individuals (or families) separated from the processes of social change as a result of transformation process, which includes migration.

\textsuperscript{14} Stark et.al (1986) confirms this. However, later Stark et.al (1988) using the same data but with revised method of Gini Indices that gave weight for the bottom 20 per cent income group in their study of two selected villages in Mexico (both villages with internal and international migration but one more than other) found that the remittance income does not have the equalising effect. In other words, it created greater inequality between the poorest and others.

\textsuperscript{15} It is because of the ‘benefits’, ‘otherwise, it is not clear why they [rural families] would participate [in migration]’ (Taylor et.al, 2000:105).
In migration studies, the ‘transformation’ approach is not new. In international migration studies, Castells extended Polanyi’s approach and referred to the process of ‘social transformation’ ‘as convenient label to facilitate discussion of the complexity, interconnectedness, variability, contextuality, and multilevel mediations of global change’ (2016: 20). Castells proposed the need to view migration from ‘broader social relationships and change processes’ and organized the ‘forms of inquiry that start from a situation of rapid and generalized changes’ that he referred to as ‘social transformation’ (2016: 20).

In the LDCs, studies on labour migration from rural to urban areas using the lens of Polanyi ‘transformation’ was done by Jan Breman in China, Indonesia, and mainly India. Breman summarized his studies of five decades on ‘labour migration to the ‘great transformation’ (2010). In western India, Breman followed the migratory tracks of the rural agricultural labour on the ground over a span of a few decades and defined their migratory movements as labour circulation rather than labour migration. The transformation of the labour market created a large informal sector that in turn introduced new employment regime where the migrants were largely transient in nature. No permanent migration, labour moves where they can sell their labour, thus exists as seasonal labour in both rural and urban areas. Such ‘migration’ is the main feature of the rural land poor or landless farmers, from the ‘socially deprived contingents’ – i.e. ‘members of low or backward communities and sections of tribal or religious minorities’ that may ‘migrate’ along with their dependents (Breman, 2010).

Second, we contend that for ‘theory building’ purpose, income is a weak variable to capture the ‘role of wider social entities and interactions within them in conditioning migration behavior’ (Stark and Bloom, 1985: 173). Income in a sense retains the neoclassical grip on NELM. Granted, income can be adversely affected by structural factors beyond the control of the rural families – both in sending areas among the migrant family and in destination among the migrants themselves. However, the unidimensional character of income is rather limited in scope and application, as such weakly representing the structural complexities. As such, the option is to provide an alternative heuristic ‘variable’ that can capture migration within the context of the ‘transformation’ not only with the family in sending areas but the migrant in destination as well.

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16 Breman’s field research publications were noted by a national agency in India for highlight on understated figures of ‘labour circulation’ among certain groups of labour in census statistics and macro-level surveys. This shows, the labour movements on the ground are difficult to be enumerated much so to be analysed from aggregated data.
2.4 Alternative to ‘Income Risk’: Risk of Work and Living

We propose an alternative multidimensional concept of risk, namely the *risk of work and living*. We propose that migration among settled and stable rural community occurs when work and living becomes too risky and untenable in the origin. It should be noted that the notion of risk of work and living was formulated based on our study on migration of plantation labour. Even though the notion exhibits general validity and relevance among rural agricultural communities – from farmers to agricultural labourers, and those in between the two at varying degrees of subsistence to wages, the current outline is designed with reference to plantation labour outmigration from plantations.

By ‘work and living’ we refer to objective and subjective aspects of survival and wellbeing, mainly the security of employment (in general subsistence level work/employability, decent wages/income and acceptable working conditions) and the security of living (reasonable living conditions, communal support system and free from the risk of sudden or forced eviction). Every aspect of the conjoined risk has the objective component that can be outlined and to a large extent, measured. The subjective experience is the other side of the objective experience but difficult to be objectified and measured but can be represented based on the living experience of the agency. Both components contribute to the household migration decision making process. The presentation of objective factors alone can explain migration action and movements but the nuances of the living experience of the agency can be only compensated by the subjective experience. Thomas and Znanekci is the best example for combining both in their approach.

The acceptable working and living conditions is not the compliance or reference to the labour laws or collective agreements between the planters association and the plantation union, but what is perceived by the labouring group as acceptable and reasonable. Thus, acceptable work and living conditions are largely formed as a compromise to various deprivations but mainly compensated and cemented by uninterrupted work demand and what is experienced to be maintainable living experience. It is not only a compromise but more importantly the lack of any viable alternatives to settle in. This explains why plantation families remained and worked in plantations despite poor wages and poor working and living conditions for a few generations. However, when this work and living arrangements were under threat – for whatsoever reason – it will make the entire family units and the community under risk and vulnerable (see Chapter Three).

For now, it is suffice to say that various factors define the contentment among the plantation families to the existing conditions at origin. In the same vein, acceptance of the conditions at origin can be factored to availability of alternatives to the
existing work and living conditions. Once both matched, when what is seen as a viable option is pursued, the migration process will take shape. At this juncture, the conditions of the demand side come into play and this will not only shape but also determine how migration will be undertaken. The arrangements made within all constraints between the two ends, initiate the process of moving-out. The process of linking the origin and destination, the two ends migration trajectory, is mediated by social ties – migration network. The migration network, however, does not have an independent existence; it functions within the structural conditions – for instance, availability of employment at certain destinations and the types of work regime, being part of it.

So far we have discussed briefly the notion of risk of work and living in abstraction. In the following, we will undertake two next steps, to elaborate it empirically to the case of plantation labour in Malaysia. First, how Polanyi’s commodification of land and labour created the great transformation in terms of major ‘dislocation’ through spatial and occupational mobility. Second, how commodification process created and sustained the idea of risk of work and living in plantation among the remaining plantation labour unaffected by the initial major dislocation. By so doing, we provide the application framework for this study with Polanyi’s notion of commodification and the ensuing transformation.

2.5 The ‘Transformation’ as an Outcome of Commodification of Plantation Land and Labour

By great transformation, Polanyi refers to the process of ‘transformation of society into a market economy’ (1944:101). The process affected and transformed all aspects of work and living order, and institutions, and introduced the ‘utopian’ idea of a self-regulating market. In the previous order, economy was embedded in society, it was part of society’s larger activities and principles such as reciprocity, and redistribution played an important role. In the market economy, the economy functions outside the society. ‘Instead of the economy being embedded in social relations, social relations are embedded in the economic system’ (2001:60). Market economy vehemently opposed any form of regulations by state (or other interest groups) on the principle that it has a self-regulating system within it. More importantly, the new market economy included critical non-produce factors of labour, land and money, and pushed it as ‘commodities’ traded in the market economy. 17 Polanyi, warned that the commodification of these factors of production will cause major social devastation. These are ‘fictitious commodities’.

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17 For Polanyi, ‘the commodity description of labor, land, and money is entirely fictitious’.
But labour and land are no other than the human beings themselves of which every society consists and the natural surroundings in which it exists. To include them in the market mechanism means to subordinate the substance of society itself to the laws of the market (2001:75).

In this study, we employ Polanyi’s ‘transformation’ framework by looking closely into two specific commodities, namely land and labour and how the two created the great transformation – the spatial and occupational mobility – among the plantation families in Malaysia. Commodification of labour and land in plantations is as old as the history of plantations itself (see next section). Here we refer to commodification of labour and particularly land, as a sudden development in the plantation industry where land was primarily traded as a commodity rather than for the value of the crop and profit generated therewith. The commodity itself is the once ‘cheap’ agricultural land. As envisaged by Polanyi, the commencement of this practice created huge ‘risk’ and ‘disaster’ to the people inhabiting and earning a livelihood from the land. As the inhabitants are economically and socially dependent on the land, the commodification will result in the people being ‘dislocated’. The land according to Polanyi, has a larger function than production and this will be destroyed by the commodification of land,

The economic function is but one of many vital functions of land. It invests man's life with stability; it is the site of his habitation; it is a condition of his physical safety; it is the landscape and the seasons. We might as well imagine his being born without hands and feet as carrying on his life without land. And yet to separate land from man and to organize society in such a way as to satisfy the requirements of a real-estate market was a vital part of the Utopian concept of a market economy (2001:187).

The description above refers to peasant groups but it also perfectly matched the case of plantation families that were totally dependent on the plantation – the only place known to them as home (or village). Thus, in the plantation context, the two commodities were closely interlinked as labour families not only worked but also lived in the plantation quarters for generations – making them doubly vulnerable to the land commodification. When the land is sold, they will lose employment, shelter and the security of community living. Polanyi clearly anticipated the nature and consequences of the risk when he remarked that ‘… while the markets for the fictitious commodities labor, land, and money were distinct and separate, the threats to society which they involved were not always strictly separable’ (Polanyi, 2001:170). We argue that rapid commodification of plantation land occurred in the 1950s and particularly in the 1960s where plantation lands were subdivided and sold for quick profits. The commodification of land was a process of subdividing the plantation into smaller plots and popularly known as ‘estate fragmentation’.
In the process of commodification, plantation lands were sold and purchased as commodities and caused tens of thousands of labour families to be instantly unemployed and homeless. For tens of thousands of labour families not directly affected, commodification of plantation land revealed the hidden *risk of plantation work and living* – that their families, too, can be stranded homeless and jobless at any time. The ‘home’ and ‘work’ place where the families had settled for several generations now became a site of huge risk. The settled community’s notion that plantation as akin to their native village in India was rudely shaken – commodification proved that plantation is now only a transient settlement for the labour families (see next chapter).

This risk, we argue, triggered a response in the form of complex outmigration from the plantation. Members of plantation families began to voluntarily migrate and they were followed by the remaining family members upon final retrenchments or closure of the plantations. They moved to non-plantation dwellings and were mostly employed in the non-plantation economy – thus the spatial and economic mobility. The outmigration was incessant since the 1970s and for the next few decades. Every generation of plantation labour post 1970s experienced their own hardship and vulnerability as the process of commodification of plantation lands persisted, and only to increase in a much wider scale. *The continued commodification of land inevitably renewed the ‘risk of plantation work and living’ to every generation of the remaining plantation labour*. The notion that plantation is a ‘transient settlement’, deeply ingrained within the remaining plantation community, sustained the impetus to plan the move-out. Thus, the commodification of plantation land and the impact on labour initiated the ‘great transformation’.

Not only would the work and living trajectory of the ‘dislocated’ plantation families be permanently transformed but also the socio-economic trajectory as well. By entering into the new social and economic environment, most of the social capital and coping mechanism as well as the societal practice of reciprocity, that were developed in the plantation over generations, come to an end. While all plantation residents suffered, the lowest in the socio-economic scale and the marginal categories will suffer the most. The little support they had while in plantation mostly cease to exist in post-plantation period. In fact, the process of ‘pauperisation’, a feature consistent in the history plantation, is also evident in the commodification.\(^{18}\)

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\(^{18}\) In the post-independent period, *Sangamani*, the official mouth piece of NUPW, conducted a survey on ‘vagrancy’ among displaced plantation labour because of ‘subdivision’ of plantation in 1969. The presence of ‘vagrants’ was seen as alarming during the period. ‘Vagrancy’ among Indians was also a common sight in most of the cities in the western Peninsular. The homes for the elderly, catering for former labourers without family support, were maintained by the South Indian Labour Fund (SILF) in Nibong Tebal, Penang and Jalan Circular, Kuala Lumpur for a long time.
On the other end, the business of commodification developed into a giant industry; it transformed into a concrete and institutionalised form. The commodification exercise was consolidated through corporate restructuring where the plantation companies became involved directly in developing plantation lands for commercial purpose. In other words, the lucrative business of commodification of plantation land was assumed by the plantation companies itself. This process can be seen with the diversification of business portfolios particularly in the creation of property development subsidiaries.\(^\text{19}\) This was happening both in the state owned private plantations under PNB and in other privately owned plantation companies.\(^\text{20}\) Commodification of plantation land becomes a multi-billion industry catering for middle and upper middle class residential and commercial needs. At this stage of Polanyi’s transformation, the poor plantation labour were displaced and alienated within the surroundings they were born and had lived in for generations. Worst, they were not wanted by the new class of occupants in their midst.

2.6 Methodology and Notes on Sources

This section discusses the data used in this study. Basically we describe the limitations of data available and the types of data obtained. The method of obtaining the data and the sources of the data are also briefly explained. The study has two major components – historical and contemporary and each section uses

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\(^{19}\) Property development division within all the biggest plantation companies in Malaysia can be seen. Sime Darby Properties instantly became the biggest property developer and IOI Properties became the second biggest and so on. Numerous companies were formed in solo or as joint venture to develop plantation lands. In this, even companies never associated with plantation were involved in purchasing and operating plantations, in view of developing the plantation ‘land bank’ later – this is best illustrated in the case of Genting Plantations Berhad and IJM Plantations. For discussion on state owned plantation companies, see Chapter Three.

\(^{20}\) It will be interesting to note that during this period the state was moving in the direction of privatising national companies (see *Privatisation Master Plan* or PMP). By 1980, 30 government companies were already divested to PNB and 120 companies were sold to private entities. And by 1990, thirty-seven major state projects were privatised. However, the huge government acquired private plantations since the late 1970s to mid-1980s were not ‘open for sale’. While, the fear of ‘non-Malays’ particularly the Chinese capitalist eventual ownership was likely, the more critical reason is the promising nature of the ‘commodity’. The value of the plantation lands and the revenues it generates is probably the most important factor. Even today, one of the highest sources of profit for Sime Darby Berhad is from Oil Palm despite its various diversification – real estate, automobile, energy and utilities and healthcare. In 2016 Sime Darby Annual Report, profit contribution in percentage from the plantation sector was 34 per cent and the next highest was property, 35 per cent (2016:7).
multimethod to gather the needed data. We will first describe the limitations, followed by sources of data by the division of chapters.

Firstly, it must be noted that data constraints and limitations are abundantly clear in the study of plantation labour. Employment data, particularly on retrenchments and unemployment are not available until the 1960s. This despite the Labour Department being one of the oldest and largest departments, (established in 1912), and plantations the biggest employment sector for many years. In other words, throughout the colonial period, data on retrenchments and unemployment were non-existent. Only descriptive events of sporadic retrenchments were reported in the monthly and annual reports of the Labour Department. It should also be noted that until the late colonial period plantation related data were collected by two agencies, the Statistics Department and the Labour Department. The problem of discrepancies between the two departments on the number of workers, estates and planted acreage was serious. The problem was solved by assigning one department for the task! (see Chapter Four). Another reason for data deficiency is that plantations were not strictly required to report retrenchments to the Labour Department and this practice persisted up to the 1970s. In fact, the first unemployment survey in Malaysia was only conducted in 1962 followed by the next in 1967.

Apart from the above limitations, most critical official data with ethnic breakdowns were often confidential or sometimes distributed with very limited circulation. This was mainly due to the fear of political manipulation by opposing groups, that could create ethnic unrest – particularly data on poverty and ethnic inequalities. Restrictions were also imposed on national survey data, especially on income and poverty, and protected by the state through law. Critical data such as the ‘Household Income Survey’, the major national socio-economic survey, is not easily available. Instead, processed data of the same are officially released with basic indices such as the Gini coefficient, mean and median income of ethnic groups and others. Given the limitations, data harvesting on this subject is best approached through alternative methods - micro surveys, compilation of data from the troika (the union, the planters associations and the labour department), and in-depth interviews with the labourers and officials involved with plantations.

Apart from the data from the Labour Department, the main sources of data were the National Union of Plantation Workers (NUPW), the largest union for plantation labour, and Malaysian Agricultural Producers’ Association (MAPA) the main association of the planters. The plantation Union files are available in the National Archives of Malaysia, though the incomplete sequence in individual files will be glaringly noticeable. The MAPA records are much more difficult and limited. The practice of disposing files more than six years old by MAPA severely limits the
information on the perspectives of the producers’ organisation. Most unfortunately, both NUPW and MAPA had to dispose many of their files during the shift to new offices because of space constraints.  

The lack of data from NUPW and MAPA, especially for the post-1970s until 1990s period severely restricts research on plantation labour. More recent data, particularly from the late 2000 are available in detail from NUPW and other sources. In the former period, where commodification and migration from plantations was critical, scarcity of data is serious. The valuable data on closure of estates and the characteristics of the retrenchments are very scarce. Data on this from the Labour Department and other government agencies are difficult to obtain, and indications are that the data is grossly incomplete. As a final alternative, we compiled the data on Selangor by listing the closed plantations, the number of labourers involved, types of compensations awarded and so on. This was possible only with the help of NUPW Selangor branch and some help from plantation activists and NGOs working with the plantation labour. Care has been taken to check and verify most of the data compiled. In total, we have compiled the critical data for over hundred plantations commodified since the 1980s.

We have compiled a variety of unpublished data, especially those from the government agencies mainly the Department of Statistics (DOS), Selangor Labour Department (SLD) and Ministry of Agriculture and Agro-Based Industry of Malaysia (MOA). From DOS, data on hectarage of rubber by districts (Selangor) was obtained for the post-1992 period when annual reports were stopped and published only three years once. The data was immensely useful to observe spatial character of commodification and crop conversion. For oil palm, the same data ceased to be published by DOS since 1989 and the task was taken over by PORLA and later PORIM. We obtained the data from PORIM for 2002 to 2015. For the years 1990 to 2001, the data is unavailable. Data on labour and the existing plantations in Selangor as of 2012 by districts was obtained from SLD. It has the total number of remaining plantations by districts together with labour composition details and type of crops in each district in Selangor. This data presents the most

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21 Information on ‘in-house’ data and policies were obtained from the interviews with the Executive Secretary of NUPW, A. Navamukundan and the Executive Director of MAPA, Mohd Audong. In the field, a former plantation employee of Socfin (a Franco-Belgian Company) said that the company destroyed ‘huge piles of files, photos and letters’ in the ‘boiler’ of the plantation of which he was involved just prior to the takeover by a nationalised company (Socfin’s plantation land was sold since the mid-1980s and the last piece was sold in 2004). Records of rubber companies are scant in the National Archives, especially for the period 1960-1980s. The Malaysian National Archives condition for ‘archive status’ of records is thirty years. Colonial period records are available in the archives in London and other university archives (for example ‘Barlow Papers’ in Cambridge University).
up-to-date figures on the remaining labour, compositions and type of crops in plantations in Selangor.

The best approach to illustrate the spatial transformation, mainly shifts in crops and urbanisation is to present it through land use maps. And from MOA, we obtained restricted copies of land use maps with crops distribution and urbanisation indicators from 1984 until 2010. The satellite based land use map is the most accurate on the distribution of crops. The main part of Chapter Eight is largely based on a series of maps on the state of Selangor and the accompanying statistics on labour and crops. Finally, it should be noted that DOS, the main source of data on labour and industrial crops that regularly publishes annual reports, eventually resorted to publishing the reports intermittently, now once in three years. This will be reflected in the lapse on annual data, especially in Chapter Eight.

Chapters Four to Six were written based on the historical records on the troika of plantation. Letters, meeting minutes and reports were mainly consulted and the major source was the National Archives of Malaysia. We also conducted a series of unstructured interviews with surviving former Union leaders, Commissioners of National Registration and a Commissioner of Labour who served in the late 1960s to capture the details for Chapter Four and Five. Chapter Six that covers the period 1978-1984 was also written based on archival records on the Union, the planters associations and the labour department. It was largely based from letters exchanged and numerous meeting minutes. Labour Department annual reports were also heavily consulted. Apart from that, a series of ‘confidential’ reports by the Socio-Economic Research Unit of the Prime Minister’s Department were also utilised to explain plantation ‘labour shortage’ and outmigration problems.

Data on Chapter Seven needs a special mention. The chapter, on micro family decision to migrate that we refer to as ‘organization of exit’, was fully constructed from field surveys and in-depth interviews (unstructured) conducted with the selected family heads of the plantation labour. The interviews were organised in terms of social class based on the occupation of the children. The objective was to get a range of socio-economic background of respondents; a total of 144 families were shortlisted, comprising 116 families with ‘intergenerational mobility’ children and another 28 from ‘social reproduction’ families, from an original master list of about 300 families. The cases of intergenerational mobility merited more attention as they constituted only a small percentage and therefore an atypical category among the plantation families. The list was made at the early phase of the field research from various sources ranging from student unions, NGOs, community scholarship boards, and snowballing through middle class individuals with plantation origins.
The list was created comprising families from the state of Selangor with at least one child in the public universities. The social reproduction families were selected among the peers of the upwardly mobile individual, with preference to their relatives or close friends from the same plantation. On the average of 5 upwardly mobile individuals, one social reproduction individual was selected. Apart from that, the following were observed to control the comparability factor:

i. All families were from plantations under MAPA-NUPW purview. The collective agreement between the two created similar wages and living conditions among the selected plantation families.

ii. The family head must be a payroll worker, at least in the beginning (not contract worker).

iii. All the selected families were from the labouring class of the plantation. The management staff families were not included.

iv. All the family heads were working in the plantations in Selangor before the outmigration and now residing in Selangor (or the Klang Valley conurbation).

v. The intergenerational category individuals currently employed in Class I and II and the social reproduction category individuals are currently employed in Class VIIa based on the Casmin occupation class schema.

The shortlisted families were selected to give representative sampling as much as possible, in terms ‘singles’ and ‘families’ at the time of first migration, gender composition of plantation parentage (for the then single migrants) and student gender selection. The focus, however, is not on the numeric strength of the cases but on the complexity of the phenomenon on the ground. The method and the range of data is hoped would provide insights on the plantation retrenchments and outmigration that have transformed the spatial and occupational trajectory of one of the largest agricultural labours in Malaysia. Interviews were conducted during the initial field research in 2009. Subsequently, many of the families were contacted for additional information or clarification. The data and information obtained from the interviews served to construct and make meaning on the historical and contemporary chapters.

2.7 Conclusion

This chapter discussed two important components of the study: the theoretical approach and the method of compiling the data. In the theoretical discussion, we challenged the explanation offered by NELM that income risk is the primary reason for migration from rural to urban areas. We propose that there was a larger ‘risk of plantation work and living’ that was imminent for the plantation families. This was based on the labour families experience of sudden commodification of plantation
lands where plantations were traded as commodity with little regard to the inhabiting families. We argue that the process of commodification created a great transformation in the spatial and occupational mobility of plantation labours. Following that, we explain the limitations of data on labour and retrenchments that are in the possession of the government, union and the planters associations. The final part discusses the types of data gathered for the respective chapters and the methodology employed.
Figure 3.1 Tamils Land Settlement Announcement, 1904
One of the vital things a worker has to face in the plantations here is to own a house. Without this, he does not feel the sense of security and continuity. Workers in the plantations are provided with houses by the employer. But, it is the employer’s property and the worker occupies it only by virtue of his employment. Once he loses the employment, he loses his ‘home’. Many plantations workers in Malaya have been working in a particular estate, may be for generations, yet, he may be deprived of his ‘home’ very easily.

NUPW, *Third Delegates Conference* (1959:40)

‘Before fragmentation, an estate is a self-contained unit comparable to small agricultural village or kampong. We have our dwellings there … in fact the houses on estates are the only houses we have. We are used to only one kind of work. Fragmentation of estates has disrupted our way of life and we are being evicted from houses, the only source of livelihood is taken away from us and we are being rooted away from our belongings. In short, a well settled working community is being driven away in a happy country as Malaysia where the rubber industry has brought about the wealth and pride of what fellow Malaysians claim and enjoy today’

A.J Vijayan (AMESU), at a Mass Meeting at the Plantation House on 26 February 1967

3.1 Introduction

This study focuses on the resident plantation labour, particularly the Indian labour families that comprised the largest sector of plantation inhabitants until recent times. It is confined to the state of Selangor on the west coast of Peninsula Malaysia. The study explores the outmigration of plantation families in the post-1970s period. It is pitched at the meso-level of analysis by focussing on the motivation for the plantation community to exit plantation, the ‘organization of exit’ and the final retrenchment from the plantations. Employing structural historical approach, the outmigration of the plantation families in the post-1970s period is traced to the tragic and horrifying events of retrenchments and displacement of plantation families, particularly from mid-1960s to early 1970.

Framing the study at meso-level analytical approach implies that details are captured at broader settings of plantations, community and districts in somewhat aggregated manner. Unfortunately, a major shortcoming of this approach would be the inevitable sacrifice of the rich details of individual cases. The main reason for undertaking a meso-level analysis is to enable the presentation of a broader and comprehensive picture on a subject that is very little known and plagued by the scarcity of information. Wherever possible, efforts were made to enrich the
discussion with necessary details. This chapter outlines some of the main assumptions underlying the study, and also explains the main concepts employed in this study, providing brief background reading for the chapters that follow.

3.2 Resident Indian Plantation Labour

The resident plantation labour have been living and toiling in private plantations for several generations. Originally, the plantation and its labour force were the heritage of British colonialism. The plantation labour was recruited from South India, before they became citizens of Malaysia through the political process during the Independence in 1957. Experts opine that the plantation sector is often inhabited by the poorest segments in most developing countries, with the two most common themes of poverty and exploitation. Thus, ‘persistent poverty’ is a common condition in the plantations of developing countries (Beckford, 1999). The Malaysian plantation is no exception, and the state officially recognised plantation labour as a ‘poverty group’ in its national development plans (Malaysia, 1973).

On a broader perspective, the image of Indian plantation labour as a deprived and unfortunate group is widely acknowledged. The labourer’s life is a sad story right from the first migration from native villages in India. Their lives were very deplorable, with living and working conditions no better than their native land (Emerson, 1937). In the early decades of indentured labourers’ arrival, ‘as many as 60 to 90 per cent of the labourers died within a year of arrival (Sandhu, 1969:171). Of the net emigration, estimated at four million from 1860 to Malaysian independence in 1957, 70 per cent of the original migrants have returned to India, while of those remaining, about 62 per cent were locally born. And a staggering 1,234,283 ‘appears to have been wiped out by disease, snake-bite, exhaustion and malnutrition (Sandhu, 1962:68). Under the Japanese occupation of Malaya, another 60,000 was estimated to have perished in the notorious ‘Siam death railway’. (Gamba, 1962:131). In addition, about 60,000 labour families were feared to be displaced from the plantation work force when ‘non-citizens’ were required to have Work Permits to be employed in plantations, though the labourers technically qualified to be citizens. However, the most unfortunate trait of the Indian plantation labour, that this study undertake to study, is being ‘so dependant a type’ – dependent to plantation work and living, and the price that comes with it. This can be sum-up in the words of Malacca Agricultural Medical Board Report in 1922,

Many estates on instructions from agents or directors discharged their coolies to reduce expenses and later on were told to increase their force and resume tapping.

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1 Some scholars opined that the labourers and their families totalling 60,000 were repatriated to India. We have refuted the fact and argued that this number of people was actually pushed out of plantation and effectively displaced. See Chapter Five.
These coolies being out of work for long spells wandered about ill-fed and like helpless children sleeping anyway on the road sides with the result that they became malarious [sic] and anaemic and when re-employed had to go to hospital to be re-conditioned. It was most expensive and disastrous economy for an industry employing labour of so dependent a type, encumbered as Tamils are by wives and children (quoted in Palmer, 1960:230)

What are the general characteristics attributed to the Indian plantation labour in Malaysia around the 1980s when outmigration was gaining tempo? The plantation industry was predominantly ‘Indian’ since its inception in the late 19th century and this added ‘race’ to the identity of the industry. Comprising less than eight of percent of the population, substantial numbers of Indians were confined to the plantation sector until recent times. This further delineates the plantation labour as an ethnic minority group. Plagued with deplorable working and living conditions, their income comparison suggests that the plantation Indians were the poorest group in Peninsular Malaysia (Kusnic and DaVanzo, 1982: 17-34). Nevertheless, the plantation labour was missed in the state’s elaborate poverty eradication programs (Selvakumaran and Bala, 1995). Being weak, poor, isolated and lacking the state’s attention, marks the characteristics of the Indian plantation labour. This group of plantation labour will be the focus of this study.

In this study we commonly refer to the status of Indian plantation families in the post-plantation period as ‘displaced’ group. By displaced group, we refer to their new position of not being safeguarded by plantation communal social and economic systems built overtime that provides rudimentary material and non-material support, social security, coping mechanism apart from other sustenance economic activities. These were some of the cementing factors that kept the labour groups in plantation largely intact despite the poor wages and working and living conditions. However, all these mechanisms were mostly lost with migration and disintegration of plantation community, thus the residents were displaced.

3.3 Institutional Definition of Plantation: The Missing ‘Workers Community’

Plantation has long been recognised as a distinct type of employment and production site. Such recognition was pertinent for designing policy and its implementation by relevant institutions and the state. It was on this basis that the

\[2\] The notion of ‘race’ as a socially constructed idea was established in the classic work of E. Thompson where plantation was viewed as political institution. See *The Plantation* (1932 [2010]). It should be noted that Malay plantation labour exceeded Indian plantation labour in the fastest growing oil palm plantation since 1972. Nevertheless, the image of Malay as plantation labour is overshadowed by the traditional Indian labour in this sector.
International Labour Organisation (ILO) ‘decided that, as an exceptional measure, in order to expedite the application to plantations of certain provisions of existing [ILO] Conventions’ introduced the Plantations Convention, 1958.\(^3\) The Plantation Convention was a specific committee comprising all stakeholders (including governments) and experts to plan and design policies and produce recommendations pertaining to labour issues in plantations. After much deliberation, the Convention defined plantation as follows,

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\text{... the term plantation includes any agricultural undertaking regularly employing hired workers which is situated in the tropical or subtropical regions and which is mainly concerned with the cultivation or production for commercial purposes of coffee, tea, sugarcane, 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 holdings producing for local consumption and not regularly employing hired workers. For the purpose of this Article the term plantation shall ordinarily include services carrying out the primary processing of the product or products of the plantation.}\]

\[
\text{... the area of which covers not more than 12.5 acres (5 hectares) and which employs not more than ten workers at any time during a calendar year.}\]

In 1982, the definition was amended based on a proposal by Cuba and Uruguay. The ratified definition excluded the minimum size and number of workers for plantation (in italics) from the definition. However, the definition as a whole was not capturing the changing dynamics of plantation production and the relevant producing countries, though labour policies were continuously being refined. This predicament was well captured by Lincoln (2010) that asserts that the ‘structural conditions’ under which the Plantation Convention was first formulated has changed and the changes render the definition to be incompatible with applying labour standards in the global south. Lincoln contends that ‘the relationship between latitude, crop and labour is not as straightforward today as it may have appeared in the 1950s’.

In Malaysia, plantation is defined in terms of the size and ownership. A plantation consists of ‘lands, contiguous or non-contiguous, aggregating not less than 40.47 hectares (100 acres) in area, planted with rubber [or oil palm] or on which the

planting of rubber is permitted and under a single ownership’. By contrast, the types of smallholdings were similarly defined by the size of the holdings, with added aspects of the work force. The reference to family is limited to indicate the main composition of productive agents. Basically, the definitions for plantations and smallholdings were largely confined to formal purposes, although some ambiguity arises when large hectares were categorised as smallholdings to distinguish it from private plantations. The Malaysian definition of plantation was inherited from the British and it totally neglected the labour component as integral aspects of the industry.

Though the ILO definition certainly laid focus on the structures of plantation production and labour welfare, the focus of improvement was on the labourers’ work and living conditions in plantations that were conditioned by the control and discipline of the capitalistic production. The notion to provide labour protection was conceived from this perspective. The plantation working inhabitants, as per the mandate of ILO was first and foremost labour, but ILO don’t recognise cases of migrant social groups as transplanted labour as unique. This outlook had caused the element of plantation living of a social group with emphasis on the communal structures to be grossly neglected. The plantation dependent labour group usually originated from immigrant labour that were confined to plantation for work and living. However, on the general principle of workers’ housing needs, ILO did make recommendations on workers’ own housing needs, for example, the ‘Workers Housing Recommendation, 1961 (No.115)’ that stated,

… the construction of housing and related community facilities with a view to ensuring that adequate and decent housing accommodation and a suitable living environment are made available to all workers and their families. A degree of priority should be accorded to those whose needs are most urgent ... The aim should be that adequate housing accommodation should not cost the worker more than a reasonable proportion of income, whether by way of rent for, or by way of payments towards the purchase of, such accommodation.

Moreover, the ILO recommendation No. 115 also stated that ‘it is generally not desirable that employers should provide housing for their workers directly’. Here, ILO clearly recognises the fact that employer-provided housing is inherently problematic. Adherence to this recommendation by the plantation industry would have saved tens of thousands of labour families from displacement in Malaysia alone. However, it should be noted that a caveat of “remote area” was included to justify employee provided housing, of which, plantations are a classic case!

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4 See for example Sajhau and Muralt (1987) especially Chapter Eight.
This failure to recognise the communal unit’s total dependence on plantation for work and living has had serious consequences. For instance, in the case of plantations in Sri Lanka and Malaysia, the immigrant labour’s only place of settlement in the host country was the plantation. In the host country, the social group eventually developed into a communal community akin to their native village community. Later, the plantation families became citizens by political process in the host country and became detached from their native country. The option to return to their native country for those with ties was almost impossible in some cases (for example Sri Lanka). Gradually, in both Sri Lanka and Malaysia, the ties with the home country were severely weakened, especially in the case of locally born generations. The only ‘village’ of origin for the locally born generations was plantation although they were now citizens (or were stateless) of the host country.

The problem arose generations later, when the labour families were forced to leave the plantation because the owners – state or private companies – reclaimed the land, mainly for commodification purpose. Here, the labour families and the entire communal system were at risk of eviction or forced dislocation. The ILO policy recommendations are weak here as the definition adopted by the Convention did not recognise the labourers as a social group that are tied to the plantation for work and living with nowhere else to go. In such cases, it is not only the workers that were retrenched; it was the entire family and the community that was being dislodged from the only place they had known as a home/village. The protection envisioned by ILO for plantation labour did not safeguard beyond the retrenchment or consider the total displacement as a labour issue. In the Malaysian case, it is clear that the unions, the producer’s associations and the laws also operated within the same ambit of the labour framework as witnessed when plantation lands were taken away and workers were forced to leave. By the same token, the citizenship endowments also did not seem to be the saviour during such brutal evictions. The state, too, primarily viewed the whole process as a labour issue – worst still, at times saw it as a necessary collateral for the development process (as the case during subdivision of plantations).

3.4 Historical Summary of Plantation and Labour Composition

Plantations as a commercial activity in Peninsula Malaysia were pioneered by Chinese capital. The European involvements only increased after 1840 and coffee was the favourite crop at this stage. The first known European plantation – the Weld Hill Estate – located in Selangor, had 150 acres planted with Liberian coffee in 1881, and by 1896 there were 72 European-owned estates with 10,835 acres in Selangor alone (Fryer, 1964:228). Sugar plantations, the other potential crop and competitor for cheap labour, were largely localised to the north of Perak and in the
adjoining Nibong Tebal Districts and Province Wellesley by the early 20th century (ARotLD,1934:4).

However, it was rubber that was set to dominate the Peninsular plantation industry for a long time. It would be the British capital’s most important venture into Malaya, apart from tin. Rubber was introduced in 1877 but, for long, remained a novelty. The first commercial planting of Hevea Brasiliensis was made in 1895 in Malacca. The second plantation, and the first unmixed strands of rubber, was commercially planted in Selangor in 1895 by the Kindersley brothers, on what known until recently as part of the Inch Kenneth Estate near Kajang. Thereafter, the development was rapid, and within two decades, rubber had come to dominate the Malayan economy (Fryer, 1964). The rubber industry was for a long time, the biggest employment sector and one of the largest contributors to the British coffers, and later, the Malaysian financial reserves.

Later, oil palm would be the main crop, and would exceed rubber in planted acreage. Initially, oil palm was introduced as ‘decorative planting’. The first commercial planting of oil palm did not take place until 1917, and the growth of the industry was slow until the middle 1920s; in 1925, there were 12 estates, with a total planted area of nearly 8,600 acres, about three quarters of which were located in Selangor (Fryer, 1964:243). Since the second half of 1960, palm oil became increasingly popular with the planters, because of the volatility of rubber prices in world markets. In 1950, there were 49 oil palm estates, and in 1960 it became 59, but it increased substantially in 1969 to 257 plantations. The acreage also increased proportionately. The growth and development of the oil palm was very steady that by 1989, oil palm had surpassed rubber to become the leading industrial crop in terms of planted acreage, and has maintained that position since.

The origin and growth of plantation was closely related to the British imperialism. As such, it is not surprising that growth of plantation capitalism coincides with the period of mass migration of cheap labour, where state and capital work in cohort in maintaining order and the interest of the British capital. In the plantations of Malaya, the largest migrants were from Southern India, though small numbers can be traced from the eastern regions of Orissa. Indian labour was first brought to the sugar and coffee plantations, mainly in Province Wellesley. It was estimated that four and half million Indian labours had arrived from 1890 to the time of independence in 1957, of which three million had returned to India during the same

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5 This was in operation until recently and it informed the Labour Department on total closure in 2011.
period. On the eve of independence, about half a million would remain in the country. The missing million is believed to have perished because of ‘exhaustion, malnutrition disease, snake bite, and so on’ (Sandhu 1962:169). The bulk of these Indians were resident plantation labours that were tied to work and living in plantations.

Apart from Indian labour, the plantation also employed Chinese and Javanese labourers. The Chinese were the second largest migrants in plantation, and they were employed through Chinese contractors. A contract system between the labour and the contractor known as ‘credit ticket’ system, bound the labourer to work for the ticket’s purchaser for an agreed term. The contractor dealt with the plantation owner and he would pay his labourers directly. The third largest migrant labour in the plantation was the Javanese from Indonesia, who were later categorised as Malay. They were once the highest in plantations, compared to other economic sectors in Malaya. It should be noted that Javanese labour was recruited through the indentured system until 1932, though the system was abolished in 1910 and 1914 for the Indians and Chinese respectively (ARotLD, 1934:5). The indigenous Malays, comprised a growing number of labour since the second world war. Numerically, they were higher than the Javanese labour. The Chinese and Javanese (including the Malays) were mostly not part of the resident plantation labour but they commuted from specially allocated areas within the plantation (kongsis) and from nearby villages. They were bound to plantation for work on prescribed work hours only. On the year of Independence in 1957, the composition of labour in rubber plantations was 142,600 Indians, 80,280 Chinese and 52,570 Malays (by now, Javanese figures had been combined with the local Malays).

The welfare of the plantation labour and their working and living conditions were vastly improved compared to the earlier time of indentured labour. This is not to suggest that the working and living conditions were good at later times, but on the contrary, they were in worse conditions earlier. Pressure from the Indian government, political changes in Britain, and the functions of the trade unions, among others, contributed to these improvements. However, viewed over time, certain aspects of plantation function remained largely the same. One such key notion that has almost timeless validity is ‘cheap and disposable’ workforce, as observed by Tinker, where labourers were recruited for plantations merely as ‘units of production, not as people’, (1974:38). This can be seen to this day in plantation retrenchments, recruitments of foreign labour and closure of plantations, where labour was treated merely as disposable commodity. It was worst for the residential labour who were dependent on plantation housing for living.

During the colonial period, the underlying notion of labour as ‘units of production’, ‘disposable’ and ‘not people’ was clear from the labour recruitment strategy itself,
where labour requirements were not strictly based on labour to land cultivation ratio, but, driven by the industry’s desire of wanting ‘a cheap as well as a large labour supply’. In Malaya, it was achieved through the ‘Indians whose wages were generally low, and bore no real or sustained relationship to the actual demand for estate labour’ (Parmer, 1960:254). However, when the supply end of the cheap labour was under threat, the state, through its regulatory functionaries, imposed standards and conditions, to retain the existing labour force. Discourses on improving work and living conditions under such threats would be common. The plantation capital too, would try to comply with and implement the new measures imposed by the state in order to retain the labour force. However, at the prospect of obtaining new subsistence labour, all efforts would be geared towards securing alternative labour. As expected, the target for a new supply of labour would be the most vulnerable group from another impoverished region. And once again, when the new labour options were available, the efforts to retain existing labour would be disregarded.

This phenomenon can be observed in at least two main instances over a span of about fifty years. In the 1930s, when rubber production began to resume after the Great Depression, labour from India was in great demand. Indian immigration regulations were tightened, and soon immigration of assisted labour was banned altogether. The industry’s urge to have an uninterrupted supply of labour met a deadlock. The focus of the plantation capital immediately shifted to Javanese labour, an option that was not very successful in earlier attempts. The planters association even insisted that the Indian Labour Migration Fund be used to recruit the Javanese labourers. When this did not materialise, the plantation industry returned to the Indian option, by making several appeals to the Indian government to resume the labour immigration. However, these attempts were not successful. When all else failed, the plantation capital returned to the efforts to maintain the existing labour force, whereby, efforts to improve the working and living conditions could be observed.

During the period of 1978-1984, this could be witnessed once again. The plantation capital and the state, discussed measures to improve working and living conditions of the plantation labour, as a severe labour shortage began to hit the plantations (see Chapter Six). However, with the prospect of bringing cheap foreign labour, the whole effort was shifted to formalise foreign labour. The plantation capital aggressively pursued the foreign labour option, and rejected all calls for internal reform. However, the state finally formalised foreign labour in 1984. The coming of foreign labour rendered local Indian resident labour to being an elective, there being no persuasive reason to retain them. All discussion on the benefits for the local resident plantation labour, such as house ownership scheme, never again got serious attention from planters’ associations or the state with the coming of foreign
labour – except when the plantations ceased operations, and the Union and/or the labourers pressured for low cost subsidized alternative housing.

Retrenchment was another aspect where the plantation labours were merely seen as ‘units of production’, ‘disposable’ and ‘not people’. During the colonial period, the primary factor leading to mass retrenchments, was the fluctuation of rubber prices in the world economy. When rubber prices hit the bottom, plantations shed labourers. Then, retrenchments and labour supply were controlled by halting the inflow of labour and repatriating the surplus labour back to their country of origin, mainly India. The instruments of control – regulations, assisted emigration and repatriation – functioned through manipulation of the aggregate labour supply and not by the free market of labour. A good example of this is during the Great Depression period of 1930-3, where the government alone paid repatriation for about 250,000 persons.

Repatriation of cheap Indian labour, nevertheless, was not the preferred option among planters during the colonial period. A fear of failure to recruit a similar work force was the main concern. Introduction of stringent immigration and labour regulations, both in India and Malaya, discouraged the planters from the repatriation option. Instead, some planters resorted to callous measures such as lowering the already meagre wages of the Indian plantation labour, or, sometimes halting production altogether. However, for the colonial government, repatriation was seen as the cheaper option rather than maintaining the unemployed labour in Malaya. The less preferred option by the colonial government at times of economic crisis, was to provide alternative employment, and maintain relief camps and homes for the unemployed, invalid and the destitute. For the labourer, however, accepting the government programs during the crisis periods amounted to inevitable displacement and uncertainty.

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8 In fact, when India imposed ban on ‘assisted’ emigration in 1938, the planters urged the Malayan government to appeal to the Indian government to resume ‘assisted’ labour emigration to Malaya. With no favourable result despite several attempts, some planters privately arranged with their workers to bring in labours through the annual ‘unassisted’ quota of 20,000 workers. See Sandhu (1969:114-5).
9 A well-known home specifically for plantation ‘destitute’ was ‘The Home for Decrepit, Kuala Lumpur’ (1913-1971) at Jalan Circular that was maintained under the Indian Immigration Fund and under the charge of Medical Officer from Kuala Lumpur. The second home was built at Nibong Tebal in 1966 in the land donated by a philanthropist and funds from SILF. Apart from these homes, other homes for the plantation labour was known to exist. For example, ‘Indian Decrepit Home’ established in 1923 in Kampung Bahru, Penang that served labourers from Kedah, Perak and Penang under a committee headed by Deputy Controller of Labour. The home, however was closed in 1933 following the economic constraints of the Great Depression (see Palmer, 1960:243).
For both the planters and the state, the Indian labours were the easily controlled and manipulated workforce, and they were not seriously considered a factor to reckon with even in the industrial decisions. The labour families were considered as an extension of the British labour force and as such, no formal consideration was given to them ‘as people or community’.

Having the families in the plantation actually strengthened the planters in terms of assured labour supply, especially since 1938 when labour migration was halted. In addition, the wives and children of the labourers were employed as domestic help (without wages) in the homes of the management like managers, assistant managers, visiting medical officers, clerks, dressers (who were in charge of health care of the workers) and the like. The family also doubly functioned as a means of control to discipline the workers with the fear of termination and eviction where the whole family would then be stranded without home and employment. In other words, having the family in plantation was an important form of labour control. This element would remain, and could be witnessed right through the post-independence period, when mass retrenchments and closure of plantations occurred.

3.5 The Formation of Organic Community: The Settled Labour and the Development of ‘Villageship’ Notion

Plantation and the Indian labour were the heritage of British colonialism. Originally, recruitments were done under the ‘indentured system’ before it was banned in 1910 for its unscrupulous and exploitative practices. According to Tinker (1974) the indenture system that was developed after the abolishment of slavery, replicated and retained much of its characteristics (1974). The labourers recruited under the indenture system, mostly males, went through the harshest conditions imaginable, and those who survived, mostly returned to India, impoverished and unmarried. Later, in 1920s and 1930s, most of the predecessors of the plantation labour, came directly from India, mainly from the Madras Presidency, and other regions of Tamil Nadu, through the kangany (or the plantation foreman), recruitment system. The kangany recruitment system – a form of contract system

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10 In different contexts, the plantation labour families as ‘community’ in Sri Lanka is difficult to be comprehended in British records. It was observed that ‘there are no British colonial records of the Plantation Tamils as community because the British did not recognize its existence’ (Peebles, 2001:7).


12 The Tamil migration from Tamil Nadu can be divided into cycles. The ‘second migratory cycle’ from which the predecessors of the present Tamil descendants originated, ‘is characterised by some relaxation of the economic constraints on labour migration’. In other words, the ‘push’ factor in origin was not as serious as in the earlier phase of migration. The other marked feature of second cycle where ‘an established overseas diaspora is in the process of formation, which, in spite of its alien ethnic identity, has its roots outside Tamil Nadu’. See Guilmoto (1993: 111-120).
– among others, targeted potential labour through family ties and recruitments of fellow villagers, but with its own share of abuses, deception and exploitation.

While the employment of Indian plantation labour began from about 1833, and organised Indian labour migration since 1838, a settled Indian plantation community began to take clear shape only from about 1930. Earlier, the labour system had created a highly transient labour, on assumptions of being able to obtain an uninterrupted supply of cheap labour. The transient nature of labour had largely prevented a settled Indian labour group from taking shape in Malaya’s plantations. However, when the cost of recruiting labour increased, and political developments in India were threatening the labour supply, efforts to have a settled labour group became a necessity. Changes begin to be seen in the colonial state policies in India and Malaya to control and regulate labour immigration. Efforts to introduce improvements in the work and living conditions of plantation labour through legislation could be observed – though it was largely improvement on the existing harsh conditions. New labour laws were passed to maintain labour standards. The settled labour families rose in numbers, partly as a result of the relative improvements in the plantation work and living conditions.

The improvements and adherence to certain labour standards, were driven mainly by the need of the plantation capital to retain workers, as the cost of bringing in new labour were rapidly increasing, and the competition for labour from other Indian areas/ countries also increased. The Indian government showed a keen interest in overseas labour, under the pressure from the Indian Congress party, and this was followed by increasingly stringent measures of labour migration. The planters not only tried to adhere to the labour standards but at times were driven by paternalistic ‘welfare capitalism’ to provide better living conditions (Yakob, 2007). At the same time, the labour retention in the plantations also increased with the kangany system and migration of ‘independent labour’. More importantly, the improvement in the sex ratio with in-migration of more females compared to the much lop-sided ratio earlier, greatly helped to create a settled community.13 In 1921, there were 2,358 males per thousand females, and in 1931 this was reduced to 1,938 males. The sex ratio though, was still very high, although it gradually showed improvements from the earlier periods. In fact, the gender imbalance remained highest among the Indians compared to the Chinese and Malays right up to the mid-1980s (Saw, 2007:69).

13 Data on female migration are inadequate and annual estimates shows that the increase was from 1910s onwards with 15 per cent of total migration, 10 per cent in 1920s and 13 per cent in 1930s. The reasons attributed to the low migration were the traditional rural family structures, the role of women in the family and the preferences of employers. See Lee (1989:309-31). However, since the establishment of Emigration Act of 1922, this issue was addressed whereby ‘a minimum sex ratio of 3 males to 2 females’ need to be abided before emigration to any country (Mahajani,1973:98).
The presence of more females contributed to the rise of families in plantations, and with locally born or raised children, the nucleus for a settled organic community was well in place. The manager of the Indian Immigration Fund Board actually encouraged recruitment of ‘women and family groups by allowing admission and employment at lower rate of levy on the estate owner’ and in the 1930s the Fund actually ‘paid bonus to the estate owners on each coolie they recruited locally’ (Hagan & Wells, 2005:145-6). The locally born plantation labour was the solution for the increasingly troublesome recruitment of foreign cheap labour. When the assisted labour supply from India was banned altogether in 1938, it was evident that the labour supply had to be internally churned. In fact, at the time of Independence in 1957, locally born Indians constituted about 65 per cent of all the Indian population in the country (Hirschman, 1980:111).

The results of the Malayan government’s efforts to retain the existing plantation labour, and to sustain the plantation industry with new generations of locally born labour could soon be seen. The improvements in the sex ratio and housing provisions to accommodate families were implemented. This was an important indicator of the rise of a settled Indian community. The progress was distinctly reflected in the widespread and pervasive family barracks in the estate lines in the 1930s. ‘By 1940, the “back-to-back room type of [coolie] lines” were almost entirely replaced by cottage houses or the “detached villa type” of housing. The transformation reflected the fact that most plantation workers at that time were, unlike before, no longer unmarried men. By 1940, more than two-thirds of an average estate population consisted of families’14 (Jiat, 2012;16). The improvement in the health care particularly the efforts on sanitary measures in plantations and concern over diet and nutrition improved the living conditions. The estate hospital, though required by the law since 1886, was only functioning reasonably after 1920s and this have reduced the mortality rate in plantations by the 1930s (Manderson, 1996:146).

These developments helped to create an organic community in the plantations. The locally anchored families would be the nucleus for a sense of villageship to be conceived. This largely began with the locally settled Indian plantation labourers particularly those who arrived in the 1920s and 1930s, and survived the Great Depression. It should be noted that Census record shows that in 1921, the proportion of Malayan born Indians was about 12 per cent, though separate figures for plantation were not available (Del Tufo, 1947). This generation of labour marked the end of the transient ‘labour’ and the commencement of settled ‘families’, which was later reflected in the transformation of the work barracks into

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14 Indication from the reference to wage structures and housing show that female and family migrants have been recruited earlier. See Kondapi (1951).
family quarters. When the relatively settled labour families decided to remain in this country indefinitely, either by choice or by force, the settlement dynamics began to change. The expansion of family units in plantation during this period was also facilitated by the immigration admission for entrance of wives and children of the unassisted plantation labour for several more years, despite the ban of 1938.

Over time, with the development of organic community, labour families conceived plantation settlements as their village, and the notion of ‘villageship’ evolved. The plantation was eventually perceived and seen as akin to their native ‘village’ in India. Many customs and practices in their native villages were adapted to the plantation social context, mainly the *panchayat* or ‘The Council of Five’, that governs most aspects of social life in Indian villages. The function of panchayat in Malaya was focussed on temple affairs, and it was known as temple panchayat. The temple, by itself was the most important social institution. As the practice in native villages, the labour families installed the protective village deities and the plantation community in a whole was responsible for the temple. The progress of the temples itself is indicative of the development of an organic community, temples began to be transformed from the original small thatched roofs of tree shrines to modest temples, with the labourers’ initiatives and management support. The monthly deductions from the labourers pay for the maintenance of the temple further strengthened the sense of belonging. Regular prayers and annual temple festivity with processions common to their native village, were adapted and practiced locally. The approval for and participation in such meaningful events by the British planters, reinforced the idea of villageship – it was only at times such as this, that it was the community, and not the planters that took charge.

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15 In order not to digress with this subject, it is sufficient to mention that the plantation social system eventually adapted to the notion of villagehood while obeying the overarching discipline and authority of plantation regimentation. On the social system of plantation in Malaya, Jain’s (1970) pioneering work is the best reference.

16 The panchayat is a form of village council that normally have five representatives. The panchayat consists of ‘elder workers, the temple keeper or priest, if any, and sometimes the school teacher’ and ‘through time the panchayat acquired great social strength and when kangkani were among its members, the relationship between the panchayat and the estate worker acquired an economic bias’ (Gamba, 1962, 112-3). The panchayat membership, mainly kangkanis, are said to be more influential that estate NUPW leaders that results on frequent tussles (Arasaratnam, 1982: 242-3). The panchayats appear to retain authority and influence even in the late 1950s but with the inroads made by NUPW, the function of panchayat ‘practically reverted to being a temple committee’ (Gamba, 1962:114).

In other words, the bonds within the settlement were being established. The communal needs slowly entered the plantation settings. Community infrastructure—schools, crèches, community halls etc. were becoming common to plantations, especially in the larger ones. Plantation groups often maintained group hospitals catering for several estates. A local toddy (fermented palm wine made from coconut flowers) shop soon became a common feature of plantations. Entertainment, ranging from professional drama troupe performances to regular movie screenings, became regular features in the plantation calendar. In this way, the plantation provided most of the labour needs—material, spiritual, and leisure—for the plantation capital, this was the key to keep the labour force within the confines of the plantation. A contained and disciplined labour community revolving around plantation settings was established. And for the labourers, the bond not only provided a sense of cultural belonging, but also provided a reason and became the motivation for them to remain in plantation, despite its many hardships and brutalities.

The social ties must have been the cementing force. This is especially true for the generations that came to Malaya through the ‘Kangany’ (foreman) system that, among others, targeted recruitment with kinsmen and fellow village men. And many others who came to Malaya’s plantations as ‘unassisted and independent labour’, were actually facilitated by social ties ‘network’ between Indian villages and plantations in Malaya, and thus the fraternity of villagehood could be fostered and maintained. The idea of plantation villagehood was mainly sustained by the social system of the plantation community. The emergence and growth of the settled labour community eventually created a ‘sense of belonging’ to the plantation.

For the locally born, the plantation was the only place known to them and they formed a substantial percentage of plantation residents at the time of Independence. Against this background, the dominant political language of the period both locally and from India, also emphasised a locally settled labour community. The Sastri’s Report of 1937 that inquired the conditions of Indians in Malaya, explicitly stated that the Indian labourers should be the ‘citizens of this land in the completest sense of the word’. E.V. Ramasamy, among the most respected Tamil leader of the period that have large following among Tamils of all strata, was also stated to made

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18 For example the Sastri’s Report (1937) noted that plantation labour were attached to their estate and not keen to move to other estates with shortage of labour, even when this can actually improve his wage bargaining.
19 On recruitments of village men and kinship groups by kanganyes, see Heidemann (1992: 12-13) For recent scholarship on function of kangkani, see (Peebles, 2001:7) and Roy (2008).
similar call among the Tamil community.\textsuperscript{21} With increasing difficulties with India in recruiting new labour, the government too where of the opinion to have a settled Indians in plantation. The Federal Secretary of Federated Malay States to wrote UPAM in 1936 that,

The problem presented by the cessation of assisted Indian immigration consist therefore of conserving our South Indian estate population and inducing them to remain in Malaya instead of returning to India. In a nutshell, it is how to settle in and near estates, the maximum number of South Indian workers in the shortest possible time (quoted in Palmer, 1960:244).

This does not mean that the workers notion of settlement was accepted without criticism. The various Unions over the period, particularly the NUPW, since the mid-1950s, had raised the impermanent nature of the plantation settlements.\textsuperscript{22} The Unions were also aware that plantation housing was used by the plantation management as an effective tool of control. The idea of the entire family being expelled from the plantation was a powerful means of restraint. At the same time, the resistance towards the practice of eviction of the entire plantation labour family in the event of dismissal of labour was not new. For instance, as early as 1947, the Selangor Estate Workers’ Trade Union demanded that UPAM give a longer notice before eviction (Stenson,182-183). The impermanent nature of plantation housing was also frequently highlighted in NUPW statements and publications to workers. Union officials were also said to raise the issue of impermanent settlements in plantation in meetings with plantation labours.\textsuperscript{23} This British government too was aware of the settlement problem in plantation, for example the Labour Department stated that,

The system of the employer providing free housing has both good and bad points. The man who owns his own house away from his place of work can live his own life and do more or less as he pleases. He can express his own individuality in the construction of his house and can grow vegetables and keep such livestock as he wishes. He is, in fact “king of his own castle”, but most important of all he is not dependent upon his employer for housing and therefore, should his employment cease, still has a roof over his head (emphasis added) (ARotLD, 1953:26).

\textsuperscript{21} See Alagirisamy (2016:1560)
\textsuperscript{22} NUPW was formed in 1954 by amalgamating five trade unions. The ILO Report in 1962 entitled ‘The Trade Union Situation in the Federation of Malaya’ stated that ‘Union organization is strongest in the plantations. This is largely due to the outstanding level of organization and leadership that characterise, NUPW, the principle trade union in this branch’ (1962:40).
\textsuperscript{23} From interviews with retired Union officials, the issue impermanent plantation settlement was frequently raised in plantation meetings in the 1960s. The workers were said not to take the ‘threat’ very seriously (before the intense subdivision and ERA). However, being informed of such risk without concrete effort to mitigate the risk may explain why no tangible respond from the workers were seen.
Until the twin events of subdivision of plantation and ERA, the knowledge on vulnerability of plantation settlements had not been experienced, and as such the information did not seem to have had any definite results. In the 1970s, the sense of plantation villagehood lost its appeal to the labour families. The gradual erosion of the notion of plantation villagehood could be observed from the mid-1960s. The process started with the events of mass retrenchments, particularly since the mid-1960 to 1970 where tens of thousands of labour families were retrenched, and forced to vacate the plantations. Most of the plantation families were not prepared to venture outside the plantation work and living. This could be witnessed from the high numbers of retrenched workers seeking re-employment in other plantations. The events of subdivision of plantations and ERA showed how labourers on the brink of retrenchment strived and struggled to retain work and remain in plantations, though not all were successful. In fact, large number of retrenched workers since the mid-1960s were known to return to plantation work and living in the 1970s.\footnote{See Chapter Seven on ‘Return to plantation’.} The events of mass retrenchments that shook the plantation community were the first of its kind during a peaceful period.

During this period, we could witness the notion of villagehood slowly fading and plantation began to be increasingly viewed as a ‘transitory settlement’. It began to dawn upon the plantation labour that the stability they enjoyed before was false, and plantation was not akin to their village. The labour families could be evicted from plantation at any time as they had witnessed it happening to their kith and kin in the preceding years. It was here that the notion of villagehood begun to lose its lustre among the plantation families, evidently after the mass retrenchments of 1965-1970. Since then, the eventual movement out of plantation was actually a reality the plantation families were aware off. In fact, in post-1970 labour shedding retrenchments, cases of families volunteered to out-migrate on being paid retrenchment compensation were known. This was in stark contrast to the preceding period, where the idea of moving-out of plantation permanently was totally unacceptable. It is important to observe that the notion of villagehood that bound the labour families together despite the many challenges, appear not to have functioned or been able to contained the outmigration from plantations during the post 1970s period.

The security provided by the plantation work and living, when stable, transformed into the notion of villagehood but when it became vulnerable, it transformed into the notion of transient settlement. The notion of transient settlement would be the lasting reality of the settlement among the resident plantation families. With the notion of transient settlement setting in, the outmigration from plantation was gradual and persistent. Plantation families continued to move-out of plantations...
over the next several decades. This was probably the most important shift in the post 1970s period. The notion of plantation as transient settlements resonates strongly even today among the remaining plantation families.

3.6 Labour Families Settlements: From Land Settlements to Low Cost Housing

While great changes were happening in the plantations with a settled labour group, the most fundamental need of providing the labour families with permanent settlements was abjectly absent. The awareness on the need for stable and settled Indian community, particularly the Indian labouring class have long history. The earliest known effort can be traced to 1904 where the British Resident of Selangor wanted to form an ‘Indian Settlement’ for the ‘poor and industrious, not the rich’ where ‘½ acre lots’ were allocated ‘2 miles from Kuala Lumpur, especially for Tamils’ (see the ‘Notice’ in Figure 3.1). Looking back at the efforts since, it appears that the discussions and actions were often seasonal where the debate on the need to ‘resettle’ the labouring class surfaced each time the problem of displaced labour families become critical and rampant. Then it fizzles out before resurfacing again at another period of rapid displacement. The awareness and the understanding on the need for land settlements never translated into a sustained and serious efforts, or where there were efforts, the success was very limited.

The cycles of knee jerk reactions are closely related to the nature of the Indian labouring class settlements. The quarters were extremely necessary in good times but it made the labour families most vulnerable at times of crisis or sudden retrenchments, or old age. This have been the case during the colonial and post-colonial periods. The authorities in colonial and post-colonial period responded and addressed the issue of Indian settlement only under pressure. The catalyst was the unions, Indian political parties and the civil societies. They pressured the authorities to introduce settlement schemes for the plantation labour. The promises and statements made by authorities at earlier times often cited for justification. Nevertheless, at times they managed to push the issue of resettling the plantation labour families to the highest offices, especially from the angle of national security or national interest, but with no meaningful outcome. In the whole, the debate on the need of land settlements were raised and discussed by different parties since the eve of the Great Depression, and in total four main attempts can be observed which coincides with period of mass retrenchments and displacements of plantation labour.

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25 In the colonial period, the Congress Party of India and the British Indian government were also instrumental in the discussion towards Indian settlements.
i) The Emergency

The Emergency was declared in 1948 to combat the armed communist insurgency. The newly appointed British High Commissioner, Gerald Templer who observed the danger of hundreds of thousands plantation residents dependent on plantations for settlements, made proposal for land development schemes for the Indian labourers in 1952. By this time, the British administration already familiar with the proposal for land settlements. In this row, the memorandum submitted by the Chairman of Malayan Indian Association in 1949 entitled ‘Memorandum on the Questions of Land Settlement for Malaysian Indians’ is well-known. P.P. Narayanan was also known to approach Templer regarding this matter. The outcome of the agitation during the period was important in making Templer to announce land settlements program on behalf of the colonial government. In 1953, the British High Commissioner announced that ‘nearly 5,000 acres had been given to 1,000 Indian families in Selangor, Negeri Sembilan and Perak’. However, except for the few settlements, the land settlements program never expanded to cover the bulk of the plantations.

ii) The ‘Subdivision’ period

Later, when ‘subdivision of estates’ was ravaging the plantations for almost two decades, the call for land settlements resurfaced. The NUPW and Indian civil society leaders urged the South Indian Labour Fund (SILF) to be used to finance the land settlements programs. In the mid-1950s, under the first round of agitation by the Union and Indian organisations, a government committee comprising several agencies was formed under the auspicious of MIC. After several deliberations, the ‘Committee to Consider the Question of Providing Agricultural Land Settlement for Indian Labourers’ agreed to venture into a pilot land settlement project near Kapar (Selangor) in a land nearly 300 acres. However, no known replication was initiated.

During the mid-1960s, the discussion returned again to the question of land settlements for the plantation families when labour displacements was high. NUPW

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27 Apart from P.P Narayanan, G. Sarangapany, a vocal journalist, among others, sharply criticized Sambathan ‘to take the scheme out of the cold storage’ (Indian Daily Mail, 31 Aug 1956).
28 The chairman was the Minister of Labour (Sambathan), member for natural resources, Commissioner of Labour, Commissioner of Lands, and prominent civil society leaders. See footnote 12.
29 Minutes of the Meeting to ‘Consider the Question of Providing Agricultural Land Settlement for Indian Labourers’ on 16 March, 1955 (Confidential).
in its 5th Delegates Conference in 1965 ‘urges the government to introduce, in conformity with the declared policy of the Alliance Government, Land Settlement Schemes for the estate workers’. During the period, various suggestions on land schemes for the displaced workers were in circulations. Others, such as the influential Home Minister, Ghazali Shafie wrote a strong and persuasive private proposal to the Deputy Prime Minister Tun Razak then to venture a FELDA type of land scheme for the Indian plantation labour in 1967. The proposal was for the government to purchase all the subdivided plantations and offer to the Indian labour families, in similar fashion of FELDA repayment scheme. Tun Razak forwarded the proposal to be studied by the ‘architect of FELDA’, Raja Muhammad Alias but he declined on the ground of being over-committed. Apart from the establishments, the period also witnessed instances where plantation workers themselves formed cooperatives to purchase subdivided estates and in this series, the well-known cooperative, NLFCFS was formed by V.T Sambathan, the president of MIC to purchase subdivided plantation lands. Once again, all the discussions and ventures ceased without trace, or had limited success in resettling the Indian plantation families.

iii) Mid-Term Review of Second Malaysia Plan

The Mid-Term Review of the Second Malaysia Plan (1973) made a bold statement on improving plantation living conditions and more importantly, introducing ‘Home Ownership Scheme’. By now the focus shifted from land settlement to housing scheme. A committee was established for this purpose on March 1973 called ‘Task Force on Amenities for Workers on Estates and Mines’ under the Labour Department. By November 1973, the first proposal for house ownership was already well under negotiation with an ‘estate from Negeri Sembilan [that] would serve as a pilot scheme’. A grant of RM10 million were allocated for the scheme under the Ministry of Local Government and Housing. The first scheme, however, was implemented in Tennamaram Estate in Selangor. Most of the schemes undertaken was in close to urban areas. The scheme never succeeded largely because there was no consensus on the cost of preparing the infrastructure and facilities between the state and the plantations. This was particularly critical in remote plantations. The participating plantations were mostly not willing to offer

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30 See ‘Sub-Division of Estates- General’ Kementerian Buroh, 66/63/A S3 (834).
31 In fact, NUPW also ventured into the business of buying plantations. See Menon and Leggett (1996).
33 The remote plantations often cited that ‘viable community’ cannot be created in rural areas because no employment available for the children of the settlers. This Union insist that this was simply an excuse and a flawed argument as the labourers demand was permanent settlements. Like
more than the land. In the Third Malaysian Plan (1976-80), the plantation labour was categorised as ‘poverty group’.

Programs was designed to eradicate poverty and the focus on settlement security was pursued. Since, a number of schemes were launched and completed and it was relatively successful in plantation than mines. As of 1986, 12 estates and 5 mines participated in the house ownership program (LDR, 85/86:97). The scheme never developed to be a model of settlement for plantation workers as envisaged by the proponents.

From the 1990s, plantation was included in the ‘Zero Squatter Policy’ where provisions in the National Land Code (Section 214A) was invoked to ensure that plantations earmarked for development projects need to provide housing for the retrenched labour families. It was done through the Estate Land Board that grants approval for plantation land development (see Chapter Eight). However, it should be noted that plantation families that were traditionally housed on landed property in sparsely populated plantations, were moved mostly to high rise low cost housing in densely populated areas – a living atmosphere they were never accustomed to. Moreover, only employed families were offered the option to purchase a low cost house regardless of the size of dependents. The retired or unemployed plantation residents were excluded from all considerations.

3.6.1 The Historical Failure to Resettle the Plantation Families

In this section we will briefly glance through the common explanations given by the state and the plantation capital for not enabling them to provide the extra land to resettle the labour families that were living and toiling in their plantation for generations. The question of allocating a small plot of land within plantation or state land adjacent to plantation have been around for a long time. In general, the explanations given by the state in the past are as follows:

1) Unsure if fund from South Indian Labour Funds can be used for land settlement Scheme for plantation labour
2) Land cannot be acquired under the law (Land Acquisition Act, 1960 / National Land Code, 1960) for the purpose of plantation private housing.
3) Land is under the state jurisdiction as such the Federal government is not able to interfere.

any other rural, communities, the plantation community will manage the problem of employment for their children.

34 The inclusion of plantation labour as one of the ‘poverty groups’ in the national planning policy was largely the labour of K. Pathmanaban who was earlier the Director of Social Economics, Economic Planning Unit under the Prime Minister's Department from 1968 to 1974.
4) Participation in plantation ‘Home Ownership Scheme’ is on voluntary basis. As such, the state cannot demand the plantation capital to participate in the scheme.

In the aftermath of the declaration of Emergency, various parties proposed that South Indian Labour Fund (SILF) is used for the land settlement programs but the government were reluctant to explore the possibility.\textsuperscript{35} It appears that the planters disdain for any proposal to settle their workers on land outside the plantation (see below) or the usage SILF money for other than recruiting cheap labour, influenced the government stand on the issue. Later, in a special committee initiated by V.T. Sambathan on behalf the government that includes other agencies dealing with settlement matters, land settlement proposal was specifically discussed. In respond to alienating small land settlements near to estates, the government Member for Industrial and Social Relations, responded as following to the Committee,

\ldots it had been found that it was very difficult to find state or crown land in close proximity to estates and it was not possible to acquire privately owned land for the purpose, as the Land Acquisition Law in this country did not permit such acquisition.\textsuperscript{36}

During the subdivision period, the state often detached their responsibility by stating that land matters is under state jurisdiction and the Federal Government cannot interfere. However, in the case of Ma’aroof Committee’s Report (1963), a committee appointed by the Federal Government and headed by a senior civil servant, the Federal Government rejected the recommendations to introduce a law prohibiting commodification, although some state governments were forthcoming and receptive of the idea to stop commodification (see Chapter Five). Similarly, responding to critics for the abysmal performance of the ‘Home Ownership Scheme’, the Labour Department stated that ‘the home ownership scheme calls for voluntary participation on the part of estates and owners to implement the house

\textsuperscript{36} Minutes of the Meeting to ‘Consider the Question of Providing Agricultural Land Settlement for Indian Labourers’ on 16 March, 1955 (Confidential). In this meeting, the Commissioner of Labour cast doubt whether SILF funds can be used for plantation labour land settlements program. This committee also included prominent leaders of time that were involved in proposing land settlements for Indian labourers, including R. Ramani, K.L Devaser, G.V. Thaver and P.P Narayanan. See ‘Land Settlement for Malayan Indians’, D.R.C.P.W./161/49, Assesment Number 1973/0000576. It should be noted that by this time, an Indian settlement for plantation labour was already established on ‘243 acres of forested land made available for this purpose by the Malayan Government’ at Chuah, near Port Dickson (Jain, 1966:3-4). G.V. Thaver was instrumental in establishing the settlement.
ownership scheme on their estates and mines’. No compulsion on the plantation capital.

Back to the plantation capital, the excuses generally provided by for not providing land for their labour families are as follows,

1) Plantation labour not keen in land settlements.
2) No land is available for settlement purpose (all remaining land is for future expansion).
3) State governments not cooperative with plantation to implement Home Ownership Scheme.
4) The plantation is abiding and providing compensations as required by the labour law.
5) The participation on land settlements or housing is voluntary.

The plantation capital was against the land settlements programs and the idea of plantation families settled outside plantation and commute to plantation for work purpose only. The excuse often given is that the plantation labour was not keen to land settlements programs. In fact, in the classic de Soto’s logic (1986), a proposal was made that ‘by declaring the labourers’ lines in any estate, and the roads leading to them, public property’, the workers housing problem can be solved. For their additional economic activity apart from plantation work, ‘a small plot as allotments … and granted a title to the land’. It was argued that this can absolve the plantation capital of the burden to build and maintain the labour lines and workers can live and die in their homes. As expected, it was never entertained. The naïve proposal by P.P Narayanan failed to appreciate the fact that the labour lines was actually built and structured in a way that it maintains a dependent and controlled work force. Around the early 1980s, SERU, a government agency under the Prime Minister’s Department, did a series of independent studies on the problem of plantation outmigration and labour shortage. The confidential studies for policy purpose also found that overwhelming plantation labour, ‘as much as

37 Labour and Manpower Report (1981:164)
38 See Palmer (1960:239), Arasaratnam (1979:)
39 For active participation of plantation labour in land settlements activities, see Arasaratnam (1979:72-77). Wherever opportunity available, ‘it has been noticed that indian workers from estates have assisted in the padi harvest and attempts are being made to Interest them in padi growing in order to give them a stake in this country’ (ARoLD, 1953: 32-33) The efforts later bore fruit, the padi growing Indian community still exist today in the area near Tanjung Karang, Selangor. See Kratoska on colonial government policy on agricultural activities by non-Malays and particularly on Tamil padi farmers (1982: 280-314).
98.7% of the respondents were interested in owning a house through an instalment scheme. However, the … discussions with the estate management have revealed that some of the estates were reluctant to implement the scheme mainly due to the fact that once the land had been set aside for the scheme and houses sold to workers, the estate would have to be permanently settled with the owners of the houses irrespective of whether they continued working for the estate or not (SERU, 1980:78-80).

As for the failure of home ownership scheme, the plantation capital often blames the state governments, for example, the UPAM report stated that,

It is clear that the Scheme has not been successful because of the lack of co-ordinated, committed and definite action on the part of the State Governments to several proposals made by member companies to embark on such scheme (UPAM,1990:6).

However, UPAM in the same tone as the state, also made it clear that ‘participation [on Home Ownership scheme] should continue to be voluntary, both on the part of workers and estate owners, as spelt out in the recommendations of the original Task Force report …’ (UPAM, 1990:6). As expected, without some amount of compulsion and close monitoring, the scheme had limited success in plantations. As discussed above, the last bastion for the workers in obtaining a low cost house is the Estate Land Board that were entrusted to ensure settlement arrangements is made for the labour families before the plantation is developed for other purposes. It is in the interest of the plantation capital to settle the workers in low cost housing and pursue with their development plan on the plantation land.

Notwithstanding all the arguments forwarded by the plantation capital, and the monitoring by the state, the land reserve of plantations, particularly the ‘plantable reserve land’ and ‘remaining land’ in plantations over the period shows a different scenario. For example, a focus on rubber plantations, that progressively dwindled in the hectarage since the mid-1960s to almost negligible level, shows that the additional land was quite substantial (see Table 3.1). If the rubber plantation which

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41 Another report for policy recommendations also stated the need for instalment schemes. It was stated that ‘Skim pinjaman perumahan dengan kadar potongan bulanan yang kecil perlu diusahakan untuk membolehkan pekerja-pekerja memiliki rumah rumah sendiri, Dengan cara ini mereka akan lebih terikat dan menetap di kawasan kawasan yang berhampiran di mana tenaga kerja mereka diperlukan’ (hal. 42). See ‘Kajian Kekurangan Pekerja di Estet Getah dan Kelapa Sawit’, Perkhidmatan Penerangan Pasar Buruh, Jabatan Tenaga Rakyat. Kementerian Buruh dan Tenaga Rakyat, 17 March 1981.
lost its lead in the plantation industry could boast significant reserve land, the question arises why no effort to properly settle the labour families were undertaken on the rubber lands (while oil palm lands was on expansion mode). It should be reminded that by the 1980s, plantations were mostly owned by the national agencies. It should be noted that precedence is ample on private plantations alienating land for labour families, examples can be traced since the 1930s, where an estate allocated 65 acres for their labourers of which 30 acres were occupied by 1938.\textsuperscript{42}

Table 3.1  Reserve Lands in Plantations, 1957-1990

<table>
<thead>
<tr>
<th>Year</th>
<th>Peninsular Malaysia (Ha.)</th>
<th>Selangor (Ha.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plantable Reserve Land</td>
<td>Remaining Land (a)</td>
</tr>
<tr>
<td>1957</td>
<td>89,951</td>
<td>61,423</td>
</tr>
<tr>
<td>1958</td>
<td>86,275</td>
<td>60,088</td>
</tr>
<tr>
<td>1959</td>
<td>75,205</td>
<td>58,654</td>
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<tr>
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<td>56,733</td>
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<tr>
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<tr>
<td>1965</td>
<td>43,883</td>
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<tr>
<td>1966</td>
<td>43,272</td>
<td>46,793</td>
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<tr>
<td>1967</td>
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<tr>
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<tr>
<td>1969</td>
<td>41,160</td>
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<td>41,893</td>
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<tr>
<td>1975</td>
<td>33,823</td>
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<td>1976</td>
<td>30,043</td>
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<td>1977</td>
<td>29,185</td>
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<tr>
<td>1980</td>
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<tr>
<td>1981</td>
<td>24,982</td>
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<td>1982</td>
<td>25,434</td>
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<td>1983</td>
<td>22,846</td>
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<td>1984</td>
<td>21,714</td>
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<td>20,148</td>
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<tr>
<td>1986</td>
<td>20,827</td>
<td>34,160</td>
</tr>
<tr>
<td>1987</td>
<td>19,604</td>
<td>33,965</td>
</tr>
</tbody>
</table>

\textsuperscript{42} See the Malayan Agricultural Journal, October, 1938 pp. 452-455 entitled ‘The Settlement of Tamil Labourers on the Land’. See also Arasaratnam (1979:75) for other such instances.
3.7 Disruption to Plantation Work and Living Order and the ‘Risk of Plantation Work and Living’

This study shows how the labouring families responded to adverse structural changes affecting their work and living order in plantations. In our theoretical discussion, we adopted the concept of commodification to explain the mass retrenchments and cessation of plantations (Chapter Two). We argue that commodification of plantation land (‘subdivision’) and commodification of labour (‘Employment (Restriction) Act, 1968 [ERA]’) disrupted the notion of ‘villageship’ among the resident plantation labour to a rude awakening. These events have been referred to as *disruptions*. It was the disruption of the plantation work and living order that affected both the remaining and the retrenched labour families. The disruptions caused by subdivision and ERA gave rise to the notion of *risk of plantation work and living*. Displacement of tens of thousands of labour families ensued because of the twin disruptions. The shock of the commodification in such a fashion and intensity had permanently altered the notion of plantation work and settlement from ‘villageship’ to ‘transitory settlements’.

The remaining labour families were awakened to the fact that plantation was not their village and they too (together with their families) were facing the same risk of being retrenched and evicted. The prospect of commodification (mainly land) became very clear to the labour families. The commodification of plantation land and labour that caused the shift among labour families on their notion of ‘plantation villageship’ to ‘transitory settlement’ were very specific events of disruptions. As a result of the shock, plantation families begun to plan their exit and differentiated approaches of outmigration could be observed. The notion of risk pushed the labour families to move-out of plantations in a manner and time best understood from the labour families’ standpoint. We termed the whole planning as ‘organisation of exit’. Analysis on the organization of exit shows that labour families exercised differentiated forms of exit, indicative of a much more complex micro process at work (Chapter Seven).

In this section, we briefly discuss the notion and nature of ‘disruption’ and how the specific disruptions created, developed and sustained the notion of ‘risk of

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43 See Chapter Four for subdivision of plantations and Chapter Five for Employment (Restriction) Act, 1968. These two events were referred as ‘disruptions’ on the plantation work and living order.
plantation work and living’ developed during the twin disruptions. To begin with, plantations have witnessed many ups and downs in the past century. Among the striking events were the Great Depression (1930 – 1933),44 Japanese Occupation (1941-45), armed communist insurgency or better known as ‘Emergency’ (1948-1960) and, to a lesser extent, Konfrontasi (1963-66).45 These were disruptive events on the plantation work and living order, and had caused untold misery and pain to the labour families. One observer who was writing several years after the Great Depression narrated that the forceful mass repatriation gave picture of ‘floating population’ although most of the labour families were settled (Nair, 1937:51). Given the severity of these disruptions on the plantation families, why should the twin disruptions of subdivision and ERA be different? And why the twin disruptions did not generate the notion of ‘risk’ much earlier?

The disruptive events listed above are different from the ‘subdivision of plantations’ and ERA that occurred in peaceful times when the economy was stable. The other disruptive events happened during crisis periods, or when the economy was in serious recession. During these events, the whole nation was suffering, and the plantation families were no exception. However, during the twin disruptions of subdivision of plantation and ERA, the nation was not confronted with any such crisis, and whatever remnants of conflict from the Emergency era had come to an end, and peace was fully restored when Emergency was officially declared to be over. The economy of the country was also stable and ‘economic progress’ became the slogan of development rhetoric by the state during the period. It was during this time that plantation families were confronted with the twin disruptions with imminent unemployment and eviction from plantation.

In all other disruption before the twin disruption, a sizeable proportion of plantation labours were known to be displaced or repatriated and it is best illustrated by the Great Depression. In fact, some estimates stated that 25 per cent of labour force in plantation before the Japanese occupation never returned to their original plantation when the war was over (Gamba, 1962:255). In other disruptive events, for instances the Emergency, plantation families from remote plantations were relocated (referred to as ‘regrouping’) to other plantations where some even deserted the plantation work and living. Nevertheless, during these disruptive events, the labour families had the choice of returning to their original plantation or to remain where they were (mostly in other plantation). Fact is, most of the displaced labour families returned to plantation work and living. For a small number, the prolonged crisis made them more adaptive to the new surroundings by

44 The Great Depression technically lasted longer. For plantation labour in Malaya, the period 1930-33 is cited by Sandhu as being most severe in terms of repatriation where 373,000 ‘fled the country’ (1969:182).

45 It was also at all times vulnerable to the fluctuations of commodity prices, particularly rubber, in the international market.
force, and for reasons that were not very clear, never returned to the original plantation. However, the great majority remained in the same plantations and continued work once operations resumed.

In fact, retrenchments too were not new in plantations during peaceful and economically stable periods. It is known that periodical ‘temporary’ retrenchments during the replanting period were an integral part of plantation crop cycle, and had been practiced for a long time. In such retrenchments, the labourers normally moved to nearby plantations for employment. Replanting was normally undertaken in phases, and as such, the replanting retrenchments actually involved a smaller percentage of workers. Nevertheless, for the affected labour families, the moving-out of plantation must surely have been a distressful and agonising experience. However, as the experience of replanting retrenchments had been ‘internalised’ by labourers, these retrenchments were largely viewed as part of the routine of the crop cycles. The prospect of the ‘benign’ retrenchments never triggered the alarm of vulnerability for working and living in plantations.

The two disruptive events mentioned earlier were in the memory of current retired labourers and many had friends and relatives affected by the events. The disruptions had shattered the labourers’ notion that the plantation was akin to their village and work and living in plantation was secure. It became evident to the labour families that plantation was not their ‘village’ nor was it their permanent housing/settlement though they had been residing in the plantation for several generations. The labourers had witnessed how retrenchments could be imposed without much notice, and the workers had to vacate the plantation with their families with little or no compensation, in the above two events. These two major events had shaken the sense of security of the plantation labour and cast doubts on their future employment and dwelling prospects in the plantation.

In subsequent generations, the functions of the twin disruptions’ painful narratives were not often heard in great detail, but the risks associated with the sudden mass retrenchments and eviction were kept alive by the relentless commodification. Narratives from other plantation workers and workers from commodified plantations kept the notion of risk alive. The narratives that their family should be protected from sudden retrenchment or they may be forced to vacate plantation are alive even in remaining plantations today. Events of retrenchments and closure of plantations around them reminded them of the nature of plantation work and living. Commodification of plantation lands is seen as an inevitable process. The notion of the risk has kept the engine of ‘organization of exit’ functioning even among the remaining plantations today.
3.8 The Changing Plantation: Estates on the Eve of Migration

Plantation should not be seen as being trapped in a time capsule. As the literature on plantation are few and far in between, the transformation in plantations beyond the wages and living and working conditions, cannot be captured clearly. Plantation like other social and economic institutions, experienced changes over the period, both internally and as a consequence of external developments. The structural changes such as urbanisation, industrialisation and vast infrastructure development directly impinged upon the plantations’ functions, labour and social relations. The process happened at different rates over time and space. The internal changes in the plantation structures, among others were crop shift from rubber to oil palm, introduction of cocoa (as a second crop), production and technological advancements, labour shortage and foreign labour.

The impact of these changes and the transformation on the plantation work and living order are almost unknown. The dynamics of the vast changes on categories such as class or authority and control in plantation, gender relations, ethnic relations, inter-religious differences or simply the changes in population demographic variables are yet to be systematically approached. It is beyond the scope of this exercise to venture into the subject of transformation in plantation over the period but nevertheless, note four aspects that are closely related to the outmigration of plantation labour, are briefly touched upon as follows:

46 In the early period of Cocoa, it was estimated the total hectarage for Malaysia was 56,735 hectares and the production of dry cocoa beans was 14,777 tonnes (1978). In 1985, it increased to 303,897 hectares and production was 101,500 tonnes. By 1993, the planted area increased to 375,000 hectares and the production was more than 200,000 tonnes.

47 The main reference and image of plantation commonly depicted when describing plantation work and living is Jain’s anthropological study of plantation in the early 1960s. The plantation with social and economic organisations depicted by Jain had long been transformed. The plantation social and economic organizations described by Jain are commonly accepted uncritically without investigating later changes in the plantation social and economic structures. As such, plantation was seen as largely self-contained units and labour families were totally dependent on plantation income. The employment structures are also seen as largely the same. On the other end, very rarely is Jain’s work placed within the context of its original observation – Jain’s fieldwork was conducted in rubber plantations while the rubber prices were high and his fieldwork was conducted in a large plantation and the owner, Société Financiere des Caoutchoucs (Socfin) was known to provide among the best housing and living arrangements. And large plantations at that time were mostly stable from ‘disruptions’, mainly from the ‘raging’ sub-division of plantations. However, by the mid to end of 1960s, retrenchments and outmigration became common and cases of some big plantations affected were known. Nevertheless, the disruption caused by ERA was more severe in large plantations than the smaller ones.
a) Increasing economic disparities in plantations

There has been long tradition of disparities in the plantation wage system, unlike what is commonly assumed. What is being referred to is not the earlier system of a differentiated wage system amongst Chinese and Indian labourers or between male and female labourers. The household incomes for a family with two tappers (or harvesters in oil palm) were reasonably higher than the household income of fieldworker couples. Additionally, the children of tappers used to collect scrap rubber, clean the cups and collect latex, and this could further increase productivity, and consequently wages. In the case of oil palm harvesters, children collect the loose fruits that would be scattered with the falling bunches. A family where both husband and wife were fieldworkers would have the lowest income in the wage scale of plantation. The percentage of such categories of families would differ from plantation to plantation and crop types, but this category would remain the poorest among plantation families. When the income discrepancy was added to status differentials, such as belonging to a low caste, these households would, in all likelihood, be the most vulnerable workforce in plantation.

However, another wave of income differential created a much bigger disparity in plantation household income on a scale unknown previously, though in considerable cases it rectified the above mentioned disparity. With the transformation in the labour market structure since the early 1970s that created employment opportunities for the unskilled and semi-skilled, particularly in the industrial (mainly manufacturing) and service sectors, former plantation workers (mainly their children) began be employed in these sectors. They were either commuting from plantation or residing in non-plantation areas. The remittances from non-plantation income poured into plantation households and this created a new disparity. The appearance of this new income into the household income almost rendered traditional reference to plantation only household income as being grossly inaccurate. These disparities among families with ‘urban’ incomes and those who were dependent only on plantation income, created unequal families. Thus, now it would be no longer possible to classify all households in plantation under a common income category as before. This process has had varying effects on plantation households. Some families fared better than others in terms of income and savings, but those families that were not privy to such remittances in turn became amongst the most vulnerable and precarious category in plantation.

The income from non-agricultural sources was much more stable and, in most instances, higher than the plantation income. The income from manufacturing, for

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48 In Chapter Eight (Table 8.17) we showed the exact wage disparities among labourers on the eve of final migration.
example, would enable a worker to apply and obtain a bank loan to purchase a house. Households would normally combine loans to purchase a house. In this respect, the plantation only income would not be conducive for obtaining a bank loan.

Whenever there was a call for retrenchments in plantations that were heading towards closure (or final retrenchments), the process was usually staggered and spread over time. A series of retrenchments would normally take place before the final shut-down. The first to move-out would normally be the ones that volunteer to be retrenched with payment their due compensation. In the same manner, in cases of retrenchment because of a change of crop, labour shedding is also progressively undertaken. Here too, the families with multiple sources of income and with housing arrangements, would normally voluntarily accept the retrenchment as they were better prepared, in terms of income and savings, to be able move-out. By the same token, the families with less or no non-plantation income and savings would continue to work to consolidate their position.49 This differentiated approach of migration discussed in Chapter Seven can be mainly explained by looking at the employment and remittances from non-plantation employed members.

b) The emergence of new skills assignments

The transformation in the task structure and types of ‘new’ work categories in plantation differed according to the size of the plantation and type of crops. Nevertheless, the categories of workers listed by Jain in the early 1960s had expanded considerably. The new types of work in plantation were introduced with increasing mechanisation and technological advancement, as part of labour and cost saving measures. Plantations also increasingly utilised the cheap ‘in-house’ labour force for it various operations and needs. The designation of work in the plantation industry had increased to more than 146 types according to the various Collectives Agreements between NUPW and MAPA. This included the executive, administrative and general staff categories that comprised about 8 per cent, and it involved all types of plantations i.e. rubber, oil palm, coconut, cocoa and tea plantations. The broad categories outlined by NUPW were management and executive staff, administrative and general staff, field and general workers, harvesters, factory workers, skilled artisans and unskilled general workers, though

49 Other reasons to stay until final retrenchments were to receive additional compensation including provision for subsidized housing. Nevertheless, a small category of people normally exists in plantation who remain ill-equipped to move-out, mainly because of financial constraints. Apart from these, another small category that would remain in some plantations, normally adjacent to prime areas, who had rejected the final retrenchment offer or were defying evacuation as an approach to get better compensations for the labour. For more discussion, see Chapter Six for micro family level cases and Chapter Seven for Selangor level cases.
most workers were still concentrated at the lowest scale of (semi) unskilled and manual labourers.

The factory in plantations (rubber and oil palm) was part of the technological advancements sections that required labourers having some skills for operation and maintenance. The other was the ‘garage/workshop’ category. The function of ‘new’ employments can commonly be seen in these two categories in plantation work, where some of the work required some degree of specialised skills and training. The job specifications under this category have been listed and most of them are self-explanatory (see Table 3.2). The employability of most of these workers outside the plantation economy, was better than for tappers, harvesters or fieldworkers, as the plantation agricultural skills were of little value outside plantation. If these new categories of work are probed further the, it would be evident that some of the skills were useful for the workers in the post-plantation employment. For instance, ‘Heavy Equipment Drivers’ included sub categories such as drivers of heavy bulldozers, excavators, graders and others. And, the ‘Vehicle Drivers’ sub-categories included drivers of tractors, tankers, locos, graders, lorries, buses, cars, vans, ambulances, land rovers, pick-up vehicles, forklifts, dump trucks and others. It may not have been a co-incidence that many of the former plantation labour were involved as drivers and operators of these vehicles.

At the same time, outside these formal designations, the plantation eventually created its own versions of artisans for the sustenance of plantation labour community needs. It is common to find labourers in plantation that were known to ‘specialise’ in electrical work, plumbing, mass cooking, carpentry, tailoring, brickwork, motor vehicles maintenance and repairs and other skills. These skills that were acquired out of necessity, actually made the plantation community almost self-sufficient in catering to their survival needs. Some plantation workers were also regularly engaged in pesticide spraying and other small contracted work from the plantation. Apart from that, some workers are known to rear cattle or cultivate small plots of land in plantation or adjacent to it. Later, the more enterprising former plantation labour became labour contractors or task contractors especially in oil palm plantations. These changes have had a great influence in the organization of the exit and it differentiates further the community in terms of capabilities.

As such, it is difficult to assume that plantation labour were a homogenous category on the eve of their migration. While it is acknowledged that the new skills categories comprised only a small section of plantation labour, it nevertheless further differentiated the plantation community and had moved away from their traditional role and function. For the better endowed, the spatial and occupational movements were somewhat favourable with the right social capital, but for the less
endowed, the movement was challenging, especially in obtaining suitable employment. At the same time, those isolated from the new ‘opportunities’ in plantation – for a variety of reasons – remained deprived in an increasingly divided labour community. The likelihood that the deprived ones would be further isolated in post-plantation period was high.

Table 3.2 Work Designations in Plantation Garage/Workshop by NUPW

<table>
<thead>
<tr>
<th>Garage/Workshops*</th>
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<tbody>
<tr>
<td>Boilermakers</td>
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<tr>
<td>Carpenters</td>
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<tr>
<td>Diesel Engine Mechanics</td>
</tr>
<tr>
<td>Fitters/Turners</td>
</tr>
<tr>
<td>Masons</td>
</tr>
<tr>
<td>Motor Mechanics</td>
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<tr>
<td>Painters</td>
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<td>Plumbers</td>
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<tr>
<td>Turners</td>
</tr>
<tr>
<td>Welders</td>
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<tr>
<td>Heavy Equipment Drivers</td>
</tr>
<tr>
<td>Vehicle Drivers</td>
</tr>
<tr>
<td>Tyre men</td>
</tr>
</tbody>
</table>

* It should be noted the list is not a standard employment category in all plantations.
Source: NUPW

c) Crop shift from rubber to oil palm

The crop shift from rubber to oil palm was a phenomenon that mainly occurred in the mid-1960s till the end of the 1980s. In a span of 25 years, the role of rubber as the primary crop and one of the main contributors to GDP was taken over by oil palm. The rubber planted hectare also diminished rapidly though a corresponding increase in oil palm hectarage was also clearly observable. This conversion of crop was not an easy, straightforward exercise. Rubber and oil palm were commodities produced mainly for export markets. The prices on the commodity market largely determines which crop is best to be planted. As such, increases in the productivity of rubber need not necessarily hinder rubber to oil palm conversion. This was evident during the period of 1970 to 1980, when rapid conversion occurred, where over 120,000 hectares of rubber land disappeared. During the same period, revenue per hectare area tapped increased from 1,189kg to 1,428 kg. Output per tapper increased from 3,879kg to 5,116kg and output per worker in rubber plantation increased from 2,743 to 3,510kg. Such high productivity was never the
consideration to retain the rubber plantation. The whole decision on crop conversion was based on market prices and requirements. Other economic calculus was also involved because the crops take years to yield and to be harvested, and also have a certain fixed productivity lifespan. Conversion as such, was normally undertaken when replanting was due, when old, unproductive (rubber) trees are felled. Both crops have different harvesting and life cycles, and the work order and tasks are accordingly different. From the mid-1960s, plantations begun to increasingly convert their main crops from rubber to oil palm, because of the government crop diversification policy, fluctuating rubber prices and soaring oil palm prices. The conversion started in the coastal areas of Selangor and eventually reached some interior (see Chapter Eight). By 1989, oil palm had exceeded rubber in planted acreage in the plantation sector. The oil palm industry gained s much of importance that Malaysia began to export processed palm oil from 1975, and by 2014, the share of Malaysian palm oil was 39.7 per cent of total world exports.50

The conversion of the crops had serious social and economic impact on the labour and social relations. This was beyond the traditional plantation problem of wages being pegged to productivity, and the fluctuation of crop prices at the world market. The labour requirements for the two crops are strikingly different. Rubber requires mainly tappers, while oil palm uses harvesters. Both need fieldworkers to maintain the crops, mainly in weeding, disease control, fertiliser application and general maintenance. Small variations can be expected, depending on the maturity of the crop. When labour shortage were said to hit the plantations in the late 1970s, the labour requirement in rubber plantations was about one tapper for about 3.6 hectares (about 400 rubber trees). The fieldworker would work in about 20 hectares areas of mature and immature rubber. These figures were largely correct for the mid-1970 to mid-1980 period – one tapper to 3.6 to 3.8 hectares, and a fieldworker to 19 to 25.2 hectares.

The palm oil requirement of labour, on the other hand, is quite different. The ratio of per worker for hectare was about 6 to 7 and the production per worker per hectare was about 30 tons in a similar period. This was a substantial increase compared to the earlier period of oil palm boom in the mid-1960s. The land-labour ratio was set to be lowered further, whereby it would be nearly one worker for 10 hectares in 1990. Although the price of oil palm was on a somewhat dwindling mode in the 1980s, the production cost had decreased substantially, and this promoted further the conversion from rubber. Some estimate that the annual reduction of palm oil cost was about 2.6 per cent up to 1990 (Davidson, 1993). These improvements were caused by breeding and agronomic advancements, and

labour productivity. Mechanisation, especially in the ‘upstream’ collections of fresh fruit bunches (FBBs) activity, improved the ratio further. The changing labour requirements signalled that upon conversion of rubber to oil palm, labour surplus situation would surely arise. Based on the different needs of labour in both the crops, the commonly widespread perception was that surplus labour would be shed upon conversion. The intensity of retrenchments and as to whether or not such rapid retrenchments happened because of crop conversions is discussed in Chapter Six. However, it clear that since both crops have different routine of labour, the tasks have different impact and requirements. The major impact of the conversion could be seen in two areas - the different job assignments for the skilled tappers, and remuneration in the plantations converted from rubber to oil palm.

Rubber tapping is a skilful job, that requires careful cutting of the bark of the tree – approximately 4.5 millimetres deep out of the 6 millimetres bark - to reach the latex producing layer. If the cut touches the cambium layer - a thin layer between the bark and the wood - the tree can be damaged, and tapping need to be stopped. As tapping involves about 400 trees a day, this delicate work needs to be done reasonably fast and at the same time, without error. Good tappers were largely female workers and their yield was comparatively higher than their male counterparts. When the plantation shifted to palm oil, the skills mastered by the female workers had no value any more. Effectively, the higher income they had been earning so far compared to their male counterparts, came to an end in the oil palm plantation. Table 3.2 shows the gender composition over the period until formalisation of foreign labour.

The skilled task in oil palm plantation that is equivalent to the tapping of rubber, is the harvesting the oil palm fruit bunch. However, a harvester will have a ‘collector’ as part of the team. When the young tree is ready to be harvested, a hollow pole made from galvanised iron is used, with a chisel at its end, and it weighs around 3 to 4 kilograms. This pole is used to cut the bunches from the tree. The tree can grow up to a height of 20 meters from the ground when fully mature, and the harvesting requires long pole with a chisel or sickle to detach the bunch from the tree. The weight of the fruit bunch differs from tree to tree. The task of the collector is to lift and load the FBBs from the ground to a wheelbarrow and once full, push it along the uneven ground to the roadside and unload it for the truck to collect it. The team will visit the same tree in a cycle of three times a month.

The tasks clearly require different type of physical energy than rubber tapping. Female plantation workers generally express frustration with the oil palm assignments, not only because the works involves the use of additional physical strength and they are more injury - prone but also because their skills and expertise
in rubber is of no use. Whenever rubber is phased out in stages within a plantation, it is the female labourers that prefer to work in the remaining part of the rubber sections as well as older males. Some even work in nearby rubber sections of other plantations. However, when the shift to oil palm was inevitable, the younger married couples normally formed a team, but the older workers normally preferred a younger person as part of their team. In due course of time, many female workers growing-up with oil palm tended not to have the difficulties of the earlier generations.

Table 3.2 shows the gender composition in various plantations from 1967 to 1984. In rubber, at the height of conversion to oil palm, the male workers exceeded females, but by 1984, female workers exceeded the males. In oil palm, the initial female composition was low, but towards 1983 and 1984, female workers were moving towards evening the balance. The other striking difference from rubber plantation is the wage structure. The wages for the oil palm plantation were higher than rubber workers. The tasks were equally much more difficult than the rubber plantations. The only obvious exception was the fieldworkers. As discussed earlier, if a family comprised two fieldworkers, they would be having among the lowest household income from plantation production. Table 3.3 shows the wage comparison among different categories of plantation workers from both the crops. Overall, this was the scenario before the foreign labour became the dominant feature of plantations in Malaysia.
### Table 3.2  
Gender Composition in Plantations, 1967-1984

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rubber</td>
<td>114,470</td>
<td>108,590</td>
<td>88,670</td>
<td>95,420</td>
<td>72,820</td>
<td>92,730</td>
<td>70,570</td>
<td>92,760</td>
<td>63,702</td>
<td>83,713</td>
<td>57,183</td>
<td>77,645</td>
<td>52,040</td>
<td>75,590</td>
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<tr>
<td>Coconut</td>
<td>2,710</td>
<td>1,900</td>
<td>1,850</td>
<td>1,510</td>
<td>1,920</td>
<td>1,770</td>
<td>1,684</td>
<td>1,602</td>
<td>2,210</td>
<td>2,150</td>
<td>1,866</td>
<td>2,209</td>
<td>1,330</td>
<td>1,480</td>
</tr>
<tr>
<td>Oil Palm</td>
<td>16,630</td>
<td>9,940</td>
<td>42,120</td>
<td>21,070</td>
<td>57,460</td>
<td>24,370</td>
<td>49,213</td>
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<td>55,410</td>
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<td>50,575</td>
<td>41,872</td>
<td>54,310</td>
<td>41,810</td>
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<tr>
<td>Tea</td>
<td>2,210</td>
<td>2,240</td>
<td>1,460</td>
<td>1,770</td>
<td>1,140</td>
<td>1,580</td>
<td>1,030</td>
<td>1,420</td>
<td>836</td>
<td>1,091</td>
<td>783</td>
<td>1,068</td>
<td>830</td>
<td>1,120</td>
</tr>
<tr>
<td>Pineapple</td>
<td>2,030</td>
<td>1,180</td>
<td>660</td>
<td>390</td>
<td>780</td>
<td>820</td>
<td>700</td>
<td>730</td>
<td>683</td>
<td>668</td>
<td>683</td>
<td>688</td>
<td>680</td>
<td>600</td>
</tr>
<tr>
<td>Total</td>
<td>138,050</td>
<td>123,850</td>
<td>134,760</td>
<td>120,160</td>
<td>134,120</td>
<td>121,270</td>
<td>123,197</td>
<td>124,362</td>
<td>118,817</td>
<td>111,090</td>
<td>123,482</td>
<td>108,990</td>
<td>120,600</td>
<td></td>
</tr>
</tbody>
</table>

Cocoa excluded as data only available from 1984.  
Source: *Rubber Research Handbook* (various years) and *Oil Palm, Coconut, Tea, and Cocoa Statistics* (various years).

### Table 3.3  
Wage Comparisons in the Rubber and Oil Palm Estates, 1973-1982

<table>
<thead>
<tr>
<th>Year</th>
<th>Male Mandores/Kepala Rubber</th>
<th>Female Mandores/Kepala Rubber</th>
<th>Male Tappers/ Harvesters Rubber</th>
<th>Female Tappers/ Harvesters Rubber</th>
<th>Male Weeder Rubber</th>
<th>Female Weeder Rubber</th>
<th>Male Arsenite Sprayer Rubber</th>
<th>Female Arsenite Sprayer Rubber</th>
<th>Male Factory Worker Rubber</th>
<th>Female Factory Worker Rubber</th>
<th>Male Transporter Rubber</th>
<th>Female Transporter Rubber</th>
<th>Male Pruner Rubber</th>
<th>Female Pruner Rubber</th>
<th>Total Workers Rubber</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>165</td>
<td>143</td>
<td>149</td>
<td>140</td>
<td>77</td>
<td>69</td>
<td>111</td>
<td>111</td>
<td>113</td>
<td>156</td>
<td>99</td>
<td>191,760</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1974</td>
<td>201</td>
<td>172</td>
<td>195</td>
<td>193</td>
<td>100</td>
<td>97</td>
<td>121</td>
<td>156</td>
<td>136</td>
<td>184</td>
<td>169</td>
<td>134</td>
<td>193,160</td>
<td></td>
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<tr>
<td>1975</td>
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<td>139</td>
<td>209</td>
<td>92</td>
<td>96</td>
<td>121</td>
<td>159</td>
<td>132</td>
<td>196</td>
<td>180</td>
<td>176</td>
<td>187,250</td>
<td></td>
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<tr>
<td>1976</td>
<td>230</td>
<td>200</td>
<td>212</td>
<td>181</td>
<td>126</td>
<td>127</td>
<td>160</td>
<td>142</td>
<td>178</td>
<td>235</td>
<td>164</td>
<td>151</td>
<td>178,930</td>
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<td>201</td>
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<td>1978</td>
<td>243</td>
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<td>220</td>
<td>249</td>
<td>127</td>
<td>136</td>
<td>154</td>
<td>177</td>
<td>179</td>
<td>261</td>
<td>204</td>
<td>193</td>
<td>177,270</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1979</td>
<td>261</td>
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<td>1980</td>
<td>300</td>
<td>308</td>
<td>259</td>
<td>344</td>
<td>169</td>
<td>178</td>
<td>224</td>
<td>288</td>
<td>225</td>
<td>323</td>
<td>299</td>
<td>215</td>
<td>167,210</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>331</td>
<td>315</td>
<td>266</td>
<td>258</td>
<td>171</td>
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<td></td>
</tr>
<tr>
<td>1982</td>
<td>340</td>
<td>357</td>
<td>267</td>
<td>425</td>
<td>188</td>
<td>173</td>
<td>253</td>
<td>312</td>
<td>302</td>
<td>374</td>
<td>363</td>
<td>295</td>
<td>148,294</td>
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<td></td>
</tr>
<tr>
<td>1983</td>
<td>368</td>
<td>550</td>
<td>279</td>
<td>332</td>
<td>189</td>
<td>196</td>
<td>237</td>
<td>265</td>
<td>276</td>
<td>420</td>
<td>302</td>
<td>296</td>
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<td></td>
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<tr>
<td>1984</td>
<td>331</td>
<td>408</td>
<td>233</td>
<td>421</td>
<td>191</td>
<td>183</td>
<td>264</td>
<td>271</td>
<td>187</td>
<td>310</td>
<td>407</td>
<td>282</td>
<td>128,120</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Average earnings in Malaysian Ringgit.  
Source: Annual Report of the Ministry of Labour, (various years)
d) The coming of foreign labour

The process of formalisation of foreign labour is discussed in detail in Chapter Six. The plantation capital has been dependent on cheap foreign labour from impoverished regions for its labour needs, since the colonial period. In the post-independence period, undocumented foreign labour became a common feature, and moved to becoming an integral part of the plantation industry. In Peninsular Malaysia, almost all of them were from neighbouring countries, mainly Indonesia (Javanese) with a small number of Thai workers. The formalisation of foreign workers was consummated in 1984 with the first batch of Indonesian labour entering the plantation officially. By this time, the number of undocumented foreign workers in plantation was much higher than that of the documented workers. The next few years showed a gradual increase, but from 1990, the increase of foreign labour expanded many-fold and the plantation industry was transformed into that of a heavily foreign labour dependent industry. Apart from the Indonesians, new regions of foreign labour were sought, mostly from the South Asian and other Southeast Asian countries.

The coming of formal foreign labour marked a new phase of subsistence labour in plantations. The presence of formalised foreign labour had two main impact on the local plantation labour, particularly to the resident plantation labour. First, there was a shift of preference from local to foreign labour among the plantation companies. In fact, it had also changed some of the employment practices where the tendency to return to informal labour through contractors was increasing with the coming of formalised foreign labour. Second, there was a negative impact of the foreign labour on the resident plantation labour identity and self-esteem. When the number of foreign labour increased to critical numbers within a plantation, stress and conflict were highlighted by the resident plantation families. In fact, some of the respondents even asserted that outmigration from plantation began to increase with the swelling numbers of foreign workers. The formalisation of foreign labour was originally argued on the basis of increasing outmigration of resident plantation labour. Going by this argument, the coming of foreign labour to the labour lines had the unanticipated effect of accelerating the process of outmigration (see Chapter Seven).

In the late 1980s, plantations were begun to be populated by foreign workers, mainly Indonesians and later Bangladeshis. While, by now the plantation labours were growing accustomed to contract workers – of whom some were Indonesians as well – the coming of new foreign workers on the scale they witnessed was totally new. A new sense of insecurity prevailed, since many were being trapped between those who had left the plantation and the new alien neighbours who substituted the departed labour. The ‘impoverished’ foreign workers were often
perceived to belong to the lowest grade of the labour hierarchy, and their presence in the plantation posed a challenge to the resident labourers’ self-esteem. The notion of ‘risky plantation work and living’ had now escalated to a new sense of ‘demeaning’ plantation-related work to some labourers. This sense of insecurity heightened as there were cases of tense relations arising from the sharing of the social and work space with the alien newcomers.\footnote{51}

The insecurity also stemmed from the qualities of the foreign workers – mostly young with more capacity for hard work, able to survive with a bare minimum, and willing work longer hours with relatively lower wages, unorganised (in the early period, they were not under NUPW) and most importantly, preferred by the management. This posed a challenge to the remaining resident plantation labour, not only in terms of their ‘indispensability’ but also the gradual overwhelming presence and ‘dominance’ of foreign workers in their plantation world. Never before had the native labour felt so alienated in the plantation social space than with the coming of large numbers of formalised foreign labour in their midst.

It should be noted that the presence of large numbers of foreign workers also affected the economic organization of the household at the plantation level. In particular, the sudden increase of demand for food items that were associated with the lifestyle habits of foreign workers, was striking. The foreign workers lived in groups, and normally cooked in large quantities to cater to their needs. They purchased their provisions in bulk and in large quantities. The prices for food items, especially fresh items such as fruits, vegetables, fish and poultry, that came from outside soared substantially. It especially burdened the plantation families that normally had two earning members, compared to the fully employed households of foreign workers. For the foreign workers, the cost per head would be reduced substantially, even if they had to pay more, but not so for the plantation families. The purchasing power of the families was affected with the coming of large foreign workers. The complaints of increases in the cost of living, particularly food, was common in plantations with large numbers of foreign workers. This issue added to the economic pressure in plantations, though it was largely elusive to non-plantation parties.

In the later period, the diminishing social support system in the plantation caused by migration, was also strongly felt among the yet-to-migrate labour families. By this time, the foreign labour in their midst was already a permanent and acceptable feature. However, friends and relatives that formed an important component of their social security net were now dispersed and scattered. Local level festivals and

\footnote{51 The common stories related during the initial contacts with foreign labour was cases of theft with the Indonesian labourers and tensions relating to social issue such as courting the local Indians girls by Bangaldeshi labourers. This was said to cause some serious frictions.}
communal celebrations that used to bond community life of the labour, began to lose its vigour in some places. However, most families reported that the plantation temple festival was the only main gathering of all former plantation residents. Social organisations in plantation began to weaken in some instances, and in others, it increased the pressure among those who stayed behind, particularly, in organising and managing their routines and needs that were shared collectively earlier.

Functionally, plantation that used to be an independent unit and being self-sufficient in catering for most of its needs, now suffered from the steep outmigration. Local expertise among the labour force that used to serve as ‘in-house’ specialists in most of the technical needs – from barbers, plumbers, electricians, motor mechanics, carpenters, small scale building contractors to priests and funeral director – now began begin to disintegrate. Communal living in the plantation began to face new challenges. And the impact was never felt stronger, than in times of sudden need or emergency, as some plantations were still physically isolated from the nearest community needs such as hospitals or police stations. All these increased the urge and the need to move out among those remaining labour families. This was the situation on the eve of the final migration in plantations.

3.9 The State: Pro-Market Policies and Nationalisation of Plantations

Polanyi strongly contended that an important function of state was as a regulating unit of the ‘fictitious commodities’, particularly land and labour. This was largely determined by the kind of policies the state undertook to control the market economy in commodifying land and labour. In some instances, ‘the road to the free market was opened and kept open by an enormous increase in continuous, centrally organized and controlled interventionism’ (Polanyi, 2001:146). In the plantation context, this can be witnessed at least since the eve of Independence. The state had consistently functioned in favour of plantation capital. Later, it even assumed the role of a ‘market state’ by becoming an owner operator of the largest plantation conglomerate in the world.\(^{52}\) The acquired plantations were functioning solely as a

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\(^{52}\) The nationalisation of plantation lands is not by any means unique to Malaysia. Indonesia nationalised plantation in 1964 and Sri Lanka in 1972 and 1975. India limits foreign ownership to not more than 74 per cent. At the time when major nationalisation of plantation had just been concluded in Malaysia, plantation experts observed the pattern of growing ownership transfer globally. ‘The growing participation of nationals … not limited to Asia … in nearly all countries foreign companies are required … to integrate national participation in [plantation companies]’. ‘However, multinationals still represent an important force in the plantation sector …particularly in marketing and processing activities’ (Sahjau and Muralt, 1987:97-8).
business venture and the workforce were treated as labourers – the endowments of citizenship were never invoked by any of the stakeholders.

The force behind the commodification is the plantation capitalist. The plantation capitalist as a whole and the power and influence it possess is best described by Neelakandha Aiyer in 1938 as following,

The United Planting Association of Malaya is an influential organisation of the employers. Through this body the planters wield great power and influence. It has only a few individual members. Its membership is now dominated by Companies and Corporations, Agents and Secretaries of Companies with directorates in England and by that powerful organisation in the rubber world, The Rubber Growers’ Association in England, consisting of 607 companies and 409 individuals. …The United Planting Association of Malaya is represented by its members on State Councils of the Federated States, on the Federal Council, on the Legislative Council of the Straits Settlements and Johore Council of the State. The employers dominate the Indian Immigration Committee and are represented on many other public bodies where their interest are involved. The Association maintains close liaison with the Government and the Controller of Labour is an honorary Member of the Association. On labour matters particularly, its contact with the Government is close and frequent, as the Government is responsible for bringing over Indian labour for the plantations throughout the country. Thus the employers have a powerful voice in all labour matters (1938:25-26).

What described by Neelakandha Aiyer is valid to this day. By the 1980s, the players and the ownerships have moved from London to Kuala Lumpur, but the role and function of the plantation capital has remained largely same. Today, the capitalist interest is comfortably seated within the patronage and power of the state. The conflation and conflict of interest between the state’s social objectives and capitalist interest is happening within the ambit of state administration structures. It is with this great force that the workers interest is opposed to.

The newly Independent state largely followed the colonial government pro-market policies in dealing with the commodification of plantation land. The deputy Prime Minister then, Tun Razak, chided the left wing parties for suggesting nationalisation of resource companies by arguing ‘why should the Socialist Front clamour for nationalisation of rubber estates when more than three-quarters of the country is still waiting to be opened up?’ 53 The logic of a market economy in

53 Strait Times, 8 October 1962.
protecting the plantation companies and in venturing new plantations are evident in that reply. In the transition to independence period, the issue of commodification became intense, and the state formed a Committee to investigate the extent of plantation commodification, or ‘fragmentation’, as it was called then. The Committee was largely of the opinion that the problem was not serious. More importantly, it felt that commodification of plantation land was good for the country in terms of re-distribution of plantation land. In the process of justification, the fate of labour families residing in the plantations was totally neglected.

Later, another Committee was formed by the newly independent state. This time around, a reverse situation could be witnessed. The committee recommended that the ‘subdivision of plantation’ was anti-development, and needed to be stopped immediately. At this juncture, the state foot-dragging can be seen, and in fact, the new state categorically took a stand of non-objection to commodification. This was originally the policy of the colonial state, and was extended by the newly independent state, which lasted until the next changes emerged in the late 1970s. The subsequent development took on a new trajectory, where plantation lands were not only seen as of economic interest, but also of strategic interest. This process had its roots in the developments of the earlier decade and culminated in the state being directly involved in the equity of private plantations.

In the mid-1969, following the suspension of parliament and changes in the state leadership – ensuing from the post-election ethnic riots – the policy shifts to uplift the native Malays economically took a definitive form. The Malay ‘economic nationalism’ of the 1960s found its niche in the new political climate and leadership (Shamsul, 1997). The pro-Malay economic policies had its roots in the Sino-Malay economic rivalry. ‘Many ethnic Malays believed the ethnic Chinese economic hegemony to be responsible for Malay economic under-development, though in the late 1960s, the commanding heights of the Malaysian economy were still being primarily dominated by foreign (mainly British) investors’ (Jomo, 2004:2). This can be clearly seen in the ownership of plantation land (see Table 3.5).

54 A detailed discussion on the commodification in the 1950s and 1960s is presented in Chapter Three.
55 Nicholas White (2004) suggest that ‘crony capitalism’ emerged during the first decade of independence itself where Chinese-Malay business partnership begun to flourish well before the introduction of NEP. Though several prominent Chinese businessmen benefited immensely from their close association with the top Malay ruling elite, the general economic antagonism between the Chinese and the Malay elite could not be under-stated.
Table 3.5  Ownership of Private Rubber Plantations and Hectarage

<table>
<thead>
<tr>
<th>Year</th>
<th>Malaysian Resident Hectar Plantation</th>
<th>Non-Malaysian Resident Hectare Plantation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>283,238 1,497</td>
<td>363,304 562</td>
</tr>
<tr>
<td>1971</td>
<td>280,784 1,480</td>
<td>350,796 534</td>
</tr>
<tr>
<td>1972</td>
<td>281,924 1,448</td>
<td>328,347 513</td>
</tr>
<tr>
<td>1973</td>
<td>281,908 1,433</td>
<td>307,503 475</td>
</tr>
<tr>
<td>1974</td>
<td>279,809 1,401</td>
<td>294,379 459</td>
</tr>
<tr>
<td>1975</td>
<td>279,370 1,364</td>
<td>283,935 450</td>
</tr>
<tr>
<td>1976</td>
<td>283,419 1,358</td>
<td>269,892 438</td>
</tr>
<tr>
<td>1977</td>
<td>295,166 1,366</td>
<td>243,726 399</td>
</tr>
<tr>
<td>1978</td>
<td>312,890 1,388</td>
<td>209,543 351</td>
</tr>
<tr>
<td>1979</td>
<td>310,627 1,376</td>
<td>196,662 336</td>
</tr>
<tr>
<td>1980</td>
<td>318,751 1,388</td>
<td>172,001 291</td>
</tr>
<tr>
<td>1981</td>
<td>354,553 1,427</td>
<td>124,241 230</td>
</tr>
<tr>
<td>1982</td>
<td>391,340 1,450</td>
<td>739,51 170</td>
</tr>
<tr>
<td>1983</td>
<td>396,510 1,441</td>
<td>643,49 154</td>
</tr>
<tr>
<td>1984</td>
<td>400,042 n.a</td>
<td>433,10 n.a</td>
</tr>
<tr>
<td>1985</td>
<td>378,047 n.a</td>
<td>398,83 n.a</td>
</tr>
</tbody>
</table>

Source: Rubber Research Handbook (various years)

The sense of economic insecurity among the Malay elites who had the political power, heightened as the economic control among the citizens was mostly in the hands of Chinese entrepreneurs and businesses. Worse still, the Chinese were also perceived to be competing for political power. In the meantime, the fact that the bulk of the Malays were in rural areas, surviving with barely subsistence economic activities, and having been recorded to be among the poorest in the country, lent legitimacy to the call of the Malay elite for economic re-structuring.

Within this development, the plantation sector, unlike its twin colonial industry of tin mining, had a huge land bank. In the early decades of independence, this was a site of economic contestation. The contestation was not triggered by the purchase of plantation lands by the non-Malays for dwelling, cultivation, or small trading schemes during the period. It was the presence of non-Malay syndicates, institutional investors and individual wealthy investors on the mission to purchase former British plantations that triggered apprehension among the Malay elite. It was here that the ‘economics of land bank’ transformed and received its ‘political’ motivation through Sino-Malay rivalry. The political dimension of plantation land eventually became a strategic interest for Malay elite and economic contestation among the Chinese capitalists.

For the Chinese entrepreneurs, the need for land had other dimensions. In the last years of British rule, land alienation had been virtually stopped for the British
planters as well as to the ‘Asians’. The newly independent state continued the policy of suspending land alienation. This was said to have caused ‘land hunger’ to become a serious problem. According to an economist writing around the time, this land hunger was caused by a host of factors, i.e. ‘the war and the Emergency, partly to shortage and inadequate training of staff following Malayanization of the Federal service and extensive promotions of junior officers, and partly to the virtual cessation of alienation of land to estates, which has increased the number of titles for any given area opened’ (Silcock, 1963: 249). In fact, land hunger was also the verdict of the first Committee formed to study the problem of ‘estate fragmentation’ in 1957, and it referred largely to non-natives, particularly the Chinese.

The best available avenue was the private plantation lands that were gazetted as ‘freehold’ land by the colonial state, and could be bought and sold on the open market, unlike the ‘Malay reservation land’ or the ‘state lands’. As plantation land area had to be at least 100 acres, with very large plantations going up to 7,000 to 8,000 acres – and all others being somewhere in between – the size of plantation land was admirably suitable for embarking on major development projects. In addition, they could be purchased at lower prices because of their designation as ‘agricultural land’. Further, the freehold plantation lands were distributed mainly on the west coast of the Peninsula, with readily connected road, rail and port networks. Plantation lands were also known to be bordering cities and towns, and many parts of the old cities and towns had actually expanded on to the acquired plantation land. The plantation land was also valuable for development of new housing estates, industrial parks, airports and cities, as the freehold plantation lands were readily convertible. This made the private plantation land a valuable commodity, that was purchased at low prices, and sold at premium value.

As the state was witnessing the rapid sale of plantation land, it was aware that most of the buyers were not the Malays. The state was also aware that the purchasing capacity needed for such a large equity was a challenging task. As a result, parastatals in the form of state investment holding companies were formed to invest on behalf of the Malays and other indigenous people. In this sequence, Perbadanan Nasional Berhad (Pernas), established in the 1969 row of Malay economic nationalism, was the first to function as a state equity company. The illustrious

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56 For instance, under Rawang Labour Department area, four plantations were recorded in 1973 above 7,000 acres, namely Sungai Buloh estate (7,560 acres), Tanjung Malim estate (7,189 acres), Lima Belas estate (7,207 acres) and Nigel Gardner estate (7,497 acres).

57 In March 1967, during the debate in the Senate, Mohammed Tahir Tan Tong Hye (better known as Tan Sri T.H. Tan) first proposed that a state corporation should be formed by the government to take control and ownership of foreign owned estates for sale by issue of loan stock underwritten by Bank Negara. He also suggested that government should ‘enact legislation to require all foreign-
child of Malay economic nationalism, Pernas would soon venture to purchase large plantation conglomerates and effectively the ‘nationalisation’ of plantations would commence.

From the mid-1970s, efforts to nationalise plantations were already underway, and the main attention was on the largest plantation conglomerates. In 1976, Sime Darby was purchased by Pernas but, later, the plantation company was transferred to the newly established Permodalan Nasional Berhad (PNB) in 1978. PNB then made a daring venture to purchase Guthrie Corporation Ltd (GCL) – the largest plantation conglomerate in the country in 1979. PNB successfully purchased 45 per cent of GCL, and soon, the stake was transferred to Pernas which then proceeded to acquire sufficient controlling shares of GCL – covertly, and without the prior knowledge of Guthrie’s management – through open trading in London Stock Exchange. This endeavour was later to be known as a ‘dawn raid’ and was celebrated as a nationalistic triumph by state elitist. The success of ‘bringing Guthrie back home’ added the zeal to acquire further large plantations in the 1980s, although not necessarily in the manner of the ‘dawn raid’. During the same period, and soon after that, the state investment arm, PNB was to take over other foreign giant plantation conglomerates – Barlow Holdings, Harrisons & Crosfield, United Rubber Company and Socfin, and effectively become the biggest plantation owners in the world.

The series of takeovers also meant that most of the plantations, especially in Peninsular Malaysia, were not private properties of foreign capitals, but owned by the state through its investment arms. This time around, the state transformed itself into assuming ‘entrepreneurial’ and ‘market state’ roles in regards to newly acquired private plantation lands. These acquisitions were construed as the ‘nationalisation’ of the plantation company, but was limited to ownership. The entire operation and the objectives were close to common business entity. The state through its extensions expanded its ‘entrepreneur’ function by creating business entities under the label of ‘government linked companies’ or GLCs. The GLCs operated the newly acquired plantations as businesses, and not in keeping with the principle of achieving the social objectives of the state. In other words, the state ownership of the huge plantation conglomerates did not amount to ‘nationalisation’ in the conventional sense, but a continuation of ownership by another group market orientated state companies.

owned rubber estates to be registered in Malaysia and for their profits to be ploughed back into the economy, subject to the amounts which customarily allowed as remittances abroad’. Most of the suggestion made by T.H. Tan took a concrete form in later years. The debate was published by ST on 7 March, 1967. See also resolution passed in Second Bumiputera Economic Congress, 1969.
The commodification of plantation land was consummated when the state plantation giants diversified their market portfolios by being directly involved in the business of developing the plantation lands for commercial purposes. The plantation land bank was not conceived as being politically strategic in the context of Sino-Malay rivalry any more, as was the case in the 1960s, but clearly seen as an economically lucrative commodity. The state owned plantations that were mostly under the statutory body of the Finance Ministry, Permodalan Nasional Berhad (PNB) begin to diversify their business to include commercial property development as well. In a major merger in 2007 the biggest plantation companies under PNB – Sime Darby Berhad, Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad – were consolidated and the plantation ‘brand name’ Sime Darby Berhad was maintained. With this merger, Sime Darby Group net worth became approximately USD17 Billion (Sime Darby, 2008:2). The plantation land development subsidiary, Sime Darby Property Berhad, effectively became the biggest property developer in the country, by commodifying the once cheaply acquired plantation lands.58

It should be noted, the ‘Malay’ economic nationalism as envisaged in the earlier period bore little resemblance to what transpired in the later period, particularly in the plantation sector. The bandwagon of market economy would soon enter the private state land development programmes. Within a decade of becoming the largest plantation owner, the market state philosophy soon intruded into the bastion promoted by the Malay ‘economic nationalism’ – the state land distribution program for the poor, FELDA. The state land distribution program through FELDA was described as 'one of the most successful land settlement organisations in the world' by the World Bank. However, ‘in the early 1990s, the official policy at FELDA switched dramatically from a social land settlement objective to an economic agricultural development strategy’ where the state ‘favour estate management companies in land development, with commercial production objectives prevailing over social resettlement aims’ (Sutton and Buang, 1995). The FELDA’s withdrawal from land redistributive programmes, particularly for the poor landless Malays, marked a closure of the era of state social objectives through the plantation industry. And the forces of the market economy did not end here.60

By now, FELDA was already the biggest oil palm plantation in the world by land size. It too latched on to the bandwagon of ‘diversifying business’. FELDA

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58 The properties division’s merger was comprised of the property arms of Golden Hope and Guthrie, Sime UEP Properties Bhd and Negara Properties (M) Berhad and Sime Darby Property.
59 Apart from the plantation companies land development wings, PNB later purchased two other property giants, namely Island & Peninsular Group Sdn Bhd and S.P Setia Berhad.
properties, as was the case with their counterparts in Sime Darby Berhad, proceeded to commodify its strategic land bank for property business.

In a policy review speech of the Federal Legislative Council, the High Commissioner Gerald Templer stated on the need to re-settle the plantation labour as part of nation building priority. ‘…tenure of land is and always has been a fundamental stabilising influence in the life of any country. This principle is of very great importance in our settlement of our declared policy of forging a united Malayan nation. This vital question of land tenure affects not only the new villager. The Indian labourer on the estate who has made this country his home also deserves a stake in the country, and to give him such a stake will be to the country’s benefit. State and Settlement Governments are showing the greatest understanding and cooperation in this matter, and are now obtaining data regarding State or Crown land suitable for alienation to Indian labourers. Such a measure will be to the advantage of the labourers themselves, the rubber industry and the country as a whole’. The address was published in full in The Straits Times, 20 November 1952.
Plate 5     Early Plantation Housing

Plate 5     Clearing for Plantation Housing
Chapter 4


‘Most of the estates which are sold for fragmentation have been incorporated about 40 or 50 years ago and workers have been on them for quite a long period. The workers have lived on the estates hereditarily believing the labour lines to be their villages and they have worked for the betterment and improvement of the estates. But due to fragmentation these workers are turned away without any or adequate compensation or gratuity and are left to find employment elsewhere’
NUPW Report and Recommendation on Estate Fragmentation, 10th February 1958

4.1 Introduction

This chapter traces the early development of commodification of plantation land in Peninsular Malaysia. At a time when the plantation labour had barely recovered from the effects of ‘Emergency’,\(^2\) (1948-1960) when sporadic violent episodes continued to occur in plantations, a wave of mass retrenchments hit the plantations. Unlike the impact of the external forces such as the Great Depression, the Japanese Occupation or the Emergency, the new wave of retrenchments presented itself during peaceful times when the economy was largely stable. The mass retrenchments were driven by a new force – commodification of plantation lands. The commodification prevailed unabated for nearly two decades with the severest phase from 1962 to 1969. The plantation lands were

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\(^{1}\) This report was submitted to the Minister of Natural Resources, Federation of Malaya as a response to the then announced findings of a report by an ad-hoc committee appointed by the Ministry of Natural Resources on ‘fragmentation of estates’ that was submitted as a confidential departmental report bearing the reference CLFM.65/57/. See ‘Fragmentation of Estates’, Stats. 3/146, Assession Number 2002/0022821.

\(^{2}\) Emergency 1948-1960, refers to communist armed insurgency which lasted for several years. Plantation labour was badly affected because the insurgents targeted plantation economy, the main source of revenue for the colonial and later independent Malaysia. See Chapter Three on the impact of the Emergency on plantation labour.
commodified by individuals and syndicates who wanted to make a quick profit. The sellers were mostly British plantation owners who left Malaysia around the period before independence and the plantations involved were mainly marginal ones. Later, in the 1960s, the business became larger involving bigger plantations as well.

The commodification, better known as ‘subdivision of estates’ in local legal and economic jargon, can be divided into two periods, 1951-1961 and 1962-1969 based on the intensity of impacts on the labour families. The subdivision has been described as ‘estate split-up’ and ‘estate break-up’ though the more common expressions were ‘fragmentation’. Among the Indian plantation labour, it was commonly referred to as *tōṭṭat tuṇṭāṭal* or simply *tuṇṭāṭal*, a term introduced and popularised by the plantation union, NUPW to depict the evils of subdivision.

The phenomenon of subdivision of estates can be labelled as a major labour catastrophe in the post-colonial period because the largest industry employing about 300,000 labourers was in a state of anxiety and uncertainty, at least for a good part of the decade. A total of 93,826 hectares or about 12 percent of all plantations was said to be subdivided between 1951 to 1961 alone (Ungku Aziz, 1962:19). The total planted hectarage of rubber dropped by about 49,000 hectares from 1950 to 1961. And at least another 142,000 hectares of planted rubber acreage were either subdivided or converted to oil palm from 1962-1969. The first official announcement pertaining to unemployment during the later period of subdivision (1962-69) appeared in the Second Malaysia Plan (1971-75) which stated that ‘in 1962-67 alone, some 54,000 workers, nearly 20% of the estate workforce, were displaced from this sector’ (Malaysia, 1971: 96-97).

When measures were proposed to stop the subdivision of plantation land by means of, for instance, enacting a law (based on the Ceylon model), the answer of the Deputy Prime Minister is reflective of the state’s stand for the entire period,

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4 The figures are from ‘The Employment Problem in West Malaysia, 1962 – 1975’ (DOS, 1969) that was based on ‘Employment, Unemployment and Underemployment’ surveys. If pineapple plantations are included in the Labour Department data, the total number will be 316,990 for 1962 and 272,570 for 1967.
This special law is too drastic a measure to be taken at this stage as it would interfere with *the normal rights of individuals to buy and sell land* (emphasis added).

Thus, in the plantation context, the transition from colonial rule to independence was greeted by retrenchments, evictions and for some, repatriation. Though this affected all ethnic groups, the severely affected was the resident labour that was mainly Indians. Nevertheless, the impact of the retrenchments on the ‘commuting’ labour that mainly comprised the Chinese and Malay cannot be understated. By the eve of independence, the heat of subdivision began to be felt in the entire plantation industry with Province Wellesley taking the lead.

The Labour Department, in its annual report could not ignore the phenomenon any longer and in 1956 it made a special mention on the fragmentation of estates adding that ‘in this process, little regard was had for the labour force’ (ARotLD, 1956:12). Earlier, the monthly report of the Labour Department, drawing on the situation in Province Wellesley, stated that the ‘future’ of ‘Indian labourers on some large European estates … is not very hopeful’.

From the southern state, the Malacca Settlement Secretary wrote to the Chief Secretary of the Federation of Malaya informing him about the ‘noticeable increase in request for the sub-division of rubber estates’ and that ‘the capacity of the survey department has been embarrassed by a large number of applications for the sub-division of small estates…’. These were the earliest official reports on the increasing subdivisions. By now the ethnic composition of labour in the plantations was as follows: Indians about 160,000, Chinese about 90,000 and Malays about 55,000. The major plantation union, the NUPW, recorded the predicament of the retrenched labour as follows:

The workers whether they be of Indian, Chinese or Malay extraction all had been given one month’s notice and ordered to quit immediately after the sale of the estates. They were sent out without

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5 *ST*, 18 August 1963.
7 Letter from the Malacca Settlement Secretary to the Chief Secretary of the Federation of Malaya dated 3rd January 1956. See ‘Sub-Division of Estates’, MRD (T) 0.25 Vol. IV, Assession Number 1974/ 0000161.
adequate or any compensation. Some workers who had been on the estate for 30 or 40 years also were ordered to go out without anything.

The impact of subdivision was pervasive on all those employed in the plantations and it did not spare the administrative staff. The Editorial of The Planter, the mouthpiece of the planters association – Incorporated Society of Planters – highlighted the hardship faced by the managers and assistants. As the problem was getting serious some measures had to be taken to protect the expatriate staff. The Incorporated Society of Planters which organised a special meeting to discuss the problem of subdivision proposed a compensation scheme for estate managers. Altogether sixty agency houses were invited to the meeting but only one attended. (The Planter, Dec 1957). This indicated the level of interest of the plantation capital on the subdivision problem and more importantly, the welfare of their high ranking administrators in the plantations. It was much worse for the labouring class.

Subdivision is basically a process whereby plantation lands were divided into smaller plots – partly or completely – for sale to locals mainly by the departing British planters to secure their capital and to make quick profits. It was mainly conducted through agents. However, as the scale of the subdivision increased, speculators were widely involved in buying and selling the lands. Once a plantation land was sold, the labourers would be retrenched if the subdivided units were too small to function as an economic unit, and retained if

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8 During the entire subdivision period excepts from 1969, no compensation was obligatory under the law (See Chapter Eight, Table 8.15). In the 2nd Triennial delegates' conference of the NUPW (10-12 December, 1962) a resolution was passed to seek ‘severance pay’ for workers retrenched. It was pursued in the Collective Agreement (C.A) in 1963 but the agreement ended in dispute and was mediated. The demand for ‘retirement and severance pay’ was dropped during the mediation. It was raised in the following C.A and finally adopted in 1969. Before 1969, NUPW normally negotiates on behalf of the workers for ‘severance pay’. The compensation given usually too small. The compensation for retrenched workers in subdivided estates was paid based on the year of service. Generally, the practice in the late 1960s was $10.00 for each completed year of service for those who were employed from four to ten years and $20.00 for each year for those employed more than ten years. ‘Kepalas’ and ‘kanganis’ was paid additional 25% of the amount computed above. However, no ‘severance pay’ to those who worked for less than four years. ‘Fragmentation of Estate’, 60/57, Assession Number 2000/0017162.

the units were large enough to offer employment. Labourers were retained only to the extent needed. As for legal requirements, if the subdivided units were less than 100 acres (0.40 hectares), the plantation owners would be exempted from the requirements to adhere to labour laws applicable to a plantation (above 100 acres). Plantations less than 100 acres would be classified as ‘smallholdings’ and the underlying assumption was that they were mostly family operated.

However, many subdivided plantations were larger than 100 acres but much smaller than the average sized plantations and did not have capital for infrastructure to operate like a standard plantation. As a consequence, most of these subdivided plantations did not maintain the standard procedures and infrastructure. The most pressing problems were the deterioration of the plantation infrastructure, facilities and general maintenance. Similarly, without regular care of the crop, the productivity was certainly affected. The drop in productivity and the deteriorating living conditions directly affected the wages and living standards of the labourers – this was the most identifiable feature of subdivided plantations in operation. The worst impact of subdivision, however, was felt on the newly created rubber ‘smallholdings’ caused by subdivision, that experienced poor yield and worst working and living conditions.

Unfortunately, because of the serious lack of data on subdivision, there is considerable uncertainty about basic information such as the scale of subdivision and its duration. This probably is the reason why such a major development in plantation history received such scanty attention from plantation scholars.\(^\text{10}\) Using historical records, we will attempt to fill the lacuna by providing an overview of the phenomenon; the scale of subdivision and the main implications on the plantation labour of the period. The focus is on the response of the colonial and subsequently the newly independent Malaysian government to the subdivision problem. Attention is given to the

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\(^{10}\) For instance, Jain (1962) who did his anthropological field research at the height of subdivision, only made scant remarks on the fear of subdivision among the labourers. The menace of subdivision during the period was widely covered by the vernacular newspapers and by the NUPW’s widely circulated Tamil mouthpiece, *Sangamani*. However, the subdivision during the period was largely involves smaller plantations. Gamba (1962) who had excess to NUPW documents, covered subdivision until 1958. For structural perspectives on subdivision, see Rudner (1994:143-48).
consequences of subdivision in terms of outright retrenchments, temporary unemployment, and the deterioration of living and working conditions. Integral to this process was eviction or forced migration of the affected families from the subdivided plantations. These aspects, without doubt, were the most recognisable consequences of the subdivision of plantations that had far reaching impact on the spatial and occupational mobility of plantation labour.

The causes of subdivision were extensively debated in the mid-1950s. During the period, the NUPW played a critical role, to a certain degree pre-emptive, in highlighting the process of ‘break-up similar to Ceylon plantations’. Soon others from the plantation fraternity joined the debate, some supporting and others opposing subdivision. The discussions highlighted certain issues pertinent to subdivision. Among others, it was stated that the main fear that motivated the midsized and smaller plantations to sell was the rise of synthetic rubber that cast doubt on the future of natural rubber. In many aspects, the quality and competitiveness of synthetic rubber was superior to natural rubber. Thus, concerns about the future potentiality of rubber was said to be one of the main reasons for subdivision. Others were apprehensive about the political direction of the newly independent state, particularly the fear of nationalisation. By that time, other countries within the region had nationalised foreign industries, particularly Indonesia and Burma. In the meantime, there were similar calls for nationalisation from the leftist organisations of Malaya, and this must have caused considerable anxiety among the plantation owners.

In the initial phase of subdivision, the dusk-to-dawn curfew imposed during the Emergency and the threat from armed communist guerrillas were said to intensify the decision to sell off the plantations. The overall scenario was made worse by the volatility and fall in the price of natural rubber in the world market. However, the most immediate incentive for the departing English owners

11 The ‘Ceylon Law’ was popularised by NUPW and was widely used in plantation fraternity, government agencies and the media. However, nowhere in any records the actual name of the law was stated by any parties. The law is called ‘Tea and Rubber Estates (Control of Fragmentation) Act’ (No. 2 of 1958) which came to force on December 1957.

12 For instance, Parti Rakyat adopted a resolution at its seventh annual congress at Kuala Terengganu ‘to nationalise all foreign owned estates, tin mines and industries’ (ST, 2 October 1962).
appears to be the profitable business of subdividing the plantation land. For the purchasers, buying a subdivided plantation lands is better than other lands as ‘because they are already developed, with road and drainage works where these are necessary, and because they hope to gain from the Smallholders Replanting Scheme’.  

To be eligible to smallholders replanting grant, commonly known as Fund B, subdivision exercise on paper were commonly done where plantations were ‘subdivided’ into several units below 100 acres but controlled by the owner/s. In fact, the Commissioner of Lands wrote to Rubber Industry (Replanting) Board in February 1956 to inform that ‘most of the applications for subdivisions … are made for the purpose of obtaining grants from your Board, …the intention of the applicants is fraudulent’… and the board should ‘consider refusing to make grants’ for such cases. He went further to say that he intends to ‘propose to advise Land Officers that applications for subdivision should be given the lowest possible priority, if they appear to have no other reason than getting round the law in this way’.  

However, buyers to purchase entire plantation were scarce, hence the need to subdivide into smaller plots. At the same time, there was greater demand for smaller plots in the market. It was said that ‘land hunger’ of the period had created a higher demand for land. The underlying notion was without the high demand, subdivision cannot be rampant. The government’s first report on the subdivision of plantation land stated the main cause of subdivision in the following words,

It should also be remembered that in some parts of the country, where there is no overall shortage of State land, the existence of extensive

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15 For instance, Sir Eric Miller, chairman of Harrisons and Crosfield opined that the Federation Government should release “some of its very ample land reserves” to small holders to counter the harmful effects of fragmentation of former European-owned rubber estates’ (ST, 13 December 1956). He believed this was the cause of land hunger.
Malay Reservation have resulted in local shortages of land for non-Malays (CLFM, 1957: 2).  

For marginal plantations, aged rubber trees were seen as a huge liability. First, the aged trees were of low productivity, and second, huge investments would be needed for replanting. Furthermore, there would be no revenue in the interim pending the maturity of the trees. The easy option was to dispose the unproductive land and make a quick profit from the sale. Apart from that, many trees were damaged during the Emergency and the same economic reasoning motivated the sale for quick profits. The local Chinese syndicates and agents acted as middleman, securing the plantation after paying some deposit, then setting the full payment after re-sale of the subdivided plantations. The middlemen were confident that subdivided smaller plots was easy to sale.

In this process of subdivision, the fate of the labourers and their families was the last priority. In some of the affected plantations, the transactions did not involve total retrenchments of the labour force but in others it could be sizeable or total. After being retrenched, the labour families had to vacate the plantation whilst the ‘lucky’ ones not retrenched, had to manage with reduced amenities and wages. Moreover, the social repercussion was enormous. Families were separated, the plantation social structure was weakened, and tens of thousands of families were immediately made homeless and jobless. For the labourers who had been retrenched and forced to vacate the plantation, it was a moment of anguish and compelling uncertainty, with a prevailing sense of being abandoned and neglected. For the workers unaffected by the retrenchments, it was a period of great anxiety and vulnerability with regards to the prospect of plantation work and living. In should be noted that in the case of retrenched Indian labourers, most of them were citizens or eligible for citizenship, and had domiciled in the plantations at least from 1938 when assisted migration was banned by the Indian government. In

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16 The undated report was prepared by Commissioner of Labour Federation of Malaya somewhere between 23 September and December 1957.

17 It was common for the communist to slash rubber trees to hit the colonial economy generated from rubber. The most prone state was Johor followed by Perak, Negeri Sembilan and Selangor. In 1952, in Johore alone 26,500 rubber trees were slashed and the total was estimated to be 38,000 trees. In 1951, the number of trees slashed in Johor was 88,000. The surviving damaged trees usually have a poor yield. (ST, 7 January 1953).
short, regardless of ethnicity, most of the retrenched labour were citizens of the new state but were left to fend for themselves during this crisis period characterised by commodification.

4.2 Notes on Sources: Varying Information from Limited Sources

Despite being a burning issue since the mid-1950s to 1969, it is surprising that essential data on subdivision such as the number of labourers affected, retrenched or unemployed labourers and the plantations involved are not available for the entire period of subdivision. The data available at the archival collections of the Labour Department, NUPW, the Statistics Department and the planters associations are not complete. The Labour Department initially had the widest coverage by including plantations of 25 acres and above.\textsuperscript{18} NUPW concentrated on estates (100 acres and above) with union membership. The Statistics Department focussed on the estates and the smallholdings, and the Malayan Plantation. Industries Employers Association (MPIEA) later, Malayan Agricultural Producers Association (MAPA) on member estates.

While information on unemployment and labour shortage in plantations was reported in the periodic publications of the Labour Department, it is by no means comprehensive. The first unemployment survey was conducted only in 1962. The government sometimes appeared indifferent to the need for important data on socio-economic developments such as retrenchments. For instance, as recent as 1971, the deputy labour minister informed Parliament that ‘figures of workers retrenched or dismissed in estates were not available because employers were not obliged to report such matters to [the] ministry’ (\textit{ST}, 15 Dec 1971). Earlier, in a Parliament session in November 1964, a basic question was asked ‘whether fragmentation or sub-division of estates as a business comes under the registration of Business Ordinance’. A written answer was provided by the Minister of Finance to the question as no. To a further query ‘to state the number of fragmentors registered,’ the answer was such data not available.\textsuperscript{19} It shows that not much

\textsuperscript{18} From 1954, the Labour Department focused on plantations above 100 acres.
\textsuperscript{19} ‘Parliament question by Dr Tan Chee Khoon on Fragmentation/Sub-division of Estates, 25\textsuperscript{th} November 1964’, National Archives, 1986/0005244. The questions on subdivision and the fate of the plantation families continued in parliament well into
information on subdivision was gathered by the state. The frustration on the lack of data on subdivision related retrenchments and unemployment, and the relevant authority responsible can be captured from the editorial of the *Straits Times*, that stated,

> Whoever gains from the breakup of the estates, the workers lose. Very few can buy or share a smallholding. Most of them lose their jobs, or if lucky enough to work for an absentee landlord, usually do so for lower pay and without estate benefits.

> But who has the facts? Not the Unions, except in a general way. Nor the Federal Government, nor the States. There is confusion even in so elementary and clear a matter as State authority under the Land Code to prevent subdivision and fragmentation. How many estate workers have become unemployed because of the sale of the estate? There are guesses, but no hard figures (17 Feb 1967).

The scanty information of this period is made worse by the problems with labour data. Officially, the Labour Department and the Statistics Department compiled data on labour. However, very early in the subdivision period, the data compiled by both the departments vary at an unacceptable range. For instance, the Statistics Department recorded that 148,512 labourers were employed in rubber estates in 1950 compared to 121,244 by the Labour Department. And in 1953, the figure provided by the Statistics Department was 135,973 whilst the Labour Department claimed it was 139,924. Similarly, data on the total number of estates provided by the two departments also varied considerably. The lower figure for estates and labour provided by the Labour Department during this period is a point of concern as the department also included in its enumeration plantations above 25 acres and this should, therefore, reflect a much higher figure for estates and labour than that of the Statistics Department.

The striking variants never failed to be noticed by the respective departments. The Statistics Department pointed out to the Labour Department that ‘rubber estates present the biggest problem since there are 2,489 estates of 100 acres and over registered in [Statistics] Department as compared with total of 2,062 [in the Labour Department] for 1953’²⁰ for which the Labour Department replied

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that it was ‘doubtful whether a reconciliation could be made between your figures and our figures in respect of rubber estates’.

The figures of the two departments never tallied for the entire period of 1950-54 for all types of plantation and its labour force. However, since 1954, the Statistics Department began to use the enumeration by the Labour Department on labour – a practice that prevails to the present time.

Apart from the problem of double counting, the disparities were mainly in the categorisation of ‘estate’ and ‘smallholdings’ that can be tricky on the ground and be compounded by the type of crop/s planted, single or mixed crop/s, ownership, total size of holdings etc. When mixed crops are planted in an estate, for instance coconuts within the rubber estates, the labourers working on the coconut section are not included in the total labour force of the rubber estate though it is a common knowledge labour rigidity as such does not exist within a unit of production. The size of the plantation unit enumerated by the Labour Department also differs at different periods. For rubber, from 1950 to 54 it included estates above 25 acres and after 1954 only plantations 100 acres and above. Similarly, other crops such as coconut, oil palm, and pineapple of 25 acres and above were initially included under the Labour Department enumeration. Later, it only included estates 100 acres and above for all the crops, and oil palm was the last to follow the trend in 1969. Only for tea plantation the Labour Department continued to include estates and smallholdings figures during the period.

The Ungku Aziz report, the other important source of data of the period, shows that from 1951-1955, a total of 52 plantations covering 20,234 acres of land were subdivided and the number of workers affected was 31,463. However, the report did not provide details on the number of retrenched labourers or the ensuing unemployment as a consequence of subdivision. Ungku Aziz’s report only focused on the remaining labour force after subdivision occurred. The focus of the report, contrary to general opinion, was not on the impact of subdivision on labour but the impact of subdivision on production. A detailed analysis of Ungku Aziz’s report is provided in the next section. Contemplating on the official labour figures for the duration of Ungku Aziz’s study, it is striking that labour composition in aggregated terms largely remained the same in plantations for the

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entire period. Since there had been no noticeable labour reduction, how do we explain the main impact and the panic centered on subdivision? It also calls to question the severity of the retrenchments during that period.

Despite the aggregated labour data discrepancies, the point to note in the Labour Department reports is the stable and rather increasing employment trends in the period. The Labour Department data is representative, as it covers rubber plantation above 25 acres as well as other plantations. The fall in employment with 4,059 labourers was only visible in the year 1954 (see Table 4.4). In other words, retrenched labour migrated to other plantations, mainly to rubber. The main cause of retrenchments at this early stage was attributed to the ‘increased replanting’ and ‘more economic allocations of tasks’ (LDMR, May 1956:4). When rubber trees age and become less productive, replanting will be undertaken by plantations. During this exercise, there would be ‘labour circulation’ when surplus labour is temporarily retrenched and later absorbed when the plantation is back to its capacity. This practice continued in the plantations right to the post-independence period.

The data on the number of subdivided estates is not available in the files repository of the NUPW, the Labour Department and the Ministry of Natural Resources in the National Archives except extractions or parts of a survey returns from the respective bodies. It should be noted that the ‘First Committee on Subdivision’ was headed by the Commissioner of Lands and the report was submitted to the Minister of Natural Resources and the ‘Second Committee on Subdivision’ was headed by the acting Commissioner of Lands who submitted the report to the Minister of Rural Development (Abdul Razak). The data in the former was from the quarterly returns of estates but the data in the latter was compiled from a field survey. Upon the submission of the report from the First Committee, the lack of field data was strongly felt, thus the Commissioner of Lands assigned a study on Jong Landor Estate (2,278 acres) near Tapah of which a report was submitted in February 1958.\textsuperscript{22}\textsuperscript{23}

\textsuperscript{22} The study was assigned to the subdivision specialist, Deputy Commissioner of Lands, B.H. Catchpole who ‘has acquired specialized knowledge, not possessed by any other officer, of this matter’, Letter from the Secretary to the Minister of Natural Resources to the Secretary of Treasury dated 30\textsuperscript{th} April, 1958. The report was entitled ‘The Sale of Rubber Estates and the Fragmentation by the Purchasers’. However, information on the labour situation was rather limited in this report. For
The most important record missing from the Labour Department reports was on unemployment. From the early 1950s, a section on ‘unemployment’ was maintained in the annual reports of the Labour Department but disappointingly, it repeatedly reiterated that no system existed to monitor unemployment and underemployment. However in 1962, the Labour Department and the Statistics Department jointly pioneered a nationwide survey ‘Employment, Unemployment and Underemployment’ (DOS, 1963) to be conducted every five years with annual sample survey in ‘major metropolitan towns in West Malaysia’.24 The subsequent survey conducted in 1967 provided a clear picture of the magnitude of labour shedding in plantations when compared to the 1962 data. The report titled ‘Socio-Economic Sample Survey of Households - West Malaysia, 1967/68’ (DOS, 1971) shed light and offered insights into the total number of unemployed in the rubber and other plantations during the two periods.25

### 4.3 Investigating Subdivisions: The Committees Appointed by the Government

Soon the issue of subdivision of plantation land was regularly highlighted in the media. Other than the plantation workers union and the Labour Department other government agencies also joined in and the issue was not limited to retrenchments alone. Various government departments were concerned about the shift of responsibility from the large estates to the statutory bodies for providing and maintaining facilities such as drainage, roads, water supply, lighting, health and education as required by the law. An informal Committee under the chairmanship of the Commissioner of Lands was formed but later it

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23 The Jong Landor estate will be interesting for another reason. When the estate was subjected to subdivision, about 300 labourers protested. Finally, under the labourers initiative with certain outsiders, a company, United Malayan Plantations Ltd., was formed with authorised capital of three million shares. The kangkani who led the initiative stated the objective was to ‘dispose of the shares among the estate workers in the country in order to prevent the control of the company from passing into the hands of wealthy people’ (ST, 3 June 1958).

24 Agricultural employment was divided into two, estate and non-estate. In terms of ethnic division of labour, the survey employed the term ‘Indo-Pakistanis’ which for estate agriculture refers mainly to South Indian labourers.

25 For a brief description of unemployment during the 1960s that employed the two surveys, see Nijhar (1976, 86-87).
evolved into a formal Committee under the same agency to study with the mandate to study the ‘causes, extent and results’ of subdivision and its effects on the ‘economy and social structure’. The relentless pressure from the NUPW, the media, and other civil and political organisations was mainly responsible for the establishment of the new committee.

The Committee was headed by H.A.L Luckham who was the Commissioner of Lands, and five others, namely the Director of Agriculture, Commissioner of Labour, Chairman of Government Rubber Planting Scheme, Secretary to the Ministry of Natural Resources and Controller, Export Commodities Division. In their first meeting, it was decided that the views of the Rubber Producers Council and NUPW would be obtained on ‘the subject of fragmentation’ and the task was assigned to the Controller, Export Commodities Division. It is not clear, however, to what extent the opinions of the two bodies were instrumental in the process and in the outcome of the report. Nevertheless, the appointment of senior officials from across the relevant departments and the intention to consult the industry representative and the Union demonstrates that the issue was taken seriously.

The report was supposed to cover the period from ‘31st December 1954’ onwards and they were tasked to recommend suggestions to the government. The coverage of the report was until 30th September 1957, so it had effectively covered thirty-three months. No field survey was undertaken and the main source of information was the ‘quarterly returns of European owned estates transferred to Asians’.

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26 See ‘Minutes of the Ad Hoc Committee on Fragmentation of Estates held in the Office of the Commissioner of Lands on 12 April 1957’ in ‘Sub-Division of Estates’, MRD (T) 0.25 PT.1, Assession Number 1974/0000157.

27 For instance, K.V. Thaver raised questions on subdivision in the Legislative Council on May 1957. Later, on 6th May 1958, the Minister of Natural Resources even visited the worst hit area of Province Wellesley ‘to examine three estates’. The General Secretary of NUPW accompanied him.

28 The available minutes of the meeting shows minimal participation of the two organisations.

29 The Committee was divided whether ‘fragmentation’ was good or not, with J. Grundy, Deputy Commissioner for Labour opposed to fragmentation of ‘large and settled labour force, and the dislocation of health, education and social amenities’ (see Minutes of the Ad Hoc Committee on Fragmentation of Estate, 12 April 1957). See ‘Sub-Division of Estates’, MRD (T) 0.25 PT.1, Assession Number 1974/0000157.
However, the Commissioner of Labour Federation of Malaysia (CLFM) also benefitted from special reports submitted by other agencies such as the report submitted by the General Manager, Central Electricity Board and a memorandum by the Director of Drainage and Irrigation on the disruption of services in large fragmented estates.\textsuperscript{30} The government announced the outcome of the study in December 1957. The Report maintained that ‘fragmentation’ was not as high as assumed and only 42,163.9 acres [17,000 hectares] was sold to ‘smallholders’ from a total of ‘quarter million acres’ that changed ownership since January 1955 (see Table 4.1 and 4.2). Chances of under-stating subdivision were there as the report was based solely on the returns of a structured survey and it was very possible that the departing British owners of small and mid-size plantations ignored the responsibility of reporting on the eve of Independence.

The report received mixed response – the rubber producers’ fraternity welcomed the report but the NUPW dissented. The Federation of Rubber Trade Association, North Malaya Asiatic Planters Association and the Rubber Producers’ Council were of the opinion that the report was balanced and captured the issue of subdivision well. In fact, a member of the Rubber Producers’ Council even retorted that the Union argument that subdivision creates unemployment ‘was utter nonsense’.\textsuperscript{31} It should be noted that the report did not indicate whether or not large estates were subdivided into plots above 100 acres (thus not categorised under smallholdings but were nevertheless subdivided). Furthermore, the information on sizes of subdivided plantations was only made available for internal use of the Committee but not presented in the final Report (see Table 4.2 for the information). It should be noted that more than 15 per cent of the subdivided (or going to be subdivided) plantations were more than 1,000 acres but in terms of acreage, it consists of 65 per cent of all subdivided (or going to be subdivided) plantation lands.

\textsuperscript{30} Report by J. Sharples to the Secretary of Commerce and Industry, Ministry of Commerce and Industry, Federal House dated 24\textsuperscript{th} January 1958. The Memorandum to CLFM was dated 23 August 1957.

\textsuperscript{31} The Singapore Standard, 3 January 1958.
Table 4.1 Estates over 100 Acres Ownership Transferred from January 1955 to September 1957

<table>
<thead>
<tr>
<th>States</th>
<th>Estates Transferred (Acres)</th>
<th>Estates known to be Fragmented</th>
<th>Estates likely to be Fragmented</th>
<th>Estates not likely to be Fragmented</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Acres</td>
<td>%</td>
<td>Acres</td>
<td>%</td>
</tr>
<tr>
<td>Johore</td>
<td>104,395.7</td>
<td>2.2</td>
<td>1,462.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Selangor</td>
<td>41,777.9</td>
<td>3.1</td>
<td>634.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Penang &amp; Prov. Wellesley</td>
<td>28,047.6</td>
<td>92.8</td>
<td>950.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Negeri Sembilan</td>
<td>26,989.7</td>
<td>10.9</td>
<td>3,182.9</td>
<td>11.8</td>
</tr>
<tr>
<td>Perak</td>
<td>20,319.4</td>
<td>36.8</td>
<td>3,547.8</td>
<td>17.5</td>
</tr>
<tr>
<td>Pahang</td>
<td>11,719.3</td>
<td>15.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Malacca</td>
<td>6,213.5</td>
<td>3.5</td>
<td>544.3</td>
<td>8.7</td>
</tr>
<tr>
<td>Kelantan</td>
<td>3,551.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Perlis</td>
<td>852.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kedah</td>
<td>282.0</td>
<td>66.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Terengganu</td>
<td>Nil</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Federation of Malaya</td>
<td>244,148.6</td>
<td>17.3</td>
<td>10,321.5</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Source: CLFM.65/57/29

Table 4.2 Distribution by Size Groups of Estates known to be Fragmented and Likely to Be Fragmented

<table>
<thead>
<tr>
<th>States</th>
<th>100 - 300 acres Acreage</th>
<th>300 - 600 acres Acreage</th>
<th>600 - 1,000 acres Acreage</th>
<th>Over 1,000 acres Acreage</th>
<th>Total Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Acreage</td>
<td>No</td>
<td>Acreage</td>
<td>No</td>
</tr>
<tr>
<td>Johor</td>
<td>13</td>
<td>2,172</td>
<td>2</td>
<td>881.3</td>
<td>1</td>
</tr>
<tr>
<td>Selangor</td>
<td>4</td>
<td>791</td>
<td>3</td>
<td>1,140.6</td>
<td>-</td>
</tr>
<tr>
<td>Penang &amp; Prov. Wellesley</td>
<td>-</td>
<td>1,828.4</td>
<td>1</td>
<td>395</td>
<td>1</td>
</tr>
<tr>
<td>Negeri Sembilan</td>
<td>13</td>
<td>1,597.4</td>
<td>4</td>
<td>1,617.5</td>
<td>1</td>
</tr>
<tr>
<td>Perak</td>
<td>7</td>
<td>854.1</td>
<td>5</td>
<td>2,257.2</td>
<td>2</td>
</tr>
<tr>
<td>Pahang</td>
<td>6</td>
<td>753.3</td>
<td>2</td>
<td>894</td>
<td>-</td>
</tr>
<tr>
<td>Malacca</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kelantan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Perlis</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kedah</td>
<td>1</td>
<td>186</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Terengganu</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Federation of Malaya</td>
<td>50</td>
<td>8,182.5</td>
<td>17</td>
<td>7,185.6</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: CLFM.65/57/29

As for the implication on labour, the Report outlined two problems, namely ‘initial unemployment’ and ‘disturbance’ to labourers.
Subdivision was believed to create only temporary unemployment because ‘labour is required for the cultivation of the land, whether it forms part of the estate or a smallholding’ (CLFM:4). The assumption that rubber land, whether subdivided or not, requires certain number of workers and as such any unemployment will be temporary, is defective. Available information indicates that movement of workers was significant between estates rather than to smallholdings and secondly, long distance movement was not uncommon among retrenched labourers – this will be elaborated later. The second problem termed as ‘disturbance’ refers to the need to uproot the entire family unit to other estates. The Report, however, downplayed the hardship caused by dislocation and severance from the established communal living and CLFM maintained the position that it was a lesser problem of the subdivision. This stance, as will be seen later, was common during the entire period of subdivision among the planters and the government. Nonetheless, the gravity of the hardship faced by the labour families can be captured in the few words of the Report allotted under the heading ‘disturbance’,

Fragmentation is likely to lead to disturbance to labourers and their families, who will usually have to leave their home on the estate, and will lose the security of estate life to which they have become accustomed. This is particularly so in the case of the South Indian labourers, a large number of whom are employed on estate (CLFM:4).

The Report stated that ‘the ideal solution’ for the undesirable consequences of subdivision was ‘to prevent the fragmentation of estates until satisfactory arrangements could be made’ or ‘an alternative method … to give some authority [government agencies] the power to prohibit the subdivision of estates’ until necessary arrangements regarding services and facilities formerly provided by the estate were put in place. With regard to labour, ‘there is of course no law that can deal with disturbance to employees and their family’. The report saw the sale of land and the subsequent retrenchment of labour merely as an employment issue and concluded on an optimistic note by casting doubt on further fragmentation in the future. The Cabinet decided that the report by the Committee should be circulated to all relevant state agencies by the Minister of Natural Resources.32

32 Confidential letter from the Secretary of Minister of Natural Resources to all Secretary of States and others on 23 December 1957. ‘Akta Sekatan Kerja 1968,
Soon after the report of the First Committee was completed, close attention was given by the Ministry of Natural Resources to the problem of subdivision of estates. In fact, a circular was sent by the Secretary of the Minister of Natural Resources to all states on 23 December 1957 together with a copy of the subdivision report. Feedback from the states was received on the progress of subdivision. An interesting feedback was received from the Negeri Sembilan Council of State which stated:

That this Council considers that in the interest of the stability of the economy of the country and the stability of the employment of labour, fragmentation of large estates should be controlled and that the Government of the Federation of Malaya be requested to consider to amend the present Land Code to give effect that an estate which is more than 100 acres in area may only be permitted to be fragmented with the approval of the Ruler-in-Council.33

The task of monitoring subdivision and ‘to keep watch on the sale of estates and to report cases of further fragmentation’ was assigned to the Commissioner of Lands by the Minister of Natural Resources in a letter dated 17 January 1958. It further stated that the Commissioner of Lands ‘shall send you [the Minister of Labour and Social Welfare] the information he [Commissioner of Labour] acquires on this matter in the course of his duty’. By this time, it was clear that subdivision was not going to end as recommended by the First Committee and this forced the government agencies not to ignore it further. Thus, the Minister of Natural Resources met the Secretary-General of NUPW, P.P. Narayanan on 18 March 1958 to discuss a report by the union submitted on 10 February 1958 on subdivision of estates which was largely a response to the report by the First Committee. In broad terms, the new government agreed that subdivision was a problem that needed attention, and briefly there was optimism that an acceptable solution would be found.

The First Committee report was strongly criticized by Ungku Aziz, then a professor at the University of Malaya with a nationalist fervour.34 The Committee, it should be noted, comprised of senior

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33 The decision was made at Council of State meeting on 19 Dec 1957.
34 See the critic on this report by Ungku Aziz (1958:22-29). Ungku Aziz opined that ‘the myth is frequently repeated that we will not be able to manage our affairs
British civil servants. Ungku Aziz’s criticism resonated the mood of the time among senior Malay civil servants. At the same time, NUPW also attacked the report for the ‘glaring error’ of not including the Asian owned plantations that were subdivided and for ‘no mention of compensation for workers who become victims of the whims and fancies of the estate owners’. NUPW, however, concurred with the Committee’s recommendation that a body be formed to oversee subdivision and suggested that ‘a Tripartite Watch Dog Committee of Employers, Employees and Government be appointed to which a fragmentor who intends to fragment an estate of more than 100 acres should apply for approval’. The Union also suggested further that ‘a marginal limit (acreage) is set to protect the quality of production, welfare of the labour force and the maintenance of the estate’.

More than the familiar and expected criticism from NUPW, it was the scathing criticism by the eminent Ungku Aziz that brought the report of the First Committee to stagnation. No further administrative reference or follow-up from the report observed. The newly independent government administration, particularly senior civil servants recommended to the deputy prime minister then, Abdul Razak, on the need for a new study. In the meantime, the First Committee’s report appeared to have had no impact on government policies or interventions. In fact, the crucial issue of subdivision was ignored in the development planning of the First Five-Year Malaya Plan (1956 – 1960) despite rubber being the key contributor to GDP and the largest employment sector in the country. In the meantime, the subdivision of plantations continued unabated with no end to the labour retrenchments and displacement. And contrary to the First Committee’s conviction that ‘fragmentation’ would subside, subdivision reached a new height with no sign of slowing down. Clearly, commodification of plantation land was here to stay. The

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35 See ST, 7 January 1958 and The Malay Mail, 6 January 1958. The Report was prepared mainly from the information obtained from the quarterly returns of the European owned estates under “Transfers of Land Owned by Europeans or British Registered Companies to Asians”. This caveat, however, was stated in the report.
Union once again mounted pressure on the government to introduce legislation to curb subdivision.

In January 1960, the government finally appointed a second committee to study the subdivision of plantations with membership from senior civil servants and representatives from NUPW/AMESU and the producers associations – we will refer to it as the Ma’arof Committee. The mandate was similar to that given to the earlier committee but now it was expressly stated that the new committee consider whether subdivision was ‘beneficial or otherwise…bearing in mind that genuine fragmentation also has social advantages in the sense that it increases the number of small landowners’ (my emphasis). The terms of reference to the Ma’arof Committee was strange and indicative of the few most powerful ruling elite’s strong opinion in relation to commodification of plantations. The Ma’arof Committee was formed by the Deputy Prime Minister Abdul Razak under pressure; however, he was consistent throughout his term of office that subdivision was a form of land redistribution. It was in a way clear that the new government was not going to stop subdivision of plantation land entirely.

The terms of the appointment appear that the government was putting the cart before the horse by referring to ‘genuine fragmentation’. The Ma’arof Committee was also reminded that the earlier Committee’s report was redundant, that ‘it should at the outset disburden itself of its predecessors opinion, many of which had no basis in fact, whilst others have been disapproved by the continuing practice of fragmentation’. The rejection of the First Committee’s report had much to do with Ungku Aziz’s criticism. After some deliberations, the Ma’arof Committee submitted an interim report to Parliament in April 1961 announcing that ‘fragmentation’ was caused by speculators in Europe making successful take-over biddings of small rubber plantations that are generally undervalued and that the local

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36 The chairman of the Committee was Ma’arof bin Sheikh Ahmad (MCS). All signs indicate that the state political leadership was not keen for the second Committee to be established but the powerful pressure from the Union, Indian political and civil society leaders, and the support from certain senior civil servants, led to the formation of the Ma’arof Committee.

37 This Committee comprised senior civil servants with representatives from the plantation union and producers’ associations. See Federation of Malaya (1963) ‘Report of the Subdivision of Estates Committee’.

38 ST, 18 August 1963.

middleman only function to subdivide the plantation to potential buyers. In other words, the Ma’arof Committee was of the view that the culprits were the European speculators, buying the plantations cheap from the owners and selling it at higher prices to locals through middleman.

On the key questions of the extent of subdivision and the consequence on labour, the Ma’arof Committee was not conclusive as diverse figures were received from the stakeholders. For instance, the Labour Department stated that 317 plantations were subdivided from 1957 to 1959 with a total acreage of 131,686, but the Joint Action Committee of NUPW and AMESU stated that the total acreage was 170,000 and that another 110,000 acres were in the process of being subdivided. In terms of affected labour, the Labour Department stated that 250 retrenched labour remained unemployed whereas the NUPW estimated that a total of 13,000 labourers and their dependents had become unemployed as a consequence of subdivision.40

The Labour Department figures on unemployment which refer to retrenched workers registered with the labour bureau was grossly understated. The acreage affected, though lower than that given by NUPW-AMESU, was still sizeable. However, the Labour Department did not have any statutory procedures at the time requiring plantations to report subdivision and the ensuing retrenchments. The Union and AMESU had by far better infrastructure to monitor subdivision on the merit of having members on the ground. That explains how they could boldly produce figures on plantation under ‘process’ of subdivision. The big differences in the subdivision figures once again demonstrates how poorly the labour crisis was monitored by various parties.

The Ma’arof Committee then recommended a survey be undertaken for a clearer understanding of the consequences of subdivision, and for that purpose Ungku Aziz was appointed to conduct the survey with state funding. A major survey was then undertaken with assistance from Ungku Aziz’s undergraduate students and the outcome was the well-known three-volume report, *Subdivision of

40 ST, 21 Apr 1961.
Estates in Malaya, 1951-1960 (1962). Aziz’s report formed the basis for further discussions and decisions on subdivision made by the Ma’arof Committee.

Once Ungku Aziz’s report was analysed, the Ma’arof Committee in no uncertain terms expressed its opinion thus – ‘the inevitable conclusion of our Committee is that subdivision is ‘anti-development’’. The term ‘anti-development’ was the strongest term possible to condemn subdivision of plantations. In that period, when the national rhetoric was development and all efforts associated with development of the nation, the term ‘anti-development’ was indeed a bold assessment. The report encapsulated ‘anti-development’ as follows,

The inevitable conclusion of our Committee is that subdivision is “anti-development”. It has worked against and nullified the national plan for economic and rural development. It has created vast opportunities for the rich to get richer at the expense of the national economy. It has also placed labour, particularly estate labour on the lower plane than before (FoM, 1963:6).

The Report went further in the same vein and ‘strongly recommend[ed] that appropriate legislation to control future subdivision of estates should be immediately enacted’ and proposed similar laws as in Ceylon to be modified to the Malayan context (FoM, 1963:8 & 9). There was no precedence in the audacity and boldness of the Ma’arof Report as state’s Committee in the Independence period, and never since. The effective representation of NUPW, the sympathetic outlook of senior government officials on the plight of plantation labour, and the weight of Aziz’s report were roundly responsible for the strong recommendations. However, the victory was short lived.

The Report did not augur well with the Malaysian Rubber Producers Council (MRPC) and the Malaysian Planting Industries Employers Association (MPIEA) which disassociated themselves from the main Committee by submitting an alternative report entitled ‘Minority

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41 Volume I is the analysis by Ungku Aziz on the data collected and the following two volumes were undergraduate exercises undertaken by students participating in the survey. Only Volume I was submitted to the Committee.
Report of the Subdivision of Estates Committee’. The alternative report strongly rejected the findings and recommendation of the Ma’arof Committee. The main objection of the alternative report was the recommendation to introduce legislation to control subdivision of plantation land because the ‘very substantial reduction in the rate of subdivision since the end of 1960 no longer justifies recourse to such far-reaching legislation’. The argument was that since subdivision was a dying phenomenon as such, legislation would be a drastic measure. With the frequent reference to ‘Minority Report’, the Ma’arof Committee report was also referred to as the ‘Majority Report’. The third participant in the Committee – the smallholders’ representatives – issued a separate statement raising concern over ‘pseudo-subdivision’, an issue raised in Ungku Aziz’s survey, and opposed any form of new legislation of ‘Ceylon type’. By taking its own position, the smallholders also distanced themselves from the Ma’arof Committee.

4.4 Non-Intervention Position of the State

What followed for the next nearly one decade was the government’s inaction on the ongoing subdivision of plantations and the enraging debate on the government’s indecisiveness by opponents of subdivision. Before long, impression was rife that the Federal government favoured the Minority Report to safeguard the interest of the planters even though certain states had moved legislation to control subdivision as land matters was under state jurisdiction. And it was contended that ‘in doing so the Federal Government had rejected the views of its own representatives and that of the State Governments of Perak and Kedah as well, in favour of capital interest’ (NUPW/AMESU Memorandum, 1967:4). Months earlier, the Selangor Chief Minister too made a strong statement against

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42 Federation of Malaya, (1963) ‘Minority Report of the Subdivision of Estates Committee’. MRCP was represented by Chook Kok Leong and MPIEA by D.E Teale.

43 Minority Report of the Subdivision of Estates Committee, p. 1. The report was signed by two representatives from the Rubber Producers’ Council and one from the Malayan Planting Industries Employers Association.

44 Ungku Aziz highlighted a type of subdivision called ‘pseudo-subdivision’ whereby plantations were subdivided by the owner on paper only and thereby benefited from the fund from replanting cess of smallholders. See Ungku Aziz for definition of ‘pseudo-subdivision’ (1962:13) and on replanting benefits (1962: 135-6 & 235-6). This was also highlighted by the First Committee report (see CLFM.65/57/p. 2).
subdivision as causing ‘great harm to the nation’s economy’ and urged the Federal government to ‘take strong measures to stop’ subdivision’, and the Johor state declared that certain amendments in the NLC unique to the state prohibits subdivision – ‘land held on grant or lease which exceeds 640 acres in area shall not be divided’.

Right from the beginning elite federal government leaders were not keen to stop subdivision. In addition, the arguments of the ‘pro-subdivision’ camp, mainly comprising of the British planting fraternity and former administrators, was that subdivision would create a class of ‘peasant proprietorship’. In the same vein, earlier, the First Committee had been of the opinion that subdivision would have a positive outcome on land redistribution and repudiated the idea of any state intervention. In their outlook, the plight of the affected plantation labour was a necessary collateral for the redistribution process. Moreover, the argument that subdivision resulted in land redistribution and peasant proprietorship was in line with the government policy of the time in assisting the smallholders that comprised mainly of the poor Malay peasantry class.

However, barely two years after the argument and idea of ‘peasant proprietorship’ was advanced by the pro-subdivision camp, the redistribution myth was debunked by Ungku Aziz’s empirical findings. Ungku Aziz’s report based on substantial empirical cases of subdivision showed that less than ‘eight per cent of the new owners are owner operators’ (1962:180). Most of the new owners were not agriculture based. In fact, subdivision critics went on to argue that subdivision would impact the main source of revenue for the country because of the poor quality of rubber produced by smallholdings. It was argued that the rubber produced in smallholdings was of a lower quality (RSS 3 & RSS 4) compared to estates (RSS 1 and small quantity of RSS 2) and that an increase in subdivision would cause

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45 See ST 13 December 1966.

46 Malay syndicates are known to purchase land with the intention to subdivide. For instance, the Kedah Padi Planters’ Board implemented a scheme ‘to give financial assistance to padi planters in Kedah to purchase rubber land’ by purchasing rubber lands including ‘rubber estates of over 100 acres’ and ‘re-sell it to the padi planters on payment by installments within a period of not more than 10 years’ with each applicant ‘allowed a maximum of 10 relongs’. Letter from the Secretary of Padi Planters’ Board, Kedah to the Secretary for Minister of Agriculture dated 22nd March 1958, ‘Subdivision of Estates’, Federal Secretariat 1948-57, Assession Number 1957/ 0576401.
estates to cease operation. Or, if they operated as smallholdings the yield would be much lower. This argument was based on the comparison of the output in plantations and smallholdings (see Table 4.3)

Table 4.3 Yield Per Hectare of Rubber in Estates and Smallholdings, 1950-1970

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Estates</td>
<td>573</td>
<td>549</td>
<td>756</td>
<td>937</td>
<td>1174</td>
</tr>
<tr>
<td>Smallholdings</td>
<td>568</td>
<td>478</td>
<td>391</td>
<td>326</td>
<td>475</td>
</tr>
</tbody>
</table>

*Source: Rubber Statistics Handbook (various years)*

Despite all arguments and positive response from certain state governments to curb subdivision, the Federal government which had close relationship with plantation giants did not show interest in enacting a law. The reluctance of the government to initiate strong measures to curb the ongoing subdivisions as recommended by the Ma’arof Committee, gave the planters a moral victory. Commenting on the government inaction, rubber baron such as Sir John Barlow went to the extent of alleging that subdivision was uninterrupted because ‘the Alliance Party leaders want British Companies to sell fairly cheaply so that they can themselves profit’ (quoted in White, 2004:78-9). How far this is true is subject to investigation. However, it is clear that in relation to the commodification of plantations, the state in both colonial and the post-colonial state, were pro-subdivision for the entire period of subdivision. This is based on their position of not enacting any laws or enforcing existing laws, however inadequate, that would signal the government’s stand on the arbitrary sale of plantation land.47

4.5 The Ungku Aziz Report: Some Limitations

Before moving further, a brief note on the Ungku Aziz Report that has been the primary source of reference and authority on the subject of subdivision is in order. The Report, to date, has not been reviewed from the labour perspective, despite being commissioned mainly to

47 Ramasamy (1994) and later White (2004) argued that the state was neutral and independent in its relation to plantation capital. Ramasamy argued in relation to the plantation union and White in relation to British capitalists.
investigate the impact on labour. 48 The pioneering Report has furnished valuable data on the scale of subdivision and impact of subdivision on cultivation and labour resources. It concluded that subdivision had adverse effects on economic management of the plantations and labour, and it voiced concern over subdivision and urged that subdivision be controlled by the government.

However, in terms of the socio-economic effects of subdivision, Ungku Aziz Report has several limitations, especially in relation to the labour conditions. First, it omitted reference to the labourers retrenched and displaced as a consequence of the subdivision. By not covering the retrenched labourers, the study effectively omitted a large segment of the affected plantation labour force. This is a critical category. For instance, Ungku Aziz’s stated that on average only 23 per cent of the original work force remained in the subdivided estates although the actual percentage ranged in the estates ranged between 7 to 38 per cent (Ungku Aziz, 1962: 140 & 145). It means that the majority of the labour force was retrenched but the impact of subdivision on the affected labour was not explored. What happened to more than two thirds of the displaced labour force is an unanswered question in Ungku Aziz’s study – the neglect of this category denied the groups opposing subdivision the strongest argument. The neglect on retrenchments, unemployment and displacement caused by subdivision is the weakest part of the Report.

It should be noted that though the selection of districts and plantations is representative, the study had to omit a number of districts (see Ungku Aziz, 1962: 6). This indicates that the magnitude of the subdivision and the retrenchments was much higher than that reflected in the Report. And within the selected districts in the given period, cases of subdivision not cited further understate the scale of retrenchments and its impact on labour. For instance, Ungku Aziz Report stated that there was no subdivision in Selangor in 1956, but it was reported by the Labour Department that in March 1956 alone six Selangor plantations were subdivided.49 In the same year, and also in the state of Selangor, an undergraduate dissertation stated that a total of ten estates were subdivided amounting to 5,993 acres (Mamajiwala, 1959:51). Further, in Kelantan it was reported that

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48 The report was criticized on methodological basis by Ness (1964). For Aziz’s reply, see Ungku Aziz (1966).
there was no subdivision but in fact one plantation, the Pekan Langgar Estate, was subdivided in 1957 ‘into 35 lots of not more than 25 acres each’. Near Bachok, Kelantan, it was also reported that ‘Bukit Marak Estate was contemplating to split up’.  

It should also be noted that Ungku Aziz’s study focussed on plantations above 100 acres. Small plantations of above 25 acres that fall under the purview of the Labour Department in the early phase of subdivision were excluded from the study. The likely reason for the exclusion is that it may not be suitable for economic analysis considering the size. However, the Labour Department deemed it necessary to monitor labour conditions in such estates as it was widely recognised that labour conditions in smaller estates and smallholdings were often appalling.

The observation above is to caution us that the phenomenon of subdivision was more serious than that revealed in Ungku Aziz’s study. It should be noted, too, that the orientation of Ungku Aziz’s study was more on the economic impact of subdivision on production rather than the socio-economic impact on labour. Furthermore, the coverage of the study was only until 1960 but subdivision continued for nearly a decade after the study was concluded. In fact, the worst phase of subdivision began after 1960. Thus Ungku Aziz’s study does not accurately reflect the scale of subdivision and the number of labourers affected. In the following section, we will divide the discussion on subdivision into two periods, namely 1950-1961 when the scale of retrenchment was largely offset by the labour shortage problem, and the 1962-1969 period when subdivision escalated to a new height.

4.6 Subdivision Retrenchments and the Concurrent Labour Shortage, 1951-1961

The phenomenon of subdivision can be traced back to as early as 1951 and ended as late as 1969. The severest period was the 1960s. In this section, we discuss subdivision from 1951 to the early years following Independence in 1961. We argue that in this phase of subdivision, unemployment as an outcome of retrenchments was not

50 On Kelantan cases, see letter from the State Secretary of Kelantan to the Secretary to the Minister of Natural Resources dated 11 September 1957 and 1 July 1957.
high as generally assumed. The unemployment was largely off-set by the less known labour shortage problem of the period. The key problem arising from the retrenchments during this period was the familial problem – the social and economic cost of migration. The gravity of the problem lies in the fact that the movement of labour cannot be viewed simply as labour mobility but as total uprooting of familial units to a new location which normally resulted in severance of the long established communal living and support system. Displacement following the retrenchments and moving around in search of new employment was the critical problem of the period.

In the early 1950s when subdivision first surfaced, the impact on the plantation labour was not very evident. The magnitude of the problem was also not generally acknowledged. More than retrenchments and eviction, this period was mainly dominated by the news on the Emergency and its preoccupation with ‘regrouping and resettlement of labour’ in the plantations. Fearing the impact of communist armed insurgency on rubber production, the families from the adjacent plantations were grouped together in a safe environment. It was also a method to control food and other essential supplies from reaching the insurgents. After work, they would return to the common ground where food rations were provided on a head count basis. Mass cooking was also common during this period. The Labour Department noted that practically every worker has had his life affected in some way or other by “resettlement”, “regrouping”, “food control”, “curfew” etc. (ARoLD, 1953:17). It was the most distressing period for plantation families. Against this background, the Labour Department reports did not indicate the seriousness of the retrenchments problem. Instead, reports, such as they were, mentioned sporadic labour shortage, and this continued until the early years following Independence in 1957.

The retrenchments and unemployment problem as a consequence of subdivision and the concurrent ‘labour shortage’ problem must be viewed in a larger context. It should be noted that ‘assisted migration’ of labour from India was completely halted in 1938 despite repeated calls and attempts for Indian labour by the planters. The break in the steady stream of labour supply was the primary reason for the labour shortage. Furthermore, during the Japanese occupation, sizeable number of workers were uprooted from the plantations. It was stated that ‘planting interest said that only about 25 per cent of the pre-war labour force was working on the estates’ (Gamba, 1962:255). Later,
during the Emergency the labour shortage was exacerbated and that led to unemployment, labour displacement, and in other cases, labour drifted to different estates and urban sectors (Sandhu, 1969: 216). Had a ‘very large number’ of smallholdings not halted production altogether when the price of rubber fell, for it was uneconomic to continue tapping, the shortage of labour on estates would have been worse (ARotLD, 1953:17). In the meantime, when repatriation was resumed in 1946 the stream of labourers who opted to return to India was high and uninterrupted – subdivision being one of the contributing factors.

When the plantations gradually began to resume operation after the war especially following the declaration of ‘white areas’ – when certain areas were deemed safe from the threat of communist insurgents – the labour shortage became evident. During this period and subsequently, the subdivision was generally confined to marginal plantation with old rubber trees where foreign owners were reluctant to commit to long term financial investments through replanting. When the Korean War erupted in June 1950, there was a price boom for rubber and tin in Malaya. The hike in the price of rubber was the most remarkable, averaging 169.55 cents per pound in 1951, over four times the average price of 1949 (Stubbs, 1974:9). The sudden price boom created a need to maximise production in the plantations and this in turn created labour shortage. Planted acreage increased from 795,000 hectares in 1950 to 833,000 in 1954. It is in this context that the problem of retrenchments was actually cushioned by the labour shortage.

The problem of labour shortage was a striking feature in the official reports since the early phase of subdivision and it was reported throughout the 1950s to 1960. In 1950, it was reported that ‘in many areas there continued to be a shortage of labour on European estates’ (LDMR, Aug 1950:2). In another instance, the Labour Department report in 1956 described the situation as follows,

There is full employment in the industry, and in fact many estates are very short of labour. Groups of workers who leave an estate have no difficulty in obtaining employment on another (LDMR, Jan 1956:6).

It was not uncommon for the Labour Department reports to be pessimistic about the prospect of solving the labour shortage. For instance, the report stated that there was ‘a general shortage of tappers on estates in Johore, Pahang and parts of Perak and there is no prospect of filling these vacancies in the near future’ (ARotLD, 1960:37). In fact, despite the fall in rubber price towards the end of 1961, the Labour Department complained about ‘general shortage of experienced tappers in some of the rubber growing areas with no indication that all these vacancies could be filled’ (1961:30). Similarly, the report by the First Committee on subdivision echoed the Labour Department reports that labourers from the subdivided plantations were gainfully employed in other plantations.

This, however, does not mean that there was no retrenchment in this period. The rubber price that was at the peak in 1951 gradually dropped, and by 1953 it was very low. Labour shortage was still reported at this time in ‘isolated and unpopular areas’ (ARotLD, 1953:17). During the period, it was reported that 11,817 adult labourers were retrenched and this does not ‘represent the total number of labourers who had been retrenched due to the fall in the price of rubber’. And another 2,657 labourers ‘had been served with notice to cease work and would shortly be unemployed’. However, at the same time other plantations reported that they required 4,000 workers and efforts were made to ‘put these estates in touch with those who had retrenched labourers’ (ARotLD, 1953:18).

The condition of retrenched labour during this period also remained obscure although optimistic news never failed to get the attention of the labour reports. For instance, the Labour Department reported that in the worst hit areas of Province Wellesley, ‘the dismissed labourers have been allowed to remain, for the present, in the lines they formerly occupied’ and this had ‘reduced to some extent the impact of the sudden change in their accustomed way of life (LDMR Jan 1956:7). This concession, however, would end as the labourers had to eventually move-out of the plantation. Citing a case, it was reported that the retrenched labour from the same area ‘left with their families and have gone to other MPIEA member estates in Perak and Kedah. They are residing either with relatives or friends who are employed on the estates, in the hope of obtaining work on these estates also’ (LDMR Oct, 1956: 4).
As late as November 1957, a Minister replied in the Federal Legislative Council that unemployment caused by subdivision was ‘temporary and limited’ and ‘labourers have found little difficulty in obtaining employment in other estates’.\(^{52}\) Even P.P Narayanan, the most vociferous critic of subdivision, representing the largest plantation union concurred with the statement made by the minister and reiterated that ‘so far, no effects have been felt’.\(^{53}\) It should be noted that P.P Narayanan was only referring to unemployment and not subdivision. While the employment figures show that unemployment was not serious, the other equally crucial problem of displacement went unnoticed. The fact that the retrenched labour had to uproot their family from the community support system and move to an unacquainted location was not taken into account. The social cost of the labour migration caused by subdivision was almost disregarded in the debate.

The impact of subdivision during this period was more serious and harsh on peripheral workforce within the plantations. In a typical European rubber plantation in the mid-1950s, the labour composition would be around 64 percent tappers, 23 per cent ‘weeders’, 4 per cent factory workers and the remaining nearly 9 per cent ‘others’. Certain lowly paid categories, mainly the weeders and other fieldworkers were reported to have been dismissed by the new owners who were mainly Chinese. The most frequently mentioned was the weeders, a category of labour graded as unskilled and of lower status than tappers. The weeders comprised a sizeable category in European plantations but the new owners, mainly Chinese, dismissed the weeders (LDMR, Jan 1956:6). In other types of plantations, the percentage of weeders was much higher: about 40 per cent in oil palm, 34 per cent in coconut and 29 per cent in tea plantations. Wherever data was available for employment in plantations with a breakdown on ‘below and above’ 100 acres, the number of weeders and miscellaneous workers was dwindling in the former and at the same time increasing in the latter.\(^{54}\)

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\(^{52}\) See \textit{ST}, 14 Nov 1957 and \textit{The Malay Mail} 18, Nov, 1957.

\(^{53}\) See \textit{ST}, 16 Nov 1957. On different opinion on NUPW data see a case study on subdivision during this period that stated the NUPW data was ‘clearly an underestimate’ when compared with the findings from the field survey. For instance, it was found that 10 estates were subdivided in the district from 1956-59 but NUPW recorded only 4. (Kwan,1961:5).

\(^{54}\) For instance, for the period 1951-1954, the breakdown of estates below and above 100 acres were provided in AROTLD. See the Table 4.5 below:
128 | The Commodification of Plantation Lands, 1951-1969

Table 4.4  Weeders and “Others” Labour in Rubber Estates, 1950-1961

<table>
<thead>
<tr>
<th>Year</th>
<th>Indians</th>
<th>‘Weeders’</th>
<th>‘Others’¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>32,887</td>
<td>61,405</td>
<td>11,219</td>
</tr>
<tr>
<td>1951</td>
<td>32,904</td>
<td>66,541</td>
<td>12,727</td>
</tr>
<tr>
<td>1952</td>
<td>34,773</td>
<td>70,899</td>
<td>12,156</td>
</tr>
<tr>
<td>1953</td>
<td>36,819</td>
<td>66,786</td>
<td>9,603</td>
</tr>
<tr>
<td>1954</td>
<td>134,949</td>
<td>61,762</td>
<td>10,056</td>
</tr>
<tr>
<td>1955</td>
<td>144,900</td>
<td>65,600</td>
<td>22,200</td>
</tr>
<tr>
<td>1956</td>
<td>143,870</td>
<td>64,170</td>
<td>24,120</td>
</tr>
<tr>
<td>1957</td>
<td>142,600</td>
<td>64,120</td>
<td>20,760</td>
</tr>
<tr>
<td>1958</td>
<td>144,120</td>
<td>64,837</td>
<td>19,733</td>
</tr>
<tr>
<td>1959</td>
<td>139,690</td>
<td>59,327</td>
<td>11,300</td>
</tr>
<tr>
<td>1960</td>
<td>138,200</td>
<td>61,420</td>
<td>12,330</td>
</tr>
<tr>
<td>1961</td>
<td>135,380</td>
<td>62,890</td>
<td>12,290</td>
</tr>
</tbody>
</table>

¹‘Others’ for the years 1955-8 also comprised administrative, managerial, supervisory, clerical and ‘other’ types of workers. That explains the surge in the figures.


The fate of other peripheral workers in plantations, such as ‘line sweepers’, ‘scavengers’ and other ancillary labour must have been similarly unfortunate as reports of poor maintenance in subdivided plantations was frequently highlighted and cited as an evil of subdivision. These workers were mainly employed on the ‘maintenance’ section of the plantation production. They were among the most marginal categories in any plantation and thus they were the ones most immediately and bitterly affected by the subdivision. Moreover, in many subdivided plantations the new owners insisted that the fieldworkers’ tasks be undertaken by the remaining tappers or harvesters. Being under pressure to retain employment and the quarters, the labourers normally agreed to the new terms imposed by the new owners of the plantations. With additional duties, specialisation of task was no longer practised in subdivided plantations. The practice of providing ‘light work’ for older labourers

Table 4.5  Number of Plantations by Year and Labour Force, 1950-1953

<table>
<thead>
<tr>
<th>Year</th>
<th>Indians</th>
<th>Weeders</th>
<th>‘Others’</th>
<th>Total</th>
<th>Weeders</th>
<th>‘Others’</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>32,904</td>
<td>64,327</td>
<td>2,214</td>
<td>66,541</td>
<td>12,397</td>
<td>330</td>
<td>12,727</td>
</tr>
<tr>
<td>1952</td>
<td>34,773</td>
<td>70,175</td>
<td>724</td>
<td>70,899</td>
<td>12,040</td>
<td>116</td>
<td>12,156</td>
</tr>
<tr>
<td>1953</td>
<td>36,819</td>
<td>66,130</td>
<td>656</td>
<td>66,786</td>
<td>9,433</td>
<td>170</td>
<td>9,603</td>
</tr>
</tbody>
</table>
who had toiled most of their life in the plantations was also discontinued in most subdivided plantations.

The prospects of tappers retaining employment should not be overstated. While it was true that tappers were relatively better off than peripheral workers in retaining and obtaining employment, the life cycle of the commercial crops can be detrimental to the employment chances. For instance, the labour required in rubber plantations varies according to the different stages of the tree’s life and if the trees are largely in the unproductive stage, the need for tappers will be low, and plantations will venture into replanting. Replanting is one of the main reasons for labour shedding and it is a routine in the plantation industry. For example, at the end of 1953, the total planted acreage was 2,029,706 out of which 268,518 acres were planted between 1947-1952 and total acreage of immature rubber was 302,689 (RSH,1953:6-7). In other words, more than 15 per cent of the rubber acreage required less tappers and fieldworkers. The services of the surplus labourers would be terminated. This caused ‘labour circulation’, a phenomenon hardly studied in the history of plantations in Malaysia.

As with the case with replanting, when estates are subdivided into smallholdings, displaced estate workers are either engaged by the new owner of subdivided lots or absorbed by the neighbouring estates (ARotLD,1960:37). The labour families generally don’t prefer to move far away from their plantation. Only when this is not possible or when employment is offered by the same employer in their distant plantation, the labour families need to totally uproot themselves. It was common for the retrenched labourers to find employment in distanced areas. For instance, the new destination for the retrenched labourers from the west coast during the mid-1950s was Pahang, on the east coast state about 200 kilometers from Kuala Lumpur and nearly 400 kilometers from Penang. In Pahang, the demand for labour was particularly marked, especially on estates in the more isolated areas. In early 1956, almost six years after the declaration of Emergency, a number of areas here were declared ‘white’ or free from the threat of armed Communist and this created a demand for more workers. Among the areas declared “white” were Mengkarak, Kerdau, Temerloh and Mentakab. Other parts of Pahang, too, reported an ‘influx of labourers from Ipoh, Seremban and Kluang into the rubber and logging industries.’ (LDMR, April 1956:3-4).
Moving-out of plantations is always not a preferred option for the labour families as they were known to resist the idea of shifting even into a different division within the same estate. For the young and productive labourers, it was easier to find employment if they were not retained by the new owners. But this was not the case with older labourers and other less productive elders. To move the entire family out and leave behind their kith and kin and the crucial social system was heart-breaking. This explains why plantations met with resistance from the labour families when they had to vacate. For instance, the Labour Department reported that ‘in many cases those retrenched were the older and less-hardworking labourers who were relatives of those still retained on the estates’ and ‘even when work was found for them elsewhere by the Department they were often unwilling to go’ (ARotLD, 1953:13).

Shifting the blame on the victim suggests how the Labour Department perceived the whole issue. It also shows how the social aspects can be conveniently ignored, particularly the function of a plantation as a social unit and the socio-economic cost of migration. This explains why some families preferred not to move-out but wait for better times when the option is available as moving-out would be a costly economic decision for the lowly paid families. In this situation, unemployment is seen as better than leaving behind their familiar social settings. This option is available when workers are retrenched during replanting but not in the case of subdivision. When alternative to eviction is available upon retrenchments, labour families prefer to stay within the plantation, against all economic interest and wait for a good turn of events. This practice is not uncommon in the plantations. To cite an incident, ‘… in an estate in Sungai Petani (1170 acres) 49 workers became redundant when replanting commenced on the estate. These workers decided to remain on the estate and wait for re-employment as vacancies arose, in preference to alternative employment offered to them on other estates in the neighbourhood’ (LDMR, Dec 1960:7).

To completely uproot their family from one estate to move to a new one for employment and residence is challenging for the labour families. It is not only leaving behind the kith and kin and place they were born or raised but the challenges to rebuild social relationship and adopting to the new living and community systems for support. The Union on their often part highlighted to the authorities why labour families preferred to live within their familiar environment. In
general, the Labour Department, the planters and the colonial authorities generally knew and understand the hardships of labour families being tossed around, only that their priority was not beyond the labourers employment issues. Nevertheless, the sympathised voices from the Labour Department sometimes heard on the labour families reluctance to move out. For instance,

This no doubt caused temporary hardship, in those workers, particularly the Indian workers who form a large part of the resident labour force on large estates. They were reluctant to move and often stayed in their old lines until economic pressure compelled them to go elsewhere … In many cases even when alternative employment was found for the workers prior to the sale of the estate, they were also reluctant to move (ARotLD, 1958:30)

Some workers were naturally reluctant to leave the estates on which they had lived and worked for many years and the comparative security and social life of which they had been accustomed to (ARotLD, 1959:30).

However, when push comes to shove, all sympathetic considerations became secondary and labour was only regarded as a commodity in the production unit and not as a living community in the plantation. The structural settings of the plantation market economy positioned the plantation residents not as a living community, but first and foremost as labour, and the plantation as a site for production. When the site for production loses its economic usefulness, it will be sold as the final commodity of the plantation venture. The neglect and total lack of consideration for the social cost and the hardship inflicted upon a ‘community’ upon eviction is the characteristic of the industry that was consistently practiced during the subdivision in colonial and post-colonial periods.

Various figures have been given on the number of workers affected during the period. In Parliament, the Minister of Labour reported that 7,699 were retrenched between 1957 and September 1959 because of ‘fragmentation of estates’. All Malayan Estate Staff Union (AMESU), in its publication stated that 8,000 workers lost their job between Mac 1957 to September 1958 alone. It is clear that

55 The ST, 26 November 1959.
56 AMESUN is the official organ of the All-Malaysian Estate Staff Union), August 1958, p. 7.
subdivision retrenchment during this period was serious and the damage could have been more serious if not because of the labour shortage problem of the period.
Table 4.6  
Acreage Affected by Subdivision by States, 1951-1961

<table>
<thead>
<tr>
<th>Year</th>
<th>No of Estates</th>
<th>Total Acreage</th>
<th>Kedah</th>
<th>Penang</th>
<th>Perak</th>
<th>States</th>
<th>Selangor</th>
<th>Negeri Sembilan</th>
<th>Malacca</th>
<th>Johore</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>1</td>
<td>1,800</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,800</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1952</td>
<td>4</td>
<td>2,677</td>
<td>1,082</td>
<td>1,290</td>
<td>-</td>
<td>305</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1953</td>
<td>3</td>
<td>6,956</td>
<td>5774</td>
<td>-</td>
<td>-</td>
<td>1,072</td>
<td>-</td>
<td>-</td>
<td>110</td>
<td>-</td>
</tr>
<tr>
<td>1954</td>
<td>6</td>
<td>2,202</td>
<td>-</td>
<td>970</td>
<td>-</td>
<td>102</td>
<td>887</td>
<td>243</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1955</td>
<td>12</td>
<td>6,604</td>
<td>1,582</td>
<td>2,366</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,634</td>
<td>1,022</td>
<td>-</td>
</tr>
<tr>
<td>1956</td>
<td>26</td>
<td>18,907</td>
<td>472</td>
<td>12,731</td>
<td>959</td>
<td>-</td>
<td>2,304</td>
<td>1,718</td>
<td>723</td>
<td>-</td>
</tr>
<tr>
<td>1957</td>
<td>46</td>
<td>31,343</td>
<td>3,263</td>
<td>3,033</td>
<td>8,811</td>
<td>6,659</td>
<td>3,368</td>
<td>1,088</td>
<td>5,121</td>
<td>-</td>
</tr>
<tr>
<td>1958</td>
<td>52</td>
<td>65,600</td>
<td>29,175</td>
<td>-</td>
<td>17,636</td>
<td>6,267</td>
<td>1,104</td>
<td>1,951</td>
<td>9,467</td>
<td>5,121</td>
</tr>
<tr>
<td>1959</td>
<td>62</td>
<td>46,127</td>
<td>1,459</td>
<td>5,988</td>
<td>18,105</td>
<td>7,534</td>
<td>6,445</td>
<td>2,088</td>
<td>4,508</td>
<td>16,976</td>
</tr>
<tr>
<td>1960</td>
<td>60</td>
<td>42,543</td>
<td>7,050</td>
<td>1,575</td>
<td>9,129</td>
<td>1,418</td>
<td>4,987</td>
<td>1,408</td>
<td>16,976</td>
<td>-</td>
</tr>
<tr>
<td>1961</td>
<td>7</td>
<td>3,057</td>
<td>-</td>
<td>-</td>
<td>1,468</td>
<td>439</td>
<td>710</td>
<td>-</td>
<td>440</td>
<td>-</td>
</tr>
<tr>
<td>Year Not Known</td>
<td>11</td>
<td>4,034</td>
<td>-</td>
<td>-</td>
<td>637</td>
<td>1,347</td>
<td>2,050</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>290</td>
<td>231,850</td>
<td>32,252</td>
<td>27,953</td>
<td>56,745</td>
<td>26,943</td>
<td>21,855</td>
<td>10,240</td>
<td>38,257</td>
<td>-</td>
</tr>
</tbody>
</table>

*Source: Adapted from Ungku Aziz (1962:20).*
4.7 **Intensification of Spatial and Occupational Displacement, 1962-1969**

The plantation industry in the 1960s was different from the 1950s in several significant ways. While the fluctuations of commodity prices (mainly rubber) in the world market remained the main structural factor determining the livelihood of plantation labour, other changes, too, began to influence the development in the 1960s. First, the Emergency that officially ended in 1960 lifted all restrictions that had been in force for more than a decade and this allowed the industry to optimise and expand its production. Second, since 1961, smallholdings became bigger than estates in terms of planted hectarage. Third, oil palm rose and expanded as a favoured crop in the estates (and smallholdings). Oil palm had a much shorter harvesting period and required much less labour in comparison to the dominant crop, rubber. Fourth, advancements in the plantation industry in terms of high yield clones, improvements in the techniques of tapping/harvesting and labour management had reduced labour requirements at the same time that it increased yield compared to the preceding periods. Fifth, the increasing cost of wages as a result of the Union’s powerful bargaining forced shedding of surplus labour as a cost efficiency measure. And finally, the ‘economic nationalism’ of the Malay political elites as reflected in employment policies which culminated in the nationalisation of resource companies including plantation.

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57 The yield and labour per acres have shown vast improvements through various measures. In 1951, yield per acre was 516 kilograms and land/labour ratio was 0.35 per acre. In 1969, it improved to 1,136 kilograms and land/labour ratio was 0.32 per acre (based on *Rubber Research Handbook*, 1951 & 1969).

58 Since the amalgamation of the state plantation union into a national union (NUPW) in 1954, the bargaining power of the Union against the producers’ association improved greatly. The first Collective Agreement was signed in 1954 and NUPW made huge progress in negotiating wages and working conditions. In 1954 the wages of check-roll tapper was $2.50 and by 1962 it was an average of $3.25 - $3.50. In the same period, the wages of fieldworkers were $2.10 and it increased to $2.90. Besides that, other progress was also seen, for instance paid holidays increased from 3 to 16 days in 1962, guaranteed wage on rainy days, weekly rest, sick leave of 14 half wage annually to 60 half wage annually, attendance bonus and other fringe benefits. The Union in the period was known in the industry to be uncompromising, relentless and well-prepared.
One of the structural changes of the 1960s that had a great impact on labour was the intensification of oil palm cultivation. This calls for some explanation. The increasing importance of oil palm as a plantation crop in place of rubber cultivation offers some measurable explanation on labour shedding in the 1960s apart from the subdivision of plantations. While the preference for oil palm as an industrial crop was an extension of the capitalist pursuit of the plantation industry, the changes in state policies have its roots elsewhere. The World Bank Mission Report (1955) stressed on the need for ‘economic diversification in order to reduce the Federation’s reliance on rubber’. The impact of this report can be seen in the calls for diversification to oil palm in the Second Five Year Development Plan (1961-65). The State’s diversification effort focussed on getting smallholders to plant oil palm in land development programs. Under the Rubber Industry (Replanting) Fund Ordinance (Fund A) private plantations were entitled to replanting grants introduced in 1955 amounting to $400 per acre of old rubber for replanting with oil palm. In fact, the rapid expansion of oil palm even forced the Rubber Growers Association (RGA) to consider ‘necessary amendments to its Memorandum and Articles of Association and its Bye-Laws to provide for this expansion of the Association’s activities’. By the end of 1962, 7,500 acres of old rubber trees were replanted with oil palm which amounted to about 18 per cent of total increase of oil palm acreage.

Notwithstanding the problem of retrenchments due to subdivision of plantations, it should be noted that some of these changes had a direct impact on, or sometimes intervened with, the labour requirements in the plantation industry. While subdivision remains the main debate

59 Bank Negara Malaysia ‘Memorandum to Board of Directors’, 58th Meeting, 22 October 1963.
60 In 1966, FELDA and other land development schemes were planted with 1,040,446 hectares of rubber and 19,314 hectares of oil palms. By 1970, rubber increased nominally to 1,083,343 hectares but oil palm increased more than four times to 86,792 hectares (Rubber Research Handbook (1970) and Oil Palm, Coconut and Tea Statistics, (1970)).
61 Letter from Rubber Growers’ Association (RGA) to Deputy Secretary, Ministry of Agricultural and Co-operative dated 6 January 1965. However, it stated that they did not intend ‘to alter the name of the Association which will continue to be known as Rubber Growers’ Association’.
62 Bank Negara Malaysia ‘Memorandum to Board of Directors’, 58th Meeting, 22 October 1963, p. 5
of the 1960s and without doubt the main factor of mass retrenchments, other factors mentioned above, especially crop conversion and land developments have their share in the labour retrenchments of the period. Attempts to analyse and provide retrenchment figures for each of these factors independently, would be an impossible task given the limitation in the nature of available data. However, understanding the collective experience and the consequences of retrenchment and the ensuing displacement of the labour families – irrespective of the direct factor – is the most important focus here.

The fear of subdivision that was largely stirred up from the experience abroad, particularly in Ceylon, became real and did displace numerous labour families in the process. More importantly, Ungku Aziz observed an increasing trend of subdivision in the last years of his report and referred to it as the ‘accrecent phase’. The committee that commissioned Ungku Aziz’s study, the Ma’arof Committee, that comprised members from various government agencies and representatives from the rubber industry, was also loud and clear in their recommendations: subdivision had to be stopped through legislation, similar to that enacted in Ceylon.

However, the planters and the representative of smallholders were opposed to introducing a law. The planters’ was mainly opposed to any proposal for legal requirements in selling the plantation land should the need arise. The smallholding representative wanted no legal obstruction in the creation of new smallholdings units from subdivisions. In line with the interest of the plantation capital, the Federal government maintained the position that subdivision was desirable and there was no need for legislation to stop the subdivisions.63 For a while there was stagnation with the fall of rubber prices but it will soon be followed by intense subdivisions in a scale never seen before. Subdivision continued unabatedly for the remaining years of the 1960s. The plantation labour figures will take a plunge never seen since the Great Depression.

63 The First Malaysia Plan (1966-70) echoed the official ‘land hunger’ argument by referring to ‘the depressed situation and land hunger of large numbers of people in the rural areas’ (FMP, 1965 :45)
In this section we focus on the efforts to curb subdivision as well as to show the magnitude of the problem. The distress of retrenchments and evictions of the earlier period continued to resonate in the 1960s as efforts of the NUPW, AMESU and the Indian political and civil society leaders to stop the subdivision did not succeed. What is striking in this period is the number of labourers that disappeared from plantation employment. Unlike the earlier phase, there was no labour shortage to absorb the retrenched labourers and their families and thus mitigated a crisis. In fact, other factors – mainly oil palm – came into play and contributed to the acceleration of a massive displacement in the form of spatial and occupational displacement. Lack of contemporary data and initiative to generate data on subdivisions worked to the advantage of the pro-subdivision voices.

By 1963, Abdul Razak brushed-off the Ma’arof Committee’s recommendations for a law to be enacted. The main argument was that the Ma’arof Committee’s report was obsolete as ‘their report did not have actual figures relating to the subdivision of estates for 1961, 1962 and 1963’. Abdul Razak even opined that ‘in view of prevailing low price of rubber for the last few years, the indications are that subdivision is on a downward trend’ and concluded that ‘it is not advisable at present for the Government to resort to the extreme measures of introducing Ceylon type law in Malaya, especially when other measures, both legislative and administrative, have not been fully tried’.64 A day earlier, the Secretary of the Rubber Producers Council, R. Fletcher was reported to have said that it was ‘senseless to introduce legislation’ over fragmentation of estates when it was now so negligible.65 These statements were made against the backdrop of Ungku Aziz’s report that was ‘confidence that had a field survey been carried out in 1962 it is highly likely that more subdivided estates would have been found’ (Ungku Aziz, 1962:33).66 However, no survey was conducted by any parties and the rubber industry was quiet because of the prevailing low price of rubber since early 1960.

However, as mentioned earlier, no complete records are available on the retrenchments and the subsequent unemployment for the entire
period of subdivision. Moreover, no comprehensive survey was done on subdivision in the years 1962-69. The central national development reports – First Five Year Malayan Plan (1956-1960), Second Five year plan (1961-65), and First Malaysia Plan (1966-70)\(^6\) – made no mention of the subdivisions and retrenchments in the biggest industry in the country despite discussions on ‘agricultural and rural development’ and ‘employment and manpower development’. Strangely, the biggest employment sector’s social and economic woes, and a potential risk to the main source of national income were not addressed in the national planning policies. Nonetheless, the Union’s and the Labour Department’s publications and official correspondence on subdivision and retrenchments offer the best available record. The other reliable indicator of the scale of retrenchments and labour shedding was the employment numbers in the plantations over the periods. We will capture the labour situation from these records and other published sources.

In the period 1962-63, the government and the rubber industry persisted in arguing that subdivision was a phenomenon of the past. Here, we are reminded of the assertion by the First Committee that subdivision was a dying phenomenon when they had completed their report. In reality, subdivision did not subside but had, in fact, increased tremendously both in 1956 and in the 1960s. However, in the initial years of 1960s, recorded cases of subdivisions were indeed generally low as the focus was more on the dwindling prices of rubber that touched new lows and made rubber estates an unattractive investment. The pace and rate of subdivisions and the intensity of retrenchments during 1962-63 appear to be low and reports show that subdivision gained momentum only from 1964. In terms of the total labour force, the years 1962 and 1963 follow the trend of minimal retrenchment of the preceding years.

After 1964, as subdivision began to increase, the concern over the welfare of workers affected by subdivision led to discussion between the workers union and the state. The key issue was how to extend assistance to workers retrenched because of subdivision. One of the

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\(^6\) Rudner opined that ‘The role imputed to development planning in the context of an agrarian status quo emphasized maximization of levels of current output from the inherited structure. Current output attainments, rather than levels of agricultural income as such, or its distribution, formed the indicator of policy performance in this early phase of planning’ (Rudner, 1983).
main proposals within the Union fraternity for some time was to absorb the retrenched workers and their families into FELDA, the state land settlements scheme. This proposal resurfaced with great vigour, particularly since 1963. In FELDA schemes, rural development fund is used to resettle small families in oil palm holdings of ten acres. The scheme was very successful in resettling rural landless Malays and Abdul Razak, the Deputy Prime Minister and the Rural Development Minister agreed to resettle workers affected by the subdivision in such schemes.\(^68\) However, subsequent developments indicated attempts to resettle affected families were not very encouraging. AMESU claimed that ‘the Union forwarded applications from prospective settlers thrown out of jobs due to the fragmentation of estates … to which the reply by the Permanent Secretary to the Ministry of Rural Development was far from satisfactory’.\(^69\) AMESU appealed to Abdul Razak to intervene with a plea ‘to re-settle those unlucky victims who are still out of employment so that they may enjoy, at least, a square meal’. However, there was no sign of making resettlement an alternative measure for the families affected by subdivision.

In the meantime, the plantation work force figures started to plunge when subdivision resumed aggressively in the plantation industry in 1964. Initially, NUPW recorded that only one plantation had been subdivided in 1962 and 1963 in Kedah (1,334 acres) and Johore (2,718 acres), respectively. For 1964, the union stated that two plantations had been subdivided, both in Kedah with a total acreage of 4,022 acres. However, from 1965 the Union began to record increasing cases of subdivision (see Table 4.7). This corroborated with the official view that subdivision was somewhat slow in the early 1960s before it suddenly surged. However, a sudden increase in subdivision was evident in 1965 when 21 plantations were subdivided and a total of 2,645 labourers affected. Based on the figures on plantations facing subdivision in 1967, subdivision was clearly on the rise. In Selangor, a total of eleven estates were subdivided or about to be subdivided. Two of the estates were for

\(^{68}\) The proposal was presented by a joint delegation of NUPW and AMESU on 22 August 1963. This announcement was made by Abdul Razak and reported on 23 August 1963.

\(^{69}\) Letter dated 17 March 1965 from the General Secretary of AMESU to the Deputy Prime Minister & Minister of Rural Development. ‘Sub-Division of Estates’, MRD (T) 0.25 PT.1, Assession Number 1974/0000157.
state development projects (Midlands Estate and Sungai Rengam Estate), two for the Subang airport (Pilmoor Estate & Rasak Estate), one each for housing (Wardeiburn estate), cement factory (Batu Caves Estate) and a government golf course (Seaport Estate).

Table 4.7  Number of Plantations Subdivided and Labour Affected 1962-1967

<table>
<thead>
<tr>
<th>Year</th>
<th>Involved Area (acreage)</th>
<th>No. of Estates</th>
<th>No. of Workers Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>1,334</td>
<td>1</td>
<td>131</td>
</tr>
<tr>
<td>1963</td>
<td>2,718</td>
<td>1</td>
<td>211</td>
</tr>
<tr>
<td>1964</td>
<td>4,022</td>
<td>2</td>
<td>462</td>
</tr>
<tr>
<td>1965</td>
<td>25,575</td>
<td>21</td>
<td>2,645</td>
</tr>
<tr>
<td>1966</td>
<td>20,149</td>
<td>11</td>
<td>2,937</td>
</tr>
<tr>
<td>1967*</td>
<td>38,149</td>
<td>14</td>
<td>6,073</td>
</tr>
<tr>
<td>Total</td>
<td>91,947</td>
<td>50</td>
<td>12,459</td>
</tr>
</tbody>
</table>

*Facing subdivision based in information on March 1967.
Source: NUPW/AMESU Joint Action Committee Memorandum to the Government, March 1967

Subdivision was increasingly indefensible. The strongest opponent to ‘Ceylon type’ law to stop subdivision, Abdul Razak, made a statement on 29 December 1966 that the government is ‘watching fragmentation very closely’ as ‘it is bad for the economy’. By early 1967, the Ministry of Labour became aware that subdivision was on the increase and that the National Land Code (NLC) that came into force in 1 January 1966, could not stop subdivision. In an internal paper prepared by the Labour Ministry, it was stated that ‘in respect of 1966 alone 30 estates of 33,826 acres were sold for sub-division, leading to displacement of 4,224 workers’. Despite the National Land Code coming into force, and its touted function to administer subdivision, ‘not a single application for the sub-divisioning of any estate has been received’ by any State Authority or Commissioner of Lands or Collector\(^70\) (emphasis original). The paper suggested that,

\[\text{... provision should be made to ensure that, as far as possible, all workers employed on the estate are given employment by the new buyers and where such re-employment is not possible, a severance}\]

\(^{70}\) Ministry of Labour Malaysia, ‘Sub-Divisions of Estates’, 21 February 1967MRD (T) 0.25 PT.1, Assession Number 1974/0000157.
allowance of two weeks’ pay for every year of service on the estate should be paid to every worker affected.\textsuperscript{71}

In the meantime, the NUPW was again agitating for a new law to control subdivision and dismissed the senior ministers’ assurance that NLC can control subdivisions. At the height of this confusion on the role of NLC on subdivision, the Minister of Lands and Mines, stated on 13 February 1967, that ‘to accuse the Government for not taking any measure to check the fragmentation of estates … is not true … Article 136 clearly empowers State Governments to direct the Commissioner of Land and Mines and also Collectors of Land Revenue… not to approve of subdivision of estate before the matter is brought to a Body elected by the Government of the State for the matter to be considered first. It is felt that this method is sufficient enough to check estates from being fragmented as they [planters] please’\textsuperscript{72} Later he made a statement that the approval given to 33 estates for subdivision since 1 January 1966 was illegal because it did not have the expressed approval of the ‘Body’ elected by the State Government. This created further dissension between different sections of the community.\textsuperscript{73} A new question that arose out of this at the time, was whether subdivision was indeed a result of the failure to enforce and adhere to Act 136 of the NLC. However, in a matter of time, it was obvious that NCL was not designed to resolve the problem of subdivision but to bring together and unify land matters that was under the jurisdiction of state governments under a common framework.

Evidence showed that subdivision continued in plantations with cases recorded until 1969.\textsuperscript{74} For example, in 1969, two big estates were subdivided in Kedah, one in Sungai Petani and the other in Kuala Ketil. The former, K.M.S Estate under the Guthrie Group covered 4,279 acres with 415 workers, 322 being resident workers and 250 school going children. NUPW wrote to the Minister of the Lands and Mines that ‘…this union is deeply concerned over the continuation

\textsuperscript{71} Ibid. p. 3.
\textsuperscript{72} Speech made by the Hon. Minister of Lands and Mines, Inche Abdul Rahman Bin Ya’akub, at the Opening Ceremony of the 23\textsuperscript{rd} Land Administration Course on 13\textsuperscript{th} February 1967 at the Government Officers Training Center, Petaling Jaya.
\textsuperscript{73} See the Editorials of ST on 28 February 1967 and Tamil Nesan 2 March 1967.
\textsuperscript{74} For subdivision in the last years of 1960s, see ‘Fragmentation of Estate’, 60/57, Assession Number 2000/0017162.
of sub-division even after passing a legislation [NLC] to control it and also after giving promises and assurances on the matter\textsuperscript{75} The latter, Batu Pekaka estate, under Barlow Boustead covered 3,273 acres, had 253 resident workers and 90 non-resident labour with a total population 1,093. Children aged fourteen and below in this estate were 553.\textsuperscript{76} In short, neither the plantation capital nor the state paid any serious attention to the human cost of subdivision.

The NUPW Secretary General continued to voice strong criticism against the state for not heeding the recommendation of the Ma’arof Committee to stop subdivision by law. In one instance, the Deputy Prime Minister made a defensive statement that measures were being taken to ‘prevent abuses created by subdivision of estates’ but no laws were needed, for which NUPW threatened the government that subdivision of estates could become a ‘political dynamite’.\textsuperscript{77} Nearly three years later, the NUPW Secretary General renewed his call for the need of a law to control subdivision, failing which he warned that ‘the union would have no alternative but to order its 180,000 members to picket [at] the Ministry of Labour and other labour offices throughout the country’.\textsuperscript{78} After failing to persuade the government to introduce legislation to control subdivision, the plantation Unions (NUPW/AMESU) organised a mass rally involving plantation labour and leaders of other Unions. The mass rally was held on 26 February 1967 at the NUPW headquarters (the Plantation House), and according to media reports, 10,000 people participated. The rally also passed three resolutions basically to garner support for the introduction of legislation to stop subdivisions, and a Memorandum was submitted. The Unions argued that legislation was needed because it had been proved that subdivision will raise its ugly head from time to time, unless there is effective legislation to hold it in continuous check’ (NUPW/AMESU, 1967:3).

What was the main cause of retrenchments – subdivision or crop conversion? Analysis using aggregated data tends to suggest that it was crop conversion while MAPA/AMESU descriptive explanation

\textsuperscript{75} See letter by the Union dated 5\textsuperscript{th} June 1969 to the Minister of Lands and Mines, ‘NUPW/HQ - Sales of Estates, 1969’, Assession Number 2003/0006755.
\textsuperscript{76} See letter by the Union dated 20\textsuperscript{th} June 1969 to the Minister of Lands and Mines, ‘NUPW/HQ - Sales of Estates, 1969’, Assession Number 2003/0006755.
\textsuperscript{77} \textit{ST}, 18 August 1963.
\textsuperscript{78} \textit{ST}, 26 September 1966.
suggests subdivision. It should be noted that the NUPW data and correspondences of the parties involved during the period tend to suggest that subdivision more than crop conversion was the main source of retrenchments. Whether it was crop conversion or subdivision, the fact that over 53,000 labourers were retrenched from the plantation industry stays. On the side, those opposed to legislation to control subdivision effectively used the argument that subdivision resulted in redistribution of plantation land from foreigners to local smallholders. Though Ungku Aziz’s survey showed that it was not true, the NUPW unfortunately appeared to be losing public support.79 Thus, following the general sentiment, NUPW at times qualified the need for a law by stating that they only opposed ‘uncontrolled and indiscriminate’ subdivision,80 concurring the state’s position that subdivision is not necessarily bad.

In retrospect, it can be said that the worst consequences of subdivision were yet to materialise during the period covered by the Ungku Aziz Report (1951-1961) as labour shortage somewhat mitigated the dire consequences. However, it should be noted that the period 1962-69 was much more complicated than the period covered by Ungku Aziz. In the early 1960s, a gradual fall in total plantation employment could be observed but after the mid-1960s there was a drastic drop. All available records suggest that unemployment was highest among the plantation labours, particularly among the Indian resident labour. This is in sharp contrast to the targets of the First Malaysia Plan (1966-70) to create 165,000 new employments in agriculture by 1970, an increase of 11.69% from 1965 to 1970. The targeted figure will translate to an annual increase of 2%81, but on the contrary the plantation sector shed more than 7.6 % of its workforce by 1970. The anomaly can be largely attributed to the subdivision and other structural transformations of the 1960s in the plantation industry.

79 In the first AMESU ‘Sub-Committee to Check Estates Sale & Fragmentation’ meeting on 9 October 1966, P.P Naarayanan was invited as guest and he ‘expressed grave concern about the attitude of the Press, T.V and Radio Malaysia [for] not giving the desired publicity to Trade Union news in the country. He said that these mediums (sic) were too much one sided and pro-government’. See the above Meeting Minutes p.3, Assession Number 2003/0004187.
80 ST, 16 March 1967.
81 See First Malaysia Plan, 1966-70 (1965:81). The new employment was mainly targeted through land development programs.
4.8 Estimation of the Scale of Retrenchments

How many plantations were subdivided and what was the acreage affected? And what was the scale of retrenchments and displacement caused by the subdivision of plantation lands and other forms of retrenchments? These questions cannot be answered with certainty, but using aggregated data from the Labour Department and the survey on unemployment by the statistics department we will attempt to answer this question. Before we proceed further, a caveat on the analysis and interpretation based on the aggregated data.

The data in Table 4.8 compiled from various sources (Labour Department, SILF Annual Reports etc) shows that more than 53,000 labourers were displaced from the plantations between the mid-1960s to 1972. How do we account for this huge dislocation of plantation labour? Basically, two major issues define this period, namely subdivision and crop conversion. By using the aggregated data, mainly labour compositions and planted hectarage of rubber and oil palm, we can deduce certain trends, particularly crop conversion from rubber to oil palm. Thus, we can assume that the increase in oil palm acreage and proportionate reduction in rubber resulted from crop conversion when the acreage figures for both showed a reasonable tally. However, it should be noted that this assumption is wrong if it is a new oil palm plantation. The other most probable explanation for the reduction of rubber plantations acreage would then be subdivision of plantation lands. The two factors could be safely assumed to be mainly responsible for the retrenchment of 53,000 labourers.

We will first provide the aggregated figures of the total displaced workers from the plantation industry from 1962 to 1972. The labour figures for 1970 and 1971 are incomplete. As such data for 1972 is provided to give a picture of what happened from 1962 onwards for a decade. In terms of absolute numbers, a consistent decrease in the total employment of plantation labour can be seen in estates of 100 acres and above. In 1961, there were 315,190 plantation workers and this figure was fairly stable in comparison to the preceding years (see Table 4.8). However, the drop was striking from 1963 onwards when nearly 5,000 labourers disappeared from the plantations. Among the Indian plantation labour, the sudden drop was seen in the following year, 1964, when more than 5,000 workers went missing. And since then, about 5,000 to 7,000 Indian labourers disappeared from the
estate employments annually during the period. The total labour force employed from 1962 to 1972 dropped more than 70,000 or 25 per cent of the total labour force. The largest drop was among the Indian plantation labour, totalling more than 53,000 while another 26,390 was from other ethnic groups. In a decade (1962-72), nearly 34 per cent of Indian estate labour was no longer in that sector. And if the labour force growth in this largest labour market that was estimated at 32.6 per cent from 1957 to 1970 (Saw, 2007:219) is included, the total figures would be much higher.

We will now work with the assumption that the main cause of retrenchment from the second half of the 1960s was the conversion from rubber to oil palm plantation. In the discussion on the expansion of oil palm plantations and its relation to labour retrenchments, a few factors must be taken into consideration. While it is a truism that oil palm plantation requires less labour than rubber plantation, and as such retrenchments occur when rubber converted to oil palm, the quantum of retrenchment is determined by other considerations as well. From a different angle, question should be raised whether crop conversion alone accounts for the total retrenchments during the period. The oil palm hectarage increased substantially in the second part of 1960s: in 1965, there were 84,146 hectares and this increased to 177,390 by 1969 – the period of heaviest displacement of labour from the plantation industry (see Table 4.8). Oil palm takes about three years to harvest but the optimum harvesting period is between nine to eighteen years. The labour to land ratio in 1965 was about one worker to four hectares of oil palm. The ratio remains almost the same until 1980 before improving tremendously with the introduction of new breeding, agronomics and labour productivity (now it is about 1:15ha).

Viewed from this angle, the increase in oil palm hectarage to 93,244 hectares from 1965 to 1969 and the reduction in the area planted with rubber to 89,129 hectares almost tallies with the net increase of 4,115 hectares of oil palm plantation. We can assume that the net increase is due to the opening up of new areas in existing plantations or as figures representing newly opened plantations. In the same period (1965-1969), there was a reduction of 29,350 Indian labourers employed in the rubber estates. At the same time, there was an increase of 11,060 labourers in oil palm plantations. In total, without factoring in the labour market increase, the net loss of labourers in
these rubber and oil palm plantations was 18,290. However, for the
total increase of oil palm hectarage in 1969 (93,244 ha) in a matured
plantation it would require about 23,311 workers. Only half the
labour (11,060) was absorbed by the oil palm plantations. The
possible explanation for this is that it was the early stages of oil palm
cultivation and it is a known fact that the labour requirements is
lesser in that period than during the prime productive phase.

The next question is whether other types of plantations absorbed the
labour “missing” from the rubber plantations. From the total figures
of plantation employment, a reduction of 19,360 can be observed. By
including the increase of labour in oil palm plantations, the figures
show that other plantations (tea, coconut and pineapple) had
retrenched about 1,070 labourers. Viewed from this angle, the major
source of retrenchments during this period was a shift from rubber to
oil palm cultivation. However, the crop conversion explanation must
be accepted with caution. When we analyse the annual reductions in
rubber hectarage and compare it to a corresponding increase in oil
palm hectarage, the crop conversion explanation may not neatly reflect
the retrenchments. The fall in workforce and rubber acreage annually
does not neatly reflect the proportionate increase of acreage and
labour in oil palm. For instance, the fall in rubber acreage in 1964
and 1965 which was 10,584 and 13,806 respectively was
substantially higher than the increase in oil palm acreage which was
4,514 and 8,602 respectively – amounting to a difference of more
than 11,000 acres. In fact, the biggest fall in Indian employment in
plantations was recorded in 1966 when 15,700 were retrenched from
rubber plantation and this figure corresponds to the figures presented
by NUPW/AMESU and the Ministry of Labour.
Table 4.8  Number of Plantations & Hectarage by Year and Labour Force, Peninsular Malaysia, 1950-1970\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Plantations</th>
<th>Hectares</th>
<th>Labour</th>
<th>Repatriation through SILF (including dependents)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rubber</td>
<td>Oil Palm</td>
<td>Coconut</td>
<td>Tea</td>
</tr>
<tr>
<td>1950</td>
<td>2,269</td>
<td>41</td>
<td>90</td>
<td>21</td>
</tr>
<tr>
<td>1951</td>
<td>2,288</td>
<td>42</td>
<td>99</td>
<td>23</td>
</tr>
<tr>
<td>1952</td>
<td>2,383</td>
<td>42</td>
<td>94</td>
<td>24</td>
</tr>
<tr>
<td>1953</td>
<td>2,489</td>
<td>39</td>
<td>85</td>
<td>18</td>
</tr>
<tr>
<td>1954</td>
<td>3,733</td>
<td>51</td>
<td>99</td>
<td>31</td>
</tr>
<tr>
<td>1955</td>
<td>2,529</td>
<td>56</td>
<td>106</td>
<td>30</td>
</tr>
<tr>
<td>1956</td>
<td>2,540</td>
<td>52</td>
<td>109</td>
<td>29</td>
</tr>
<tr>
<td>1957</td>
<td>2,490</td>
<td>54</td>
<td>108</td>
<td>32</td>
</tr>
<tr>
<td>1958</td>
<td>2,344</td>
<td>54</td>
<td>92</td>
<td>30</td>
</tr>
<tr>
<td>1959</td>
<td>2,371</td>
<td>54</td>
<td>92</td>
<td>32</td>
</tr>
<tr>
<td>1960</td>
<td>2,306</td>
<td>59</td>
<td>85</td>
<td>39</td>
</tr>
<tr>
<td>1961</td>
<td>2,274</td>
<td>61</td>
<td>76</td>
<td>33</td>
</tr>
<tr>
<td>1962</td>
<td>2,244</td>
<td>61</td>
<td>74</td>
<td>33</td>
</tr>
<tr>
<td>1963</td>
<td>2,191</td>
<td>63</td>
<td>69</td>
<td>33</td>
</tr>
<tr>
<td>1964</td>
<td>2,071</td>
<td>89</td>
<td>79</td>
<td>32</td>
</tr>
<tr>
<td>1965</td>
<td>2,103</td>
<td>104</td>
<td>69</td>
<td>32</td>
</tr>
<tr>
<td>1966</td>
<td>1,997</td>
<td>120</td>
<td>67</td>
<td>30</td>
</tr>
<tr>
<td>1967</td>
<td>2105</td>
<td>188</td>
<td>56</td>
<td>30</td>
</tr>
<tr>
<td>1968</td>
<td>2,106</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>Year</td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
<td>Direct</td>
</tr>
<tr>
<td>------</td>
<td>------</td>
<td>--------</td>
<td>-------</td>
<td>--------</td>
</tr>
<tr>
<td>1969</td>
<td>2,098</td>
<td>257</td>
<td>54</td>
<td>16</td>
</tr>
<tr>
<td>1970</td>
<td>2,067</td>
<td>-</td>
<td>16</td>
<td>(2,083)</td>
</tr>
<tr>
<td>1971</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>1972</td>
<td>2,059</td>
<td>360</td>
<td>49</td>
<td>24</td>
</tr>
</tbody>
</table>

*Figures as of 31 Dec 1949 (LDMR: October 1950).

1. Includes direct employment and through contractors. Pineapple and Cocoa plantations not included. Includes managerial and clerical staffs (about 6% - 7%).


3. Figures on labour includes managerial, supervisory and clerical. Regardless of ethnic background the total figure was 14,900.

4. Total labour figures since 1959 includes managerial, supervisory and clerical. Regardless of ethnic background the total employment was about 4.48% for managerial and supervisory and less than 1% for clerical in 1961.

Source: Compiled from Annual Reports of the Labour Department (various years), Labour Department Monthly Reports (various years), Oil Palm, Coconut and Tea Statistics (various years) and South Indian Labour Fund (SILF) (various years).
The other source of data to estimate the labour affected by commodification is the Statistics Department’s pioneering unemployment survey. It was conducted after the first phase of subdivision in 1962. The survey includes employment in smallholdings and estates. However, the figure for the total Indian labour differs from the Labour Department figures. According to the 1962 survey employment in estates and smallholdings was 140,614 but the Labour Department that focussed only on the estates gave the number as 155,620 (see Table 4.8 and 4.9). The discrepancies in the figures is difficult to explain as employment in estates and smallholdings combined should be much higher than estates alone. Given the problem of under enumeration in the survey, the data obtained by the Labour Department appeared to be more reliable (estates were required to submit quarterly returns that includes the figures on the labour force). However, what is interesting and should be noted in the 1962 survey data is that the unemployment rates among the agricultural labourers from all ethnic groups was stated to be about 6 per cent. The parity in unemployment among the ethnic groups is broadly in line with the Labour Department data for plantation employments. It also indicates that no serious labour displacement in the plantations occurred during the survey year.

With the completion of another major survey on unemployment in 1967/68 called ‘Malaysia Socio-Economic Sample Survey of Households’ (MSSH), more information on the plantation labour can be derived. The 1967/68 survey was more detailed, comprehensive and comparable with the Labour Department data on estate employment. The survey also divided agricultural labour to estate and smallholdings and other categories of agricultural workers, a feature not available in the Labour Department reports. Plantation labour as a category was broadly presented under “Agricultural Products Requiring Substantial Processing” which includes rubber (rubber estates and small holdings including factories on location), oil palm, coconut, copra, coconut oil, tea and ‘other’ agricultural activities.

The Commodification of Plantation Lands, 1951-1969

It was based on the ‘The Malaysian Occupational Classification’ which in turn was based on International Labour Organization’s (ILO) ‘International Standard Classification of Occupations’. A comparison of both surveys is provided in the table below (see Table 4.8).

There are some differences between the survey data and the Labour Department data. For rubber, the total employment in MSSH is 122,777 whilst according to the Labour Department it was 105,480. It should be noted that MSSH figure includes the number of smallholdings. The number of Indian smallholders during the period was 8,319 of which 5,745 were ‘wage earners’ (MSSH 1967/68 pg. 47). The total workforce in the agricultural sector according to MSSH was 151,767 and for plantation workers alone the Labour Department data was 130,040. The bulk of the difference from the 21,727 was in rubber employment that showed a difference of 17,297. Having provided these variants, we will go to the analysis of the MSSH data.

Table 4.9 Comparison of 1962 & 1967/68 Surveys for Agricultural Employment and Unemployment

<table>
<thead>
<tr>
<th></th>
<th>Malays</th>
<th>Chinese</th>
<th>Indians and Pakistanis*</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment by Race</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1962</td>
<td>395,836</td>
<td>232,065</td>
<td>140,614</td>
<td>4,400</td>
<td>772,915</td>
</tr>
<tr>
<td>1967/68</td>
<td>377,434</td>
<td>185,602</td>
<td>151,767</td>
<td>3,973</td>
<td>718,776</td>
</tr>
<tr>
<td>Unemployment by Race</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1962</td>
<td>48.5</td>
<td>38.6</td>
<td>11.9 (17,560)</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>1967/68</td>
<td>42.3 (74,744)</td>
<td>36.8 (65,026)</td>
<td>19.9 (35,163)</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>(as percentage of total unemployment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(as percentage of labour force)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1962</td>
<td>6.1</td>
<td>6.0</td>
<td>6.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1967/68</td>
<td>5.8</td>
<td>6.9</td>
<td>10.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


In the 1962 survey, Indian plantation labour was included under the category ‘Indians and Pakistanis’. In 1967/8, the term Indian was used and it includes Ceylonese and Pakistanis. In the plantation sector, the presence of other South Asians than the South Indian labour was negligible.

1. ‘Employment, unemployment and under-employment’ Table 4.7.
2. MSSH (1970:52) Table 24.0.0
3. ‘Employment, unemployment and under-employment’ Table 2.8.
Labourers between the age of 15 to 70 from 1962 and 15 to 64 for 1967/8. See reason not employed on page 39 (MSSH)

Table 4.7 and Table 4.8 provide a comparison of agricultural employment/unemployment between 1962 and 1967 and the breakdown of Indian agricultural labour in 1967, respectively. For our purpose, the comparisons of the surveys are important to gauge the unemployment situation in the second half of the 1960s. We extract the particulars for the agricultural employment and unemployment. The comparison reveals the seriousness of the unemployment problem for the period 1962-1967, particularly among the plantation workers. In 1967, the unemployment figure recorded was 35,163 or 19.9 per cent of total employment. The unemployment percentage of 19.9 per cent refers to the percentage of total employment of Indians and not only agricultural sector. The percentage is higher compared to other ethnic groups. No other structural change or changes in Indian specific non-agricultural employment was witnessed in those years. However, from the plantation Unions strong criticism of subdivision and the Labour Department figures, we can attribute the bulk of the vast unemployment to the plantation specific phenomenon.

### Table 4.10  Indian Agricultural Workers, 1967

<table>
<thead>
<tr>
<th>Employment Categories</th>
<th>Total Labour</th>
<th>Indians</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Male</td>
</tr>
<tr>
<td>Rubber estates and smallholdings including factories on location</td>
<td>621,284</td>
<td>122,290</td>
</tr>
<tr>
<td>Rubber processing of estate and smallholdings</td>
<td>6,344</td>
<td>487</td>
</tr>
<tr>
<td>Total Rubber Workers</td>
<td>627,628</td>
<td>122,777</td>
</tr>
<tr>
<td>Oil Palm</td>
<td>37,891</td>
<td>20,306</td>
</tr>
<tr>
<td>Coconut, copra, coconut oil</td>
<td>39,706</td>
<td>5,923</td>
</tr>
<tr>
<td>Tea</td>
<td>2,555</td>
<td>1,186</td>
</tr>
<tr>
<td>Other agricultural activities</td>
<td>10,996</td>
<td>1,575</td>
</tr>
<tr>
<td>Total</td>
<td>718,776</td>
<td>151,767</td>
</tr>
</tbody>
</table>

1. Including owner operator in small holdings.

Source: Adapted from MSSH Table 24.0.0

Though the unemployment data in MSSH is serious, it actually refers to only part of the retrenchment problem in plantations. It indicates
only unemployment and not the total retrenchments from the plantations. Secondly, it referred to the period until 1967 whereas retrenchments continued to occur. The Labour Department record stated that another 27,680 were out of plantation employment between 1968 and 1972. And it should be noted that the Labour Department figures for 1967 showed much lesser total plantation employment than that enumerated by MSSH for the same year. In relation to unemployment, the NUPW observes a new phenomenon since the mid-1960s where many young people in plantations were not employed in their plantations. They were unemployed. In an internal paper prepared by NUPW, it stated three causes for unemployment in plantations in the late 1960s, namely, ‘sub-division of estates, diversification of agriculture [crop] and falling rubber price’.\(^{83}\)

The interesting part is the ‘falling rubber prices’ whereby ‘drop in the rubber prices caused an increase in the work-load resulting in mass retrenchment’ (p.3). With falling rubber prices, surplus labour were retrenched and the task for remaining labour increased. Other cost saving measures taken by plantations was to freeze ‘new’ employment which affected the younger generation of the plantation residents. The NUPW observation refers the increasingly limited employment opportunities for the young adults in plantations as another ‘growing problem’ where opportunities for the ‘young persons’ aged between 14 to 16 that comprised about ‘4.4%’ of plantation labour, is seriously limited. The ‘chances of getting them employed is little, nor are there facilities or opportunities for them to get any vocational training, they are just growing out in the blue. As a result, there are signs of them falling into undesirable or unsocial activities’ (p.4). These plantation residents were a growing category that could not be absorbed by the plantation labour market. The cost of labour was increasing and at the same time productivity had tremendously increased with high yielding strand and ‘efficient’ labour usage. This efficiency rendered it difficult for the young people to enter the plantation labour market. Later, this category of

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\(^{83}\) The report is undated. It must have been written in 1968. ‘NUPW - Problems concerning Employment in the Plantations’, Assession Number 2003/0004082.
plantation residents would be among the first to be employed in the non-plantation sector.

4.9 Conclusion

The ‘evils’ of subdivision on labour was highlighted very early by the Union based on the experience of subdivision in Ceylon and how it was contained through legislative measures. In fact, the Union pushed for legislation modelled on Ceylon. However, a specific legislation to control subdivision was never enacted. The state which had close relationship with the plantation (and tin) capital was opposed to any restriction on ‘buying and selling’ of plantation land with the main argument that it hindered the redistribution of land. This stand persisted despite the strong recommendations of the Ma’arof Committee, constant protests by the Union and other opinions censuring subdivision from various community and political leaders. Under tremendous pressure, the government agreed to regulate subdivision with some provisions within the newly introduced NLC (1966) but because of the weak and unspecific provisions, subdivision continued to occur. Hence, the Union wanted subdivision to be stopped altogether with new legislation but this never happened.

As a result, tens of thousands of families were left jobless and homeless almost immediately after being retrenched. The human cost of commodification of plantation land was enormous. The experiences from this period had shaken the illusionary sense that plantation was akin to their village, complete with work and living arrangements. Plantation work and living became risky as the labour families could be retrenched and evicted at any time. The widespread distress of retrenchments, unemployment and displacement together with the need of many plantation families to uproot their entire family from the plantation, shattered the sense of ‘village’ security. This experience, we argue, was critical in explaining the later period of outmigration from the plantations.84

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84 See Chapter Two for theoretical foundations of this argument and Chapter Seven for empirical discussions.
Plate 7  Minister of Labour at Subdivision of Plantation Meeting.

Source: National Archives of Malaysia
Plate 8  Deputy Prime Minister at Subdivision of Plantation Meeting

Source: National Archives of Malaysia
Chapter 5


‘Being issued with 3 and 6 months of Work Permit, the workers have to vacate the estate on the expiry of the Permit. Where shall these workers go for shelter? If they want to do any business as being advised by the Ministry of Labour and other authorities, from where they can get capital for the ‘so-called’ business, when they are finding difficult even for a shelter? They have lived here for about 30 to 40 years and their children are brought up and living with them’

Letter from the Secretary of Selangor NUPW to NUPW General Secretary dated 4 October 1969

‘You are reminded that I cannot employ any non-citizen labourer not in possession of a current Work Permit, and any such person will be required to vacate their labour lines’

The Sua Betong Rubber Estate Manager letter to NUPW Secretary, Ampar Tenang Estate dated 23 October 1972

5.1 Introduction

It was at the tail end of ‘subdivision’ that plantation labour had to confront a rude awakening. This time around the disruption was sudden, pervasive and sent shock waves across plantations in Malaysia. The disruption came in the form of ‘Employment (Restriction) Act 1968’ (ERA) which severely challenged the sense of belonging and security plantation work had provided for generations. Whilst labour in bigger plantations were generally safe during subdivisions, the impact of Work Permit enforcement was more pervasive, and evidence suggests that labourers from large plantations were affected the most. Coming at the end of the severest part of subdivision, ERA had almost shaken off the remaining sense of belonging and ‘villageship’ the labour families had associated with life in the plantations. The creation of a class of stateless labour was the lasting legacy of ERA.

This chapter focuses on the disruption to plantation work and living order caused by the enforcement of ERA. The discussion will be divided into two periods, 1969-70 when the ERA was introduced and enforced, and the post-1971 period that extended until the early 1980s when labour shortage emerged in the plantations. In particular, the focus is on the stateless labour that had been confined and
concentrated in the plantations – the eligible citizens among the plantation labour. The chapter in general will elaborate the disruption caused by ERA and in particular, the creation of the most vulnerable class among the already downtrodden plantation labour and the extension of that vulnerability over the following generations. As there exist a serious void in the study of ERA, the approach here will be as comprehensive as possible. The data is mainly from the planters’ organisations, Labour Department, NUPW records and newspapers. As detailed official data on non-citizens and Work Permit holders are only available in aggregated figures, we have presented a number of surveys by the Union and a survey by United Planters Association Malaysia (UPAM) on Work Permit holders in plantations indicating the scale of the problem in MAPA/NUPW member plantations. None of these surveys have been utilised by researchers before.

ERA which became a law on 19 September 1968 and enforced from 1 July 1969 requires non-citizen workers to obtain a Work Permit in order to be employed. This Act was enforced quite suddenly by a decree of the National Operations Council (NOC) while the Malaysian parliament was still suspended following the May 13 (1969) racial riots. Registration of non-citizen workers was undertaken by the Labour Department through the employers as required by the Act. The Act was intended to give employment priority to citizens. The services of ‘non-citizens’ who failed to obtain Work Permit was to be terminated immediately and they were not entitled for any termination benefits, except their saving in the Employment Provident Fund (EPF). In plantations, the termination was normally followed by the eviction of the worker and his unemployed dependents. Effectively, the enforcement of ERA will make the affected labourers unemployed and homeless, and cannot be employed elsewhere in the country. The affected workers also become ‘stateless’ entities. As for the plantation management, it was a punishable offence for not informing or terminate the services of non-citizens that were denied the Work Permit.

The enforcement of this Act affected non-citizen workers across the social and ethnic strata though the poorest suffered the most. The severe impact was on the

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1 Amendment followed by the enforcement of ERA was done under the ‘Emergency (Essential Powers) Ordinance, 1969’, an ordinance proclaimed two days after the riot. It was published in Official Gazette as P.U.(A) 146/1969.

2 During the period, ‘non-citizen’ refers to permanent residents who are also known as ‘red identity card’ holders. Small number of ‘non-citizens’ includes those who never registered for permanent resident status and obtained their ‘red identity card’ which is an offence. Most of the non-citizens have one or both parent with citizenship but not applied for one or more of their siblings.

3 Since the enforcement of Work Permit in September 1969 to November 1970, the Ministry of Labour had carried out 17,398 inspections and surprise checks and 130 employers were prosecuted for employing non-citizens of which ninety were found guilty and fined (ST, 11 Nov 1970).
immigrant workers from India and China, and to a lesser degree workers from Indonesia. Among the Chinese, movement in and out of China had become strictly restricted with the establishment the People’s Republic of China in 1949, and this effectively severed the ties of Chinese overseas with the motherland. This was when overseas Chinese, particularly in Southeast Asia had to acquire citizenship of the country of residence. Moreover, China had entered into official agreements with some countries (with Malaysia in 1974) not to recognise dual citizenship of the overseas Chinese. During the time of the agreement, about 200,000 Chinese were still non-citizens, ‘red identity card’ holders (permanent residents).

The most seriously affected by the enforcement of this Act in terms of scale and livelihood were the impoverished Indian labourers, who not only risked unemployment but also shelter because most were residing in housing provided by the employers. The majority of the affected Indian labourers were confined to plantations where they were tied for work and living. Other labourers, like the Chinese and Javanese were mainly commuting for work to plantations but resided in nearby villages. In the urban areas, the Indian labourers were mostly employed in government services – the public works, railways, municipalities and sanitary boards – and quarters were provided. Housing facilities that were attached to employment status proved to be a dangerous liability during volatility in employment, a feature that exists in plantations even today. This was especially true for labour families totally dependent on employers’ housing facilities with no other options.

Originally, the Indian labourers came on contract with the idea of returning to India after the employment term. Only since the 1920s did a substantial number of them settle in Malaya with their locally born or raised children. The idea of a settled community was also the intention of the British administration and since 1938 with the ban of assisted migration, the need for settled Indian labourers in Malaya became an economic necessity. Nevertheless, the Indian laws, unlike in China, were not restrictive on the returning of overseas labourers of the period. This

4 Original source from various citation appears to be from Yong Mun Cheong (1974). From the official angle, Prime Minister Hussien Onn on 5 April 1976 stated in Parliament about ‘the question of 200,000 stateless persons in Malaysia’ in his statement in relation to Malaysia’s diplomatic ties with China. See documents compiled by Jain (1984: 240).

5 There is confusion in regards to citizenship matter. Ampalavanar stated that ‘citizenship legislation passed on 14 August 1949 in India finally ended all hopes of dual citizenship for the Malayan Indians’ (1981:125). The contrary is true for the period as the Indian Constitution recognized and guaranteed citizenship to Malayan Indians. Sardar Budh Singh and R. Ramani in 1949 met the Indian leaders including Pandit Nehru on the status of Indians here. Their main argument was ‘Federal Citizenship’ in Malaya does not amount to Federal ‘Nationality’. Further, a memorandum was submitted by R. Ramani to the drafting Committee of Indian Constitution and it was widely reported by local newspapers on the acceptance in principle the distinctions of ‘citizenship’ and
explains the unbroken chain of repatriation of Indians – voluntary and forced – right into the independence period of Malaya and then Malaysia.

Prior to the introduction of Work Permit requirement, the majority of the Chinese and Indian immigrants had already become citizens.\(^6\) The Malayan Constitution had clearly outlined the citizenship requirements as part of the political negotiation of independence from the British. The various ethnic groups were represented in the negotiations. However, the process of becoming a citizen in practical terms was never an easy task especially when documentation deficiency exists – particularly in the late 1960s. As a result, a section of the immigrant population, mainly the poor, the illiterate and those in isolated areas missed out on the due process of becoming citizens. The majority of them were holders of the ‘red identity card’ i.e non-citizens with permanent resident status.

The identity card has a longer history. The British introduced compulsory identity card for all residents of Malaya by law under the Emergency Regulations (Registration Areas) 1948, to control the movement and support to communist guerrillas. All adult residents above the age of twelve were required to have an identity card and all new immigrants were required to obtain an identity card within 30 days of arrival. Many from the plantations received the red identity card and the majority eventually applied to become citizens and became holders of ‘blue’ identity card (citizens). In the pre-ERA period, citizenship application and approval process was much easier but since the introduction of ERA, all new and pending applications became more stringent for approval.\(^7\) This had left many of the plantations red identity card holders in a quandary when ERA was introduced and enforced.

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\(^6\) The campaign of citizenship drive since Independence was started as early as 14 November 1957 targeting more than 900,000 eligible citizens. It was organized with the support of Malaysian Chinese Association, the Malayan Indian Congress and the Labour Party focusing on Penang. NUPW and the Government Temporary Officers Union also actively participated. ‘Hundreds of volunteers of the Malayan Indian Congress and the rubber workers’ union will visit estate workers to distribute application forms and help the workers to fill them’\((ST, 13 Nov 1957)\).

\(^7\) In refuting the criticism by NUPW on governments delay on processing citizenship, one of the key leader of the period, Ismail Abdul Rahman, stated that ‘After Independence, citizenship was given away very liberally. People applied by thousands to become citizens. If they [estate Indian worker] did not take advantage of it then, and are suddenly interested now because there is value in Malaysian citizenship it is their own fault’ \((ST, 6 Nov 1969)\).
In early 1970, the Commissioner of National Registration stated that about 500,000 red identity card holders were in the country (ST, 27 Feb 1970). The NOC was confronted with a dilemma in that it could only prohibit employment for non-citizens but could not repatriate the non-citizens. Given the situation, incentive to return was carefully stated, for instance, the Home Affairs Ministry stated that red identity card holders whose Work Permit were not renewed ‘will not be automatically expelled from Malaysia on the expiry of their passes’… ‘unless they wish to do so on their own accord’ (ST, 2 Oct. 1969). Later, the Home Affairs Minister stated that ‘the government will help unemployed non-citizen estate workers to return to their country of origin’ (ST, 25 Oct 1969:1).

The issue, however, was with those non-citizens that decided to stay. The exact numbers of those affected and subsequently became ‘stateless’ are difficult to be ascertained. However, a Chinese weekly reported in 2010 that about 100,000 Chinese in Malaysia were still struggling for citizenship (Chee-Beng, 2011:18). In 2012, an opposition Member of Parliament, alleged that 300,000 locally born Indians were stateless due to problems in their Birth Certificate and National Identification Card. Though the validity of these figures is subject to debate and the issue was often used for political mileage, it brought about awareness on the existence of such stateless individuals and families, and their plight and need for assistance was recognised. Before pursuing to the two periods under study, the discussion will first focus on the Work Permit origins and the legal status of the Indian plantation.

5.2 The Work Permit Genesis and the Legal Status of Indian Plantation Labour

The sudden decision by the government to impose employment restrictions for non-citizens and eventually to replace them with citizens may have been triggered by the alarmist position adopted by the earliest unemployment surveys. The surveys were coordinated by expatriate specialists from international bodies rendering expertise to the policy making institutions of Malaysia. The Labour Department and the Statistics Department conducted the first ever survey on unemployment in 1962. The main finding stated that unemployment was ‘moderately high’ and concentrated among ‘the youngest working age group who never had jobs’. As such, it was concluded that ‘unemployment was mainly a

8The fate of labourers without citizenship or permanent resident status was not explicitly stated but it was certainly far from anything hopeful. At the same time, citizens who wish to withdraw their EPF and return to India were allowed on condition that they renounce their citizenship. The option was exercised by citizens who wished to return to India and the number was not negligible.

9 The Indian figure was mainly stated by an Opposition Member of Parliament, N. Surendran. See ‘Stateless Indians: PKR shows proof’ Free Malaysia Today accessed April 25, 2012.
structural type’ (FOM, 1963:7-8). The report also forecasted that within ten years, the unemployment figures will rise to 107,000 at an average rate of 3.5 per cent a year (FOM, 1963:24-25).

Soon after, in 1965 subsequent ‘Manpower Survey’ was commissioned and it was incorporated in the First Malaysia Plan (FMP) (1966-70) under the subheading ‘Employment and Manpower for Development’ (FMP, 1965:78-88). The survey indicated that the rate of unemployment was 6 per cent in 1965 and the target was to reduce it to 5.2 per cent by 1970. The survey forecasted the need to create 460,000 new jobs of which 165,000 were expected from the agricultural sector alone. The projection for ‘new agricultural employment’ is crucial to understand the NOC’s decisions later in regard to non-citizen plantation workers though the original projection of the survey included employment in new land development programs as well. The FMP also made provision for a further survey focussing on the ‘employment status of the labour force’ (FMP, 1965:87-88). The outcome was a more elaborate survey undertaken during 1967-68 and released as ‘Socio-Economic Sample Survey of Households – West Malaysia, 1967/68’. The preliminary tabulations were made available in March 1968. The survey also indicated an increase in ‘active unemployment’ from 6.0 per cent in 1962 to 6.8 per cent in 1967/68, confined to the younger age groups (Choudhry, 1970, 108-9).

At the same time, efforts to adhere to the survey recommendations to create more employment resulted in the introduction of two Ordinances, namely ‘Essential (Essential Powers) Ordinance 1969’ and ‘Essential (Employment) Regulations 1969’. The Ordinances that came into effect on 9 October 1969 amended the ‘Employment Ordinance 1955’ by introducing restrictions on the overtime work of employees to no more than 32 hours a month. To monitor the progress, NUPW was required to submit reports on ‘employees recruited since 9 October 1969' and ‘thereafter a return every Saturday showing recruitment during the week’.

10 Letter from the Selangor Commissioner of Labour to NUPW dated 8 November 1969.

The recommendations to create more employment (in the agricultural sector) to mitigate the imminent unemployment as projected by the surveys, and the political climate post-1969 election riots, led to the Work Permit requirements for all non-citizens. The intention was to phase-out non-citizens and provide employment priority for citizens, especially for the new entries to the labour market. However, in the original version prior to the amendments made by the NOC, Work Permit was only required for twelve categories of employment and plantation labour was not included (see Table 5.1). However, with the NOC amendments, employment of
all non-citizens was subjected to Work Permit requirements except those engaged in business. With reference to age, the NOC repealed Section 20(g) that gave exemption to persons aged under 21 who were born in the Federation or permanently residing in the Federation before Merdeka Day and in possession of ‘red identity card’. The role and insistence of the surveys was strongly reflected in the repeal of this section that resulted in dire consequences for the young non-citizens in plantations and in the creation of generations of Work Permit holders.

Table 5.1     Original and Amended Schedule under Section 4 of ERA, 1968*

<table>
<thead>
<tr>
<th>Schedule (Section 4)</th>
<th>Class or Classes of Persons and Category or Categories of Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As of 11 September 1968 (upon receiving Royal Assent)</strong></td>
<td><strong>As of the Order Gazetted on 30 June 1969 (P.U. (A) 222)</strong></td>
</tr>
<tr>
<td>Every person not being citizen employed in the category or categories of employment in any business described hereunder:</td>
<td>‘Every person not being a citizen employed in any business, industry or undertaking whatsoever including any Department of the Federal Government or State Government, any local authority and any statutory body’</td>
</tr>
<tr>
<td>(i) any industry or undertaking which generates or supplies electricity;</td>
<td></td>
</tr>
<tr>
<td>(ii) any industry or undertaking which supplies water and sanitary services;</td>
<td></td>
</tr>
<tr>
<td>(iii) any lumbering industry;</td>
<td></td>
</tr>
<tr>
<td>(iv) any Banking, insurance or finance organisation</td>
<td></td>
</tr>
<tr>
<td>(v) any industry which manufactures or supplies arms or ammunition;</td>
<td></td>
</tr>
<tr>
<td>(vi) any mining or quarrying industry;</td>
<td></td>
</tr>
<tr>
<td>(vii) any hotel, night-club or restaurant business;</td>
<td></td>
</tr>
<tr>
<td>(viii) any construction or building industry;</td>
<td></td>
</tr>
<tr>
<td>(ix) any stenographer or clerical service;</td>
<td></td>
</tr>
<tr>
<td>(x) any watchman, jaga or security service organisation</td>
<td></td>
</tr>
<tr>
<td>(xi) any newspaper, printing and publishing industry;</td>
<td></td>
</tr>
<tr>
<td>(xii) any petroleum, fuel oil and refining industry.</td>
<td></td>
</tr>
</tbody>
</table>

* ERA was amended again twice, first as ‘Employment (Restriction) (Schedule) (Order) 1972’ on 10 March 1972 and ‘Employment (Restriction) (Amendment) Act 1972’ on 4 April 1972. It should be noted that Section 4(2) provides the provision to ‘amend or add to the Schedule’.
However, the policy makers somewhat overlooked the sociological dynamics of employment in the plantation sector – the largest sector affected by the Work Permit requirements.\(^{11}\) As a consequence, their assumption that unemployed citizens will seek employment in the plantations when opportunities were available proved to be gravely wrong. The ‘alarmist’ position adopted by the NOC from the surveys also explains why the express method of retrenchments of 3 and 6 months were adopted by the Labour Department to replace non-citizens. The implementation of the Work Permit, as will be discussed below, not only showed the hasty decision to phase-out non-citizen workers from plantations but also the inadequacy of state mechanism to undertake such a huge administrative task immediately. On the other hand, the state policy of ‘Malaysianisation’ – replacing foreigners with citizens – in all employments, cannot be detached from the findings of the surveys in terms of its evolvement.\(^{12}\) By this time the intention to prioritise native Malays was also incorporated and emphasised in the process of replacing non-citizen workers. It is within this context that the Home Minister then, Dr Ismail Abdul Rahman explained the government’s position,

> The first thing I would like to emphasise is that it is not the intention of the Government just to deprive a worker, be he a citizen or a non-citizen, of a job. The Government duty at the moment is to provide jobs for unemployed Malaysian citizens. So whenever there are Malaysian citizens who would like to work in whatever category of jobs that are available, they must be given priority (\(ST\), 25 Oct 1969).

Agricultural employment, particularly in estates remained the largest labour market then and naturally, the most severely affected. The fact notwithstanding, the enforcement of this Act was very unfortunate in the case of the plantation labour in terms of their eligibility to citizenship. The large majority of the ‘non-citizens’ labourers in the plantations were actually qualified to become citizens. This statement is acceptable if the Indian government ban on the ‘assisted emigration’ of unskilled labourers to Malaya from 15 June 1938 is taken as an indication of the final batches to Malaya\(^{13}\). It means the Indian labour force below the age of thirty

\(^{11}\) For a scathing criticism on the usage of employment statistics in the ‘Second Malaysia Plan’, see Alatas (1972).

\(^{12}\) The ‘Malaysianisation Committee’ was formed on 8 August 1964. The original function was to replace expatriates holding ‘substantive positions’ with Malaysian citizens. The policy of this Committee was reformulated by the Cabinet in 1966. However, with the NEP, the policy was reoriented ‘to take into account the need for a more balanced racial composition of Malaysians at all levels of employment’, Labour and Manpower Report (1980:47).

\(^{13}\) The ban was never lifted despite repeated efforts by the Malayan representations to resume ‘assisted’ emigration in 1939, 1940, 1941 and again after the war in 1946 (Sandhu, 1969:148). See also Palmer (1960: 44 & 76). Additionally, Sandhu (1969:305) recorded 3,499 ‘non-assisted’ labour to Malaya from 1939-41. On a different note, it should also be noted that any Indian born in Malaysia before India’s independence on 15\(^{th}\) August 1947 is a British subject.
one in the plantations in 1969 should have been locally born. And those who arrived latest by 1938 should have been domiciled in this country for at least thirty one years, much longer than the required domiciled period under the relevant provisions of the Constitution to be a citizen. The census data shows that 82 per cent of Indians in Malaysia at the time of the enforcement of the Act were locally born (see Table 5.2).

Table 5.2 Percentage of Indians Born in Malaysia or Singapore (including non-plantations Indians)

<table>
<thead>
<tr>
<th>Year</th>
<th>Indian Population</th>
<th>% Born in Malaysia</th>
<th>Locally Born</th>
<th>India Born</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>531,000</td>
<td>52</td>
<td>276,120</td>
<td>254,880</td>
</tr>
<tr>
<td>1957</td>
<td>723,000</td>
<td>65</td>
<td>469,950</td>
<td>253,050</td>
</tr>
<tr>
<td>1970</td>
<td>948,000</td>
<td>82</td>
<td>777,360</td>
<td>176,640</td>
</tr>
</tbody>
</table>

Source: Adapted from Hirschman (1980:111)

However, independent migrants (other than labouring class) continued to come to Malaya from 1938 until the outbreak of the Second World War when all forms of movements were totally halted. After the war, the migration continued and comprised mainly of ‘traders, pedlars, petty shopkeepers, hawkers, shop-assistants, clerks, and watchmen’. Even this class of migrants were substantially restricted following the introduction of ‘Immigration Ordinance (No.68 of 1952) to ‘restrict the entry of all types of new immigrants’. The bill came into operation in August 1953 and the ‘entry to all Indians in Malaya was controlled for the first time’ including ‘free entry of dependent children of citizens’ (Sandhu, 1969, 149-50).

If any unassisted labouring class slipped-in together with the above mentioned categories in 1953, by the time of ERA was enforced, the labourers would have been domiciled for about 16 years, thus qualifying them to be citizens. The changes in the immigration policy and the restriction imposed on the labour migration clearly indicates that most of the Indian labour in the plantation must have domiciled in the country long enough to be citizens as per the provisions of the Constitution. However, ‘owing to ignorance, coupled with illiteracy and to some extent their carelessness, [the affected labourers] have not applied to obtain their blue identity cards’\(^\text{14}\). These facts notwithstanding, only documentation evidence that proves birth, marriage or domicile period can support the workers case against the ERA, which many of the affected labours lacked.

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The magnifying impact of the Employment (Restriction) Act 1968 on the plantation workers had its roots elsewhere. In 1962, the Constitution was amended and two provisions pertaining to citizenship were affected, namely Article 14 and Article 17. The original provision of the Constitution under Article 14 (1) (b) provided citizenship by ‘operation of law’ where the principle of *jus soli* applied to all born in Malaysia after Independence regardless of their parents’ origin. Hence, a child born in the Federation was entitled to be a citizen automatically regardless of the status of the parents. The amended version now required at least one of the parents to be a citizen or permanent resident. On the other hand, Article 17 that grants citizenship by registration to foreign born who had been in the Federation since Independence Day and upon the completion of eight years of residence, had been repealed in 1962. The two changes in the Constitution made the documentation requirements much more difficult. Effectively, for those who had not applied for citizenship or their application was being processed then, the new requirements had almost made it impossible. The burden to prove the parents’ status through proper documentation prior to the child’s case paved the way for generations of locally born ‘undocumented’ and effectively, ‘stateless’ labour force in the plantations and the legacy persists to this day.

Another complication from the past that created a negative perception among Union leadership during the Work Permit ordeal in 1969 was the ‘Article 30 Certificate’, or simply the ‘citizenship certificate’ issued under Article 30 of the Constitution. Article 30 Certificate did not impact plantation labour in any major way, but it created the impression that the government was getting tough with immigrants and this perception was compounded with the introduction of ERA. Article 30 Certificates had been issued since 1958 but the certificates were recalled to be re-examined by the authority of which many were cancelled. The certificates issued after 4 November 1964 were categorised as valid and needed no verification. The Home Affairs Minister then, Ismail Abdul Rahman stated that ‘at least 250,000 people who obtained Malaysian Citizenship under Article 30 of the Constitution must surrender their certificates for review by the Government. The operation to review these certificates got under way since 1966 and 5,000 had their certificates scrutinised and 3,400 had their certificates cancelled and told to re-apply for citizenship’ (*ST*, 6 November 1969).

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15 It should be noted that the citizenship provisions were largely based from the memorandum submitted by the Alliance to the Reid Commission entitled “Political Testament of the Alliance Movement” dated 20 August 1956. However, once the amendment was made, it was retained in the Federation upon the formation of Malaysia on 16 September 1963.

16 The Bill to amend the Constitution was published in the Government Gazette on January 5th 1962 as ‘Constitution Amendment Act, 1962’. The citizenship amendments were rushed and within a month, the second reading was concluded and it came to force on 1st of October 1962.
The confusion at the governmental level in ascertaining the status of individual citizenship had caused the certificates to be recalled for inspection and cancellation.\textsuperscript{17} The crux of the problem was with the technicalities of the authority related to the issuing of the citizenship certificate, the requirements imposed and the ‘misrepresentations’ of facts by applicants. According to the National Goodwill Council, 277,000 ‘Article 30 Certificates’ had been issued but only 11,000 surrendered the certificate (\textit{ST}, 6 July 1970). In the following few months, it was stated that 30,000 have submitted their certificate for verification to the department. Out of the 20,000 Article 30 Certificate verified by the department, more than 10,000 were discovered to be invalid, ‘however, not all the 10,000 people with invalid Article 30 certificate become non-citizens’.

Two major reasons were cited by the authorities for the invalidity of the citizenship papers; first, some people had already obtained their citizenship papers under various other provisions, and having subsequently lost them, made fresh applications. They were then issued with citizenship papers under Article 30. Second, some others had already got their names listed in their parents’ citizenship papers obtained under the Federation of Malaya Agreement of 1948. These two categories of people were not required to apply for Citizenship Certificates because they were entitled to become citizens under the operation of the law’ (\textit{ST}, 7 Nov 1970). For the small number of directly affected labourers, the Citizenship Certificate compounded further the renewal requirements for the Work Permits. It also dampened the very much needed ‘acknowledgement’ of citizenship applications to retain employment and housing in plantations.

\textbf{5.3 Employment (Restriction) Act (ERA), 1969-70}

The enforcement of ERA came forcefully and excessively on the plantation labour. The enforcement of Work Permit and later the renewal of these permits had caused untold misery to the affected plantation labour and their families. For the workers, September 1969 to September 1970 was the height of the Work Permit chaos. The turbulent months were aptly described as ‘hour of distress, fear and confusion’ by the NUPW General Secretary. The rollercoaster for the non-citizens technically

\textsuperscript{17} Accordingly, prior to 1 December 1960, the words ‘registration authority’ was used instead of the ‘Federal Government’. Until December 1960, the Registration Department by virtue of delegation of power by the Election Commission which was the registration authority under the previous Article 30(1) had been issuing certificates under this Article. The purpose of this Article was merely to issue certificates to the effect that a certain person was a citizen only in cases of actual doubt whether or not he could qualify under any of the categories of citizenship as set in the Constitution. Unfortunately, this Article was said to have given a very wide interpretation by the Registration Department. As a consequence, it was said to ‘grant citizenship status even to persons who have not the slightest grounds to be treated as citizens’ (\textit{ST}, 5 November 1969).
started from July 1969 when they were told they needed to apply for Work Permit and, depending on their skills, would be offered 3 or 6 months permit. Soon after, the labourers were told that upon the expiry of the non-renewable Work Permit all non-citizens would be retrenched. In mid-December the NOC decided to allow for renewal of Work Permits for workers qualified for citizenship. This phase continued until September 1970 when the NOC announced that the work Permits of potential citizens would be renewed for two years regardless of their employment categories.

In short, the enforcement of ERA began on the high note that all non-citizens were required to obtain Work Permit immediately in order to be employed in plantations while waiting for their retrenchments at the end of the work permit duration. In other words, the Work Permit was only for employment in the interim period. The Work Permits, issued from 1 October 1969, were based on the skills of the worker which would determine the duration of the Work Permit as shown in Table 5.3. Section 11 of the Act (Validity of Employment Permits) only specified the maximum period of two years but was silent on the minimum period. The maximum period of two years was for the ‘highly skilled’ category; for the ‘semi-skilled’ and ‘unskilled’ categories, the Work Permit was issued for three and six months respectively. It was the Labour Department that was responsible for deciding who qualified for 3 months and 6 months Work Permit.

<table>
<thead>
<tr>
<th>Class</th>
<th>Level of Skills</th>
<th>Description</th>
<th>Permit Duration</th>
<th>Employment Type in Plantation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Highly skilled workers</td>
<td>Those who are drawing a monthly salary of $600/- and above and who have undergone 5 years’ training and have five years’ service and those who are holding managerial, executive or professional posts irrespective of salaries</td>
<td>2 years</td>
<td>Estate Manager</td>
</tr>
<tr>
<td>II</td>
<td>Skilled Workers</td>
<td>Those who have undergone 1 or 2 years training</td>
<td>1 year</td>
<td>Rubber grader</td>
</tr>
<tr>
<td>III</td>
<td>Semi-Skilled Workers</td>
<td>Those who have undergone some training</td>
<td>6 months</td>
<td>Asonaic Sprayer, Estate conductor, Factory worker, Rubber Baling worker, Rubber clipper worker, Rubber goods maker, Rubber miller, rubber stamp maker, rubber tapper (including own tapper) &amp; Mandor</td>
</tr>
</tbody>
</table>
The labourers fall either under the unskilled or semi-skilled categories. ERA threatened unemployment and eviction from plantation for these categories within few months of enforcement. For the affected labourers, the Work Permit issued to them was due to expire either in December 1969 (3 months permit) or March 1970 (6 months permit). And if the Commissioner of Labour rejected a Work Permit application or when a permit was ‘cancelled, suspended or not renewed’, the employer was required to terminate the employee’s services within thirty days’ notice from the Labour Department. Worse still, the decision was not subjected to any form of trade disputation and the Act prohibited trade unions to represent the terminated worker (Article 10). And to make matters worse, it was reported that ‘while management hand over the Work Permit to their respective workers, they [were] also giving letters informing that their services will be terminated on the expiry of the Work Permit’.\(^\text{18}\)

The mood of the day in government departments was also not sympathetic towards labour. Firm and clear statements were made that the Work Permit enforcement will not be deferred. The Secretary for the Labour Ministry even announced that ‘… two State Governments had indicated that they would be retrenching all their non-citizens workers within a year’ (ST, 15 October 1969). The employers were also strictly reminded to prioritise citizens before any non-citizens Work Permit is renewed. The Commissioner of Labour sent a circular to all employers on 8 November 1969 to send ‘immediately a first return showing the number of employees recruited since the 9 October 1969 up to the present date’ and ‘thereafter a return every Saturday showing your [employer] commitment during the week’. The close monitoring on the replacement of non-citizens with citizens was said to be ‘in line with the new economic policy of the Government’.\(^\text{19}\) And when a permit is rejected, the letter from the Commissioner of Labour to the plantation management stated categorically that ‘in the process of engaging or replacing workers with those of citizen workers you are urged to improve the

balance between the various races so as to reflect the multiracial society of this country.\(^\text{20}\)

The announcement on the obligatory Work Permit requirements came almost immediately to the plantation lines following the NOC’s announcement. The NUPW vernacular mouthpiece, *Kaalai Thanthi* dated 13 June 1969 published an article entitled ‘Work Permit’ proclaiming the decree made by the NOC but abstained from announcing that permits were non-renewable and it will result in workers facing termination and eviction.\(^\text{21}\) The following issue had an elaborate article based on a press conference by the Minister of Labour. The objective of the Work Permit was presented as a government effort to know more about the non-citizens, mainly their employment nature and its details (*Kaalai Thanthi*, 22 June 1969). Again, consequences of non-renewal were not mentioned.

The shock came when they were told that employment will only be for either for 3 or 6 months depending on the task in the plantation and upon the expiry of the Work Permit, they will be expelled from their plantation and quarters. This condition first made the rounds in plantations as rumours before it was ascertained to be true by the central Union leadership. However, the announcement in *Kaalai Thanthi* on 30 September 1969 created further shock and confusion with its article entitled ‘Leave Upon Expiry of Work Permit’. The article quoted the Commissioner of Immigration as stating that all labourers where permits were not renewed had to leave the country upon the expiry of the Work Permit. It should be noted here that most non-citizens were red identity card holders (permanent residents) and as mentioned earlier, they could not be repatriated forcefully. This announcement indicates the degree of confusion then.

Understandably, the enforcement of this Act created panic among the workers and the Union. The workers were largely dependent on NUPW, the biggest union representing the plantation workers. NUPW began to mobilise its machinery in the plantations to gather information on the ground and explain to all affected workers regardless of Union membership. NUPW also engaged one Mr Solomon from Kuala Lumpur to visit all the state branches together with the General Secretary ‘to explain fully the various sections in the citizenship law’ and reminded that the endeavour ‘is based on humanitarian grounds and ... should not discriminate

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\(^{21}\) From 13 June 1969 to 8 December 1970, at least 23 dedicated news (or main piece) were published in the Union’s *Kaalai Thanthi* (Morning News) on the Work Permit issue. The overall outreach efforts of the Union during the Work Permit crisis were impressive.
members from non-members on this occasion'. At the same time, the Union held
discussions with several ministers, particularly the labour and home ministers.

The Union also submitted a memorandum entitled ‘Problems Facing Plantation
Workers’ to the Minister of Labour focusing on 26 July 1969 on the Work Permit
requirements. The Memorandum recommended that the multiple categories for the
labouring class in plantations be abolished and only one category be maintained,
namely ‘Plantation Worker’. The justification given was that it will allow
‘promotion’ within the plantation employment for instance, a weeder to tapper or
tapper to be factory worker or *kangani*. The ground situation was different, the
Union actually feared the system of dividing workers by classes of employments
will polarise them. On the ground, it means little for workers if one is tapper (skilled) or
fieldworker (semi-skilled) but awarding different permits was not
immediately comprehensible or justifiable. The Memorandum also proposed that
the single category should be given 3 years Work Permit validity period. Another
recommendation was that the Work Permit should not be issued to specific
employer but as a common permit for employment in plantations as this will allow
labour mobility.

The Union also proposed that the existing work force before ERA should not be
refused Work Permit and it should only apply to new workers. At the same time,
non-citizens permanently residing before Independence and those born in the
country before Independence should be exempted. It also proposed that the penalty
for contravention of section 5 and 13 of ERA which was excessive should be
reduced to one month’s salary of the employee concerned. Finally, the
Memorandum wanted the Minister to protect the worker in the event an employer
refused to certify particulars given by the applicant as requested by the application
form. The Memorandum touched on all the important issues relevant to plantation
employments but sadly none of it was adopted or implemented. This led the Union
to voice its dissatisfaction strongly in the media.

The loud protest of NUPW against the immediate enforcement of the Work Permit
led to the question of who was to be blamed for the Work Permit predicament of
the plantation labour. For instance, responding to the General Secretary of NUPW’s
contention that the government had ‘moral and humanitarian responsibility’ to
plantation workers’, the Home Minister retorted back as follows,

But what I would like to ask Mr Narayanan is whether he and the NUPW have done
their duty to the workers. For example I am surprised that 55,000 plantation workers

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22 Letter from the NUPW General Secretary to All Branch Secretaries dated 31 October 1969.
are not yet citizens. All these years why hasn’t Mr Narayanan and the NUPW taken
the initiative to help these people to become citizens (ST, 25 Oct 1969).

For which, P.P Narayanan responded that ‘citizenship, in our opinion, is the
Assemblmen, political parties, civic bodies and the trade unions. But at the
moment trying to shift the responsibility to any one particular group is a bit unkind
and unfair. And, above all, it does not solve the human problems that are at our
door-step’. He further iterated that ‘if government had given directive to the NUPW
that citizenship is its sole responsibility in the plantation industry we could have
gladly accepted such responsibility. This problem would not have arisen at all had
this responsibility been given to us’23. The response was also a veiled critic of the
Malaysian Indian Congress (MIC) which the Union felt to be ineffective in
defending the workers on the issue.

The Union was aware that the permanent solution for the Work Permit problem was
to get the affected workers to apply for citizenship, hence it prioritised the
citizenship issue more than any other matters during the period. 24 Without
citizenship the workers would remain vulnerable and be deprived of the benefits of
citizenship. Furthermore, the acknowledgement slip issued by the Registration
Department for citizenship submission through Form A, B, C and E and through
Form G before 30 June 1969 would entitle them to Work Permit from the
Commissioner of Labour. As such, citizenship application was both the immediate
and long term solution for the non-citizen workers. As for the affected workers, the
problem was manifold as they had to rush the application for citizenship and
subsequently the Work Permit while facing the risk of unemployment and eviction.
And for those who had documentation deficiency, the matter was much more
critical as constraint of time became the main obstacle to get the employment
permit.

Back in the labour lines, the fear and anxiety overwhelmed the affected families on
the prospect of unemployment and eviction. If both the spouses were Work Permit
holders, the entire family would be dislodged from their respective quarters upon
the expiry of Work Permit. For the single non-citizen spouses, their employments
were at stake. Many in plantations knew friends or kins affected by ERA. And for

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23 Press Release dated 25 October 1969 by the General Secretary of NUPW.
24 In a Confidential letter dated 14 October 1969 to all State Branch Secretaries with the heading
‘Citizenship’, the General Secretary stressed the citizenship application for non-citizens as the
solution for the problem. He urged all branches to work towards this goal. In a letter to Selangor
branch dated 16 October 1969, the General Secretary stated that ‘the most important thing to do at
the present moment is to help all our members who are eligible for citizenship’…’even if you
suspend other activities of your Branch for the time being and concentrate on this, it would be very
the community on the whole, confusion, uncertainty and insecurity was pervasive as to the future of plantation work and living. Some even doubted the future for the settled Indian immigrants in Malaysia given the political atmosphere of that turbulent year. This even prompted some citizens to renounce citizenship and accept the repatriation offer together with non-citizens. Others directed their exasperation and forewarned the state that the repercussion of Work Permit displacement may cause more serious problem to the country, as a Johor NUPW leader feared,

The question is where will they go after becoming unemployed .. to the pavements – thereby becoming an ‘eye-sore’ to the name of the country and the government. And since they have no other place to go under the sun, they cannot claim to be a citizen of any country. And such a situation will be disastrous and dangerous to them as well as to the country, for they will become easy prey to anti-national elements and become thugs and vagabonds. And I further guess if they were removed from their present places of employment, from where they are at present housed, it will become the greatest problem for the government.25

Against the backdrop, the resilient non-citizens and the estate NUPWs worked towards the Work Permit application. At this stage, the rigid requirements (that eventually was made lenient) were non-negotiable. During the early period, confusion was rife among the workers, the union, and the plantation managements and even the government machinery on the procedures and requirements of Work Permits and citizenship. The hasty pace and frequent change of directives from the NOC, though favouring labour, contributed towards the confusion regarding Work Permit requirements.

The problems encountered by plantation labour during the chaotic period were multifaceted. Some problems had local and regional characteristics and others were common to all plantations, and still others were time specific problems. For instance, regional problem surfaced in the northern region, particularly in Kedah and Penang where absentee employers were quite common and this caused difficulties for workers to get ‘endorsement’ signature from the employers.26 Workers complained of this as one of the main reasons for the delay in the application of Work Permit. It should be noted that application forms for Work Permit submitted later than 30 June 1969 were rejected by the Labour Office. The problem of absentee landlord was a result of subdivision that was particularly bad in the northern region. In fact the Kedah NUPW branch complained that ‘in

addition to the unemployment situation already prevailing in this state, deprival of Work Permits to ‘field’ and ‘factory’ workers has added further injury in general to the plantation workers in this state’.\(^{27}\)

Another instance that illustrates the time specific hardship can be observed when NOC announced that plantation workers who had applied for citizenship under Form G after the introduction of ERA on the 1\(^{st}\) July 1969 will not be considered for Work Permit renewal. The rigidity of the directive at this stage caused serious problem for the affected labour families. For instance, in Selangor alone 627 workers were retrenched immediately when the three months permit expired by the end of December 1969.\(^{28}\) The same problem was also reported in other states where the affected workers who had mostly worked and lived in the plantations their entire life were retrenched without any compensation by the plantation managements. The prevalence of this issue prompted the Democratic Action Party (DAP) to urge the government to issue Work Permit to those who applied for citizenship under naturalisation even if it was submitted after 1 July 1969 ‘more so in regard to the estate workers’\(^{29}\) (ST, 28 December 1970). The NOC had reversed on this condition later but by then the damage to the workers and their families was already done.

One of the fundamental complaints prevalent in most NUPW branches was the shortage of Work Permit application forms, better known then as ‘white form’. For example, NUPW branch for Kedah, Perlis and Penang reported that they approached all the state labour offices but were informed by the authorities that ‘the stock of forms have been exhausted’ while the need was 3,000 forms. Finally, the request was made directly to NUPW headquarters to arrange for the white forms. The same was the case with Negeri Sembilan branch that requested for 2,000 forms and Perak branch 5,000 forms from the headquarters. The NUPW branch for Kedah, Perlis and Penang once again made a request to the headquarters for subsequent shortage. The shortage was not only experienced at the state level, as the NUPW headquarters itself had to approach Petaling Jaya Registration Department on behalf of the workers for 5,000 forms\(^{30}\). It should be noted that for each applicant two sets of form were needed.

\(^{29}\) It should be noted that the government on 15 December 1969 allowed for renewal of application submitted after the 1 July 1969, nearly two weeks before the DAP statement.
\(^{30}\) Letters from state NUPW branch for Kedah, Perlis and Penang dated 18 August 1969, from Negeri Sembilan dated 11 August 1969, from Perak dated 26 August 1969 and from the NUPW headquarters to Petaling Jaya Registration Department dated 27 August 1969. The delay in forms can certainly cause delay in Work Permit application. However, in later months, this problem
The two most common problems among those applying for citizenship were, first, incoherent documents with differing name entries appearing in the official documents and second, the lack of Malay language knowledge for citizenship language test. The former was most prevalent in the plantations and it had caused the delays and rejection of many applications when differing spellings appeared in the Birth Certificate and the Red Identity Card. The root problem was the fact that names were spelled and pronounced in Tamil or other Indian languages during the registration of a birth and when the names were written in romanised letters in their Birth Certificate or Identity Card, a standard spelling could not be maintained. It should be remembered that in 1967 English ceased to be the official language though many remaining registration staff were trained in English and the problem of romanising vernacular names according to the English, and later to Malay, the problem persisted.

The problem of differing spellings was an old problem long before the enforcement of Work Permit and the ensuing citizenship applications. By the year 1962, the problem of different spellings of names in the Birth Certificate and red identity cards had been noted to be serious. It was reported that 12,000 citizenship applications were rejected in that year ‘due to false pretence’ (ST, 11 September 1962). And two years earlier, it was reported that at least 1,000 Indians had already been either fined or jailed for these offences and their citizenship papers revoked (ST, 6 June 1960). Though National Registration Regulations, 1960 contains provision for correcting the wrong spelling of names but this provision did not come in handy for the Work Permit affected labour struggling with time. Normally, in the ERA enforcement period, processing documents submitted for corrections will usually take a long time.

Documentation requirements for Work Permit applicants who had submitted citizenship application was also a common problem. It was pointed out that the workers renewal of Work Permit sometimes encountered problems during the submission at the labour office. For instance, an applicant who applied for Work Permit on the ground of being locally born and produced acknowledgement of citizenship application was asked to produce the Birth Certificate in order to get the Work Permit renewed (ST, 4 March 1970). However, at the material time, citizenship applicant was required to produce his Birth Certificate to the registration office during such application. Such confusion was said to create a ‘bottle neck’ in processing the Work Permit.
Many of the non-citizen workers were trapped with bureaucratic ‘interim problems’ due to the short notice for Work Permit application. For instance, it was stated that ‘most of these workers [non-citizens] who are eligible and anxious to submit their applications for obtaining citizenship, are unable to do so mainly because their Birth Certificates are not with them’. This happened because many non-citizens applied for correction of names (self or parents) in the Birth Certificate to the Registrar General of Births and Deaths and had submitted the original certificate but despite ‘repeated reminders’…‘they have not received an acknowledgement, leave alone the return of the Birth Certificates’. This was said to inhibit the effort to apply for Work Permit on time. The same predicament were with those who attempted to register their marriages when the husbands are citizens, ‘it takes more than two or three months to obtain the Marriage Certificate, for the registration could be affected only after filing the Notice for Registration 21 days in advance’.

In these instances, due to lack of proof of submission, the renewal of their Work Permit for self and for the wife of citizen were surely rejected. In fact, a Report clearly stated that ‘the local born without Birth Certificate or unable to prove their birth in this country were turned down and their Permits not renewed’ by the Labour Department.

The Malay language test posed another problem for the citizenship applicants. The plantations community were generally an isolated and almost a mono-ethnic group with minimal interaction with other ethnic groups. The numeric dominance of Tamils in plantations in the west coast of Peninsular resulted in other minority labour groups acquired Tamil as a language of communication. In fact other Indian sub-ethnic groups such as Telugu and Malayali also acquired Tamil as medium of communication. In a report to NUPW Special Committee, a committee member from Johor aptly described the Malay language predicament as follows,

A substantial number of these people may not have even the elementary knowledge of Bahasa Malaysia. These are people, who firstly illiterate in their own mother-tongue; secondly, employed in places where they had no necessity to converse in any other language than their own; and thirdly, they never had any opportunity or occasion to mingle or converse with those who did not speak in the mother-tongue of the former. Thus it was never their fault that they did not learn

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33 It should be reminded that in the colonial period labour officers were required to have Tamil language knowledge and this was also true with the cadet planters. Announcements on Tamil language tests were a common feature in the Labour Department periodic reports.
the national language; the fact is that they never had an opportunity or they were not placed in a place of compulsion or of necessity.\textsuperscript{34}

This had proved to be a liability when applications for citizenship were made under Article 16 and especially under Article 19 that requires ‘adequate’ knowledge of Malay. To make matters worse, the Malay language requirement that was known to be generally lenient took a shift in the post-ERA period.\textsuperscript{35} Malay language performance eventually became one of the main obstacles for citizenship applications. The Union in fact urged the government to start a Malay language classes in plantations to solve the problem but this never materialised and the problem persisted until it gradually declined with national language policies in schools, closer proximity and higher presence of Malays in private plantations since the 1970s.

Another dimension of the human problem faced by the plantation workers during the period was cases of fraud by unscrupulous fake ‘agents’ who preyed on the ignorant workers by offering services to obtain or renew Work Permits or citizenship. For instance, 18 workers from Nigel Gardner Estate, Selangor submitted citizenship application with Form “G” to ‘government office’ in 1970 and received the acknowledgement slip. However, when the respective workers went to the Labour Department to renew their Work Permit, they were informed that the Form “G” acknowledgement was fake and the workers were asked to lodge a police report. Because of this, the estate had to retrench the relevant workers. The estate management, however, was willing to re-employ them upon obtaining the relevant papers as they had been working in the estate for many years. The workers and their families had to suffer for several months pending the appeal by the Union to reconsider their Work Permit application.\textsuperscript{36}

In Sungai Petani, Kedah a worker was similarly cheated when he was approached by a certain agent to help renew the Work Permit to one Subramaniam Kareyan

\textsuperscript{34} Report by R. Retnam to NUPW Special Committee entitled ‘Social and Welfare Problems’ dated 24 November 1969.
\textsuperscript{35} The General Secretary of NUPW complained to the Labour Minister about the Malay test in a letter dated 30 August 1972 that the ‘type of question could not be answered by even the majority of urban dwellers’ citing questions such as “What is the name in full of the Sultan in your state?”, “What is the full name of Sultana in your state?”, “What is the full name of the Raja Muda of your state?”. He further reiterated that ‘test in Bahasa Malaysia should be for the knowledge of the language itself and only questions used in ordinary day to day communication should be asked’ and not on ‘general knowledge’ ‘which an ordinary estate worker who most probably never went to school, is expected to know!’. ‘NUPW/HQ/R/215 A – Work Permit, 1976-1977, Assession Number 2003/0004502.
upon him passing the language test after submitting citizenship application with Form “G”. The worker’s Work Permit was initially renewed by the Labour Department but when it expired, the renewal was rejected. An agent approached him and managed to renew the Work Permit for $40/- however, when he went for renewal again, to his shock the authority informed that the renewal was fake.\(^\text{37}\) Following that, NUPW sent a circular to all Branches to remind members that renewal should only be done in the Labour Department.

Even for those who decided to return to India, the Work Permit problem was not easy on them. For instance, the Johor branch of NUPW pointed out the plights of those who requested for repatriation under the South Indian Labour Fund (SILF) ‘which under ordinary circumstances will take two to three months, the minimum’ which means upon termination of Work Permit the labourers ‘will have to find their own means for a living’ until they are repatriated. In fact, the General Secretary was urged to ‘take the issue with the Ministry, with a view to get temporary extension of the validity of the work permit of those who have applied for repatriation’\(^\text{38}\). This request, however, never materialised and the workers waiting to be repatriated would have been under the mercy of the plantation management or moved elsewhere, spending the remaining hard earned life time savings.

The Union also encountered internal pressure from branches to seek external intervention. The concern over the labourers and their families’ fate forced voices within the NUPW leadership to resolve to drastic steps to protect the plantation community from the Work Permit ordeal. The position and eminence of the NUPW General Secretary, P.P Narayanan who was also President of the International Confederation of Free Trade Unions (ICFTU) was urged to be used to intervene in the Work Permit exercise by the government. The Selangor branch, for instance, urged the headquarters ‘to emphasise our views by appealing to the British Embassy requesting them to find a solution for this problem and represent this matter even at United Nations by yourself personally through either ICFTU or ILO if necessary, as early as possible’\(^\text{39}\). This, however, never happened but the government reversed the Work Permit renewal conditions for plantation labour that saved the employment and homes for many non-citizens workers, as will be discussed in the next section.


5.4 National Operation Council’s Reversal on ‘Non-Renewal’ Work Permits

The subsequent development of the Work Permit Employment (Restriction) Act 1968 is interesting to observe. Though it started on an offensive note against the non-citizen plantation labour – threatening unemployment, eviction and possible repatriation – the government began to show leniency in December 1969 when the first batch of Work Permits were due for renewal. The main factor was insufficient labour mobility among citizens to the plantation sector. Unemployed citizens from other sectors did not move to plantation employment as expected by the NOC. The poor wages and regimented plantation living and working conditions, among others, failed to attract unemployed citizens. However, this factor had saved thousands of workers from unemployment and expulsion from the plantations. The government finally had to renew the non-citizen work permits in fear of interruption in the plantation production – the main source of income for the nation then.

This predicament was voiced by Ismail Abdul Rahman, a key leader of NOC itself,

> If no Malaysians register for jobs which will be made available on the expiry of the three-month Work Permit at the end of the month [31 December 1969], then these permits will be renewed automatically. Further, if within the next few months, no Malaysian comes forward to register, the Government will have no other alternative but to renew the other classes of Work Permits (ST, 16 Dec 1969).

The original intention was to issue Work Permit for 3 and 6 months to plantation labour and upon the maturity of the permits, the non-citizens workers will be retrenched. As discussed above, this was the main measure undertaken to mitigate the imminent unemployment projected by the ‘alarmist’ surveys. As such, the Work Permits that were issued were stamped as ‘non-renewable’. The 3 months Work Permit would expire by the end of December 1969 and following that, by the end of March 1970, the 6 months Work Permit would also expire. By early October, ‘about 100,000 passes to people all over the country’ was already issued and the rest were expected to receive it by 15 October (ST, 2 October 1969). Effectively, 46,659 non-citizen workers had to be retrenched by the end of

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40 It is startling that the promoters of this Act did not anticipate problems in attracting large number of citizens to plantation work and living. However, ‘non-citizen’ Indian labour in the government employments were not as lucky. Their positions were taken over by citizens.

41 According to the *Third Malaysia Plan*, GDP contribution from ‘Agriculture, Forestry and Fishing’ for Peninsular Malaysia were 40.5 percent for 1960, 31.8 per cent for 1965 and 34.3 per cent for 1970.
December and another 66,676 the following March\textsuperscript{42} – the bulk of whom were plantation workers.

As the heat began to rise from the industry when the expected influx of unemployed citizens to plantations failed, the Government decided to retain the non-citizens labour until such time the citizens were available. The first step was to grant renewal for the ‘non-renewal’ Work Permits. The entire process for the next few months was an outcome of competing interests and priorities, between the need to secure national revenue and adherence to national objectives within the new political climate of 1969. This can be observed in the development of renewal conditions and the duration of the Work Permits. On the whole, it became gradually easier for non-citizens labour to obtain Work Permit as the hope of getting citizens to move into plantations was far from promising. However, by this time serious damage had already been inflicted on the affected labour families and on the community’s sense of security that plantation work had offered them. The chain of volatility and vulnerability of plantation livelihood was self-evident, first through the subdivision and now with the Work Permit.

The following discussion will focus on the unfolding of government decisions on the Work Permit renewal. The first development was when the government announced that those who had applied for citizenship before the introduction of Work Permit on 1 July 1969 will be qualified for renewal. Subsequently, on 15 December 1969, the NOC announced that all those who had applied for Citizenship before or after 1 July 1969 will get their Work Permit renewed ‘automatically’\textsuperscript{43}. The General Secretary of NUPW lauded the government decision ‘to allow the local-born to continue working if they apply for citizenship’ and he estimated that ‘about 52,000 of the 55,000 plantation workers whose Work Permits expire on December 31 have been saved’\textsuperscript{44} (ST, 20 December 1969). This was a huge relief for the entire plantation fraternity and especially for the distressed workers and their families. The ‘automatic’ renewal, however, will only be accepted if the applicant submitted proof of citizenship application along the Work Permit renewal (ST, 16 Dec 1969).

\textsuperscript{42} This figure was based on a statement by the Labour Ministry in January 1970. At this time the total Work Permit was stated as 134,263. The actual figures should be higher if based on figures released much later in 1980 that stated the total Work Permit issued during this period as 138,873.

\textsuperscript{43} While the plantation labours were granted 2 years renewal the same was abolished by the NOC for government servants on November 1970. Non-citizen government servants were not subjected to ERA Confidential Circular 2723 Vol. II/74 dated 14 March 1970 and 2723/3/24/2 dated 5 August 1970. ‘Akta Sekatan Kerja 1968, Permohonan untok Melanjutkan Permit Kerja’, 03/0014, Assesion Number 1986/ 00134473.

\textsuperscript{44} The figure should include the 6 months permit as well and not only the 3 months permit to get the total 52,000 workers.
In January 1970, when the first batch of renewal was done, 10,488 Work Permits were renewed; 9,287 for three months, 1,148 for six months and 53 for one year (ST, 7 January 1970). The Commissioner of Labour also made it clear that renewal of the three months permit for ‘non-citizens who have applied for citizenship under Article 15 (1), 15(3), 16 and 19(1) [were] entitled to have their Work Permit renewed’ (ST, 29 January 1970). He also stated that ‘those who can produce citizenship registration slips in Forms A, C or E or G dated before 1 July 1969 will have their permits automatically renewed’ (ST, 29 January 1970). The Commissioner of Employment also announced that Work Permit for ‘wives of citizens’ will be renewed if they produce the marriage certificates (ST, 14 March 1970).

At this stage, a clear shift can be observed where the qualified non-citizens were categorised based on their application for citizenship and not by the type of work, as originally imposed by ERA. In other words, the Work Permit concern shifted from the initial unemployment menace for citizens to citizenship issues. However, in the interest of the national economy, the state was now positioned in an odd role to safeguard the existing non-citizen workforce in plantations from the long-arm of ERA! To safeguard the existing plantation workforce, non-citizens were issued Work Permit based on their applications for citizenship. Evidence also suggests that the government directed the plantation management to assist non-citizen workers to apply for citizenship. This information was shared by the General Secretary of NUPW to all branches:

We reliably understand that the estate managers are directed to prepare a list of workers who are entitled to and qualified for citizenship by registration and also to assist them to make the application for citizenship and then to forward all the completed forms in bulk to the nearest registration officer along with the list of workers prepared by the management45.

Thus, the subject of citizenship became the immediate issue of the Work Permit and warrants a separate discussion. However, for our limited purpose of demonstrating

45 Confidential letter from the General Secretary of NUPW to all Branch Secretaries dated 8 November 1969. The letter urged the Branches to assist the management in all possible ways to ensure the affected labour apply for citizenship. The Negeri Sembilan Branch reported ‘most managers are dealing themselves to obtain citizenship for their non-citizen workers’ quoted from letter by Negeri Sembilan Secretary to General Secretary of NUPW dated 31 October 1969. ‘Akta Sekatan Kerja 1968, Permohonan untuk Melanjutkan Permit Kerja’, 03/0014, Assesison Number 1986/ 00134473. See also ST 25 October 1969. Ismail Abdul Rahman, the onetime Deputy Prime Minster and key person of NOC was said to give the NUPW press special permission to re-print the citizenship forms for plantation labour. This information was obtained from the interview with the General Secretary of NUPW, Mr. Navamukundan in April 2009.
the effects of citizenship on Work Permit of non-citizen labour, we will briefly discuss the different types of citizenship application.

The application for citizenship during the period was identified by the types of forms that were used that denoted the different Constitutional provisions for citizenship. Broadly, three main provisions for citizenship were enshrined in the Constitution: ‘Citizenship by Registration’ (Article 15 & 16), Citizenship by Naturalisation (Article 19) and ‘Citizenship by Operation of Law’ (Article 14 & 30). Each can be divided further to sub-sections with its own requirements and qualifications depending on whether one is an adult, minor, wife of the citizen and whether one was born in Malaya/Malaysia or elsewhere. Finally, the period of continued residence in Malaya/Malaysia will also be required.\(^{46}\) The Table below simplifies the application and requirements under the various Articles.

### Table 5.4 Constitutional Provisions and Simplified Requirements for Citizenship

<table>
<thead>
<tr>
<th>Citizenship Application Forms</th>
<th>Article of the Constitution</th>
<th>Documents Needed(^1)</th>
<th>Requirements &amp; Conditions(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form A</td>
<td>15(1)</td>
<td>Husband’s key documents &amp; marriage certificate</td>
<td>Wife of a citizen and been residing for the past 2 years and with intention to stay permanently. Husband must be a citizen on October 1962.</td>
</tr>
<tr>
<td>Form B</td>
<td>15(2)</td>
<td>Key documents of one of the parent</td>
<td>Minor with at least one of the parent citizen</td>
</tr>
<tr>
<td>Form C</td>
<td>15(3)</td>
<td>Father’s key documents</td>
<td>Resident minor born in the Federation before October 1962 with father as citizen</td>
</tr>
<tr>
<td>Form E</td>
<td>16</td>
<td>Applicants key documents</td>
<td>Persons above 18 years old born before independence and been residing 5 out of 7 years preceding application. Must have Malay language proficiency and intention to stay permanently.</td>
</tr>
<tr>
<td>Form G</td>
<td>19</td>
<td>Applicants key documents</td>
<td>Residing 10 out of 12 years preceding application with intention to reside permanently and with adequate knowledge of Malay language</td>
</tr>
<tr>
<td>Form Q</td>
<td>30</td>
<td>Citizenship Certificate(^3)</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Key documents among others were Birth Certificate, Identity Card, travel documents (passport or Entry Permit) and Citizenship Certificate. An applicant was required to provide at least one of the documents as proof of residence/date of birth. For the wife of citizen, Marriage Certificate was required.

\(^2\) Applicants were also required to take loyalty oath.

\(^3\) Obtained Citizenship Certificate that has been verified by the Registration Department if issued before 4 November 1964.

\(^{46}\) All applications had to also comply with the general requirements as per Article 18 of the Constitution.
It is clear that documentary evidence was crucial in the application for citizenship regardless of the provisions of the Constitution. Key documents such as Birth Certificate, Identity Card, travel documents (Passport or Entry Permit), Citizenship Certificate and Marriage Certificate were among the documents needed as proof of residence and marriage. Apart from that, applications under certain Sections and Sub-sections required sufficient or adequate knowledge in the Malay language; for instance, application under the Section 16A and Section 19. Applicants who pass the Malay language test will be given a certificate to be enclosed in the citizenship application. These requirements – essential documents and Malay language proficiency – were the very source of the problem for many applicants. The requirements hampered the citizenship application and as a consequence the affected labourers continued to be employed with or without the Work Permit as non-citizens and remained the most vulnerable category.

Meanwhile, other serious administrative challenges begun to surface on the government side. The government was confronted with a much bigger problem in administering the Work Permit renewal. By January 1970, the Labour Department announced that 134,263 Work Permits were issued of which, 8,677 were for two years, 12,251 for one year, 66,676 for six months and 46,659 for three months (ST, 7 January 1970). The whole Work Permit issue snow-balled into a huge administrative nightmare as the government agencies, particularly the Labour Department and the National Registration Department were not prepared for a sudden surge of Work Permit renewals and citizenship applications. For instance, in February 1970 the Commissioner of National Registration acknowledged the sudden increase of citizenship applications caused by the introduction of Work Permit47 (ST, 27 Feb 1970). As mentioned above, the original plan was not to renew the Work Permits for non-citizens but this had to be deferred.48

47 According to the Commissioner of National Registration on February 1970, ‘Many of the 500,000 holders of red identity cards who are permanent residents had applied for blue identity cards’. Meanwhile, the department had to deal with additional 275,000 from 12 years old applying for their identity cards and another 240,000 18 years old renewing their identity cards (ST, 27 Feb 1970). And it was noted that 65,700 citizenship applications were not cleared yet as of June 1970 (ST, 5 July 1970).

48 In a Secretarial Meetings of Ministries and the Head of Departments on 21 July 1969, the Director of Public Service Department informed that 100 temporary clerks were needed temporarily around the country for processing Work Permits from 1-30 August 1969 and they were short of 70 clerks. As the task was ‘temporary’, the NOC directed that the clerks be ‘borrowed’ temporarily from other ministries and departments. It is clear that the task of renewal was not seen as long term commitment and as such no manpower planning was done. See the ‘Letter from Permanent Secretary of Treasury to Customs Department’ dated 9 August 1969. ‘Minit- March- 1972’, (37), Assession Number 1980/0008466.
The task of renewing Work Permits was much more difficult than the task of issuing the Work Permits mainly because of the frequency and volume of the renewal. The government administration, however, was not fully geared to execute the mammoth task of issuing and more so renewing the Work Permits. As stated earlier, in early January 1970, when the first batch of renewal was done, 10,488 Work Permits were renewed; 9,287 for three months, 1,148 for six months and 53 for one year. The figures indicate that the Labour Department was already facing an administrative crisis. It can be observed that about 37,372 workers who should have received the renewal of 3 months Work Permit did not obtain it by the time of expiry. It is possible that some workers did not submit for renewal and some were rejected, but the more likely reason would have been the difficulty in processing such a huge volume within the given time. While struggling with the processing of the 3 months Work Permit, a much bigger administrative crisis was looming as the 6 months Work Permit renewal of 66,676 of holders was to expire by the end of March 1970. This was a totally unplanned assignment and an immense responsibility for the Labour Department gauging from their capacity in managing the much lesser 3 month Work Permits applications.

Faced with the challenges of processing the renewal Work Permits, the Commissioner of Labour made an unusual and exceptional decision to shift some of the responsibility of the Work Permit to the employers. It should be noted that under Section 7 of the Act, wide discretionary power is vested with the Commissioner. In the Commissioner’s own words, the concession was spelled out as follows,

However, concessions have been given to workers in plantations. For these workers employers are required to produce certificates ascertaining the status of those who have a prima facie case for acquiring citizenship. Such a certificate will serve as documents for renewing their permits. Female plantation workers who are wives of citizens employed on estates and who are required to have employment permit are given a similar privilege (ST, 7 Jan 1970).

The announcement packaged it as a special ‘concession’ only for the plantation workers – the largest occupational category affected by Work Permits. It was clear that the ‘burden’ of ascertaining the status of the non-citizens eligible for the Work Permit had now been largely shifted to the employers. The certificate from the plantation employers must have been thought to ease the processing part, especially the verification of individual citizenship applications with the National Registration Department – given the constraint of time and administrative resources. The new special function of the plantation employers to issue eligibility ‘certificate’ was also linked to their role in pressuring the government to ensure no serious labour shortage occurred as a consequence of the Work Permit enforcement. At the same time, the new function overtly empowered the employers especially in relation to
the newly rising class of most vulnerable non-citizen labour. It should be noted that as it is, all applicants had to obtain ‘endorsement’ signature from employers to ‘certify’ the applicant’s status in the plantation.

As the renewals were done for the 6 months Work Permit holders, it became abundantly clear that the frequency of issuing Work Permit as a task should be reviewed. The 3 and 6 months Work Permits required processing of over 100,000 applications staggered to six times in a year – four times for 3 months permit and twice for 6 months permit. By the time the second 6 months Work Permit came for renewal in September 1970, the government announced fundamental changes to the renewal requirements. The NOC on 10 September 1970 ruled that ‘Work Permits for potential citizens would be renewed for two years – regardless of occupations and qualifications’ (ST, 11 Nov 1970). It also stated that the Work Permits of all categories of potential citizens in plantations will be renewed ‘regardless of occupation and qualification’. In other words, the semi-skilled or unskilled were made eligible for two-year renewal which originally was only for the ‘highly skilled workers’ category – in plantations, it was the manager. It was estimated then that about 50,000 potential citizens would be eligible for the two-year extension.

The decision to extend the duration of the permits regardless of categories of employment and to issue Work Permit to all potential citizens saved tens of thousands of plantation workers from the immediate menace of the Work Permit conditions of the NOC. Not all Work Permit non-citizens were qualified for citizenship. For instance, it was stated that ‘as at October 15 [1970] there were 11,220 aliens with Work Permits’ of which ‘2,343 possessed two-year Work Permits, 1,177 one year Work Permits, 6,340 six-month Work Permits and 1,360 three-month Work Permits’ who were not ‘eligible for Malaysian citizenship’ (ST, 11 November 1970). The figures for ineligible non-citizens refer to all sectors of employment in the country including plantations. The estimated size of affected plantation workforce will be discussed in section 4.6.

5.5 The Creation of a New Plantation Underclass, 1971-80

The introduction of this Act not only brought about immediate devastation to sizeable plantation families but also had far more serious implications – the creation of a most vulnerable class among the poor plantation labour. For the labourers whose services were terminated and repatriated because of ERA, the impact was sudden. Likewise, for those who opted to return to India. For those who chose to remain and continue to work here despite lacking the official documentation, the experience was painful and the process tedious and lengthy. The category of workers who chose to remain here despite the opportunity provided by the Malaysian government and SILF for repatriation were those who
were mainly ‘settled’ with their locally raised or born children who wanted to make Malaysia their homeland. Within this group of labourers, emerged generations of undocumented workers stateless and most vulnerable. This section will focus on such non-citizen workers, the lasting legacy of the ERA period despite being born and raised in Malaysia.

When ERA was enforced, overnight the plantation workers position became very vulnerable. While many workers from the ERA enforcement period survived into the 1970s in the plantations, many new entrants to labour market continued to be subjected to Work Permit. In each generation, new class of non-citizen emerged among the new entries to the plantation labour market. They were the children of the plantation labour that were lacking the essential documentation, some inherited from their parents while others were children of citizens but lacking the essential documents.

Initially, when leniency was instituted in the requirements of Work Permit following the state reversal in enforcement, it only effectively resulted in the extension of employment and accommodation for the affected albeit as the most susceptible workforce in the plantations. Even after the Work Permit requirement was lifted for the ‘red identity card’ workers in October 1991, it actually changed little the lasting consequences of the ERA period. The problem that started with Work Permit matured into full-fledged citizenship issue. For most of the affected labourers, they became stateless permanent resident. And those who do not even have the ‘red identity card’ will simply remain stateless entity. Generations of labour will remain in plantation with such status.

This category of new undocumented plantation labour was largely from the parentage with at least one citizen/permanent resident but unable to establish the fact for various reasons. Their problem was compounded by the bureaucratic requirements to be citizens that are normally difficult and prolonged. Pending the outcome of their application, if any, they joined the most vulnerable workforce in the plantation. Others were children of non-citizens. Though in strict legal terms, the status attached to the Work Permit that were tied to citizenship was not legally hereditary to their children, in practice it had contributed in creating and maintaining new generations of non-citizens that were effectively stateless as well.

The hereditary status in the creation of stateless generation was largely the outcome of ignorance where parent do not register and/or apply for the essential documents for their children because the parents were required to produce their essential documents in the process. The implication of being undocumented only showed its full impact when they entered the employment market although they had survived the schooling years without those documents.
For all the unfortunate ones, the problem was very real. It should be noted that for non-citizens to apply for citizenship after 1962, at least one of the parents need to be a citizen or permanent resident. Those born in a family without such requirement or unable to provide proof of citizen/permanent resident status were doomed to be non-citizens and effectively, stateless. Nevertheless, the generation of plantation labour in the 1970s were without doubt eligible citizens.

The status of ‘non-citizen’ is very complex. Since the beginning of ERA, the characteristics of the non-citizens and their respective prospect of obtaining Work Permit were highly differentiated. This was mainly due to the documentation available to applicant and the status of individual citizenship applications, not to mention those who do not have the critical documents nor have applied for one. At the same time, among workers subjected to Work Permit, there were those who already applied for citizenship before the law was introduced but were waiting for the outcome. Others made the effort when the law came into force. Cases with one or both parent with citizenship but did not apply the same for one or more children were also rampant. The General Secretary of NUPW summarised the delay in citizenship application as follows:

The delay in getting the citizenship mostly arises out of the applicants having lost their birth certificates or due to various discrepancies in the names in their birth certificates, spelling mistakes, etc. In some cases the delay is due to their late registration in applying for their citizenship.

Within these categories, the number of those who failed the Malay language test and made their appeal was considerable. Pending the result of the new test and official process of the citizenship, these labourers were employed in plantations with Work Permit. Depending on the outcome of the citizenship application – in most cases, many years – these workers either became citizens or if citizenship is rejected, remained as ‘non-citizen’ labour with Work Permit. For those with rejected citizenship, incoherent documents or Malay language test will be the primary reason. Incoherent documents normally refer to variants in spelling of names (given name and/or father’s name) in the Birth Certificate and other documents. However, most labourers will re-apply amidst the prolonged non-citizen status while the despaired others settled to the fact of being a non-citizen.

49 In a memorandum entitled ‘Problems Facing Plantation Workers’ to the Minister of Labour dated 26 July 1969, the NUPW stated that ‘many of our members who have applied for citizenship and who have also passed their Malay test and have been informed so for nearly one year, have not yet been issued citizenship certificate’.
51 Differences in spelling occur because names were usually written or pronounced according to Tamil (or other vernacular language) but registered in Birth Certificate in romanised alphabets. If
In many ways, the plantation became a safe refuge for the old and new non-citizens.\(^{52}\) Strict requirement for the essential documentation for employment and/or residence in plantation was almost unknown, especially against the backdrop of labour shortage of the 1970s. The safe refuge also provided easy employment and shelter for the labour families. The vast majority of non-citizens were holders of the ‘red identity card’ and they remained employed as check-roll workers in plantations. They periodically renewed the Work Permit until further development in the citizenship application. The plantation management, by and large allowed the workers to continue work in view of the difficulty of attracting citizens to work in the plantations. And for the same reason, the government through the Labour Department renewed the Work Permit periodically without much hassle. Thus, the plantation shielded the non-citizens and provided refuge from the harsh reality of being a non-citizen. At the same time, the non-citizens were turned into a most dependent, vulnerable and precarious workforce.

Apart from the Work Permit workers, those non-citizens without Work Permit also found refuge in plantations as they were also employed in the plantations either in third party contract employment or direct employment under the plantations itself. The third party contract employment was an avenue to continue working in plantations via contractors appointed by the plantation management on task basis. The labourers worked for and were paid by the contractor and they were not covered by the MAPA/NUPW Agreements. The contract workers had no employment benefits or security apart from the agreed wages. On the other hand, direct employment of non-citizens in plantations was similar to ‘check-roll’ worker but the workers were totally under the ‘benevolence’ of plantation management. Normally classified as ‘casual workers’ and registered separately from the check-roll workers, their employment was totally under the discretion and control of the plantation management. This class of workers was unorganised and vulnerable in terms of their employment status.

Although the direct employment of non-citizens without Work Permit was illegal under the law, the infamous practice was widespread in the plantation circle as the state was aware of the difficulty of attracting labour to plantation. Serious labour shortage as a result of outmigration further complicated the issue (see Chapter Six). In fact, it is a well-known fact that the prosecution by the Labour Department for employment of non-citizens is far from the actual scale of non-citizens

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the Birth Certificate or other key documents with names and other pertinent details are lost, efforts to locate a copy will be hampered by the discrepancies in the spelling of names. In the event a copy is located, the discrepancies in spelling will be another source of problem.

\(^{52}\) Apart from the estates, the non-citizens were also known to be employed in smallholdings (see Chapter Four Table 4.14).
employment. The table below shows prosecution and charges preferred under ERA until the formalisation of foreign workers in 1984.
Table 5.5  Summary of Employers Prosecuted under the Employment Restriction Act, 1968*

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Persons Successfully Prosecuted</td>
<td>12</td>
<td>103</td>
<td>45</td>
<td>67</td>
<td>31</td>
<td>44</td>
<td>43</td>
<td>73</td>
<td>39</td>
<td>19</td>
<td>32</td>
<td>20</td>
<td>14</td>
<td>12</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>Number of Chargers Preferred</td>
<td>13</td>
<td>118</td>
<td>45</td>
<td>83</td>
<td>52</td>
<td>55</td>
<td>56</td>
<td>88</td>
<td>51</td>
<td>23</td>
<td>39</td>
<td>24</td>
<td>18</td>
<td>24</td>
<td>24</td>
<td>5</td>
</tr>
</tbody>
</table>

*Main offences include employment of non-citizens, non-citizen worker failing to apply for Work Permit and failure to submit Form A.S.K 4 as required by Section 9(2) or 18(3) of the Act. The period covered is from the enforcement of Employment Restriction Act in 1969 to formalisation of foreign workers in 1984.

Source: Annual Reports of the Labour Department (various years).
As a result, the non-citizens employed in plantations ranged from those who were legitimately employed under the Work Permit to those ‘stateless’ non-citizens surviving on the margin of the plantation labour market. All variants of non-citizens, across the board, were subjected to exploitation and deprivation where the Union or the labour laws were largely ineffective to protect them. The precarious employment position of the non-citizens in plantations would escape our attention if we look at the written MAPA-NUPW agreement alone. In the plantations, as far as the employment benefits were concerned, the Work Permit gave protection to ‘red identity card’ holders in par with citizens as per the MAPA-NUPW Collective Agreements. This was the outcome of the Union’s struggle for the Work Permit labour. However, in practice the Work Permit holders were subjected to silent control from the plantation management for the very fact that they were solely employed under the ‘benevolence’ of the estate management that inevitably requires the workers to be loyal, grateful and not to act against their employer’s interest.

The bondage of non-citizens, however, was not merely a function of involuntary reciprocation. The control over the Work Permit holders and other stateless labour to their respective plantations had other dynamics. The element of power is vested with the plantation management as the decision to renew the Work Permit every two years was the plantation management’s prerogative. Without the undertakings by the estate concerned, the Work Permit application/renewal of non-citizen is not possible. Worse still, the Work Permit, issued under a specific employer, was non-transferable. Such conditions bound the worker to be employed only with the stated employer. The bondage also effectively constrained the prospect of labour mobility among the Work Permit workers.

Additionally, given the employment restrictions on non-citizens, moving-out of plantations become too risky a venture. And wherever it happened, the movement was mostly not out of choice but distress. In short, the delay or denial of citizenship endowments resulted and ensued in ‘renewable’ status of their employment as non-citizens, restricted mobility and exemption from meaningful unionised protection, all of which made the non-citizens distinctly vulnerable from the already impoverished plantation labour.

In the case of non-citizens without Work Permit, the situation was much worse as they were not entitled to some of the vital protections under the MAPA-NUPW Agreements. For instance, when a plantation decided to retrench workers, for whatsoever reasons, the undocumented non-citizen labour force were not entitled to any severance benefit though many of them would have spent their entire life living and working in the plantation, in par with other citizen labour (and Work Permit) labour. The protection from sudden retrenchment that normally
encapsulated under Clause 3 of the ‘Retirement/ Redundancy/ Retrenchment Agreement’ of MAPA/NUPW, does not cover the undocumented non-citizen workers directly employed by the plantations. The Union was aware of the plight of the labourers employed under such conditions and appealed to MAPA in 1977 to include the directly employed non-citizens under the terms of MAPA/NUPW Agreement by arguing that,

… when stopped from employment …[these workers] are required to leave the estate without benefitting from any kind of payment as in the case of employees retired or retrenched. They just become “victims” of circumstances. Had their Work Permits been renewed, you will agree, they would, under normal circumstances, continue their employment until retirement age and would qualify for the benefits under the said agreement.¹

The appeal, however, was rejected by MAPA though it was ‘willing to consider each case based on its merit’. For the employers, it is clear that workers under the Work Permits were seen as the most amenable resource that can be used and if need be, retrenched without much negotiation and hassle. To qualify the workers on the employers’ accord for the full benefits under the law was seen as uncalled for. Worse still, some employers were known to retrench workers under Work Permit or the undocumented stateless workers when they decide to sell, close operation or when the workers were about to reach retirement age in order to avoid paying them any or sufficient benefits entitled under the MAPA/NUPW Agreements. The risk of Work Permit not being renewed prior to mass retrenchments is part of the vulnerable condition of the non-citizen labour.

In short, the undocumented stateless workers of all categories constitute a class of the most vulnerable labour in the plantations. And the worst was when intergenerational transfer of non-citizen status occured where vulnerability were perpetuated across generation among the stateless labour. For these workers, vulnerability and precariousness in employment and settlement dictate their livelihood. If the employer decided to terminate the service of a Work Permit employee, the issue cannot be contested by the Union under the Section 10 of the ERA. Similarly, other undocumented stateless non-citizens workers were tied to their contractors or the estate with almost the same consequences, if not worse, as employment opportunities for them were severely restricted.

In order to get a general understanding on the nature of Work Permit holders of the late 1970s, two cases have been selected that are broadly representative of the

Work Permit applicants of the era. The details are derived from the Work Permit renewal application form. The two Work Permit holders, Palamah d/o Perumal and Arumugam a/l Chola Kowdan represent a locally born and India born non-citizens respectively (see Figure 3(a) & 3(b)). Both of the applicants and their family were settled in Malaysia and very likely confined to plantations for living and work, at least until the time of Work Permit renewal application made in 1978-80 period.

Palamah, female aged 42 years old at the time of application around 1980 was born in 1938 in Selangor and worked as a rubber tapper in an estate in Negri Sembilan with wages about $200 ringgit. She received ‘red identity card’ in 1962 at the age of 24 and is married with eight children. Her husband is a non-citizen and the citizenship status of their children cannot be ascertained though technically all of them were eligible for citizenship. She has been employed in the estate for 17 years and her last Work Permit was renewed for two years. Her application for citizenship was done under the provision of Article 19 of the Federal Constitution.

From the Work Permit application form, it is clear that Palamah’s parents did not apply for citizenship for her, possibly because they were not citizens themselves. Palamah was subjected to the ‘tough’ Malay language test under Article 19 that requires ‘adequate’ Malay where she failed and as a consequence, her citizenship application was not approved. It appears that Palamah was eligible to apply for citizenship under Article 16 as she was locally born before Independence and the Constitution only required basic Malay language knowledge but it was not clear why she did not.

Arumugam, male aged 59 at the time of application around 1978 was born in India in 1919 and migrated to Malaysia in 1927, presumably with his parents at the age of eight. He was working as gardener at the assistant estate manager’s house during the renewal of Work Permit. The estate was located in Negri Sembilan and he earned around $120 ringgit a month. He received his ‘red identity card’ in 1962 at the age of 43. Arumugam was married with 4 children, two are citizens, though his wife was not. The status of his other two children is not known but in all likelihood, eligible citizens. It is not clear how long he was working in the estate but his last Work Permit renewal was only for three months. The extension was given only for three months because he would have retired at age 55 but his service was extended on ‘light works’, suggestive of his long service.

Arumugam applied for citizenship in 1969, most likely during the enforcement of ERA. His application for citizenship was done under the provision of Article 19 of Federal Constitution which requires the applicant to reside 10 out of 12 years preceding the application with the intention to reside permanently in Malaysia. The other requirement under Article 19 is ‘adequate’ knowledge of Malay language which was generally tough for plantation labours. He used Form G for citizenship
application, which means he could not provide Birth Certificate and as such, made application to obtain ‘certificate of citizenship’. He was still waiting for the outcome of the citizenship application at the time of Work Permit renewal application. The delay in citizenship could have been because he failed the Malay language test.

Both of them were classified as ‘bukan warganegara mana-mana negeri’ or ‘not citizen of any country’. They are ‘stateless’ with permanent resident status in Malaysia and employed through Work Permit. The two labourers were actually qualified citizens under the provision of the Federal Constitution, however, due to the tough Malay language test, their applications were not approved and both remained as stateless non-citizens. In terms of employment and residence they are ‘indebted’ to the plantation management and subjected to absolute discretion of the management in retaining them in the plantation for work and living.
Figure 5.1: Arumugam A/L Chola Kowdan
Akta (Sekaten) Kerja, 1969
Permohonan Untuk Menghala rui Permit Kerja

1. Rutin-Batir Peribadi:
   (a) Nama Pemohon: PALAMAH D/O PERUMAL
      (b) Jantina: PEREMPUMAN
   (c) Tariik Lahir: BULAN TAHUN 1931
   (d) Umur: 39 TAHUN
   (e) Tempat dan Negari Dilahirkan:
   (f) Tempat Perkampungan burm (taman/mudah kahwin/terbimpang)
   (g) Alamat: SIN LIAN GEOK BTO MELAKA, N.S.

2. Rutin-Batir Kod Pengendalian:
   (a) Nombor: 7744444
   (b) Tempat dilahirkan:
   (c) Warna:

3. Rutin-Batir Permata Kerja:
   (a) Nombor: 1222929/1174075
   (b) Tariik & Tariik dilahirkan:
   (c) Pangurung:
   (d) Tariik Juga:

4. Rutin-Batir Pekerjaan:
   (a) Pekerjaan: TANAH
   (b) Gaji sebulan:...
   (c) Kekudusan/Sekolah/Akademik/Iktisaf:
   (d) Rasmi Tugas (secara ringkas):
   (e) Nama Majikan:
   (f) Alamat Majikan:
   (g) Tempat Majikan:
   (h) Tariik Mula Bekerja Dengan Majikan:

5. Rutin-Batir Kerakatian:
   (a) Tarikh Kerakatian:
   (b) Tarikh tinggal ke Malaysia:
   (c) Tarikh memohon kerakatian, jenis boryq yang digunakan dan kedudukannya

6. Ablaih Eloknya Yang Tinggal Di Malaysia (Lampiran berasingan jika perlu):

Tanda Perkataan

Batalan nama-nama yang tidak berkenaan. Bagi kas pertukatan pekerjaan ditambah 4(b) Mungkin 4(c) stamnya hendaklah bagi pekerjaan baru.
5.6 The Affected Labour, 1969-1980

What was the magnitude of this problem in the plantations? This is a difficult question to answer as the official data on the issue is inaccessible and all other available data do not represent the entire clusters of the plantation industry – MAPA/NUPW estates, non-MAPA/NUPW estates and smallholdings. In fact, the identified data mostly refers to remaining check-roll workers fulfilling the requirements and obtained the Work Permit. Data on ‘third party contract’ workers and ‘casual’ workers in plantation is difficult to obtain, and where available, mostly incomplete and less reliable. Additionally, available figures on departures to India do not distinguish between citizens and non-citizens or reasons for leaving the country. Labourers with Work Permit not renewed and subsequently retrenched and those who opted to voluntarily migrate from the plantations since the introduction of ERA makes an accurate estimation of the Work Permit casualty difficult, if not impossible. This is compounded by the duration Work Permit was in force for red identity card holders.

Nonetheless, new data from certain surveys conducted by plantation stakeholders are introduced here and it is hoped it would provide some indication on the minimum numbers of productive non-citizens in the plantations, mainly in the private estates under the MAPA/NUPW purview. Four sets of survey data on the number of Work Permit holders in plantations covering a span of a decade are introduced. These surveys were done mainly by the Union and one by the planters association (UPAM) but were never published and have restricted circulation. With all the limitations, the data from the surveys can provide an idea of the extent of the problem in plantations.

Before proceeding further, the various figures generated by the government will be a good indicator on the Work Permit scale, both in the plantations and in total. Upon making it a law in 1968, the Labour Minister announced that 300,000 non-citizens in 12 categories of employment were required to obtain Work Permit (ST, 20 September 1968). The figures were certainly overstated as the plantation labour was not one of the affected categories at this stage. The official figure by the Labour Department released much later stated that a total of 138,873 Work Permits were issued ‘shortly after the Act came into force’ and the bulk of them were for plantation labour (LDR, 1980:51). This first exact indication of the number of Work Permits in the plantation sector was issued by the Minister of Labour in October 1969. The minister announced that 36,000 vacancies will be available for Malaysians on ‘big estates’ in the following two years. The

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2 In early 1970, the Labour Department announced that a total of 134,263 permits were issued, of which issued, 8,677 for two years, 12,251 one year, 66,676 for six months and 46,659 three months (ST, 7 January 1970)
breakdown given were 200 highly skilled men, 360 skilled, 11,660 semi-skilled and 3,850 unskilled workers (ST, 15 October 1969:1). This was also the first indication of the looming retrenchments in the plantation sector during the NOC period.

NUPW was aware that the lack of information on the scale of this problem will be a handicap in its bargaining and negotiation capacity. The Union was also aware that the Labour Department, MAPA and the MIC did not have accurate data, nor were they able to generate such data in a short period. Around June 1969 before the Work Permit requirements were enforced, NUPW initiated a major survey on plantations in Peninsular to get ‘full information regarding the total number of non-citizens in each state’.\(^3\) Drawing from the survey, the Union initially announced internally that ‘there are 55,050 non-citizen workers in the planting industry and according to the figures provided by the State Branches, 26,366 of them were members of the Union, and according to reliable information, 86% of them were born in this country, 8% were wives of citizens and the remaining 6% are widows’.\(^4\)

It should be noted that the figures refer to the productive members only and not the non-productive members or the children. The 1969 survey is the most important indication on the situation in plantations at the inception of ERA. However, it is doubtful whether the affected labourers from non-MAPA/NUPW plantations and other small plantations/smallholdings were sufficiently covered by the survey. There were a total of 2,431 plantations in 1969 above 100 acres and rubber plantations alone was 2,098 (ARotLD, 1969). In terms of hectares, the rubber sector comprised of 1638.8 hectares in 1969 but the smallholdings was much higher, 2,625 hectares (RSH, 1969). In 1967, the official figure for Indian labour in smallholdings and other agricultural production was close to 10,000 (see Table 5.6). As discussed in Chapter Three, subdivision that was rampant in the second half of the 1960s caused many plantations to be divided into smaller units and it is known that plantations below 100 acres do not fall under the purview of the Union or the Labour Department. How much the 1969 survey accounted for the non-citizen among the displaced labour or in the smaller plantations is difficult to say – except in its overall estimation for the entire plantation industry, as can be seen from the discrepancy of Union figures.

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Table 5.6  Employment of Indian Labour in Agricultural Sectors, 1967

<table>
<thead>
<tr>
<th>Socio-Economic Group</th>
<th>Total Employed</th>
<th>Indians*</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Smallholding</td>
<td>533,350</td>
<td>8,319</td>
<td>5,290</td>
<td>3,029</td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
<td>(i) Owner Operator</td>
<td>254,134</td>
<td>1,240</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) Operator</td>
<td>107,136</td>
<td>1,334</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(iii) Wage Earner</td>
<td>172,080</td>
<td>5,745</td>
</tr>
<tr>
<td>Estate Worker</td>
<td>313,212</td>
<td>141,240</td>
<td>76,175</td>
<td>65,065</td>
</tr>
<tr>
<td>Other Agriculture</td>
<td>67,114</td>
<td>1,635</td>
<td>1,355</td>
<td>280</td>
</tr>
</tbody>
</table>

Source: Adapted from MSSH 1967/68 pg. 47

The details of the 1969 survey are reproduced in Table 5.7. It should be noted that there are variants in the total figures of non-citizens announced by NUPW and the survey conducted in 1969. In September 1969, the Union announced that 59,000 plantation workers have applied for citizenship and estimated that 48,000 of them were ‘eligible for citizenship’ (ST, 22 Sept 1969). In December 1969 the Union corrected the figure of non-citizens in estates as 55,000. Out of this figure, 3,000 workers were estimated to be ineligible for citizenship. In what way these workers were ineligible was not stated. However, the 1969 survey results show the total figure of workers subjected to Work Permit was 28,008. It is not clear how the additional 27,000 was accounted for, though it is likely to be the estimation for the entire plantation industry.\(^5\) If the official figure of the Union is accepted, out of the 200,250 non-Malay labourers in 1969, more than a fourth were non-citizens who required Work Permit to be employed in the plantations. As expected, the vast majority were Indian plantation labour (see Table 5.8).

\(^5\) At a different place, the NUPW General Secretary stated that ‘according to the figures provided by State Branches, 26,366 of [Work Permit workers] them are members of the Union’. As such, the survey done by the branches may only refer to estates under the NUPW/MAPA capturing only Union members of the plantations. See the ‘Confidential letter from NUPW General Secretary to all State Branch Secretaries’ dated 25 October 1969). ‘NUPW/HQ/R/215 A – Work Permit, 1976-1977, Assession Number 2003/0004502.'
Table 5.7 Composition of Plantation Employment by Type of Plantations in 1969

<table>
<thead>
<tr>
<th>Estates</th>
<th>Total</th>
<th>Sex</th>
<th>Ethnic Groups</th>
<th>Occupational Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Men</td>
<td>Women</td>
<td>Young Persons</td>
</tr>
<tr>
<td>Rubber</td>
<td>215,120</td>
<td>104,920</td>
<td>103,520</td>
<td>6,680</td>
</tr>
<tr>
<td>Coconut</td>
<td>4,420</td>
<td>2,570</td>
<td>1,760</td>
<td>90</td>
</tr>
<tr>
<td>Oil Palm</td>
<td>38,250</td>
<td>22,000</td>
<td>13,450</td>
<td>2,800</td>
</tr>
<tr>
<td>Tea</td>
<td>3,640</td>
<td>1,650</td>
<td>1,750</td>
<td>240</td>
</tr>
<tr>
<td>Pineapple</td>
<td>2,220</td>
<td>1,370</td>
<td>750</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>263,650</td>
<td>132,510</td>
<td>121,230</td>
<td>9,910</td>
</tr>
</tbody>
</table>


Table 5.8 Non-Citizens Employed in Plantations by Occupation Type, August 1969

<table>
<thead>
<tr>
<th>No</th>
<th>State</th>
<th>Labour Types</th>
<th>Total by State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tappers</td>
<td>Oil Palm Harvesters</td>
<td>Coconut Harvesters</td>
</tr>
<tr>
<td>1</td>
<td>Perak</td>
<td>2,192</td>
<td>309</td>
</tr>
<tr>
<td>2</td>
<td>Kelantan</td>
<td>109</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Pahang &amp; Terengganu</td>
<td>829</td>
<td>184</td>
</tr>
<tr>
<td>4</td>
<td>Melaka</td>
<td>1,298</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Selangor²</td>
<td>4,618</td>
<td>1,093</td>
</tr>
<tr>
<td>6</td>
<td>Johor</td>
<td>3,027</td>
<td>583</td>
</tr>
<tr>
<td>7</td>
<td>Negeri Sembilan</td>
<td>1,090</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>Kedah, Perlis &amp; Penang</td>
<td>845</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>14,008</td>
<td>2,175</td>
<td>202</td>
</tr>
</tbody>
</table>

(949 + 471 + 117 = 1,537)
Drivers, Ayahs, kanganies, Line Sweepers etc.

The Selangor NUPW branch stated that an estimated 15% have applied for Citizenship

Chinese harvesters from pineapple estates.

Figures are only for Indian workers. Occupation type breakdown was not given and the figures for factory workers was also not provided. The total amount of 3,000 labourers includes the Negeri Sembilan Branch estimation of about 1,203 Chinese Work Permit workers. Figure in parenthesis refer to Indian workers alone.

Only total figures for factory workers was provided.

Source: Compiled from the ‘Survey Returns on Work Permit Workers from the State Branches of NUPW, 1969’ (Ref. NUPW/NSB/Adm.75/69).

It is interesting to note that with the introduction of ERA in 1969, the total plantation labour increased almost 4 per cent from 1968 to 1969 though the reverse would have been expected (Table 5.9). The increase was noticeable in all ethnic groups. However, the increase should not be over emphasised because the annual figures were normally obtained every 31 July by the Labour Department whereas the enforcement of ERA began on 1 July 1969. Effectively, the increase of the Indian labour and particularly the Malay labour happened before the full impact of ERA. The increase can also be attributed to the fact that plantations exercised extra caution in the registration of their entire labour workforce since the introduction of ERA in 1968.

However, the labour composition shows a different pattern within a year of ERA enforcement. There was an almost 15 per cent increase each among the Malay and Chinese labour and nearly 8.5 per cent increase in the total plantation labour from 1969 to 1970. It should be noted that the increase was mainly in the direct employment and not contract. Usually, some increase can be observed when the rubber price is high, as was the case when ERA was enforced. The other likely scenario for the increase of Malay and Chinese labourers may indicate a change of plantation policy to employ citizens particularly through direct labour, among the non-Indian groups. The overall increase, however, was not reflected in the case of Indian labour. On the contrary, a marked drop of 7.8 per cent was observable and this drop in Indian labour was after the government reversed the Work Permit conditions. By this time, the majority of the affected Indian labour force was assured of the issuance of Work Permit. The aggregated data on monthly labour force of plantations show a similar stable work force throughout 1969. (see Table 5.10). However, the implementation of government’s decision to issue 2-year Work Permits to all eligible non-citizens was executed only in September 1970, after the annual survey was done in July 1970.

58 However, the figures should be accepted cautiously. Data for Coconut and Oil Palm estates were damaged during the massive Kuala Lumpur flood of 1971. The total number of employees for Coconut (4,200) and Oil Palm (40,870) in ARotLD were projections made based on trends from 1966 to 1969.

Table 5.9 Employment in Plantations by Ethnic Groups, 1968-1972

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct (%)</th>
<th>Contract (%)</th>
<th>Ethnic Groups*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Malays</td>
</tr>
<tr>
<td>1968</td>
<td>82</td>
<td>18</td>
<td>55,684</td>
</tr>
<tr>
<td>1969</td>
<td>82</td>
<td>18</td>
<td>63,400</td>
</tr>
<tr>
<td>1970¹</td>
<td>83</td>
<td>17</td>
<td>74,866</td>
</tr>
<tr>
<td>1971²</td>
<td>81</td>
<td>19</td>
<td>82,375</td>
</tr>
<tr>
<td>1972</td>
<td>84</td>
<td>16</td>
<td>80,643</td>
</tr>
</tbody>
</table>

* Includes Administrative staff (Managerial, Supervisory & Clerical) usually at the range of 3% to 6%.
¹ The figures presented for 1970 was a revised figure later.
² Data for 1971 were not available in ARotLD (1971) but available in Handbook of Labour Statistics 1971.


Table 5.10 Total Labour Employed by Months, 1969

<table>
<thead>
<tr>
<th>Month</th>
<th>Directly Employed Labour</th>
<th>Employed through Contractors</th>
<th>Total Labour</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estate Workers (Workers)</td>
<td>Factory Workers (Workers)</td>
<td>Total Directly Employed</td>
</tr>
<tr>
<td>January 1969</td>
<td>140,851</td>
<td>9,575</td>
<td>150,426</td>
</tr>
<tr>
<td>February</td>
<td>142,874</td>
<td>9,636</td>
<td>152,510</td>
</tr>
<tr>
<td>March</td>
<td>143,096</td>
<td>9,311</td>
<td>152,407</td>
</tr>
<tr>
<td>April</td>
<td>141,131</td>
<td>9,088</td>
<td>150,219</td>
</tr>
<tr>
<td>May</td>
<td>143,129</td>
<td>9,052</td>
<td>152,181</td>
</tr>
<tr>
<td>June</td>
<td>142,702</td>
<td>9,174</td>
<td>151,876</td>
</tr>
<tr>
<td>July</td>
<td>142,957</td>
<td>9,519</td>
<td>152,476</td>
</tr>
<tr>
<td>August</td>
<td>143,342</td>
<td>9,625</td>
<td>152,967</td>
</tr>
<tr>
<td>September</td>
<td>143,903</td>
<td>9,686</td>
<td>153,589</td>
</tr>
<tr>
<td>October</td>
<td>142,502</td>
<td>9,602</td>
<td>152,104</td>
</tr>
<tr>
<td>November</td>
<td>142,324</td>
<td>9,617</td>
<td>151,941</td>
</tr>
<tr>
<td>December</td>
<td>141,793</td>
<td>9,688</td>
<td>151,481</td>
</tr>
</tbody>
</table>

Source: Monthly Survey of Rubber Estates, Department of Statistics.
The explanation in the drop of Indian plantation labour will not be an easy one. The sharp reduction could be because of the direct effect of ERA whereby plantations retrenched non-citizens since or before the end of December 1969 and the remaining by the end of March 1970 despite the reversal by the government. Many reasons could be attributed for this, from ignorance to ways to downsize the surplus labour. Such retrenchments were reported by the NUPW branches that alleged that plantations illegally dismissed workers under the pretext that retrenched labourers were ineligible for citizenship. The other most common explanation for the sudden reduction was repatriation of the affected Indian labour and their family to India. It is often cited that 60,000 persons were repatriated as a consequence of ERA and Work Permit requirements. The original source of this data was a University of Malaya graduate exercise by Sukumaran (1970) that cited a newspaper report that quoted local shipping agents that 10,000 families with 60,000 individuals were departing to India on a one way ticket. The figure 10,000 tallies with the missing Indian work force of 1969-1970.

The shipping fraternity, however, downplayed the figures later. While labourers planning to return to India because of ERA were reported by the Union and others, the figure of 60,000 persons repatriated is not supported by any evidence and primary data from other sources also do not suggest such an exodus. The most indicative source is the South Indian Labour Fund (SILF) that kept detailed records on repatriation of Indian plantation labour. Under the SILF, only non-citizens and their dependents were eligible for repatriation and that made SILF the natural choice during the ERA crisis. Originally, only labourers aged 55 and above were qualified to be repatriated but during the ERA crisis, the SILF Board agreed to repatriate those below 55 years ‘on compassionate grounds’ and records shows that ‘most of them were below 55 years of age.’ The SILF data shows a sudden surge of labour families applying for repatriation but not to the tune of 10,000 (see Table

---

60 This is known to happen in some plantations. For instance, Selangor NUPW reported that 627 workers affected by Work Permit were terminated on 1 January 1970. See Letter from NUPW Selangor to NUPW General Secretary on 17 January 1970. ‘NUPW/HQ/R/215 A – Work Permit, 1976-1977, Assesion Number 2003/0004502.

61 The Monthly Report of the Labour Department for January 1970 also cited a number of such cases.


63 However, subsequent development and the impact it had on the bookings was not mentioned by Sukumaran. For instance, it was reported in the same newspaper later that ‘there was an upsurge in applications when the Work Permit exercise got underway but there were cancellations when the reprieve was announced’(ST, 5 February 1970). ‘Shipping agents, while pointing out that bookings at this time of the year are heavy, note that cancellations, which average 30 per cent, are still very much the same’ S.O.K Ubaidullah (ST, 5 February 1970).

64 ARotLD (1970:24).
5.11). SILF reported that a total of 1,532 labourers and 1,029 dependents were repatriated for the year 1970-71.

Table 5.11 Repatriation through SILF, 1968-1972

<table>
<thead>
<tr>
<th>Year</th>
<th>Adults</th>
<th>Minors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>280</td>
<td>119</td>
<td>399</td>
</tr>
<tr>
<td>1969</td>
<td>304</td>
<td>136</td>
<td>440</td>
</tr>
<tr>
<td>1970</td>
<td>933</td>
<td>626</td>
<td>1,559</td>
</tr>
<tr>
<td>1971</td>
<td>599</td>
<td>403</td>
<td>1,002</td>
</tr>
<tr>
<td>1972</td>
<td>106</td>
<td>51</td>
<td>157</td>
</tr>
</tbody>
</table>


However, as for the year 1969, the number of workers and dependants who applied for repatriation through SILF did not show any unusual increase. It should be noted that the application for repatriation was time bound and ‘under ordinary circumstances will take two to three months, the minimum’.65

The ERA period was certainly not ‘ordinary’. The difficulties to be repatriated through the SILF fund are clearly reflected in the figures for 1969. As such, the sizeable departure in 1970 would likely be those who applied to be repatriated before the reprieve was announced. As for the sudden increase in departures in 1969 reported by the newspaper, no clear evidence supports the claim. The immigration records on arrival and departure that includes labour and non-labour categories do not indicate any unusual out flow suggestive of the 60,000 figure (see Table 5.12). Even after the inclusion of non-labour category or ‘other departures’ as referred to by Sandhu (1969), no extraordinary out-flow is noticeable. Officials of the Indian High Commission also reported that only negligible number of people have approached them about returning to India’ during the ERA crisis (ST, 5 February 1970).

Table 5.12 Arrivals and Departures of Indians and Pakistanis, West Malaysia 1961-1971

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrival ‘000</th>
<th>Departure ‘000</th>
<th>Net ‘000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>39.1</td>
<td>32.0</td>
<td>+7.1</td>
</tr>
<tr>
<td>1962</td>
<td>38.8</td>
<td>31.2</td>
<td>+7.6</td>
</tr>
<tr>
<td>1963</td>
<td>40.2</td>
<td>29.5</td>
<td>+10.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 2 - Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>41.0</td>
<td>31.2</td>
<td>+9.8</td>
</tr>
<tr>
<td>1965</td>
<td>43.9</td>
<td>32.5</td>
<td>+11.4</td>
</tr>
<tr>
<td>1966</td>
<td>46.1</td>
<td>32.7</td>
<td>+13.4</td>
</tr>
<tr>
<td>1967</td>
<td>42.9</td>
<td>33.2</td>
<td>+9.7</td>
</tr>
<tr>
<td>1968</td>
<td>45.7</td>
<td>38.3</td>
<td>+7.4</td>
</tr>
<tr>
<td>(1969) Jan</td>
<td>(43.6)</td>
<td>3.8</td>
<td>(39.6) 3.5</td>
</tr>
<tr>
<td>Feb</td>
<td>3.3</td>
<td>2.8</td>
<td>+0.5</td>
</tr>
<tr>
<td>Mac</td>
<td>4.5</td>
<td>3.5</td>
<td>+1.0</td>
</tr>
<tr>
<td>Apr</td>
<td>2.6</td>
<td>4.1</td>
<td>-1.5</td>
</tr>
<tr>
<td>May</td>
<td>3.2</td>
<td>3.0</td>
<td>+0.2</td>
</tr>
<tr>
<td>June</td>
<td>3.7</td>
<td>3.3</td>
<td>+0.4</td>
</tr>
<tr>
<td>July</td>
<td>3.4</td>
<td>3.0</td>
<td>+0.4</td>
</tr>
<tr>
<td>Aug</td>
<td>2.9</td>
<td>3.7</td>
<td>-0.8</td>
</tr>
<tr>
<td>Sep</td>
<td>3.3</td>
<td>2.6</td>
<td>+0.7</td>
</tr>
<tr>
<td>Oct</td>
<td>3.6</td>
<td>3.5</td>
<td>+0.1</td>
</tr>
<tr>
<td>Nov</td>
<td>4.6</td>
<td>2.4</td>
<td>+2.2</td>
</tr>
<tr>
<td>Dec</td>
<td>4.6</td>
<td>4.1</td>
<td>+0.5</td>
</tr>
<tr>
<td>(1970) Jan</td>
<td>(44.7)</td>
<td>3.9</td>
<td>(40.2) 3.7</td>
</tr>
<tr>
<td>Feb</td>
<td>3.9</td>
<td>2.7</td>
<td>+1.2</td>
</tr>
<tr>
<td>Mac</td>
<td>3.4</td>
<td>2.4</td>
<td>+1.0</td>
</tr>
<tr>
<td>Apr</td>
<td>2.9</td>
<td>3.6</td>
<td>-0.7</td>
</tr>
<tr>
<td>May</td>
<td>3.7</td>
<td>3.3</td>
<td>+0.4</td>
</tr>
<tr>
<td>June</td>
<td>3.1</td>
<td>3.1</td>
<td>0</td>
</tr>
<tr>
<td>July</td>
<td>4.8</td>
<td>3.3</td>
<td>+1.5</td>
</tr>
<tr>
<td>Aug</td>
<td>3.1</td>
<td>4.0</td>
<td>-0.9</td>
</tr>
<tr>
<td>Sep</td>
<td>3.4</td>
<td>3.9</td>
<td>-0.5</td>
</tr>
<tr>
<td>Oct</td>
<td>3.6</td>
<td>4.3</td>
<td>-0.7</td>
</tr>
<tr>
<td>Nov</td>
<td>3.7</td>
<td>3.2</td>
<td>+0.5</td>
</tr>
<tr>
<td>Dec</td>
<td>5.4</td>
<td>2.8</td>
<td>+2.6</td>
</tr>
</tbody>
</table>

Note: From 1961-69 and 1970, annual figures are provided. Annual figures 1969 and 1970 are provided in parenthesis. For 1969 and 1970, monthly figures are provided.

Source: Immigration Department, Marine Department and Airport Managers (various years)

If the majority of the missing labourers did not return to India, where would they have moved to? The more likely explanation is they followed the footsteps of workers who had earlier been displaced during the subdivision period (1966-68). By this time, thousands of families were already displaced from plantations because of the subdivisions of plantation. Recent migration theories had established that migration increases in ‘origin’ through social ties when a critical number of earlier migrants settle in ‘destination’. In a crisis when the labour families were forced to exit, the decision to move to areas where family and friends reside will be a natural option. The census report of 1970 already observed a sizeable outmigration from plantations and attributed it to the subdivision of plantations (see Chapter Three). The displacement from plantation to urban areas in terms of population distribution was explained as follows:

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66 The process of migration will be discussed in detail in the Chapter Seven.
There has been a decrease in the percentage residing in gazetted areas with a population of less than 50,000, compensated for by large increases in the metropolitan areas. About 55.1% of the Indian population, however, were still found in non-gazetted areas and gazetted areas of population less than 1,000... Thus, the Indian population continued to be found either in highly urbanised or very rural areas. The decline in the rural percentage, and the increase in the metropolitan areas, can most probably be explained by the fragmentation of estates in the intercensal period [1957-1970] and the consequent displacement of Indian estate labour. Such displacement may have pushed the Indians into the urban areas in pursuit of alternative employment (Chander, 1970:299).

Remarkably, the sharp drop in the Indian plantation labour continue to increase the following year (1970-71) where another 10 per cent went missing from the total plantation work force. This was well after the impact of Work Permit was over and stability had resumed in the plantation employment. Once again the SILF data does not record any such significant departures to India. Why such large outmigration when significant retrenchments were not reported in the plantations? The very likely explanation is significant number of plantation labour shed the plantation employment voluntarily and migrated to semi-urban and urban areas following the footsteps of earlier displaced groups during the subdivision of plantation. The strong social ties and active interaction between ‘origin’ and ‘destination’ facilitated the outmigration of plantation labour. However, the phenomenon of voluntary outmigration soon stooped. In the 1970s, we can witness a reverse trend of ‘return to plantation’ among the migrant families. We can witness the Indian plantation labour returned to plantation in sizeable numbers while the plantation industry was complaining about labour shortage.67

Table 5.13 Estimated Net Migration of Indians, 1947-1980

<table>
<thead>
<tr>
<th>Inter Census Year</th>
<th>Census Population Increase</th>
<th>Inter Census Natural Increase</th>
<th>Inter Census Net Migration</th>
<th>% of Net Migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947-57</td>
<td>165,000</td>
<td>207,800</td>
<td>-42,300</td>
<td>25.6</td>
</tr>
<tr>
<td>1957-70(^3)</td>
<td>240,200</td>
<td>343,600</td>
<td>-103,400</td>
<td>43.0</td>
</tr>
<tr>
<td>1970-80</td>
<td>156,800</td>
<td>232,800</td>
<td>-76,800</td>
<td>48.5</td>
</tr>
</tbody>
</table>

1. ‘Natural Increase’ is crude birth rate minus crude death rate
2. ‘Net Migration’ is population increase minus natural increase
3. ‘Net Migration’ includes migration to Singapore.

*Source:* Adapted from Saw Swee-Hock (2007:55)

Meanwhile, the problem of Work Permit continued to linger in the plantation industry for many more years and this was acknowledged by the government and the Union. In December 1972, by which time the Work Permit enforcement panic

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67 See Chapter Six on aggregated data and Chapter Seven on some of the migrants families.
had settled, the total number of Work Permit holders was officially stated as 59,878 in Peninsular Malaysia. A total of 46,238 were granted automatic renewals, 46,003 in Peninsular and 235 in Sabah and Sarawak. The breakdown according to skill categories was: 430 highly skilled, 1,961 skilled, 28,860 semi-skilled and 17,987 unskilled (ARotLD, 1972:82). The figure 55,000 projected by the Union in 1969 was quite close to the official figures of 1972. Later in 1977, the Union estimated about 20,000 Work Permit holders in Peninsular plantations but the official figure by the Labour Department as of 31 December 1980 was ‘18,671 active permits of which 14,898 were in Peninsular Malaysia and 3,773 in Sabah and Sarawak’ (LDR, 1980:51). In short, from 1973 to 1980 more than 30,000 labourers would have obtained citizenship, retired or moved out of the plantations. The figure should be higher if the new Work Permit holders to the plantation labour market are accounted for.68

68 The citizenship problem was so pervasive at the time that that one of the resolutions adopted in 26th General Assembly of MIC in 1978 was to work with the Ministry of Home Affairs to resolve the problem faced by locally born Indians in obtaining citizenship (ST, 11 September 1978).
Table 5.14  Plantation Labour Subjected to Work Permit Enforcement, 1969-1981

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Indian</td>
<td>Chinese</td>
<td>Others</td>
<td>W.P</td>
<td>Casual</td>
</tr>
<tr>
<td>1</td>
<td>Selangor</td>
<td>9,435</td>
<td>669</td>
<td>205</td>
<td>10,309</td>
<td>6500</td>
</tr>
<tr>
<td>2</td>
<td>Johor</td>
<td>4,255</td>
<td>650</td>
<td>420</td>
<td>5,325</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Negeri Sembilan</td>
<td>1797</td>
<td>1203¹</td>
<td>-</td>
<td>3000</td>
<td>1300</td>
</tr>
<tr>
<td>4</td>
<td>Perak</td>
<td>4,161</td>
<td>186</td>
<td>-</td>
<td>4535⁴</td>
<td>5000</td>
</tr>
<tr>
<td>5</td>
<td>Pahang &amp; Terengganu</td>
<td>1314</td>
<td>244</td>
<td>-</td>
<td>1558</td>
<td>100</td>
</tr>
<tr>
<td>6</td>
<td>Melaka</td>
<td>1,280</td>
<td>256</td>
<td>84</td>
<td>1,620</td>
<td>n.a</td>
</tr>
<tr>
<td>7</td>
<td>Kedah, Perlis &amp; Penang</td>
<td>1,406</td>
<td>66</td>
<td>9</td>
<td>1,481</td>
<td>100</td>
</tr>
<tr>
<td>8</td>
<td>Kelantan</td>
<td>171</td>
<td>1</td>
<td>3</td>
<td>175</td>
<td>n.a</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>23,819</td>
<td>5072</td>
<td>721</td>
<td>28,003</td>
<td>13,100</td>
</tr>
</tbody>
</table>

¹ The Negeri Sembilan Chinese figures was only estimation. The occupation type was not given for the estimation.
² State of Pahang only.
³ Work Permit (W.P) and ‘Casual’ workers were distinguished.
⁴ Calculation error was noticed in the 1969 Survey. The figures for Perak by occupation type amounted to 4,535 but totalled as 4,347 under ethnic breakdown.

n.a : not available

Source: Data for 1969 compiled from various NUPW branch reports on Work Permit survey from July-August 1969. Data for 1972 was an estimation from NUPW presented by the General Secretary to the Minister of Labour on 30 August 1972. And data from 1976 is from a NUPW survey. However, based on correspondence between…there is reason to believe that the survey did not receive support from all Branches. The UPAM data is obtained from the ‘Survey on Red Identity Card Workers’ in 1981.
The NUPW figures, as seen in the 1969 survey, was a combination of enumeration from member plantations and the estimate for the industry as a whole that totalled to 55,000 Work Permit workers. Figures presented in Table 5.14 were from the surveys enumeration. Two subsequent surveys were conducted by the Union in 1972 and 1976. Unfortunately, the complete set of the surveys are missing. The 1972 survey was complete except for two states, Kelantan and Melaka but the 1976 survey only has data for three states and the rest is missing. The 1972 NUPW survey captured around 13,000 Work Permit workers in Peninsular compared to 46,003 announced by the government. This is because the survey was conducted only among the MAPA/NUPW member estates. The 1976 survey is grossly incomplete but we can observe that the number of Work Permit workers had doubled for the two states, Pahang and Johor. In fact, the increase can also be observed in the 1972 survey in Perak where the number of Work Permit holders increased from 4,535 in 1969 to 5,000 workers. This indicates that a new generation of non-citizens workers was entering the plantation labour market.

By this time the second generation of stateless non-citizens had entered the plantation labour market. The second generation were mainly the undocumented offspring of the plantation labour and other labourers holding ‘permanent residents’ identity card. Many children of non-citizen parents with red identity card inherited the status of their parents. The second generation undocumented children were either with citizen or non-citizens parents but lacked key documentations, mainly the birth certificate. They will effectively join the stateless non-citizen labouring class.\(^{69}\) Though the Union was aware of the situation and occasionally raised the matter, the plantation industry and the Labour Department by and large ignored the problem. However, when serious labour shortage began to engulf the plantation industry in the late 1970s – before the era of formal foreign labour policy – the industry was forced to look at all possibilities in securing the existing labour resource which included the non-citizens.

It is within this context that the 1981 UPAM survey is of interest. It was initiated at the height of labour shortage problem.\(^{70}\) The phenomenon was rather unusual as the government was known to be liberal in renewing Work Permit given the labour shortage. While the intention to retain the existing workforce was primary, the immediate need for a survey had to do with the bureaucratic responsibilities of the

\(^{69}\) As recent as 2008, the Chief Minister of Selangor reported that 40,000 Indian children nationwide was estimated not to have birth certificate (\textit{Star}, 21 January 2008).

\(^{70}\) At the MRCP meeting on 29 January 1981, a member raised the issue of difficulties in renewing Work Permit and requested MRCP to approach the government on the issue. The Meeting decided that a survey ought to be conducted to ascertain the extent of this problem before approaching the government. ‘Labour Shortage on Estates, L.7, 1981’, Assession Number 2003/0010452.
Work Permit renewal. The nuisance of ‘frequency in renewing Work Permits by the plantation managements for workers having red identity cards’ was cited as the main issue. It was thought that the problem could be eased if ‘the period of renewal of the Work Permit be relaxed’. This matter was raised in the MRCP Working Committee Meeting on 29 January 1981 with the objective that MRCP should bring the matter to the Government.

However, in order to ascertain the magnitude of this problem in the plantations, the meeting suggested that a survey be conducted covering oil palm and rubber estates. The survey, called ‘Survey on Estate Workers Holding Red Identity Cards in Peninsular Malaysia,’ covered the UPAM members. The findings of this survey provide an indication of the extent of the non-citizens employment problem in the UPAM member estates. A total of 370 plantations responded to the survey and it represented 64 per cent of the total of 577 estates in the Peninsular under UPAM, and in terms of acreage, it covered over 77 per cent of the total acreage. The survey revealed that the renewal problem was not serious, as only 15 estates or 4 per cent reported that their ‘red identity card’ workers experienced renewal problems. The main outcome of the survey can be seen in Table 5.14.

The survey revealed not only the ‘red identity card’ workers but also the total number of workers without Work Permit employed in UPAM plantations. The survey revealed that 2,021 workers with ‘red identity card’ were employed in the UPAM estates and another 1,113 ‘red identity card’ were employed without Work Permit. Within the latter category, 810 were ‘casual workers’ some of whom also ‘casually’ worked outside the plantation. The ‘casual’ work refers to irregular employment that sometimes required the non-citizen to seek work outside the plantation. In total, 3,134 labourers were ‘red identity card’ holders in the 64 per cent of UPAM Peninsular estates. The survey further revealed that 151 workers (18.6%) from 46 estates had applied for Work Permit but without success. The survey results were only released internally. It should be noted that during this very months, UPAM from another survey in December 1981 declared that it needed 9,633 labourers in the plantation sector in the Peninsular (see Chapter Six). The unprecedented labour shortage that plagued the plantation industry in Peninsular surely required all categories of the remaining workers to be retained by all means, only that the vulnerable category was employed as a matter of choice and without regular employment benefits.

All the surveys above provide a picture of Work Permit holders in MAPA/NUPW or UPAM plantations. The actual number of Work Permit holders in the plantation

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71 As expected, the majority of ‘red identity card’ holders were Indians (2,558) followed by Malays (508) and Chinese (68). The Malays actually refer to Indonesian (Javanese) migrant labour.
industry is difficult to ascertain. If the stateless non-citizens that were employed under the contract system or as ‘casual worker’, and the plantation labour in non-MAPA/smallholdings is included, the figures for the vulnerable category would be much higher. It should also be noted that the figures only represent the productive force and not the dependants. Nevertheless, the number of stateless non-citizens in plantations progressively declined since 1969. Almost all the new generation of Indian plantation labour in the post-ERA period were technically qualified for citizenship but failed mainly due to documentation difficulties or stringent procedures. However, for the undocumented category among the second and third generation, records maintained by the plantation ‘group’ hospitals and other hospitals provide better opportunity to trace and obtain their birth certificates for as long as there was congruence in the details given, especially spelling of names.

5.7 Conclusion

The enforcement of ERA had major consequences on the work and living order of the entire resident plantation communities in Peninsular Malaysia. Though the legacy of ERA is closely related to the second unemployment survey in 1967, the decision to include the plantation labour was not the decision of the policy makers but the NOC. The policy designers had only identified 13 categories of employment and plantation labour was not included. Furthermore, the new requirements of two years renewal of Work Permit effectively departed from the original conditions that focussed on the nature of employment irrespective of whether or not the labourers were eligible for Malaysian citizenship. In the case of plantations, the inclusion of plantation labour as a category of employment by NOC was an unnecessary disaster; the government was finally forced to retract the decision, or risk plantation production being affected. The fact that the poor working and living conditions in plantations would not attract the unemployed citizens was underestimated by the policy makers. The enforcement of ERA was a double jeopardy for the affected labour because they were technically citizens if India’s final ban on labour migration in 1938 is taken into account. However, the problem was the affected labourers were not able to produce the necessary documents. By the time the state reversed its decision, the damage was already done. Worse still, ERA created a legacy of undocumented Indian plantation labour that until recently was confined to the plantations.\footnote{The problem of ‘statelessness’ among the plantation labour because of the citizenship requirements never escaped the Indian political parties, particularly the MIC and the Indian NGOs. Efforts to solve the problem had to be on case basis. NGOs particularly the ‘Development of Human Resources in Rural Areas’ (DHRRA) are known to be focussing on citizenship issues and claimed to have acquired citizenship for over 5,000 non-citizens, particularly from the plantations since the mid-1970s. In recent time, a special unit was formed under the Prime Minister’s office} One of the earliest critics of ERA was Raja Aziz Addruse who was then the editor of the Bar Council mouthpiece, INSAF. He opined that,
It is quite disheartening to note that such an Act which is to apply to a very large section of the population, an Act which would affect the livelihood of several thousands of persons, and above all, an Act which affects the economy of Malaysia should be passed without any debate in Parliament or after any consultations with the necessary representative bodies of the affected persons\(^7\)

The episode reflects the outlook that labour in plantations was only related to the production of plantation crop. The fact that the plantation also contained a living community totally dependent on it for work and living was conveniently ignored or sometimes forgotten. This perspective on plantation labour will have a lasting heritage and be further reinforced in subsequent periods. As for the direct victims of ERA, it reaffirmed what the subdivision of plantations had taught them – employment and living in plantations is too risky and the labour families can be evicted anytime from the plantation despite having resided there for several generations. The experience since the mid-1960s enlightened the labour families that the plantation is not their village but a transient settlement.

called ‘Special Implementation Task Force for Indians’ (SITF) focusing on the issue of stateless Malaysian Indians. SITF reported in 2014 that there were about 30,000 red identity card holders. Earlier, it reported that another 5,000 Indian children were issued with green cards (biological parents not known).

\(^7\) INSAF (1969:105).
Chapter 6


‘While massive retrenchments was experienced in the other sectors of the economy, there were persistent labour shortages in the plantations’ Labour and Manpower Report 1985/86, pg. 18

‘The paradox of this continuing migration is that even though employees in the plantation industry enjoy a higher degree of security with their gross remuneration “package” being higher than their counterparts in the urban industries, yet the plantations have to still contend with certain level of shortage’ Ibrahim Amin, Convenor of UPAM Labour Committee, (1987)

‘We have unemployed labour but only lack cheap labour’ - P.P. Narayanan (Proceedings, 1981:414)

6.1 Introduction

The process of labour outmigration from plantations since the mid-1970s was a multifaceted phenomenon with each facet providing a dimension. As discussed in the preceding chapters, the structural developments of the 1960s shaped and provided the labour families impetus to move-out of the plantations, mainly in the form of risky plantation work and living arrangements. Concurrently, a phenomenon of ‘return to plantation’ by displaced plantation families from earlier period can be observed but it was overshadowed by the ‘labour shortage’ of 1978-84. In fact, the formalisation of foreign labour accelerated the tempo of outmigration from the private plantations (see Chapter Seven). Given the importance, this section will focus on the ‘labour shortage’ and the formalisation of foreign labour by specifically focussing on the role of plantation capital and the state. We argue two important points, first, there was a shift of ‘preference’ from local to foreign labour and second, the ‘labour shortage’ in the plantation sector was an inevitable result of rapid expansion of new plantation land.

The plantation sector transformed from a labour surplus industry in the early 1970s to labour shortage by the late 1980s. The focus here is on 1978-1984, the period from the first announcement of labour shortage to the year foreign workers were officially employed in the plantations1. The period will shed light on the processes

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1 The labour shortage and the efforts to recruit foreign labour in plantations has received scant attention from scholars. Most studies focus on contract workers that include undocumented foreign workers (see list of studies on page 82). The main work on labour shortage in plantations covering
of foreign labour recruitment in local employment market – a subject integral to the investigation on outmigration from the private plantations. It should be noted that by 1995, Malaysia had become the largest importer of labour in Asia in terms of overall number (Piper, 2005:5). In short, the section will discuss the function of the planters and the changing role of the state and the consequences on the composition of labour in the plantation industry. The process, we argue, began as a ‘preference’ for foreign labour but later turned into a ‘need’ in the private plantations. The catalyst for the foreign labour demand was the state land development schemes. Driven by considerably different forces, the need first emerged and later became inevitable in the state plantations before affecting the private plantations as well. The process that started then has resulted in creating a plantation industry that has become almost completely dependent on foreign labour.

We will describe how the private plantation industry carefully and systematically lobbied for foreign labour that eventually replaced the local labour in the private plantations in the Peninsular. This exercise was done in an organised and almost covert manner by avoiding publicity and debates, and by isolating the workers representatives or the Union in their campaign for foreign labour. It also successfully evaded the burning issues of low wages, poor living conditions and housing needs of the local plantation labour as essential measures for the retaining local labour force. The section will conclude with the changing role of the state as a direct stakeholder in the state land development schemes where the labour shortages first emerged and later, as owners of large plantation conglomerates. It is here that the state’s need for foreign labour conflates with the objective of the planters in the private sectors.

The term ‘labour shortage’ in this section is used as conventionally employed by the planters, the government and the plantation Union during the period. In this period, the ‘labour shortage’ refers to a situation where the price of labour is fixed and for various reasons the plantation capital would not consider an increase. The period 1978-86 is by James Nayagam (1990). The focus was mainly on labour utilization in rubber plantations. Lim Lin Lean (1981) was the first to study labour shortage. However, Lim’s analysis was almost void of the role of planters’ in the recruitment of foreign labour and had limited data as most surveys on labour shortage were still ongoing then. Wan Zawawi (2005) provides an excellent analysis on the function of ‘plantocracy’ and the state in bringing in foreign labour in state schemes by resorting to ‘colonial’ argument of ‘the lazy natives’ in plantation (2005:45-69). Zawawi’s first case study was in 1972 with repeated visits till 1975 and a revisit in 1988. On empirical discussion on the period, see Sivaswamy (1981), Devi (1986) and Nayagam (1988). C.W. Stahl (1984) offers a brief analysis on the labour shortage from secondary data and Chamhuri (1985) discussed the impact of migration on labour and land use in the agricultural sector. On the state policy on foreign labour since 1990, see Azizah (2012). Other analyses are available from the plantations fraternity and are discussed below.

2 See Chapter Three for discussion on the changing nature of the state in relation to plantation industry.
shortage occurred because the offered price could not attract the desired local labour. In other words, labour shortage of the period refers to a situation of *vacancies unfilled* at the given labour price. The second point to be noted is that labour shortage need not necessarily refer to existing plantation that suddenly face labour deficit. In fact, it was the new plantations, mainly the remote state land development schemes that developed rapidly during this period, were in need of labour but failed to attract them in sufficient numbers – for various reasons. In fact, the biggest shortages were in state land development schemes. This labour deficit was also misleadingly commonly referred to as ‘labour shortage’. For the present purpose, we focus on how the ‘labour shortage’ defined as such was critical in lobbying for cheap foreign labour.

Before we pursue further, we will discuss briefly the labour composition in plantations prior to the declaration of labour shortage. In the preceding two chapters, we have shown how thousands of labour families were displaced from the plantation sector from the second half of the 1960s to early 1970s when ERA was relaxed. The sudden drop of resident plantation labour, particularly the Indian labour during the period, was followed by a rise in the employment of Indian plantation labour in the 1970s. A clear trend of Indian labour returning to plantation employment can be observed; we thus refer to it as ‘return to plantation’. Apart from that, the retrenched plantation labour from nearby plantations was also known to move to other plantations. We discuss the ‘return to plantation’ phenomenon and the aggregated number of labour situation prior to formalisation of foreign labour as the backdrop of labour shortage problem.

### 6.2 Plantation Labour in 1970s and the Indian Labour ‘Return to Plantation’

In Chapter Five we provided the number of Indian plantation labour displaced from the plantation industry, particularly from the mid-1965 to 1972 (see Table 5.9). The period witnessed mass displacement with sharp fall in the number of Indian labour as well as total plantation labour. In Table 6.1, we provided the labour composition from 1973-1984. The plantation labour data with ethnic breakdown is not available after 1984. The year 1984 is also the watershed year where foreign worker was first formalised in Malaysia. The figures for 1984 includes the formalised foreign workers but numerically it was small. The labour composition from 1973 to 1984 is a sequence to earlier mentioned table on labour composition.

Through Table 6.1, we intend to demonstrate two points, first the return of Indian labour to plantation and second, to show that the composition of labour largely remain the same in the plantation industry when labour shortage was declared. Main cause of labour shortage appears not to be the consequence of outmigration
of the existing labour, as argued by the planters’ association. In fact, the argument that labour mobility was low in plantation sector and crop conversion from rubber to oil palm caused serious retrenchments seem to be limited in validity. Labour families do move under such situation to other divisions/plantations though the pool of new entries to labour market, did shun the plantation work. The younger plantation residents moved out for employment. Moreover, the ‘shortage’ appears to be caused by the sheer expansion of oil palm hectarage without corresponding planning on the labour requirements.

Table 6.1  

<table>
<thead>
<tr>
<th>Year</th>
<th>Rubber '000 Ha.</th>
<th>Oil Palm '000 Ha.</th>
<th>Indians Oil Palm</th>
<th>All Estates</th>
<th>Malays All Estates</th>
<th>Chinese All Estates</th>
<th>Total Estates Labour</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>589</td>
<td>275</td>
<td>80,539</td>
<td>18,782</td>
<td>104,072</td>
<td>89,204</td>
<td>54,514</td>
</tr>
<tr>
<td>1974</td>
<td>574</td>
<td>358</td>
<td>79,196</td>
<td>22,840</td>
<td>107,121</td>
<td>91,818</td>
<td>56,111</td>
</tr>
<tr>
<td>1975</td>
<td>563</td>
<td>390</td>
<td>78,758</td>
<td>23,282</td>
<td>107,313</td>
<td>99,461</td>
<td>54,965</td>
</tr>
<tr>
<td>1976</td>
<td>553</td>
<td>416</td>
<td>82,308</td>
<td>27,971</td>
<td>116,231</td>
<td>92,984</td>
<td>49,075</td>
</tr>
<tr>
<td>1977</td>
<td>539</td>
<td>445</td>
<td>83,995</td>
<td>25,481</td>
<td>114,291</td>
<td>93,973</td>
<td>45,716</td>
</tr>
<tr>
<td>1978</td>
<td>523</td>
<td>481</td>
<td>83,317</td>
<td>22,925</td>
<td>112,883</td>
<td>95,323</td>
<td>42,645</td>
</tr>
<tr>
<td>1979</td>
<td>508</td>
<td>509</td>
<td>83,628</td>
<td>24,128</td>
<td>112,152</td>
<td>101,956</td>
<td>40,782</td>
</tr>
<tr>
<td>1980</td>
<td>491</td>
<td>546</td>
<td>86,949</td>
<td>29,579</td>
<td>121,522</td>
<td>96,204</td>
<td>35,444</td>
</tr>
<tr>
<td>1981</td>
<td>479</td>
<td>600</td>
<td>87,249</td>
<td>26,189*</td>
<td>113,438</td>
<td>92,953</td>
<td>34,247</td>
</tr>
<tr>
<td>1982</td>
<td>465</td>
<td>634</td>
<td>80,079</td>
<td>40,678</td>
<td>121,740</td>
<td>94,411</td>
<td>32,299</td>
</tr>
<tr>
<td>1983</td>
<td>461</td>
<td>673</td>
<td>78,555</td>
<td>45,477</td>
<td>129,591</td>
<td>80,111</td>
<td>23,562</td>
</tr>
<tr>
<td>1984</td>
<td>444</td>
<td>735</td>
<td>70,510</td>
<td>42,700</td>
<td>119,070</td>
<td>90,493</td>
<td>28,577</td>
</tr>
</tbody>
</table>

* The exclusion of ‘Others’ will cause negligible increase in the category of three other ‘Races’.
+1981 figures for oil palm workers may be an error. It shows a total of 9,631 Indian oil palm plantation workers and 26,754 total oil palm workers. It indicates a drop of 51,086 from 1980 and then sharply increased to another 65,696 in 1982. This must be error. If recalculated from the total plantation worker (244,613), the realistic figures appear, as follows: total oil palm workers were 72,747 and total Indian oil palm workers was 26,189.

Source: Annual Survey of Employment and Wages, Department of Labour (various years) for the figures of workers. Rubber Research Handbook (various years) for Rubber Hectarage and Oil Palm, Tea, and Cocoa Statistics for oil palm hectarage (various years).

Before we pursue with the two main points, a brief analysis on the labour composition as reflected in the Table 6.1. The data above shows four obvious trends when viewed over the period. First, the increase of total plantation labour during the period from 1973 to 1979. The total labour strength increased almost 2.8 percent or slightly over 7,000 labour in seven years period. Thereafter, the trend changed where the total plantation labour dropped nearly 6.6 per cent from 1979 to 1984 (or 16,750 workers). Second, the sharp fall in the number of Chinese plantation labour. From 1973 to 1984, nearly 26,000 Chinese workers left the plantation work. The figure will be nearly 31,000 workers if the drop is calculated
from 1973 to 1983. In 1984, a rebound of 5,000 Chinese plantation workers can be observed. Third, the rise of Malays in oil palm where in 1973 there were 22,635 workers and by 1979 increased to 45,240 and thereafter settled to 44,372 in 1984. Falling rubber hectarage and the corresponding decrease of Malay workers in the rubber plantation shows a shift of labour from rubber to oil palm occurred (1973: 63,281, 1979:54,614 & 1984: 39,717). It is either the Malay labourers were moving from closed rubber plantation to new oil palm plantation or, remained in the rubber plantations that were converted to oil palm.

Finally, we can observe a substantial increase of Indian workers in plantations. From 1973 to 1979, the total Indian labour increased at an astounding rate of 7.8 per cent. From 1979 to 1984, despite the overall downward trend of labour in plantation, Indian plantation labour recorded another increase of 5.2 per cent. In total, from 1973 to 1984 the Indian plantation workers increased the most at 12.6 per cent. Interestingly, in the case of Indian labour, a clear shift from rubber to oil palm plantation can also be seen. Unlike the Malays, the Indian plantation labour increased in high number in the second period, 1979-1984. Though sizeable increase in rubber was seen from 1973 to 1979 (4%), a sharp drop, consistent with the total fall in rubber hectarage can be seen from 1979 to 1984 that amounts to 15.7 per cent. These Indian labourers opted to work in oil palm instead of moving-out of plantation when rubber plantations were closed or shifted to oil palm. This can be viewed from the remarkable rise of Indian workers in oil palm plantation that was the highest among all ethnic groups. From 1973 to 1984, the increase was 18 per cent but from 1979 to 1984, it was at astonishing figure of 53.7 per cent (or increase of nearly 20,000 workers).

Coming back to the two broad points, the data is clear that the substantial increase of Indian labour in plantation is higher than the natural increase of labour force in plantation. In fact, the case study narratives assert that most of the younger workers of the period preferred to be employed in urban employment. Given that most of the ‘natural increase’ does not seek employment in plantation, the bulk of the increase must have come from elsewhere. The very likeable explanation for the sizeable increase is the ‘return to plantation’ by earlier displaced plantation labour. Many of the underemployed and unemployed displaced former plantation labourers were known to return to plantation for employment and living. In interviews sessions, the return of former labour was affirmed by a commissioner of labour and a number of former union officials. Chapter Seven captures some of these ‘return to plantation’ migrants.

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3 The figures of Malay and Chinese labour are only provided as total plantation labour and no breakdown according to plantation crop given. Where necessary, breakdown is given in the analysis.

4 In interviews sessions, the return of former labour was affirmed by a commissioner of labour and a number of former union officials. Chapter Seven captures some of these ‘return to plantation’ migrants.
workers. The need in plantation was such that age barriers usually negotiable to the employers in lieu with the workers experience on plantation work. In the same vein, when labourers were retrenched because of crop conversion, they too prefers to move to other plantation. In other words, the families still dependent on plantation work and living despite the awareness on the risk of plantation work and living.\(^5\)

Other records also show the increase of Indian labour in small and medium sized estates during the period. Traditionally, Indian labour was mostly concentrated in reasonably big estates. For instance, in 1970, in rubber plantation below 500 acres, the percentage of Indian (and ‘others’) was about 30 per cent. In plantations above 1,000-2,000 acres and 2,000 and above, the percentage of Indian labour was nearly 50 per cent. By 1980, the percentage of Indian labour in plantations below 500 acres increased to 47 per cent and by 1985 to 55 per cent. In fact, the trend of return to plantation was reported during the end of ERA enforcement period when government declared that work permits for the three and six months will be renewed automatically.\(^6\) In the 1973 employment data, the return of retrenched plantation labour was already clearly observable. During the period, the increasing trend continued among the Indian and the Malays but was reversed among the Chinese who left plantation employment in large numbers.\(^7\)

On the total number of labour and planted areas, the figures from 1973 were largely same until the formalisation of foreign labour in 1984. In 1973, the total plantation labour was 247,790 and it was above this figure for most of the decade until 1982. The figures only fall in last two years before formalisation of foreign labour and the fall was not more than 4.9 per cent in comparison to the 1973 figure. It reduces about 10,000 workers in the last two years and overall employment stood at 238,140 in 1984. The figures indicate that there was no serious outmigration problem within the employed members of the plantation family during the period. However, when we observe the increase in the plantation land, particularly oil palm, a whole new picture is revealed. The rubber plantation was gradually diminishing and at the same time new oil palm land was rapidly increasing. During the periods, rubber lost about 145,000 hectares while oil palm gains about 460,000 hectares. This massive increase of plantation land in a period of a decade was not

\(^5\) Chapter Seven discusses the ‘return to plantation’ as part of the ‘organization of exit’ planning of the labour families.

\(^6\) In should be noted that the employment figures differ in the annual publication of the Labour Department and the Annual Survey of Employment and Wages. In the latter, the 1971 and 1972 figures show an increase from 104,840 to 113,405 for the respective years.

\(^7\) The case of the Chinese plantation labour is another understudied area. It is not clear what forces functioning behind their outmigration process.
accompanied by labour supply increase. It was this situation that the industry captured as ‘labour shortage’.

6.3 Declaration of Labour Shortage and the Ensuing Surveys

The mass outflow of plantation labour from private plantations began quietly and gradually in the mid-1970s soon after the ‘subdivisions’ and the enforcement of work permit. Unlike a decade ago, it was not the labourers or the Union that agitated against the labour outflow but another key participant in the industry – the planters. The planters were the first to declare that the labour scarcity was serious and that it was crisis in the making. This was done through its various producer associations, often with concerted effort since the late 1970s. The key phrase capturing outmigration from this dimension was ‘labour shortage’, and this was to resonate for decades to come in the plantation industry, especially in the rubber and oil palm sector.

However, the first known reference to labour shortage during this period (1978-1984) was the report by Rubber Research Institute of Malaysia (RRIM) which conducted a survey in 1978, and a preliminary report was released in 1979. The RRIM report, based on the feedback from 106 plantations, stated labour shortage at 38%. The survey also included interviews with 512 plantation labourers and 136 children above 15 years old to gauge their perspective on plantation work and living. The study finds that the teenage population of plantation from this period were not keen on plantation work. Among others, the RRIM report also recommended that better wages and housing will deter labour out migration (RRIMa, 1979).

By this time, the problem of labour shortage that had been around for some years reached troubling levels. The buffering factor was the presence of ‘illegal workers’ from Indonesia that helped to substitute the labour shortage and outmigration of potential plantation residents. The preference of large plantations to employ undocumented workers on contract through third party employment was quite widely known and practised at the time. The estimated number of Indonesian ‘illegal workers’ during this period ranged from 100,000 to 300,000 workers in Peninsular Malaysia. In East Malaysia, particularly Sabah, the figure ranged from 100,000 to 150,000 (Stahl, 1984:46). In the plantation industry, the estimation by UPAM among its members was about 10,000 and the NUPW estimation for the entire plantation industry was about 25,000 (quoted in Smith, 1981:83). The official figures from the Labour Department reports shows a much lower number as shown in Table 6.2.
Table 6.2 Foreign Labour in Plantation Industry

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,290</td>
<td>3,760</td>
<td>2,625</td>
<td>1,587</td>
<td>1,388</td>
<td>1,279</td>
<td>1,056</td>
<td>897</td>
<td>731</td>
<td>657</td>
<td>840</td>
<td>933</td>
<td>2,280</td>
</tr>
</tbody>
</table>

Source: Annual Report of Labour Department (1972-77) and Labour and Manpower Report (1978-84)

The number of foreign labour could be higher if those in the state land development programs are included. For instance, at the end of 1980 in a confidential report by the police for internal purpose, it was stated that the district of Pekan in Pahang alone had around 8,500 undocumented Indonesian labour – this indicates that the estimated figure could be higher for the entire country than that claimed even by NUPW. The government was aware of the presence of a large number of undocumented labour but was compelled to retain them. The need was such that the Home Ministry had given the police ‘unwritten instructions’ ‘not to detain them [the Indonesian undocumented labour] unless for involvement in criminal activities’\(^8\). On the other hand, the Labour Department report stated that from 1975 to June 1983, 17,599 undocumented Indonesian labourers were deported (LMR,1983/84:35).

The practice of employing undocumented foreign labour was opposed by the Union that accused the planters of resorting to ‘cheap labour’ instead of solving the fundamental problem of improving wages and living conditions so as to retain them. The shortage in the industry would have been much higher if the quality of the clones planted and the improved tapping/ harvesting methods, and the rapid shift to less labour intensive palm oil, had not been implemented. Many estates also resorted to retaining the existing labour supply by extending the service of workers even after the retirement age of fifty-five, and this to a certain extent contained the shortage in the short term – all indicating that the labour shortage was much more serious.

Within this context, the plantation capital played a direct role in promoting the type of labour in the large private plantations. The shift of preference for foreign labour can be witnessed in the interaction between the capitalist interest and the state

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\(^8\) The report itemised the breakdown of undocumented Indonesian labour as follows: DARA Lam Soon Estate - 150, Tabung Haji Palm Oil Estate – 350, FELDA Keratong Division 1 to 9 – 1,290, Block 3 to 18 – 2,300, FELDA Bukit Selendang Division 1 to 4 – 500, Koperasi Sebaguna Malaysia – 200, FELDA Chini Division 1 to 9 – 1,810, Sawira Estate, Rompin – 500, FELDA Selancar Division 1 to 8 – 1,000 and Ladang Pegawai – 400. Letter from Criminal Investigation Department, Pahang to Director of Criminal Investigation Department, Bukit Aman dated 18th December, 1980. See National Archives ‘Illegal Immigration’, KPN 58/2, Assession Number 2002/0023099.
during this period which permanently altered the labour composition in plantations in the Peninsular. During this period, we also witness the changing role and function of the state from that of a mediating authority and arbitrator to the position of proprietor-entrepreneur of the plantation industry. The political and economic transmutation of the state as a stakeholder also determined the character and composition of the plantation workforce.

Subsequent to the RRIM report, the United Planters Association of Malaysia (UPAM), the representative of the planters’ interest, formed a sub-committee in August 1979 to study the shortage of labour. Though the expressed intention was to study labour shortage that impinged on the industry, it was, in fact, a reaction to RRIM remarks that attributed poor amenities and wages as the cause for labour migration. The UPAM committee, with survey results from a bigger sample – three hundred plantations – submitted a report known as the ‘First Report on a Survey on Estate Labour Shortage’ at the end of 1979. It revealed that the shortage among its members was 3.5%. About half the shortage was concentrated in the state land development schemes in Johore and Pahang. This was to be known as ‘First Report on a Survey on Estate Labour Shortage’. The 2nd UPAM report (1980) on labour shortage which was much more refined, detailed and with a bigger sample (407 estates covering almost half of the planting acreage in the Peninsular) reiterated the earlier findings and pointed to an increasing trend in labour shortage. The burning issue forced UPAM to conduct another survey in mid1981 and it was reported that the labour shortage increased from 6.02% in the end of 1980 to 7.66% on June 1981. In fact, UPAM continued to conduct regular surveys on labour shortage and subsequently another nine reports with the same title followed (see Table 6.2).\(^9\) The surveys, however, did not involve labour representatives or the plantation union.

\(^9\) All the reports were marked as ‘confidential’ with limited circulation among the plantation producers and certain government agencies.
Table 6.3 Labour Shortage among UPAM Members 1979-1989

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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Johor</td>
<td>1,180</td>
<td>2,977</td>
<td>3,309</td>
<td>2,835</td>
<td>2,519</td>
<td>2,340</td>
<td>2,410</td>
<td>2,509</td>
<td>3,795</td>
<td>2,762</td>
<td>3,045</td>
<td>5,072</td>
</tr>
<tr>
<td>Kedah</td>
<td>95</td>
<td>144</td>
<td>1,059</td>
<td>131</td>
<td>131</td>
<td>436</td>
<td>73</td>
<td>341</td>
<td>54</td>
<td>81</td>
<td>122</td>
<td>527</td>
</tr>
<tr>
<td>Kelantan</td>
<td>246</td>
<td>537</td>
<td>1,059</td>
<td>526</td>
<td>30</td>
<td>253</td>
<td>117</td>
<td>72</td>
<td>1,036</td>
<td>1,038</td>
<td>292</td>
<td>117</td>
</tr>
<tr>
<td>Melaka</td>
<td>111</td>
<td>68</td>
<td>231</td>
<td>131</td>
<td>77</td>
<td>298</td>
<td>325</td>
<td>465</td>
<td>47</td>
<td>84</td>
<td>114</td>
<td>169</td>
</tr>
<tr>
<td>N.Sembilan</td>
<td>350</td>
<td>1,346</td>
<td>1,533</td>
<td>1,489</td>
<td>1,242</td>
<td>1,215</td>
<td>1,006</td>
<td>828</td>
<td>632</td>
<td>783</td>
<td>689</td>
<td>1,026</td>
</tr>
<tr>
<td>Pahang</td>
<td>592</td>
<td>1,369</td>
<td>1,593</td>
<td>1765</td>
<td>1,426</td>
<td>960</td>
<td>910</td>
<td>1,330</td>
<td>1,142</td>
<td>2,323</td>
<td>2,674</td>
<td>1,725</td>
</tr>
<tr>
<td>Penang</td>
<td>10</td>
<td>10</td>
<td>24</td>
<td>4</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>4</td>
<td>4</td>
<td>115</td>
<td></td>
</tr>
<tr>
<td>Perak</td>
<td>383</td>
<td>576</td>
<td>751</td>
<td>978</td>
<td>1,084</td>
<td>1,114</td>
<td>1,074</td>
<td>1,406</td>
<td>865</td>
<td>1,139</td>
<td>1,024</td>
<td>1,811</td>
</tr>
<tr>
<td>Selangor</td>
<td>328</td>
<td>901</td>
<td>1,357</td>
<td>854</td>
<td>990</td>
<td>888</td>
<td>1,343</td>
<td>871</td>
<td>238</td>
<td>372</td>
<td>303</td>
<td>1,207</td>
</tr>
<tr>
<td>Terengganu</td>
<td>0</td>
<td>727</td>
<td>725</td>
<td>920</td>
<td>295</td>
<td>419</td>
<td>765</td>
<td>165</td>
<td>309</td>
<td>809</td>
<td>1,333</td>
<td>508</td>
</tr>
<tr>
<td>Total</td>
<td>3295</td>
<td>8,655</td>
<td>11,015</td>
<td>9,633</td>
<td>7,819</td>
<td>7,953</td>
<td>8,058</td>
<td>8,027</td>
<td>8,122</td>
<td>9,395</td>
<td>9,600</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. Surveyed plantations are members of UPAM as well as RGA and MEOA. The state of Perlis was excluded.
2. Some members of the West Malaysian Oil Palm Growers’ Association participated in the survey.
3. In 1981, additional survey was conducted in midyear apart from the regular survey at the year end.
4. Percentage of labour shortage is given in parenthesis.

Source: Compiled from ‘confidential’ UPAM Reports on Labour Shortage, various years.
Meanwhile others continued to conduct surveys on the extent of the labour shortage and its solution. RRIM itself continued to conduct a series of surveys (see Nayagam, 1980). The Manpower Department of the Ministry of Labour and Manpower conducted a survey in 31 estates that indicated labour shortage in Pahang and Johor. The large plantation company, Sime Darby Berhad, conducted a survey in its nine estates covering 50,000 acres and reported that the plantation industry is in need of oil palm harvesters. The Malaysian Rubber Producers’ Council (MRCP) conducted a survey in Johor (66 estates) and Pahang (23 estates) in August and December 1980 which included coco and coconut plantations.

These surveys acknowledged that plantations had lost substantial labour supply by the beginning of the 1980s and the trend was increasing. The planters also acknowledged that ‘smaller estates … [unable] to collaborate in surveys are reported to be the worst hit’ (Stewart, 1981:2). Further, according to RRIM, the serious shortage was in smaller estates ‘which are paying lower rate of wage than that paid in MAPA-member estates and Lee Plantation estates with insufficient houses and poor facilities’ (Proceedings, 1981:411). The surveys also reported huge losses due to incomplete and delayed harvesting. For instance, the RRI survey of 1980 estimated RM13,000,000 was lost because of non-tapping (rubber) and harvesting (oil palm) in 32 estates because of the labour shortage (RRIMb,1980).

The seriousness of labour shortage as reported by UPAM and how it corroborated with vacancies reported to the Labour department will be interesting to observe, as shown in Table 6.4. One of the important functions of the Labour Department was to provide information on vacancies and facilitate placement through its offices. National Employment Services offices were strategically located, and in 1978 there were 31 offices in Peninsular alone and by the end of 1983 it increased to 35. The offices served as ‘clearing house… through the matching of job-openings to labour supply’ (LMR, 1978/79:16).

Table 6.4 Vacancies Reported and Placement Effected in Plantation Industry, 1973-1984

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancies</td>
<td>4,345</td>
<td>2,882</td>
<td>2,145</td>
<td>1,985</td>
<td>1,589</td>
<td>2,838</td>
<td>1,925</td>
<td>1,738</td>
<td>3,400</td>
<td>3,625</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>Placement</td>
<td>2,331</td>
<td>1,530</td>
<td>1,814</td>
<td>1,204</td>
<td>1,412</td>
<td>1,912</td>
<td>1,427</td>
<td>1,164</td>
<td>1,099</td>
<td>940</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>Shortage</td>
<td>2,014</td>
<td>1,352</td>
<td>331</td>
<td>781</td>
<td>177</td>
<td>926</td>
<td>498</td>
<td>574</td>
<td>2,301</td>
<td>2,685</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Plantation sector was classified as ‘Agricultural products requiring substantial processing’.

Source: Annual Report of Labour Department (1973-77) and Labour and Manpower Report (1978-84)
The vacancies reported in the plantation sector did not seem to be alarming, except in 1981 and 1982. 10 This may be consistent with views touting/espousing/proclaiming that the labour shortage in the plantation sector as ‘locational’ and not ‘national’. In fact, the vice-chairman of MRCP who was also the Secretary General of the Smallholders’ Association, Mazlan Jamaluddin, stated in 1981 that ‘in the estate sector the problem is not national but localised’ and in the smallholding sector ‘this is a national problem’ (Jamaluddin, 1981:408). RRIM report cited above, too, said that labour shortage was localised. Unit Pemodenan Tadbiran dan Perancangan Tenaga Malaysia (MAMPU), a central agency for planning manpower resource, in a report stated that the labour shortage problem was only confined to certain areas (1981). RRIM’s subsequent survey also indicated the localised nature of labour shortage problem. NUPW’s survey of 216 estates in 1980 also opined that the labour shortage was confined to certain areas, especially in the government land schemes. Not only did 41 estates report surplus labour, but the shortage was only observed in eleven estates within the range of 15 to 20 percent (NUPW,1980).

It is interesting to note that while UPAM surveys showed an increasing trend of the labour shortage problem, the RRIM’s survey showed a reducing trends. For example, RRIM surveys showed that labour shortage decreased since 1983, and by 1986 it fell gradually to 16 per cent. In terms of actual short-fall of labour, RRIM recorded 2.4 per cent in 1986 from 5.1 per cent in 1982. The UPAM surveys, however, shows an increase from 6 per cent to 8 per cent between 1980 to 1986.11

Table 6.5 shows the total labour force from 1985 to 2014. It should be noted that documented foreign workers only formed a significant number after 1990. However, within years after formalisation, the arguments against labour shortage faded away as the problem was seen increasingly pervasive and the government inclination for foreign labour became clear. However, the arguments against labour shortage soon weakened as the problem that originated in newly developed land schemes began to engulf private plantations and the government’s support for foreign labour became clear.

10 The traditional method of advertising on employment opportunities in private plantations has been through word of mouth. In fact, RRIM opined that ‘information on job vacancies in the labour shortage estates is not given wide publicity’ as ‘four-fifths of the workers interviewed stated they were unaware of job vacancies on other estates’ (Proceedings, 1981:410-11). ‘Labour immobility’ and ‘locational’ problem of labour shortage was also acknowledged by research done on the period. See Lim, (1981).

11 The differences were attributed to sampling procedures adopted and the month the data were collected. See Nayagam (1990: 83-91). The reversing trends was reported in RRIM annual reports since 1983.
Table 6.5  Total Labour in Rubber and Oil Palm, 1985-2014 (Peninsular Malaysia)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rubber ‘000 Ha.</th>
<th>Oil Palm ‘000 Ha.</th>
<th>Total Labour in Rubber Estate</th>
<th>Total Labour in Oil Palm Estate</th>
<th>Total Labour in Rubber &amp; Oil Palm Estate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>428.8</td>
<td>766.7</td>
<td>124,000</td>
<td>106,539</td>
<td>230,539</td>
</tr>
<tr>
<td>1986</td>
<td>399.4</td>
<td>768.3</td>
<td>119,400</td>
<td>102,976</td>
<td>222,376</td>
</tr>
<tr>
<td>1987</td>
<td>381.5</td>
<td>1,534.9</td>
<td>114,900</td>
<td>108,470</td>
<td>223,370</td>
</tr>
<tr>
<td>1988</td>
<td>371.1</td>
<td>1,654.6</td>
<td>113,300</td>
<td>114,681</td>
<td>227,981</td>
</tr>
<tr>
<td>1989</td>
<td>361.0</td>
<td>1,770.9</td>
<td>108,300</td>
<td>126,498</td>
<td>234,798</td>
</tr>
<tr>
<td>1990</td>
<td>348.7</td>
<td>1,845.7</td>
<td>101,700</td>
<td>131,842</td>
<td>233,542</td>
</tr>
<tr>
<td>1991</td>
<td>333.4</td>
<td>1,906.2</td>
<td>89,600</td>
<td>137,140</td>
<td>226,740</td>
</tr>
<tr>
<td>1992</td>
<td>314.1</td>
<td>2,005.2</td>
<td>79,100</td>
<td>146,369</td>
<td>225,469</td>
</tr>
<tr>
<td>1993</td>
<td>292.5</td>
<td>2,096.4</td>
<td>68,200</td>
<td>155,295</td>
<td>223,495</td>
</tr>
<tr>
<td>1994</td>
<td>275.0</td>
<td>2,191.9</td>
<td>58,900</td>
<td>164,808</td>
<td>223,708</td>
</tr>
<tr>
<td>1995</td>
<td>255.7</td>
<td>2,298.0</td>
<td>55,500</td>
<td>175,427</td>
<td>230,927</td>
</tr>
<tr>
<td>2000</td>
<td>123.8</td>
<td>3,055.8</td>
<td>25,800</td>
<td>252,549</td>
<td>278,349</td>
</tr>
<tr>
<td>2005</td>
<td>58.7</td>
<td>3,626.8</td>
<td>11,800</td>
<td>329,709</td>
<td>341,509</td>
</tr>
<tr>
<td>2010</td>
<td>49.9</td>
<td>4,202.3</td>
<td>10,200</td>
<td>446,368</td>
<td>456,568</td>
</tr>
<tr>
<td>2014</td>
<td>80.1</td>
<td>4,585.2</td>
<td>12,400</td>
<td>451,507</td>
<td>463,907</td>
</tr>
</tbody>
</table>


6.4   The Planters’ Lobby for Foreign Workers

In the meantime, this period witnessed the producers associations mainly the Malaysian Rubber Producers Council (MRPC) and Malaysian Oil Palm Growers Council (MOPGC) continuing pressure on the government for an immediate solution to the labour problem. An early outcome was the Ministry of Labour and Manpower’s proposed joint “steering committee” with representatives from the private and public sector to study the problem. A similar committee was also formed together with the Ministry of Primary Industries. Here again, neither the workers representatives nor the union were included.

What caused the labour migration and how to overcome this problem was debated endlessly by the union, the planters and the state agencies without any concrete outcome or consensus. By this time, it was established that the labour shortage problems can be differentiated between the private plantations, the state land development programs and the ‘unorganized’ or sometimes referred to as ‘independent’ smallholders. As mentioned earlier, labour shortage in private plantations was not pervasive but localised in comparison to the situation in state land development programs. Information on ‘unorganized’ smallholders is sketchy but labour shortage was widely believed to be serious. Even in the state land programs, the problem was concentrated mainly in Pahang and Johor, the site of the most intensive land development programs. The three parties, especially the
union and the planters had serious disagreement on the solution for the problem. The NUPW maintained that the shortage was caused by the ‘lack of [labour] mobility’ from areas of ‘labour excess’ to areas of labour shortage. The solution therefore was to have an efficient employment conduit between the surplus and shortage areas and to ‘offer attractive incentives, better housing and improved working conditions’ as a means to retain the labour in the plantation sector (Narayanan, 1981:414).

The key arguments of the planters’ delegates as revealed in the meetings with state agencies was that acute ‘labour shortage’ was widespread. The evidence for this was drawn from state land development schemes from Pahang and Johor. The land development program that was introduced around independence, was aggressively expanded in the late 1960s and the 1970s and this had already drained much of the potential labour. In fact, since the early 1980s, with the rapid expansion of oil palm plantations, it was more lucrative to be employed in state oil palm schemes. However, the scale of expansion was so great that many of the newly developed schemes failed to attract and retain settlers/workers. The required labour for these existing schemes and for the future expansion was also unrealistic. The expansion of plantations was too rapid in comparison to the increase in plantation labour market. Furthermore, the targeted pool of labour was the poor and landless Malays as part of the state ‘restructuring’ policy under the rural development programs and this was an added constraint to the ‘labour shortage’ problem in the state land schemes.

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12 Lack of information on vacancies in plantations during the crisis period was also reported by RRIM. This was also seen as contributing to lack of labour mobility (Proceedings, 1981: 411).
13 See Table 3.3, Chapter Three.
Table 6.6 Wage Comparisons in the Rubber and Oil Palm Estates, 1973-1982

<table>
<thead>
<tr>
<th>Year</th>
<th>Mandores/Kepala</th>
<th>Tappers/Harvesters</th>
<th>Weeders</th>
<th>Arsenite Sprayers</th>
<th>Factory Workers</th>
<th>Transporters</th>
<th>Pruners</th>
<th>Total Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rubber Oil Palm</td>
<td>Rubber Oil Palm</td>
<td>Rubber Oil Palm</td>
<td>Rubber Oil Palm</td>
<td>Rubber Oil Palm</td>
<td>Rubber Oil Palm</td>
<td>Oil Palm</td>
<td>Oil Palm</td>
</tr>
<tr>
<td>1973</td>
<td>165 143</td>
<td>149 140</td>
<td>77  69</td>
<td>111 111</td>
<td>113 156</td>
<td>116 99</td>
<td>191,760</td>
<td>48,160</td>
</tr>
<tr>
<td>1974</td>
<td>201 172</td>
<td>195 193</td>
<td>100 97</td>
<td>121 156</td>
<td>136 184</td>
<td>169 134</td>
<td>193,160</td>
<td>54,380</td>
</tr>
<tr>
<td>1975</td>
<td>191 189</td>
<td>139 209</td>
<td>92  96</td>
<td>121 159</td>
<td>132 196</td>
<td>180 176</td>
<td>187,250</td>
<td>66,526</td>
</tr>
<tr>
<td>1976</td>
<td>230 200</td>
<td>212 181</td>
<td>126 127</td>
<td>160 142</td>
<td>178 235</td>
<td>164 151</td>
<td>178,930</td>
<td>71,720</td>
</tr>
<tr>
<td>1977</td>
<td>201 225</td>
<td>197 205</td>
<td>120 126</td>
<td>164 149</td>
<td>161 229</td>
<td>204 192</td>
<td>174,900</td>
<td>70,780</td>
</tr>
<tr>
<td>1978</td>
<td>243 241</td>
<td>220 249</td>
<td>127 136</td>
<td>154 177</td>
<td>179 261</td>
<td>204 193</td>
<td>177,270</td>
<td>65,550</td>
</tr>
<tr>
<td>1979</td>
<td>261 263</td>
<td>254 276</td>
<td>146 143</td>
<td>145 179</td>
<td>207 235</td>
<td>237 240</td>
<td>170,670</td>
<td>75,400</td>
</tr>
<tr>
<td>1980</td>
<td>300 308</td>
<td>259 344</td>
<td>169 178</td>
<td>224 288</td>
<td>225 323</td>
<td>299 215</td>
<td>167,210</td>
<td>77,840</td>
</tr>
<tr>
<td>1981</td>
<td>331 315</td>
<td>266 258</td>
<td>171 186</td>
<td>224 244</td>
<td>234 324</td>
<td>264 352</td>
<td>164,620</td>
<td>72,747</td>
</tr>
<tr>
<td>1982</td>
<td>340 357</td>
<td>267 425</td>
<td>188 173</td>
<td>253 312</td>
<td>302 374</td>
<td>363 295</td>
<td>148,294</td>
<td>92,450</td>
</tr>
<tr>
<td>1983</td>
<td>368 550</td>
<td>279 332</td>
<td>189 196</td>
<td>237 265</td>
<td>276 420</td>
<td>302 296</td>
<td>135,440</td>
<td>92,810</td>
</tr>
<tr>
<td>1984</td>
<td>331 408</td>
<td>233 421</td>
<td>191 183</td>
<td>264 271</td>
<td>187 310</td>
<td>407 282</td>
<td>128,120</td>
<td>96,460</td>
</tr>
</tbody>
</table>

*Average monthly earnings in Malaysian Ringgit

Source: Annual Report of Labour Department (1972-77) and Labour and Manpower Report (1978-84)
These land schemes were mostly in remote areas with less developed infrastructure. However, the wages and living conditions in these schemes were relatively better than in most private plantations and certainly superior to the impoverished ‘unorganised’ smallholdings. For instance, in 1977 it was reported from a case study that 64.3 per cent of FELDA – a major state land development scheme – smallholders received average annual income from rubber amounting to RM6,000 and above, while 93.5 per cent of cases in ‘unorganised’ smallholdings at Sik (Kedah) and 79.7 per cent at Baling (also in Kedah) received RM3,000.00 and below. While many of the federal and state land development schemes offered land as incentive, later schemes mainly the schemes jointly developed with private plantations only offered house ownership as the primary incentive. Failure to attract and retain labour in these schemes was used as evidence by the planters that wages and living conditions are not the main factors for retaining labour in the private plantations. Furthermore, local workers especially the young were said to prefer non-plantation employment and thus migrate for better paying employment with their relatively better education (Proceedings, 1981:407).

Drawing from the state land development experience, the planters resisted any suggestions that improving the living conditions and the wages of the local labours would mitigate the problem. For instance, a producers’ association asserted that ‘there are no known remedial measures within the gift of the industry capable of stemming the tide [of labour shortage] still less reversing it. Further concessions on wages and better amenities are palliatives not remedies and no known technical measures are able to make more than a marginal contribution by way of reducing the labour content in plantation work’.

It was further argued that ‘the concept of worker-owned housing schemes had not proved to be very effective, for various reasons’.

Even in the First Steering Meeting, producers’ delegates clearly stated to the labour minister their ‘constraint in awarding better incentive to the workers’. The argument was ‘the plantation industry cannot simply mark up the selling price of its produce, which is governed by the international market, to absorb the increased labour cost’ (Boon, 1981:1). This position was maintained throughout the labour crisis period.

The need for a comprehensive and independent study on the labour shortage was first advocated by the Union. Later, the Union insisted on an ‘objective investigation of this problem on a tripartite basis of employers, Union and the government as the surveys on labour shortage undertaken by the different parties had produced rather conflicting findings. The UPAM surveys for 1980, 1982 and

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15 Meeting Minutes of MRRDB-REPU meeting, 20th January 1981.
17 First Steering Committee Minutes, 24 April 1981:3.
1984, for instance, showed higher figures and rising trends in labour shortage up to
1984 compared to the contrasting findings of RRIM surveys of the same years.18 While
the call by the union was largely ignored, and the call by the Labour Department for an independent study similarly received a cold response from the planters’ organisation. The planters rejected the idea of the need to conduct research on the labour shortage and also on the need to improve wages and amenities. This was conveyed in the first ‘joint meeting’ held on 11 July 1981. The MRCP Secretariat clearly stated that ‘the industry was not in favour of further studies or surveys and was especially against the idea of bringing in a researcher from one of the universities for this purpose’ and ‘what was required now was a plan of urgent action to seek remedial measures to the labour shortage problem’19.

The aversion to the suggestions to improve living conditions and wages as a
strategy of retaining labour was also evident in UPAM surveys. The planters have
always maintained that labour shortage was also evident among estates that
provided the best wages and facilities.20 High absenteeism reported among the
plantation labour was said to prove that wage was not the main cause of labour
migration from plantations. A MRPC representative even suggested high
absenteeism was caused by ‘the present good earnings’ in plantations (Proceedings,
1981: 407). However, discomfort among planters increased as the call for
betterment of plantation wages and living came from diverse parties dealing with
the labour shortage – RRIM, certain government agencies, the Union and even
from individuals within the producers association.21 Despite the opposing views,
the producers’ associations were unyielding and adamant in their demand for
foreign labour.

Initially the government, particularly the labour ministry was not keen on the idea
of importing foreign workers to plantations.22 The concern was to secure enough
employment for the locals. At times, the issue of possible social problems resulting

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19 MRCP Meeting Minutes, 30th July 1981.
20 An opposing view from an independent researcher stated that ‘some evidence to indicate that the
large foreign-owned estates which provide better housing and social infrastructure are not so badly
affected as those estates with antiquated housing and infrastructure’ (Lim, 1981:8). Similar
observation was made by detailed data from ‘labour shortage’ and ‘no labour shortage’ areas in
terms of housing provided (Nayagam, 1990:102-9).
21 Personal opinion of Mazlan Hj Jamaluddin (MRCP) that housing schemes should be organized
for plantation labour to retain them from moving-out is a striking example. See his unpublished
paper, ‘Strengthening Industrial Democracy and National Productivity through Workers’.
22 The government stand can be seen in various papers prepared by the planters (see for instance
smallholdings association initially opposed the idea of foreign workers in plantations ‘in view of
social, political and economic implications’ (MRPC 333rd Minutes). The smallholders known to be
align with the government stand, resonates the same stand at this instance.
from the influx of foreigners was also cited. On the other hand, the labour shortage report by the Labour Department and another by the Socio Economic Research Unit of the Prime Minister’s Department highlighted the poor wages and living conditions among the plantation workers (SERU 1981, Labour Department, 1981). In fact, both reports recommended the need to improve the living standard and wages of plantation labour. The call to improve the conditions of plantations as a larger strategy to retain workers received the attention of the government when a Cabinet Committee was formed to improve amenities on estates (LMR, 1981/82:103). The Labour Department report even recommended that a Housing Loan Scheme be introduced to enable workers to be house owners with a small monthly premium which hopefully would ensure continuous labour supply (LMR, 1981:42). These measures were thought would curb local labour outmigration and eventually make the call for foreign labour redundant.

The planters had a completely different idea to solve the labour shortage from the beginning of the crisis and that was to legalise and formalise the import of foreign contract workers. By this time, the contract foreign labour have been a permanent feature in the plantations. For the planters associations, the solution was already present in the current labour shortage crisis where employment of foreign undocumented workers helped to ease the labour deficiency. Drawing information from interviews with employers, the preference to have small number of direct workers was often attributed as the main reason for hiring foreign workers. (Devi, 1986:96). Accordingly, the producers association urged the government to ‘reconsider supporting the estate sector in its efforts to obtain legislation for legalising immigrant labour’. With this measure, the status of the large number of foreign workers will shift from ‘illegal’ to ‘legal’ workers. The lobby to legalise existing undocumented labour was the first step by the planters agencies to eventually propose the import of foreign workers.

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23 The discussion on this program fizzles out with the formalization of foreign labour.
24 MRCP Minutes, 26 Nov 1981
The model behind this solution as advocated by the planters was based on the experience in Sabah. This was frequently quoted by the planters associations in their campaigns with the government agencies on the need for foreign labour. The Sabah plantations employ foreign contract labour through the Malaysian Migration Fund Board established in 1966. The Board was originally established to transfer agricultural labour from Peninsular to plantations in Sabah. However, in October 1969 amendments were made to allow the Board to employ foreign labour from any other countries as approved by the Minister of Labour from time to time. The recruitment of foreign workers was not done by the Board or its agents but by employers themselves through their appointed recruiters. Only labour from the Peninsular was coordinated by the Board.

Under this scheme, foreign workers were given work permits to be employed in the plantations. It was stated that ‘nearly all the big plantations in Sabah employ more than 80 per cent foreign workers, mainly Indonesian… which has successfully solved the labour shortage problem there’ (Boon, 1981:2). Official figures shows that from 1970 to 1983, Sabah recruited 21,739 Indonesian workers and most of the recruitment happened during the period of labour shortage in Peninsular, 1977 and 1983 (LMR, 1983/84:35). This model was lauded as the best solution for the labour crisis in the plantations in Peninsular. Two suggestions were proposed in line with this plan, first to convert all foreign ‘illegal workers’ in plantations to ‘legal workers’ through the issuance of work permit, and second to propose further employment of foreign contract workers as a ‘short-term solution’ to overcome the labour shortage (Boon, 1981:2, Harness, 1981:2, Stewart, 1981:3).

During the crisis period (1978-84), no known credible and independent research was commissioned on the labour shortage either by the state or the planters’ associations. The UPAM reports with controlled circulation were the only source of reference on the entire labour shortage crisis in plantations. The Labour

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25 Sabah had always experienced acute shortage of labour since rubber cultivation began to expand in the state. In 1954, it was reported by the chairman of Beuforia Borneo Rubber that ‘at least one-fifth …of the company’s actual year’s crop was lost simply through shortage of labour’ (ST, 8 October 1954:12) and in 1966, it was noted that ‘30% of matured rubber has remained untapped owing to lack of skilled tapper’ (ST, 7 March 1966:6). Failure to recruit labours from the Peninsular finally resulted in opting for foreign labours, particularly from Indonesia. It should be noted that a manpower survey by the state government, ‘Sabah Manpower Situation’ conducted in 1966-67, concluded that the serious labour shortage in Sabah is merely a myth. However, the report admitted that the problem is real in the plantation sector, where 52.9 per cent of workers are Filipino or Indonesian origin. For newspaper reports on labour shortage in Sabah, see ‘Borneo Rubber: A Dying Industry?’ (ST, 12 June 1950), ‘Labour shortage in North Borneo’ (ST, 8 June 1951), ‘Rubber producers in Borneo are hit by acute labour shortage’ (The Singapore Free Press, 14 June 1961: 2), ‘Labour in Sabah—fact and myth’ (ST, 13 November 1968:10) and ‘Sabah’s labour needs’ (ST, 1 April 1969:10).

26 First Steering Committee Minutes, 24th April 1981: 2
Department assessment was basically from the labour indicators on vacancies reported and from the overall labour turnover data. An early independent research on labour shortage observed that ‘data monitoring the magnitude of the problem are generally lacking, the evidence is still patchy and inadequate’ (Lim, 1981:1). In fact, the lack of data persisted and this compelled the Labour Department reports in the 1980s to refer to and reproduce extracts from the UPAM surveys as an indicator of labour shortage in the rubber and oil palm plantations.

The UPAM reports, clearly prepared to protect the interest of the producers, also carefully avoided discussion on how to retain the local labour force. On a positive note, UPAM maintained that the MAPA-NUPW agreement would continue to serve as the framework for wages and living conditions of the recruited foreign labour. When the government agencies were slow in coming up with the guidelines for employing foreign workers, the producers association decided to prepare a draft guideline for the purpose. The guideline, based on the Sabah format for recruiting foreign labour, was produced to accelerate the process of recruiting foreign workers in Peninsular. Subsequently, a series of meetings was held between the producers association and the committee formed by the government. When the outcome of the meetings began to bear results, the producers association attempted to downplay the progress of the meetings, fearing public opposition to the idea of employing foreign workers.

6.5 The Changing Role of the State and the Emergence of Regional Cooperation for Labour

In the meantime, the changing role of the state in the plantation industry was about to transform its function and interest in the industry. This can be witnessed in two major developments. First, the acquisition of private plantations owned by large foreign conglomerates that marked the state ownership of plantations (see Chapter Three). Second, the direct role of the state in the rapid expansion of plantations through land development schemes. The latter was part of the state effort to correct the racial ‘imbalance’ and to ‘restructure’ the ethnic Malay economy, especially among the smallholders and landless agricultural labour. These two developments repositioned the state’s role as a direct stakeholder, especially on the issue of employing foreign labour in the wake of severe labour shortage. The original objective of social and economic engineering through the land development schemes was now conflated with the need to safeguard the investment and business ventures. During the height of the labour shortage debate, a much larger shift began to take form at the highest state administration levels. Efforts to take over foreign owned interest, mainly the plantation and tin conglomerates were carefully planned and executed. However, it should be noted that the function of the state was more prominent in land development schemes than in the private plantations. In private
plantations, the focus then was in acquiring new plantation groups and the administration and operation of these plantations was largely left to Government Linked Companies (GLCs) that retained the corporate framework of the plantation industry. In the issue of foreign labour, the conflation of interests could be seen as the issue gained momentum.

Similarly, land development continued to feature prominently in the Malaysian development plans from the 1970s to mid-1980s (see Table 6.7). The rapid expansion of plantation land had certainly contributed to the acute labour shortage problem. The Third Malaysia Plan (TMP) had clearly stated that it was geared towards ‘poverty eradication and land development’ and was expected to create 743,000 new jobs of which the ‘agricultural sector’ was to contribute 126,000 or 17 per cent of the target (TMP, 1976:150). In the TMP period, the state land development programs ‘of about one million acres of land was estimated to create about 105,000 jobs’ (TMP, 1976:156). And within the decade (1970-1980) about 42,000 families with 265,860 persons were resettled by FELDA alone and the number increased to 79,900 families by 1983. And by 1983 the other agency involved in resettlement, Felcra, was reported to have resettled around 14,200 families (LMR,1983/84:31-32). Apart from the federal agencies, the State Land Development Board (SLDB) schemes ‘benefitted’ 9,228 families and another 142,500 agricultural workers were employed by other state and regional agencies (FMP,1981:269).

Table 6.7 Land Development Schemes, 1971-80 and Performance of Fourth Malaysia Plan, 1981-85

<table>
<thead>
<tr>
<th>Agency /Program</th>
<th>Target 1971-80 (ha)</th>
<th>Achievement 1971-80 (ha)</th>
<th>FMP Target (ha)</th>
<th>FMP Achievement (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FELDA</td>
<td>365,587</td>
<td>373,705</td>
<td>149,798/161,600</td>
<td>161,600</td>
</tr>
<tr>
<td>Felcra</td>
<td>60,729</td>
<td>50,710</td>
<td>32,662/41,100</td>
<td>31,100</td>
</tr>
<tr>
<td>Risda</td>
<td>101,215</td>
<td>34,463</td>
<td>15409/9,770</td>
<td>9,770</td>
</tr>
<tr>
<td>Total</td>
<td>527,531</td>
<td>455,878</td>
<td>197,869/212,470</td>
<td>202,470</td>
</tr>
<tr>
<td>State Programs</td>
<td>233,724</td>
<td>290,133</td>
<td>217,200</td>
<td>158,000</td>
</tr>
<tr>
<td>Joint-venture /Private Sector</td>
<td>134,615</td>
<td>120,047</td>
<td>128,441/100,000</td>
<td>57,100</td>
</tr>
<tr>
<td>Grand Total</td>
<td>895,870</td>
<td>866,058</td>
<td>543,461/529,670</td>
<td>417,570</td>
</tr>
</tbody>
</table>

1 Excluding rehabilitation schemes and existing kampong in consolidation schemes
2 Block new planting schemes only
3 For programs of regional development authorities, SLDBs, SADCs, SEDCs, and others such as Department of Agricultural and District Office
4 For programs of SLDBs, SRFB and Cooperative Development
5 For programs of SLDB and Department of Agriculture (rubber new planting only)
6 For joint-venture projects between public sector agencies such as SADCs, FIMA, regional development authorities with the private sector and private sector sole participation for Malaysia as a whole.
Table 6.8  Planted Area in Smallholdings in Peninsular Malaysia, 1970-85

<table>
<thead>
<tr>
<th>Year</th>
<th>Rubber</th>
<th>Oil Palm</th>
<th>Rubber</th>
<th>Oil Palm</th>
<th>Rubber</th>
<th>Oil Palm</th>
<th>Rubber</th>
<th>Oil Palm</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>59,800</td>
<td>64,989</td>
<td>436,000</td>
<td>-</td>
<td>6,600</td>
<td>2,769</td>
<td>574,900</td>
<td>2,348</td>
<td>67,558</td>
</tr>
<tr>
<td>1971</td>
<td>67,600</td>
<td>76,486</td>
<td>459,200</td>
<td>-</td>
<td>8,300</td>
<td>3,748</td>
<td>551,400</td>
<td>2,391</td>
<td>70,491</td>
</tr>
<tr>
<td>1972</td>
<td>76,200</td>
<td>96,779</td>
<td>482,600</td>
<td>-</td>
<td>15,000</td>
<td>6,567</td>
<td>518,200</td>
<td>6,227</td>
<td>85,082</td>
</tr>
<tr>
<td>1973</td>
<td>88,800</td>
<td>124,468</td>
<td>511,200</td>
<td>236</td>
<td>21,500</td>
<td>12,588</td>
<td>483,100</td>
<td>12,588</td>
<td>114,816</td>
</tr>
<tr>
<td>1974</td>
<td>94,300</td>
<td>155,759</td>
<td>534,800</td>
<td>2,439</td>
<td>23,600</td>
<td>17,566</td>
<td>464,900</td>
<td>17,566</td>
<td>112,005</td>
</tr>
<tr>
<td>1975</td>
<td>105,100</td>
<td>181,563</td>
<td>555,900</td>
<td>5,125</td>
<td>26,100</td>
<td>26,913</td>
<td>444,500</td>
<td>26,913</td>
<td>111,466</td>
</tr>
<tr>
<td>1976</td>
<td>114,700</td>
<td>215,505</td>
<td>566,600</td>
<td>8,261</td>
<td>26,200</td>
<td>36,473</td>
<td>423,200</td>
<td>36,473</td>
<td>110,700</td>
</tr>
<tr>
<td>1977</td>
<td>124,600</td>
<td>259,408</td>
<td>576,800</td>
<td>12,646</td>
<td>28,500</td>
<td>35,900</td>
<td>415,400</td>
<td>35,900</td>
<td>111,430</td>
</tr>
<tr>
<td>1978</td>
<td>145,200</td>
<td>282,830</td>
<td>586,500</td>
<td>20,725</td>
<td>31,200</td>
<td>40,520</td>
<td>412,800</td>
<td>40,520</td>
<td>115,750</td>
</tr>
<tr>
<td>1979</td>
<td>156,800</td>
<td>281,051</td>
<td>595,500</td>
<td>21,200</td>
<td>35,100</td>
<td>33,006</td>
<td>407,700</td>
<td>33,006</td>
<td>114,056</td>
</tr>
<tr>
<td>1980</td>
<td>169,900</td>
<td>307,530</td>
<td>605,000</td>
<td>22,043</td>
<td>41,800</td>
<td>16,185</td>
<td>390,000</td>
<td>16,185</td>
<td>115,590</td>
</tr>
<tr>
<td>1981</td>
<td>175,000</td>
<td>337,686</td>
<td>619,600</td>
<td>-</td>
<td>46,100</td>
<td>17,649</td>
<td>375,900</td>
<td>17,649</td>
<td>113,549</td>
</tr>
<tr>
<td>1982</td>
<td>181,300</td>
<td>355,351</td>
<td>633,400</td>
<td>-</td>
<td>51,700</td>
<td>24,506</td>
<td>361,100</td>
<td>24,506</td>
<td>115,206</td>
</tr>
<tr>
<td>1983</td>
<td>182,800</td>
<td>368,290</td>
<td>645,900</td>
<td>-</td>
<td>54,200</td>
<td>27,713</td>
<td>347,100</td>
<td>27,713</td>
<td>112,000</td>
</tr>
<tr>
<td>1984</td>
<td>187,500</td>
<td>373,645</td>
<td>653,300</td>
<td>-</td>
<td>56,800</td>
<td>30,962</td>
<td>345,400</td>
<td>30,962</td>
<td>115,362</td>
</tr>
<tr>
<td>1985</td>
<td>188,600</td>
<td>406,714</td>
<td>665,100</td>
<td>-</td>
<td>59,000</td>
<td>53,643</td>
<td>332,100</td>
<td>53,643</td>
<td>125,143</td>
</tr>
</tbody>
</table>

1 Palm Oil 1970-78 refers to Risda block new planting Schemes only. From 1984 onwards RISDA schemes (ESPEK) have been included under estates.

2 Includes Oil Palm in FELCRA, State Schemes and Smallholdings.

Source: Rubber Statistics Handbook (various years) & Oil, Palm, Coconut, Tea and Cocoa Statistics (various years)

Though reports by the various planting interests and the labour ministry pointed to labour shortage in the east coast states of Terengganu and Kelantan, it was Pahang and Johor that were unanimously declared as the worst hit areas. The states of Pahang and Johor were incidentally the largest beneficiaries of land schemes and new plantations where the labour shortage problems were mainly identified. In terms of shortage of labour by crop type, the highest was in palm oil – nearly all newly developed land development areas were planted with oil palm. The key issue here was the imbalance in the rapidity of land expansion in proportion to the expansion in labour resources.

During the early period, the labour problem was much more serious in land development programs than in the private plantations. While the FMP (1981-85) acknowledged the ‘locational labour shortage’ in new development areas in Pahang, Johore, Terengganu and Kelantan (FMP, 1981: 82), the zeal for further

27 Labour shortage in new land development areas was mainly in Pahang Tenggara, Johor Tenggara, Terengganu Tengah and Kelantan Selatan.

28 Before the labour shortage was first announced by RRIM in 1978, the problem of un-utilized and under-utilized agricultural plots was already rampant in state projects. It was reported that ‘Pahang and Johor had the highest un-utilized agricultural land in 1976 which was 39,000 acres and 32,500 acres respectively’ (LMR,1983/84:33).
expansion of plantation land appeared insatiable. The State also ventured jointly with private capital to develop massive regional integrated plantations, mainly oil palm, and the outcome were programs such as DARA, KETENGAH and KEJORA apart from similar efforts in Kelantan Selatan. The total acreage envisaged by FMP was more than half a million hectares which translates to not less than 115,000 new labourers – an impossible and over ambitious target in terms of the local labour resources of the period.29

Thus, the relentless and almost uncoordinated 30 expansion of plantations by various agencies created a serious need for labour to sustain productivity in the mega-plantation ventures – a problem acknowledged since the Mid-term Review of Third Malaysia Plan (1979:86). The large and integrated state land development schemes were mainly developed in the cleared rain forest in the interiors where population density was low. This was mainly in the east coast of Peninsular along the Malay belt states of Kelantan, Terengganu, Pahang and South-eastern Johore. Labour from the surrounding areas was employed and the migrant labours and settlers were selected in accordance to the ‘restructuring’ policy of the state. When the demand for the targeted settlers could not be met, and retaining labour was difficult, the problem of ‘labour shortage’ became spatialised and ethnically specific – locational Malay labour/settlers shortage along the east coast states.

In fact, the rapid expansion of the land development projects had created ‘competition among the land schemes to attract settlers’ (Lim, 1981). The problem was compounded by voluntary outmigration, mainly from among the second generation settlers that effectively interrupted the natural labour supply, mainly in the state of Johor.31 It was also stated that the migration could be attributed to the land constraint as ‘land has limited absorption capacity’ (LMR, 1983/84:26). The state policies also encouraged and promoted Malay labour migration to urban areas which was part of the state strategy to create a new class of urban Malays. Now, both new and existing plantations suffered labour shortage while underutilisation of land and land abandonment in the state programs continued to increase.

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29 However, the actual expansion of state land during the Fourth Malaysia Plan was only 360,500 hectares of the targeted 429,700 hectares. The estimation of total labour required was made based on one worker for every four hectare
30 The lack of co-ordination and duplication was highlighted by a World Bank report, ‘Consideration for a national agricultural policy’ in 1983. This report was the catalyst for the introduction of National Agricultural policy (1984-2000). For the genesis of this policy see, Barrett (1993).
31 Largest international migration from Malaysia was to Singapore. It was estimated that 55,000 Malaysians were employed in Singapore in 1983 of which 10,000 to 12,000 commute daily (LMR, 1983/84:36). On a different note, a survey during the crisis period among FELDA settlers indicated that less than 2 per cent of settlers/workers in state schemes wanted their children in plantation (quoted in Lim, 1981: 11).
‘Unorganised’ smallholdings were also badly affected because of labour migration to state and federal land schemes that provided better incentives. By the late 1970s, the new land development programs by FELDA in Pahang and Johore were reported to be heavily dependent on the Indonesian labour, both in clearing the land and the subsequent employment in the plantations (Smith, 1981).

The alternative employment opportunities for Malay labourers should not be overstated. The ‘preference’ for foreign worker did not even spare the Malay workers in the state land schemes. For those who chose to remain working in plantation schemes as labourers, their presence was not welcomed. During field interviews in Ketengah land scheme, a plantation labourer said,

…the unfortunate thing is the fate of the locals who want to work or who are presently employed in the estate…the management does not want to accept any more workers from amongst the local people even though vacancies exist. Those locals who are working are always ‘pressed’ while working. The aim of the management is to make life for these workers unbearable so that they will leave on their own accord. (Zawawi, 2005)

Here the entrepreneurial function of the state is clearly evident. The explanation for this lies in the ‘logic of capitalist accumulation’ where the goal of ‘minimising costs and maximising productivity’ resulted in the natural choice of ‘docile and exploitable workforce’ (Zawawi, 2005:67). Here, the preference for foreign labour and the reluctance to retain existing labour within the context of labour shortage combined into a singular motive. The same process was happening in the private plantations where there was greater preference for foreign labour.

Such contexts reveal that the state was forced to consider the huge investment made on land settlement programs and its venture into new plantations in the wake of the labour scarcity. For instance, according to the Mid-term Review of the Fourth Malaysia Plan, 1981-85, it will cost RM51,000 to resettle a family in a land scheme. Considering such a huge investment, the labour shortage will not only cripple productivity and lead to further land underutilisation/abandonment but also negate its social and economic objectives of ‘restructuring’ society. The suggestions from various parties to overcome the labour shortage were mainly

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32 ‘Unorganised’ smallholdings, particularly the smaller ones were and still are the hotbed of poverty. The labour depletion in ‘unorganised’ smallholdings can be attributed to the movement to state land schemes. In a survey conducted in 1975 at seven FELDA schemes, it was found that 32 per cent were formerly estate workers and rubber smallholder (see Yamamoto, 1977: 213-24 and Yamamoto and MacAndrews, 1975, Zawawi, 2005:57). This can be expected to increase with the rapid expansion of the land schemes. In 1980 intra-rural migration accounted for 45 per cent of total internal migration in Peninsular Malaysia. The total urban-rural migration for the same year was only 18 per cent. Nonetheless, 16 per cent was recorded as rural to urban migrant. (DOS, 1980:77).
mid-term to long term solutions – labour saving technology, mechanisation, improving method with less labour in maintaining plantation, tapping/harvesting, initial processing and so on. The short-term measures undertaken were mainly the re-employment of retired labour, and employment of foreign undocumented labour. Thus the planters’ argument of legalising existing foreign labour and importing labour from neighbouring countries was seen as the only solution. Since the shortage in state land schemes was more serious and anticipated to increase tremendously with forthcoming new schemes, the state actually positioned itself without alternative to legalising existing undocumented labour and to employ more foreign labour.

Meanwhile, the change in the pace of legalising foreign labour employment and formalising existing foreign labour occurred with the change of the highest state leadership in July 1981. This was clear with the new premiership of Dr Mahathir Mohamed whose personal notions of development in relation to labour policies and trade unionism were apparent. Early on his appointment, the Labour Department report observed that ‘there were indications that labour and manpower issues would feature prominently under the new administration’ (1980:ix). This was not entirely a surprise as Dr Mahathir had been involved in the foreign labour negotiations and his views were known. In 1980 as the Deputy Prime Minister, Dr Mahathir visited Indonesia for discussion on importing workers to Malaysia. As such, he was aware of the labour shortage problem and the bilateral processes involved in importing foreign labour.

Dr Mahathirs’s strong views on labour policies and trade unionism were expressed without reservation in the keynote address at the Asean Labour Ministers’ Conference, soon after assuming the premiership, where he strongly criticised ‘western’ notions of trade unionism. He made his convictions clear that ‘the narrow localised short term view limited to a particular trade and old doctrinaire approaches of union-management rights and prerogatives have no place in this decade’ (LMR, 1980:13). Among others, the message was clear to NUPW for its strong objection on employment of foreign labour in the plantation. The labour minister also similarly echoed and called for ‘indigenous approaches’ by ‘Aseanisation of labour laws and practices’. The new mantra for the period was ‘productivity’ and the dreaded enemy was encapsulated as ‘protectionism’. The list of ‘protectionism’ also included transnational labour solidarity, foreign funding of

33 Solving labour shortage through mechanization and technological improvements was widely proposed by planters as the only viable solution. However, until the foreign labour formalized in 1984, no practical industrial scale invention was forthcoming. In the rubber industry, RRIM as the agency responsible introduced mechanized tapping tool, introduced automise latex collection, motorized sprayer unit and so on.
unions and ‘attempts to link labour standards with trade’ (LMR, 1980:22) (my emphasis).

The shift in the policy towards employing foreign labour also began to take concrete and definite form at the regional level. Regional cooperation on labour and employment of the preceding years was deployed as the new platform for foreign labour especially from Indonesia and later other ASEAN countries. Modelled along the ‘Conference of Asian and Pacific Labour Ministries (CAPLAM), the regional version comprising ASEAN member countries was formed and functioned as ‘ASEAN Labour Ministries’ meetings. The first meeting held in Jakarta in 1975 paved the way for the ‘First ASEAN Labour Ministers’ meeting in the same year. Subsequently, the ‘Second Meeting of ASEAN Labour Ministers’ was convened in 1977 and the ‘Third ASEAN Labour Ministers’ Meeting’ in 1980. By this time, the meetings also functioned as a platform for extensive discussions on regional cooperation on labour matters. In the Malaysian case, the cooperation with Indonesia on labour resource took concrete form in the follow-up discussions from these meetings. However, the first official employment of Indonesian labour in the plantations was to happen only in 1984.

During the years since the labour shortage was announced, the government maintained a conservative position on the need for foreign labour. However, with the new leadership, this was to change. The regional platforms and the subsequent bilateral negotiations was a time consuming exercise – a fact that the industry lamented and desisted. Nevertheless, with the strong leadership, certain exceptional measures were considered and some were undertaken. The most important development was the decision by the government to ‘exempt’ work permit for manual foreign workers in plantations (and construction) effective from 17 March 1983 (LMR, 1985/86:101). Very little is known about this exemption policy and the agency that sanctioned the approval. The idea itself – ‘legalising’ existing foreign workers in the plantations – found strong resonance with the proposals by the planters’ organisations. The ‘exemption’ actually contravened the Employment (Restriction) Act, 1968 which clearly required all non-citizens to acquire work permit from the Labour Department. However, the Act was later amended and known as Employment (Restriction) (Exemption) (Amendments) Order, 1984. Meanwhile, the status of all the interim ‘exemption’ may violate the statutory requirements, a risk the state had voluntarily undertaken.

The pressing situation in the state owned plantations compounded by the pressure from the planters association in private plantations forced the government to seriously consider the foreign labour option. The demands from the planters were soon to materialise when the government complied with the proposal of the planters’ which was also in the direct interest of the state. In May 1984, Malaysia
and Indonesia signed an agreement, dubbed the ‘Medan Agreement’ for ‘orderly recruitment of Indonesian immigrant labour’ in which six categories of employment were identified with plantations as one of the key categories. Initially, 100 workers were employed under this arrangement at an oil palm plantation in Sabak Bernam and by the end of 1985, the number increased to 1,000. At the time of the Medan Agreement, there were already 130,000 Indonesians working in Malaysia according to the Indonesian Manpower Minister (LMR, 1983/84:35). The Indonesian labourers were concentrated mainly in the plantation and construction industries.\textsuperscript{34}

The Medan Agreement marked a new era in the modern labour history of Malaysia. The official acceptance of foreign labour – though for several more years, the actual numbers remained insignificant and intermitted with suspension of foreign labour during recessions \textsuperscript{35} – managed to break the psychological and administrative barrier. Meanwhile, parallel to official employment, undocumented Indonesian labour continued to flock in much larger numbers. The formalisation had unofficially ‘sanctioned’ the inflow of Indonesian undocumented labour. The foreign workers eventually became a permanent feature in plantations in Malaysia though initially employed as a short term measure. Nevertheless, high turn-over in plantations continued to irk the industry. Soon, diversification of foreign labour was done by recruiting workers under similar agreement with Bangladesh and Thailand. In 1986, 500 Bangladeshi workers were brought in to work in the plantations (Rudnick, 2009:59). Later, labour from various countries were recruited for plantation work (see Table 6.9). To date, Indonesian labour remains the largest category in plantations followed by Bangladeshi labour.

Table 6.9  Registered Foreign Workers in Plantations by Citizenship, 2010

<table>
<thead>
<tr>
<th>Citizenship</th>
<th>Plantation</th>
<th>All Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>202,156</td>
<td>917,932</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>30,599</td>
<td>307,366</td>
</tr>
<tr>
<td>Nepal</td>
<td>1,621</td>
<td>175,810</td>
</tr>
<tr>
<td>Myanmar</td>
<td>2,211</td>
<td>140,260</td>
</tr>
<tr>
<td>India</td>
<td>16,675</td>
<td>113,797</td>
</tr>
<tr>
<td>Philippine</td>
<td>1,489</td>
<td>18,640</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1,244</td>
<td>22,989</td>
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</tbody>
</table>

\textsuperscript{34} According to a survey undertaken by the Research and Planning Division, Ministry of Labour, 54.8 per cent of establishments surveyed employed foreign workers, mainly Indonesian who were paid lower than locals.

\textsuperscript{35} The planters’ fixation for foreign workers in the context of national interest can be observed in their insistence for foreign labour even during recession while the government decided to deport foreign workers and provide employment opportunities to unemployed citizens. For instance, see UPAM’s insistence on foreign labour in their annual report (UPAM, 1986:6).
Conclusion

The practice of employing precarious foreign labour is part of the plantation system since the Indian plantation labour was first brought in. The issue of employing foreign ‘contract labour’ since the 1960s was part of this system. Later it was these same group of foreign contract labour that was initially formalized before venturing to other impoverished region. The discussion above demonstrates the shift of preference among plantation capital to employ cheap foreign labour from poorer countries. We showed the role of the planters in wanting foreign labour and how the state had to eventually resolve to employ foreign labour in plantations. We also showed that the total plantation labour was stable throughout the 1970s. Though outmigration of Chinese labourers was high, this was comfortably eased by higher in flow of Indian labour to plantation industry. The return to plantation of earlier displaced workers eased the labour shortage caused by the Chinese labourers.

Initially, the labour shortage in private plantations was confined to certain areas only which was thought could be solved by routing excess labour to shortage areas. However, this was not agreed by the planters that insisted only foreign labour could solve the labour deficit in plantations. The debate between the planters and the Union was against the backdrop of the changing role of the state. The massive state initiated land development schemes which were part of the social and economic restructuring policies began to encounter serious labour shortage. The scale of the land development investments was so huge that it became unsustainable in terms of labour resources. At the same time, the state also began to acquire large foreign plantation conglomerates and eventually became the largest plantation owner in the world. Thus, the state’s decision to formalise foreign labour in plantations had affected the composition of local labour and eventually accelerated the pace of local labour migration. The empirical evidence of this process at agency level is discussed in Chapter Seven.

<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
<th>Total Labour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>137</td>
<td>12,091</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>128</td>
<td>3,414</td>
</tr>
<tr>
<td>Thailand</td>
<td>57</td>
<td>7,102</td>
</tr>
<tr>
<td>China</td>
<td>36</td>
<td>8,894</td>
</tr>
<tr>
<td>Vietnam</td>
<td>28</td>
<td>74,842</td>
</tr>
<tr>
<td>Laos</td>
<td>1</td>
<td>57</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Annual Report of the Immigration Department, 2010
The role of planters associations as the main architect during this crisis period was remarkable. First, they managed to persuade and convince the government and others on the need of foreign workers in the Peninsular. The need was strategically packaged as ‘short-term’ measure, knowing well the resistance if presented as long-term solution and this proved to be the right strategy. The immense need for labour in state land development schemes in Pahang and Johor emerged mainly because the new schemes were expanding much faster than the available labour resources – this condition was presented as ‘labour shortage’ and represented as common to the entire plantation industry. The issue of ‘locational’ labour shortage in private plantation was cleverly shelved.

Second, the planters’ successfully shifted the attention from the burning issues raised by various parties on the poor wages and amenities as a major reason of labour migration from private plantations. This was achieved by mischievously citing and comparing cases of labour shortage in the state land development schemes where wages and amenities were relatively better but located in remote areas with much less supporting infrastructure. The state schemes offer land between 8 to 12 hectares, or if in joint venture with private plantations, house ownership was offered as incentive. This was part of the ‘restructuring’ policy under rural development programs to help the poor and mainly landless Malays.

The planters manipulated the severe lack of labour in these state schemes and argued against the critics of deplorable wages and living conditions in private plantations. Effectively, the planters also dismissed the arguments on how to retain the remaining local labour. Thus, the planters came out with arguments that ‘estates with good and up-to-date housing and social amenities are among those faced with acute shortage’ (Boon, 1981:1) and ‘workers fail to turn up for work on 12% of the days upon which it is offered which would appear to indicate that earnings are not a major factor in the drift from estate employment’ (Harness, 1981:2). These arguments were successful in diverting attention and silence the critics from the issue of retaining local labour and improving the wages and conditions in many of the private plantations.

The state, which had direct interest in the land development schemes, concurred with the planters’ proposal to solve the acute labour shortage problem. Thus, the rationale of formal foreign workers as a solution was accepted as the common

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36 Though wages are bound by MAPA-NUPW Collective Agreement, FELDA was reported ‘to pay 7-10 per cent annual wage increases over the past few years’ in order to attract and retain labour (Smith, 1981:83). Parallel effort or proposal from private plantations was not known. It should be noted that the MAPA-NUPW Collective Agreement during the crisis period was signed on 1st October 1979 and will be in force for three years before being reviewed. It’s common for planters to cite this reason for not raising the wage despite need for labour.
answer for the shortage problem in both the private plantation as well as in the state development programs. With the coming of foreign labour in the private plantations, a different process at the agency level contributed to hasten the outmigration of the remaining local labour and led to the lasting dependence on foreign labour in the plantation.

Critics had recognised the contradiction of employing foreign labour in plantations (and construction) with the larger national objectives. The cheap foreign labour in plantations (and construction) was said to be opposed to the rural poverty development program of the NEP (Mehmet 1988:26, Pillai 1992:18). It was also highlighted that the foreign labour policy contradicts the NEP’s restructuring of the economy and labour market (Pillai, 1992:19). The criticisms were aimed at the second objective of the two-pronged NEP’s objective – ‘restructuring society to eliminate the identification of race with economic function’. In our view, a more viable immediate solution of the labour shortage of the period should have been the recruitments of the poor non-Malay citizens to the new land schemes. This will not contradict the NEP as the first objective was ‘eradication of poverty irrespective of race’. It would have forced a more competitive wage and living conditions in the private plantations and reduced the rural-urban migration and promoted poor non-Malays from urban/rural areas to move to rural land schemes.
Organization of Exit:
The Differentiated Approach of Migration

‘We were told that a factory in Bangi was employing workers. The salary was high. The company provided transport. A number of us joined the company. Later more people from the estate joined the factory. Two years later, when a new housing area was opened at Sungai Chua, many people from the estate booked houses there. We too booked a house. The bank loan was a joint loan under my name and my sister’s name. When the house was completed, my father and mother were still working in the estate. By then the news that the estate would soon be closing down was already going around for several years. My parents waited to get compensation. When the estate eventually closed, we all moved to the new house. Some families from our plantation are living in this housing estate. Some other families moved to Seri Kembangan and Balakong but there were some families, whose whereabouts are not known to us’.

*Kamala (58), a former plantation resident*

I left plantation work when my uncle invited me to be a lorry attendant in a company he joined as a driver after leaving the plantation. I worked together with him for many years. We stayed in the estate though. When the estate was sold for development, my parents were offered a low cost house. The loan for the house was under a joint name with my parents. My siblings were not working then. So we had to move to this flat. My grandparents had to move in with us to this little flat as they had nowhere to go. It’s difficult to have all in this flat. My father is an acute diabetic now and he cannot work. My mother’s work is irregular. Nowadays, even my uncle is not helping us anymore. Our life is very difficult. Many estate families are staying in this low cost complex but I do not know much about families who moved to other areas.

*Mahendran (45) a former plantation resident*

7.1 Introduction

Migration is known to be a strongly patterned process because of the structural constraints on the migrant.¹ In the previous chapters we discussed about the structural aspects that conditioned the work and living order in plantations. We described the sweeping structural transformation affecting the labour families that have been living and toiling for generations in the plantations. The subdivision of plantations, the change of crops from rubber to oil palm, work permit laws and the formalisation of the foreign labour were some of the main transformations in the plantation industry since independence.

¹ For instance, Castles, Haas and Miller sums up that migrants are ‘constrained by structural factors such as social stratification, market access, power inequalities as well as cultural repertoires affecting their preferences’ (2014: 31).
These were the main structural developments in the plantation industry that gave rise and shaped the idea of risky plantation work and living. The notion of risky plantation work and living was relevant to every generation of plantation residents since the 1970s, as mass retrenchments caused by plantation closure continued to sporadically occur in plantations before it accelerated in the 1990s and renewed the notion of risk plantation work and living to every generation of the labour families since. The development of the older notion that the plantation was akin to their native village was gradually transformed, and now plantations were conceived by the plantation families as ‘transient settlement’ – a settlement they had to eventually vacate.

The mass retrenchments and outmigration given in figures only tells part of the story – the magnitude, the pervasiveness and the intensity of the problem. The human component in terms of living experience of the events is entirely a different dimension. This chapter captures the process of outmigration from the viewpoint and approach undertaken by the plantation families. The focus is on how the plantation families experienced and responded to the reality of mass retrenchments and braced the outmigration. We argue that the actual ‘organization of exit’ at micro familial level is determined by various factors, and at the center of it is the family unit that makes the critical decisions within the constrained choices – the outcome of which we refer to as ‘differentiated forms of outmigration’. The process, we argue, cannot be understood as individuals moving-out of plantations to fulfil their pursuits but by positioning the migrant individuals with the family structure, and how the individuals actually functioning as part of the family efforts to mitigate the risk of plantation work and living.

Having been working and living in plantations for several generations, the decision to move-out was not easy for the families. Employment and living arrangements in post-plantation contexts need to be planned. For the generation that survived the 1960s in plantation, the hardship and pain endured by many thousands of displaced fellow labour families upon forced retrenchments were still fresh in their memories. The narratives of families being homeless and jobless and having to ‘illegally’ erect temporary thatched roofs during the monsoon season along the railways tracks or in ‘squatter’ areas were abundant. These forms of narratives never ‘die’ and recurred periodically with every generation of plantation families until recent times. Recent horrifying experiences shared by some unfortunate migrant families, or conveyed by others, effectively kept alive the risk narratives. In fact, some of the families were indeed retrenched and evicted in the late 1960s and they were left without proper shelter and employment before they returned to plantations in the early 1970s. Through all these, the notion of risk was perpetually renewed and kept alive in each subsequent generation. These types of narratives captivated the imagination.
of plantation families though the actual scale and types of hardships differed with every generation.

Being aware of the risk and struggles within the constraints of their reality, the plantation families were forced to mitigate the risk by planning their outmigration from plantations. Effectively, the lives of the resident plantation families were positioned against two poles – the risky plantation work and living on the one end and the risk of premature migration on the post-plantation work and living, on the other. The vicious dilemma stems from the fact that plantations are not secure for their families and at the same time, to simply vacate the plantation was equally risky, if not possible. This is what we mean by human agency functioning within the given ‘constraints’. This chapter deals with the struggles, the approaches and the rationalisation of the labour families in planning their exit. The term ‘organisation of exit’ is used to describe the process involved in the moving-out at the micro familial level. The outcome of this process was the differentiated forms of outmigration among the plantations families.

What is the risk of plantation work and living? How was the process of moving-out of plantations organized by the two categories of families – intergenerational mobility category and social reproduction category – to mitigate the risk of plantation work and living? How do we explain the differentiated patterns of migration among the plantation dwellers? These will be the main questions the chapter will seek to address. We will pursue the questions thematically rather than in the order presented above.

7.2 Outline of the Approach

We define the working concept of migration as follows: migration is as an act of uprooting oneself / family member(s) or the entire family out of the plantation with the primary goal of seeking employment in non-plantation sectors, followed by immediate or belated exit from the plantation quarters – depending on whether it is voluntary or exit by eviction notice. It begins as complete detachment from the plantation unit of production as a check-roll labour but not necessarily immediate detachment from the plantation as a settlement unit. Here, we have broadened the definition of migration to the specific contexts of plantations by including the ‘commuting’ workers employed in non-plantation sectors but living in plantation quarters and the spouses of the labourers who work and reside outside the plantation (‘partial’ migrant) as ‘migrants’ as well. The operational definition

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2 We have good cases of elderly former plantation workers who have left the plantation to nearby residential areas, but later continue to commute to plantation for work. Here, the interest is to maintain economic independence but they disagree at the prospect of their children be employed in the plantation.
provides space to capture the process of labour families moving-out from a plantation and shows that differentiated forms of moving-out was undertaken by the families.

We use the term ‘organisation of exit’ to refer to all that are comprised in the action of migration at family/household level. Specifically, it refers to the entire planning and actions involved in pre and post action of moving-out from the plantation, that includes investigating and assessing prospects, establishing or renewing ties with the migration network, designing the type of exit, and finally, anchoring in the destination choice. The decision, on where to settle down next, and whether or not to move to other plantations or to venture into non-plantation sectors is part of the organization of exit – assessing between risking for better life in non-plantation sectors or simply securing status quo in other plantations. Equally important in the organization of exit is how the ‘timing’ of exit is determined or finally negotiated, both in voluntary and forced exit, for optimal benefit and compensation. For the purpose of this study, we exclude discussion on employment and settlement in the post-plantation period.\(^3\) We discuss the familial process of moving-out from the plantations. It should be noted that migration in this study is restricted to internal migration with the plantation as the point of origin.

We will focus on the final migration undertaken by the plantation family member/s either by quitting plantation production and joining new labour market while remaining (or moved-out) in the plantation settlements, or when the family move-out altogether from the plantation to new destinations. These movements signal a decision to be employed elsewhere and to move-out of the plantation. The plantation labourers may have to move-out earlier for employment and/or living before returning again but they are not classified as migrants except to indicate prior experience of employment and/or of living outside the plantation. Eight of the families were retrenched and had to move-out of plantation in the late 1960s but they returned to plantation work and living in the early 1970s. Since, they have been in plantation until the final migration. Except for the fact that they were out of plantation for years, there was no other marked difference when compared to other plantation families.

The exit from plantation often cited as part of familial planning that ideally expects the migrant member/s to eventually secure housing and shift the remaining family members from the plantation – in reality the cases were small. In fact, the destination choice was most commonly a collective one where some other families also migrated (or when they were offered low cost housing). In the course of the decision making, the choice to remain and continue plantation work is also part of

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\(^3\) The original project was to divide the study into two phases, namely pre and post plantation. See footnote one of this chapter.
the familial planning. It is this complex decision making that we refer as ‘organization of exit’.

The final migration from plantations can arise from two situations, the member/s of the family voluntarily move-out or they were issued with a termination notice. Voluntarily moving out normally involves member/s of a family with the rest remaining in plantation work and settlements. Forced migration, as discussed in Chapter 8, can be caused by several reasons. The plantation may exercise labour shedding for a specific reason or the entire plantation closes operation all together.

In the former when part of the labour force was expelled, the total families in the plantation were known to exercise some solidarity where those who were in real need to remain in a plantation were given priority. The communal system in plantation expects the relatively better-off families to move-out first. However, when the entire workforce was retrenched, all workers and their families were required to move-out from the plantation. In this instance, the plantation owners will issue retrenchment notices and eventually terminate all the facilities including housing and utilities.

The organization of exit is incomplete without analysing the function of social capital. The social capital functions as the bridge connecting plantation families to post-plantation employments or settlements. Here, we contend that in most cases the migration was facilitated by a distinct form of ‘collective’ communal social capital (as opposed to family/ household social capital). The communal social capital functions in important ways to provide resources on employment opportunities and in identifying post-migration settlement. However, the communal resources by no means were singular. In the same plantation, diverse employment arrangements or post-plantation settlements can be observed in the same period. Given the importance of the communal resources, we elaborate it further in subsection 7.4.

7.2.1 Note on Data and Classification

The plantation families, we argue, are not an economically homogenous category. Upon closer observation, the plantations clearly show economically stratified categories albeit in different sizes. The economic disparities, particularly that on the eve of migration, were rooted in the families household income, sourced both from within the plantation and from repatriation. The rise of these two categories in terms of disparities can be narrowed to the income sources in plantations that include the in-flow of non-plantation income to plantation household income through remittance. The source of the disparity within plantation is closely related to employment types of spouses and the different skills acquired within the plantations either formally or self-trained. These disparities actually made some
plantation workers better endowed and more equipped to migrate and undertake employment in non-plantation sectors than others. The two economically opposite categories, for convenience sake, we shall refer them as ‘the social reproduction category’ and ‘the intergenerational mobility category’. It can be observed that most of the social reproduction category are from plantations families with low household income whereas most of the intergenerational category are from families with higher household income (see Table 7.1).

Which category one belongs to is based on the occupational class of the second generation plantation origin. The categorisation was made from data gathered from plantation families from selected graduates from selected public universities and their peers from the former plantation currently in manual employment. This chapter is based on the in-depth interviews with a total of 144 families that comprised 116 families with ‘intergenerational mobility’ children and another 28 from ‘social reproduction’ families. The respondents are the father or mother of two categories of children (the graduates). Each respondent is a migrant and represents a family and they can be distinguished by gender, voluntary or forced migration, period of migration, their first post-plantation destination and post-plantation employment. To determine the occupation class of the second generation, we employed Casmin Schema to assign their occupation class. The individuals from the intergenerational category are currently employed in Class I and II and the social reproduction category individuals are currently employed in Class VI1a. The selection criteria of the two migrant families and the details of the Casmin Schema are provided in Chapter Two.

The root of economic disparity in plantations is the differentiated household income. This fact was gathered from the descriptive information from respondents. However, the plantation household income in exact figures is difficult to be inquired retrospectively from the former plantation families. The more reliable method is to find out the amount of savings they had on the eve of migration. Despite some limitations, the assumption adopted here is savings is proportionate to income. The amount of savings was captured by asking how much money the nuclear family had to purchase a low cost house (for singles and married). The savings amount excluded the termination benefits and ex-gratia payments (or other

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4 The data was originally collected by having two categories of families, namely, the intergenerational category and the social reproduction category with the idea of studying social mobility process of the plantation families. However, we later limit the study to ‘plantation period ‘outmigration and the post-plantation phase was deferred to later time. This is why the two categories persisted, particularly in this chapter.

5 We also immensely benefited from a series of in-depth interviews with the plantation fraternity – workers and staff union leaders, former planters and estate managers. The information from the plantation fraternity gave us insight that otherwise impossible to obtain.
monetary compensations upon retrenchment). Savings were only from their family income. A low cost house is a subsidized housing with the price determined by the state for low income categories.\(^6\) The price of the low cost housing was RM25,000 before it was raised to RM35,000 and subsequently to RM42,000. As the purpose here is to determine the amount of household savings, the families need not have necessarily purchased a low cost house but it was sufficient for them to inform how prepared they were in terms of savings to purchase a low cost unit. The savings were normally the sum total of two or more family members.

Table 7.1 Estimation of Household Savings to Purchase a Low Cost House

<table>
<thead>
<tr>
<th>Categories</th>
<th>Very Low</th>
<th>Low</th>
<th>Low Medium</th>
<th>Medium</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt; 10%</td>
<td>10%</td>
<td>30% - 50%</td>
<td>50% - 70%</td>
<td>70% - 100%</td>
</tr>
<tr>
<td>% Social Reproduction Category (N 28)</td>
<td>5 18%</td>
<td>9 32%</td>
<td>11 39%</td>
<td>3 11%</td>
<td>-</td>
</tr>
<tr>
<td>% Intergenerational Mobility Category (N 116)</td>
<td>- -</td>
<td>16 14%</td>
<td>57 49%</td>
<td>27 23%</td>
<td>16 14%</td>
</tr>
</tbody>
</table>

Source: Fieldwork

From the above Table, it can be seen that families of the two categories are clearly differentiated at the two ends of the household savings. The ‘very low’ and ‘high’ category can be distinguished along social mobility divisions. The category of financially more resourceful and skilled comprised a small but visible section in the plantation strata where most of the intergenerational mobility category arises from. The majority of plantation families from the both the category had savings in ‘low medium’ category i.e. between 30 to 50 per cent of the price of the low cost units. The social reproduction category comprised those who now assumed the same occupation class as their plantation labour parents. The latter is a visible and quite sizeable category in families with fewer savings among the plantation families. It should be reminded that the savings indicate the total financial resources of the entire household and not that of the individual labourer. As discussed below, in

\(^6\) Though policies for low cost housing have a long history, the serious efforts can only be seen since the Fourth Malaysian Plan (1981-85) that required private developers to build at least 30% of their housing project with low cost houses and the price was set to be not more than RM25,000. About 96,000 units were built. In 1998, prices for low cost houses were determined by ‘location and type’ and prices ranged between RM25,000 to RM42,000. In the 1980s, the number of plantation workers who actually obtained the subsidized housing is not known. However, the price set by the government is known. Before that, the idea of subsidised housing for plantation workers was not given importance.
many instances, the total household includes dependents mainly children and retired parents (and their savings) and the inevitable need for additional unit for rental (or purchase) was common. In other words, the small houses offered by the plantation for check-roll labour families may not be enough for families with large dependents. Anyway, for the purpose of the present work, we investigated whether disparity between the families influenced the outmigration pattern and the settlement of the migrant families.

7.3 The Risk of Plantation Work and Living

It is very unusual for the present and former plantation residents to say that they moved-out from plantation because of the risks involved in plantation work and living. The idea of this ‘overarching risk’ is hidden beneath all the other reasons that are commonly cited by respondents as motives for moving-out from plantations. The reasons given normally will be the immediate reasons or the pressing reasons for them to move-out. This was not only our own experience but by looking back at the various surveys conducted by state agencies, plantation fraternities and by other scholars on plantation migration, we observed almost similar list of motives for migration were cited by plantation migrants. However, in the course of the semi-structured interviews, it was very common for respondents to say ‘what else to do’, ‘anyway we need to move-out some day’, ‘we cannot depend on plantation work’, ‘we cannot depend on plantation housing’ so on and so forth. It is from this seemingly unspecified reference to plantation work and living that the notion of risk was uncovered. It will not be found within the main reasons listed on the structured part of the interview questions.

However, once we were able to constitute this notion and return with more specific questions designed to capture the notion, we were able to conceptualise the notion of risk of plantation work and living more clearly. We noticed that by posing certain ‘unrelated’ questions, we were able to capture the notion of risk of plantation work and living. For example, we queried, ‘are you willing to retire and live in plantation with your families?’ ‘if plantation management is willing to give much higher wages and better living facilities, will you stay back?’, ‘this plantation is where your families have been living, why should you migrate?’ and so on. The answers for these types of questions prompted the respondents to discuss the notions of risk associated with plantation work and living.

The answers from the respondents normally revolved around the fact that plantations can cease operation anytime and that will force them to vacate the plantation. On the whole, the respondents expressed that notion that the plantation is merely a temporary settlement and eventually they need to move-out. This led to the question why the earlier generation of plantation labourers did not move-out of
the plantations during their lifetime? We deduced that the plantation was seen at that material time as a sort of permanent settlement – we termed it as an idea of ‘villageship’ (see Chapter Three). The notion of villageship among plantation labour families finds strong resonance in the Union documents albeit as dangerous a notion conceived by plantation labour communities. The Union, since the mid-1950s was aware that plantation communities harboured a wrong notion on the ‘workplace’ as their village. The notion of villageship gradually developed with the rise of settled labour community since the 1920s. With locally born and raised children, the organic community was established. The idea that the plantation is where they belong became deeply ingrained. However, events of disruptions since the mid-1960s strongly shook this idea and it eventually transformed into the notion of a ‘transient settlement’. Every generation had since been witnessing closure of plantations and mass retrenchments, and the idea of ‘transient settlement’ was renewed.

However, the idea of the risk does not mean that the plantation families haphazardly left the plantations. The families planned their exit in a safe manner possible to minimise the social and economic cost of migration. In fact, families that experienced eviction (during subdivision of plantations) earlier, re-organise themselves along with other plantation families in planning a safe exit from plantation. The risk of plantation work and living is mitigated with certain modes of planning that we refer as ‘organization of exit’. The outcome is a differentiated approach to migration. While the planning and approach to migration is carefully undertaken, the results of the organization of exit on employment and settlement in the new destination – the post-plantation phase – is conditioned and subjected to other forces.\(^7\)

7.4 The Family and the ‘Organization of Exit’

Earlier, we have mentioned that migration from plantation cannot be merely viewed as an individual act of pursuing in a non-plantation economy (or housing settlement). An approach focussing on the individual will reduce the whole complex process of outmigration as utility seeking behaviour of the individual. And migration will be reduced to the ‘push and pull’ factors – push in the origin and pull factors from the destination. It will demonstrate that migration is caused by differential distribution of income and other opportunities between the origin and the destination. The individual migration will appear as disconnected with the remaining family members left behind and their impending retrenchments. However, by positioning the individual migrant(s) within the family and viewing

\(^7\) This study only focuses on the plantation phase where the focus is on the organization of exit until the labour families moved-out of a plantation. The post-plantation work and living is not included.
the family as the catalyst of migration, a whole new picture of migration will appear.

The plantation family is confronted by the risk of plantation work and living. The reality that the whole family can be evicted from the plantation abruptly, and will be jobless and homeless, is a prospect for every plantation family. To mitigate the risk of plantation work and living, the families were forced to resort to the safest way possible from the plantation – the organization of exit. Though the risk of plantation work and living is the catalyst of migration, by itself the risk cannot explain the differentiated ‘approaches’ to migration employed by the labour families – a subject we will deal in detail later. However, by employing the family as the base of migration, it provides a clear picture why some members in the family migrate while others remain in plantations, why some wait until the final retrenchments to move-out while others move-out before the plantation ceases operation, and why some others defy the eviction notice and continue to reside in plantation. We argue that all these diverse and differentiated approach is part and parcel of the ‘organisation of exit’ by the plantation families with the sole objective to mitigate the risk of plantation work and living. The success of this endeavour, however, is a different matter.

It should be reminded that the family is not an independent unit in performing migration. The function of community resources is normally evident in the first employment and the first settlement, where migrants from plantations can be observed to be concentrated in the same employment or staying in the same area in the post-plantation period. The plantation family is positioned vis a vis the vast development around them and the community resources bridged and connects the agency to the structures through migration of a family member. Viewing from a different angle, the urban labour market has clear requirements for the unskilled and semi-skilled (young and female in some employments such as manufacturing). The community resources in the plantation bridge the young migrant to the employer and the family decides which young member should migrate.

How are decisions to migrate made? And more importantly, how is the decision on who should migrate made? At the micro familial level, normally the decisions to migrate have a large component of collective consensus and responsibilities among major family members though individual role as initiator and prime decider are not uncommon. However, the decision making process within the family should not be construed as consensus reached in collective ways. More often than not, this is not the case.8

8 Massey observed similar practice where he stated that by, ‘Adopting household as the appropriate unit of analysis does not mean that families necessarily discuss options democratically and reach a consensus decision. Indeed, the decisions very often are authoritarian and patriarchal in nature, and
Nevertheless, the involvement of larger social units with the nuclear family in migration process is truly widespread with no exception except that the degree of involvements may vary. A similar decision making can be viewed in the choice of marriage. It has been observed around the period of rapid migration commencement how decisions are made in the selection of life partners in the plantation,

A partner may be chosen with parental approval or a marriage is arranged with the young person’s approval. There is, in fact, a continuum between these two perceived categories. At the one end, parents may have a lot of control and the children merely agree to the parents’ suggestions. At the other end, parents may merely agree to their children’s decision. It is difficult to disentangle and decide who actually makes the decision (Tan et. al, 1988:22).

On the offset, it should be reminded that our focus in this chapter will not be on the decision making process. The limited purpose in this chapter is to show the complexity within the plantation families in performing migration. The complexity is shown through the differentiated approaches. As such, the focus is on the types of decisions made by the families and the reasoning behind it (according to the families), that forms a part of the family’s organization of exit. The analysis is on the rational of decisions according to the families for undertaking a specific type of migration.

### 7.4.1 The Family Types and Categories

The family is the smallest unit of a social group and as in many aspects of social and economic life, it plays an important role in the migration of the plantation community. The family in plantation can be broadly analysed from two positions, namely as an economic category and as a social category. The family as an economic category is based on the plantation production unit where it is normally comprised of a nuclear family with unmarried children. Plantation management provides housing on the basis of the production unit – once married the new family can request for separate quarters. The plantation family also exists as a social unit, complete with kinship systems and social ties. The clusters of nuclear families, mostly within the same plantation/ division (or close by plantations) comprised extended family not confined to household units. The nuclear family become household when the elders (mostly father or mother, or both) stays together with the nuclear family after retirement.

Within the context of plantation families mentioned above, it will be useful to discuss migration among the plantation families as ‘singles’ and ‘married’ for

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as a general rule it is the kinship system that determines which family member will migrate on the basis of age, birth order, and gender, as well as individual skills and attributes’ (Massey, 1998:176).
analytical purpose. Singles and married exist in all families in plantation production units. This will provide micro perspectives of the family unit and better explain the relationship between life-cycle and migration behaviour. The singles and the married were part of the production and social units, and their organization of exit cannot be detached from the collective planning by the family (both nuclear and extended). At the micro level, the married category represents a broad familial reference. It ranges from those newly married, that normally continue to be dependent economically and socially with his/her immediate family, to those with grown up and married children of their own, and all in between.

The bridging factor for the singles and married categories in migration undertaking is a collective family participation. The dynamics of the family participation will be missed if the focus is placed on the individual members who moved out of plantation. By dividing the categories as singles and married, we can observe certain clear and concrete migration behaviours. The singles are the biggest category of migrants on both sexes in terms of moving out completely or by commuting from plantation to urban employment (see Table 7.5). The married, displays a similar pattern especially with the younger members and they need to take into consideration other aspects of familial needs including child care.

The different approaches of migration are also conditioned by plantation practices on workers housing. Labour quarters were given for those employed in the various sections of the plantation. As mentioned above, the quarters are given on the basis of a nuclear family that forms a single unit of production. This also means that employments are tied with the housing facilities. In practice, most plantations required at least one member of the nuclear family to be employed by the plantation to be entitled for the plantation housing. The condition of labour shortage to a certain extent favoured plantation families. Being aware of the condition for housing provision, the plantation families were bound to plan migration with this precondition. It plays an important role as reflected in the migration behaviour of plantation families. This partly explains the differentiation and why exit from a plantation is a process of gradual exit from among many of the families.

At micro family structural level, variables such as age and sex are important factors in determining migration prospect of a potential family member. Migration among younger plantation labourers is prevalent, especially in voluntary migration and older labourers in non-voluntary migration. Family with toddlers and school going children have different propensities than families with adult children. Likewise, young married couples are different from older married couples in their motivation to migrate. And productive singles are often the preferred candidates for migration in families with grown up children and the identified candidates often possess
better human capital and motivations. Apart from the family structures and life cycle, other specific micro factors are also observed among some families that inhibit or encourage certain types of migration – for instance their specific financial conditions, the strength of their networks, health factors, extended families within plantation, their social position in plantation and so on.

We have not segregated eight families that were retrenched and evicted from plantations in the late 1960s but later returned to plantation work and living. In terms of organization of exit, the families did not exhibit any striking difference from the families remained in plantations. The families, like other families generally have their children generation employed in urban sector while the older ones work in plantation. What is interesting though is to note that the families find plantation work and living as relatively secured compared to uncertain employment and housing in non-plantation settlement after they were abruptly evicted. Being aware of the risk of plantation work and living, they like other plantation families, organise a safer exit from the plantation.

### 7.4.2 Family: Mediating Structure and Agency

The intersection of structural factors to familial migration decisions can be observed in the organisation of exit when viewed over a period of time. Here, the options and the constraints confronted by the families in the organization of exit are subjected to the specific developments of the period. In other words, the focus on migration from the plantations in the post-1970s period should include the vast developments of the period and its impact on a particular plantation at a particular period. Three major and rapid developments closely related to the plantation families were urbanisation, increased mobility by road networks and changes in the labour market with new employment opportunities for the unskilled and semi-skilled workers. However, the growth and scale of these developments had different pace when viewed over the span of half a century. These developments and the spatial transformations caused by it had micro impact on the families’ organisation of exit at different periods of time. Moving-out of plantations became more complex with a variety of approaches as the three developments intensified in a particular region.

To illustrate the above points further, a plantation that is closer to the hub of the three developments and a plantation far away from it can be compared at a given time. The distance has direct impact in the organisation of exit. For instance,

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9 Chapter Eight discuss the district level developments in terms of crop conversion from rubber to palm oil and the net reduction of plantation lands. Districts closer to the hub shows different pattern than distant districts to the hub. The spatial developments over the period as reflected in the land use maps shows that developments was progressing outwards from the developments hubs.
industrial zones, the new engine for labour market creates vast job openings for the semi-skilled and unskilled, either directly or within its peripheral productions. When development encroaches the plantation, particularly the newly established industrial zones, this naturally creates the employment opportunities for the labourers in the remaining plantations or close by plantations. This is largely true in the case of early major industrial zones, where most of it were developed on former plantation lands (where it also employed the displaced labourers). The hubs and the surroundings were usually well-connected by road networks. Here, potential migrant can completely move-out of the plantation and be employed in urban areas or else continue to reside in the plantation but commute to the urban employment daily as most industrial employment provided transport services. These options will be evaluated by the plantation families closer to the developments hubs.

Plantations in the interiors, however, were not subjected to this category of occupational mobility in the early stages. However, the spatial limitations to commute became less critical with the development of new road networks and highways that have substantially reduced the mobility woes. At the same time, labour demands in the rapidly industrialising sector forced the employers to provide transport service to commute labourers from the interior parts of Selangor where many plantations were located. Eventually, the possibility of commuting was extended to many parts of interior Selangor.

However, the second options will not be accessible to plantations very far from the hubs of the three developments. For instance, plantation families in Shah Alam in the late 1970s exercised the two options of employment compared to plantation families from Carey Island during the same period. However, the spatial limitations to commute became less critical with the development of new road networks and highways that have substantially reduced the mobility woes. At the same time, labour demands in the rapidly industrialising sector forced the employers to provide transport service to commute labourers from the interior parts of Selangor where many plantations were located. Eventually, the possibility of commuting was extended to many parts of interior Selangor. By the 1990s, plantation residents from Carey Island were known to commute to industrial areas for employment.

Meanwhile, being closer to the hub of these developments subjects a particular plantation in higher a risk to ceasing operation and paves way for developments than a plantation far away. In this context, the organization of exit in a plantation

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10 It was observed by a geographer that ‘with the improvement in the network of transport, workers are now willing to commute 100 kilometers to work instead of changing residential location. This is illustrated by the effect on labour mobility of the new highway between Kuala lumpur and outlying towns with industrial estates’ (Chan, 1981: 420). The impact was also true to plantations with road networks to industrial estates.
closer to the development hub needs to account for the impending risk. In addition, time factor also has a strong influence on the organisation of exit. This is because the three developments operate and progress at different capacities over the period. In this sense, the options and constraints of the organization of exit in early 1970s is different from the 2000s for a given plantation.

The dynamics that constrain or conduce migration operates at various levels simultaneously and can be captured when it mediates through family experience. At the structural level, changes and transformations in the labour market created new job opportunities for the unskilled and semi-skilled.\textsuperscript{11} The streams of community networks connect the potential migrants to these opportunities – first for employment and later for settlement. The community resources functions by facilitating migration and providing a support system in the organization of exit, both at source and later at the destination. The families in return will plan the migration of a member (s) for employment within the available choices by considering the ‘family situation’. The family decisions were made based on several other considerations pertinent to individual family situations such as documentation eligibility of the spouses, required employment eligibilities, filial responsibility, sickness or disability of family members, stability of familial support system, and others. In fact, type of crops (rubber or oil palm) too could be factored in the decision as preference were expressed by migrants based on the crop type that determine their potential income and job satisfaction.

After considering the pertinent factors relevant to an individual family, the outcome is the various approaches undertaken by the families to move-out of the plantation. Once the decision was made to move-out of a plantation permanently, families will employ the various community (and family) resources to move-out to non-plantation settlements. Various streams will be there according the strength of the families to settle at certain destinations – a form of reflection on the disparities in plantations.

As defined earlier, migration in plantation includes employment in non-plantation economy by severing ties with the plantation production unit. The family members who are employed outside a plantation may continue to reside in the plantation. For

\textsuperscript{11} Industrial development in Malaysia commenced with the ‘Import Substitution Industries’ in the 1950s. However, as far as the employment alternatives for the plantation residents are concerned, it was the ‘Export Substitution Industries’ that created vast opportunities for the unskilled and semi-skilled. With the establishment of the Malaysian Industrial Development Authority (MIDA) in 1965 and other state economic development corporations, and more importantly since the Free Trade Zones Act of 1971, the changes in the structure of the labour market can be seen with the gradual increase in the employment of manufacturing and simultaneous decrease in agricultural employment. The importance can be also seen in the increase of the share of manufacturing to the GDP.
the individual family members that moved-out of a plantation altogether, it will normally be voluntary migration. Voluntary migration happens on the accord of the labourer and without pressure or termination from the plantation management. More often than not, the migrant has family members left behind in the plantation and the link with the plantation remains. The migrant is aware that the plantation can and eventually will issue termination and eviction notice to the family in plantation. It is in this context that the migrant and the family tied in the organisation of exit.

For settlement needs, the planning is commonly based on the need of the production unit. It is principally to fulfil the housing needs of the nuclear family – not merely an extension of plantation living quarters but for the practical reason of obtaining an affordable small house. The support, wherever necessary and possible, were obtained from the social family. Exceptions are readily available where cases of extended family, for instance grandparents, joining the nuclear family in the post-plantation settlement. The role of communal resources does not mean that the family’s role is not important, it only relegated certain decisions involving the entire plantation to the communal decisions.

7.4.3 Forced Exit and Defiance

On the other hand, forced migration is closely tied to structural factors beyond the control of the plantation families. It happens for a variety of reasons – most commonly when the plantation closes their factory, plantation venture into replanting by felling old trees, crop conversion from rubber to the less labour intensive oil palm or commodification of the plantation land where plantation lands pave ways for developmental projects. The most frequent is the last, it often increases with the rapid urbanisation where urban borders gradually encroaches the ‘rural’ plantation – luring the plantation owners for a lucrative sale. In the case of forced migration, the plantation owners will issue retrenchment notice and eventually terminate all the plantation facilities including housing and utilities. Normally, eight weeks will be given for the labour families to vacate the plantation.

In most cases, the plantation families were aware of the impending closure of plantations. Labour families normally will began to know the imminent retrenchment unofficially many months (if not years) prior to the actual eviction notice being served. By this time, most families will have some family members in non-plantation employment. There are some cases where labour families experienced receiving news on looming sales of an estate but it eventually turned out to be a false alarm as the plantation sale deals did not go through. In most cases workers were compensated as per the periodic MAPA-NUPW Collective
Agreement and since 1980, based on the provision of Employment (Termination and Lay-off Benefits) Regulations, 1980 (see Chapter 8).

In some instances, arrangements to purchase modest housing nearby at subsidised rates were made by the representatives of the labour groups (mostly by the Union). Labourers mostly will accept the termination benefits and ex-gratia payment, or the subsidized housing for sale, but cases of some plantations demanding for better compensations or housing are not uncommon. The minority, who refused the initial offer, normally will defy the plantation management and continue to live in the plantation housing while continuing to negotiate for better compensation. Why they defy can be rationalised by analysing the organization of the exit of the specific cases (cases are discussed later). The success of the defiance largely depends on the external support they receive in organising themselves and strategizing the protest. The exit of the remaining families will be the concluding history of the plantation.
Map 7.1  Selangor New Industrial Estates, (early 1970s)

Source: National Archives of Malaysia (undated)
In discussing on the nature of forced migration, one aspect that recur in the narratives of plantation labour is the presence of foreign labour. The formalisation of foreign labour in 1983, and later with the increase of foreign labour including from other nationalities than Indonesians, created some form of resentment against plantation work and living. The foreign labour were mostly employed in oil palm plantations. Two aspects were normally highlighted, first the plantation space being ‘intruded’ by foreigners and second, the plantation work ‘status’ deteriorating with the employment of formalised foreign workers. The latter may stem from the insecurity of foreign workers being younger and more productive but expressed as degradation of local labour status to the foreign worker status. This sentiment certainly influenced the notion of plantation work and living risk as most labourers
from both mobility categories do express their reservation for the presence of foreign labour in their midst (see Table 7.2).  

Table 7.2  Perception on the Coming of Foreign Labour to Plantation (%)

<table>
<thead>
<tr>
<th>How do you feel about the coming of Foreign Labour to your Estate?</th>
<th>Welcomed</th>
<th>Its Ok</th>
<th>Don’t Like</th>
<th>No to Foreign Labour</th>
<th>Intrusion</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergenerational Category</td>
<td>0.86%</td>
<td>1.7%</td>
<td>10.3%</td>
<td>16.4%</td>
<td>71%</td>
<td>100%</td>
</tr>
<tr>
<td>Social Reproduction Category</td>
<td>0</td>
<td>3.6%</td>
<td>10.7%</td>
<td>28.6%</td>
<td>57.1%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Fieldwork

7.5 The Plantation Migration Flow and the Differentiation

Chart 7.1 below illustrates a simplified differentiated migration flow from plantations. The chart only illustrates the final migration undertaken by the plantation labourer from both categories – intergenerational mobility family and social reproduction family. The process can be seen in a more complex manner if the details of each of the ‘flows’ is probed into the details. The migration flow is presented without including the timeline factors. The broad developments, especially urbanisation and changes in the structures of labour market impacts the plantation differently at different times. The timeline of the three developments discussed earlier and the distance of a respective plantation from the developments hubs influence the kind of migration undertaken by the labour families. Furthermore, the final migration from the plantations may be the first step before further migrations to follow for some members of a family. Nevertheless, the chart will allow us to have an overview of migration flow including types of migration undertaken and destination of migration by the plantation families. The migration flow will help to explain the factors directly influencing the decisions and the rationale undertaken by a specific type of exit from the plantation. The chart displays the migration among the plantation families into two streams the married (or family) and the singles.  

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12 However, it should be noted that the local workers currently employed in plantations do not express such sentiments. Most of them only awaited the final retrenchment.

13 Social geographer, McGee also employed married – unmarried as streams of migration in his study on rural to urban migration among the Malays. The married is said to move to Kuala Lumpur for government employment and the single is to seek for employment or for better education. However, McGee’s approach sees migration as individual actions and our approach views migration as broader family effort to exit plantation. See McGee (1976) [*Malay Migration to Kuala Lumpur City: Individual Adoption to the City*]
The married exhibits three types of migration, they either totally uproot themselves and their families from the plantation, the married commutes from plantation to other labour market while living in plantation quarters or they work and reside in non-plantation areas while having the rest of the family working and living in the plantation. The first, we refer as ‘net’ migration, second as ‘commuting’ and the last as ‘partial’ migration. Commuting migrant breaks away from the production unit of plantation and begin to work in non-plantation economy while remaining in the plantation accommodation with their spouse. In the case of partial migration, conjugal separation ensues before the family will eventually move out of the plantation to join the migrant in destination, though in some cases it was several years before it finally materialised. In some cases, the married continue to have their spouse reside or/and work in the plantation while other members have moved out (we will explain the rational later). The migration among the singles mostly occurs within the age group of 16 to 35. Two types of migration are observed; they either migrate to the new labour market or commute to the industrial/commercial hubs that employ them. The singles were completely detached from the plantation production unit. The single commuters mostly continued to live with their parents in plantations.

Apart from these, we have a group of labourers that have only worked in the plantation and were working in the plantation before they were served with the eviction notice to vacate the plantation (some have reported to have brief stints in non-plantation sector but the fact is inconsequential for the present purpose). This category comprises both the singles and the families. They continued to work until the plantation ceased operation. Their migration only began after the plantation management issued the eviction notice. We have classified them under ‘forced migration’. In the discussion we refer them as ‘non-migrant single/family’ as they have not left the plantation prior to the closure (for a prolonged period) – unlike the net, commuting and partial migrants. Their final exit from the plantation was caused by the plantation closure or labour downsizing because of crop conversion. These families employed ‘non-migration’ as part of the organization of exit until the final retrenchments from the plantations.

Technically, the migration undertaken by the married and the singles depends on two main situations, whether it is voluntary or it is a forced migration. In the voluntary context, we often have family members who stay behind while having the migrant to venture into non-plantation sectors. They productive family members in origin normally continue to be part of the production unit of the plantation. On the other hand, though the single migrant remains in the plantation and commutes to the new work place, he or she is completely detached from the production unit of the plantation. They remain in the plantation settlement unit on the merit of their parent’s employments in the plantation. Their nexus to plantation
is limited to plantation as a settlement unit. In both the contexts, i.e. the partial and commuting migration, the plantation as a subsidized settlement unit serves more as an economic and social safety net provided by the family unit before the migrant eventually move out completely to seek residence elsewhere.

In forced migration, if no housing options are offered by the plantation management, the migrant family normally accepts whatever compensation offered and moves to new destination. Or they may reject the compensation and remain in the plantation in defiance, expecting a fairer deal for the years they have toiled and for the huge profits made by the plantation owner. In the meantime, the ‘defiant’ families will mostly continue the routine they had prior to the termination, some commuting and others continuing to work and harvesting (with or without approval from the plantation management) the now abandoned plantation crops. Harassments and interruptions on utilities by the plantation managements normally happens during this period. The plantation families employ this type of measures as part of the organization of exit if the plantation is located in strategic locations – where it will be in the best economic interest of the plantation management or the new owner to heed the demand of the labour families. In most instances, they require strategic assistance from pro-labour groups.

In the final analysis, all those who decided to move, including the ‘partial’ and ‘commuting, will determine the next destination choice, mostly based on the familial level considerations and the various streams of community resources. Here the voluntary and non-voluntary cases converge, both in the verge of ultimate exit. Depending on the period they migrated or the plantations’ distance to the developments hubs, and the selection of specific community network streams, the options will normally range from among four destination choices – other plantations, residing at the vicinity of their plantation (but out of the plantation), small towns or big cities.\(^\text{14}\) Later, when availability of low cost housing became prevalent, labour families’ destination choice was almost certain (at least for the nuclear family). At a simplified composite level, this is how the flow of final migration is observed among the plantation labourers.\(^\text{15}\)

\(^{14}\) We use the term ‘small towns’ and ‘major cities’ mainly based on census classification. However, we have merged the census categories of ‘metropolitan’ and ‘large towns’ into a new category, ‘major cities’. This is mainly due to the proximity of these large cities to the metropolitans.

\(^{15}\) Reverse flow, or in the literature referred to as ‘return migration’, is quite common and readily available in the narratives of the plantation labourers. The period 1970s shows large ‘return to plantation’ among earlier displaced plantation labourers. In later periods, when the economic downturn happened, increase in ‘return’ to plantation can be observed. Unable to manage challenges and other constraints in the destination, some labourers (or the whole family) returned to the plantation economy.
Chart 7.1  Simplified Chart of Final Migration Flow from Plantation

Legend
- Flow of Movement (All movements upwards only)
- Family First Destination of Migration
- Options for the Forced Migrant

LCH  Low Cost House
MCH  Medium Cost House
### 7.6 The Communal Social Capital and Family

Migration network is the key social capital in migration. The role and function of migration network as an integral component of migration was established in the works of Massey et al. (1987) and Boyd (1989). The migration network develops mainly in the form of social ties and serves as conduit that ‘link together migrants, former migrants, and non-migrants in origin and destination areas through the bonds of kinship, friendship and shared community origin’ (Massey, 1994:183). Boyd made distinction between ‘family, friendship and community ties’ that ‘may be considered “personal” networks’ and ‘to distinguish them from networks based on social ties based on distant or organizationally defined social relations (such as those associated with ‘intermediaries’)’ (Boyd, 1989:639). Massey and Boyd, however, do not distinguish between family and community network.

In the case of NELM approach, it considers the function of migration network as weak in internal migration (Taylor, 1986) and this may largely be due to the focus narrowed to family networks but not into the collective community networks. We find that within the plantations context, the migration facilitating networks in the form of social capital need not necessarily be confined to the family/ households alone. There is the function of larger social structure that creates and sustains the notion of communal living or ‘villageship’. It is a form of collective network built over time that served the plantation families as common resources. These common resources were embedded in the community social organizations and were cemented by cooperation, trust, and reciprocity. When the threat to the notion of villageship became real, the role and function of communal living shifted to the need to ensure employment and more importantly settlement needs of the ‘village’. It is on this basis that we argue that the owner of these resources is often larger than the family/household unit – it is the collective community network that can be observed in planning the exit from plantation.

In the plantation community, the function of the social capital beyond that of the household/ family played an important role as a conduit with the ‘outside world’.

The majority of the families were dependent on the collective community resources for the link with the non-plantation opportunities. Given that the migration studies generally attribute the function of ‘migration network’ as the force behind the increase in the rates of migration, the focus on community resources become critical in understanding the outmigration process in plantation. The migration decision making process cannot be construed solely on the ownership of family/

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16 ‘Outside world’ or ‘வெளி உலகம்’ (literally ‘external world’) is a common expression by plantation residents to non-plantation contexts. The expression often distinguishes people who are wise with ‘outside world’ and those who are ignorant of ‘outside world’. The custodians of the community social capital often highly regarded as well-informed about the ‘outside world’.
household and if we do so, it will appear to be weak. The challenge is, however, to provide the nexus between the communal resources and the familial decision making units in the organisation of exit – a point we elaborate later.

We find that within the plantations, a form of collective networks was built over time and it served the plantation families as a common resource and as a link between the plantation and the outside world, and later became critical during the planning of exit from the plantation. Despite its isolation and to a certain extent organised segregation from the outside world, the plantation is not a self-sufficient unit both for its productive functions and the communal social and economic functions. Plantations were dependent on the world outside for all sorts of ‘supplies’ to maintain the industrial sub-system and the community social and economic organisations. The flow and link with the outside world was largely responsible for the creation and sustenance of this network. The regular movement of people and goods to plantations from the outside world is an important component in providing useful information including information on employment opportunities and housing. The communal resources surfaced under specific conditions. The isolation of plantation and close-knit community empowers the community leaders to ‘negotiate’ on behalf of the plantation community. By and large, the families in plantations also normally abide by certain collective decisions via the plantation leadership. The collective decisions were usually on the basis of participation from a majority of plantation families where it provides a sense of emotional security and protection.

There are no owners of the community resources but there are guardians that functioned as custodians to this collective community resource. Within the plantation contexts, a number of individuals, mainly males, assumed the responsibilities and were the custodians of the community social capital. The custodians of the community networks were mainly comprised of the plantation community leaders – union leaders, temple chairmen, local political leaders, social organisation heads, respected elders etc. It is not uncommon to see the same individuals in multiple roles in the plantation settings. For outsiders, their role can be witnessed during conflict mediation or when they represent the workers for any negotiations. The role as the custodian of the community social capital is not a suddenly assumed role – the custodians were normally an integral part of the community social organization and their credibility and role were generally accepted by the plantation community. In the same manner, the community social capital is not something created with the notion to plan the exit from plantation. The existing social capital is transformed and redirected to assist the organization of exit.
How do the custodians of this community social capital perceive their role? In many of the interviews, it was clear that these custodians assume the role on a moral ground citing their responsibility towards the plantation families. No clear monetary rewards were exchanged or expected by these custodians but status enhancement within the community can be a strong motivation to pursue the role. In other words, these custodians render their service to the community and this can be rationalised within the broader function of community social organization. In many of the cases, the actual function of the custodians is beyond the role required of them officially. For instance, a union leader’s active role in seeking non-plantation employment or in identifying and arranging housing is beyond the call of duty of the Union. Officially, the Union does not have a policy to assist the labour families in those matters. Similar argument can be made in respect of the role played by local political leaders. The role played by the local union leaders, local political leaders and other custodians are a self-assumed responsibility and best appreciated through the local community social organisation spectrum.

The access to the network is generally open to all plantation families. The function of the community social capital in the organization of exit can be seen largely in arrangements of non-plantation employment and in identifying living settlements for the post-plantation period. The common resources greatly influenced the family decision making process on migration and this is evident from the choices made by large number of plantation families. It is evident from the first non-plantation employment among the plantation residents, and in the first housing settlements following the exit from plantations – in these instances, it is common that people from the same plantation flock together. Employment of large number of former plantation residents in the same place or a settlement with large number of families from same plantations is self-evident. The validity of this pattern can be seen across the former plantation labour settlements in Selangor. In these instances, it was the community networks that played the key role, more often than not, than the family/household units.

In the 1970s and 1980s, plantations became a ready pool of resources for industrial sectors particularly manufacturing in need of unskilled and semi-skilled workers. Employment opportunities especially in the industrial sector, often reached the plantation directly and impersonally through recruiting agents harvesting labour resources. The labour brokers normally approach the plantation community leaders for recruitment and deals were made here for employment. Workers normally commute to factories with transport provided by employer. In the same manner, when a plantation is closing operation and vacating the workers, the plantation community leaders normally negotiate with housing developers in the vicinity and make arrangements for the post-plantation settlement. It should be noted that although the function of community resources in employments and settlements...
were widespread, cases of exception are readily available where migrants arrange their own employments (or settlements).

However, in later periods, particularly since the mid-1990s, the function of the community resources was not so prominent. This is because the employment opportunity streams diversified with most plantation families having direct link with employment opportunities in urban areas from former plantation residents. With the prevalent practice of offering priority for subsidized low cost housing to plantation labour, the role of community resources in settlements became less prominent. Only the families or members of a family who did not receive the subsidized housing often returned to the community resources in making arrangements for housing. In these ways, the role and function of community leaders in negotiating employment opportunities and in identifying settlements became less important though their role was still critical in negotiations for benefits upon final retrenchment.

It will be a mistake to assume that only one common ‘pool’ of community resource exists in plantations which all plantation families’ depend upon. Different groups of custodians are known to exist and each plays the function in the selection of employment and settlements destination for different labour family groups. Equally, it is also common that the same community resources do provide more than one destination in employment and settlement destinations. Custodians make arrangements for multiple destinations for employment and housing settlements. Overall, many instances can be observed where people from the same plantation were dispersed (in terms of employment and settlements) to more than one location. The reasons for the multiple work and living ‘destinations’ is primarily because of the pluralistic nature in the organization of exit among the plantation families and their resources (material and non-material). For our purpose, what is important to know is the existence of multiple groups of custodians within a plantation and the possibility of a custodian to suggest and plan multiple destinations for employment and settlements. It also signifies that the labour families do make choices – a choice largely determined by varying skills and educational attainments (for employment) and different financial capacities (for housing settlements).

The discussion on the migration networks in terms of community resources (or family resources) in the post-1970s period should be aware of two realities common to the plantation families. First, many plantation residents were increasingly familiar with living and working in non-plantation sector. This is mainly because migrants were familiar with urban and semi-urban surroundings well before their actual migration and this substantially reduces economic and psychological risk of migration. In fact, eight of the respondent's family were
actually retrenched from plantations earlier and were working and living in non-
plantation sector. They later moved to plantation employment and living with rich
experience of non-plantation work and living. In terms of geographic movement,
migration is not the toughest challenge, as the distance of most plantations from
nearby towns or major cities in the Klang Valley is within a few hours reach.
Studying in high schools in towns have already exposed many to the local towns.
Moreover, occasional visits to major cities especially among later migrants have
also created an environment of familiarity. Women are also known to be mobile
through marriage and this not only has created necessity for mobility but also
expanded the family migration networks. In other words, many of the potential
migrants were increasingly familiar with non-plantation work and living.

Second, the commodification of plantation displaced record number of families
since the mid-1960s and these families were dispersed to nearby plantations, semi-
urban and urban areas. It is not uncommon for the former plantation families to
have link with the plantation families particularly in the 1970s. This link explains
how ‘return migration’ happened among former displaced labour families to
plantations in the 1970s (see Chapter 6). The function of the network between
many of the existing plantation families with the former plantation families now
settled in non-plantation settlements, though sometimes fragile, have already been
established. While it was common for fellow plantation families to flock to the
same destinations, some moved out to different locations. The common reasons
heard from labour families involved in such migrations was ‘reunion’ with other
family members in non-plantation destinations. Similarly, every generation of
plantation families have some link with the earlier migrants settled in non-
plantation sectors for assistance on work and living though the strength of these ties
were entirely a different issue. This factor is not to suggest that the community
resources becomes a weak link as often the community resources were also based
on ties with former plantation families as well, where the function is known to be
more stable.

<table>
<thead>
<tr>
<th>How were you Employed?</th>
<th>Community Resources</th>
<th>Family Resources</th>
<th>Both were Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C  P   N  NM  T</td>
<td>C  P   N  NM  T</td>
<td>C  P   N  NM  T</td>
</tr>
<tr>
<td>Intergenerational Category (Married)</td>
<td>11   4  2  9  26</td>
<td>9     8  9  4  30</td>
<td>2     3  2  2  9</td>
</tr>
<tr>
<td>Social Reproduction Category (Married)</td>
<td>4    -   -  1  5</td>
<td>-     2  4  -  6</td>
<td>1     2  1  -  4</td>
</tr>
<tr>
<td>Intergenerational Category (Singles)</td>
<td>20   -   3  3  26</td>
<td>1     -  9  1  11</td>
<td>4     -  4  2  10</td>
</tr>
<tr>
<td>Social Reproduction Category (Singles)</td>
<td>3    -   -  2  5</td>
<td>1     -  2  -  3</td>
<td>1     -  1  1  3</td>
</tr>
</tbody>
</table>
C – Commuting Migrant, P – Partial Migrant, N – Net Migrant, NM – Non-migrant and T – Total (N-138)

Table 7.4  Community and Family Resources for First Post-Plantation Housing

<table>
<thead>
<tr>
<th>How did you got a House?</th>
<th>Community Resources</th>
<th>Family Resources</th>
<th>Both were Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C</td>
<td>P</td>
<td>N</td>
</tr>
<tr>
<td>Intergenerational Category (Married)</td>
<td>19</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Social Reproduction Category (Married)</td>
<td>4</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Intergenerational Category (Singles)</td>
<td>20</td>
<td>X</td>
<td>8</td>
</tr>
<tr>
<td>Social Reproduction Category (Singles)</td>
<td>3</td>
<td>X</td>
<td>2</td>
</tr>
</tbody>
</table>

The two Tables above show the breakdown of community and family resources in employment and settlement as reported by the respondents. Some respondents reported that they benefited both from family and community resources. This category is maintained in separate columns. In the employment resources, the total figures of employed respondents in the post-plantation period was only 138 and not 144. The 6 missing labourers were those who were not able to get employment in the post-plantation period. All belonged to the married category with 4 labourers from the intergenerational mobility category and 2 labourers from the social reproduction category. The respondents cited that post-plantation employers rejected them under the pretext of age factor though the respondents claimed that their peers were generally employed as they have not reached the retirement age.

The two tables (7.3 and 7.4) show that community resources and family resources play different functions in employment and settlements. In fact, within employment and settlements, different importance is played by the two resources according to the type of migration (and non-migration) undertaken by the plantation families. In general, community resources were more important in settlements than employment. In employments, the family resources were relatively more important in the case of partial migrants and net migrants compared to community resources. The differences between the two social mobility categories are not very striking in the utilization of family/community resources except in the selection of settlement housings (in some cases destination as well). These differences were mainly in the financial resources of some of the families that were able to purchase houses or plots of land for housing (some even before the final retrenchments). Apart from this, the differences between the bulk of the intergenerational mobility and social reproduction category is minimal in the selection of post-plantation employment.
and settlements.\(^\text{17}\) The discussion below on the specific cases of outmigration planning by the families will demonstrate the utilisation of the two resources.

### 7.7 Organization of Exit: The Differentiated Approaches of Migration

In the following, we will analyse the fieldwork data to explain the differentiation in migration approach and the reasons for the various approaches by the plantation families. By employing the operational definition of migration, the ‘commuting’ and ‘partial’ were considered as migrants by the merit of them being employed in non-plantation economy (and not on the basis of exit from plantation settlement alone). Employment migration for the commuting and partial migrants though not accompanied by total uprooting of familial unit to new destination, was indeed the first step towards the total exit of the entire family. The ‘net’ migrants performed migration in a conventional sense and the ‘non-migrants’ were those who moved-out of plantations upon final retrenchment. Nevertheless, the exit from plantation housing to post-plantation housing marks the consummation of migration for all types of migrants though employment was the initiator for almost all families. Accordingly, we divided the discussion on exit from plantations into the two main aspects – migration triggered by employment and migration for settlements in post-plantation period.

Table 7.4 presents the plantation families under study by period, sex and marital status at the time of their final migration. It comprises the two categories of families that we simply list as ‘intergenerational mobility category’ (or ‘upwardly mobile category’) and ‘social reproduction category’. These migrants are the parents or the parents to be of the two selected categories. Among the upwardly mobile group, we have 16 single ‘net’ migrants and 25 single ‘commuting’ migrants comprising 14 males and 2 females, and 12 males and 13 females respectively. The number of married ‘commuting’ are 7 males and 15 females. The ‘partial’ migrants are 14 males and 1 female, and finally the total for the ‘net’ migrants is 13. The breakdown of the total respondents in both categories (singles and married) will be 54 males and 49 females that consist of net, commuting and partial migrants. Among the social reproduction category, we have 11 single migrants with 5 males and 6 females. The married comprises of 5 commuting migrants and 4 partial migrants with 2 males and 3 females, and 4 males without females, respectively. Net family migrant is 5 and ‘non-migrant family’ is 3.

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\(^{17}\) The differences between the two categories of mobility is minimal in the ‘plantation phase’ but it magnifies in the post-plantation period. The post-plantation period is not part of the present exercise. See Chapter 9.
Table 7.5 Types of Final Migration from Plantation by Period, Sex and Marital Status

<table>
<thead>
<tr>
<th>Status</th>
<th>1970s</th>
<th>1980s</th>
<th>1990s</th>
<th>2000s</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>M</td>
<td>F</td>
<td>M</td>
</tr>
<tr>
<td><strong>Intergenerational Mobility Category</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commuting Migrant</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Partial Migrant</td>
<td>6</td>
<td>1</td>
<td>3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Migrant</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>‘Non-Migrant’</td>
<td>-</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Singles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commuting Migrant</td>
<td>4</td>
<td>3</td>
<td>8</td>
<td>10</td>
<td>X</td>
</tr>
<tr>
<td>Net Migrant</td>
<td>8</td>
<td>1</td>
<td>6</td>
<td>1</td>
<td>X</td>
</tr>
<tr>
<td>‘Non-Migrant’</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>X</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>14</td>
<td>26</td>
<td>21</td>
<td>6</td>
</tr>
<tr>
<td><strong>Social Reproduction Category</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commuting Migrant</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Partial Migrant</td>
<td>1</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Net Migrant</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>‘Non-Migrant’</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Singles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commuting Migrant</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>3</td>
<td>X</td>
</tr>
<tr>
<td>Net Migrant</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>X</td>
</tr>
<tr>
<td>‘Non-Migrant’</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>X</td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>-</td>
<td>8</td>
<td>8</td>
<td>4</td>
</tr>
</tbody>
</table>

N=144 M= Male F=Female X=Not Applicable T=Total

*‘Non-Migrant’ married/single are those who only worked in plantation until closure before moving-out.
Source: Fieldwork

Table 7.4 shows the timing when the final family migration was undertaken by the two categories of plantation families. This was the moment when migrant/s joined the remaining family members residing in plantation in post-plantation settlements. Basically have we divide it into two, namely final migration of the migrant that was undertaken while the plantation was still in operation and second, the final
migration that was undertaken when the plantations served eviction notice and ceased to operate (Table 7.5). The former is referred to as ‘voluntary’ migration and the latter forced’ migration. The division is to show the complexity of the migration process through the various types of migration. However, it should be noted that forced migration within a plantation in the form of retrenchments need not necessarily mean that the plantation ceased operation – it is common that the plantations performed labour shedding for various other reasons (see Chapter 8). What is important for our purpose is the fact that it was a forced migration and more importantly, how the families played the role within their constraints by bracing themselves against the retrenchments. In fact, both categories of had families had to brace against the process of moving-out of plantations whether it was voluntary or forced, as part of the organization of exit.

Table 7.6  Moving to New Settlements while a Plantation was in Operation and Final Retrenchment (Voluntary and Forced Migration)

<table>
<thead>
<tr>
<th>Categories</th>
<th>Net</th>
<th>Commuting</th>
<th>Partial</th>
<th>Non-Migrant</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergenerational Mobility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>13</td>
<td>10 12 O</td>
<td>7 8 FR</td>
<td>19 FR</td>
<td>30</td>
<td>39</td>
</tr>
<tr>
<td>Single</td>
<td>16</td>
<td>15 10 O</td>
<td>X X</td>
<td>6 O</td>
<td>31</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>25 22 O</td>
<td>7 8</td>
<td>25 O FR</td>
<td>61</td>
<td>55</td>
</tr>
<tr>
<td>Social Reproduction Category</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>5</td>
<td>2 3</td>
<td>2 2</td>
<td>3 FR</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Single</td>
<td>3</td>
<td>2 3</td>
<td>X X</td>
<td>3 FR</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>4 6</td>
<td>2 2</td>
<td>6 FR</td>
<td>14</td>
<td>14</td>
</tr>
</tbody>
</table>

N=144
Note: O – In operation (Remaining family migrated voluntary while plantation in operation)
FR – Final Retrenchment (Family or family member migrated upon final retrenchment and/or cease operation)

Total intergenerational mobility category among the married that migrated while the plantation was still under operation was 30 and single is 31. And the migration performed upon final retrenchments by the married category was 39 and 16 for singles – totalling 116. Among the social reproduction category, migrations by the married while the plantation was still under operation was 14 with 9 married and 5 singles. And migration by the social reproduction category when the plantation ceased operation was 14 with 8 married and 6 singles.

In the following, the discussion on the rational of the exit according to the family categories and the types of migration undertaken will be discussed based on
employment migration and settlements migration in the post-plantation period. It will be based on Table 7.3 and 7.4. The discussion is divided into family and singles and each of it according to the types of migration undertaken by the family member/s. We will first discuss the family migration followed by the singles migration. Then we will discuss the approach of being ‘non-migrant’ among the singles and the married. The final part will discuss a distinct category that defy the eviction notice by not moving-out and their reasoning in the disagreement, and how the quantum of compensation or their specific demands was employed as a part of the organization of exit.

7.7.1 Voluntary Migration among the Married Category

Some among the married category uprooted themselves voluntarily out of plantations without the pressure to vacate from the plantation management. This was done either at once when the entire nuclear family moved-out or progressively over a period of time. We have a total of 30 married migrants that migrated voluntarily among the intergenerational mobility category, with 13 net, 10 commuting and 7 partial migrants. Among the social reproduction category, we have 5 net, 2 commuting and 2 partial migrants. In general, the commuting and partial migrants moved-out of plantation completely soon after consolidating their positions, firstly in their employment and later in their housing needs. The net married migrants also moved-out completely with their family from the plantation by choice after securing some arrangements for employment and housing in the non-plantation sectors. These are the 3 categories of migrants among the married category and we will now discuss each of the types of migrants specifically.

i. Married Net Migrant

The married net migrants that decided to move-out of plantations completely with their family required the most planning and involved the highest risk of migration. Nevertheless, we have a total of 13 married migrants among the intergenerational mobility category voluntarily uprooting themselves from the plantation. Among them are three pioneer migrants who migrated in the early to mid-1970s and the rest of the 10 families were later migrants. Within the category of net migration among the intergenerational category, we have two matricentric families. And among the social reproduction category, we have a total of 5 net migrant families. The main factor that prompts these married category, both the upwardly mobile and the social reproduction, to exit from the plantation is the prospect for better employment and wages. The pecuniary motivation is the strongest though two from the intergenerational category of the net migrants cited re-union with their extended family at the destination. Families from both categories moved the entire family
from plantation under two general considerations, first having a reliable intermediate in destination and second having most family members employable or soon available for employment. In almost all cases, the net migrants were assured of employment and housing by their intermediate. For the two matricentric families, the organising of the migration was not led by the female head of the family but by a close family member, one by the brother and the other by the eldest son. The motivation was the same, better employment and wages, a prospect that could not be resisted against the backdrop of risky plantation work and living.

Among all the migrant categories, the net migrant exhibits the most pronounced and personalised social capital that were based on the family level resources than communal resources. In some cases, the demarcation between family and communal resources were thin as the ‘guardians’ of communal resources were also migrants themselves. Their organization of exit were planned by mobilising the resources accessible to them. For others, the family social ties were the strongest motivation and facilitator in migration. These families also exhibit another common trait – all of them have one or more close confidant, either an associate, relative or family member from the urban areas. Most families cited that the intermediary was related to them. In the case of migrants in the 1970s and 1980s, the intermediates were former plantation labourers that had moved-out of plantations in the 1960s. Their role is critical for the new migrant families and was reported to last at least for many months following the migration, though some reported much longer period.

In terms of family structure, almost two thirds of the family have grown-up children and others with a fair mixture of younger and older children. Only two families have toddlers and young children at the time of migration. More than half of the families have legally employable or soon to be eligible for employment children when they performed the migration. The two families with young children calculated their migration with the prospect of both, husband and wife working in the urban areas, if not immediately then within a short period to come. Three of the families, however, only sought the male to be the sole bread winner and the female as caretaker. One of them was disabled (poliomyelitis) and the other two cited preferences as the main reason.

Almost all of them also cited that some form of housing and employment was already arranged prior to migration, though this expectation sometimes landed them in precarious situations, – where two families reported being unemployed or being intermittently employed for several months upon migration. The two families belong to the intergenerational mobility and social reproduction categories, one each respectively. The original arrangements made by the intermediate failed for some reasons. The relatively stable employment opportunity was secured much
later by the migrants themselves through other sources in destination. In these cases, the original intermediate turned out to be unreliable. These cases are a reminder that social capital can have negative impact on migration of plantation labour.

a. Settlements

The preferred destination choice among earlier migrants are cities and local towns, and the later migrants were divided between the vicinity of the plantation or their local towns, and the fringe of the cities. Regardless of the social mobility categories, the earlier net migrants (1970s and 1980s) invariably moved to cities but mostly landed in the squatter areas. The squatter destination was not primarily with the intention for settlements but as a point of entry into urban labour markets. Employment was the main motivation for these families to move to squatter areas in the cities. Almost all cited that they eventually had to improve the housing or move to better houses in nearby areas. Three out of the four pioneer families in the 1970s reported bad financial crisis mainly caused by underestimated financial requirements before moving to squatter areas.

As for the later migrants to cities, their choice was squatter areas in the fringes of the cities, before moving to other settlements. Among the five social reproduction families, their planning and approach were similar with the upwardly mobile category. In fact, the two families, each in 1970s and 1980s were more realistic than the upwardly mobile pioneer migrants in terms of choice of locality. Both the families moved directly to the squatter areas with the intention of moving to different housing after strengthening their positions in the new environment. This not only helped save their efforts but also their limited financial resources. And out of the remaining 3 families, 1 was settled in the squatters bordering the city and the other 2 decided to move to the local towns. Those who moved to the local towns, as with the upwardly mobile category, were not only familiar with the environment but also had close associates that were from their plantations as well. As in the case of the intergenerational category, the former plantation ‘intermediate’ played the role of facilitating and organising immediate needs for the coming families.

Four most impressive families in terms of managing their resources and achieving the ultimate goal of house ownership belong to the upwardly mobile category. These families were highly enterprising, they were involved in some form of activities, at one time or other, that generates additional income – contracts within the plantation and surrounding areas (mainly weeding & spraying, oil palm plucking etc.), food stalls, trading of cultural costumes and other items etc. They initially bought a plot of land and several years later constructed a reasonable housing. At very general level, these families’ intergenerational child were often a much younger than their siblings. The older siblings went into employment
relatively younger and were equally involved in other economic activities a one time or other. In all except one family, the members continue to engage in the business they were doing prior to migration, at least for some period. One of the family in this category have most of their children moved to urban areas, while their parents resided closer to the former plantation site. These cases show that house ownership or preparation for housing needs in post-plantation period was practiced by some families prior to the final retrenchments.

ii. Married Commuting Migrant

The large scale ‘commuting’ migrant became a phenomenon in the plantations with the growth of industrialisation, particularly manufacturing that was dependent on the unskilled and semi-skilled workers before gradually expanding to other sectors. The plantations closer to industrial areas were the natural choice to commute but it was prevalent for plantation residents from far away areas too to commute to the factories, thanks to the buses and vans provided. The link to plantation was the employment brokers or transport service provider (including drivers) for the factories that often former plantation labour. In most plantations, the younger ones between the age group of 16 to 25 were involved with employment outside plantation. Only very few with special family obligations or having documentation problem (mainly ‘red’ national ID) within the age group continue to work in plantation.

It should be reminded that family members commuting to non-plantation sector for employment preceded industrialisation in various ways. Before the shift to industrial employment, some plantation families were already performing this type commuting for employment on contract basis around the plantation areas and small towns. Some families with members who specialises in a particular work, for instance as pesticide sprayer and/or grass cutter, or those with certain skills were contracting work (small construction/renovation, plumbing or wiring) or simply as odd labour, have been commuting to earn extra income – an activity persisted in post-plantation period with some. However, the rapid industrialisation and urbanisation in Selangor transformed the employment nature of the plantation residents where a clear pattern of non-plantation employment developed among sizeable section of plantation residents.

We have 27 families from both categories with the spouse commuting to non-plantation sector, of which 9 are males and 18 females. The married commuting category moved-out of plantation voluntarily or under forced situation. 12 of the migrants moved-out of plantation voluntarily and 15 when the plantations ceased operation or because of labour shedding. Overall, the first striking feature of commuting migrants is they comprised a wide range and mixture of all married (and singles) categories under study. The commuters can be a married male or
female, young family with toddlers or family with grown up children. Most of them under this category were check-roll workers in plantation but left their work and joined the urban employment. Only a handful of the commuting migrants (2) were new entries to labour market and never employed before. In this sense, the commuters are clear reflection of differentiated forms of migration undertaken by plantation families.

As expected, the differentiation in commuting practice between male-female and younger-older migrants can be rationalised from the family contexts and other structural factors. The family situations and structural factors explains why some families have male commuters and others were with females, across the two categories of families. The single striking feature is the commuting migrant among the married category were comprised of mostly younger persons. Structurally, employability seems to be the main factor to shape this pattern. Certain general characteristics can be drawn from these migrant families.

A young married female with children from a nuclear family commutes if she receives supports from her family to provide care for her young children (mainly mother in law or her mother). The relatively older female prefer to migrate if employment is secured and support available from the family. However, the relatively older female stated other factors influencing their decisions to commute, particularly the crop type. Some female respondents stated that in rubber plantation, they were earning relatively better than their male spouse and as such, the option to commute to urban employment was not attractive. These voices were from both mobility categories respondents. In the same token, the female spouse stated their decision to commute when the plantation shifted to oil palm. It shows that the different work requirements and skills were instrumental in making such decision. However, some other females from both the young and old stated they became ‘non-migrant’ because they pair with their spouses as ‘harvester and collector’ in oil palm plantation (see section on ‘non-migrant’). These cases remind us that the work regime in oil palm should not be overstated as cause of outmigration among the females.

We have more than half of the family commuters who are males and their spouse continue to work in the plantation. The age mixture was not very significant though males within 35 to 40 were slightly more. The most common explanation given for female spouses to remain in plantation was to perform the caretaker role. The common justification rationalised by the migrants (and often echoed by the spouses) was the work nature in plantation starts early but finishes around mid-day and this allows the female spouse to attend the children needs and the household chores. Five out of the nine male married commuting from both mobility reported that the wife had to provide care for a nuclear family member or extended family
member who were either aged, sickly or disabled. And with four remaining male
migrants under this category, one of the male migrant reported that his wife was a
red identity card holder. Three of the remaining families stated preference as the
main reason for male commute to migrant. One nuclear family had a unique case
where the male migrant reported that the wife too begun to commute to work in
urban areas and cited non-action from plantation management as the plantation was
on the verge of closing operation.

Cases of female commuters reported to quit urban employment while in plantation
was not uncommon (though most begun to commute again after a lapse). Six
female respondents reported that they had to quit for some period because of the
family situation that required their presence. All stated family matters except one
female migrant that reported pressure from plantation management threatening to
deny plantation housing for commuters to urban employment. Apart from that,
male and female commuting married category also stated that when they were
retrenched from urban employment at times of recession, they had returned to
plantation for employment. In this sense, plantation served as employment security
net at times of economic recession.\(^\text{18}\)

The differentiation of migration is also observable under the two conditions of
migration – voluntary or forced. As far as employment in plantation is concerned,
the commuting migrants had voluntarily left the plantation employment to join
employment in urban areas but they continue to stay with family in plantation.
They continue to stay in plantation and commute to work place until such time they
were confidant to move-out of plantation accommodation voluntarily. The
movement out of plantation for this category can be divided into two, either they
uproot their entire family or they move-out alone (see below for discussion on
settlement). All the commuting migrant moved-out of the plantation without their
family (two of them had their spouses joining the migrant but not the children)
except two families that moved-out by uprooting the entire nuclear family from the
plantation. The two families with spouses joining them to urban employment was
having employment for both as priority, as their children was with the extended
family. The two other families that uproot their entire family actually cited joining
their extended family in destination as primary reason of migration.

\(^\text{18}\) From 1983-85 recession period, retrenched workers from manufacturing alone was reported to be
53.4% from total retrenchment of 37,294 (Young, 1987:21). Based on official unpublished data, it
was estimated that from 1983 to 1985, a total of 69,781 were retrenched although the estimation by
Malaysian Trade Union Congress (MTUC) for the same period was 106,000 (see Young, 1987:19-25).
The commuting migrant came under forced category when their spouses were retrenched or when the plantations were closing operation. Under this situation, the commuting migrant and the spouse who were retrenched need to vacate the plantation housing. They need to move-out with their families. Two situation arises, in 1970s and 1980s, labour families need to find their own accommodation if the plantation not involved in house ownership program. However, in the late 1980s onwards, the practice of offering low cost housing for sale became increasingly prevalent. If the workers were offered the housing, they normally accept it though the house itself may materialise only after two years. If no housing offered, as the case in early period, and quite prevalent in later periods, as low cost housing is only for nuclear family and offered for the employed who can afford to purchase it only, members of labour families will normally move to nearby low and medium cost housing estates. Here the function of communal resources in identifying and making arrangements for rental (or purchase) is clearly seen.

In the 1970s one family under commuting married migrant received a low cost housing because the plantation was involved in the house ownership scheme. A bank loan was obtained and monthly payment was deducted from the spouse wages. However, more than half of the families under this category from both mobility group was not offered the housing purchase options. In these cases, almost two thirds were settled in nearby housing area. A few families, actually made a long distance migration to the cities. The main reasons cited was joining family members/relatives or former plantation friends. The number of families that need housing assistance is normally much larger than the number of houses offered. The strict criteria by the plantation management only considers the employed as eligible. Furthermore, it only recognises nuclear family for eligibility and not the number of productive members. This constraint often requires the families to accept settlement arrangements made by the communal resources in nearby area where other plantation families will be concentrated.

A form of communal solidarity is observed in situations of retrenchments where options were available to labourers whether to remain or exit plantation. Labourers were known to prioritise those in greater need to remain in plantation work and settlement. Within the commuting married category, two cases were exceptional where by the commuting migrants originally volunteered to be retrenched when the plantation was performing labour shedding but they continued to reside in plantation and commute to urban workplace (as their spouses were still employed). This was an altruistic act to pave ways for their relatives not to be retrenched and to allow them to continue to be employed in plantation. This type of altruistic behaviour was common when labour shedding undertaken by plantation where some form of mutual understanding practised by the labour families.
It is also interesting to observe that the case of commuting female family migrant shows changes in the normative structure of the plantation labour in the wake of industrialisation. The female that stays back in the plantation looking after the family unit while the male commutes are not much of surprise among the plantation families grounded on the idea of male breadwinner model – even though the female herself employed and substantially contributed to household income. However, the commuting mother who leaves behind the husband, one would expect, pose a challenge to the male breadwinner model, but in the plantation context this proves to be largely untrue. On the contrary, female commuting among the married and singles was widely accepted among the plantation community. It is common to have daughters or wives commuting daily to the ‘town’ for work in various working ‘shifts’ including until late evening and the whole night – a virtually unknown practice to the plantation labourers. In fact, this decision making rationale is also reflected in the case of the partial migrants. The acceptance of this type of occupational mobility has more to do with the perceived status of industrial employment and incentives, and indicates the gradual changes brought about by the new labour market notwithstanding the fact that they were forced into it.

iii. Married Partial Migrant

Partial migrants don’t stay in plantation and normally their work place is far away from the plantation or it requires them to be stationed there. All partial migrants have their spouse left behind in plantation for work and family accommodation. There were 19 families under this category of migrant from both the intergenerational mobility and social reproduction categories. ‘Partial’ family migrant is the domain of the male, the oldest was 46 years old and the average age group of the migrant was about 32 years old. Only one female partial migrant was identified and the female migrant belonged to the early period where she moved-out of plantation in the mid-1970s.

The female partial migrant is not common mainly because it requires the migrant to leave behind the family and most females do not prefer it. This particular single female partial migrant moved to her own family who had migrated earlier and also had other extended family in the urban area as well. The migrant was aged below thirty and her husband and children were left behind in the plantation. When we probed of the possibility of this type of migration among other females, it is clear that it was not popular. The female respondents often cited two reasons why they don’t contemplate ‘partial’ migration, first, that their husband don’t prefer them to move-out to the urban areas and second, cultural restrictions of living away from family. It is the responsibility of child rearing that constraints or restricts their individual mobility chances (for instance, in contrast with the single female ‘net’ migrant). In the one case above, migration seems to be acceptable because the
female moves to close family circles and the children was in care of her husband’s family. ‘Partial’ migration seems very unlikely among married female unless in the context of close-knit extended family that promises better support for the family in the plantation and overall support in destination.

Most of the male married migrants do not hesitate to move-out of plantation when opportunity arises from known sources though few reported the initial move was merely explorative. Early partial migrants, mostly resides in plantations far away from the industrial or commercial hubs that offer employment for the semi-skilled and unskilled although nearly a third of them was not. Since the 1990s, the partial migrant need not located in plantations from remote areas. Nevertheless, almost all the partial migrants from early and later period show similar characteristic, they have close family, relatives or friends from plantation in urban areas. They also reported constant contact between the families in urban areas with their families in plantation. In fact, the urban families who migrated earlier that associated with the partial migrants (also among other migrant categories) reported that some of them performed ‘return migration’ to plantation. The return migrants were mostly former check-roll workers in plantations. The common reasons stated for the return migration was ‘better employment and cheaper housing’.

The partial migrants commonly seen moving to main cities instead of small towns and the most common destinations were Kuala Lumpur/ Petaling Jaya and Klang. Only two migrants moved to small towns near the plantation. In most cases, the migrant will be invited by friends who were once their family, relatives or co-worker who have moved out from the plantation much earlier. Some of the partial migrants contacted their ‘counterpart’ in destination expressing their intention to move to the cities. In the case of partial migrants, it was common to have a few plantation labourers to move out of plantation together to the cities with the invitation and patronage of the common person/s, or family. Invitation from more than one source was also often mentioned by the partial migrants.

The two migrants that moved to nearby towns had secured the prospect of employment prior to migration and were promised employment and assistance for housing. In this case, the employer knew the migrants from plantation and have some ‘working experience’ with them prior to migration. Interestingly both of them were from the same plantation and were skilled in the same trade – house renovation and building. However, the rest of the migrant under this category moved to cities. Some were semi-skilled and others unskilled. They were mostly employed as driver for heavy vehicles and other commercial vehicles. What is interesting is the skilled joined as drivers and more than a third of the unskilled were also involved in heavy vehicles as ‘attendant’. Others were mainly employed as odd workers and remain in that category for most of the productive period. One
of ‘lucky’ migrant had managed to be employed in city council vector unit as ‘sprayer’.

The families of the partial migrants either moved-out voluntarily or upon retrenchments, or when plantation ceased operation. They too were subjected to the situations of voluntary or forced migration. There were 9 voluntary migrations and 10 forced migrations among the married that performed partial migration. More than two thirds of the migrants under this category had invited their family members from the plantations to destination before the closure of the plantation. A total number of 7 from intergenerational category and 2 from social reproduction category performed migration voluntarily and 8 and 2 respectively under forced migration. Under voluntary migration, the migrants either move-out their nuclear family to the urban centers where they were located or move their family to newly constructed housing estate nearby the plantation.

The latter is more popular as more than two thirds performed this option than moving their nuclear family to urban centers. This also indicates that partial migration for these families was only for employment purpose and not primarily for settlement. Observation in many these housing estates also confirms the same, where most families will be from same or the nearby plantations. For those who moved their family to nearby housing estate, the affordability of rental or purchase through bank loan was important. The communal social capital that normally critical in making the housing arrangements recognises the financial constraints of most of the plantation families. What is interesting to note in these new settlements close their original plantations is the fact that some of the migrant families, mostly the mid-aged labour return to plantation employment by commuting to plantation for work. This was reported by other categories of migrants as well. However, the activity has limited time span as urbanisation and the ensuing closure of plantations were normally spatially concentrated and will sooner or later end this source of income (when plantation pave way for development).

For the families that moved their nuclear families voluntarily to urban centers, the main reason was always to re-join other family members already in urban areas. The shift of the nuclear family from plantation mainly happens soon after the migrant manage to consolidate their positions, mainly in forms of employment and modest housing. As in the case of net migrant, the partial migrants too consider employment for their spouse and children before moving them to urban areas. Income from multiple productive members was always part of the considerations. Most of these families reported that they have stayed in squatter settlements (‘illegal’ settlements) at one time or other though the duration of their stay ranges.
The forced category among the partial migrant have their families in plantation when labour retrenchment or closure happens. In these instances, all the 9 families moved to the nearby housing estate arranged and negotiated by the plantation ‘elders’. The distance of the new settlements normally close to the former plantation site. In other words, most of the migrants stated that they knew the site of the new housing areas before the construction was even begun. Movements to relatively far areas, were not uncommon (for instance in some areas from Kuala Selangor to Shah Alam). One of the family moved to the cities and in the case too, the main reason cited was family reunion. The male spouse had his extended family in the urban areas and that was the reason for the urban destination. It should be noted that many other families (in other categories as well) have family members scattered in other areas (including urban areas) but not all families opted to move there. The movement in most cases seems to be towards areas close to the plantation area where others from their plantation and surrounding plantation concentrated.

This form of migration appears not to have changed in character since the 1970s in one respect. Within the family that performed partial migration, the new entries to the labour market within the partial migrants families were also not employed in plantation, only their wives continued to labour in the plantation. The children either commute or themselves perform partial migration. Five of the families have children who performed partial migration and in all except one, they joined the father in destination. However, in most cases the children generation prefers commuting than uprooting themselves altogether and the partial type of migration normally occurs commuters after several years. Partial migrant in later period were not condition by distance as the case with earlier partial migrants that were mostly from remote plantations. The basic motivation of the risk of plantation work and living remains the same in both periods and manifest in terms of seeking secured and better working and living condition for their family. This aspect and the general approach of outmigration not seems to be differentiated in terms social mobility status of the families.

7.7.2 Voluntary and Forced Migration among the Singles Category

The singles are the former plantation labour who were not married at the time of first migration. The singles in this section refer to those who migrated voluntarily from the plantations while the plantation was still in operation. They were commuting migrant for employment or those who performed net migration. The singles represent about 40 percent of the total labourers under study and the male forms close to two thirds of them. Among the intergenerational mobility category, we have 29 males and 18 females and another 5 males and 6 females among the social reproduction category. The number males were high mainly because of the
15 net migrants compared to only 4 females net migrants. We have three categories among the singles - the commuting, the net migrant and the ‘non-migrant’. Here, we will discuss the singles under commuting migrant and net migrant under two conditions voluntary migration (commuting and net migrants) and forced migration (commuting migrants). In the next section, we discuss the category of ‘non-migrants’.

Occupational mobility by the commuters is probably the most common form of employment type among the plantation residents apart from employment in the plantation itself. With the development of industrial development in the 1980s and 1990s, the scale of commuting among plantation labourer were very common. Among the upwardly mobile category, we have 25 singles with 12 males and 13 females and another 5 in social reproduction category with 2 males and 3 females. The number of voluntary migrant from both mobility category is 36 and forced migrant is 13 (the forced migration for this category only refers to commuting single migrants). Most of the commuters were working in the industrial areas in some parts of Selangor (including Kuala Lumpur).

The commuting possibility is closely connected to the demand for labour, proximity of the new labour market to the plantation, transport services provided by employers and expanding road networks. The fact that the industrial employment, especially in factories, became the new attraction among the younger generation of plantation residents was real. On the other hand, the industries which in the beginning were not strictly age selective where workers up to 40 years were employed, soon set their preference to employ only younger workers. This preference became the ‘natural selection’ in terms of age (and sometimes gender) and clearly reflected among plantation residents commuting to work place or those who perform the net migration.

As with the married category of commuters, large number of the singles too prefer to travel from plantation to work place in transport prepared by the factory. In the 1970s and 1980s, the link between the factory and the plantation residents was the ‘employment brokers’. The employment brokers during the time was largely former plantation labour themselves. They were mostly the bus or van drivers of the factories and were motivated by commission given by the factories for workers hired. They ‘convince’ the ‘plantation elders’ on the employment opportunities and this led to mass recruitment from the plantations. Later, the role to get new workers was taken over by the employed workers in the factories themselves, where family and friends were the immediate targets. This became the most common form of employment for plantation residents apart from the check-roll plantation labourers. The commuting became popular as it was the cheapest option available for the plantation residents without much disruption on their lifestyle. The subsidized
plantation housing and utilities in contrast to expensive urban accommodation was
common reasons cited by the commuting migrants.

This trajectory of single commuting migrants was also common to the category of
net migrants among the singles. In the case of net migrants, all of them except 4
were former commuting migrants. In these cases, the same migrants were involved
in two types of migration (though our focus is on the final migration). The four net
migrants stated that they decided to move directly to the new destination for
employment purpose only and not to shift their family. The process of turning from
commuting to net migrants happened within the range of several months to several
years. However, in general the net migrants were smaller in number than
commuting migrants in most plantations. Most migrants (commuting or net) except
few (see below) stated negative to the question whether they were contemplating to
eventually move-out when they first joined the urban employment as commuting
migrant. This indicates that the planning of exit was not static and it dynamically
evolves according to the situations.

7.7.2.1 Settlements

In most cases, any serious efforts to move-out their family either to a rented or
newly bought house will only commence after years of working. This is true, both
to the upwardly mobile and the social reproduction families. The number of
(young) singles that moved-out of plantation for employment (and housing) is
much higher than the married. Many of the singles were not in the plantation
employment when the plantation performed mass retrenchments or cessation of
operation. Among the commuting singles, we have 17 migrants who voluntarily
left the plantation compared to 13 that decided to stay in plantation and commute to
work place. And when the number of net migrants included, 62 per cent of all
singles have opted to move-out of plantation voluntarily. By and large, this
comprises the highest percentage of all migrants from plantation.

Overall, the number of voluntary migrants from both mobility groups were 36 and
another 22 under forced migration. The voluntary migrants moved-out of plantation
while the plantation was in operation. The movement in terms of destinations was
clearly diversified. It ranges from those who moved to nearby the areas (mainly to
newly developed housing estates) to those who moved to far away areas including
inter-state migration. Some moved to areas of some distance from their original
plantation where big colony of low and medium cost housing estates were
developed. As explained earlier, small overlapping is there between the commuting
and the net migrants. Some commuting migrants later decided to perform net
migration. Regardless of this, the movement to non-plantation settlements among
the group can be broadly divided into three main streams, those who moved to
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nearby plantation area, those who moved to new housing estates and those who moved nearby their employment area.

i) Moved to nearby plantation area

Some of those who decided to move to the vicinity of plantation stated that they had their family in mind. Actually quite a few of the single net migrants and commuters reiterate that they had all along planned to anchor themselves out of the plantations. These migrants, mostly females and some males stated that their original intention of moving out of plantation is to work and save money and to rent the newly developed residential areas close to their plantation (or elsewhere) for the family. This especially true if the plantation is on the verge of cessation or mass retrenchments, or when the surrounding plantations were closing down. Most of them worked towards uprooting the remaining family members from plantation to the vicinity of the plantation, but in all except 6 cases only, the commuting and net managed to uprooted their entire family as planned.

Of the 6 families, a total of 4 families moved to a rented unit, another bought a land and build a house on it close to the plantation and the last family bought a house with bank loan. The parents of the 4 families were retired but continue to live in plantation within the same unit or in units of other married siblings with the approval of the plantation management. However, the net migrant and the parents later decided to move-out of plantation. The lone purchaser of a land near the plantation was a retired kankani (foreman) with the support of his productive children. The foreman purchased the land years earlier and later built a structure on it. The combined financial resources allowed them to build the house. The same is also true with the family that purchased a house near the plantation. Combined resources allowed them to pay the deposit. In this case, the mother continued to commute to plantation for work. Though the case of the kankani was not rampant but it was not uncommon either with a small number of plantation labour families. However, the case of the house purchaser is not common in this period (1970s & 1980s) though increasingly common in later periods when low cost housing became more accessible to plantation labour families.

ii) Moved to Distant Housing Estates

Some of the single net migrants moved to areas of some distance (about 20 to 40 kilometres radius from the original plantation) for settlements. In these cases, the main objective is to have a house for their family (mainly rental though some were purchasing it). The main medium to link the settlement opportunity with the plantation families was mainly the plantation elders. They negotiate with the housing developers (and sometimes the house owners) to secure the housing for the
plantation families. In later period, when forced migration happened following the mass retrenchments or closure of plantation, some of the remaining plantation labour will follow suit on move to these settlements – this explains why more than one streams of destination choice among the plantation families. The residents from these type of settlements were mostly plantation families from other areas also. The singles net migrants decide to move to these new housing areas mainly when the plantation were on the verge of cessation or mass retrenchments, with the intention to relocate their family. It should be noted that this practice of moving to nearby and distant housing estates continued until now. The main reason is the single low cost house is not enough to accommodate a plantation family with grown –up children and dependence (mainly parents).

iii) Moved Near to Employment Area

Some of the net single migrants performed net migration not with the purpose to relocate their family to the new destination. The main reason for them to migrate was for employment purpose only. Normally, the migrants cited time consumption caused by the long distance commuting and other conveniences at destination not available at plantation as main reasons. Moving to new employment at a distance was also cited. The other reasons cited was they were able to secure opportunity to co-habit with other fellow workers near the employment location. In these cases, the singles normally will stay together with the selection always along the gender lines. Normally the co-tenants were employed in the same factory or nearby factory. The singles net migrant normally prioritise living in groups and do group cooking to ensure the cost of living low and manageable.

In this category of migrants, the final preference for their family in the event of mass retrenchments or cessation of plantation was common to other categories – most moved to nearby plantation areas with some families moved to other housing estates in some distant from original plantation location. A small percentage of labourers have diversified movement, it ranges from those who moved to the cities and reside squatter areas, to those who moved to kampungs (village) nearby their plantations.

The above is the discussion when migration was performed voluntarily. In the event of forced migration, the 13 commuting singles migrants were still staying in the plantations when the eviction notice was served. As the case in most plantations, the news about the plantation will be closed or the imminent mass retrenchments had reached the labour quarters for some time. The plantation families and the plantation elders involved in the preparation for suitable settlements upon the closure of plantation. Outsiders normally will assist the plantation elders. The main assistance normally rendered by the state Union leaders
by negotiating the terms of exit with the plantation management. The presence of political leaders or NGO leaders, especially in later periods, were not uncommon. The focus of the ‘external’ support was always on the compensation for the individual workers, families and the community institutions in plantation.

The 13 singles commuting migrant too was subjected to this process. Out of the 13 singles migrant families, 5 families moved to areas closed to the plantation. The housing arrangements were negotiated by the plantation elders on behalf of the plantation families. Another 3 each moved to urban areas and kampong areas. In the last 2 families, one moved to house ownership scheme and the other moved to a distant new housing estate area. The movement to new housing estates was mostly made on the basis of rental arrangements except in two cases where the financial position of the family was much better when financial resources accumulated, which allowed them to pay deposits and secure a bank loan under joined names. The movement to urban areas were mainly by those who cited joining other family members in destination (extended family). One family that moved to house ownership scheme was not affected by retrenchments or closure of plantations. The plantation itself participated in the government program where houses were built by the plantation for the workers and upon completion, the workers families were required to move to the houses. Deduction for bank loan was done monthly directly from the wages by the management. The lone family that moved to a distant housing estate cited employment opportunity as the main reason of moving far – an unusual motivation among the former plantation labour families that prefers to stay in group upon exit from plantation. In this instance, the single migrant stated his good work performance and prospect in the work place prompted him to pursue his employment prospect.

Once again we notice that no clear variants were visible in the migration rational and decision making when viewed along the social mobility categories of the two families. The immediate reward cited by both categories of families were higher income in the urban employment. In fact, in overall contexts the decision making process of the net single migrant were also mainly similar to their peers who were commuting. Differences in decision making of this category is not determined along the social mobility categorisation in the plantation phase. In plantation phase, both categories endured the same hardship and challenges and their organization of exit were similar.

### 7.7.3 The Non-Migrants: Single and Married in Final Retrenchments

The non-migrant basically refer to the specific category of singles and the married that were employed as check-roll labourer and living in the plantation quarters until the final retrenchments. These non-migrants were forced to leave the plantations by
serving the termination notice. Apart from this category, that are the main focus of this section, two other categories discussed above – the commuting and partial migrants – were also residing or having families residing in the plantations as non-migrants. Viewing in totality, the explanations given by these non-migrants on the approach of residing in the plantations until the final retrenchments were diverse. Basically, the employed non-migrants ranges from those motivated partly by the benefits of residing in plantations to those who were most vulnerable that could not leave the plantations for living and employment. It should be noted that in the final retrenchments, apart from the employed labour force, others who were not employed was also affected – the aged without support, the retired labourers and the children. Special categories such as the sick and the disable that were forced to depend on the plantation social support system were also there. These were among the plantation residents that normally among the last to move-out.

It should be noted that most of the non-voluntary migrants under study, from both categories of families, also make an important decision upon the closure of the plantation – not to move to another plantation for work and residence. It means at this point they performed net migration. The decision to move or not to move to other plantation is also part of the organization of exit. We will look closely at the decisions made by the families and the decisions on who moves and who stays in distributing the productive family labour resources to understand the non-migration as a strategy and part of organization of exit.

It should be noted that plantation families by and large don’t prefer to move-out of plantation until the options to reside is not available. In fact, in the 1970s, labourer families from both end of the social mobility scale prefers to move to other plantations upon retrenchments or closure of their plantations – if the options available. The movements were normally to other plantations close by. However, this trend seems to certainly change with much later non-migrants, especially in the 1990s and 2000s. The option of moving to other plantation was not a preferred choice by the majority of plantation families. The struggle to buy and move to low cost housing upon final retrenchments was partly the reason. Other reason inhibiting and discouraging such movement probably the vulnerability of contagious development in surrounding vicinity where moving the risk of development is high. It in this context that commuting to plantation from nearby ‘taman’ for work was preferred choice among some older former plantation residents.

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19 Cases of plantation labour moving to other plantation upon closure has been encountered especially among older plantation labours. The same with younger groups are much lesser especially as long term employment.
We will first provide the general reasons given by all the non-migrants that includes the commuting and the partial and followed by discussion specifically on the non-migrants. Table 7.7 shows the reasons given by the labour families from all categories that remained in plantations until the final retrenchments (including the commuting and the partial). The composition of labourers among the upwardly mobile category and social reproduction category in forced migration is as follows: among married category, 15 commuting, 10 partials and 22 non-migrants and among the singles, 13 commuting and 9 non-migrants.
Table 7.7  Families and Singles Main Reason to Remain in Plantation until Final Termination

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Intergenerational Mobility Category</th>
<th>Social Reproduction Category</th>
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<tbody>
<tr>
<td></td>
<td>Commuting</td>
<td>Partial</td>
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<tr>
<td>Married</td>
<td></td>
<td></td>
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<tr>
<td>a Expecting termination compensation</td>
<td>11</td>
<td>8</td>
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<tr>
<td>b Worry on employment prospects outside plantation</td>
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<td>c Documentation problems</td>
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<td>d Earning well in plantation</td>
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<td>e Nowhere else to go</td>
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<td>f Others</td>
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<tr>
<td>Singles</td>
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<td>g Documentation problems</td>
<td>2</td>
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<td>h Residing with family</td>
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<tr>
<td>i Earning well in plantation</td>
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<td>k Family Obligations</td>
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N=69
Almost 75 per cent of the non-migrants from all categories of the married mainly cited compensation benefits for remaining as resident in the plantations. This compensation is directly for them if they were employed in plantation or to the employed family member/s in plantations. Almost all the respondents cited the compensation is critical as initial capital for booking/purchasing a house in post-plantation period. It should be noted that the divisions between the commuting/partial non-migrant members and the non-migrants per se is clear. For the commuting and the partial migrants among the married, the main reasons cited were compensation benefits. They stayed in plantation until final retrenchments to receive optimum amount of compensation. Having said that, the family members stayed in the plantation beyond the compensation – they prefer to stay in plantation with their extended family and community that also served as a base and security for others who were employed in urban sectors to return upon unemployment or other shocks. However, in contrast, the non-migrants that were employed in plantations have other specific reasons as well for being employed and living in plantation (discussed below).

Among the singles, the scenario seems to be more complex especially among the commuting migrants, residing partial migrants and the non-migrants. Although the issue of compensation is critical for the entire family, the more important question is why the singles (mainly the young) did not follow the trend of working in non-plantation employment like the other peers in plantation. Here is where the family decisions on migration differs from the common pattern in the organization of exit. It shows that there were other pressing reasons than employability and market selection that determined who migrate and who stays within a plantation family. The reasons are discussed below but the broad pattern suggest that family member who had highest chances of employment normally migrate. The risky ones, particularly those who were ‘stateless’ (see Chapter Five) because of lacking the proper documentation normally stayed back in plantation employment.20

We pursue next on two categories of married and single non-migrants in plantation among the two social mobility categories. These non-migrants never left the plantations despite promises of better employment and living from diverse migrant networks, especially at later period. In fact, even after the plantation ceased operation, some prefer to move to other plantation, though the majority moves out of plantation work and living. In these instances, the promise of income mobility is less of a motivation than other considerations. How to explain this type of decisions and to envisage ‘non-movement’ as a part of the organization of exit among the families and singles under study? The following discussion will be on

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20 Plantation employers normally not strictly particular about the documentation requirement for those who were born and raised in their plantation.
the choices to remain in plantation as part of familial approach in organization of exit.

We have 19 married non-migrants (4 males and 15 females) and 6 single non-migrants from the intergenerational mobility category. Among the social reproduction category, we have 3 married (all females) and 3 singles (2 males and 1 female) (refer Table 7.4). In the case of all the remaining labour families in the plantation, two important divisions are important to understand the approach undertaken by the labour families. First, those who worked in the plantation production and second, those who were employed elsewhere but residing in the plantation. Here it matters less, if the migrants were commuting or partial, or for that matter single or married. What matters is how each of the categories – commuting, partial and ‘non-migrant’ married/single – distributes their labour resources optimally in the plantation economy and non-plantation economy based on the available options and conditions at a given period of time. It is in this situation that the choice to remain in plantation as non-migrants (as indefinitely as possible) becomes a strategy in a collective family sense.

In general, the decision on the selection of migrants and non-migrants within a family is not easily understood in each cases. The division of having single and married is immensely useful to analytically understand the families’ decision makings. Broadly two interwoven considerations recur in the explanations given by the non-migrants on why they were employed and residing in plantations, first, employment prospects and advantages (both in urban sector and plantation) and second, other restrictions and inhibiting factors conditioning urban employments. The common pattern of elderly workers remains in plantation and the younger ones employed in urban sectors is easy to understand. Employment for older workers is difficult in formal urban sectors and the years of service in plantations entitled the older workers for relatively better entitlements upon the final retrenchments (and housing provision as offered in the later periods) than the case of a younger worker. More importantly, the entitlement for the plantation quarters and living within the ‘village’ community served as a safety security net for the entire family in case of any eventualities in urban sector (for instance the case of retrenchments in the early to mid-1980s).

However, in the case of younger family members residing and working in the plantation is unusual compared to the common pattern. The reasons for younger family members employed in plantation are diverse though two most common reasons were being ‘stateless’ because of documentation problem (as in c, g) and ‘altruistic reasons’ (as in f, h, k) as shown in Table 7.7. Those with documentation problem will find difficulty in being employed in formal factories especially in factories as the case with their peers in plantations. In this situations, they were
forced to be employed in plantations. This is valid for the married and singles from both social mobility categories. The other main reason given by non-migrants among the singles and married was ‘earning well in plantation’. The non-migrants were mostly paired with their spouse in oil palm plantation and all except one were also involved as contractor with their band of workers in the oil palm plantation. They mostly have foreign workers to work with them in the plantations. This trend was clearly seen in later periods though in earlier periods such cases were reported by migrants (mainly pesticide spraying and grass cutting). Older non-migrants cited reasons such as ‘nowhere to go’ (is discussed later) or worry about employment prospects in plantation as main reason to be non-migrants.

i. The Non-Migrants Employed in Plantation: The Married ‘Non-migrant’

Some of the married non-migrants too reported how they were retained in plantation because others voluntarily opted to move-out. It should be noted that when retrenchments were not involving all labourers, in cases such as labour shedding (not complete cessation of plantation operation), cases of families strived to be retained in the plantation was common. Here, some form of consensus between labour families were reported where some families voluntarily optioned for retrenchment by paving ways for others in serious need of plantation ‘employment and housing’ to be retained by the management. In most cases, the younger worker volunteer to be retrenched so that older worker (mostly their relatives) can be continued to be employed. This is how 6 non-migrants managed to be in plantation until the final retrenchments. In the following we will discuss the 22 married non-migrants from both categories of social mobility.

On the specific cases, we will begin with the 3 special cases of married non-migrants from the intergenerational category that were employed and lived in plantations all their lives. The reasons cited by them for non-migration were expecting termination benefits. The 3 were unique compared to all other married net migrants as they were not confronted with risky conditions of migration upon final retrenchments. Included in this category is one matricentric family. Upon final retrenchments, the 3 families moved-out with the invitation and security provided by their children. They were not facing the precarious situation that other labour families were facing upon the final retrenchments and avoided almost all the risk and hardship associated with migration. All 3 of them moved-in with their children to urban areas. Upon query on why they never moved earlier to their children’s house, a few recurrent answers were obtained. The families wanted to work and be independent of their children and to secure and optimise the compensation benefits for the years they toiled in plantation. Two of the families also stated that the stability of the children allows them to continue to work in plantation and it allowed them to be in the environment they were familiar with. As for the
matricentric family, the plantation was where the extended family and other well-wishers was still residing, and this provided the social support system needed and migration was not needed.

On the other hand, changes in crops from rubber to oil palm, which requires robust physical strengths together with much better wages, draws some of the remaining young male to this sector. With the vast experience, some of the males even become the contractors in the palm oil plantations and substantially improves their income (see Table 7.7). We have 3 from the married category that managed to become oil palm contractor. They normally prefer their spouse to work with them. All the 3 eventually had foreign workers employed under them and they worked directly with the plantation management. This is the main cause for them not to migrate to urban areas for work. However, when plantation ceased operation, the 3 continued this work in other plantations although they had moved to nearby plantation area for settlements. In all cases, the spouses too quit the plantation work.

The other more specific reason highlighted by some of the non-migrants was documentation problem. Altogether, 4 migrants with 3 from intergenerational mobility category and 1 from social reproduction category stated that they were lacking the national registration documents. This render them ‘stateless’. The national registration documents are critical in proving ones nationality and required in all forms for formal employment. Lacking this document can severely hamper employment prospect in non-plantation sector especially in formal sector. The fear of unemployment and harassment by the police were cited for remaining in plantation.

Some non-migrants among the married also cited that they were worried to seek employment in urban areas. This reason was cited by 3 non-migrants that were in their late 30s at the time of final retrenchments and were not certain about employment security in urban areas because of their age factor. The fear had landed them in plantation until the final retrenchment but finally they had to eventually seek work in non-plantation employment (upon final retrenchments). All the 3 families belonged to the intergenerational category. One non-migrant family stated that the reason not to migrate was because there was nowhere to go. The single mother had two sons but both had performed net migration but were not in close touch with the family. This family had the weakest support system and financial support at the nuclear family level. However, the family had support from the communal system and at the time of final retrenchments was supported by the

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21 See Chapter 5 for detailed discussion on this issue.
plantation elders to obtain a residential unit. Once the non-migrant mother moved to post-plantation settlements, one of the son returned and stayed with her.

The non-migrants that cited compensation as main motivation to remain in plantation, five of them moved-out to housing estates or housing plots close to plantations, and other 3 moved to the fringe of urban areas (all 3 from 1970s and 1980s). Although the primary reason to remain in plantation was to get compensation and low cost housing, the housing problem need not necessarily over. It’s quite common that the low cost house offered was too small for some of the big family and their dependents. As house offered was only for employed labour on family basis, other members of the families with the help of the plantation elders normally strives to buy or rent low cost housing in the same complex. Two of the families were actually had two low cost house in the same housing complex. This success of obtaining additional low cost house may not always be beneficial considering that most plantation families accumulate resources to pay the deposit and later use multiple employed children (some unmarried) to obtain the bank loan but later find it difficult to service the loan as commitment increases and ended the house been auctioned (see Figure 7.1).

Among the 5 who moved within the vicinity of plantation, once again the preference to work in the plantation were seen among 2 of the non-migrants. They commute to nearby plantation to work. This type of employment normally offered with reduced labour protection compared to check-roll labour but nevertheless a popular option in areas where it was available. Management, especially in rubber plantation, also prefers them for their experience, and being employed as contract or temporary worker, it absolves them from certain financial obligations of check-roll labour.

In the case of non-migrants moving to urban areas, all the 3 belonged to period where low cost housing was not offered upon closure of plantations. All the families moved to squatter areas in the fringe of the cities. In the 2 cases, the plantations itself were bordering the cities (plantations at present Shah Alam). One of the family was quite remote but they had other family members at the squatter area. Here, the non-migrants moved to squatters at the fringe of the cities for employment. The families also reported that the migration involved other
Figure 7.1  Plantation Family Low Cost House for Sale by Auction

PROCLAMATION OF SALE

In The Matter of The Facility Agreement For Choice Home Loan (Fixed) (Without Title) And Deed of Assignment Both Dated the 29th Day of February, 2000

Between Cimb Bank Berhad (13491-P) (formerly known as Bumiputra Commerce Bank Berhad) And
Assignee/Lender

And

Supayah bt Persalam (NRC No. 460319-10-5013)
Gauri (NRC No. 398784-12-3029)
Supayah bt Persalam (NRC No. 460319-10-5013)
Ann occasions of interest

And

Borrowers

And

Assignors

Whereas the terms and conditions of the rights and powers contained upon the Assignee/Lender under the Facility Agreement For Choice Home Loan (Fixed) (Without Title) and Deed of Assignment both dated the 29th Day of February, 2000 entered into between the Assignor, the Borrower and the Assignee/Lender, it is hereby proclaimed that the Assignee/Lender with the assistance of the unmentioned Assignor

Will Sell The Property Described Below By

Public Auction

On Saturday, The 16th Day of August, 2014, At 10.30 a.m.
Venue: Ballroom Level
Hotel Istanza, Kuala Lumpur
73, Jalan Raja Chulan, 50200 Kuala Lumpur

1. Property
- Description: A low-cost flat unit located on the 1st Floor of Block I identified as Developer's Parcel No. 102, Storey No. 1st Floor, Building No. Block 1, Taman Perindustrian Low Cost flats, Desa Park
- Building No. Block 1, Taman Perindustrian Low Cost Flats, Senawang Seremban (Yon Yon Town
- Approximately 112 square meters (112 square feet)

2. Name and Address of Developer:
- Name and Address of Developer: Not stated

3. Street Name and Address of Property:
- Street Name and Address of Property: P.N. 1214/4516505000 Lot 18979, Persiaran Dengkil, District of Seremban, State of Negeri Sembilan
- Leased for 50 years expiring on 15th February 2099

4. Reserve Price: RM62,000.00

5. Note:
- Prior to the auction sale, all intending bidders are advised to:
  (i) inspect the property;
  (ii) conduct land searches (official as well as private);
  (iii) make a relevant enquiry with the developer, landowner and/or appropriate authorities;
  (iv) obtain from the Auctioneer a copy of the Conditions of Sale.

For further particulars, please apply to M/S Zairina Loh & Wong, Solicitors for the Assignee/Lender of B-3A-10, Megan Avenue 2, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur [Ref: No: 20 87673/cmbmkk/v/n, Tel No: 03-27102833 or CIMB Bank Berhad]

PROPERTY AUCTION HOUSE SDN BHD (187783X)
No. 1-3, 1st Floor, Jalan Ampang
50450 Kuala Lumpur
Tel: 03-27072228 & 03-27078899
Fax: 03-33284801
Ref: PAH2014/09/161

PATRICK WONG KOON MENG
DANNY T.F. LOH
Licensed Auctioneers

Reserve Price: The property will be sold subject to the terms contained in the Proclamation and Conditions of Sale

Deposit: All intending bidders are required to deposit with the Auctioneer prior to the auction sale. Five per cent (5%) of the reserve price by bank draft or cashier’s order only in favor of CIMB Bank Berhad

Registration Closing Time: 10.15 am
families from their plantations as well. The 3 families stated that they had to shift more than once from their original place of settlements because of the ‘illegality’ and other local problems. The families, as the case with net migrant families, had working age children either employed in the urban sector or of employable age. And two of the cases, the children have been employed in the urban sector prior to the dissolution of the plantations.

Among the 5 who moved within the vicinity of plantation, once again the preference to work in the plantation were seen among 2 of the non-migrants. They commute to nearby plantation to work. This type of employment normally offered with reduced labour protection compared to check-roll labour but nevertheless a popular option in areas where it was available. Management, especially in rubber plantation, also prefers them for their experience, and being employed as contract or temporary worker, it absolves them from certain financial obligations of check-roll labour.

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ii. The Non-Migrants Employed in Plantation: The Single ‘Non-migrant’

The single non-migrants among the intergenerational category is 6 with 3 males and 3 females each. Among the social reproduction category, 3 in total with 2 males and one female. As stated earlier, the main question is why this singles never followed the footsteps of the majority of their peers. How they ended-up in plantation employment and living until the final retrenchments? The main reason cited by the category of non-migrant single was documentation problem. It should be noted that the majority of non-migrant spouses in married category too cited documentation problem as primary cause of non-migration. A total of 4 migrants in intergenerational category and one from social reproduction category cited documentation problem that rendered them ‘stateless’.
Family reasons were the second most important reasons given for non-migration. The one case that stated ‘family obligations’ informed that the need to stay in plantation was because of the family cattle rearing business. The business has grown and the plantation management did not object their enterprise, as such the non-migrant continued to work in the plantation while continuing their cattle business (milk and occasionally selling the cattle). For this non-migrant, the entire family benefits from business and non-migration was economically more viable option, until the final call of exit is announced. Upon termination notice, the whole family moved their cattle to different area not far from the plantation area. One family from social reproduction category too stated ‘residing with family’ as reasons not to migrate to urban employment. In this case the non-migrant female was taking care of elderly parents. In this case, it was altruism that was the primary reason by choice. The decision also allowed other siblings to commute or perform net migration. The two of the non-migrants in oil palm plantation said they became contractor and were earning decently and as such the need to migrate never arise until the final retrenchments. Similar to the case of the married non-migrants involved in contractual works in plantation, the singles to became full time contractor in the plantation. It should be noted one of the contractor is from the social reproduction category.

The ‘non-migrant’ single, though continue to work in the plantation, the compensation they received generally was much lesser than the married non-migrants. This because the compensation is calculated based on the years of service and the singles usually have shorter years of service (see Chapter 8). Nevertheless, the single migrants play an important function immediately in post-plantation period. This was when the post-plantation house is purchased directly or upon a low cost house offered upon the final retrenchments. The single non-migrants often had to obtain the bank loan to conclude the sale of the low cost housing. In most instances, the age barrier requires a younger employed member to be the mortgage loan borrower. Another common trait of the single non-migrant was they mostly moved to their parents’ house upon their final retrenchments to commence the post-plantation period.

7.8 The Odd Categories of Plantation Labour

The migrants and non-migrants discussed above formed the bulk of the plantation families striving to make transition to non-plantation work and living. While it is true that many of the plantation labour families were settled nearby to their original plantation sites while others to a distant housing estates (including squatter areas in the cities), there were other categories of exit from plantation and other extreme form of displacement as a results of the outmigration. We will discuss two of them, first those who refused to vacate plantation upon termination notice and employed
defiance as part of the organization of exit, and second, a small category that ended up as vagrants as a result of outmigration from plantation.

i) From Residents to ‘Occupiers’\textsuperscript{22}: Defying Eviction Notice as part of Organisation of Exit

The plantation families that received the compensations including the low cost housing (in latter period), will move out of the plantations to next settlements. By this time, the number of remaining plantation labour employed will be far lesser than the numbers in the early 1970s. However, under certain conditions, some of the labour families defy the termination notice to vacate the plantation and demand for fairer compensations for the years they toiled in plantations. It should be noted that in most cases, the defying labour families are the minority group from the total labour families during the final retrenchments. In this situation, an impasse occurs and it can prolong for years. For the defying workers, the agreed compensations (redundancy and ex-gratia) will not be paid and the management will gear efforts to pressure the defying workers to vacate.

The act of defiance, as part of the organization of exit, were employed under very specific conditions. First, the plantation is located in a prime area or where the surrounding areas were already developed or to be developed soon, second, high solidarity and endurance among the labour families to undergo the defiance period, third, the new owners of the plantation land risk higher financial loses for the delay of developing the land and finally, the number of remaining workers demanding better compensations are small. These are the main features seen in the plantations that employed defiance as an approach in their organization of exit. It should be noted that some local factors will also be critical in the individual cases but the five general factors are common in all cases. The most important factor, however, that ensured success in defiance was the involvement of organised third party in ensuring effective defiance by systematically unifying the protesters, coordinating the protest and providing strong moral and legal assistance.\textsuperscript{23}

The plantation management or the new owners undertakes all possible approach – from persuasion to intimidation – to vacate the defying plantation families.\textsuperscript{24} Legal intimidation was the most common approach undertaken by the new owners of the plantation lands. The disruption of water and power supply to the plantation

\textsuperscript{22} The defying plantation labour at Bukit Raja Estate was referred as ‘occupiers’ in the ‘Relocation Agreement’ dated 18 December 2016. The term occupier signifies the outlook of the plantation capital on the redundant plantation labour.

\textsuperscript{23} Labour organisations associated with Socialist Party of Malaysia were behind most of the efficient defiance against the powerful plantation corporations.

\textsuperscript{24} See Arutchelvan (2013), (2017a), (2017b).
quarters was often used as methods to pressure and demoralise the defying families. In some of the cases, high handed actions and criminal intimidations through third parties were used to pressure the families to move-out of the plantations. Some families were known to succumb to the pressures and moved-out of the plantations. On the part of the workers, the main approach was to seek intervention to stop the forceful eviction from the plantation land. The workers highlight their plight to the media, the authorities and through political process to delay the looming forced eviction. Legal means were often used to get interim stay order to call for further negotiations. The strategy is to prolong the defiance period and effectively delay the scheduled development on the plantation lands that will impact the financial position of the new owners. The whole process will take many months to several years although a case close to 20 years of defiance is also known (i.e. Subang Estate).

Four of the respondents had family members remained in the plantations in defiance. The following discussion will be based on the experience of these families where defiance can clearly be seen as part of the organization of exit. In all of the 4 cases, only selected members stayed in the plantation quarters while others already moved to new settlements that offers low and medium cost housings (mostly nearby the plantation). As discussed earlier, not all plantation families and their dependents gets the offer to purchase low cost housing at subsidized price. As discussed above, low cost housing was only offered to employed workers on the basis of family and not based on the size of the family and dependants (or on number of employed workers). Since all the residents need to vacate, those without housing provision had to rent or purchase low cost housing mostly in same complex where the check-roll families were offered. The negotiations normally mediated by the plantation elders with the help of other third parties such as the Union, political parties or NGOs. As such, the workers who defy eviction and demand for better compensations are those who were in plantation check-roll. Usually, some of their dependents will also be there as well.

In terms of economic activities, the entire plantation structures including the living facilities for the residents are removed. The remaining workers were dependent on non-plantation sources for work and living. Most of the productive members of the families in plantation quarters were employed in non-plantation sector and they commute to work. Some of the remaining residents were also known to harvest the oil palm trees as an additional source of income – some with the permission while others do it without approval. Some families were reported to continue to cultivate their vegetable ‘garden’ or rearing of cattle. As the plantation social and economic life ceased, in all the cases, the families’ routine is almost limited to the usage of the plantation quarters for living. The fear of sudden demolishment of the living quarters is real. The new plantation atmosphere was stated as depressing by the
remaining family members who used to have active social life. In other ways, the daily routine of plantation families continued as usual but with the intermittent pressure from the management to vacate. The family members who stayed in plantations were normally the older workers and the family member to whom the quarters unit was initially assigned to. In this struggle for fairer compensations, the remaining families normally endures it but cases of families quit the struggle and left the plantation quarters are known.

The residents work closely and dependent on the third party in assisting them. Regular meetings with the workers were normally organised by the third party to get them organised. This is to keep the morale high and built the solidarity among workers for any sudden effort to forcefully evict the workers. The role played by the third party was the key factor in holding the workers together and in rendering them consistent legal support. It should be noted that by law, the owner/developer of the land normally has the legal rights. This because the whole issue of eviction was framed and attended as labour retrenchments. The reasoning of the plantation management was only limited to the termination of employment. The NUPW, the plantation capital and the Labour Department too views the whole issue as first and foremost as labour termination issue. As such, the worker’s solidarity group together with the remaining labour families had to raise the issue of fair compensation as ethical and humanitarian issue – an upheaval battle against the legal position undertaken by the powerful plantation capital and the state.

The outcome of the defiance was positive in most of the cases. Labour families got landed property at heavily subsidised price. In other cases of defiance, there were known to be instances where the remaining families received virtually free housing – a rarity in the plantation history. The key for the success is to move away from the MAPA/NUPW framework of compensations and the state government requirements of housing provisions. The only challenge for the struggling families is when the period of impasse prolonged, where an entire new generation grew up to be teenagers in the precarious substandard quarters / temporary shelter provided by the plantation.

ii) Outmigration and Pauperisation of Plantation Labour

Pauperisation is a process that rooted in the commodification of plantation lands. While the focus of this study do not include post-plantation work and living, the pauperisation need special mention. Unlike poverty and vulnerability that are commonly identified with former plantation families, pauperisation is seldom identified nor discussed, more so as an outcome of plantation displacement. The process of pauperisation of plantation labour is known to occur in large scale in the late 1960s upon subdivision of plantations and enforcement of Employment
(Restriction) Act, 1968. The scale was alarming that the NUPW mouthpiece, Sangamani initiated a survey on plantation origin ‘vagabonds’ in 1969. In the post 1970s period, when the commodification of plantation continued, a small percentage of plantation labour were known to be ‘vagrants’ among the plantation families. The information on pauperisation of displaced plantation labour is notoriously difficult to obtain from plantation related institutions or other social organisations. However, in the interviews with plantation families, the information on pauperisation was captured clearly. Most plantation families answered positive to the question whether they know anyone from their plantation that ‘were living on the streets’.

After carefully processing the information to differentiate pauperisation from other conditions such as ‘mental illness’, cases of extreme poverty among the plantation labours who were displaced from plantation became evident. Often, the vagrancy was misunderstood by many including social workers and plantation families to be a result of being ‘drunkard’. From the information gathered, the largest numbers paupers belong to aged plantation labour that lived on alms on the streets. It should be reminded that aged plantation labour lived as dependents in the plantation once retired. Some plantations were known to give small monthly allowance to their former (retired) workers though this was not practiced in all plantations. Once the plantation ceased operation and workers were forced to leave, the retired workers lose all source of financial and social support. The older workers became very vulnerable especially in the families without much resources to provide support. Many of them eventually forced to the streets for food and living. This phenomenon is in stark contrast with similar vulnerability of retired labour while in plantation where some form of support was accessible from the plantation community.

Cases of younger workers that were similarly fated were also stated in the narratives of the workers. In the cases that were narrated, most of the younger plantation residents were initially known to be employed soon after the moved-out from plantations. However, the failure of the coping mechanism, especially in urban areas had caused them astray to vagrancy in the streets. Some of the young males were reported to be involved in petty thefts and other criminal activities and some of the females were reported to be employed as sex worker. Some of them were even reported to spend a stint in prisons. At the later stages of their life, most of them were ended-up in the streets for living. The condition of pauperisation is an

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25 The aggravation of mental illness cannot be detached completely from the process of unregulated migration from the plantation but needs further studies to establish the nexus.

26 SILF were known to give small amount of money to retired old labourers and sometimes to their dependents. The application for the grants should be through the UPAM where RM10 were given per month for retired labour and RM5 for their dependant in the 1960s.
extreme type of poverty and should be differentiated from other forms of poverty and economic vulnerability that are commonly identifiable among the former plantation families in post-plantation period.

7.10 Conclusion

This chapter discussed the planning of outmigration from the plantations to mitigate the risk of plantation work and living from the angle of the plantation families. It shows that the whole ‘organization of exit’ can be understood when migration is viewed from the contexts of family rather than as efforts by individuals seeking better employment and opportunities. We demonstrated how migration is actually an approach to overcome the risk of sudden and abrupt termination and eviction of the entire family from the plantations. Organization of exit is actually the efforts by the plantation families to systematically move-out of plantation with the objective of reducing the shock, risk and cost associated with sudden migration. The organization of exit shows that the differentiated approach of migration was undertaken by the plantation families within their constraints. The diverse types of migration also show that migration was not a haphazard reaction by the plantation families.

We also discussed the main complexities involved in the decision making process by closely analysing the types of decisions made. The first migration (for employment and/or settlement) was one of the most critical decisions within the family unit and it set to change the trajectory of the of the plantation migrants. Families from both categories made decisions based on the factors that constrained and conducted them, both at the level of socio-economic structures and the family structures. Here, the impoverished labour families can be seen struggling within the few options available to them. However, in the end all the remaining families too will eventually had to move-out when the plantation cease operation. The moving-out of plantation marks the end of ‘plantation phase’ and the beginning of post-plantation phase. It should be noted that the planning and strategizing of the safe exit is only limited to moving-out one’s family from the plantation. The outcome of this migration in post-plantation period is entirely a different subject – it is known to range from extremely successful individuals to those turned to be vagrants.

In the organization of exit, two broad features are clearly observable, first the factors that conditions and shapes migration and second, how the families responded to it by distributing the collective labour resources between plantation and non-plantation economy at an optimum level. In the first factor, it is clear that employment prospect plays an important position in the migration considerations of both the singles and married. Various factors are shown that determine the employment prospects and it ranges from the age determinism and selection, to
distance to the next labour market. On the second factor, the families distributed their labour resources to minimise the migration risk by having part of the family members to work in the newly developing industrial zones while others, normally the elders remain to work in the plantation and provide the housing needs for the entire family at heavily subsidized cost – this strategy, generally, ensures minimum cost with maximum employment gain from non-plantation work – while gearing for migration.

The analysis shows that as far as the planning to move-out of the plantations and the migrant’s efforts to seek employment and shelter for their family, the differences between the two mobility categories were not significant until they leave the plantation. The intergenerational mobility category and the social reproduction category don’t appear to be drastically different in their organization of exit until the migration is performed. Even though differences among the two categories of families do exist in the migration exercise, it does not amount to substantial variants in terms of rationalising and executing the organization of exit – the key focus of this chapter. Variants only appear to be important in specific matters. The main difference between the two categories was on the selection and procuring the first post-plantation settlement upon exit from plantation. The intergenerational mobility category was financially more prepared compared to social reproduction category. That notwithstanding, the rational and the calculated risk of both the categories seems to be valid insofar as the organising and positioning of their family within the available options. Nevertheless, the broader reality of the post-plantation challenges is something not within the purview of these families, and this will soon magnify the disparity among the migrants in the post-plantation period.27

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27 The study only focussed on outmigration from plantation, thus the plantation phase only. The post-plantation phase is not included because of the need to confine the given scope. From our findings, the differences between the two categories actually magnifies only in post-plantation phase.
Organization of Exit: The Differentiated Approach of Migration
Chapter 8

Overview of the Cessation of Plantations, 1983-2012: Spatial Transformations, Retrenchments and Remaining Plantations

‘As more and more rubber estates are replanting their old areas with oil palm, those estates have to shed their surplus labour as oil palm estates have a lower labour requirement. For instance, one estate (760 acres) which employed 101 workers in December 1961 when it consisted wholly of rubber is now wholly replanted with oil palm and the labour force has shrunk to 28.’

8.1 Introduction

The advent of labour shortage in the late 1970s and the formalisation of foreign labour in early 1980s was followed by a period of rapid cessation of plantations. Plantation lands began to be developed for commercial, residential and state projects. By any measure, this was not new in Selangor. By the mid-1960s, it reached a disturbing level in terms of labour displacement. The massive development especially since the birth of the first satellite city called Petaling Jaya in 1954, showed that new developments took place largely on the existing plantations land. Shah Alam, the new township, and later, capital of Selangor, was approved for development in 1966, and this was also seated on plantation land. The developments of Petaling Jaya and Shah Alam linked two existing cities namely Kuala Lumpur and Klang into a massive corridor. With the existing largest and most important seaport in Port Klang, now, to this corridor was added an international airport in the mid-1960s which was also built on plantation land – the Subang airport. Together, it formed the nucleus of what was known as the Klang Valley, the fastest growing region in the entire country.

What was different from the 1970, and particularly the 1980s and thereafter, was that the pace of plantation came to a standstill. The ever expanding and rapidly developing Klang Valley resulted in more and more plantation land becoming sites for extensive development projects. In most instances, the plantation companies were leveraging on the highly appreciated price of the plantation lands as a result of the urban expansion. The outward expansion of Klang Valley took a leap towards southern Kuala Lumpur, when the new federal administrative capital, Putrajaya, and the new international airport, were developed in the 1990s. Such giant development projects were contagious, as pockets of the surrounding areas would
then continuously be developed as well. In the meantime, the ever expanding expressway road networks connecting the Klang Valley and most of the west coast of the Peninsula, began to reach the rural and remote areas, where plantations were located, and this substantially increased mobility. In short, the expansion of urban limits was inching towards and eventually engulfing the rubber and oil palm plantations all along the boundaries of the Klang Valley.¹

The rapid development of Klang Valley was not the only reason for the mass retrenchment of plantation labour. Since the mid-1960s, under the state’s policy of crop diversification, private and state plantations ventured into the more profitable industrial crop, oil palm. Massive retrenchments begun to occur within the private plantations that converted from rubber to oil palm. Oil palm plantation required lesser labour and as such, surplus labour was retrenched. As a consequence, tens of thousands of plantation families were displaced from the plantations (see Chapter 4). Even then, cessation of plantation as a result of commodification was also simultaneously ravaging the plantations. In fact, the practice of crop conversion continued for more than two decades in the post-1970s period and many more thousands of families were displaced.

Overall, three general developments can be witnessed from the post-1970s plantation data – firstly, further dwindling of plantation labour force; secondly, the increasing trend of crop conversion (from rubber to oil palm) and thirdly, the decreasing size of plantation lands, first rubber, and later oil palm. These developments are closely related to retrenchments and outmigration from plantations. Upon closer scrutiny, these developments were actually differentiated along different timelines and the regional characteristics of the respective districts in Selangor. However, very little is known of the spatial character of plantation land in relation to retrenchments and crop conversion. In fact what happened to the labour upon retrenchment in terms of compensation is little explored.² These problems prompted this work that has been covered in this chapter.

The main objective of this chapter is to provide an overview of the intensity of retrenchment by focussing on the spatial transformation of plantation land. Three

¹ Geospatial visualization is provided in land use maps below.
² Among others the vacuum is on the pace, scale and aggregated numbers of retrenchments and plantation closures, and the compensation regime for the affected labourers. A factor that aggravated the lapse of data, as discussed in Chapter One, was the outlook on the whole exercise of retrenchments by the stakeholders (mainly the state, union and capital) as first and foremost a labour issue – disregarding completely the familial and community aspects of plantation living. As a consequence of such outlook, not only were the aggregated data on labour retrenchments and compensations not available (as each case was dealt with in isolation rather than as a larger problem) but also all the information on other plantation communal institutions such as temples, schools, cemeteries, community halls etc.
aspects are being focussed on - the first is to trace the spatial transformation of the plantation land over the period (1968-2015) and to show how spatial dynamics determine crop conversion and cessation of plantation land. Spatial transformation is presented by focussing on each individual district over the specified period, where rubber and oil palm data (hectarage, number of plantations & factories) are paired and compared on an annual basis for analysis. To complement this effort, a series of ‘restricted’ land use maps showing transformation in rubber, oil palm and urbanisation over the period are provided. These data not only give an alternative overview on the scale of retrenchments and labour shedding, but it also provides a visual image of the spatial transformation over the period. The two sets of data – over time plantation details by districts and over time land use maps – provide clear spatial dynamics of transformation of plantation land that we contend cannot be obtained by comparing annual aggregated data.

The second aspect is to attempt to determine, what had happened to the retrenched labourers in terms of compensation, as well as the practices that determined these compensations. Integral to this, is the identification of reasons for the plantations to cease operation, either partially or totally. The dispersion of plantation labour upon cessation, in terms of the various types of housing were further divided into several categories of post-plantation settlements.\(^3\) Data on these were reconstructed from various unpublished sources and directly from stakeholders. From trying to understand the various reasons for plantation cessation and the compensation awarded to the affected labour (their families and community institutions), we will be able to obtain insights on the pre-migration phase and the contexts of exit from the plantations.

The third and final aspect is the number of remaining plantations in Selangor and their characteristics. Here we have moved from the cessation of plantations and retrenchments to discuss what remains of the plantation legacy left in Selangor. The focus is on the breakdown of labour composition, hectarage, type of crops, locations and so on. This will provide an idea on what remains of the once largest industry and the biggest employment market. The remaining plantations will eventually be closed due to commodification if the pattern of land transformation continues unabatedly. The data for the part is obtained from unpublished records of the Labour Department.

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\(^{3}\) The focus of the study is on outmigration of plantation labour by focussing on the plantation phase. The post-plantation phase is not part of this study and as such settlement characteristics were presented only to understand the outmigration process. See Chapter 2.

The official published and unpublished sources made avail here provide an alternative view on the cessation of plantation and crop conversion (usually rubber to palm oil) – a valuable insight on the character, scale of labour retrenchments and outmigration from plantations. Specifically, it shows the spatial characters of the plantation crops as an important factor towards understanding the complexity of plantation cessation, and the differentiation in retrenchments that were beyond the control of the labour families. We provide here data, tracked over time, on the details of rubber and oil palm plantations in Selangor by district, hectarage and numbers of estates. The figures when combined together and compared on a longitudinal perspective on a yearly basis, provide insights into how each districts exhibited different characteristics in the choice of crop, conversion of crop from rubber to oil palm, pace of plantation cessation, and as to why some plantation areas persisted, while others were part of the end of the plantation era.

In the following, the timeline of nearly 50 years has been analytically divided into three major periods, based on the availability of data. This periodization also coincides with certain major development around those periods. The first period is from 1968 to 1979, that is, from the time that data breakdown by district were available to the time of declared labour shortage in plantations. The second period is from 1980 to 1992, when the rapid cessation of plantations commenced, until the time rubber became numerically a marginal industrial crop. And finally, the third period is from 2002 to 2015, where oil palm became the single most important crop, which persisted in some districts, while it ceased in others.

The framework to study the land transformation over these periods is adopted from the divisions made by dendrologists on plantation soils in Selangor. The plantation soils in Malaysia can be broadly divided into ‘coastal soil’ and ‘inland soil’. The coastal alluvium plains are basically concentrated on the western coast of the Peninsula. Traditionally, the coastal areas were preferred for oil palm because of soil fertility and the high water bed. The coastal districts in Selangor are Sabak Bernam, Kuala Selangor, Klang, Kuala Langat and Sepang. When the oil palm shift happened in the second half of the 1960s, the new oil palm plantations in Selangor were concentrated in these coastal districts. By default, the inland districts – Hulu Selangor, Hulu Langat, Kuala Lumpur, Petaling and Gombak – became

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4 The period witnessed heavy loss of rubber lands (22,137 Ha.) but a substantial increase in oil palm (27,028 Ha.) which retained the total plantation land in the black. The period also saw oil palm lands paving the way for development programmes and it was beyond incidents.


6 Sabak Bernam is not a plantation area. Sepang, during that period, was part of Kuala Langat.
rubber plantation areas. Given the preference for oil palm in the coastal areas, crop conversion from rubber to oil palm was rampant in the coastal districts. However, the oil palm encroachment soon reached the inland rubber plantation areas, and caused crop conversion.  

The divisions made by dendrologists is useful not only in classifying the districts, but also in mapping the land transformation over the period. Before pursuing to analyse the districts, the general characteristics of plantation, and other plantation data (in relation to the analysis in this section) will be presented briefly.

1. All data presented by districts for oil palm and rubber refers to planted area in ‘estates’ (not total plantation area). Apart from the planted hectarage, every plantation has extra plantable areas for future expansion. This ‘reserve’ land explains why expansion beyond the existing hectarage can happen without any expansion of the number of plantations in a given year. Consequently, the plantable area can expand at a substantial rate when needed. Table 8.1 shows the size of plantable area in Selangor from 1968-1990.

Table 8.1 Rubber Estates Plantable Area, Selangor 1968-90

<table>
<thead>
<tr>
<th>Year</th>
<th>Hectare</th>
<th>Year</th>
<th>Hectare</th>
<th>Year</th>
<th>Hectare</th>
<th>Year</th>
<th>Hectare</th>
</tr>
</thead>
<tbody>
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<td>1974</td>
<td>5,549</td>
<td>1979</td>
<td>4,446</td>
<td>1984</td>
<td>1,703</td>
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<tr>
<td>1972</td>
<td>6,906</td>
<td>1977</td>
<td>5,748</td>
<td>1982</td>
<td>2,649</td>
<td>1987</td>
<td>2,098</td>
</tr>
</tbody>
</table>

Figures in acres (before 1974) have been converted to hectare.

*Source:* Department of Statistics, Rubber Research Handbook (various years).

3. The data for rubber has been based on the annual returns of the plantation companies. Submission of returns is a statutory requirement for plantation companies. The same used to be the case with oil palm. Later, the data for oil palm was based on the licenses issued to plantation companies. Failure to renew the

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7 The oil palm in the inland areas was first focussed on areas with river terraces or floodplains. The fruit bunches in coastal areas or along the rivers are known to be slightly bigger than those in most common inland areas.

8 By using ‘planted’ area, estimation on labour needed per hectare could be calculated both for rubber and oil palm estates. It allowed calculation of estimated workers needed on each functioning plantation as well an estimate of and how many were possibly retrenched from closed or crop converted plantations. However, this estimation should be viewed cautiously. See Chapter 3.
license by plantations in operation is an offence, but such cases will render under-
enumeration of oil palm hectarage and numbers for that particular year.

4. Kuala Lumpur was declared as Federal Territory on 1 January 1974, and at the
same time two new districts were created in Selangor, namely Gombak and
Petaling. In the following year, Sepang was added as another new district in
Selangor. Parts of other districts were incorporated into these new districts. The
data for the new districts was made available from 1978 for oil palm and 1982 for
rubber. These new districts and Kuala Lumpur created new boundaries for the
plantation lands. Some data of the transition period showed irregular entries
suggesting adjustments were still ongoing.9

5. Finally, a brief note on the available data. The publication of the rubber statistics
was done once every three years since 1992. However, for 1999, the report was
published on the fourth year, and in 2004, it was published on the alternative year.
Data from the 2013 report on rubber is not included here. However, by this time
rubber had ceased to be a statistically significant crop in Selangor. In the 1990s and
2000s, when rubber began to lose its significance in certain districts, this data was
merged with that of other districts. Later, even the Selangor state rubber data was
merged with that of other states to retain statistical anonymity.10 The available
rubber details of the interim years of 1993 to 2001, wherever published, are shown
in total figures for Selangor Plantations in Table 8.12.

6. The oil palm data was traditionally published by Statistical Department11 but in
1991, the Palm Oil Registration and Licensing Authority (PORLA) had taken over
the responsibility of collecting and publishing oil palm statistics. The oil palm data
by district has not been published since 1989, but was made available from 2002 to
the present from unpublished records of Malaysian Palm Oil Board (MPOB). Data
on the number of oil palm plantation was only available from 2006, but no data oil
on palm factories since 1989 were made available. However, the aggregated data

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9 For example, it was stated that the 1982 data for Kuala Lumpur was included in Gombak. This
figure did not tally and the likely reason for this is that part of Kuala Lumpur plantation area was
also included under Petaling. Other instances are discussed in the analysis later.
10 Where the number of plantations was less than three in a district/state, the data was merged with
data of other districts/states to retain statistical anonymity of the remaining plantations. However,
an exception for this was readily found in rubber statistics of the period (for example, Sepang data
for 1984, 1991 and 1992). Among the examples of data merger among districts were the 1995
rubber data for Klang being included in data for Petaling, the 1998 rubber data for Klang being
included with data for Kuala Selangor, and the 1998 rubber data for Petaling added to Sepang data.
For state level data merger, an example was the Selangor rubber data for 2007 and 2010, that were
merged with the data for the state of Sabah.
11 Since 1989 oil palm statistics had been excluded from Handbook of Oil Palm, Cocoa, Coconut &
Tea Statistics. The series continued to be published but ‘oil palm’ was excluded from the title series.
for rubber and oil palm for Selangor was available without interruption in a published format.

### 8.2.1 District of Klang

#### Table 8.2  District of Klang, 1968-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Rubber</th>
<th>Oil Palm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estates</td>
<td>Hectare</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>5,371</td>
</tr>
<tr>
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<tr>
<td>2012</td>
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<td>-</td>
</tr>
<tr>
<td>2013</td>
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</table>
Spatial Transformations, Retrenchments and Remaining Plantations

<table>
<thead>
<tr>
<th>Year</th>
<th>Rubber Hectarage</th>
<th>Oil Palm Hectarage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>-</td>
<td>7,004</td>
</tr>
<tr>
<td>2015</td>
<td>-</td>
<td>6,997</td>
</tr>
</tbody>
</table>

Source: Department of Statistics, Rubber Research Handbook (various years), Department of Statistics, Handbook of Oil Palm, Cocoa, Coconut & Tea Statistics (various years), Palm Oil Registration and Licensing Authority Annual Report (various years) & Malaysian Palm Oil Board, Malaysian Oil Palm Statistics (various years) and Malaysian Palm Oil Board, Unpublished Statistics on Oil Palm Hectarage and Number of Estates by Districts (2002-2015). Wherever figures had been revised in subsequent reports, the revised figures are being used.

a. 1968-1979

Klang, being a coastal area, was preferred for oil palm plantation. This district demonstrated a clear case of crop conversion from rubber to oil palm during this period. The district of Klang showed a rapid decline in rubber planted hectarage. Rubber was reduced to nearly one third of the hectarage of 1968. Consistently, the total number of rubber plantation was also reduced to half during this period. Overall, a corresponding increase could be seen in oil palm hectarage, except in 1971.

b. 1980-1992

For the 1980s, the analysis for Klang can be divided into two distinct periods, namely the first and second half of the decade. The first half (1980-85) witnessed a rapid cessation of rubber plantation, where almost 5,000 hectares were gone. This was the continuation from the previous period. Less than half of these rubber plantations were involved in crop conversion, as seen from the proportionate increase in the oil palm hectarage over this period. And more than the remaining half of rubber plantations can be assumed to have ceased operations. The largest conversion in the first half happened in 1982 where 2,761 hectares of rubber were gone, while the increase in oil palm for the year was 3,832. The second half of the decade was more stable where it could be seen that the total reduction of rubber plantation was only 93 hectares, while oil palm had increased to 952 hectares. Since 1986, rubber lost its significance as an industrial crop, when the hectarage reached less than 1,000 hectares in this district, and it continued to dwindle. The consistency in oil palm hectarage explains the number of oil factories that remained at 5 through the whole period. During this decade, 20 rubber plantations either ceased operations or were converted to oil palm in Klang, while 11 new palm oil plantations were added to the list. In conclusion, a nett total of 2,300 hectares of plantation land was lost from 1980-1990.
c. 2002 -2015

During this period, Klang was the only district in Selangor where oil palm hectareage had dropped the most. This was despite the fact that by 1988, the increasing trend of oil palm hectareage of the previous decade had reached its peak of 22,989 hectares, before dropping to 3,661 hectares in 2015. At that time, rubber plantation had already reached a figure of less than 1,000 hectares. Rubber had lost its significance, and the Klang rubber figures were so low that in 1999, Klang figures were merged with that of Kuala Selangor. By the end of this period, oil palm had lost more than 5,000 hectares from what it had had in 1992. The total number of oil palm and rubber plantations in Selangor dropped from 76 in 1970 to 6 in 2015. Klang district during this period demonstrated the coming of the end to the plantation era.

### 8.2.2. District of Kuala Langat

**Table 8.3** District of Kuala Langat, 1968-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Rubber Estates</th>
<th>Rubber Hectare</th>
<th>Oil Palm Estates</th>
<th>Oil Palm Factory</th>
<th>Oil Palm Hectare</th>
<th>Total Plantation Land Hectare</th>
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<td>1968</td>
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<td>27</td>
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<td>1970</td>
<td>23</td>
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<td>26</td>
<td>7</td>
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<td>23,410</td>
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<td>30</td>
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Kuala Langat is part of the coastal district and as expected, this district was not spared the trend of dwindling rubber estate during this period. Rubber hectarage and number of rubber plantations was almost halved during this decade. However, a clear pattern of crop conversion was not visible at Kuala Langat. In fact, in 1970-72 and 1976-77, a sudden surge in oil palm plantation could be seen (3,083 and 1,556 hectares respectively). The increase in the number of plantations for both periods was 3 and 1, respectively. These were the only instances that indicated a large increase in oil palm hectarage. However, the surge did not correspond to the decrease of rubber hectarage that would have otherwise appeared to be consistent. It is likely that large new areas were planted with oil palm, including new plantations.

b. 1980-1992

The 1979-80 figures for oil palm need a special mention. A substantial drop of nearly 7,000 hectares could be seen. This drop was not caused by the surge in planted area and/or conversion from rubber to oil palm. The sharp increase of the years was caused by re-classification of the boundary – part of Kuala Langat was incorporated into the new district of Sepang. A corresponding increase in the figures for Sepang district could be seen. The figures on the number of oil palm
estates (increased from 27 to 32) in Kuala Langat despite the sharp drop suggest some data classification issues during the re-classification.

Rubber continued its downward trend during this period. The rubber hectarage reduced by nearly 85 per cent and almost three quarters of the rubber estates were gone. The number of oil palm estates was also reduced to almost 10 estates but the hectarage was largely stable. This suggested buy-over of small surrounding plantation areas or mergers of plantations. It should be noted that by mid-1980s, rubber plantation was already less than 1,000 hectares in Kuala Langat so crop conversion was not the main reason for increase in hectarage of oil palm.

c. 2002-2015

The district of Kuala Langat in 2002 had doubling of palm oil hectarage from what it was in 1992 i.e. from 12,232 to 24,698 hectares. The number of oil palm plantations also similarly doubled from 23 in 2006 to 44 in 2015. This increase has been largely consistent till the present time and only 3,665 hectares of plantation land or about 13 percent had dwindled during the entire period. The increase can be attributed to the expansion of new plantation lands as indicated by the increase in the number of plantations. Kuala Langat has remained an oil palm plantation area since.

8.2.3. District of Kuala Selangor

Table 8.4    District of Kuala Selangor, 1968-2015

| Year | Kuala Selangor | | Total Plantation Land |
|------|----------------|-------------------------------|
|      | Rubber         | Oil Palm                     | Hectarage |
|      | Estates | Hectar | Estates | Factory | Hectar | |
| 1968 | 39 | 16,015 | 27 | 4 | 10,148 | 26,163 |
| 1969 | 38 | 15,151 | 28 | 4 | 11,805 | 26,956 |
| 1970 | 37 | 14,298 | 30 | 4 | 12,123 | 26,421 |
| 1971 | 36 | 13,463 | 29 | 4 | 13,132 | 26,595 |
| 1972 | 31 | 11,541 | 29 | 5 | 14,545 | 26,086 |
| 1973 | 28 | 10,254 | 27 | 6 | 16,058 | 26,312 |
| 1974 | 27 | 9,340  | 28 | 6 | 16,364 | 25,074 |
| 1975 | 37 | 8,647  | n.a | n.a | n.a   | n.a   |
| 1976 | 27 | 7,771  | 30 | 6 | 17,824 | 25,595 |
| 1977 | 26 | 6,922  | 32 | 6 | 19,132 | 26,054 |
| 1978 | 23 | 6,163  | 32 | 6 | 20,071 | 26,234 |
| 1979 | 22 | 5,014  | 33 | 5 | 20,715 | 25,729 |
| 1980 | 19 | 4,125  | 35 | 6 | 22,368 | 26,493 |
| 1981 | 16 | 3,444  | 36 | 6 | 22,873 | 26,317 |
| 1982 | 17 | 3,809  | 33 | 6 | 21,332 | 25,141 |
Kuala Selangor has been traditionally a plantation area with its long coastal line that was suitable for oil palm plantation. This period showed a classic case of crop conversion from rubber to oil palm. The reduction in rubber hectarage and corresponding increase in oil palm plantation was clear. The years 1971 to 1973 showed among the highest drop (4,123 hect.) in rubber in the whole of Selangor with a similar increase in oil palm (3,935 hect.). Overall, during this period Kuala Selangor retained its position as a plantation area although rubber plantation was following the same trend as other coastal areas and dwindled rapidly.

b. 1980-1992

During this period, Kuala Selangor remained largely a plantation area with palm oil. The palm oil plantation was largely stable through the decade though some
increase in hectarage could be observed. Data from Kuala Selangor too shows that in the first half of the decade, rubber plantation was actively dwindling both in acreage and numbers. More than 3,000 hectares of rubber plantation had gone and not all of it was converted to palm oil. The single largest drop of nearly 1,500 hectares was seen for rubber plantations in 1983, with an increase to almost 2,000 in palm oil in the same year. The increase in palm oil estate accounts for only about half of the figure of the drop in rubber plantation, suggesting that the other half was made up of rubber plantations that had ceased operation. About 10 rubber estates had ceased operations or were converted to oil palm during the first half of the decade. An increase of one oil palm plantation in 1983 suggests a conversion of a reasonably large rubber plantation. The second half of the decade saw stability for both crops, though rubber showed some significant increase in 1987. These could be because replanting had been carried out by rubber plantations, but a more probable reason could be that palm oil plantation had included some rubber in their plantations – a practice that was not uncommon. This can be seen by the decrease of oil palm hectarage of almost 2,000 hectares in that year. In total, Kuala Selangor lost more than 2,500 hectares of rubber land or 66 per cent, while oil palm had increased by nearly 1,600 hectares, or about 6.6 per cent, for the 1980-90 period. Kuala Selangor lost a nett total of 1,121 hectares of plantation land in that decade. From available data on rubber for 1992 and 1995, the trend continued where the hectarage was 1,114 with 5 plantations and 840 with 3 plantations, respectively.

c. 2002 -2015

By the mid-1990s, rubber had already lost its position as an important industrial crop, with only 840 hectares in 3 plantations in Kuala Selangor. The rubber hectarage was an insignificant amount for a meaningful crop conversion argument. Palm oil, however, maintained its hectarage since the late 1970s to 2015. Evidence of mergers of plantation could be seen from the data. In 2002 there were 34 oil palm plantations, but by 2006, there were only 28, while the hectarage remained almost same. Two striking facts can be observed from the oil palm figures of this period - firstly, the increase of 1,348 hectares in 2007 that was subsequently shed the following year, but most had been retained by 2009 (1,101 hect.). This could have been due to a decision to plant new oil palm trees that was later postponed, before most of it subsequently resumed the following year (paper exercise reported in the annual returns). This is possible because the number of plantations remained almost the same during these years. Secondly, there was an increase of more than 2,000 hectares of oil palm plantation in 2014. This could mostly be from newly planted areas in existing plantations as well as in new plantations, as reflected in the one additional plantation. Presently, Kuala Selangor continues to remain as an important plantation district.
### 8.2.4 District of Hulu Langat

#### Table 8.5 District of Hulu Langat, 1968-2015

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*Source: Department of Statistics, Rubber Research Handbook (various years), Department of Statistics, Handbook of Oil Palm, Cocoa, Coconut & Tea Statistics (various years), Palm Oil*
Hulu Langat is an inland district with no coast-line. As with most inland areas, Hulu Langat plantation was basically dominated by rubber plantations, though oil palm was increasing progressively. Though there was a 200 per cent increase in oil palm plantations during this period, the actual hectarage increase was less than 2,000 hectares. In 1973-74, the highest drop of rubber hectarage occurred, where 1,780 hectares were gone. Another relatively small drop happened again in 1977-78, where another 1,191 hectares were gone. Both drops in rubber did not result in an increase of oil palm hectarage suggesting crop conversion was not the case. The same can be seen in 1970-71 when nearly 1,000 hectares of rubber plantation were depleted. The nett loss of rubber land was 6,387 hectares, and nett loss of plantation land was 4,474. Overall, during this period, where rubber was the main crop, the fall in hectarage was relatively small, and crop conversion played a relatively marginal role in comparison to other districts.

b. 1980-1992

The largest drop happened in 1980 to 1982, where rubber decreased by 1,728 hectares. The increase of oil palm hectarage during this period was less than 1,000 hectares. This meant that over 700 hectares of rubber plantation ceased operations in those two years alone. The rubber plantations had continued to decrease, but not in a drastic manner. By 1992, the rubber plantations had been reduced to about 6,273 hectares or 47 percent of its planted area in 1980. During the same period, the oil palm plantation too increased by about 40 percent, but the total hectarage increased only to 2,546. This translated to nearly 2,700 nett loss of plantation area from 1980-90 (oil palm data was not available from 1989). A dozen rubber plantations were ceased operations or were converted to oil palm, and at the same time, an increase of 14 plantations was observed in palm oil plantation for the decade. Overall, in this district, the period 1980-1992 witnessed plantation land slowly dwindling, but the main cause for this was not crop conversion.

c. 2002-2015

Well before this period commenced, rubber ceased to be the main crop in this traditionally rubber district. In 1995, rubber dwindled further to 5,743 hectares, compared to 6,422 hectares in 1988. By the next survey in 1999, rubber occupied
less than 1,000 hectares in Hulu Langat. As was the trend in the previous periods, it was not primarily crop conversion. When data availability on oil palm plantation with district breakdown resumed in 2002, oil palm was at 3,519 hectares compared to the last known acreage of 6,422 hectares in 1988. This was nearly a 55 per cent drop, which has been almost consistent throughout this period, except for a slight increase in 2015. Plantation lands in this district gave way to development. In total, nearly 19,500 hectares of plantation land had disappeared, ever since data by districts were available from 1968. The total number of rubber plantations dropped by 16, while the gain in oil palm plantation was 13 plantations. Given the consistent hectarage throughout this period, mergers of rubber plantations during the period was highly likely.

8.2.5 District of Hulu Selangor

Table 8.6 District of Hulu Selangor, 1968-2015

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Source: Department of Statistics, Rubber Research Handbook (various years), Department of Statistics, Handbook of Oil Palm, Cocoa, Coconut & Tea Statistics (various years), Palm Oil Registration and Licensing Authority Annual Report (various years) & Malaysian Palm Oil Board, Malaysian Oil Palm Statistics (various years) and Malaysian Palm Oil Board, Unpublished Statistics on Oil Palm Hectarage and Number of Estates by Districts (2002-2015).

a. 1968-1979

Hulu Selangor, being an inland district, was primarily a rubber area. The rubber plantation retained its dominance in terms of hectarage, and conversion from rubber to oil palm was not aggressive in this district during this period. Slightly over 4,000 hectares of rubber (or less than 15%) was shed, while the gain in oil palm was also nearly 4,000 hectares. For the missing rubber hectares, crop conversion was highly likely. As such, the total plantation land remained the same for the entire period.

b. 1980 – 1992

This period in Hulu Selangor is interesting to observe. Rubber hectarage dropped drastically, but a similar increase was not seen in oil palm hectarage. In fact, a sharp fall of total plantation land can be seen in 1982, where 2,997 of rubber and 3,361 of oil palm were shed respectively. From 1980 to 1988, rubber dropped by nearly 5,000 hectares, but the increase in oil palm hectarage was only 1,446. The rubber hectarage dropped further, and set a stable trend for the demise of rubber plantation in Hulu Selangor. From 1988 to 1992, rubber had shed another 3,223 hectares, and since 1990, nearly 1,000 hectares annually. It is a known fact that the areas in Hulu Selangor, among others, Serendah and Lembah Beringin, were undergoing massive transformation, where plantation lands were sold in large hectares to developers, but developments projects had been halted with the economic recession of 1985-87.
c. 2002-2015

This period witnessed a continued rapid fall of rubber hectarage from the earlier period. Data for 1995 and 1999 for this district showed that rubber hectarage was 10,208 and 5,308 respectively. The number of plantations operating for those two years was 25 and 13. Soon, the data of rubber in this district would be statistically negligible.

The trend for oil palm for the two previous periods in Hulu Selangor had been reversed. Oil palm developed to be a major crop in this district, and remained so for this entire period. In the interim phase from 1993 to 2001 (in the absence of complete rubber hectarage figures by districts), the crop conversion argument, though viable, was not supported by evidence. In 1992, the oil palm was 9,814 hectares, and when the data resumed in 2002, the figure escalated to 20,917 hectares, or 53 per cent. In the corresponding period, the drop during 1992 to 1999 alone, was more than 8,500 hectares, or over 60 per cent. The oil palm retained its hectarage throughout this period. Hulu Selangor is currently the biggest oil palm district in Selangor.

8.2.6 District of Sabak Bernam

Table 8.7 District of Sabak Bernam, 1968-2015

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</tr>
<tr>
<td>2013</td>
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</tr>
<tr>
<td>2014</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>


a. 1968 – 1979

Basically Sabak Bernam had never been known as a plantation area. It was known for other types of agricultural activities such as paddy, coconut, and later, cocoa. Nevertheless, being a coastal area, oil palm plantations made inroads, especially along the coastline. However, from 1968 to 1972, planted hectarage was only about 1,000 hectares. A sudden surge could be observed in 1976, where over 50 per cent increase was observed. This figure was retained for 1977, but it was suddenly reduced to 54 per cent, and this meant it went back to its original range. Similarly, the number of plantations recorded was 10. It is difficult to understand the reasons for the sudden surge and drop, except to note that Selangor/Kuala Lumpur data was adjusted with the introduction of new districts and boundaries in Selangor. It is interesting to note that in 1982, Sabak Bernam recorded 2 rubber plantations and 280 hectares. A plantation should not be less than 40.47 hectares, and as such, two or more small smallholdings must have been merged and later disintegrated. The data for the following period of 1980 to 1992 was not available for the crops – rubber barely made an appearance in Sabak Bernam district, and oil palm data was not available until 2002.
b. 2002 – 2015

The figures available in 2002 showed that oil palm had doubled its hectarage since 1988. The hectarage was about 4,500 hectares from 2002 to 2009. A sudden drop to 1,625 hectares in 2010 could be observed and this is difficult to explain. For the next three years, until 2013, the range was about 4,000 hectares. The following two years witnessed palm oil scaling new heights in Sabak Bernam, with a new range of 5,000 hectares. In terms of percentage, Sabak Bernam as a plantation area was impressive, though numerically, it may not be as important as other oil palm areas of the period.

8.2.7 District of Kuala Lumpur (later Federal Territory)

Table 8.8  District of Kuala Lumpur, 1968-1981

<table>
<thead>
<tr>
<th>Year</th>
<th>Kuala Lumpur</th>
<th>Total Plantation Land</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rubber Estates</td>
<td>Oil Palm Estates</td>
</tr>
<tr>
<td></td>
<td>Hectare</td>
<td></td>
</tr>
<tr>
<td>1968</td>
<td>47</td>
<td>12,273</td>
</tr>
<tr>
<td>1969</td>
<td>47</td>
<td>12,473</td>
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<td>12,347</td>
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<tr>
<td>1971</td>
<td>45</td>
<td>11,894</td>
</tr>
<tr>
<td>1972</td>
<td>19</td>
<td>10,697</td>
</tr>
<tr>
<td>1973</td>
<td>18</td>
<td>10,570</td>
</tr>
<tr>
<td>1974</td>
<td>40</td>
<td>10,081</td>
</tr>
<tr>
<td>1975</td>
<td>37</td>
<td>9,811</td>
</tr>
<tr>
<td>1976</td>
<td>37</td>
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<tr>
<td>1981</td>
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Source: Department of Statistics, Rubber Research Handbook (various years), Department of Statistics, Handbook of Oil Palm, Cocoa, Coconut & Tea Statistics (various years), Palm Oil Registration and Licensing Authority Annual Report (various years) & Malaysian Palm Oil Board, Malaysian Oil Palm Statistics (various years) and Malaysian Palm Oil Board, Unpublished Statistics on Oil Palm Hectarage and Number of Estates by Districts (2002-2015). (n.r: 'not relevant')

a. 1968-1981

Kuala Lumpur is an inland territory and has no borders with the coast. The main crop is rubber, as was the case with most inland districts in this period. As long as
data was available for oil palm in Kuala Lumpur, crop conversion seems to have been negligible, as there was no corresponding increase in oil palm. In fact, the fall in the hectarage of rubber was not very significant compared to some districts, and it was being less than 20 percent for 1968-74. If the total depreciation of rubber for the entire period of 1968-1981 was accounted for, the drop was less than 40 percent. Oil palm remained largely the same, at a range of 1,500 hectares, except in 1973, where it showed the largest increase for Kuala Lumpur (183 hectares). With the coming of the two new districts of Gombak and Petaling, Kuala Lumpur technically ceased to have any operating plantations.

### 8.2.8 District of Gombak

Table 8.9 District of Gombak, 1978-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Gombak</th>
<th>Total Plantation Land</th>
</tr>
</thead>
<tbody>
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<td>Rubber Estates</td>
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</tr>
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</tr>
<tr>
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<td>23</td>
<td>3,625</td>
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</tr>
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<td>2011</td>
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</tr>
<tr>
<td>2012</td>
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<tr>
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</tr>
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</tbody>
</table>
Gombak is an inland district and rubber was the main crop during this period. Rubber details have been available from 1984. Rubber maintained a range of 3,200 to 3,700 hectares throughout this period except for 1983 and 1992, where it was marginally higher and lower respectively. The numbers of plantation showed that mergers of plantations were likely. An important fact is that for the years that are comparable, the data do not suggest crop conversion as an important trend.

The oil palm records show that 2 plantations were closed during the 1978-79 period, and the total hectarage lost was high – 1,585 hectares. In the following year, nearly 500 hectares more were shed in Gombak. In 1982, a big rise of 1,894 could be observed. These figures showed irregular fluctuations, especially sudden surges and dips. From 1983-1988, the oil palm hectarage was consistent in the range of 1,000 hectares.

Before the commencement of this period, rubber had ceased to be a statistically significant crop in Gombak. A downward trend could be seen in ears 1997 and 2001, where the rubber hectarage dwindled to 1,613 and 850 hectares respectively. In other words, a drop of nearly 50 per cent happened from 1992 to 1997, and from 1997 to 2001. In the latter period, a drop of 50 per cent was also seen in the number of rubber plantations. Crop conversion was likely in the last remaining rubber plantations in Gombak. The hectarage of oil palm in Gombak largely remained stable for the entire period (2002-2015), with slight annual increments. Mergers of oil palm plantations were also likely from 2010 to 2012, and the number of oil palm plantations have remained the same since.
### 8.2.9 District of Petaling

Table 8.10 District of Petaling, 1978-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Rubber</th>
<th>Oil Palm</th>
<th>Total Plantation Land</th>
</tr>
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*Source: Department of Statistics, Rubber Research Handbook (various years), Department of Statistics, Handbook of Oil Palm, Cocoa, Coconut & Tea Statistics (various years), Palm Oil Registration and Licensing Authority Annual Report (various years) & Malaysian Palm Oil Board, Malaysian Oil Palm Statistics (various years) and Malaysian Palm Oil Board, Unpublished Statistics on Oil Palm Hectarage and Number of Estates by Districts (2002-2015).*

#### a. 1978-1992

Petaling is an inland district where rubber plantation was dominant. However, during this period, rubber dropped by about 50 per cent, and the number of
plantations similarly dropped. This drop would be consistent for the entire period. However, the drop in rubber plantations did not suggest conversion of crops. The oil palm hectarage, that was about half the size of the rubber hectarage, showed an increasing trend. A sudden increase of 1,438 hectares was seen in 1980, with 3 new plantations. This did not correspond to the dwindling rubber hectarage. In 1981, mergers of rubber plantations were likely. In 1982-83, another sudden surge of oil palm hectarage could be seen. The increase of 1,667 was accompanied by an increase of one plantation, with no signs of rubber plantation having been converted to oil palm. The oil palm plantation would be largely stable from 1984 onwards, with a marginal decrease annually.

b. 2002-2015

Petaling district would show the end of the plantation era during this period. Rubber was on a downward trend since the last period, and by 1995, it had dropped another 1,000 hectares and the number of plantations had dropped by 50 per cent. Rubber was eventually excluded from the Petaling plantation statistics. There was no evidence to suggest crop conversion from rubber to oil palm in the interim period. Since the last figure in 1992, oil palm decreased nearly 50 percent by 2002. Oil palm had been steadily decreasing since, but a rapid drop was noticeable in 2014 and 2015 where it shed about 60 percent of the oil palm hectarage for the two consecutive years. In total, from the peak of plantation hectarage in 1983, Petaling district lost about 11,500 hectares of plantation land.

8.2.10 District of Sepang

Table 8.11 District of Sepang, 1978-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Rubber Estates</th>
<th>Hectare</th>
<th>Oil Palm Estates</th>
<th>Factory</th>
<th>Hectare</th>
<th>Total Plantation Land Hectare</th>
</tr>
</thead>
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<td></td>
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<tr>
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<td></td>
<td></td>
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<td>1982</td>
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<td>1987</td>
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<td>H.L</td>
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</tr>
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<td>H.L</td>
<td>11</td>
<td>8,629</td>
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</tr>
</tbody>
</table>
1989 | 2 | H.L | - | - | - | -  
1990 | 2 | H.L | - | - | - | -  
1991 | 2 | 1,204 | - | - | - | -  
1992 | 2 | 1,246 | - | - | - | -  
2002 | - | - | - | - | 12,525 | -  
2003 | - | - | - | - | 12,965 | -  
2004 | - | - | - | - | 12,591 | -  
2005 | - | - | - | - | 12,555 | -  
2006 | - | - | 13 | - | 12,647 | -  
2007¹ | - | - | 13 | - | 12,477 | -  
2008 | - | - | 13 | - | 12,865 | -  
2009 | - | - | 13 | - | 15,047 | -  
2010⁴ | - | - | 12 | - | 13,171 | -  
2011 | - | - | 11 | - | 12,563 | -  
2012 | - | - | 10 | - | 12,482 | -  
2013 | - | - | 10 | - | 12,334 | -  
2014 | - | - | 10 | - | 12,526 | -  
2015 | - | - | 10 | - | 12,348 | -  

**Source:** Department of Statistics, *Rubber Research Handbook* (various years), Department of Statistics, *Handbook of Oil Palm, Cocoa, Coconut & Tea Statistics* (various years), *Palm Oil Registration and Licensing Authority Annual Report* (various years) & *Malaysian Palm Oil Board, Malaysian Oil Palm Statistics* (various years) and Malaysian Palm Oil Board, Unpublished Statistics on Oil Palm Hectarage and Number of Estates by Districts (2002-2015).

a. 1978-1988

Sepang shares a long coastline on the south west of the district, and as expected, oil palm dominated this district. Rubber hectarage was smaller, and on a downward trend in this district. From 1982 to 1992, rubber shed nearly 900 hectares, or 40 per cent of the hectarage. Rubber figures were merged with Hulu Langat districts from 1985 to 1990 to retain the statistical anonymity because the total number of plantations was less than 3. However, it was published once again in 1991 and 1992, despite the total number of plantations being still under 3 units. No conversion of plantation was clearly visible in this district for the years in which data was available for both crops. From 1979 to 1980, oil palm increased by nearly 7,500 hectares in Sepang. The lack of rubber data for this period did not allow further exploration of the possibility of crop conversion. Later, a sharp drop was seen in 1983 where 2,786 hectares were shed as compared to the previous year. It suggested closure of plantations, as two oil palm plantation were missing from the previous year. The oil palm plantations had retained a stable hectarage from 1983 to 1988.
b. 2002-2015

Like most coastal and some inland districts, rubber was not included in the statistics of Sepang district during this period. During the 1991-92 period, the range for rubber was about 1,200 hectares, and by 1995 it had been merged with data for other districts. There has been no information on rubber in this district ever since. Oil palm showed a different trend where there was a sudden increase from the last known figures of 8,629 (1988) to 12,525 in 2002, or an increase of more than 30 per cent. It should be noted that palm oil retained most of the planted area from 2002 to 2015, where the decrease was only 177 hectares. An irregular pattern could be seen between the years 2009-10, whereby a sudden increase of 2,182 hectares in 2009 was observed, but 1,876 hectares were shed in the following year. During the increase, the number of plantations remained the same, but when the fall happened, one plantation less was recorded. There is a possibility, that the whole process in 2009 was largely a paper transaction (and submitted for the annual returns), but that the decision was reversed in 2010 (although the updated version had been submitted for the annual returns). The reduction of the plantations was very likely due to a merger exercise, that was common during this period.
### 8.2.11 Aggregated Data for Selangor

#### Table 8.12: Aggregated Data for Selangor, 1968-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>State of Selangor</th>
<th>Rubber</th>
<th>Oil Palm</th>
</tr>
</thead>
<tbody>
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<td>Estates Hectare</td>
<td>Estate Hectare</td>
<td>Factory Hectare</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rubber Increase/Decrease Annually</td>
<td>Oil Palm Increase/Decrease Annually</td>
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<td>1989</td>
<td>128</td>
<td>36,560</td>
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<tr>
<td>1990</td>
<td>122</td>
<td>33,658</td>
<td>-</td>
</tr>
<tr>
<td>Year</td>
<td>Total Planted (ha)</td>
<td>Hectares Transformed (ha)</td>
<td>Hectares Retrenched (ha)</td>
</tr>
<tr>
<td>------</td>
<td>-------------------</td>
<td>--------------------------</td>
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<td>116</td>
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<td>-</td>
<td>82,350</td>
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</tr>
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<td>2012*</td>
<td>-</td>
<td>82,447</td>
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<td>n.a</td>
<td>n.a</td>
<td>-</td>
</tr>
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<td>-</td>
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<td>2015*</td>
<td>-</td>
<td>79,956</td>
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8.2.12 Transformation of Plantation Lands: A Summary

Table 8.12 shows aggregated figures from all the districts of Selangor (1968-2015). The aggregated figures were able to show the broad strokes of development in Selangor plantations. However, it should be reminded that the aggregated data (for Selangor) tended to mask some of the most salient characteristics of the individual districts. The best approach to explain the transformation of plantation lands in Selangor, is to retain the districts’ dynamics, without completely discarding the aggregated data, in explaining the different aspects of plantation cessation (or persistence).

For overall generalisation, the data on individual districts reveals that a demarcation can be made between rubber and oil palm districts in Selangor. Oil palm districts were the coastal districts of Kuala Selangor, Klang, Kuala Langat and Sepang. On the other hand, the rubber districts were the inland districts of Hulu Selangor, Gombak, Petaling, Hulu Langat and Kuala Lumpur. The plantation companies in coastal districts begun to plant oil palm in a big way mainly in their rubber plantations (or sometimes new plantations) since the mid-1960s. Given these dynamics, generally it can be stated that crop conversion from rubber to oil palm was rampant only in the coastal districts, and not in the inland districts during the first and parts of the second period.

However, the data by districts viewed over time reveals a much more complex and differentiated picture of the plantation land transformation:

1) A drop in hectarage and numbers of rubber plantations, and a corresponding increase in oil palm plantations and hectarage are witnessed in some districts. In these cases, surplus labour would be retrenched, and evicted together with their families, while other labourers and their families were retained in the oil palm plantations. In these cases, only partial displacement of labour families happened. Clear examples of these are Kuala Selangor and Klang districts during the 1968-79 period.

2) A drop in the hectarage and numbers of rubber plantations in the coastal areas, which did not contribute to the increase in oil palm plantations. In other words, these rubber plantations were not converted to oil palm, but were closed. In terms of the consequences on the labour, the data suggested that all the affected plantation labourers were retrenched, and their families evicted from the plantations. Clear examples of these are Kuala Langat and Hulu Langat districts in the 1968-79 period. In later years, oil palm plantations too experienced the same process in some coastal and inland districts.
3) Only part of the former rubber plantations was converted to oil palm plantations, where plantation production continued with the new crop. However, other parts ceased operations and were closed. A nett loss of plantation land occurred in such cases. The consequences on the labour are similar to that of number one above. Clear examples of these are Klang and Kuala Selangor districts in the 1980-92 period. In later years, oil palm plantations too experienced the same process in some coastal and inland districts.

Apart from that, certain other generalisations can be made based on the districts and aggregated data for Selangor. These generalisations are closely related to the pattern of plantation land transformation – cessation (or persistence) of plantations and crop conversion. Among others, the generalisations are as follows,

1) Crop conversion was initially active in the coastal districts, and later to inland districts. The intensity of conversion differed by districts and by time.

2) The fall of rubber hectarage was critical during the first period (1968-79), and gradually slowed down in the second period (1980-92). This was caused by closure of plantations, or by crop conversion. However, at the end of the second period, crop conversion gradually lost importance because rubber hectarage had become very small. In the third period, the acreage of rubber became too negligible for meaningful crop conversion.

3) Crop conversion was critical from 1968 to 1979 (that comprised the first period) and in the first half of the second period (1980-1986). During this period, rubber plantations shed about 63,000 hectares and oil palm gained about 43,000 hectares. The nett loss in plantation land was about 20,000 hectares.

4) Rubber hectarage had continued to drop. In 1992, rubber made up about 25 per cent of the total planted area (of rubber and oil palm plantation). By 2010, rubber was less than 3 per cent of the total planted area. In the third period (2002-2015), rubber acreage was negligible, and had no capacity for significant crop conversion. The nett loss of rubber land was about 42,000 hectares or nearly 45% from 1968 to 2015.

5) Several major cases of nett loss of plantation land could be observed over these periods – about 4,000 hectares in 1972, about, about 7,000 hectares from 1984 to 1988, and more than 16,000 hectares from 1990-1992. These were mostly rubber lands, although during the 1990-92 period, nearly 6,500 hectares of rubber land, and close to 10,000 hectares of oil palm land were lost.
6) Oil palm was on an increasing mode in the first two periods (1968-79 & 1980-92). In the interim period, where rubber details were irregular (1993-2001), oil palm hectarage showed a drop of 2,241 hectares. This drop continued at an even more rapid pace in the third period (8,016 hectares).

7) Oil palm plantation land began to disappear intermittently in large numbers since the mid-1990s. A major volume of oil palm lands ceased to exist in some years - 1994 (3,107 hectares), 1997 (12,324 hectares), 2001 (5,314 hectares), 2010 (9,569 hectares) and in 2015 (1,989 hectares). These lands, like most of the nett loss of rubber plantation lands in the earlier periods, were commodified.

8) The encroachment of oil palm into rubber districts had mixed results – some thrived, while others did not. A good example of a successful venture into inland districts is Hulu Selangor, currently the biggest oil palm district in Selangor. Gombak is another inland district with oil palm. The reverse pattern must be negligible, if at all any existed.

8) Traditional plantation districts along the coastal areas showed mixed results. Some of the original oil palm districts such as Kuala Selangor, Kuala Langat, Sepang and Sabak Bernam retained its position as oil palm districts.

9) Some inland and coastal districts had ceased to be plantation areas or were currently only marginal oil palm areas. Klang is a coastal district that was rapidly shedding its plantation lands. Hulu Langat is an inland district but with the same status as Klang district. These districts are heading towards the end of the plantation era.

9) The location of the districts rather than the type of crops determines plantation cessation in large numbers, especially over the last two periods (1980-1992 & 2002-2015).

In short, this section has shown a broad picture of how rubber plantations were progressively transformed into oil palm plantations in some districts, but not in others, and how in some districts the plantation industry on the whole has been slowly diminishing, while persisting in others. This transformation has been captured and presented by individual districts. Overall, in the third period, oil palm maintained its position as the most important industrial crop in Selangor. And contrary to the popular notion that the era of plantation was coming to an end, oil palm has consistently retained its position in terms of total hectarage since the late 1970s to 2015, although by now, the majority of labour force in these districts had shifted from being locals to foreigners (see section on remaining estates 8.5).
8.3 Land Use Maps: Visualising the Cessation and Persistence of Plantation 1984-2012

The discussion in the previous section with districts breakdown is important in understanding the differentiation of plantation land transformation over the decades. However, the actual spatial transformation is difficult to be pictured with numbers alone. More importantly, by strictly following the numbers, the dynamics of the transformation may be overshadowed. For example, oil palm would appear to have been retaining consistent hectarage in the post-1970s period, especially when compared between two fixed periods i.e. in the beginning and in the end (unlike comparing the peak year and the final year). However, this may not be an accurate representation in all cases, because crop conversion from rubber to oil palm largely contributed to retaining the consistency of the overall figures of oil palm hectarage.

To overcome this inadequacy, this section provides a series of land use maps (with satellite technology) to complement the breakdown of the districts figures. The timeline maps capture the spatial transformation through two main indicators, namely, the composition of crops (rubber and palm oil) and urbanisation. It shows how certain areas remained as a plantation belt, while others were transformed by urbanisation. These maps together with districts data provide a clearer picture of transformation of plantation lands over these decades. The maps attached here are for the years, 1984, 1990, 1997, 2000, 2006 and 2010.
Map 8.1  Selangor Land Use Map: Urban Areas, Rubber and Oil Palm, 1984
Map 8.2  Selangor Land Use Map: Urban Areas, Rubber and Oil Palm, 1990
Map 8.3  Selangor Land Use Map: Urban Areas, Rubber and Oil Palm, 1997

Legend:
- Red: Urban, Residential etc.
- Light Blue: Rubber
- Light Pink: Rubber/Other Crops
- Pink: Oil Palm
- Dark Pink: Oil Palm/Other Crops

Source: Survey of Territorial Boundaries (KPTB) 2000 (1:25,000) and Peta Selangor 2000 Scales 1:10,000.
Map 8.4  Selangor Land Use Map: Urban Areas, Rubber and Oil Palm, 2000
Map 8.5  Selangor Land Use Map: Urban Areas, Rubber and Oil Palm, 2006
Map 8.6  Selangor Land Use Map: Urban Areas, Rubber and Oil Palm, 2010
8.4 Plantations Ceased Operation in Selangor, 1983-2012: Retrenchments and Compensation

The single most challenging factor for a study of this nature has been to generate the mass retrenchment data and the compensation awarded for individual plantations in the period under study. Parallels can be drawn to Ungku Aziz’s (1962) attempt to study the scale and impact of subdivision of plantations – the last major survey on plantations in Malaysia. The primary task then was to have the complete details on the affected plantations. Unfortunately, Aziz lamented that ‘no list of rubber estate by districts was available’ and his team was forced to create one and generate the necessary details directly from fieldwork (1962:5).

This study was confronted with a similar predicament as data on retrenchments and closure of plantations for the period under study is not available. Lack of specific data from the labour union and planters’ association that registers and records the closure of plantations is the biggest challenge.¹ The state records, where made available, were mainly from the Ministry of Human Resources (MOHR), and these were grossly incomplete and dependent on the two organisations mentioned above. Though a guideline that required plantations to inform the ministry prior to any retrenchment exercise undertaken, was introduced in late 1969, this data is not available. There is suspicion that for a long time this was not effective or being enforced. Furthermore, retrenchments were not officially mandatory to be informed to the authorities.² This created a growing vacuum of information and became a daunting challenge to understand the scale of plantations closure and compensation awarded following mass retrenchments.

Thus, the available option is to generate a list of plantations that ceased operations by compiling individual cases of mass plantation retrenchments through all sources available – the Union, planters’ organisations, state records, respective former estate leaders /workers, NGOs, political organisations and individuals previously involved with the process.³ However, it should be explicitly stated that the effort to

¹ The union (NUPW) and the planters’ association (MAPA) destroys their files within five to six years of a respective plantation ceasing operations and settlements being made. The information was obtained from an interview with MAPA Director, Tuan Haji Mohamad bin Audong and NUPW Secretary General, Mr. Navamukundan.
² From the records of Ministry of Human Resources, from 2004 to September 2012, only 13 retrenchments were registered for the sector classified as ‘Agriculture, Hunting and Fisheries’ of which only five were plantations. Source from unpublished records on retrenchment (2004 to September 2012), MOHR, Putrajaya.
³ The list of plantations that ceased operations could not have been compiled without the help of NUPW, particularly the Selangor Branch Secretary, Mr Thamasegaran. Mr Thamasegaran was most instrumental in preparing this list. Further data compilation and verification was done with the help of estate union leaders, plantation activists, local MIC leaders and the Socialist Party of
study retrenchments and compensations awarded in plantations is a tricky subject, to say the least. A number of issues can mislead if not to confuse information obtained on the retrenchments and closure of plantations. This will be among the most serious challenges in generating the plantations mass retrenchments data. Some of the main difficulties are as follows:

1) The cessation of plantation operations and mass retrenchments is not necessarily a process that occurs in an entire plantation concurrently at a given time. Many plantations undergo a staggered process in retrenchments – by design or otherwise – where the last retrenchment of the labour force and the final termination settlements and evictions may be stretched over time, sometimes to the tune of years, before being concluded. As such, information obtained during the first phase of retrenchments and settlements, may differ from the subsequent phase, or the final phase. This among others explains why the names of certain plantations recurs at different period of time for closure or final retrenchments.

2) Identifying and listing the plantations remains one of the main challenges because the sheer number of plantations that were closed during the period under study.4 Worse still, attempts to enumerate and sort plantations by names alone can be seriously misleading. Plantations’ names could change over time as a result of business takeovers and mergers with surrounding plantations. Further, plantation names could also be misleading as many large plantations had several divisions, and often, the divisions maintain separate names, and may undergo the cessation of operations at different paces. In fact, the Labour Department and NUPW records often maintain large divisions as separate entities, and this could be mistaken for different plantations, rather than being just a division.

3) The amount of monetary compensation, mainly termination benefits and ex-gratia payments, also differed among each labourer as calculations were based on the total number of years in employment. The key way to quantify is then to state whether or not the MAPA-NUPW agreement was followed, in determining and executing the termination benefits. As for the ex-gratia payments, the question is whether or not the agreed ex-gratia payments were made to the remaining labour force. However, to give a clearer picture of how a typical plantation existed on the

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Malaysia leaders, specifically the Secretary General, Mr Arulchelven. Equally, the assistance from MAPA in providing leads for further information was immensely helpful. All of them were instrumental in cross-checking the data. However, the author is responsible for any remaining errors.

4 We are fortunate to come across several important lists of post-1970 plantation in Selangor at the National Archives that includes the Statistics Department, Labour Department, NUPW and MPIEA/MAPA. Most of the plantations had ceased operations or merged with other plantations and the details on it are grossly incomplete. We have provided the amalgamated list in the Appendix.
eve of final retrenchments, especially in terms of the composition of the workforce and compensations awarded to individuals, a specific case is provided later (see Table 8.17 on Pilmoor Estate). As such, the main table only states if the termination benefits and ex-gratia payments were awarded or not.

4) In order to create consistent data, all entries as much as possible, should refer to the final retrenchments by the plantations, and the types of compensation accorded to the final remaining labourers. As such, the names of the plantations are listed as it appeared at the final retrenchments. This is in the hope of avoiding multiple entries and duplication of data for each individual plantation. The names of divisions are provided, where necessary. However, even this may not be a straightforward exercise for all plantations. Some plantations were still under dispute and the final batches due for compensations and/or due to vacate the plantation may still be there. In this instance, we provide the most recent data available. Discussion on the process leading to the final retrenchments and the role of agency, was discussed in Chapter 7 to complement the data provided here.

With the limitations mentioned above, this section will provide an overview of this phenomenon in Selangor, by classifying various types of closures and the compensation accorded to the affected labourers at individual plantation level. The name of divisions will be maintained as in accordance with the listing by the Union and/or the Labour Department. The method adopted is to individually list each of the plantations/divisions from the scattered information gathered from various sources – oral and written – and reconstruct the critical repository pertaining to the labour retrenchments – such as, the number of affected labourers, types of compensation, housing alternatives and the main reasons for retrenchments and cessation of operations. Cases are compiled and pertinent aspects related to the retrenchments on the labour were outlined. Where needed and available, we clearly distinguish and explain what was involved in the retrenchment process for different categories of plantation labour at different periods of time. Before moving to the cases of retrenchments and compensations awarded when plantations cease operation, a brief explanation on why mass retrenchments in plantation occurred, and the types of compensations awarded will be provided.

8.4.1 Causes of Mass Retrenchments in Plantations

Before pursuing further, we will briefly discuss the causes of mass retrenchments in plantations. At the onset, it should be reminded that mass retrenchments occur for various reasons. However, this not mean that in all cases the affected plantation ceased operations for good. The reasons for mass retrenchments are as follows,
i. **Replanting or Change of Crops**: Plantation crops (rubber and palm oil) have a certain life span, after which, the yield and productivity will slow down, and it will become uneconomical to maintain them. Normally, replanting is only done, when the trees have been felled. When this is undertaken, the labour requirement in the plantation will be lower. This is the oldest form of retrenchment in the plantation industry, and in most cases will be ‘temporary’. Normally, the labour demand will revert to the original requirements once tapping/harvesting begins. It should be noted that the requirement of labour for oil palm is smaller than rubber, so each time certain areas of a rubber plantation replanted with oil palm, a certain number of permanent retrenchments occurs. However, since the advent of labour shortage in the late 1970s, and the introduction of Employment (Termination and Lay-off Benefits) Regulations, 1980, the trend of ‘temporary retrenchment’ has gradually eased.

ii. **Clean Sale**: When a plantation is sold completely to a third party, the operations of the plantation and production continue uninterruptedly. Some ‘downsizing’ may occur, but largely, the workforce of the plantation remains the same. This is with the case of a change of ownership of the plantation. The previous owner may pay the workers redundancy benefits for the years served, while after that, payment for the following years becomes the responsibility of the new owner, or the new owner may assume the responsibility and pay the benefits when the need arises.

iii. **Liquidation**: Liquidation happens when a plantation undergoes a bankruptcy process. In this instance, the operations may not be interrupted, if the new owner decides to continue operations, but will cease operations if the plantation land is used for purposes other than the production of the industrial crop.

iv. **Closure of Factory**: Oil mill (Oil Palm Plantation) and rubber factories (Rubber Plantation) are an integral part of plantation production in large

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5 The type of functions the factories performed can vary. For instance, in the case of rubber factory the factory may only comprise of a smokehouse. Others may also have milling and latex processing. The bigger the factories’ function, the higher the affected labourers. In 1980, there were 120 plantations without factories in Selangor. There were 51 with smokehouses only, 2 milling factories,
plantations or a group of plantations. It is common for the plantation factory to be closed when crop conversion happens, or when the plantation is downsizing the planted acreage (for various reasons). The closure of the factory will render all plantation labour employed in the factory to be redundant, and they will finally be retrenched.

In the following, we will provide cases of retrenchments according to the causes listed above. These reasons for retrenchments or cessation of plantation operations would mostly remain the same until the present time. Plantations are bought and sold as commodities not only for the profit from the yields of the crop, but mainly for the value of the plantation land as a commodity. The ultimate retrenchments will be the closure of plantations for development projects, where the value is on the land. For the purpose of demonstrating the various reasons for retrenchments, we will focus on the period of sudden rapid cessation of plantations commenced (1981-85). The information on commencement period is drawn from a NUPW survey that records the details of affected plantations and the labour force and the reasons for the retrenchments. The survey was initiated on 4 March 1985.  

2 latex processing factories and 7 new processing factories. The total factory employment in estates in Peninsular Malaysia in 1980 was 7,224 (Direct employment 5,941 & Contract 1,283).

### Table 8.13: Plantations in Transition, 1981-1985

<table>
<thead>
<tr>
<th>No</th>
<th>State</th>
<th>Type of Transition</th>
<th>Liquidation</th>
<th>Clean Sale</th>
<th>Development</th>
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<td>Workers</td>
<td>No of Estates</td>
<td>Hectarage</td>
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<td>74,429</td>
<td>13,775</td>
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* NUPW members and non-members included

Source: Data compiled from ‘Retrenchment Survey’ of NUPW initiated on 4 March 1985.¹

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Table 8.14  Selangor Plantations in Transition, 1981-1985

<table>
<thead>
<tr>
<th>No</th>
<th>Type of Transition</th>
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<th>Affected Workers*</th>
<th>Notice W.E.F (with effect from)</th>
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</tr>
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<td>22</td>
<td>n.a</td>
</tr>
<tr>
<td>2</td>
<td>Kerling Estate (Kerling)</td>
<td>2,317</td>
<td>464</td>
<td>19/02/1985</td>
</tr>
<tr>
<td>3</td>
<td>Bristol Estate (Kuang)</td>
<td>903</td>
<td>164</td>
<td>21/12/1984</td>
</tr>
<tr>
<td>4</td>
<td>Tumbok Estate (Tanjung Sepat)</td>
<td>378</td>
<td>61</td>
<td>4/11/1985</td>
</tr>
<tr>
<td>5</td>
<td>Tumbok Oil Mill (Tanjung Sepat)</td>
<td>-</td>
<td>31</td>
<td>4/11/1985</td>
</tr>
<tr>
<td>6</td>
<td>Kundang Estate (Rawang)</td>
<td>385</td>
<td>79</td>
<td>10/07/1984</td>
</tr>
<tr>
<td></td>
<td>Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Kajang Estate (Kajang)</td>
<td>886</td>
<td>44</td>
<td>8/12/1984</td>
</tr>
<tr>
<td>2</td>
<td>Bremar Estate (Kajang)</td>
<td>n.a</td>
<td>51</td>
<td>June 1984</td>
</tr>
<tr>
<td>3</td>
<td>Harun Estate (Klang)</td>
<td>572</td>
<td>103</td>
<td>31/01/1985</td>
</tr>
<tr>
<td>4</td>
<td>Labuan Padang Estate (Damansara)</td>
<td>745</td>
<td>136</td>
<td>n.a</td>
</tr>
<tr>
<td>5</td>
<td>Killinghall Estate (Puchong)</td>
<td>238</td>
<td>37</td>
<td>31/07/1984</td>
</tr>
<tr>
<td>6</td>
<td>Bukit Jalil Estate (Puchong)</td>
<td>n.a</td>
<td>127</td>
<td>31/07/1984</td>
</tr>
<tr>
<td>7</td>
<td>Kinrara Estate (Puchong)</td>
<td>1,904</td>
<td>178</td>
<td>1/09/1981</td>
</tr>
<tr>
<td>8</td>
<td>Castlefield Estate (Puchong)</td>
<td>746</td>
<td>129</td>
<td>17/6/1983</td>
</tr>
<tr>
<td>9</td>
<td>Bukit Kiara Estate (Damansara)</td>
<td>n.a</td>
<td>39</td>
<td>n.a</td>
</tr>
<tr>
<td>10</td>
<td>(name &amp; other details missing)</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td></td>
<td>Replanting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Danudine Estate, Kajang</td>
<td>n.a</td>
<td>55</td>
<td>10/12/1984</td>
</tr>
</tbody>
</table>
*NUPW members and non-members included

Source: Data compiled from ‘Retrenchment Survey’ of NUPW initiated on 4 March 1985.

8.4.2 Retirement, Retrenchments and Compensations

8.4.2.1 Retirement and Retrenchment Benefits

The retirement benefits and retrenchment benefits to the plantation labour evolved over time as shown in the Table 8.15. The main reference to all employment issues was, and still is, the Employment Ordinance, 1955. Before specific agreements were made on retirement and retrenchment, mass retrenchments were largely dealt on a case to case basis by the Union with the respective plantations. It was with the subdivision of estate and the introduction of Employment (Restriction) Act, 1968 (see Chapter 4 & 5) that gave rise to the prospect of mass retrenchments, which forced the NUPW to deal with MAPA for mutually acceptable terms on compensating retrenched plantation labourers. Since then, regular agreements were signed by MAPA-NUPW on retirement and retrenchment (‘redundancy’) benefits. By 1977, retirement and retrenchment benefits were signed in a single agreement, unlike previous agreements that dealt with them separately. Only in 1981, were laws enacted through regulations, to deal with termination and lay-offs. Until then, it was the MAPA-NUPW Agreements that provided the compensation outline for retirement benefits and retrenchments.

Basically, the MAPA-NUPW agreements only covered permanent workers on the check-roll of the plantation. Though check-roll plantation labour could opt to retire at any time after reaching the age of 50 years (subject to approval by Management), the age of retirement is 55 years. However, labourers could work up to 60 years, provided their request is approved by Management. By the time labour shortage hit the plantations in the late 1970s, and the rapid cessation of plantations began in the early 1980s, the retirement and retrenchments benefits were governed by ‘MAPA-NUPW Memorandum of Agreement on Retirement and Redundancy/Retrenchments Benefits 1977’. It clearly stated that only labourers who have worked in the plantation continuously for not less than 5 years, were entitled to retirement benefits. In fact, the benefits to the next of kin in the event of death were also bound by the required minimum of 5 years of service. The Agreement computed the benefits as RM50.00 for every completed year for employment since January 1952 to December 1975, and RM70.00 for every completed year for employment since January 1976 to December 1981 (see Table 8.15).

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2 For brief history of ‘severance pay’ upon retrenchment, see Footnote 8, Chapter 4.
In practice, most retired labourers would continue to occupy the housing provided if their spouse was still working in the plantation. Otherwise, they would vacate their unit, and move to their children’s (sometimes siblings’/close relations’) units within the plantation. However, the Management reserved the right to object to such practices, and force the retiree to leave the plantations. Apart from that, objections by certain government agencies on the grounds of health and hygiene could restrict such cohabitation in the plantation – though it was rarely implemented. For instance, the 1977 Agreements spells that a retired labour ‘undertake to vacate the housing unit and leave the Estate should his continued occupancy of his children’s housing unit is objected to by the Authorities’. As mentioned earlier, the housing privilege of the plantation labour was always used as a means of control and discipline in the lifetime of a labour in the plantation.

Clear conditions had been laid down on entitlements to retrenchment benefits. In the case of plantation mass retrenchments in the 1970s, not all workers were entitled for the ‘redundancy benefits’. The 1969 and 1977 Agreements stipulated that only workers that were employed for not less than 3 years, were eligible for retrenchments benefits. The rate of redundancy benefits was paid based on the years of service. The 1977 Agreement stated that for those who had been employed for not more than 10 years, they were paid RM40.00 for each year completed, is, whereas, those serving more than 10 years but less than 20 years, were paid RM50.00, while those who had been employed for more than 20 years were paid RM70.00. In the case of closure, sale or acquisition of a plantation by government, ‘severance benefits’ were paid to affected check-roll labourers. The quantum of severance payment was the same as the redundancy payment. However, in the case of sale of estates (as opposed to acquisition by Government) where the new owner did not offer employment for the retrenched workers, or the original company could not offer alternative employment within its group of companies, the severance benefits would be 65% more than the rates of redundancy benefits. The severance benefits later evolved as ‘ex-gratia’ payment, when workers were terminated on redundancy grounds.

Plantations always protected their interests in specifying when the final settlements of the compensations would be made upon retirement, or termination of employment for all eligible workers. For instance, the 1977 Agreement that was in effect from January 1976 to July 1981 drew the clause from the 1969 retrenchments agreement, that clearly stressed the importance of workers and their dependents vacating the plantation to be entitled for the compensations. In particular, upon retirement / retrenchments under any reasons, the Management always wanted the labourers and their dependents to vacate the plantation without delay. In fact, the Agreement cited above stated that the benefits would only be paid within a week after the labour families vacated the plantation. If the labour
families failed to vacate the plantation within a month of the Notice (or any other extended period granted by the Employer), the Agreement allowed the retirement/redundancy benefits to be forfeited. This feature would be consistent in all later agreements to the present time. The agreements were normally signed individually by the respective plantations and the NUPW (on behalf of the workers).

Table 8.15  Formalisation of Retirement and Retrenchment Benefits (1969) to the introduction of ‘Employment (Termination and Lay-off Benefits) Regulations, 1980’

<table>
<thead>
<tr>
<th>No</th>
<th>Agreements / Regulations</th>
<th>Validity</th>
<th>Benefits</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agreement on Redundancy Benefits between MAPA &amp; NUPW</td>
<td>1 July 1969 – 19 Dec 1972 (signed on 19 Dec 1969)</td>
<td>&gt; than 10 years of service: RM17.50 per year &lt; than 10 years but less than 20 years of service: RM20.00 per year 20 years or more of service: RM25.00 per year</td>
<td>Employed for a period not less than 3 years The maximum amount payable shall not exceed RM600.00 (if one employed at legal age of 14 and retired at 60 years, total amount due is RM1,150.00!)</td>
</tr>
<tr>
<td>2</td>
<td>Agreement on Retirement Gratuity between MAPA &amp; NUPW</td>
<td>15 Apr 1968 – 15 Apr 1975 (signed on 16 Nov 1970)</td>
<td>RM20.00 per year</td>
<td>Employed for a period not less than 10 years</td>
</tr>
<tr>
<td>3</td>
<td>Memorandum of Agreement between MAPA &amp; NUPW on Retirement and Redundancy/Retrenchments Benefits, 1977</td>
<td>1 Jan 1976 – 1 July 1981 (signed on 12 July 1977)</td>
<td>Retirement Benefits 1 Jan 1952 – 31 Dec 1975: RM50.00 per year 1 Jan 1976 – 31 Dec 1981: RM70.00 per year Redundancy/Retrenchment &gt;10 years: RM40.00 per year &lt;10 years but less than 20 years: RM50.00 per year 20 years or more: RM70.00 per year Severence Pay As Redundancy/Retrenchment except 65% higher if it is a sale of plantation</td>
<td>Employed for a period not less than 5 years Employed for a period not less than 3 years</td>
</tr>
<tr>
<td>4</td>
<td>Employment (Termination and Lay-off Benefits)</td>
<td>1 October 1980 (vide P.U. (A)278</td>
<td>Amount of Termination or Lay-off Benefits Payment:</td>
<td></td>
</tr>
</tbody>
</table>

i) Ten days wages for every year of employment under a continues contract of service for a period of less than two years

ii) Fifteen days wages for every year of employment under a continues contract of service for two years or more but less than five years

iii) Twenty days wages for every year of employment under a continues contract of service if he has been employed for five years or more.

Source: Respective Agreements & Regulations.

Since the introduction of the Employment (Termination and Lay-off Benefits) Regulations, 1980, retrenchment benefits have been governed by these Regulations. However, the practice of ‘ex-gratia’ payments over and above the retrenchments benefits became a common practice in all NUPW negotiations, and was not limited to estate closure alone (for instance, when a change of ownership occurs). The Union argued for such payments on the basis of a small sharing of the huge profit raked by the plantation companies as a result of the sale plantation land for present or future development projects. Ex-gratia was paid when there is a change of ownership (if new employer cannot provide similar employment, and agreed to by the labourer) or downright closure of plantation operations for development projects. The ex-gratia payments were normally calculated on the basis of years of service in the plantation. An amount was fixed for each year of service. In the 1980s, the amount was in the range of 200, and in the 1990s averaged to RM300 for every year of service.³

8.4.2.2 Eradication of Squatters and The Estate Land Board: Provision for Low Cost Housing

The state’s policy of eradicating squatter settlements had a spill over effect on the plantation labour housing policy especially in the 1990s. Since 1996, the policy became more pronounced with the slogan ‘Zero Squatter Policy’ following the

³ Several plantations offered RM400 and RM450 for every year of service. In cases where workers defiantly resided in plantations, the final settlements in several cases have recorded RM1,000 for every year of service.
‘Istanbul Declaration’. The changes in the national housing policy in 1998 requires that all development projects to allocate 30 per cent of the project for low cost housing and this forced the developers to build houses for the poor. As most plantations were cleared for the construction of housing projects, the developer’s quota of low cost unit were mostly made available for the eligible plantation workers. It is here that Section 214A of National Land Code, 1960 became useful. The law clearly stated that ‘no estate land is capable of being transferred, conveyed or disposed of in any manner whatsoever, to two or more persons unless approval of such transfer, conveyance or disposal has first been obtained from the Estate Land Board’. The plantation capital had to ensure the Estate Land Board that necessary arrangements were made on the housing arrangements of the plantation labour before the land can be developed. It is through this process that the plantation workers purchased the low cost housing.

It should be reminded that the low cost houses were only ensured for employed workers in plantation who were financially qualified to purchase the unit. The units were offered only on family basis and not offered on individual worker’s basis. Unemployed plantation residents, those who can’t afford and the dependents of the workers were not eligible, regardless of the size of the family. By this time, the aspirations of most labour families is to strive to get low cost ‘terraced house’ and not high rise low cost flats and this often the source of dispute with plantation capital. However, as no legal provision is in place to protect the housing needs of the plantation families, the role of negotiation (or protest) plays a critical role.

It should be noted that by now, most of the plantations are locally owned, with the state as the largest plantation owner in the world (owned through its investment arms). The compensation, mainly the redundancy benefits and the ex-gratia payment constitute an important part of the final retrenchments. These compensations largely determine the post-migration settlements for the labour families. The purchase of low cost housing and the risk of household debt are also determined by the quantum of these compensations. Most of the remaining plantation labourers were nearing retirement, and they needed a post-plantation house, and at the same they needed the retirement / redundancy compensation and the savings in Employment Provident Fund as the last social security net for the rest of their lives. The amounts that the workers had to pay for the housing individually or collectively with family member/s, would proportionately reduce their savings. It is in this context that the negotiations and provision for housing were important aspects in considering whether to exit, or to remain defiant and lobby for fairer compensation.

Upon final retrenchments, the workers sometimes allowed to stay in the original labour quarters and utilities will be provided at subsidised or prevailing rate. In
some cases, workers will be given a temporary housing, sometimes referred to as ‘longhouse’. The interim housing is until the completion of the low cost house and often close by the original plantation site. In some instances, rental amount is paid to workers until the completion of the housing. The type of houses offered to the labour families are one of the follows: single storeyed semi-detached, single storeyed terrace, double storeyed terrace or walk-up flats. All these low cost housing except flats were normally concentrated close to the original estate site. Stated below are the different types of housing categories, ranging from temporary to permanent for the former plantation labour. These were the options confronting the plantation families upon retrenchment.

1) Private housing scheme is when the plantation company develops the plantation land jointly or singularly. Priority is normally given to the check-roll workers on the basis of having a family (not on the numbers of workers). Some plantations allowed workers to reside in the plantation quarters until such time as it needed to be cleared. Redundancy benefits and ex-gratia payment would not be given, but instead, deducted from the cost of the completed units together with interest. Examples of this are Sungai Choh, Batang Kali, Kuala Kubu and Rinching.

2) Some plantation lands were for public projects. In these instances, subsidized housing was provided at different locations. The major state projects such as the construction of the new administrative capital, Putrajaya, and Sepang international airport fell under this category. Four plantations were affected in the former, and three in the latter. Among the examples of such plantations are Prang Besar, Galloway, Sedgely and Madingley.

4) The category of free housing is the rarest form of housing, and in all cases, not without a prolonged struggle. Free housing was achieved only in cases where labour families prepared to struggle and defy the plantation capital. In almost all cases, free housing was obtained when the workers defy the standard compensation framework of MAPA/NUPW on final retrenchments and the Estate Land Board on housing provisions.

In most instances, the workers were assisted by labour activists. Basically, the workers would reject the offered compensation (redundancy and ex-gratia) payments and would continue to reside in the plantation in defiance. However, not all workers would reject the compensation. The common characteristics of plantations providing free housing were those close to urban areas, where the value of the land was very high (delay in development could be costly) and the number of workers were small. Among the current plantation workers staying in defiance are in Bukit Jalil, Jugra and Tumbok. If, during the time plantation was in operation, housing was used as a form of control and discipline, now workers used
‘no-vacating’ as an approach to bargain for a fair deal – defiance as the weapon of the weak. The examples of this are free low cost housing in Sungai Rasah, Bukit Tinggi and Bangi.4

5) Housing under disputation happened in the post-plantation period. The problem arose after the plantation engaged a developer to build the low cost housing but the development did not take-off as planned. Various reasons could be cited for this problem. For instance, the developer could have gone bankrupt as was the case with Belata River estate (closure in 1996). In this case, the contract was signed by 64 workers in 2003, but the developer wound-up in 2006, with no concrete solution to-date from the developer’s large and well-known parent company, Land & General Berhad. In the case of Bukit Rajah estate (closure in 1997), the remaining 86 workers employed the ‘defiance approach’ and managed to get a fair deal where the company (Sime Darby) signed an agreement with the workers in 2009 for a 1,400 sq. ft. house each at RM77,000 a unit, to be completed within two years.5 However, the construction of their houses was delayed until 2015, and 15 former workers are yet to move in because of their failure to obtain bank loans.

6) No housing arrangements were offered in some cases. In the 1970s and 1980s, this was common but in the post-1990s period, this gradually ceased to exit. Before 1990s, many plantations were known not to offer any housing alternatives. Some plantations merely gave small compensation called ‘resettlement allowance’ that barely covered a few months’ rental of the area. In these instances, the labour families had to struggle to make housing arrangements that normally would have been a collective effort within the plantation (see Chapter 7). Many of these workers were normally concentrated in low and medium-cost housing estates close to the plantations.

Apart from the categories mentioned above, it should be noted that former plantation labour could be commonly seen concentrated in certain private housing estates (called taman in Malaysia). These taman (lit. garden) were often located in large housing projects ranging from low-cost to medium-cost housing, and normally not very far from their original plantation sites. Many of the original taman sites were located a distance away from the towns or cities when they were first built. The housing in taman were either arranged for the workers as part of the retrenchment plans, or privately arranged by the labour families when the project had first commenced – before or after the final retrenchment from plantations.

4 Sometimes the struggle takes a long time by which a generation of labour children grow up in precarious situation. However, the other generation of children growing up in low cost settlements may not be very different.
5 Originally when the termination notice was issued, 120 workers had complied with the company’s instruction to vacate the plantation. They were only offered low cost flats and termination benefits.
Normally, the entire family resources would have been used to pay the deposits to secure the housing, followed by monthly payments through bank loans by eligible members. Often, in the taman close to the plantation belts, occupants could be identified from the different plantations they came from. Some taman even maintain the names of their former plantations. The labour families generally preferred to stay in the taman, and not in the five storeyed low-cost flats (or other types of high rise buildings).

While it was true that most labour families were concentrated not very far from their original plantation sites, some families or member/s of their family were known to moved further away. Even inter-state movements were not altogether uncommon among the labour families. And the most common destination for international migration was Singapore. The type of housing depended on the location. If they moved to large town or cities, the tendency to move into squatter areas was common, especially in the 1970s and 1980s. Normally, the movement to large town and cities were not driven by the need to re-settle, but as a means of entry into the urban labour market. Squatters offered the cheapest stay (where available) in urban centers. Members of the labour families who moved far away from their original plantation sites, normally had a tendency to move again and again for work or settlement reasons, as opposed to those who settled close to their originals sites.

8.4.3 Retrenchments and Compensation in Selangor, 1983-2012

The scale of retrenchments, and the types of compensation awarded following the cessation of plantations operations, is critical in understanding the plantation labour outmigration. As discussed in Chapter 7, the gradual outmigration of the labour families over a period of time – the ‘organization of exit’ – is closely tied to this final retrenchment. Member/s of the labour families, despite all constraints, strived to work in plantations while other member/s commuted or relocated to non-plantation employment. The remaining employed workers in plantations had to ensure that the labour quarters were available as a safety net, until the final migration from the plantation. For the employed labourers themselves, the constraints of being employed in non-plantation markets (for various reasons) and the rationale for obtaining optimal compensation, forced them to be employed in plantations until the final retrenchment. As such, the final retrenchment comprised mostly of elderly labourers, while the total labour force was much smaller compared to the heydays of plantation.6

6 By this time, gradual labour shedding and the dwindling of planted areas would have also long passed.
Following is a list of 91 plantations that ceased operations in Selangor since the 1980s (see Table 8.18). The self-explanatory data will give a concrete picture of the scale of commodification of plantations, on a large canvas, in Selangor. The names of the plantations (or large Divisions), the year it ceased operations, the numbers of workers affected, redundancy and ex-gratia benefits, types of low cost housing offered (if any) and the discounts provided, are among the details provided. This specific data by individual plantations, gives an overall picture of the problem of plantation cessation and retrenchments, faced by each plantation.

However, some of the critical complexities of the plantations could not be captured in the aggregated data in the list presented. In particular, details of the general composition of the work force, the tenure of the labourers involved, the average wages and more importantly, the total compensation received by individual labourers on an average plantation on the eve of cessation have been missed. This begs the question of, what would have been the general characteristics of a plantation work force on the eve of the plantation closure? This is an important question in order to have a meaningful appreciation, and obtain insight into the list of plantations that had ceased operations. These micro details would provide the characteristics of the people as labourers, and enhance our understanding of the labour families’ motivation as well as dependence to remain in plantations until their closure. In order to show the general characteristics of a typical plantation, the case of a single plantation is provided below. The details of the single plantation provided will be typical micro data of an average plantation that has ceased operations. It will complement the more aggregated data provided in the list of ceased plantations in Selangor (Table 8.18).

The plantation selected is Pilmoor Estate that was located at Batu Tiga, Shah Alam. Pilmoor was owned by Tengah Estate and had 120 workers during its final retrenchment in 1986. Workers were issued termination notices under its redundancy exercise. NUPW represented the workers and agreement was reached on the compensation to workers and a community institution – the temple. It was agreed that Termination Benefits would be based on the provisions of the Employment (Termination and Lay-Off Benefits) Regulations, 1980. An ex-gratia payment of RM300 for every completed year of service by the labourer was also agreed upon. It was also agreed that the estate Hindu temple would be re-located, and a sum of RM30,000.00 would be given for this, with another RM2,000.00 to pay for the rituals of removing the deities from that temple. This will be the general picture obtained from the list of ceased plantations. However, a more detailed characteristic of the labour force on the eve of migration and the exact individual compensation based on the tenure of employment are provided in Table 8.17. In general, these data represent the general characteristics of most of the plantations in Table 8.18.
Table 8.16  
Average Monthly Income of Rubber Estate Workers, Peninsular Malaysia 1985

<table>
<thead>
<tr>
<th>Year</th>
<th>Mandore/Chief</th>
<th>Tappers</th>
<th>Field Workers</th>
<th>Arsenic Sprayers</th>
<th>Factory Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>303</td>
<td>259</td>
<td>169</td>
<td>224</td>
<td>225</td>
</tr>
<tr>
<td>1990</td>
<td>436</td>
<td>336</td>
<td>256</td>
<td>280</td>
<td>288</td>
</tr>
<tr>
<td>% of Increase in Real Wages</td>
<td>3.7</td>
<td>2.2</td>
<td>5.1</td>
<td>-1.3</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Table 8.17  Employment Tenure, Average Wages and Redundancy Benefits & Ex-Gratia Payment for Pilmoor Estate Workers, 1986

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>No of Workers</th>
<th>Days Entitled</th>
<th>Total Days Entitled</th>
<th>Average Daily Wage (RM)</th>
<th>Total Termination Benefit (RM)</th>
<th>Ex-Gratia Payment (RM)</th>
<th>Total (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 1 Year</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>6</td>
<td>6.08</td>
<td>36.48</td>
<td>36.48</td>
</tr>
<tr>
<td>3 Years +</td>
<td>4 -</td>
<td>4</td>
<td>15</td>
<td>53-4</td>
<td>8.52 – 12.21</td>
<td>451 – 647</td>
<td>900</td>
</tr>
<tr>
<td>5 Years +</td>
<td>8 -</td>
<td>2</td>
<td>6</td>
<td>20</td>
<td>101</td>
<td>8.58 – 14.25</td>
<td>866 – 1,439</td>
</tr>
<tr>
<td>6 Years +</td>
<td>4 -</td>
<td>1</td>
<td>3</td>
<td>20</td>
<td>122</td>
<td>7.01 – 9.23</td>
<td>855 – 1,199</td>
</tr>
<tr>
<td>9 Years +</td>
<td>3 -</td>
<td>2</td>
<td>1</td>
<td>20</td>
<td>182</td>
<td>8.56 – 9.83</td>
<td>1,557 – 1,679</td>
</tr>
<tr>
<td>10 Years +</td>
<td>1 -</td>
<td>1</td>
<td>-</td>
<td>20</td>
<td>202</td>
<td>13.50</td>
<td>-</td>
</tr>
<tr>
<td>11 Years +</td>
<td>3 -</td>
<td>3</td>
<td>-</td>
<td>20</td>
<td>222</td>
<td>10.23 – 12.39</td>
<td>2,271 – 2,775</td>
</tr>
<tr>
<td>12 Years +</td>
<td>9 -</td>
<td>3</td>
<td>6</td>
<td>20</td>
<td>242</td>
<td>10.18 – 17.45</td>
<td>2,463 – 4,222</td>
</tr>
<tr>
<td>13 Years +</td>
<td>10 -</td>
<td>5</td>
<td>5</td>
<td>20</td>
<td>262-4</td>
<td>8.68 – 15.95</td>
<td>2,274 – 4,178</td>
</tr>
<tr>
<td>14 Years +</td>
<td>1 -</td>
<td>1</td>
<td>-</td>
<td>20</td>
<td>282</td>
<td>10.77</td>
<td>3,037</td>
</tr>
<tr>
<td>15 Years +</td>
<td>1 -</td>
<td>1</td>
<td>-</td>
<td>20</td>
<td>302</td>
<td>12.58</td>
<td>3,799</td>
</tr>
<tr>
<td>16 Years +</td>
<td>3 -</td>
<td>3</td>
<td>-</td>
<td>20</td>
<td>322</td>
<td>11.28 – 13.36</td>
<td>3,632 – 4,301</td>
</tr>
<tr>
<td>17 Years +</td>
<td>3 -</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>342-5</td>
<td>6.50 – 17.00</td>
<td>2,242 – 5,814</td>
</tr>
<tr>
<td>18 Years +</td>
<td>2 -</td>
<td>2</td>
<td>-</td>
<td>20</td>
<td>362</td>
<td>12.72 – 13.11</td>
<td>4,604 – 4,745</td>
</tr>
<tr>
<td>19 Years +</td>
<td>5 -</td>
<td>2</td>
<td>3</td>
<td>20</td>
<td>392</td>
<td>7.28 – 17.39</td>
<td>2,802 – 6,642</td>
</tr>
<tr>
<td>20 Years +</td>
<td>2 -</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td>405</td>
<td>10.88 – 13.48</td>
<td>4,406 – 5,418</td>
</tr>
<tr>
<td>21 Years +</td>
<td>5 -</td>
<td>3</td>
<td>2</td>
<td>20</td>
<td>422</td>
<td>8.32 – 14.89</td>
<td>3,536 – 6,328</td>
</tr>
<tr>
<td>22 Years +</td>
<td>1 -</td>
<td>1</td>
<td>-</td>
<td>20</td>
<td>445</td>
<td>10.54</td>
<td>4,690</td>
</tr>
<tr>
<td>23 Years +</td>
<td>1 -</td>
<td>1</td>
<td>-</td>
<td>20</td>
<td>465</td>
<td>12.35</td>
<td>5,742</td>
</tr>
<tr>
<td>24 Years +</td>
<td>2 -</td>
<td>2</td>
<td>-</td>
<td>20</td>
<td>485</td>
<td>10.14 – 14.37</td>
<td>4,887 &amp; 6,969</td>
</tr>
<tr>
<td>25 Years +</td>
<td>3 -</td>
<td>3</td>
<td>-</td>
<td>20</td>
<td>505</td>
<td>10.80 – 14.32</td>
<td>5,421 – 7,231</td>
</tr>
<tr>
<td>26 Years +</td>
<td>1 -</td>
<td>1</td>
<td>-</td>
<td>20</td>
<td>525</td>
<td>13.90</td>
<td>7,297</td>
</tr>
<tr>
<td>27 Years +</td>
<td>2 -</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td>545</td>
<td>9.79 – 12.58</td>
<td>5,335 &amp; 6,856</td>
</tr>
<tr>
<td>28 Years +</td>
<td>7 -</td>
<td>2</td>
<td>5</td>
<td>20</td>
<td>565</td>
<td>9.98 – 15.04</td>
<td>5,638 – 8,497</td>
</tr>
<tr>
<td>29 Years +</td>
<td>2 -</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td>585</td>
<td>8.81 – 12.16</td>
<td>5330 &amp; 7,113</td>
</tr>
<tr>
<td>Years +</td>
<td>Men</td>
<td>Women</td>
<td>Total</td>
<td>Median 14-1980</td>
<td>Lower Bound</td>
<td>Upper Bound</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>-----</td>
<td>-------</td>
<td>-------</td>
<td>----------------</td>
<td>-------------</td>
<td>-------------</td>
<td></td>
</tr>
<tr>
<td>30 Years +</td>
<td>12</td>
<td>5</td>
<td>7</td>
<td>20</td>
<td>605</td>
<td>8.81 – 14.75</td>
<td>5,330 – 8,923</td>
</tr>
<tr>
<td>31 Years +</td>
<td>10</td>
<td>3</td>
<td>7</td>
<td>20</td>
<td>625</td>
<td>8.20 – 14.92</td>
<td>5,125 – 9,474</td>
</tr>
<tr>
<td>32 Years +</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>20</td>
<td>645</td>
<td>9.31 – 12.25</td>
<td>6,004 – 7,901</td>
</tr>
<tr>
<td>33 Years +</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>20</td>
<td>665</td>
<td>11.08</td>
<td>7,368</td>
</tr>
<tr>
<td>34 Years +</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td>685</td>
<td>8.58 &amp; 9.81</td>
<td>5,877 &amp; 6,719</td>
</tr>
<tr>
<td>35 Years +</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>20</td>
<td>705</td>
<td>12.39</td>
<td>8,734</td>
</tr>
<tr>
<td>36 Years +</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>37 Years +</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>20</td>
<td>745</td>
<td>14.64 – 14.81</td>
<td>10,906 – 11,033</td>
</tr>
<tr>
<td>38 Years +</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td>765</td>
<td>8.81 &amp; 11.09</td>
<td>6,739 &amp; 8,483</td>
</tr>
<tr>
<td>Unknown</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>43</td>
<td>77</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Compiled from ‘Memorandum of Agreement between Tengah Estate Sdn. Bhd and the National Union of Plantation Workers Pertaining to Retrenchment of Employees on Pilmoor Estate, 23 January 1986’.*
The table above shows that it was the older workers who were predominantly employed in the plantation. More than 80 per cent of the workers had been employed for more 10 years, while in the remaining 20 percent, three quarters of them had been employed for more than 5 years. 30 percent of the workers had been working in Pilmoor estate (or Pilmoor group of companies) for more than 30 years. Female workers can be seen to have outnumbered the male workers with male workers forming only about 35 per cent of the total check-roll workforce.

An interesting point to note is the average wages of the workers. Disparities in the wages are very obvious. It was stated in Chapter 3 that plantations on the eve of the final retrenchments were unequal in terms of household income because of the flow of non-plantation income by way of repatriation from non-plantation employed members, and also due to the disparities within the wage structure in the plantation itself. The average wage column shows that there were striking differences between the highest paid and the lowest paid workers for the same tenure period. These pay differences can be attributed to labourers being assigned to different tasks in the plantation. However, the fact remains that within a small community of less than 120 families, the pay structure was so vastly different. It also appears that tenure of service does not assure better wages – a person who had worked for about 3 years earned more than a person who had worked for 38 years!

The calculations of termination benefits that were paid according to the law were less than the ex-gratia payment. As in the Pilmoor case, ex-gratia payment was normally negotiated by the Union, though in some cases, other parties represented the workers – political organisations, labour activists or certain NGOs, sometimes jointly, or multiple parties moving on their own. The differences in average wages have had a strong impact in the computation of the termination benefits. The disparities in wages not only affected the labourers while in employment but also at termination. those who were lowly paid, received significantly lower amounts in final compensation upon retrenchment. The wide wage disparities within the labouring class is a problem not commonly discussed.

In Pilmoor estate, a provision for low cost housing was not part of the retrenchment negotiations. This lapse was common in the 1980s as it was before. The affected labour families needed to solve their housing woes themselves. It should be noted that monetary compensations were awarded only after the labour families vacated the plantation housing as per agreement, though the company would have made the payment within a week of vacating. It is clear that the total compensation received by the labourers was not enough to purchase low cost housing (even if such houses were available) though it was sufficient to pay deposits for such bookings. It was possible to purchase a low cost house with combined compensations or with funds from the Employment Provident Funds. However, in most cases issues arose if the
purchase was undertaken with a bank loan whereby the registration of the property needed to be done under the names of persons (children) with fixed employment and having sufficient income. The post-plantation work and living was determined largely by the compensation received, as well as the arrangements made by the labour families during this period – a subject beyond the scope of the present work.

Following is a list of plantations that ceased operations. Before pursuing the list, two facts should be noted. Firstly, an estate can undergo commodification process more than once. For instance, Kundang estate in Rawang was on ‘clean sale’ in 1984. The total number of labourers then was 79. Within eight years, Kundang estate workers were retrenched by their new company, Pekeliling Land Sdn Bhd and the remaining 71 labourers were retrenched. Secondly, the provision for housing – either under the house ownership programme, or the plantation private housing programme – was awarded on the basis of ‘family’ and not on ‘individual’ labour. So, the column of affected workers does not reflect an equal number of low cost housing allocated. The same is also true of certain additional benefits such as the ‘resettlement allowance’, wherever applicable. In the case of Kundang, the estate agreed to pay RM3,000 as resettlement allowance. However, only 28 such payments and units of housing were designated, denoting that only 28 families were affected, although the total number of affected workers was 71. Unmarried labourers (and other special cases) at the time of retrenchments were denied that ‘privilege’.
Table 8.18  Selected Cases Retrenchments and Compensations in Selangor, 1980-2012

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>Name of Estate</th>
<th>Reason for Displacement</th>
<th>No. of Workers Affected</th>
<th>Benefits</th>
<th>Low Cost Housing (Type and Price) at Discounted Rate</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Replanting</td>
<td>Urban Development</td>
<td>Closure of Factory</td>
<td>Termination Layoff</td>
<td>Ex-Gratia</td>
</tr>
<tr>
<td>1</td>
<td>1980-1985</td>
<td>Effinham</td>
<td>X</td>
<td></td>
<td>81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1980-1985</td>
<td>Glennmerie</td>
<td>X</td>
<td></td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1980-1985</td>
<td>Paradise</td>
<td>X</td>
<td></td>
<td>15</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>4</td>
<td>1980-1985</td>
<td>Sungai Marap</td>
<td>X</td>
<td></td>
<td>26</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>5</td>
<td>1980-1985</td>
<td>Hock Hin</td>
<td>X</td>
<td></td>
<td>14</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>6</td>
<td>1980-1985</td>
<td>Teluk Piah</td>
<td>X</td>
<td></td>
<td>30</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>7</td>
<td>1980-1985</td>
<td>Batu Untong</td>
<td>X</td>
<td></td>
<td>111</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>8</td>
<td>1980-1985</td>
<td>Kamasan</td>
<td>X</td>
<td></td>
<td>68</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>9</td>
<td>1980-1985</td>
<td>Sungai Buloh</td>
<td>X</td>
<td></td>
<td>150</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>10</td>
<td>1986</td>
<td>Pilmoor</td>
<td>X</td>
<td></td>
<td>120</td>
<td>✓</td>
<td>300</td>
</tr>
<tr>
<td>11</td>
<td>1988</td>
<td>Sungai Buloh (Carnovan Div)</td>
<td>X</td>
<td></td>
<td>150</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>12</td>
<td>1989</td>
<td>Tennamaram</td>
<td>X</td>
<td></td>
<td>150</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>13</td>
<td>1989</td>
<td>Tumbok O/M</td>
<td>X</td>
<td></td>
<td>25</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>#</td>
<td>Year</td>
<td>Location</td>
<td>X</td>
<td>√</td>
<td>X</td>
<td>Amount</td>
<td>Notes</td>
</tr>
<tr>
<td>----</td>
<td>------</td>
<td>------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>--------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>14</td>
<td>1990</td>
<td>Sungai Rasah</td>
<td>X</td>
<td>√</td>
<td>X</td>
<td>25,000</td>
<td>Equivalent of Cash Compensation (Conflict/PSM)</td>
</tr>
<tr>
<td>15</td>
<td>1990</td>
<td>Damansara</td>
<td>X</td>
<td>136</td>
<td>√</td>
<td>300</td>
<td>Low cost apartments at Kg Kayu Ara</td>
</tr>
<tr>
<td>16</td>
<td>1990-1998</td>
<td>Seafield (&amp; Ebor Div)</td>
<td>X</td>
<td>188</td>
<td>√</td>
<td>300</td>
<td>Original retrenchment notice was in 1990.</td>
</tr>
<tr>
<td>17</td>
<td>1991</td>
<td>Ulu Yam / Waverly Bukit Munchong</td>
<td>X</td>
<td>252</td>
<td>√</td>
<td>√</td>
<td>Three divisions in total.</td>
</tr>
<tr>
<td>18</td>
<td>1991</td>
<td>Kapar Bharu</td>
<td>X</td>
<td>53</td>
<td>√</td>
<td>√</td>
<td>Two divisions in total.</td>
</tr>
<tr>
<td>19</td>
<td>1991</td>
<td>Bukit Beruntung</td>
<td>X</td>
<td></td>
<td>√</td>
<td>300</td>
<td>Workers allowed to stay until construction begins</td>
</tr>
<tr>
<td>20</td>
<td>1992</td>
<td>Kundang</td>
<td>X</td>
<td></td>
<td>X</td>
<td>√</td>
<td>Under Disputation. Ex-gratia of RM300 per service year. No housing benefits.</td>
</tr>
<tr>
<td>21</td>
<td>1994</td>
<td>Sungai Choh</td>
<td>X</td>
<td>231</td>
<td>√</td>
<td>√</td>
<td>Housing was built and sold to worker</td>
</tr>
<tr>
<td>22</td>
<td>1994</td>
<td>Batang Kali</td>
<td>X</td>
<td></td>
<td>√</td>
<td>√</td>
<td>Housing was built and sold to worker</td>
</tr>
<tr>
<td>23</td>
<td>1994</td>
<td>Kuala Kubu</td>
<td>X</td>
<td>64</td>
<td>√</td>
<td>√</td>
<td>Housing was built and sold to worker</td>
</tr>
<tr>
<td>24</td>
<td>1994</td>
<td>Rinching</td>
<td>X</td>
<td>27</td>
<td>√</td>
<td>√</td>
<td>18,000</td>
</tr>
<tr>
<td>26</td>
<td>1994</td>
<td>Sungai Rinching</td>
<td>X</td>
<td>75</td>
<td>√</td>
<td>√</td>
<td>25,000</td>
</tr>
<tr>
<td>27</td>
<td>1995</td>
<td>West Country</td>
<td>X</td>
<td>66</td>
<td>√</td>
<td>100</td>
<td>25,000</td>
</tr>
<tr>
<td>28</td>
<td>1995</td>
<td>Prang Besar / Galloway</td>
<td>X</td>
<td>292</td>
<td>√</td>
<td>√</td>
<td>18,500</td>
</tr>
</tbody>
</table>

1 According to NUPW Selangor Branch 75 labourers received RM25,000 each.
<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Location</th>
<th>Participation</th>
<th>Output</th>
<th>Compensation</th>
<th>Decision</th>
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<tbody>
<tr>
<td>29</td>
<td>1995</td>
<td>Sedgely</td>
<td>X</td>
<td>111</td>
<td>√</td>
<td>18,500 as above</td>
</tr>
<tr>
<td>30</td>
<td>1995</td>
<td>Madingley</td>
<td>X</td>
<td>71/67</td>
<td>√</td>
<td>18,500 as above</td>
</tr>
<tr>
<td>31</td>
<td>1995</td>
<td>Bukit Hitam</td>
<td>X</td>
<td>67</td>
<td>√</td>
<td>25,000</td>
</tr>
<tr>
<td>32</td>
<td>1995</td>
<td>Lapan Hutan</td>
<td></td>
<td></td>
<td></td>
<td>Court ordered compensation of RM10,000 to each worker. No housing. Reason was ownership change.</td>
</tr>
<tr>
<td>33</td>
<td>1995</td>
<td>Rajamusa</td>
<td>X</td>
<td>78</td>
<td>X</td>
<td>25,000 House Ownership Scheme</td>
</tr>
<tr>
<td>34</td>
<td>1996</td>
<td>Kalumpang</td>
<td>X</td>
<td>147</td>
<td>√</td>
<td>State acquired the land and agreed to build. Still under process. MIC involved.</td>
</tr>
<tr>
<td>35</td>
<td>1996</td>
<td>Brooklands</td>
<td>X</td>
<td>92</td>
<td>√</td>
<td>35,000 Housing solved after disputation. PSM involved.</td>
</tr>
<tr>
<td>36</td>
<td>1996</td>
<td>Brooklands O/M</td>
<td>X</td>
<td>36</td>
<td>√</td>
<td>Housing under disputation. Factory closed.</td>
</tr>
<tr>
<td>37</td>
<td>1996</td>
<td>Bedford</td>
<td>X</td>
<td>8</td>
<td>√</td>
<td>Change of ownership and labours remain in plantation.</td>
</tr>
<tr>
<td>38</td>
<td>1996</td>
<td>Sungai Tamu</td>
<td>X</td>
<td>13</td>
<td>√</td>
<td>Owned by Jafnese Copperative Society. Workers directly negotiated but no housing benefits given.</td>
</tr>
<tr>
<td>No.</td>
<td>Year</td>
<td>Location</td>
<td>Status</td>
<td>Unit</td>
<td>Notes</td>
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<td>--------</td>
<td>------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>1996-2003</td>
<td>Belata River(^2)</td>
<td>X</td>
<td>96</td>
<td>Housing promised but unresolved because of liquidation of the Developer.</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>1996</td>
<td>Puchong</td>
<td>X</td>
<td>24</td>
<td>35,000 Negotiated by NUPW</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>1996</td>
<td>Gadong O/M</td>
<td>N.S X</td>
<td>53</td>
<td>25,000 House Ownership Scheme</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>1997</td>
<td>Bukit Kemuning</td>
<td>X</td>
<td>60</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>1997</td>
<td>Escort</td>
<td>X</td>
<td>64</td>
<td>Government acquired the land and no housing compensation offered.</td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>1997</td>
<td>Sungai Gapi</td>
<td></td>
<td>122</td>
<td>State GLC bought the plantation but later sold back to Taiko Plantations. Terminated labours were newly employed. No housing offered.</td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>1997</td>
<td>Jugra (Carey Island)</td>
<td>X</td>
<td>20</td>
<td>Under disputation. No Housing offered.</td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>1998</td>
<td>Bukit Jelutong</td>
<td>X</td>
<td>53</td>
<td>35,000 Dissolved in 1998 or 2005?</td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>1998</td>
<td>Teluk Merbau</td>
<td>X</td>
<td>271</td>
<td>40,000 Home Division issued notice in 1997 others in 1998 Some received land others</td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>1999</td>
<td>Bukit Tunggu</td>
<td>X</td>
<td>47</td>
<td>35,000</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>2000</td>
<td>Vallambrosa</td>
<td></td>
<td>46</td>
<td>35,000 Joint effort by NUPW and MIC</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>2001-2017</td>
<td>Bangi</td>
<td>X</td>
<td>43</td>
<td>Under disputation until 2017 now</td>
<td></td>
</tr>
</tbody>
</table>

\(^2\) Low cost single storey housing was agreed to be offered to affected workers. However, after a long legal process, the developer of the project, Lembah Beringin Sdn Bhd was wound-up by Court Order on March 2006. The issue is now under the parent company, Land and General (L&G). L&G is discussing about offering 64 housing plots to affected families at Kerling, Rawang.
Finally, the developer agreed to provide free low cost flats for the 26 affected families with a rental allowance of RM620 each month until the completion of the units. Land for a temple was also offered (0.8 acres). Negotiation was mediated by the Socialist Party of Malaysia (PSM).

Initially in 2006, 120 workers accepted the compensation and the offer of a low cost flat. The defiant 86 workers later in 2012, received townhouses from their employer, Sime Darby. (Bukit Rajah Estate and Jalan Acob Estate workers did not buy the low cost housing offered by Sime UEP because compensation was high enough to buy elsewhere)

According to NUPW Selangor Branch the number of labour who received compensation is 75 (see *The Star* 19/04/2011). All were given free low cost apartments.
<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>Glengowoire</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>33 demanding for landed housing. Under disputation. Labours remain in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>plantation and demanding for landed housing.</td>
</tr>
<tr>
<td>2005</td>
<td>Dusun Durian</td>
<td>X</td>
</tr>
<tr>
<td>2005</td>
<td>Dusun Durian O/M</td>
<td>X</td>
</tr>
<tr>
<td>2005</td>
<td>Merbau</td>
<td>RETRENCHMENT X</td>
</tr>
<tr>
<td>2005</td>
<td>Elmina O/M</td>
<td>N.S X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20 35,000 35,000 original cost 42,000. Only 5 families accepted.</td>
</tr>
<tr>
<td>2006</td>
<td>Tumbok</td>
<td>RETRENCHMENT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>√ 450 35,000 Transfer of Ownership. Disputation &amp; case Pending. (Medium cost housing was given)</td>
</tr>
<tr>
<td>2006</td>
<td>Sungai Sedu</td>
<td>X</td>
</tr>
<tr>
<td>2006</td>
<td>Bukit Rotan O/M</td>
<td>X X 48 √ X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No Ex-Gratia paid and no housing offered.</td>
</tr>
<tr>
<td>2007</td>
<td>Bukit Tagar (formerly Nigel Gardner)</td>
<td>X 80 Change of plantation owners. About 30 local workers and the rest foreigners.</td>
</tr>
<tr>
<td>2008</td>
<td>Dusun Durian</td>
<td>X</td>
</tr>
<tr>
<td>2011</td>
<td>INCH Kenneth Kajang Rubber</td>
<td>X 10 Close Operation</td>
</tr>
<tr>
<td>2011</td>
<td>Tuan Mee Estate</td>
<td>Coalfield Division X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>23 √ 35,000 RM30,000 was given as ex-gratia to each</td>
</tr>
</tbody>
</table>

6 The number of workers reported by the plantation management to Ministry of Human Resource (MOHR) in 2004 is 76 but NUPW stated it as 46 in 2005. Why? Earlier NUPW records shows 142 workers.
7 All are foreign workers.
## Spatial Transformations, Retrenchments and Remaining Plantations

<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Estates</th>
<th>Workers</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>74</td>
<td>2012</td>
<td>Abaco Estate</td>
<td>X</td>
<td>19</td>
</tr>
<tr>
<td>75</td>
<td>N.A</td>
<td>Shelford, Kapar</td>
<td>X</td>
<td>22</td>
</tr>
<tr>
<td>76</td>
<td>N.A</td>
<td>Kerling Estate</td>
<td>X</td>
<td>464</td>
</tr>
<tr>
<td>77</td>
<td>N.A</td>
<td>Bristol, Kuang</td>
<td>X</td>
<td>164</td>
</tr>
<tr>
<td>78</td>
<td>N.A</td>
<td>Strathairlie Estate (Sungai Buloh)</td>
<td>X</td>
<td>56</td>
</tr>
<tr>
<td>79</td>
<td>N.A</td>
<td>Teluk Datoh, Banting</td>
<td>X</td>
<td>67</td>
</tr>
<tr>
<td>80</td>
<td>N.A</td>
<td>Sungai Buiah</td>
<td>X</td>
<td>57</td>
</tr>
<tr>
<td>81</td>
<td>N.A</td>
<td>Klanang Bharu</td>
<td>X</td>
<td>42</td>
</tr>
<tr>
<td>82</td>
<td>N.A</td>
<td>Kuala Selangor</td>
<td>X</td>
<td>178</td>
</tr>
<tr>
<td>83</td>
<td>N.A</td>
<td>Breamar</td>
<td>X</td>
<td>51</td>
</tr>
<tr>
<td>84</td>
<td>N.A</td>
<td>Harun Estate (Klang)</td>
<td>X</td>
<td>103</td>
</tr>
<tr>
<td>85</td>
<td>N.A</td>
<td>Labuan Padang, Damansara</td>
<td>X</td>
<td>136</td>
</tr>
<tr>
<td>86</td>
<td>N.A</td>
<td>Kilinghall, Puchong</td>
<td>X</td>
<td>37</td>
</tr>
<tr>
<td>87</td>
<td>N.A</td>
<td>Bukit Jalil</td>
<td>X</td>
<td>127</td>
</tr>
<tr>
<td>88</td>
<td>N.A</td>
<td>Kinrara</td>
<td>X</td>
<td>178</td>
</tr>
<tr>
<td>89</td>
<td>N.A</td>
<td>Castlefield</td>
<td>X</td>
<td>129</td>
</tr>
<tr>
<td>90</td>
<td>N.A</td>
<td>Bukit Kiara</td>
<td>X</td>
<td>39</td>
</tr>
<tr>
<td>91</td>
<td>N.A</td>
<td>Danudine</td>
<td>X</td>
<td>55</td>
</tr>
</tbody>
</table>
8.5 Remaining Plantations in Operation, Selangor

The plantations belt in Selangor is basically concentrated in two areas of Selangor, namely in the north west, and between west and south west parts. (see Map 6). The map also shows a scattered amount of rubber (and other agricultural activities) in the interior parts of eastern Selangor. The total plantation land recorded by MPOB for 2012 was 82,447 hectares compared to 76,406 by the Labour Department as in Table 8.19 (figures from Shah Alam branch were not available). The biggest plantation area is Kuala Selangor with nearly 26,500 hectares of oil palm and 31 plantations, followed by Port Klang (19,555.9) and Rawang (19,382.99). Port Klang covers areas in Klang, Kuala Langat and Sepang, with mukims as diverse as Kapar, Banting, Carey Island and Tanjung Sepat. Rawang mostly covers Hulu Selangor districts with mukims such as Tanjung Malim, part of Batang Berjuntai, Kerling, Sungai Buloh, Serendah, Kuala Kubu Bharu and Kuang. The Kuala Selangor branch covers the entire Kuala Selangor, Batang Berjuntai, Sabak Bernam, Tanjung Karang, Jeram and Bukit Rotan. These are the three important areas with plantations currently, and further details are provided below.

Sabak Bernam has some of the large plantations in Selangor. Among the biggest plantations in Selangor are Sabak Bernam estate (2,841 Ha.) owned by Sime Darby Plantations, and Sungai Bernam estate (2,256 ha.) owned by United Plantations Berhad. In the former, the composition of the labour force is as follows: 71 locals of whom there are 27 Malays and 38 Indians with one Chinese, as well as 115 foreigners made up of 90 Indonesians and 25 Bangladeshis. In the latter, there are 219 workers, 83 of whom are locals, mostly Indians (76), and 136 foreigners of whom 102 are Bangladeshis. In total, there are 10 plantations above 1,000 hectares in the Kuala Selangor area including 4 estates of about 1,500 hectares, and the two stated earlier that are above 2,000 hectares. Two smaller plantations are Bukit Badong Division and Lambourn estate in the range of 250 hectares. All these plantations in Kuala Selangor are planted with oil palm.

Hulu Selangor area was traditionally a rubber area, but in the 1990s developed into oil palm. Nevertheless, some rubber is still planted as mixed crop. Most of the oil palm estates planted with rubber maintain about equal amounts of both crops; for instance, in Kerling estate (338 Ha.), Sungai Jernih estate (327 Ha.), Bukit Lagong estate (300 Ha.) and Ulu Selangor estate (206 Ha.) (figures in parenthesis indicate on rubber hectarage). One sizeable plantation that has a single crop of rubber is Tropical Position (1,145 ha.) operating at Rantau forest reserve area with mostly foreign workers (30). Lima Belas estate is the biggest estate in Hulu Selangor (2,737 Ha.). It is owned by United Plantations and has an oil palm factory as well. There are 3 estates with about 1,000 hectares (Minyak, Tanjung Malim, Bukit Tarek) and about 2,000 hectares each (Sungai Tinggi, FELDA Technoplant, Bukit
Tagar). Four plantations in this region range about 500 hectares and another 8 between 200-400 hectares.

The third area is under the Klang Labour Department. The biggest plantations in Selangor are located in Carey Island, namely Carey Island East (5,208 Ha.) and Carey Island West (5,192 Ha.). Both are owned by Sime Darby Plantations. The number of workers combined is 744 of whom 347 are locals with 397 foreigners. Among the locals, there are 289 Indians, 57 Malays and one grouped under ‘others’. In terms of gender, among the Malays, there are only 5 (23%) women workers, but there are 74 Indian women (61%) workers. There are four plantations of about 1,000 hectares or more, all except one being owned by Sime Darby Plantations. One of the oldest tea plantations in Selangor still operating is Bukit Chedding estate (239 Ha.) near Banting, and this is owned by the tea company, Boh Plantations. The labourers in the tea plantation are 24 locals (3 Malays & 21 Indians) and 22 foreigners (Indonesians). One of the smallest plantations in Selangor is located in this area, namely Gadong estate at Tanjung Sepat (75 Ha.).

Table 8.19 lists all the plantations in operation in Selangor according to the Selangor Labour Department branches. These branches are assigned specific plantations under their jurisdiction. We have summarised and presented the details of 93 plantations with details on areas, hectarage, crops and composition of labour force for easy comprehension. The listing is not strictly according to districts, but by coverage of the state labour department offices. As such, the categorisation of data is not strictly comparable to the aggregated statistics published by the Statistics Department or MPOB according to districts. However, all the details are broadly comparable including to the details from the *Malaysia Agribusiness Directory 2013-2014* (2013).1

The Labour Department figures show that there are almost equal numbers of local and foreign plantation workers in Selangor. The total local workers are 3,629 (50.1%) and the foreign workers are 3,603 (49.8). The largest group of local workers are the Indians (30.5%) followed by Malays (16.9%), Chinese (1.2%) and ‘Others’ (1.5%). The ‘Others’ largely refer to aboriginals (*Orang Asli*). The foreign workers are dominated by Indonesians (39.6%) followed by Bangadeshis (7%) and Indians (2.2%). In terms of gender, the local workers are relatively balanced compared to foreign workers, of whom less than one per cent are females. There are 1,249 local female workers, comprising about 35 per cent of all local workers. This shows that there are more local male workers compared to female workers in

1 The Directory listed 110 estates in Selangor/ Kuala Lumpur with details such as names of estate, owners, types of crops, hectarage of each, and so on. It included state plantations as well, which would be mainly Felcra in Selangor.
plantations in Selangor. However, if the figures are seen from an ethnic perspective, an interesting pattern can be seen. Among the Malays, 88 percent are male workers, Chinese 66 per cent, and ‘Others’ 92 per cent confirming the more male scenario. However, for the Indians only 52 per cent are male, reflecting a more balanced gender composition, indicative of a stable community largely confined to plantations. However, based on all other data, these are not younger workers, but older ones who have probably worked in plantations all their lives.

The future of these remaining plantations, like many of their predecessors, is uncertain. The remaining plantations are the much coveted ‘land bank’ among the largest capitals. Plantation lands still form part of a large track of ‘agricultural’ land that is relatively cheaper, but are not part of the restrictive ‘Malay reserve land’. The remaining plantation lands are mostly owned state or private conglomerates, with ‘in-house’ property development wings, or owned by private companies (with readily available partnership with property development companies). Foreign companies, particularly from China, have also joined the race of land development (for instance the well-known company, ‘Country Garden’). The plantation lands were designated as ‘freehold’ since the colonial period, as opposed to lands designated as ‘leasehold’ (leased for long term usually 99 years by the state government with the lease normally being renewed). The freehold land can be bought, sold and owned by anyone without much restriction, and in most instances, cost more once commercial and housing development has been completed.

With such stiff competition, and the race to acquire and develop plantations by giant companies, the future of plantations is uncertain. In some of the remaining plantation regions, large development projects have been earmarked and discussions are well underway. For example, in one of the oldest and biggest remaining plantation regions of Carey Island, discussion on a massive development programme is already underway, where a port and an ‘integrated maritime city’ are planned with a total estimated cost of RM200 billion (nearly USD40 billion). This will be the biggest ever project in terms of cost in a former plantation lands. The area is mostly owned by Sime Darby Plantations – a state commercial plantation arm. The other examples of new township development projects currently being undertaken or planned on the plantation lands are at Sungai Buloh, Batang Berjuntai (now referred to as Bestari Jaya), Semenyih, Salak Tinggi, Kuala Selangor, Serendah and others.

In the remaining plantation areas, the differentiated forms of outmigration as a part of the ‘organization of exit’ among the plantation families continues to be seen. The risk of plantation work and living is as menacing as it was more than sixty years ago. The remaining plantation families, like their predecessors since the 1970s, have witnessed how plantations have disappeared, and labour families stranded
without work or shelter. And within these constraints, the labour families in the post-1970s period braced the outmigration by planning their exit (or what we termed as the ‘organisation of exit’). The current remaining plantation labour families are aware that their plantation will, sooner or later, pave way for development. A fair compensation, mainly a reasonable home to move-in and sufficient old age security is what most of plantation labour aspire for. However, past experience suggests that plantation companies prefers to limit their responsibilities by attending the issue as merely retrenchment issues, within the ambit of labour laws – disregarding the fact that the labour families have lived in the plantations for several generations as a complete community with community institutions.
Table 8.19  Remaining Plantations in Selangor and Composition of Labour (as of January 2012) *

<table>
<thead>
<tr>
<th>Department of Labour (Branches)</th>
<th>No Of Estate</th>
<th>Crops &amp; Hectare</th>
<th>Labour Force</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Palm Oil</td>
<td>Rubber</td>
</tr>
<tr>
<td>Subang Jaya</td>
<td>12</td>
<td>1,851</td>
<td>-</td>
</tr>
<tr>
<td>Port Klang</td>
<td>17</td>
<td>19,555.9</td>
<td>-</td>
</tr>
<tr>
<td>Rawang</td>
<td>28</td>
<td>19,382.99</td>
<td>2,867.89</td>
</tr>
<tr>
<td>Bangi</td>
<td>16</td>
<td>9,143.39</td>
<td>180.9</td>
</tr>
<tr>
<td>K. Selangor</td>
<td>31</td>
<td>26,472.92</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>76,406.20</td>
<td>3,048.79</td>
</tr>
</tbody>
</table>

\[1\] Divisions are according to administration of Department of Labour, Selangor. All local and foreign workers are under direct employment. Details from Shah Alam Labour Department are not available.
\[2\] The only plantation is Elmina estate owned by Sanguine (M) Sdn. Bhd.
\[3\] It is a tea plantation at Bukit Cheeding Estate, Banting.
\[4\] Ladang Lima Belas included under Rawang Branch is actually partly in Perak state but placed under the administration of Selangor Labour Department. It is a Palm Oil plantation with 2,737 hectares. The composition of labour is as follows: 20 Malay and 22 Indian local labours and another 205 Indonesian as non-citizen labours.
\[5\] The plantation is research center for FELDA Agricultural Services, Sungai Tengki Selatan, Kuala Kubu Baru.

Source: Computed from all the respective Selangor Department of Labour Branches’ reports on ‘Information on Selangor Plantations’. See Appendix 2 for details on each of the plantations.
8.6 Conclusion

This chapter attempts to fill the void in the explanation of the moving-out process of the labour families within its larger context – the spatial character of plantation cessation and conversion of crop from rubber to oil palm. Why and when plantations undertake retrenchments and the dynamic nature of this process has been explored. This chapter complements Chapter 7 that focussed on the micro process of moving-out as a gradual process that can be explained by observing the ‘family’ units exiting from the plantations and not that of ‘individuals’. The last to move-out were the remaining labour families, mostly the older labourers, while their children were usually the first to exit to urban labour market. Here, we focussed on the workers final retrenchments and the kind of compensations awarded to them, and the types of post-plantation settlement. The larger picture, on the other hand, demonstrated the function of structures beyond the control of the workers that dictate land transformation and final retrenchments – a prospect and process that awaits the remaining plantations that have been identified and listed above in Selangor.

The changing feature of commodification from the mid-1960s to later period, particularly since the 1990s can be observed from the shift in the application of provisions in the National Land Code to protect labour from commodification. Since the introduction of NLC in 1965, Section 135 and 136 of NLC often stated by the state to protect labourers from ‘sub-division’. The said sections deal with subdividing a plantation land into many plots. It was a period where the players were small and limited to make a quick profit. However, in the present chapter, we showed that since the 1990s, Section 214A of the NLC that deals with ‘transfer’ of the whole plantation land is invoked to protect the affected labourers. It shows that over the period, commodification has become much larger where entire plantations or sometimes few plantations commodified together with the involvements of large corporations. In other words, while commodification retained its main characteristics, the players of the commodification have grown to be giants of the industry themselves.

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33 We have showed in Chapter 4 that Section 136 that had to be read together with Section 135 failed to protect labour families from subdivisions of plantations.
Chapter 9

The Great Transformation:
Spatial and Occupational Mobility of Indian Plantation Labour

‘He [‘Malayan employer’] turned away from the question of land settlement and began to explore the possibilities of having settlements on the estate lands. ‘Settlement on estate land’ was only a grandiloquent term for the provision of small vegetable plots which are really subsistence plots meant to ward off the wolf from the door in times of distress or slump. The labourer is supposed to fall back upon it when his employer is unwilling to pay him sufficient wages. The labourer becomes ‘domiciled’ on the estate and thus creates no problem for the State’
K. A. Neelakandha Aiyer (1938:40)

‘The time has come for every estate worker in this country to learn one other trade because there is not much of a great future for the rubber industry and we cannot depend too much on the oil palm industry’
P.P. Narayanan (Straits Times, 26 Sept 1966)

9.1 Introduction

The plantation was the only place known as home and work place to the inhabiting Indian families since their migration from the Indian subcontinent during the colonial period several generations ago. The plantation living was akin to a village community living and the labour families had no other ‘village’ to return to. Nevertheless, since the post-1970s, a massive spatial and occupational mobilisation occurred amongst plantation families, whereby a mix of voluntary and forced migration gradually displaced tens of thousands of entire families from plantation work and living. We begin this study with the question of “why the impoverished plantation families moved out of the plantations in the post-1970s period after working and living in plantations for several generations?”

This study is predicated on the mechanism of the response of an agency under adverse structural changes affecting their work and living order, of which outmigration was an outcome. Migration cannot be viewed in isolation from the broader social and economic transformation. In answering the main research question, we divided the chapters into four main empirical chapters and closely focussed on the main themes of the period according to the specific timelines. Chapter 4 (1951-69) and Chapter 5 (1969-72) focussed on commodification of land and labour respectively. Chapter 6 (1973-84) focussed on ‘return to plantation’ of earlier displaced labour, labour shortage and the formalisation of foreign labour. In
Chapter 7, we return to the agency by focussing on how the labour families organised their exit from the plantation. To complement all these empirical chapters, Chapter 8 (1983-2012) provides a sense of the scale and the quantum of the commodification problem and its spatial characteristics. In the following, we discuss the main research questions, followed by discussions on settlement issues of the resident plantation labour.

9.2 Migration to diversify income risk?

How can we explain migration? We first referred to a theoretical explanation provided by a leading migration theory – New Economics of Labour Migration (NELM) – that studied migration among agricultural families in the ‘less developed countries’. NELM explains migration among the agricultural families to urban employment as part of the family strategy to diversify household income in responding to ‘stochastic shocks’ associated with agricultural production. We have considered and rejected the explanation provided by NELM in Chapter 2 based on several fundamental shortcomings.

As an alternative, we introduced a multi-dimensional concept – ‘the risk of plantation work and living’ – based on the structural historical understanding of the process of outmigration from plantation. The risk of plantation work and living originated from the process of commodification of plantation lands (and labour). The commodification of plantation land and labour was theorised from Karl Polanyi’s notion of commodification of land and labour (1944 [2001]). In short, we argued that commodification of plantation lands gave rise to the notion of ‘the risk of plantation work and living’ and to mitigate that risk, the plantation families carried out migration.

9.3 Explaining outmigration from plantation: The ‘risk of plantation work and living’

We show that the migration from plantation was not primarily the result of plantation families striving to diversify the income risk from plantation employment, as proposed by NELM. Similarly, the outmigration was not primarily caused by the differential distribution of income and other opportunities between plantation and non-plantation employment, or triggered by poor working and living conditions in plantations.¹ These were only the incentives to migrate. The large magnitude of unregulated outmigration, we contend, was not merely a labour migration but a much more intricate form of movements that involves the entire

¹ See review of literature in Chapter One on the ‘push and pull’ notion attributed to plantation labour migration.
family and eventually the entire plantation labour community. This is the distinct feature of resident plantation outmigration, as compared to all other forms of migration from agricultural communities in Malaysia. The risk of sudden mass retrenchments followed by evictions of the entire family unit – as witnessed or experienced by the labour families particularly since the mid-1960s – have exposed the risk of plantation work and living, and this, we argue, developed and provided the impetus for moving-out of plantation. Plantation settlements that was long conceived as their ‘village’ where generations of labourers worked, lived and died, was later transformed into a transitory settlement with the looming possibility of retrenchments and evictions.

The two events that gave rise to the notion of risk of plantation work and living were the ‘subdivision of plantations’ and the ‘Employment (Restrictions) Act, 1968’, which were discussed in detail in Chapters 4 and 5 respectively. We showed how sudden mass retrenchments created chaos and disruptions in the working and living order of the plantation families. What the plantation families thought was their own villages were abruptly and rudely taken away, leaving the plantation labour and their families in the lurch without employment and shelter. Tens of thousands of labourers were retrenched and there were grave consequences for the affected plantation families and those that survived these events. The two events mentioned above seriously traumatised the entire generation of employed plantation families, and it permanently altered the labour families’ relationship to plantation work and settlements. We thus referred to these events as disruptions of the plantation work and living order. By now, the remaining families in plantation work and settlements were aware that sudden retrenchments and evictions was the new reality awaiting them.

The underlying forces for those disruptions were the commodification of land and labour. Plantation land was bought and sold as commodities during the subdivision of plantations, without any concern for the fate of the labour families who were residing there for generations. The labour families were abruptly retrenched and left to fend for themselves without employment and housing. The remaining labour families that were retained in the plantations were employed under much worse living conditions and reduced labour protection. Similarly, during the Employment (Restrictions) Act 1968, a process of commodification of labour was witnessed. The new law required all non-citizen workers to obtain work permits which allowed them to be employed for three or six months in plantations, and thereafter, retrenched. The idea was to give employment priority to citizens. Technically, all the non-citizen Indian plantation labours were eligible to become citizens, even if the domiciled period was calculated from the year Indian assisted labour was banned in 1938. However, failure to apply for citizenship, and the lack of documents, resulted in the workers being labelled as ‘non-citizens’. The ordeal
that was caused by commodification of land and labour during that period left a deep sense of insecurity in relation to plantation work and living among the remaining plantation labour.

In subsequent generations, the notion of risk of plantation work and living was renewed by the continuous process of commodification that sporadically occurred in plantations. Every generation witnessed mass retrenchments and closure of plantations and the eviction of the plantation work force. The narratives of the unfortunate families that fell victim to the sudden retrenchments enlivened the notion of risk. However, much later the notion that the plantation was only a transitory settlement became deeply entrenched in the collective minds of the remaining plantation labourers, where outmigration was seen as an inevitable fact, with or without the reinforcement of the notion of risk of plantation work and living. All families were aware that they needed to move-out of plantation eventually.

Nevertheless, the risk of plantation work and living did not result in haphazard outmigration from the plantations. Under certain structural developments, the impetus of moving-out was transformed into action. These actions were performed within certain conditions and constraints. In particular, rapid industrialisation and urbanisation began to transform the structures of the labour market, where employment for the semi-skilled and unskilled workers became gradually accessible to plantation residents. The expansion of free trade zones, some of which were developed on plantation lands, and industrial estates in urban and rural areas further expanded the reach of employment opportunities. These employment opportunities that were created by these vast developments were linked to plantation residents largely through employment brokers and social ties.

We introduced the concept of ‘organization of exit’ to capture the entire planning of the plantation families to exit the plantation based on the ‘migration decisions’ made. The whole process of outmigration at the agency level, we argue, was complex and highly differentiated among the labour families. The complexity and differentiation can be best explained by narrowing the focus on the family unit as a catalyst to organised outmigration. How the labour families strived to consolidate their material positions and struggled to organise their resources – material and non-material – was critical in understanding the outmigration process. We thus refer to the process of plantation outmigration as ‘labour families’ migration’. It also reveals that outmigration was not an indiscriminate process but a carefully planned struggle within the many constraints. Plantation family outmigration was also a gradual process, which normally began with employment in non-plantation sectors by family member(s). The organization of their exit shows the differentiated approaches undertaken by the labour families. These differentiated approaches of
migration indicate that outmigration of plantation labour was not a sudden knee-jerk reaction to the risks of plantation work and living.

Meanwhile, the dependence of the plantation families on plantation work and living, particularly the employed generation who were abruptly terminated in the late 1960s can be seen in the ‘return to plantation’ phenomenon in the 1970s (see Chapter 6). The former resident plantation labour families that were retrenched at earlier times during the ‘disruptions,’ returned in droves to plantations amidst the planters’ association’s claims of rapid outmigration and labour shortages of the 1970s. The return was largely caused by the need for social and economic security provided by plantation settlements, relative to what they had after the abrupt retrenchments and eviction. However, the distribution of productive family resources shows that the return was temporary, while the families planned for permanent exit. In other words, the return to plantation became a part of the organization of exit. While the figures of plantation labour were dwindling in record numbers, particularly between 1979 to the formalisation of foreign labour in 1984, the figures for Indian resident plantation labour were, in contrast, increasing. In fact, contrary to the popular belief that Indian families shunned oil palm plantations because of tougher work than rubber, a clear shift to oil palm plantations can be witnessed, with an increase of almost 20,000 workers during the 1979-1984 period alone!

The employment in non-plantation economies marked a new phase in plantation families’ spatial and occupational trajectory. The process of mitigating the risk of plantation work and living, including among the families that returned to plantations, can be clearly seen from this point onwards from the micro perspective of the family units. The pattern of younger labourers as new entries into the labour market in non-plantation economies while the parents continued to toil in plantations became a common feature. We thus expanded the operational definition of migration to include members of the labour family employed in non-plantation economies as migrants, even if they commuted to their work places from the plantation. However, we showed that outmigration from plantation cannot be seen as individual efforts seeking employment or better opportunities, but, rather, as part of the concerted effort by the family units to gradually move-out of the plantations. Outmigration was not simply a result of individual explorative ventures or for seeking utilities, but was informed and shaped by the social and economic process in the light of the looming danger of plantation retrenchments. In this context, the risk of the family being ‘homeless’ and ‘jobless’ provided a strong impetus to move-out as safely as possible given the constraints of the plantation structures.

In short, we answered the central question of this study by pointing out that it was the risks of plantation work and living that prompted the mass outmigration of the
plantation families. The labour families in the post 1970s period had conceived the prospect of outmigration as an inevitable reality, and through the ‘organisation of exit’ the labour families planned their exit as part of their risk mitigating effort – in fear of being stranded homeless with their families in the event of sudden retrenchments as they had witnessed during the ‘subdivision of plantations’ (1965-69) and the enforcement of ‘Employment (Restriction) Act, 1968’ (1969-70). Commodity continued unabatedly, and in every generation of plantation families since, the notion of the risk of plantation work and living was renewed. By and large, it was the structural factors beyond the control of the plantation labour that shaped and eventually led to the mass outmigration. This process can be understood by observing the function and transformation of the structures in a historical perspective. The families nevertheless responded to these transformations within the constraints of the structures, by organizing their exit in the safest ways possible.

9.4 Quantifying the Affected Labour Families

The human cost of the commodification and its grave consequences – the unregulated mass migration from the plantations – should not be evaluated solely based on the quantified figures of affected people. The figures are merely to show the scale and spread of the damaging effect. What is critical is the human cost of the suffering and displacement, and how the spatial and occupational trajectory of the plantation community was transformed as a result of it. This effect of the transformation is not limited to the plantation phase, as focused on in this study, but goes beyond to the post-plantation phase, where further major shift is indicative.²

From all the figures and descriptions presented in this study, we have demonstrated that a clear pattern of commodification is evident, and the impact of commodification was disastrous on the plantation families. Nevertheless, it should be pointed out that the exact number of plantation labour and their families affected by the commodification is not available, and will always remain a mystery. The voluntary outmigration since the 1970s, the gradual retrenchments over a period and the lack of information on plantation dependents during the final retrenchments adds to the difficulty of estimating the total displacement of plantation residents. However, from the various figures available from the different stakeholders of the

² In Chapter 7 we showed that the differences among labour families in ‘organisation of exit’ during the plantation phase were minimal. The families planning of exit cannot be strictly differentiated based on the differing income groups within plantations alone. However, from the data originally collected for this study, which includes the transition to post-plantation phase, the data suggest disparities among families were magnified substantially.
plantation industry particularly from the state, an estimation of the number of labourers displaced can be interpolated.

If the impact of the intense period of commodification in the form of ‘subdivision of plantations’ and ERA is to be determined, from 1962 to 1972 more than 53,000 Indian labourers were displaced. This amounts to nearly 34 per cent of the total Indian labour in plantation, without accounting for the intercensal labour force growth of nearly 32.6 per cent (1957 to 1970). The figure will be much higher if the labour force growth and the number of unproductive family members in plantations is included. Among the unproductive family categories, the number of children can be estimated based on the fertility rate of that period. To get a sense of the far reaching impact of commodification during this period, and at the same time to gauge the number of children affected, an observation from Hirschman and Fernandez on the fertility rate from census data is worth pondering upon.

The declines in Indian fertility levels are the most amazing of all. From the very high level of 7.216 in 1958, the total fertility rate was reduced to 4.131 in 1974, a decline of more than three births per woman. The reductions have been the greatest at the youngest ages (the ASFR of women 15-19 declined by almost 80 percent), but are significant for all age groups. There were only small reductions at the youngest ages (15-19 and 20-24) in the first few years of the period, but from the late 1960s onward, the rate of decline has been very precipitous; from 1966-1970, the total fertility rate dropped by 1.5 births per woman and the crude birth rate by over 7 points. It may not be entirely coincidental that the largest changes in the age structure (share of young women relative to the total population) were also in the Indian community (Hirschman & Fernandez, 1980:112).

We have also shown that what was believed to be the repatriation of 10,000 labourers comprising 60,000 people to India because of the enforcement of the Employment (Restriction) Act, 1968 (ERA) is suspicious, and is not supported by available evidences. Independent of the repatriation opinions, it is worthwhile to note that about 10,000 Indian labourers were indeed missing from the plantation employment during the 1969-70 period after accounting for some ‘return to plantation’ following the leniency in the ERA. However, we argue that the missing workers and their families were actually displaced from the plantations and have joined the ranks of many thousands of other labour families already displaced – and not repatriated as thought earlier. Displacement, and not repatriation, marked the fall of resident Indian plantation labour in the post-independent period. The

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3 Refer Chapter 5 for the discussions and various sources. It needs to be reminded that during this period the number of non-Indians displaced from plantations was more than 26,000 labourers.
displaced workers now scattered outside plantation were closely linked to plantation through social ties.

After the lapse of a few years, the 1970s witnessed the phenomenon of ‘return to plantation’ where significant numbers of previously displaced families returned to plantations for work and living. The need for labour in plantation and the arrangements with the displaced families were largely through the existing social ties. In 1983, at the peak of plantation employment before the formalisation of foreign workers in 1984, the resident Indian plantation workers numbered about 130,000 compared to about 104,000 in 1973 – despite the plantation industry declaring labour shortage as a result of outmigration. During this period, the ‘commuting migrant’ (those only residing in plantation, but working elsewhere) and the ‘net migrant’ (those who have totally moved out from plantation for employment) among the younger residents had already commenced. This indicates that among the ‘return to plantation’ of the earlier displaced labour families, only the older productive workers returned to plantation employment. However, by 2013, the census report stated that a total number of 36,400 Indian labourers were in ‘agriculture, forestry and fishing’ industry, of which plantation was the single largest employment industry for the Indian labourers (and negligible employment in forestry and fishing). The rest were those displaced from plantation. From these figures, a conservative estimate can be made of not less than 500,000 plantation residents being displaced by forced migration alone since the early 1960s.

Apart from the displaced labour families, another category of labourers affected by the commodification of labour was the work permit holders. These were workers who were not displaced, but who remained in the plantation workforce by periodically renewing their Work Permits and were at the mercy of plantation management. They remained as the most vulnerable workers in the plantation check-roll. We showed that by 1972, the total number of ‘non-citizens’ employed with renewable work permits was nearly 60,000, with the bulk of them in the plantation industry. In 1969, the NUPW had estimated a similar figure of 55,000 in the plantation alone. The bulk of ‘non-citizens’ in plantations were Indians. In fact, from surveys done later in 1976 by NUPW, an indication of new generations of ‘non-citizens’ entering the plantation labour market can be observed. This created a stubborn problem in plantation employment, as it not only created a vulnerable workforce, but seriously limited the mobility of ‘non-citizens’ to non-plantation employments.
9.5 The Hegemonic Framework of Transient Labour and Commodification: A Reflection

The notion of ‘transient labour’ defined the structures and practices of plantation labours’ existence in Malaya since the early days of labour immigration from India. All the work and living arrangements were made based on the idea that the labour will work and eventually be sent back to his native place. The underlying labour employment system was recruitment and repatriation. This was mostly true until locally settled labour groups began to emerge among the migrants from the 1920s and 1930s. Most of the labour families, which by now included large number of females and children, gradually became settlers. The process is closely related to the difficulties in recruiting labourers from India. However, the context of the original migration and the work and living organization that was designed for the transient workers was never fundamentally reviewed to include the changing social structures and the need for stable settlements for the settlers’ Indian families. The state, the capital and the unions continued to function within the ambit of the original immigration of transient labour, and this caused enormous problem to the labour families when plantation work and living became vulnerable.

In the 1950s, the problem of labour settlement became a real one. Many of the workers who came to Malaya in the 1920s and 1930s, unlike the earlier generation of labours, never returned to India, but settled in the plantations with their Malayan born children. This generation of workers retired or were retiring around the period of the 1950s, and their position in the plantations became precarious. Those who were retired had to be supported by employed family members with their meagre wages and small quarters. Whenever the option for them to reside in the plantation was not available, they had to be settled in the ‘home of the decrepit’ while the most unfortunate ones joined the vagrancy list. It was at this time that the political and community leaders and the NUPW (and its predecessors) ventured forcefully into the question of settlements. Their focus then was on ‘the future of over-aged estate workers’ and they came up with various proposals for settlements over the decades. In fact, the Union even suggested initiating ‘home for the aged’ for former workers in ‘plantation industries’ in all regions.\(^4\) It should be noted that at this time, a few homes for the ‘decrepit’ for former plantation labour already existed, but the need was anticipated to be much higher.

What do settlement programs for the resident Indian plantation families mean? In the era before modern housing estates, settlement programs referred to land settlements. The primary focus of these programs was to gain possession of

\(^4\) Quoted from Gamba (1962:110). According to Gamba, the Union proposed that larger plantations could organize their own home for the aged and even proposed that a cess be collected for this purpose by the government.
dwelling structures and small plots of land for cultivation and/ or rearing cattle while workers commuted to plantations for work purposes. The proposal was to acquire either plantation lands itself or state lands adjacent to the plantation which would allow labourers to commute to work. Various types of land settlement programs were proposed ranging from converting existing plantation quarters and roads leading to quarters as private property with individual titles, alienating adjacent state lands for settlements with individual titles, purchasing estates for sale through workers’ cooperative capital sourced from their Employment Provident Funds, or seeking capital from the state with monthly repayment schemes and so on. The purchase of plantations for sale involved all of the plantation residents. In the later period, however, particularly in the era of ‘low cost housing’, settlement programs referred only to the practice of providing a house/flat for employed individuals and their families.

Meanwhile, the impact of the fundamentally flawed framework of transient labour was only fully realised when the commodification of plantation racked the plantation industry. Now, not only were the older retired labourers affected but entire families were involved. In the 1960s, many thousands of labour families and their dependents who had resided in the plantations for generations became homeless and jobless almost overnight. Stakeholders of the plantation industry attended to the problem fundamentally from the viewpoint of labour retrenchments. The original framework of transient labour where unwanted labour would be sent to other plantations and finally repatriated back to India underlay the operation principle. The calls for repatriation through SILF funds were also heard, except that by now many plantation families were already rooted here with weak social ties with India, if any. The human cost was thus unimaginable. Apart from human displacements, the entire community structures with which the labour families grew up such as temples and cemeteries were forcefully taken from them. This created a huge shock for the entire resident plantation labour and made them keenly aware of the risk awaiting the non-retrenched labour families.\(^5\)

Nevertheless, the problem of the archaic notion of transient labour was never resolved. Regimented life, discipline and control of plantation labour are retained to this day. The hegemonic system is perpetuated in all work and living matters in plantations. As the commodification of plantation becomes increasingly common under the garb of ‘development’ in the post 1970s period, the notion of transient labour not only defines the work and living matters but also the status,  

\(^5\) The system that was based on the archaic notion of transient labour is in stark contrast to other instances of eviction and displacement practised in this country on communities residing on lands for several generations, and how they were dislodged and resettled as a ‘community’. Parallels can be drawn to solutions rendered to aboriginal groups or native villages when they had to be relocated from their customary lands.
compensations to be accorded, as well as evictions at the time of commodification. The archaic system has systematically glossed over the question of plantation as a living community and, instead, focuses only on the employed labour. Thus, when commodification occurs, only the employed labour is attended to, and that, too, within the parameters of the labour laws.

One should not be deluded into thinking that the authorities were unaware of the vulnerabilities of the Indian resident plantation labour, and the need to re-settle them. This need was expressed at the policy levels of the state, both during the colonial and post-colonial periods, following which some efforts were made to create settlements for the plantation families. In similar vein, – Neelakandha Aiyer’s Report (1938) to the Indian government and politicians highlighted the predicament of the labour families who were without any ‘moorings’ in the plantations. Indeed, the Indian government ban on the assisted labour migration in 1938 and eventually all labour migration to Malaya was also contributed by the report, which pointed out that a continued supply of cheap labour from India would further worsen the already dire situation of labour families in Malayan plantations. In 1952 the highest British authority in Malaya, the High Commissioner of Malaya, Gerald Templer drew attention to the need for a settlements programme for the tens of thousands of poor labour families in plantations. Since then, proposals and debates on how to resettle the plantation families were observed, with the Union, political parties and civil society organisations in the forefront of these efforts. In 1973, the national development planning report – The Mid-Term Review of Second Malaysia Plan (1973) – clearly encapsulated an affordable home program entitled ‘Home Ownership Scheme’ (1973:7). This was the latest in a series of efforts to resettle the plantation labour, and was presented as a national development policy. Although these efforts show that the state in all periods was aware of the precarious settlement, the crucial question of resettling the plantation families as an organic community showed no significant outcome either in terms of definite plans, sources of funding or implementation strategies. Furthermore, the program failed to take off in any meaningful way, and where it materialised, it could not be duplicated in other plantations.

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6 We discussed various proposals and efforts undertaken since the turn of last century by various parties in Chapter 3.

7 The report played a role in the Indian government ban of labour migration to Malaya. The author clearly stated his target audience and his objective – it is targeted for ‘organisations and leaders in India, not to speak of the Government’ because ‘there is a good deal of ignorance, in India, of Malaya in general and of the condition of Indians in particular’ (1938:vi-vii). The Report, for instance, stated the precarious situation of the Indian labour in Malaya as follows, ‘He cannot go back to his village as the labour movement is not a land migration, but an overseas movement. He cannot go back to land because he does not belong to a rural community in Malaya. When once he is lodged in the ‘coolie’ lines, ordinarily he has no means of escape …’
The saving grace for the labour families in the contemporary period to have a roof above their head was the government policy to eradicate squatter settlements. The policy was extended to include plantation workers by prioritising them for obtaining ‘low cost houses’ at subsidized rates (or prevailing rates), when their plantation was commodified. Many of the labour families that moved out of plantations are now in the ‘low cost’ settlements, either obtained through the retrenchments agreements, or privately through other sources.

The changing feature of commodification from the mid-1960s to later period, particularly since the 1990s can be observed from the shift in the application of provisions in the National Land Code to protect labour from commodification. Since the introduction of NLC in 1965, Section 135 and 136 of NLC often stated by the state to protect labourers from ‘sub-division’. The said sections deal with subdividing a plantation land into many plots. It was a period where the purchasers were with small capitals and the intention was limited to make a quick profit. However, in later period particularly since the 1990s, Section 214A of the NLC that deals with ‘transfer’ of the whole plantation land is invoked to protect the affected labourers. Over the period, commodification has become larger where entire plantations or sometimes few plantations commodified together by large corporations.

9.6 Concluding Remarks

We have shown why resident plantation labour was exceptionally vulnerable and how they were seriously affected by the commodification of land (and labour). The labour families had been socially and economically rooted in plantation lands for generations, but legally the plantation lands did not belong to them. As such, when plantation lands were commodified, an entire community was dislodged, dispersed and displaced. Upon retrenchments, they were dealt with in accordance with an archaic labour system whose framework was originally designed to manage transient Indian labours. In essence, the living organic community in the plantations was ignored. It was clear that the consequences of commodification were much more serious than physical displacement and unemployment. Not only was the plantation community as a whole disintegrated, other essential material and non-material resources and economic activities to support sustenance, which were rooted in the social and economic structures of plantation communal life, were also disintegrated. Clearly, the plantation social support system and coping mechanism formed over generations among the impoverished group, was ruined. In other

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8 See Chapter 8.
9 We have showed in Chapter 4 that Section 136 that had to be read together with Section 135 failed to protect labour families from subdivisions of plantations.
words, commodification not only caused unemployment and evictions, it destroyed the very fibre of plantation communal living.

At the time when thousands of labour families were being displaced, the plantations had in their possession a staggering volume of reserve land. Over the years these huge hectares of unplanted lands were kept simply as reserves for future expansion (see Chapter 3). Even if a very small percentage of these lands were given to the plantation families, the gesture would have allowed them to maintain the living pattern they were accustomed to – with a significant difference this time, namely as settled owners of their plots. The responsible act would have greatly reduced the uncertainty and misery caused by forced spatial and occupational mobility. But, as the study clearly shows, this did not happen. The labour families that had lived and toiled in these plantations for generations just waned away.

However, the biggest hoax of the plantation capital was to institutionalise an archaic labour system designed for transient labour of the first generation migrant Indians, which it then imposed upon subsequent settled labour communities. This was probably the biggest coup of the plantation capital. Using the archaic labour system as its operational framework, it cleverly shifted the attention away from the fundamental question of permanent settlement needs. Simultaneously, through it hegemonic labour system it kept the concerned plantation fraternity – the unions, political parties and civil societies – busy for nearly a century with issues of poor wages and living conditions. The colonial and post-colonial states, on the whole, were complicit with the plantation capital and its interests; although since the 1980s the line between the two had become thin.

In the meantime, the remaining plantation labour continued to work and reside in the plantations. The situation progressively deteriorated for the labour families. The compulsory arbitration introduced in 1965 undermined the plantation Union further. The bold non-compliance to the need for acceptable standards of living conditions in plantations, which was never resolved today as it was during the colonial period, was striking. The same could be said of the plantation subsistence wage system. However, like tens of thousands of labour families before, the contemporary plantation families endure these poor conditions in the absence of a viable settlement alternative. The industry’s insatiable thirst for cheap and docile

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10 For example, in a survey conducted by Selangor State Labour Department in 2012, a number of plantations were classified as ‘substandard’. Even the largest plantation company in the world, Sime Darby, was also in the list of those that provided ‘substandard’ housing which included Bukit Talang Estate, Sabak Bernam Estate, Bukit Kerayong Estate, Bukit Rajah Estate. etc

11 The recent verdict of the industrial court on the wages following disputation on Collective Agreement of MAPA/NUPW was most disappointing for plantation labour in decades. See the
labours led to the formalisation of labour from other impoverished regions in 1984. This further undermined the employment and social status of the local plantation labour in the remaining plantations in Malaysia. 12 Meanwhile, the high outmigration also weakened the social systems that bound people together in the remaining existing plantations. In the meantime, the remaining plantation labour families continued to live under a perpetual threat of commodification and the ensuing retrenchment and eviction. In the final analysis, it is indeed the risk of retrenchment and eviction that forced generation after generation of plantation families to move out. The poor wages and work and living conditions served merely as inducements.

In this study we have shown that the mass migration of Indian plantation labour is different in some sense, although movements of large number of families are not new to Malaysia. When the Emergency was declared by the British colonial government in 1948, a resettlement program was initiated whereby nearly 500,000 people, mostly Chinese families, were forcefully moved to ‘new villages’. 13 FELDA, the largest land settlement program in the world, resettled more than 500,000 people, mostly landless or land deficient Malay farmer families. 14 These planned mass movements of people were coordinated, and the infrastructure for the settlements was put in place to meet the needs of communal living. However, when commodification of plantation land (and labour) intensified since the mid-1960s, no less than 500,000 plantation residents, mostly Indians, were displaced from plantations, and haphazardly dispersed. They were moved from large tracks of agricultural lands that were sparsely populated to more densely populated areas. Far worse, the crucial question of sociospatial integration and transition from plantation to urban structure and society was glossed over. The impact of the unregulated migration of such a huge number of people went unnoticed until the problems of urban poverty and its related issues among former plantation labour families became manifestly critical.

12 Preference for foreign labour impacted all local plantation labours including Malay plantation workers (Zawawi, 2005).
13 A total of 573,000 persons were moved to New Villages between 1950 and 1960, the bulk from mid-1950 to the end of 1952. The compositions were 86% Chinese, 9% Malay, 4% Indian and 1 percent “Others”. The funds were from the Federal Government and the Malaysian Chinese Association. See Sandhu (1964:143-177).
14 By 1993, FELDA resettled 115,045 families of which 95.7% were Malays, 1.2% Chinese, 1.6% Indians and 1.5% “Others”. The funds for the settlement program were from the Federal Government and the World Bank. The land settlement program, however, was ended in 1991 with a shift of government policy towards ‘commercial efficiency than … social development objective’ See Sutton and Buang (1995: 125-137). Total Indians settlers were 1,830 in 1989 were in Johor (150), Kedah (2), Melaka (18), Negeri Sembilan (750), Pahang (659), Perak (100), Selangor (150) and Terengganu (1). See Veeveaganatha (1992:329-338).
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15.09.1967  தூத்தக் காரியாக்குலம் இலட்சார் பிரிவு இனாயும் செயலொரு வெண்டும்.  
22.09.1967  துண்டாதல் தாதா சாட்டமா துண்டாதலை தாட்கை துண்டாதலம்.  
03.10.1967  சம்பா வெள்ளு ராட்டு! நித்மகாம் உட்டராவே பிரபித்தது.  
06.10.1967  பாத்துல்லையம் பாயமுருத்தும் எல்லோ காக்குல்குமா ஓம் முந்தீசகிக்கை!  
10.10.1967  காயில என்னமற்றால் உங்கள் தலைவர்களை உங்கள் அந்தோ தோட்டா மால்கைக்குப் போக்கும் ஆளோசனை குரளோ வெண்டும்.  
13.10.1967  கார்ள் மார்ப்பார்களால் காயேல்லுட்பு துவாங்கி பாத்துல்லையல் குரளொட்டு குரளொட்டு கும்பைகள்!  
17.10.1967  வின் முயர்கள்.  
31.10.1967  உங்கள் துண்டை நிற்க போவது பாப்காரனிருக்கா? பாத்துல்லைய?  
07.11.1967  இங்஘ம் 120 மான் நெராள் திட்டிக்கும் அரிவுப்! தூத்தடமலைகை சிரப்புக் குத்த்டாளின் சலளவர்கள் ஆரிவிப்பார்.  
10.11.1967  இந்துவே சன்னார்ப்மம்.  
14.11.1967  உங்கள் சிருத்தித்துக் கரூக்காயிலுள்ள தோவக் காட்டாளைக் கவட்டமாய்களும்!  
17.11.1967  தூத்தடமலையில் பராபாப்புத்தம் சாம்பவம்! தலைவரின் தாங்க நாகைகள் காலரக் தாண்டார் மாட்டார்  
21.11.1967  புதிய படை.  
28.11.1967  துண்டாதலை நிருட்ட வெண்டும்.  
01.12.1967  சிறம்பருக்கு பாஞ்சு செராவிள்கள் எர்குகு என்பது தாரா நேரும்.  
05.12.1967  நித்மகாம்தின் Pi.Pi. அண்ணோ தொல்லியல் துண்பன்னைய புராத்தியாட்டான் நிருப்பார்.  
08.12.1967  கார்புல் பொத்து...  
08.12.1967  சிள தோட்டக் கிராங்கங்கள் சிள ஆரக்கயல்வாகாளைக் காஞ்சன் பிற்குப் பாத்துல்லை பாலம் கொத்துக்காவு மவையும் ஏதாகும்!  
15.12.1967  தூத்தான்கை தோட்டம் உர்ப்பட் செலவு குதுவதூர் பாத்துல்லை சாம்பவம் கார்ந்தமாள்வா.  
22.12.1967  சிள தோட்டக் காரியாரிகால்கு காத்தது முன்ரு வெண்டும்.  
24.01.1969  தெசியா பிள சட்ட தின்னாம மாண்டா தோட்டாதலை தாட்கா சாட்டம் வாரமு?  
14.02.1969  தின்னாம மாண்டா என்வான்க?  
14.02.1969  துண்டாதல்கு முருத்துப்புற்று வாக்க தோட்ட துண்டாதல மாண்டா.  
18.02.1969  வேலையாண்டா தோட்டக் பாத்துல்லையும் முகமாவாகக் கொரிகள்.  
25.02.1969  பாத்துல்லைத் தெற்கோங்கியுள்ள இரங்க குழ்வகள். காப்பா வருமனு? வன்பின் தவிப்பா?
Jokūr mānilam malēciyāvilēyē periya tō Pirāvurimai, tēciya mo varu Vēl to Pulluruvika Nā Vēlai parmi Pirajaiya Vēlai parmi Pirajaiyallātāri Tō Kālam ka makka Orumaippā A I Vēlai permi Vēlai permi pirac To Vēlai a Pirajāvurimai mika avaciyam 9

12 vayatukku mēgaṭṭa ella velināṭṭup pirajaikaḷum pativu ceyya vēṭṭum mantiri mānṅkkā aṅivippu.

Pirajaiyallātār vēlai aṅumatic cīṭṭup peṛa caṅkak kilaikaḷai nāṭavum. Vēlai aṅumatic cīṭṭu.

Tōjjilāḷariṅ kaṭṭappāṭṭu kaṇṭu toḷiṟcaṅkam perumaiyaṭṭaṅkiraṭu. Tuṇṭāṭal piraṇcāi mēlāṭikāṅkal kavaṇṇattīṟku koṇṭu cellappattīḷḷatu.


ṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟṟ tamil

12 mātam 6 māṭṭumāki mum'muram. 3 māṭam 6 māṭṭumāki mum'muram. 3 māṭam 6 māṭṭumāki mum'muram. 3 māṭam 6 māṭṭumāki mum'muram. 3 māṭam 6 māṭṭumāki mum'muram. 3 māṭam 6 māṭṭumāki mum'muram. 3 māṭam 6 māṭṭumāki mum'muram. 3 māṭam 6 māṭṭumāki mum'muram. 3 māṭam 6 māṭṭumāki mum'muram. 3 māṭam 6 māṭṭumāki mum'muram. 3 māṭam 6 māṭṭumāki mum'muram. 3 māṭam 6 māṭṭumāki mum'muram.
18.08.1970  Tamil vālvatam valarvatam tōṭtap pāṭṭālikālāl.
21.08.1970  Talalavarīṇa piranta nāḷ tōṭta īḷaiṇar tiyamāka venṭum.
08.09.1970  Tōṭṭamālikaiṅku nalleṇnakkuḷuṣu vijayam.
29.09.1970  Tōṭṭat toḷiḷē pōtum eṇṭa tiruptiḍṭāmaḷ toḷi tuṟaṅkaḷilum tuṇintu irāṅkunāṅka.
23.10.1970  Iṇṇiyum tāmataṅkāmal ellāk kilaiṅkaḷumē conta māḷikai eluppelināka venṭum.
28.10.1970  Pirajāvurimai eṭukkāṭatāḷ ēṟpaṭṭa ḍitarpāṭukal pōḷ caṅkattil cēṟṭavarkaḷ
cāṅkaṭṭattikulkāḷavar. Pēṟāvil tuṇaippotukkkāriyaticci eccecarikkai.
10.11.1970  Tōṭṭap pāṭṭālikalukku caṅkam alikkum veḷḷi vilāp paricu.
Carittirattilēyē mutaṅgmutalāṅa ṍyuvkāḷa āṭayā niti.
17.11.1970  Ōyuvukāḷa oppantam nēṟṟu kaiyeḷuttāṅatu.
15.12.1970  Orumaippāṭṭai ōṅkac ceyya tuṭṭitirukkum makkaḷai taṭṭutiruttal cariyā?
22.12.1970  Pala pattu āṇṭukal kāḷittu uraviṅṇaraṅk kāṅaṅc cellum tōṭṭap pāṭṭālikalukkum
cāṅtaṁsāl pala cāṅtaṅkaḷā.
16.04.1971  Ėṁmaṛṟṭtiṅ etiroli caticceyalā?
20.04.1971  Iṇṇaiya pāṭṭāli"eṭuppar kaippillai" allā!
23.04.1971  Čaṭṭaviṅrōtāt tuṇṭāṭal nilappaṭṭa vaḷaṅkāṭu.
04.05.1971  Taippinā mānakariḷ pāṭṭāḷi īḷaiṇar tiraṇṭṭaṅgar. Īḷaiṇar piracṇaikali tira eṭukka
vēṇṭiyā naṭavaṭṭaiṅkaḷā.
18.05.1971  Patil tāraviṭṭal rattākum.
18.05.1971  Pāṭṭāliṅkai kaipparṭuvuṟu.
18.05.1971  Pāṭṭāḷic camuṭṭāya uyarvukkāṅa namatu palattai palamaṇṭāṅkāṅa
uyarruttvōṁ.
21.05.1971  Yār yār eppaṭṭi eppaṭṭi ententa pāṟṛṭtai pirajāvurimaiṅkku - āṭaiyāḷak kāṟṭukku
viṇṇappippatu.
21.05.1971  Āṭaiyāḷakkāṟtu eṭuppattu eppaṭṭi.
25.05.1971  Pakaṅkkāṭē! Pakaṅkkāṭē! Pakaṅkkāṭē pāṭṭāḷiyaiṅp!
28.05.1971  Nampikkaiyīṭṭum aṟivippu.
28.05.1971  Kirāṁmappuṟap pāṭṭāliṅkai piracṇaįyium tīṟvum.
01.06.1971  Čaṭṭappaṭṭi veliyēṛṛa muṭṭiyāṭu.
15.06.1971  Yāṟukkum maṟṟantum aṭṭimaiyāṅkāṭē.
15.07.1971  Vēḷai permīt pāṟaṅkāḷ.
01.05.1978  Tuṇṭaṭal pēyutzą caṅkaṁaṇi naṭṭṭaiya puṇṭtap pōr.
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SAMENVATTING

Sinds hun migraties van het Indiase subcontinent generaties eerder was de plantage de enige plek die de Indiase bewoners als hun thuis en werkplaats gekend hadden. Leven op de plantage was zoals het dorpsleven en de daar werkende families hadden ook geen ‘dorp’ om naar terug te keren. Desondanks ontstond na de jaren ’70 een grootschalige geografische en sociale beweging onder deze plantagefamilies. Door een mengeling van vrijwillige en gedwongen migratie werden tienduizenden families van hun plantageleven ontheemd. Dit onderzoek begint met de vraag: “waarom verlieten deze verarmde families na de jaren ’70 van de vorige eeuw de plantages waar ze generaties lang gewerkt hadden”?

Dit is een onderzoek naar het mechanisme hoe menselijk handelen een antwoord vindt op nadelige structurele veranderingen in werk en leefwereld en waar emigratie uiteindelijk een resultaat van was. Migratie kan men niet los van bredere sociale en economische veranderingen zien. De verklaring die het New Economics of Labour Migration (NELM) verschaf, namelijk dat families met migratie hun inkomstenbronnen diversifiëren, schiet daarmee ons inziens tekort. De oorzaken lagen noch in het inkomen, noch in ongelijke verdeling met kansen elders, noch de slechte werk- en leefomstandigheden in de plantages. We ontwikkelen een alternatieve verklaring, die op een multidimensionaal concept stoelt: ‘het risico van plantagewerk en –leven’ en ‘de commodificatie van land en werk’, gebaseerd op het werk van Karl Polyani. Kort gezegd betogen we dat commodificatie van plantageland tot het ‘risico van plantagewerk en –leven’ zorgt en om dat risico het hoofd te bieden, migreren de plantagefamilies naar elders.


Desondanks resulteerde het risico van plantagewerk en –leven niet in een ongeregeld migratie van de plantages. We introduceren daarom het concept van ‘organisatie van vertrek’ om de planning van de plantagefamilies op basis van ‘migratiebesluiten’ te beschrijven. Vanuit het perspectief van de handelende families was het hele proces van emigratie een complex en onderling sterk verschillend proces. Deze complexiteit en differentiatie kunnen we het best begrijpen als het resultaat van het feit dat de actieradius om emigratie te organiseren zich vernauwde tot familie zelf. In het emigratieproces stonden de strategieën van de families om hun economische positie te consolideren en hun materiële en immateriële hulpbronnen te mobiliseren centraal. We laten daarmee zien dat emigratie niet als pogingen van individuen om beter werk of betere kansen na te streven
begrepen kan worden, maar als de gezamenlijke onderneming van een familie om stapsgewijs uit de plantage te vertrekken.

In de volgende generaties werd het risico van plantagewerk en –leven steeds nieuw leven ingeblazen door een gestaag proces van commodificatie dat zich tijd tot tijd voordeed in de plantages. Elke generatie maakte grootschalige bezuinigingen, plantagesluitingen en uitzettingen mee. De verhalen van de ongelukkige families die van zulke plotselinge bezuinigingen het slachtoffer werden verhevigden het gevoel van risico. Veel later is het idee dat de plantage slechts een tijdelijke vestiging was zich echt beginnen te wortelen in het bewustzijn van de overgebleven plantagearbeiders. Emigratie is men toen als een onontkoombaar feit gaan zien. Alle families hielden ermee rekening dat ze uiteindelijk van de plantage zouden moeten vertrekken.

Aldus hebben we het antwoord op de hoofdvraag van dit onderzoek beantwoord door ons betoog over hoe de risico’s van het plantagewerk en –leven de emigratie van plantagefamilies in gang hebben gezet. De plantagefamilies van na de jaren ’70 zijn het vooruitzicht van emigratie als een onontkoombare realiteit gaan ervaren en door de ‘organisatie van vertrek’ planden de families hun vertrek als deel van hun pogingen om het risico te ondervangen. Die pogingen werden gevoed door de angst door een plotselinge inkrimping dakloos te worden, zoals ze dat in de midden jaren ’60 gezien hadden. Commodificering ging onverminderd door en in elke volgende generatie vernieuwde zich het risico van het plantagewerk en –leven. Het waren dus over het geheel gezien de structurele factoren, waar de plantagearbeider geen controle over had, die uiteindelijk tot grootschalige emigratie leidden. Door de functie en transformatie van die structuren vanuit een historisch perspectief te bezien kun je dat proces begrijpen. De families reageerden op deze transformaties binnen de beperkingen van die structuren om hun vertrek toch op de veiligst mogelijke manier te organiseren.