Working gendered boundaries: temporary migration experiences of Bangladeshi women in the Malaysian export industry from a multi-sited perspective

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CHAPTER 7: WORKING IN MALAYSIA’S EXPORT INDUSTRY: CONDITIONS AND WAGES

This chapter looks at the migrant labour regime in Malaysia. Wages and working conditions are discussed, as are the contractual arrangements and promises made to workers. The discussion focuses on conditions at the company level, the level of the global political economy and the state level. The latter part of the chapter looks into the ways migrants approach or change their working situation. Although it would have been instructive to speak with managers, the tenseness of the situation did not allow us to do so. The trust and confidence we had established with the migrants in what was regarded to be a rather precarious context, and the fear and vulnerability many migrant women felt, made it ethically imperative to refrain from contacting management.

7.1 Companies

The Bangladeshi migrant women and men in this study worked in factories that are primarily oriented towards the export market; they predominantly produce garments, electronics or furniture. Of the women who took part in the survey, 122 (87%) worked in four big companies: two electronics and two garments firms. Three of these companies are transnational corporations (TNCs) based in Hong Kong, Japan and Germany, respectively.

The fourth was a locally owned electronics company, catering to the export market (see table 6.1). Of the men interviewed, 27% were working in a garment TNC (factory III in table 6.1). 24% in one of three locally owned electronics factories and 20% in an American-owned porcelain factory. Several (13%) of the remaining Bangladeshi women also worked in one of these factories. The remainder of the migrants (mainly Bangladeshi men) worked in 10 other factories that made garments, furniture or electronics.1 A few of these were owned by Hong Kong or Taiwanese based companies, while the rest were locally owned. The latter included a small business that employed fewer than 20 workers, of whom 6 were Bangladeshi.

The analysis of working conditions and payments in this chapter is largely based on the main companies involved; reference is made to other companies only when the situation differs importantly.

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1. It should be noted that migrants working in electronics factories, although also employed by multinational corporations, were not hired by the worlds’ leading electronics companies that are based in Malaysia. These companies often preferred to hire local workers. For example, Intel – a world-leading US-owned electronics’ company with a factory in Penang – had a policy of not hiring migrant workers. An Intel executive told me that this was related to their long-term investment in their employees; giving training to workers who would leave within a couple of years was not lucrative. Intel’s labour policy was not based on cheap labour, but on skilled labour. Moreover, since this policy included higher wages, labour shortages were less of a problem.
Table 7.1: Companies employing Bangladeshi women

<table>
<thead>
<tr>
<th>Factory</th>
<th>Products</th>
<th>Ownership</th>
<th>Total number of Bangladeshi workers upon our arrival in 1996</th>
<th>Bangladeshi women who took part in the survey</th>
<th>Approximate total number of workers at the time of the survey in 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factory I</td>
<td>Electronics components</td>
<td>Japanese TNC</td>
<td>95</td>
<td>36 women (26%)*</td>
<td>500 local workers 200 Indon. women 54 Bangladeshi</td>
</tr>
<tr>
<td>Factory II</td>
<td>Electronics components + consumer electronics</td>
<td>Malaysian TNC</td>
<td>100</td>
<td>23 women (16%)</td>
<td>300 Malaysian workers 50 Indon. women 34 Bangl. women</td>
</tr>
<tr>
<td>Factory III</td>
<td>Branded high-quality garments</td>
<td>Hong Kong TNC</td>
<td>400 women 100 men</td>
<td>45 women (32%)</td>
<td>1500 Malaysian workers 400 Indon. women 110 Bangl. women; 70 Bangl. men</td>
</tr>
<tr>
<td>Factory IV</td>
<td>High-quality women’s underwear</td>
<td>German TNC</td>
<td>200 women</td>
<td>18 women (13%)</td>
<td>900 Malaysian workers 150 Indon. women 38 Bangl. women</td>
</tr>
</tbody>
</table>

* Percentage of total number of women who participated in the survey. 122 (87%) of the 139 women worked in one of these four factories.

7.2 Factors affecting employment conditions

The recruitment agencies and personnel managers who came to Bangladesh had given potential migrants a description of the work they would do and the wages they would earn. Contracts were signed before departure. Upon arrival in Malaysia, it turned out that wages were lower than promised in virtually all of the companies. The discrepancy between promises and actual wages varied. There were many underlying reasons for this.

In the next section, a closer look is taken at the actors involved and dynamics that contributed to the aforementioned discrepancies. These span different levels: the level of the company, the level of the global economy and the state level.
Table 7.2: Average net monthly earnings after deductions

<table>
<thead>
<tr>
<th>Factory I</th>
<th>Factory II</th>
<th>Factory III</th>
<th>Factory IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>509 ringgits²</td>
<td>341 ringgits</td>
<td>781 ringgits</td>
<td>584 ringgits</td>
</tr>
</tbody>
</table>

Company level

The recruitment process

The companies employing the migrants in this study had obtained official work permits for all their foreign workers. The majority of the workers were still working in the company they were hired for when they first arrived in Malaysia. Thirteen (22%) of the men had changed jobs over the years. Seven men had arrived in Malaysia on tourist visas or were smuggled into the country as they had no work permits. All had obtained official papers with the help of their new employers and agents. Of the women who participated in the survey, only one had arrived on a tourist visa. 16 (11%) had changed jobs during their stay in Malaysia.

It is in the interest of recruiters to paint lucrative images of jobs and wages in Malaysia. However, upon arrival, some of the migrants had found themselves in factories other than the ones they believed they had been recruited for. They had taken training in garment production or were experienced sewers, but were actually hired by an electronics company. Others had been told they would be working in a knitting factory making socks, but ended up painting dolls in a ceramics TNC. No explanations were given, and these mix-ups appeared to be indicative of the non-transparent relationships between recruiters and employers.

Companies hire Bangladeshi recruiters who reside in Malaysia; mostly these are men who have been migrant workers themselves. These recruitment agents put the companies in touch with recruitment agencies in Bangladesh. Employers obtain working permits from the Malaysian authorities, while the Bangladeshi recruiters obtain the necessary papers from the High Commission and authorities in Bangladesh. With increasing numbers of Bangladeshis interested in working in Malaysia and more restrictive immigration policies for Bangladeshis enacted by the Malaysian government, fees and the number of cases of deception rose during the 1990s.

As one Bangladeshi agent in Malaysia said:

> In the early 1990s, employers approached me and said, ‘If you get me some workers from Bangladesh, you get 200 ringgits.’ Later it changed. Now a Bangladeshi agent approaches an employer and says: ‘I’ll give you a couple of thousand ringgits if you take a Bengali from me.’

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². The exchange rate in the summer of 1999, when the survey was held, was 1 ringgit = 25 euro cents.
Factory III experienced a major irregularity in recruitment. In 1993, this transnational company (which produces branded garments) had hired a small group of Bangladeshi female sewers who had extensive experience working as sewers in Dhaka’s garment factories. When I interviewed a manager of this company for a previous study in 1994, he expressed the company’s great satisfaction with the performance of these workers. In 1995/6, approximately 500 new migrants from Bangladesh were recruited, of whom 400 were women. However, within a few months many were sent back home and many others had absconded in order to escape a similar fate. Based on the stories told by workers, an agent and a unionist, the reasons seemed twofold: too many workers were hired and many sewers performed unsatisfactorily. The company had allegedly wanted only 300 migrants but had received more. A joint collaboration between a Bangladeshi agent and a personnel manager who had received a bribe (an extra payment for each migrant hired) had led to malpractice in recruitment. The personnel manager eventually lost his job, as did many of the migrants. The workers who were sent home had contracts, but were not reimbursed for the costs they had incurred. Fear was omnipresent: no one knew who might be sent back or when. Company representatives were reported to have come during the early evenings to the women’s houses, naming workers who had to leave and giving them 15 minutes to pack their belongings. Several women were said to have fled via the windows when they had been sent to their rooms to pack their bags, leaving their belongings behind. Estimates of the number of women who were sent back vary from 75 to 120, with at least another 100 having fled out of fear of being next. Since adequate surveillance of recruitment procedures is lacking at both the sending and the receiving end, there is frequent corruption and misinformation.

Contracts and wages

Most migrants had signed employment contracts, most of which had been issued by the human resource managers who had interviewed them in Dhaka. In three of the four main companies where women were employed, contracts were said to have been broken.

The women in factory I (a Japanese owned multinational that produces electronic appliances) had received a 4-page contract to be signed before departure. Fatima:

> I read it and signed the contract. I could understand it all. They told us that if we worked overtime, we would make more money. There were men who explained it to those who could not understand. We would work in an electronics company. But they could not tell us what exactly our jobs would be. The contract was for two years and could be prolonged on a yearly basis.

According to the contract, the initial monthly wage of 310 ringgits would increase annually by 10%. However, no increase was given in the first three years. In the fourth year, the monthly wage was raised to 365 ringgits. At times, allowances were cut for no reason and pay slips did not always reflect the actual hours worked, especially the overtime hours – which were not adequately recompensed. According to
Malaysian labour law, overtime pay should be one and a half times the regular hourly rate on weekdays, twice the regular rate at weekends and three times the basic rate on public holidays. This law was violated in factory I. On weekdays, the rate paid was even lower than the regular hourly rates. The payments of Bangladeshi workers also seemed to differ from the payments of Malaysian workers, who had reportedly received strict orders from the manager not to show their pay slips to the Bangladeshi women. Malay workers with whom the Bangladeshi women were on friendly terms were found to receive more. For example, one local woman’s basic wage was 650 ringgits; she had been working at this particular factory for six years and had received annual increments. A supervisor who was aware of the unjust payments had tried to interfere, but her attempts were futile. The women’s own questions about the payments were generally countered with threats. Ferdousi: ‘If we ask, the boss gets angry and says that the computer never lies. If we are not happy, we should go home.’

Factory II (a Malay-owned company that produces electrical goods for the export market) paid its foreign workers 14.5 ringgits a day (approximately 320 ringgits a month). Each year there was an annual increase. After 3.5 years they earned 19.10 ringgits a day (about 450 ringgits a month). There were no complaints that Malaysian workers were earning higher rates. However, there had been other breaches of contract. Rahana:

I signed the contract a day before I came here. After we arrived, the madam [supervisor] took our passport and contract forms. I cannot read, but those who could read said that our contract said that our accommodation and everything else would be free. Our basic pay would be 400 ringgits. We would get overtime. We did not get that, but we were unable to negotiate due to the lack of the contract document as proof. Everything is with them, including the passport.

The original contract – which was purportedly signed on behalf of the personnel manager – stated higher wages than did the contract they were made to sign upon arrival. Although the new contract included an annual bonus (an extra month’s wage), which most companies did not provide to their migrant workers, sometimes neither they nor the Malaysian workers were paid their monthly wages: after their first year (i.e. from 1997 onwards), there was ‘no work available’ for between 6 and 12 weeks a year. During these periods, the women were paid 60-80 ringgits a month. As one of the women said: ‘During these months we have to live off our savings.’

The Bangladeshi women who worked as sewers in factory III – an established Hong Kong-based TNC producing branded garments – were paid according to the piecework system and in line with their Malaysian colleagues. The terms of the contracts were respected as far as payments were concerned. However, many women’s contracts had been breached, as discussed above, following the malpractice in recruitment. They were sent home a few months after their arrival without being reimbursed. The company also deducted a monthly sum of 80 ringgits from each Bangladeshi’s wage to pay for the costs incurred by the agent, it was said.
However, the workers had already paid their agents before departure, and they fought this ruling. Those who were still there eventually had their money returned.

The situation was somewhat different for the Bangladeshi men who worked in factory III. They worked as ironers, packers or quality controllers and earned fixed wages. The contracts they had signed in Bangladesh stated that their basic rate would be 12.50 ringgits a day, yet they received only 10.30 ringgits. Pointing at the original contract, Abdul said:

We showed them the contract, we told them: ‘Look at the heading of this paper, it is your company’s logo and here is the signature of your personnel manager. It is real.’ They did not do anything about it, but simply told us that the personnel manager at the time was no longer working there.

The migrants continued pressing for their rights. This culminated in a strike and ended successfully for most migrants. After nine months they received the payments as stated in their original contracts, albeit not retroactively. The leaders of the strike, however, were sent home.

Factory IV – a garment TNC based in Germany – paid a basic wage to its workers instead of applying the piecework system as is common in the garment industry. As in factory II, the basic rate was 14.5 ringgits a day during the first year; after five years it had increased to 21.8 ringgits a day. Their payments were in line with the payments of Malaysian and Indonesian workers. As far as the contract was concerned, the women did not pay much attention to it: it was in English, and they could not understand it. Having signed a contract before departure did not always imply that it had been properly understood before it was signed. Sometimes the migrants received the contract only the day before their departure. Language was frequently a problem, and many relied on the oral explanations of managers and agents. At the recruitment office in Dhaka, it had been promised that they would earn the equivalent of 10,000 takas, but it turned out to be much less. In contrast to migrants in the other factories, the women in factory IV had nevertheless felt taken care of, as they had an ally on the management side (the personnel manager was of Bangladeshi origin). According to the women, things had been okay as long as he worked for the company. He had helped the workers as much as he could, primarily by making sure they had overtime work.

Similar trends were discerned in the other companies that employed Bangladeshi men and women: the terms of the contracts were often not met. Annual raises were frequently lower than stated and allowances were cut randomly. The payment records of smaller, local companies were often worse than those of the large TNCs. In several smaller companies, pay rises depended on the personal preference of the owner for individual workers and were rather random. In one small company in which two women who had absconded from factory III (because they feared being sent home) had found employment, wages had not been paid for several months. This finding is in line with reports by Tenaganita – an NGO that runs a case management programme for migrant workers in cooperation with lawyers. The majority of labour violations in the industrial sector are found in small and medium-size indu-
stries (Fernandez 2005). The TNCs were modern, air-conditioned, and rules and regulations on protection were strict and generally applied. The work environment was frequently quite different from the garment factories some women had worked at in Bangladesh and were generally appreciated. In contrast, workers in small factories were often exposed to toxins, dust and heat.

Although it is sometimes stated that female and male workers are not always paid the same in Malaysia’s export industry (cf. Caspersz 1998; Bhopal & Rowley 2005), it was not found to be the case in this study. Whenever Bangladeshi women and men performed the same tasks, they were paid equally. According to a representative of the Penang Textile Workers Union, wage rates for men and women are the same nowadays. Although most Bangladeshi women did not work in the same companies or departments as the Bangladeshi men, men and women who held the same positions did not report receiving different treatment because of their gender. However, they did believe they were treated and paid differently from Malaysian workers, as is discussed later.

Sukamdi (2001:100), who studied the working experiences of migrant women originating from Indonesia, argues that many of the difficulties and vulnerabilities that migrants face stem from contracts that are generally signed only by the agent and the migrant, and not by the employer in the receiving country. The findings presented here show that even when migrants hold official contracts with the company, their fair treatment is not guaranteed. Chand (2004:23), who studied garment factories in American Samoa that employed Vietnamese migrant workers, came to similar conclusions. Having a contract is not in itself enough to guarantee being paid fairly. The actual scope to seek and find legal redress is a determining variable in workers’ treatment.

Overtime

In global export-producing industries, overtime work often supplements meagre earnings.

Many factories in Malaysia relied on regular overtime work. Although overtime was not specified in contracts, agents and personnel managers had assured prospective migrants of abundant possibilities for overtime work. Promises of overtime had been instrumental in boosting relatively unattractive regular wages and had been included in the migrants’ calculations. Sharif (factory III):

I would like to work all the time. If I do not work I feel that I am losing money. With the help of my family, I have paid so much to come here, so I really have to work. If I do not work for a day, it is a lost day. I can’t just not work; this is not my own time. If I do not work in Bangladesh for a day, it is my own time and no

problem. Now I should work as much as I can. When I get back, I can rest for a year, no problem. Now, if I rest I will lose time and money.

Whenever Bangladeshi migrant workers from different factories in Malaysia met for the first time, the inevitable question would be: ‘Do you have OT [overtime] in your factory?’ This exemplifies the pivotal role that overtime played in their lives. For many Bangladeshi migrants, the lack of overtime bothered them the most as far as their jobs were concerned; wage rates were not expected to be changed. Working overtime enhanced their feeling of being in charge, of being in control of what was earned; if they worked more, they earned more. Gandhi and Shah (2002:180) found that workers in India held similar perceptions; however, this freedom or sense of being in charge was largely illusionary. Overtime was either available or it was not, and individuals were often not free to choose. Moreover, since many migrants’ wages were lower than envisioned, working overtime became even more essential. Most workers felt that they had to work as much overtime as they could to boost their income (Kassim 2001a:129). After expenditures for daily living, the wages derived from the regular 48-hour working week hardly allowed them to save to pay back the initial investment they had made.

However, many factories turned out to have less overtime available than had been promised. In the main factories where most of the women were working, three of the four factories did not provide overtime to the extent that was promised or did not pay in accordance with Malaysian labour laws. In factory I, all the women (apart from five women who worked in a department where there was no overtime work4) worked a minimum of 2.5 hours of overtime every day and often also worked overtime during the weekends. Depending on shift schedules, there were sometimes only a few hours free between two working days. As seen earlier, official overtime rates as stipulated by law were not paid in this factory: the women earned 100-150 ringgits a month less overtime pay than they were entitled to. Malaysian labour law stipulates a maximum of 12 hours overtime a week, and work weeks are not to exceed 60 hours in total (in order to protect the workers’ health). Like some other companies, factory I did not observe this law, nor did their Bangladeshi workers want them to.

In factory II, women had had regular overtime work during their first year in Malaysia. In their second year, there had been significantly less. Subsequently, there had been virtually no overtime work. Due to the lack of overtime, the women in this factory earned the lowest wages of all the Bangladeshi women we met and were the unhappiest with their working situation: little money could be saved.5 The women in factory II tried to reduce their living costs, which was rather obvious from their appearance: they looked thinner than the women working in other factories. Rahana (factory II):

4. Their basic wages were only 280 ringgits a month.
5. The men working in the American porcelain factory were in a similar situation; they too had very low wages because they had no overtime work.
We were told that there would be work in the factory and we would get overtime, even extra night-duty. They said that there is so much work that it would be hard to refuse to do overtime. We were prepared to work hard because then we would earn. But what they said was only partly true. What the madam promised about OT when she came to Bangladesh is not true. They promised us that we would earn 12,000 takas, but because of the lack of overtime it is only 5000 takas. During the week we are back home by six o’clock. Every weekend we just sit around; there is no work for us. I did not come to Malaysia to sit idle. As a woman I have left my house, and threw my veil away, only to earn money. Now I am sitting here and there is no work. I cannot save. I have not been able to do anything for my family. I lost out, both here and at home.

Rahana was referring to what was on the minds of many women: their honour. As seen in the previous chapter, many had to convince their family of the benefits of their migration. Their financial success would prove that it had been the right decision. They wondered how they would be regarded after returning home if their stay abroad turned out to be financially unproductive. Women in this company felt deceived and called themselves ‘unlucky’. After almost four years in Malaysia, some had only just been able to pay off the debts they had incurred to pay their migration fees. Most of the women wanted to swap places with the women in factory I: although they were not paid fairly, at least they had overtime and at the end of the month they had more money in their accounts. Factory III had overtime yet it varied by department. Rubya:

The volume of production depends on the section; some sections have much, others don’t. If they have much production, they also have some OT. Sometimes overtime also depends on the supervisor: she will always prefer to give overtime to those she likes.

Bangladeshi men who worked as ironers or quality controllers had less overtime than most sewers. Since overtime was very popular, a woman’s relationship with the supervisor who allocated the work was of importance. A similar situation was found in factory IV. The women had worked overtime during the first three years of their stay. After the Bengali personnel manager left the company, overtime hours had been reduced. This reduction, however, seemed to coincide with the hiring of more (Indonesian) migrant workers and a decreasing need for overtime work. In most of the other factories, the stories were very similar: overtime was neither given nor recompensed as promised.

The question arises whether the managers had blatantly exaggerated the availability of overtime or whether its availability had decreased. Both aspects seem to have played a role. During the mid 1990s, when employers were looking for foreign workers to fill their shortages, overtime was readily available in many companies. While giving overtime work can be lucrative when labour is scarce, as well as during times when production is exceptionally large, it becomes an expensive tool if applied in the long term. In addition, for some garment companies, pressure from consumer
groups has increased and some brands have become increasingly strict concerning ‘exploitatively’ long working hours (Smakman 2004).

In short, many companies looked for ways to reduce labour costs. Hiring more foreign workers was one way of doing so, as was the case in factory IV. In some factories, overtime had dwindled because production had gone down. The reasons varied. Several companies increasingly shifted part of their production to lower-income countries in the region and overtime was cut back. Some electronics companies were affected by lower demands in the electronics and electrical sector, while others had been affected by the Asian economic crisis (personal communication with a senior adviser of the state industrial development corporation, September 2000). For whatever reason or reasons there was less overtime, managers and agents alike had promised overtime too easily, while prospective migrants might have taken their words too seriously.

Not surprisingly, overtime often became a tool of power, a source of jealousy and a means of dividing workers. Being favoured by a supervisor was frequently equated with working diligently and obediently. To remain favoured, and hence to continue to obtain overtime work, sometimes meant having to compromise on one’s own needs. Kamal (electrical appliances factory):

> My shift is from 8 to 8. That entails 3 hours of OT, if they then ask me to continue till 10 at night, it is too much for me, I am too tired. But I cannot refuse. If I tell my boss I cannot do the extra hours, he may stop my overtime for many days or even suspend me for a couple of days.

In a study among Taiwanese companies in Malaysia, a manager told Kung & Wang (2006:588):

> Do you know how low their basic wage is? Only ten-something ringgit. If they do overtime work, they can get thirteen hundred or more a month. If they do not conform, they will get no overtime work, and their monthly wage will only be about four hundred. How could they survive with little money to pay their living cost, and the debt they have at home for coming overseas? I don’t fire them, or send them back. After one or two months, they will come to me and ask for more work to do. They will show their obedience to me.

Workers’ dependence on their jobs in general and on overtime work more specifically was frequently used as a threat to prevent workers from being non-compliant or to retaliate for behaviour that was regarded as ‘deviant’.

In sum, many workers did not obtain all the remunerations specified in their contracts. While this was sometimes at least partially due to mishandling by recruitment agencies, many companies failed to take full responsibility for the contracts signed on behalf of their human resource managers in Dhaka. Part of the disappointment over remunerations was based on migrant workers’ high expectations regarding overtime – verbal promises that were taken as facts.
The global economy: the effects of the Asian economic crisis

The Asian economic crisis that started in Thailand in mid 1997 affected Malaysia’s economy. Foreign workers were found to be hit the hardest by the crisis (Yusof 2001). According to the Asian Development Bank (ADB News Release 18-06-1999): ‘With little or no legislation to protect them, many were sent home to make way for newly unemployed Malaysians.’ Although only a few of the migrants in this study had lost their jobs, all of them had been affected by the crisis in at least three different ways, namely by a sharp deterioration in the exchange rate; employers’ measures to reduce costs and a decline in production; and a substantial, inflation-driven increase in the cost of living.

Falling exchange rates

The exchange rate was stable at 1 ringgit to 16-17 takas in the years prior to the financial crisis. As the ringgit plunged as a consequence of the economic crisis, the exchange rate between the two currencies deteriorated dramatically (see table 7.3). By January 1998, 1 ringgit was worth only 10.5 takas – a drop of 36%. The Bangladeshis who lost their jobs as a consequence of the economic crisis and were sent home, saw their savings reduced by more than a third.

Early in 1998, the exchange rate stabilized at around 12 takas, due to the pegging of the Malaysian ringgit to the US dollar (at 3.80 ringgits to 1 US dollar). It remained low until 2002.

The significant decrease in exchange rates created anxiety among the Bangladeshi community. At the time, no one knew when or how fast it would improve, if at all. When possible, some migrants postponed sending money home and waited for a better exchange rate. Others feared it would plunge even more. As one of the women said: ‘Apa, it is madness: today the rate can be up, and tomorrow it can be down again!’ Rates did not improve significantly and many had to send money home as their families needed or expected it. Many Bangladeshis considered their ‘real wages’ to be their earnings after they had been converted into takas, as the money would largely be spent in Bangladesh rather than Malaysia. Shannaz (factory II):

They told us we would make 10,000 to 13,000 takas a month. In the beginning that was correct – we made 10,000. At that time the exchange rate was good, nowadays it is bad and 10,000 takas salary is a dream.

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6. The respondents in this study were chosen because they had jobs in industrial companies. However, several men we met formally as well as informally had lost their jobs in the aftermath of the crisis; they had found new jobs elsewhere, obtaining papers from agents with connections, for which on average 2200-3000 ringgits were paid.
Table 7.3: Value of the Malaysian ringgit in Bangladeshi takas (interbank rate)

<table>
<thead>
<tr>
<th>Date</th>
<th>Bangladeshi takas</th>
<th>Date</th>
<th>Bangladeshi takas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>16.1</td>
<td>May 1998</td>
<td>12.6</td>
</tr>
<tr>
<td>1996</td>
<td>16.7</td>
<td>June 1998</td>
<td>11.6</td>
</tr>
<tr>
<td>Jan.-June 1997</td>
<td>17.3</td>
<td>1998</td>
<td>12.1</td>
</tr>
<tr>
<td>July 1997</td>
<td>17.1</td>
<td>January-June 1999</td>
<td>12.8</td>
</tr>
<tr>
<td>August 1997</td>
<td>16.2</td>
<td>July-December 1999</td>
<td>13.3</td>
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<td>1999</td>
<td>12.6</td>
</tr>
<tr>
<td>October 1997</td>
<td>13.7</td>
<td>January-June 2000</td>
<td>13.5</td>
</tr>
<tr>
<td>November 1997</td>
<td>13.4</td>
<td>July-December 2000</td>
<td>14.2</td>
</tr>
<tr>
<td>December 1997</td>
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<td>2000</td>
<td>13.9</td>
</tr>
<tr>
<td>(July-Dec.) 1997</td>
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<td>2002</td>
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<td>12.5</td>
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</tbody>
</table>


In 1996/7, when the exchange rate was around 16.5 takas to 1 ringgit, one had to earn 607 ringgit to have 10,000 takas – a sum that those who worked a substantial amount of overtime were able to earn. In 1998, when the exchange rate was down to 12 takas, they had to earn 834 ringgits in order to have 10,000 takas, and that was beyond the reach of many.

Taking the average exchange rate of 1995, 1996, and the first half of 1997 as a reference point for the average exchange rate before the crisis – that is, 16.5 takas to 1 ringgit – the value of Bangladeshi workers’ income converted to takas had on average decreased by 18% over the first four years following the financial crisis. By the end of 2002, the exchange rate was almost back to its pre-crisis value of 16 takas to 1 ringgit. By then, however, the vast majority of migrants in this study had left the country, as their work contracts had expired.

The economic crisis and the subsequent decreasing value of the Malaysian ringgit had somewhat different implications for Indonesian migrant workers. Since the Indonesian rupiah had plunged considerably more than the Malaysian ringgit, Indonesian migrant workers were effectively sending more home than they were before the

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7. In 1998, the decrease in earnings converted to takas at the current exchange rate compared to the exchange rate prior to the start of the crisis in 1997 was 27%, in 1999 21%, in 2000 16% and 9% in 2001.
criterion. However, the rate of inflation in Indonesia was tremendous during these years (reaching 430% in 2002).

Effects on companies

Many companies felt the impact of the region’s economic malaise. Some witnessed a decrease in production, and hence in overtime, while others tried to cut their costs in the face of prospects that now were less bright. For the electronics sector, the crisis coincided with a worldwide stagnation in the electronics market. Companies downsized, diversified and increased their exposure to export markets; redundant workers were dismissed. The threat of dismissal was increasingly used as a disciplinary measure.

However, not all companies suffered from the crisis. Some utilized the public acceptance of hard times in order to restructure. In the garment sector, for example, the fall in exchange rates had made Malaysian apparel relatively cheaper and thus more competitive (TWR June 1998; Ford 2002; personal communications with senior adviser Industrial Development Corporation). The crisis played an important role in wage deductions and cuts, as experienced by many migrants. In factory I, migrants saw deductions on their monthly pay slips: allowances had been cut and overtime hours were not properly paid. In several of the other factories, wage raises were provided only arbitrarily. Many workers experienced a drop in overtime work. Overtime dwindled in factory II and in the porcelain factory, where many male respondents were employed. Faruk: ‘The conditions here are very poor, especially after the economic downturn [crisis]. Our overtime stopped. Now, the factory tries to increase quality, but we do not know whether that will lead to more overtime.’

Economists have long argued that if Malaysia were to improve the quality of its products – that is, produce higher value-added products – its competitive edge would improve and its reliance on labour would decrease (cf. Rasiah 2001). In this scenario, overtime would likely not increase. Malaysia’s largely labour-intensive industry has not found it necessary to up-scale production processes or to improve labour efficiency by investing in training. Many companies’ prescriptions for increasing competitiveness involve increasing their right to manage labour, thereby reducing labour costs even further (Todd, Lansbury & Davis 2004:8). This scenario seemed to occur in most of the companies that relied on migrant workers.

Increase in the cost of living

Many of the Southeast Asian countries that were hit by the economic crisis witnessed high inflation rates and increases in the cost of living. In Malaysia, food prices

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8. In 1995 and 1996 the exchange rate between the Malaysian ringgit and Indonesian rupiah had been around 900 rupiah for 1 ringgit. In 1997 it went up to 1017; in 1998 to 2616; and in 1999 it was 2073 rupiah for 1 ringgit on average.

9. The food price index for Indonesia shows that between 1995 and 2000, prices for food increased by 273% (World Bank 2002).
rose by 9% in 1998 (ADB 1999). The consumer food price index indicated a 28% increase in the price for food between 1995 and 2000 (World Bank 2002; UNE-SCAP 2004). In line with this statistic, many migrants remarked that their daily expenditures had increased by 25-35%. Kamal (electronics factory):

The costs of commodities have increased. Before, we would not spend more then 150 ringgits a month. Now we spend about 200 ringgits a month. But the men who smoke might spend 300 ringgits. It is not only us who are unhappy; the local people are unhappy about this too. But they do not protest – there are no demonstrations or slogans. They keep it to themselves. In Bangladesh, everybody would protest.

The cost of living was widely claimed to have increased considerably, which further affected the migrants’ ability to save money. Migrants often complained about the increase in the cost of living and were surprised about its quiet acceptance by Malaysian citizens. The crisis affected migrant workers and Malaysian workers differently. Like the Malaysian workers, the migrants had to pay more for their daily requirements, but in addition the money they sent to Bangladesh was worth less.

*The state level: equal rights for migrant and local workers?*

In 1991, the Malaysian government amended the labour law to ensure equal wages and benefits for Malaysian and migrant workers. In the same year, the government announced that employers were to pay an annual levy for each foreign worker hired. The objective of both laws was to ensure that foreign labour was not used as a substitute for Malaysian labour (Appleyard et al. 1992; Pillai 1992). The levy varied by sector. For the manufacturing sector, it came to 420 ringgits per worker per year. To further encourage employers to reduce their dependence on foreign labour, the levy was more than doubled in 1996 and rose to 1200 ringgits in 1997.

In practice, however – and in contrast to the neighbouring country of Singapore, where the rule is effectively implemented and employers pay for the levy (Abella 2006) – most employers in Malaysia simply deduct the levy from the foreign employees’ wages. Contrary to the policy’s aim of discouraging the hiring of foreigners, the law does not forbid employers to deduct the levy from wages.10 Of all the factories where the migrant workers in this study were employed, only one paid for the levy – and this factory was unionized. In three other factories, the company paid half of the levy. All the other companies (14 of them) deducted the levy from wor-

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10. For example, the Penang textile union, which had filed a case at the Labour Office against an employer who deducted the levy from workers’ wages, lost the case for this reason (personal communications with the secretary of this union).
Factors affecting employment conditions

Migrants’ wages. On average, migrants paid 100-130 ringgits per month in 1999 for the levy and additional costs for procuring the papers needed.\(^\text{11}\) Marium (factory II):

> Our contracts did not say anything about a levy. In the beginning they only took 500 for the levy; now it is 1200 per year. Sister, we only earn about 400 ringgits now, and each month 120 ringgits are taken. The Malaysian government is very smart, they make a lot of money out of us.

It was found that the levy deductions accounted for 25-30% of the migrant workers’ regular monthly wages and equalled several months of basic wages. Other studies came to similar conclusions (Kassim 2001a:122-134; Wickramasekera 2002:24).\(^\text{12}\) Malaysian labour law stipulates that workers who earn less than 1500 ringgits a month are not to be taxed. The levy paid by foreign workers, a considerable source of income to the government, is an indirect way of taxing them, as confirmed by government officials (interviews courtesy of Garcés-Mascareñas 2006).

Following the economic crisis, the Malaysian government announced in August 1998 that ‘in order to keep more Malaysian money in Malaysia, foreign workers, except domestic workers, should also contribute to the social security system’ (SCM 1998). Since September 1998, foreign workers have had to contribute to a pension scheme, the Employees’ Provident Fund (EPF). Employees generally contribute 11% of their wages and employers 12%. In reaction to employers’ protests about this ruling, which they considered an additional financial burden, it was decided that for foreign workers, employers should contribute a fixed monthly rate of only 5 ringgits instead of 12% of their wages. While migrants benefit less from the scheme than do Malaysian workers, the lower contribution of employers for foreign workers makes hiring foreign workers cheaper than hiring local workers.\(^\text{13}\)

In sum, although policies were officially geared towards guaranteeing equal treatment between Malaysian and foreign workers, in practice they protected the interests of employers more than the rights of migrant workers (cf. Todd, Lansbury & Davis 2004). In the aftermath of the economic crisis, this tendency has only increased. Due to the lack of law enforcement, foreign workers can easily be manipulated and paid less.

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11. Deductions varied; companies also deducted other costs such as for the yearly compulsory medical check-up (approximately 180 ringgits) and the processing of an identity card, work permit and visa (approximately 130 ringgits).

12. In the aftermath of the economic crisis, the levy went up to 1500 ringgits in 1998. Out of fear for social unrest particularly among Indonesian workers, it was reduced to 1200 ringgits in 1999. By reducing the levy, the home minister effectively acknowledged the fact that levies are deducted from workers’ wages.

13. Migrants who returned to Bangladesh in 1999 were often found to have not received their EPF contributions. Not all employers had transferred the deductions to the EPF. This created a lot of anxiety within the migrant community. By mid 2000, the issue seemed to have been resolved: foreign workers’ EPF money was paid in cash before departure. Their own actions, including demanding assistance from the Bangladeshi High Commission, had led to this breakthrough.
Since the work permit effectively binds a migrant to his or her employer and he or she loses the right to be in the country as soon as the employer cancels the permit, employers have a disproportionately large leverage over the worker. If for whatever reason the employer is not satisfied, he or she can cancel the permit or threaten to do so. The aim of Malaysian migration policies is to control migration flows and prevent permanent settlement. However, these laws effectively not only curtail migrants’ movements and possible attempts to settle, but also compromise their more general rights (cf. Anthias 2000). As Fernandez (2005) points out, although migrant workers enjoy the same benefits as Malaysian workers under the Employment Act, the Immigration Act, under which the work permit is issued, takes away that right. Migrants who want to file a case with the industrial court and are subsequently dismissed by their employers, do not receive a visa to remain in the country during the court case even though wrongful dismissal cases that are taken to court can take years to be settled (cf. Bhopal & Rowley 2002:1181). Without legal aid, this is virtually impossible – even if one has the stamina and perseverance to go through with it.

As seen from the above discussion, under the migrant labour regime, global dynamics intersect with local ones and can easily compromise the position of migrants. As argued by unionists and academics alike, hiring foreign workers is often cheaper for employers than hiring Malaysian workers, and this has a negative effect on Malaysian workers (Rudnick 1996; Lee & Sivananthiran 1996; Rasiah 2001; personal communications from unionists 1999).

Several questions thus arise: what do migrants do, if anything, to improve their situation? What are the relations like between local and migrant workers? Did the large-scale employment of migrant workers in Malaysian industry lead to the development of two different labour regimes – one for migrants and one for Malaysian workers?

### 7.3 Collective action

Some Bangladeshi migrants spoke to their managers about the unjust payments and their maltreatment. While in some cases this led to the desired result, in general questioning superiors about wages was met with a ‘take it or leave’ attitude. Repeated efforts resulted in threats of being sent back to Bangladesh. Nevertheless, a few collective attempts were made to obtain rightful payments. The Bangladeshi men in factory III were the only ones who initiated a strike. As seen earlier, their basic wage was lower than stated in their original contracts. Rashid:

> When the management did not listen to us, we decided to do something. We had a leader and we organized a people’s meeting. We stopped working for three days. Then the managers were scared, and we talked. We said that if they would not give us what we deserved, we would go to the labour office. Finally we got it. But by then almost a year had passed. They said we would get the extra money for the first nine months too, but we never did. Our leader was sent home. More
people were sent home. The management said they sent them home because they
did not work well, but that is not the case. They sent them home because they
complained. Some of us are higher educated than others. We understand things
better and we try to help the others. (…) The management is scared that we may
form a union or organize, and so they sent them home.

Sending these leaders home was not only an act of retaliation but also served as an
example for others. A few women had tried to obtain fair wages by attempting to file
a complaint with the labour office. Ferdousi (factory I):

In the beginning there was a woman called Parveen in our factory. She was smar-
ter than we were. She was experienced as she had been in Malaysia before. She
knew that we could do something about our situation. We had a meeting, and she
explained everything. We would gather signatures from all of us and then we
would go to the labour office. We all wanted to join. Then the management heard
of it. They asked us who was involved. Some of us were young and inexperi-
cenced; they said ‘we are’ and also told them about Parveen. The older women, who
had been in Malaysia a little longer, said nothing. That was smarter. (…) Parveen
was sent home. After that everybody was very scared. You see, it is very dange-
rous to complain, because if we complain we are sent home.

In all cases of organizing, it was mentioned that the initiators were educated; they
had finished high school or college. A similar action took place in another factory,
where an ‘educated Bangladeshi girl’ had initiated the action. Here, too, the underta-
king was eventually discovered and the leader was sent home. Although inexperi-
ence or lack of unity may have played a role in the failure of such actions, the dominant
reason they failed was the ease with which the company could not only dismiss the
leaders but also send them out of the country and thus prevent them from causing
any further trouble. It also instilled fear in migrants and prevented them from trying
to obtain their rightful payments. The magnitude of the fear was further exemplified
in that the women told these stories only after they had left the company.

According to some of the migrant women, they did not manage to obtain their
rightful payments because there was no unity among the migrants. Some wanted to
do something about it collectively and openly, while others were afraid that this
would be counterproductive and preferred other, more individual or acquiescing
tactics. Parveen (Factory II):

If we had the unity, we might have got our rights. But the girls did not do that.
There were some women who were devoted to the madams. The madams were
also fond of them. We were ‘anti-madam’. They thought that if they did anything
against the management they might be sent back home. Now they have left and
some of them have run away, but we are in difficulties.

The mistrust and the friction among the migrant women are discussed more exten-
vively in Chapter 8.
There is generally no assistance from labour unions. This is for several reasons. First, the level of unionization is low. Officially, migrants can join unions, as long as they do not form unions of their own; however, many companies stipulate that their foreign workers cannot participate in union activities (Kassim 2001a:129). Second, the fear of retaliation from the management prevents migrants from accepting support. We had occasionally offered the assistance of a befriended unionist, but the offer was always declined. Even if a case could easily be won, workers felt that they might just as easily be put on a plane to Bangladesh. Third, the animosity between Malaysian and migrant workers – or perhaps more generally, the lack of solidarity between workers of different ethnicities – did not enhance the possibility for joint actions. Nevertheless, the Malaysian Trade Union Congress (MTUC) has rightly called for the equal treatment of foreign and local workers, as this would ultimately benefit all workers (MTUC 2005).

7.4 Divisions in the labour force

Malaysian workers primarily identify themselves as Malay, Indian or Chinese workers, rather than as more general ‘working class’ people. In many workplaces, this stratification has been reinforced by the division of labour on the basis of ethnicity as well as gender. Ethnicity, which generally receives little attention in literature on labour control, is often used in an opportunistic fashion on Malaysia’s shop floors. Companies often attempt to control the labour process via managing inter- and intra-ethnic identities and undermining intra-ethnic solidarity. Although overt conflicts are relatively rare, ethnicity is a silent and visible presence in labour relations in Malaysia’s industry, dividing the labour force. The continuous persistence of ethnic identification amongst Malaysian workers has weakened class unity and diminished the role of labour unions (Daud 1985; Ong 1987; Caspersz 1998:258; Ng 2004a; Rowley & Bhopal 2005:567; Kung & Wang 2006).

However, most studies that come to these conclusions, as well as other studies focusing on labour relations in Malaysian industry, primarily refer to the experiences of Malaysian workers. The fact is often ignored that for more than a decade, one third of the labour force in Malaysian industry was composed of migrants (see e.g. Caspersz 1998; Rasiah 2002; Elias 2005; Bhopal & Rowley 2005). Through the large-scale hiring of migrant workers, different sub-groups based on different iden-

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14. The union in the only non-unionized company in our sample (a textile company) ensured that the Japanese management paid equal wages and benefits to its workers. While the Bangladeshis benefited from this, they were reluctant to actively engage with or approach unionists with individual grievances (Rudnick 1996).

15. For example, Rowley and Bhopal (2005:567) found that in one electronics factory, a Malay human resource manager tried, on behalf of the companies’ management, to indoctrinate Malay workers who were involved in union activities by providing compulsory lectures for days in a row focusing on Malay identity and group solidarity. Malays involved in union activities were told that they were manipulated by Indian union leaders, who used the Malay’s for their own purposes.
tities/ethnicities have been added to the labour force, which evidently affects labour relations. Although it was beyond the scope of this study to interview Malaysian and Indonesian workers, some observations can be made.

The labour shortages that occurred in the early 1990s (before migrant workers had been recruited) enhanced the bargaining position of Malaysian workers’ versus employers, and both working conditions and wages improved (Rasiah 1993; Rudnick 1996; Kung & Wang 2006:592). As a result, the labour movement did not grow significantly. Although workers’ reactions to unfair labour conditions continue to be indicated by the absence of large-scale collective action, they are predominantly signified by spontaneous actions such as unofficial go-slow (i.e. working at a slower pace), non-availability for overtime, sudden walkouts and fits of ‘spirit possession’.16 However, another form of dissatisfaction was expressed on a massive scale: large numbers of workers resigned or took jobs elsewhere, which became the dominant way of showing discontent (Rudnick 1996; Smakman 2004; Todd, Lansbury & Davis 2004:10; Elias 2005: Kung & Wang 2006:588). As workers increasingly started to ‘job-hop’,17 high turnover rates became a major problem for many companies that relied on unskilled labour.18 It was during this time that the large-scale recruitment of migrant workers started, much to the dismay of Malaysian workers and labour unions who felt that it potentially compromised their bargaining power and had a dampening effect on their wages. Various academics have confirmed that the large-scale hiring of foreign workers has seriously hampered wage rises in the industrial sector (Pillai 1995; Rasiah 2001; Tan & Ariff, 2001; Athukorala 2001b).

Kung & Wang (2006) conducted one of the few studies to compare managerial tactics concerning Malaysian and foreign workers in Malaysia’s industry. Focusing on Taiwan-based multinationals, he showed that labour control practices imposed on migrant workers differ from those imposed on Malaysian workers. As Kung & Wang argue, they vary according to the level of ‘subordination’ the workers feel versus the employer. The relative ease with which Malaysian workers could find employment elsewhere when dissatisfied had strengthened their position vis-à-vis their employers. Different tactics needed to be employed to keep them from leaving for jobs elsewhere. Managers said that Malaysian workers needed to be ‘pampered’ with company dinners and such like, whereas migrants could easily be coerced by scaring them. In the words of one manager interviewed by Kung & Wang

16. Ong (1987) first analysed spirit possession as a form of resistance. In her much cited study on factory women in Malaysia, she describes women’s occasional fits of mass hysteria whereby they claim to be possessed by spirits. She argues that this is a way to cope with the work pressure and the impersonal modern factory regime (see also Todd, Lansbury & Davis 2004, who argue the same).

17. It should be noted that whereas switching jobs can be lucrative for workers in the short term, and the mere perspective of being able to job-hop may increase their bargaining power, in the long term job-hoppers lose out on annual increments and ultimately higher wages.

18. One tried to attract new workers by offering special benefits and by stimulating workers to bring their friends or relatives by rewarding them with 100 ringgits if the new workers stayed for at least for a year (Rudnick 1996; Kung & Wang 2006:588).
If one needs to reproach a local worker, one has to do so in a mild tone, but to manage a Bangladeshi worker is much easier, one only needs to push, to press them. Bangladeshi workers in this study made similar observations. Abdul (ceramics company):

In Malaysia people can easily find factory jobs, there are so many vacancies. Locals jump from one job to another. Supervisors cannot yell at them because then they will leave. My supervisor disturbs me a lot, but I cannot say anything; I cannot leave.

Not surprisingly, the Taiwanese companies studied by Kung & Wang were highly satisfied with their Bangladeshi labour force. Likewise, Smakman (2004) – who conducted a large-scale study among garment companies in Malaysia – found that firms were most satisfied with their compliant and diligent Bangladeshi labour force. The relative powerlessness and related compliance of migrants is as important an incentive to hire them as lower labour costs; these two aspects may reinforce one another (cf. Ryan 2002:105). This favouritism based on diligence and compliance often has a negative effect on Malaysian workers. For instance, Sharif (furniture company) noted that:

Sometimes, Malaysian Indian people want to do overtime as well. But they do not get it. They fight with the boss. They say: ‘Why do you only give OT to the Bangla people?’ But if the boss were to give them OT, he would have to pay them 1.5 times the rate; he only pays us 1.25.

It was also frequently noted that many Malaysian workers did not want to work much overtime, and resented Bangladeshi workers for working so hard and setting the pace. Many understood this reaction: ‘They live here all their lives and can have jobs; we are only here for a short time and need to earn what we can.’

The seemingly diverging interests between Malaysian and migrant workers are no exception, nor are the employer’s instrumentalization of these differences and the lack of solidarity among workers from different geographical or ethnic backgrounds. Under the current global production system, it is often considered in the interest of the employer to create divisions between workers on the basis of gender or race (cf. Kabeer 2000:32). Chhachhi (2004:155), who studied workers in New Delhi whose companies also hired migrant workers from the south Indian state of Kerala, came up with a similar finding: Malaysian workers were constantly made to feel less productive than the migrant workers. As seen here, companies utilized the differences between migrant and local workers as a new mechanism of control to change the composition of the labour force to one that was more compliant and productive. Simultaneously, Chhachhi (2004:176) stresses that local workers were

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19. My study in the mid 1990s among textile and garment companies in Penang came to similar conclusions (Rudnick, 1996).
regarded as ‘insiders’, whereas migrant workers remained ‘outsiders’. Those who came from the same region/background as the managers felt that their position was more secure. Many Bangladeshi workers also noted that despite being liked for their hard work, the locals were often treated fairer by their supervisors. Many Bangladeshis envied them for their relatively greater negotiation power – as well as for the ease with which they could job-hop whenever they wanted. Combined, these aspects fuelled resentment among workers and divided the labour force.

Relations with migrant Indonesian workers employed in some of the factories the Bangladeshis were working at were generally friendly but not close. The reasons for not forming alliances were similar to the reasons Bangladeshis generally gave for not engaging in collective action more frequently. A few anecdotal comments can be made about possible differences between these migrant groups. Although it was generally felt that Indonesian women workers were treated similarly to Bangladeshis, their situation was sometimes thought to be easier. First, they were fluent in the language, as their native tongue is virtually the same. Second, several women felt that Indonesian women could and actually did switch jobs more easily than Bangladeshi workers when treated unfairly, despite the risk of becoming undocumented. They were considered to be braver, since they could blend into Malaysian society more easily, as they ‘looked and talked like Malays’. Third, some believed that personnel managers preferred Indonesian women to Bangladeshi workers due to ethnic affiliations, whereas other women denied this and said that particularly Chinese superiors would treat them similarly as long as they worked well.

The hiring of migrant workers has led to the further instrumentalization of ethnic and national divisions to control labour by drawing on the different positions and perceived diverging interests of Malaysian and migrant workers. Although Malaysian workers appear to be in a relatively better position than migrants (Kung & Wang 2006:592), and a dual labour regime seems to be at work, some caution is required. Labour and immigration policies affect all workers, albeit to different degrees, whether they be migrants or Malaysians. Looking at migrant versus Malaysian workers in a unilateral way would serve only to reiterate the divisions within the labour force. To understand the workings of ethnicity and the relations between workers in Malaysian factories, more research is needed that includes workers of all backgrounds, with sampling based also on the types of contracts on which they are hired. In the age of flexibilization, the tendency to hire more workers temporarily to cut labour costs can also be seen among Malaysian workers. Malaysian and migrant workers’ position may be more alike than assumed. The temporary workers’ situations are generally vulnerable, with lower remunerations as they often miss out on various benefits and wage raises (cf. Tucker 1993; Lee & Sivananthiran 1996; Nichols & Çam 2003; Fernandez 2005).

Irrespective of the virtual absence of collective action and failure to secure their rightful wages, the Bangladeshi workers – like their Malaysian colleagues – sought ways to cope with their work situation. These were mostly covert acts geared towards enlarging their space within the tight boundaries set by their supervisors. Some, however, resorted to more drastic acts and, despite the risks involved, chose to seek employment elsewhere.
Chapter 7: Working in Malaysia’s Export Industry

7.5 Coping mechanisms

Many migrants had ailments that were caused by the pressure of work, long working days and work-related stress (worries over remunerations, uncertainties concerning contract renewals, etc.). Fatigue was a common problem. I often heard women say: ‘My body is tired all the time.’ Many suffered from insomnia, back pain, headaches and pain in their eyes from staring at minuscule electronics components all day long; many were worried about their health.20 Studies on factory workers’ health in Malaysia are scarce (Heng & Rampal 2004).

Since it was not possible to interview managers or visit companies, little can be said about the managerial approaches or strategies that were applied by companies. The work pace was said to be fast, with a great emphasis on increasing production quotas and improving discipline.21 In line with the Fordist production mode and Taylorist assembly line production, surveillance was intense and the output was closely monitored (cf. Elias 2005:209).22 Several women stated that over the course of time, they had found ways to handle the ever-increasing work pressure. Khadiza (factory I):

At first we knew nothing, but now we can tackle different situations. Now we know how to manage our supervisor. My Malay supervisor, Azma, she is really a very bad woman. When I see her, I start my machine; after 10-20 minutes, when she leaves, I shut my machine down. My machine is very sophisticated. We have a ‘pin’ system. There is a tool where the pins are stacked. The supervisor will fix my quota according to the stacked pins. By shutting it down I can reduce my quota.

During another conversation:

We have a new supervisor. She does not know the work all that well yet. I have been here for four years now; I know all the tasks. She is still learning, so I tell her what is important. Whenever I have a day that I am a bit tired, I tell her that an easy job needs to be done, so I can sit down. Of course, I know that some day she will be smart, but for now it works and she will not disapprove.

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20. One woman we met went back to Bangladesh because of eye problems and headaches. It has been found that most women working in semiconductor firms in Southeast Asia have to wear glasses after three years, others have to leave the company (Chhachhi 2004:165).

21. It was interesting to note that several women who had fled from a TNC to a small, local factory made a point of expressing how they missed the order, work environment and discipline of their former employer. These migrants’ reactions, however anecdotal, seem to support Edwards and colleagues’ (1998) ‘disciplined worker thesis’ that workers prefer an ordered and disciplined work environment to disorganization and chaos (cf. Glover & Noon 2003).

22. In factory I (Japanese owned), regular meetings were held focusing on targets, discipline and a strong company culture, methods typical of Japanese companies (cf. Ong 1987; Chhachhi 2004).
Rita (factory III):

Every time a new order comes in, the first days they will have to fix the pay rate per piece. In the beginning, a new task is difficult. They always want us to work faster. So then we all try not to work too fast so that the rate is not too low.

The ‘go-slower’ actions as described by Rita to lower quotas and/or improve piece-rates are common ways to try to manage the system in many factories around the world (cf. Mullings 1999; Elias 2005). Although companies may anticipate these actions when calculating production targets, these actions were felt to have some influence, however small. Women tried to counter the ever-increasing work pressure and extend the boundaries of the confinement that was imposed on them. It made the job more bearable and gave them a sense of being in charge. Meanwhile, they were always careful not to overstep the boundaries. The relationship with their supervisors was not to be hampered; their acts were always non-confrontational.

In earlier studies on female factory workers, the emphasis was generally on adverse working conditions and exploitation (cf. Elson & Pierson 1981; Ong 1987; Heyzer 1989). More recently, in line with the debates on agency, it has become more common to focus on the empowering effects of wage employment. Increasing attention has been paid to ‘covert acts of resistance’ (Dannecker 1998; Constable 1997, 1999; Mullings 1999; Harrington 2000). These studies are theoretically inspired by James Scott’s (1985) work on peasants’ ‘everyday forms of resistance’ in rural Malaysia. Scott argues that resistance needs to be defined broadly and should include individual and covert acts. Many poor people cannot afford to openly resist. Their non-confrontational approach is aimed at making life and work more bearable rather than at transforming the social structure. However, these acts may serve as inspiration and motivation for major collective acts in the future (Scott 1985).

Although a few studies on female factory workers depart from this theoretical point and show that workers’ hidden acts can have structural effects (cf. Mullings 1999), studies often emphasize the everyday acts of resistance and appear to overstate their actual effect on women’s experiences. At times, the titles of studies and statements made at the outset claim more change than the data actually evidence. For example, in her study on female garment workers in Fiji, Harrington (2000:3) highlights the workers’ negotiation of ‘the forces of capital, the state, patriarchy and the labour market’. The acts of resistance range from go-slowsm to smearing lipstick on the garments. The data concerning the workers’ realities point to the unlikelihood of negotiation and the adversity of the working and living conditions. As Aguilar (2000) argues, the structural context within which these acts occur and the relation to women’s perceptions on limitations for change are often downplayed. The pendulum seems to have swung from analyses that often focused exclusively on exploitation (i.e. structural limitations) to analyses that sometimes appear to overemphasize empowerment and agency.

Arguably, acts described as ‘resistance’ might sometimes be more appropriately understood as coping mechanisms – finding ways of creating a bit more space, more room to manoeuvre – while generally choosing to adapt to the situation one is in.
This certainly applies to the acts of Bangladeshi migrant women, such as the ones described above. These acts did not lead to structural change, nor did they offset the feeling of fear and worry that weighed heavily on most Bangladeshi migrants (‘Will I still have a job next year?’ ‘How can I save money with wages this low?’). However, the acts and behaviour described above were undoubtedly of significance; while enlarging their space, their sense of self was positively affected. Shazeda (electronics factory):

Once we were punished for talking while doing our job. They ordered us to clean the toilets. They thought that they were punishing us, but we actually liked it. We put one person on guard and then sat down in the toilet and chatted and laughed. It took us half a day to clean it, and we did not have to work.

Latifa (factory I):

Bad stories about Bangladeshi women were published in a Bangladeshi magazine. The supervisor came to me and asked me to translate the story for her. I knew she would then say bad things about us Bangladeshis. So I simply told her that I could not read. The others said the same.

Nahar (factory III):

We are not supposed to talk when we work, but we do sometimes. When they get angry and tell us to stop, we just tell them that we are discussing work; as they can’t understand a word of what we say, they let us.

Coping mechanisms did not necessarily involve trying to decrease the workload or increase payments per se. These stories were told with laughter. Besides having got their way, women got a kick out of avoiding being seen as ‘non-compliant’. They had outsmarted their superiors; those who sometimes labelled Bangladeshi migrants as ‘dumb’ and coming from a ‘backward’ country were tricked. Space was gained, both symbolically and physically, while hope was reignited (cf. Ong 1991:301). Although they did not change the situation structurally, these acts helped them to maintain a sense of self and dignity. In the words of Constable (1999:206), the women were ‘geared toward surviving the situation with their sense of humanity intact.’

Other migrants had resorted to a more drastic and overt way of coping with their working situation: they had absconded. Before looking into this aspect, it is instructive to take a closer look into the issue of contract renewals.

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23. Our data on Bangladeshi men concerning this issue are too limited to allow informed assessments or comparisons.
7.6 Contract renewal

Contracts were provided for two years and could be renewed each year for a maximum of six years. When we met the women in 1999/2000, only one third of the original number of Bangladeshi women hired in 1995/6 were still working in the four main companies studied (factory I: 56%; factory II: 34%; factory III: 28%; factory IV: 19%). Although the reasons for the substantial difference between factory I and factory IV may be multiple and not easily identified in retrospect, some aspects seem to have played a determining role: factory IV – a garment factory that did not pay piece-rates but fixed wages – had not renewed the contracts of the women whose performance was not regarded as satisfactory. Moreover, the women had done reasonably well during the first few years because the human resources manager, who was of Bangladeshi descent, had ensured that there was enough overtime, and some may have not found it worthwhile to stay on when overtime decreased after he had left. In factory I, on the other hand, wages had been relatively low, quotas had not been fulfilled and many chose to stay on (if their contracts were renewed) so as to earn and realize their aspirations. The rest had either returned home or had left for employment elsewhere. Although the exact breakdown of departures is not available, migrant women’s estimates give an indication. On average, 40-50% of the Bangladeshi migrants who had arrived with them were said to have already returned home. The remaining 20-30% had looked for jobs elsewhere and had absconded. Of those who had returned to Bangladesh, it appears that less than half had had any say in the matter; most had been sent home or their contracts had not been renewed.

In her study among 200 returned Bangladeshi migrant women who had been working in the Middle East or Malaysia, Siddiqui (2000:53) also found that a significant percentage of women were sent home prematurely: 29% returned home within a year. Likewise, in a study among 114 returned Indonesian migrant women, Sukamdi (2001) found that 20% had returned from Saudi Arabia before their two-year contracts had been fulfilled. Most problems were employer related and were considered a dramatic development for those involved, as large debts had been incurred to make migration possible. We too found that many migrants try to avoid being sent home for similar reasons.

Four main reasons for women’s forced departure can be identified: being involved in activities related to improving wages (i.e. being regarded a recalcitrant worker); not being productive enough (i.e. being a ‘slow’ worker or medically unfit); engaging in relationships with men (i.e. having a boyfriend); and because the company had ‘too many’ workers or had found cheaper workers (i.e. new migrants). For example, as far as the last point is concerned, the contracts of the women in factory II were quite unexpectedly not renewed in 2001, even though they were legally entitled to stay another year in Malaysia. The contracts had not been renewed because Indonesian workers had been recruited. The women made a link between their termination and the hiring of the cheaper Indonesian workers (after five years, the Bangladeshi women’s wages had increased substantially due to annual increments). Although some of the women were sent home while they still held a con-
tract, as in the case of factory III, in most of the cases contracts had expired and were not renewed.

During the months we were conducting the survey, the women in factory I were awaiting news concerning the renewal of their contracts. Before contracts are extended, migrants undergo a compulsory medical exam. Anxiety was omnipresent. Only five weeks before their contracts expired, the appointments for the medical exams were made; 16 of the 45 women were not given an appointment, which implied that their contracts would not be renewed. Although some were ready to leave and were content with the decision, others were very upset. It was said that the supervisor did not like them and that there had been quarrels. It was alleged that some of the others would not get a renewal because they had ‘boyfriends’ (this is discussed further in the following section). A few women did not understand why they had not been given appointments, and it was concluded that there must have been a mix-up over names (the previous year, a woman had been mistaken for someone else and sent home). Several women took action: those who had a good relationship with their supervisor went to talk to her, while those who felt that the supervisor had misjudged them went directly to the human resources manager. Five women successfully stood up for themselves: they convinced the manager, got an appointment for the medical exam and passed it. Of all the women, only one failed the exam – which had been expected, as she had severe gastritis and had been off work for a while. In the end, seven women went home; another five had found employment elsewhere and ‘disappeared’.

7.7 Absconding

Although switching jobs was illegal and punishable with detention, an estimated 20% of the Bangladeshi women who had been employed by the four main factories had changed employers. It was generally believed that men switch jobs more frequently than women. Although we also felt this to be the case based on the stories told by both Bangladeshi men and Bangladeshi women, the data are too fragmented and the sample was too small to make any informed statements in this respect.

The migrants mainly absconded for one of two reasons: because they were about to be sent home or feared that they would be; or because they were unhappy with their earnings and expected to earn more elsewhere. Of the Bangladeshi migrants we talked with, 16 women and 13 men had changed jobs. The majority of the women we met had absconded because they feared they would be sent home. Only a few had left in order to earn higher wages. However, stories were told of other ‘brave’ women who had left for better wages elsewhere; most of these women had worked in factory I or factory II, where wages had been considered to be disappointing. The men had left for higher wages, because they had been maltreated or because their factories had been closed down.

A new employer was found via middlemen, usually Bangladeshi men with ‘connections’ to potential new employers. The middlemen also took care of the necessary papers. Since the original employer generally retains the passports of migrant
workers to prevent them from absconding (which under Malaysian law is an illegal act), new passports needed to be obtained. Corruption among both Malaysian and Bangladeshi authorities was necessary for their actions to succeed. On average, they paid 2200-4000 ringgits to obtain the necessary documents.

Absconding because of pending dismissal

We met several women who had absconded from factory III – the company that had dismissed large numbers of Bangladeshi women within the first months after their arrival. Nasreen and Fahima were among these women. Nasreen had wanted to abscond because she was not an experienced garment worker and suspected that she might be sent back. One of her girlfriends had an ‘uncle’ who worked and lived in the same area, and he offered to arrange everything. To make it lucrative for a potential employer, there had to be at least four of them. Fear was infectious, and Fahima was one of the women talked into joining them. Fahima:

I thought a lot about it. I came here with other peoples’ money. I should pay back their money. I came here also by arranging a loan from the Grameen Bank. You know, the bank will claim interest on it. My family will have to repay the loan. I was thinking about our monetary problem, and in the end I left the factory and came here. I did not know the Malay language. When I worked in the factory my supervisor sometimes offered me grapes and apples. I worked well. She was nice to me. But I was afraid of her because she had the power to send anybody back. I was very worried about it.

They had paid the uncle 1000 ringgits in all. Nasreen and Fahima ended up working in a sweatshop that dyed and printed material. The workplace was next to a swamp; it had a roof but no walls. The few Bangladeshi workers lived in corrugated-iron sheds next to the building. Fahima was responsible for dying the fabric. There were no protective measures – no clothes, gloves or masks to ensure that the workers would not be harmed by the dye they were exposed to. When I met her at the workplace, she felt weak. She had lost most of her hair and was nearly bald as a result of the dangerous chemicals she was exposed to daily. Although the wages were not bad, they were often not paid. Fahima:

My boss is very poor. We often work till midnight. Sometimes he says he will pay me in one or two weeks, but he can never keep his word. That is why I am very anxious. Yes, at the other factory I earned well. I was good at sewing. I made up to 880 ringgits a month. It is a good place. If I had stayed there I would have earned much more. If I had known the language already, I would have understood and I would not have left. I left because I was scared.

Fahima thus regretted her move. However, Nasreen – who, according to her own accounts, was a slow sewer – did not regret her move. She was convinced she
would have been sent home otherwise. Moreover, as she had been paid per piece, her income had been low.24

As for the other factories, some women absconded because they had bad relationships with their supervisors and frequent conflicts, and this was expected to culminate in their dismissal. Other women fled because they had been discredited for having a boyfriend or getting married. It was frequently noted that relationships were the most common reason for women to be sent back. Most factories were strictly against the mixing of sexes. Guards regularly passed by to check on the women, and bus drivers who brought them to work kept an eye on their behaviour. The companies appointed a woman in each house as ‘leader’: these women were the contact persons between management and the women, and were expected to keep an eye on the other women and to settle conflicts.

Although companies generally stressed their interest in guaranteeing the safety and well being of the women, a more pragmatic reason appeared to be that they did not want to be responsible for pregnant women. Companies impose mandatory pregnancy tests during the annual medical exam before contracts are renewed. Factory owners have played this paternalistic role ever since women first started to work in Malaysia’s industrial sector; surveillance passed down from male relatives to alien male authorities, exacerbating gender stereotypes. Control thus extends beyond the factory floor and encompasses the control of social spaces as well as the physical body (Ong 1991:291; Barber 2000:403). Although Bangladeshi men had girlfriends, fewer men were sent home for this reason. Apart from the fear of pregnancies, another reason for companies’ disapproval of women’s engagement with men appeared to be the belief that some men would encourage women to speak up concerning unfair treatment or assist them in finding employment elsewhere. Ironically, to avoid being sent home, some women who were engaged in relationships absconded with the help of their male relatives, boyfriends or husbands.

Absconding for higher wages

To some of those who did not fear being sent back, absconding had seemed a viable way out of what appeared to be a dead end. If they were to stay, earnings would remain low and dreams or needs would remained unfulfilled. By leaving, however – and only by leaving, it was felt – they had a chance to avoid their fate.

Shazeda worked in factory I. After her second year she had been transferred to a department where there was no overtime, reducing her wage to 280 ringgits – a sum that leaves little possibility for saving. With the help of a Bangladeshi agent (an uncle of a Bangladeshi ex-colleague), she and four other women left for another electronics company. They paid 1500 ringgits to the agent to cover his ‘costs’ and 1700 ringgits to the employer for the work permit and visa. Shazeda:

24. Whereas a few other women who had fled from factory III had found employment with good conditions and remunerations in another multinational garment company, the fate of most of the women was unknown.
The basic salary is higher here than in the other factory. Also the overtime rates are high here: We get 3 ringgits, before we only got 1 ringgit. It is so much better here; the house is nicer and cleaner because there are fewer people.

The costs incurred were equal to about six months of wages, including overtime. It would take her 12-18 months to pay off her debts. We met Marium when she and her friend Tasnema visited their ex-colleagues and friends who were still working at factory IV.25 Marium:

I left because there was no overtime. How could I earn? My boyfriend helped me. Now I work in a company that makes sofa pillows. I paid 500 ringgits to the owner. The basic wage is 500 ringgits there. Everything is better there. We have been married now for three years, and we live together. My husband is going back to Bangladesh next month, and I will leave in six months to join him.

Marium claimed that she paid only 500 ringgits to the employer, though her friends were quick to add that she had also paid 4500 ringgits in order to obtain a new passport. Marium did not regret the move and stated that she was able to earn a lot despite the huge investment. She had left at an early stage and had worked in the ‘new’ factory for four years. Her ex-colleagues agreed that she was better off than they were. They were in awe of these women; their action had given them prestige.

Both Shazeda and Marium were obviously happy with their new situation. To us it was not apparent whether they really had gained much financially.26 However, that was not all that counted: they felt that they had changed their situation for the better, as they were more comfortable where they had moved, both job-wise and socially. For several women, regardless of their reasons for absconding from their original companies, remaining in Malaysia was as important as the earnings were. For women or men to return home so soon was regarded as ‘shameful’. Some of them had left painful situations they did not want to return to, while others were, for the time being, happier in Malaysia. This issue is further discussed in Chapter 8.

Factory II, where wages were particularly low, originally employed about 100 Bangladeshi women, of whom about 25 had absconded. Hameeda, who remained in factory II, reported:

The women who left did so because they thought the wages were too low. They had connections – relatives or friends – who helped them. Some of us also have

25. By then, Tasnema was working at a restaurant in another town; she was the only Bangladeshi woman I met in Malaysia who was not working in the industrial sector. She spoke fluent Malay and wore baju kurung (Malaysian traditional clothes), which other women hardly did. Her features resembled those of ethnic Malays. Since she looked ‘Malay’ – as this confident woman said herself – it was easy for her to ‘blend in’.
26. A year after Moream had moved to the new factory and nine months after I had last seen her, I was informed that the contracts of the women in this factory had not been renewed and the workers had been sent home.
relatives, but we would not go. My uncle told me not to go because it is dangerous, and if we got caught it would also be bad for my family. Those who left thought it would be easy to get new papers. But it was not so easy. Some of them were locked up in a room by their new employers and forced to work. They did not get any money. If they are illegal, the employer can earn more money. Some women have been caught by the police and put in jail. But some women managed to buy new papers. It might have cost them 3000-5000 ringgits, but now they earn a lot of money. We are not so brave. We were scared by those stories. We do not earn much but we are safe here. But we have a big problem because we have no overtime.

Leaving the company entailed a risk. Some women chose not to chance it, even though they admired those who had left and succeeded. Moreover, since the costs were high, it would take a while to earn back this new investment. Abdul (electronics factory): ‘If one runs away, that is very expensive too. One needs to buy a new passport and all the other papers. It is not worth it: after deducting all these costs, there is nothing left.’

Some women said they remained in their current jobs because the men assisting with transfers may ‘expect something in return’. Obviously, not all absconsions were based on sexual favours. The ‘boyfriend issue’ was nonetheless a complex one. This issue is looked at in more detail in Chapter 8.

### 7.8 Differences between migrant women and men

Although the Bangladeshi men and the Bangladeshi women largely worked under similar conditions and for equal payments, there was a stark difference in the way they discussed their working lives, which also had methodological implications (as discussed in Chapter 4). Due to the precariousness of the situation, women were sometimes reserved and brief in speaking about unjust payments and adverse working conditions. Men, on the other hand, were very outspoken on the topic. They would usually start the conversation by elaborately explaining the conditions in their factories.\(^\text{27}\) In contrast to the women, who at times concealed their unfair treatment, men sometimes made their situation seem even more negative in order to make their point.

Although most of the women had limited experience in the public sphere or workplace, the data show that both women and men tried to obtain fair treatment by approaching management and, in some cases, by attempting to organize collective action. Yet women appeared more fearful of the managements’ threats to send workers home, and although women did abscond, absconsion appears to have been more common among the men. Education and background certainly played a role.

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\(^{27}\) Some men specifically asked us to write about these issues, including in Malaysian newspapers, so that people would know and something would be done.
Many of the women who had absconded or instigated actions had been well educated. This also applies to many of the men. As seen earlier, migrant men generally had a higher level of education and frequently came from wealthier households than the women.

However, other reasons – largely gendered ones – also played a role. As a result of Bangladeshi men’s socializing and collective experience, when an injustice occurs they are more likely to speak up than are women, whose collective experience is that speaking up for oneself generally evokes negative reactions and repercussions – an experience that was reinforced when their female friends were sent home.

While both men and women had a lot to lose if they were dismissed, many women had even more to lose. Due to prevalent gender norms, their migrations had often been controversial from the start. Relatively speaking, men seemed to be able to more easily challenge their dependence on their original employers and look for options elsewhere (cf. Chhachhi 2004:144). Women often felt that the risks involved in leaving their employers were greater for them than for the men. One important factor that restricted women from changing jobs was their sense of physical vulnerability. Although they were not always satisfied with their wages, many felt safe in their homes and workplaces. Furthermore, the women’s position and future possibilities are related more strongly to keeping their ‘honour’, not only in economic but also in physical and social ways (cf. Kabeer 1998:70). As far as differences between the position of Bangladeshi men and that of Bangladeshi women within the factories were concerned, these could not be assessed as we did not visit the factories. Sexual harassment on the work floor was not openly discussed; it was said not to occur. This might reflect one of two things: either a general reluctance to talk about such harassment (given the sensitivity of the situation, we chose not to probe further into this issue) or its rarity. It needs to be noted that both the supervisors and the colleagues of these women were generally female. Some women said that they had occasionally been slapped in the beginning, when they were new to the job and sometimes made mistakes.

There is another interesting point to be made regarding gender and work, this time related to employers’ impressions. The literature on global FTZs and industrial production – particularly those for the garment industry and electronics sectors – has frequently highlighted companies’ preference for female workers due to women’s alleged dexterity and docility. An image of the assumed natural submissiveness and nimble fingers of factory women was constructed and reiterated by states such as Malaysia in order to attract foreign capital (Daud 1985; Ong 1991; Caspersz 1998:273; Elias 2005:206). Feminist studies on FTZs generally focus on the gender aspects of women’s employment and the construction of such ‘female’ characteristics as meekness, diligence and dexterity – characteristics for which women are hired and that lead to their vulnerability in the workplace.

However, as Salzinger (2003) has pointed out, these characteristics do not straightforwardly and indiscriminately apply only to women. In my earlier study on the garment and textile industry in Penang, I found that while a few employers preferred female workers, most preferred Bangladeshi migrant men to local women simply because the men were more obedient and worked harder. Some job-hopped
but not nearly as much as the female Malaysian workers did (Rudnick 1996; Smakman 2004). While the male and female Malaysian workers were relatively free to go where they wanted, Bangladeshis were bound to their employers, which made them comparatively docile.

As the data presented in this chapter show, the relatively vulnerable positions of migrant workers – irrespective of their sex – make them act in comparatively compliant and diligent ways. These features, which are much desired by many employers who draw on unskilled labour, have little to do with sex or biological inclinations per se, but are largely influenced by the workers’ position and relative social and economic vulnerability within society at large and, more specifically, vis-à-vis employers.

7.9  Job satisfaction

Would Bangladeshi migrant workers have gone to Malaysia had they known their actual wages beforehand? This is of course a hypothetical question, one that cannot be answered with certainty. Many of the women and men working in factory II, the ceramics factory and other companies where wages were particularly low stated they certainly would not have migrated. Many others, predominantly those working in factories III and IV and other reasonably well-paying companies, said they probably would have migrated. Their income was low, yet they were still able to save money. Additionally, as it was often argued, they had wanted to go to Malaysia. Yesmin (ceramics factory):

The attraction of good wages had given me the courage to come here. The courage came from inside my heart. When I received such a low salary my heart was broken. Yet, beggars can’t be choosers.

Some migrants expressed their frustration about doing ‘dumb’ work. Men who held college degrees were particularly over-qualified for their jobs, and despite their capabilities they were often not promoted. Some of the women faced a similar problem. Khadiza:

I can operate any type of machine in my department. I believe that if I had been Malaysian, I would have been promoted to be a technician. Since I am a Bangladeshi, they will not give me that chance. I will have to leave the country in two years. It isn’t worth it for them to give me training.

Apart from such frustrations and in contrast to men, women frequently emphasized the non-wage benefits gained from their employment. Having had no chance to obtain respectable paid employment in Bangladesh, they were aware of the skills and working experience they had gained. It filled many with pride. Here are some examples,
Fatima (factory IV):

I learned so many things. The knowledge I gained will be helpful when I go back. I have this plan: I want to set up a tailor shop. I have confidence that I can do it.

Yesmin (ceramics factory):

We can now teach others. If I were educated, I think I could even become a supervisor in a factory in Bangladesh. I now know that I can work and earn money. By working here, I got many ideas.

Hasina (factory IV):

By working side by side, I find I have gathered knowledge about human behaviour, and I have found the courage to work with other people. If I had had this experience earlier in my life, I would not have stayed with such a bad husband.

Farhana (factory I):

In the beginning, I often cried. I slowly picked up courage. My self-confidence has gone up so much. I realized I should use my brain more. I do have a future, I now know that.

Despite a general dissatisfaction with wages and working conditions, these quotes reflect an equally valid feeling of personal gain in skills, increased self-esteem and more self-confidence. In order to fully understand women’s situations and subsequent decisions, it is important to acknowledge this seeming paradox. Through their jobs and their daily negotiations, women came to explore new concepts of self, female status and human value (cf. Ong 1991:305; Wolf 1992; Pearson 1998; Gandhi & Shah 2002). Several women said: ‘I was stupid when I first arrived; now I am clever all around.’ It was repeatedly stressed, particularly by those working in electronics factories, that although the job skills may not be of direct use after their return, since such factories were non-existent in Bangladesh, they nevertheless felt they had personally gained much from the experience.

7.10 Conclusion

Many migrant workers do not earn what they have been promised. Labour contracts are often breached and labour laws are frequently not honoured. Although migrants are theoretically protected by Malaysian labour laws, in practice it is virtually impossible for them to file a complaint with the Labour Office. Since migrants’ visas are tied to their contracts with their employers, the latter hold a disproportionately large amount of leverage over the former. As soon as an employer dismisses a migrant worker, the latter loses his or her right to be in the country and therefore must
leave. The data show that the threat of dismissal is often used to stop migrants from protesting over unfair or unjust treatment. The migrant labour regime in Malaysia is predominantly based on coercion. The resultant relative obedience of migrant workers is what many employers desire.

During the economic crisis, migrant workers were badly affected. It was officially recognized that migrant labour served as a buffer against such sudden economic downturns: migrants can simply be laid off. However, those who kept their jobs were also affected, as both employers and the government (via increases in the levy) tried to cut costs by transferring them to the migrant workers. The intricate global embeddedness of migrant workers as exemplified by their vulnerability to worsening exchange rates, combined with their relatively vulnerable socio-economic position, made them particularly prone to the dramatic changes that occurred in the political economy due to the Asian economic crisis.

Further research that incorporates workers from all backgrounds – local and foreign – and the employers’ points of view is needed. Conspicuously few studies that focus on labour issues in Malaysian industry acknowledge the large proportion of foreign labour in that industry. Nevertheless, some observations can be made. Companies that draw on unskilled labour appear to employ different methods of managing migrant and local workers. Although it is acknowledged that local workers’ rights are often not honoured, local workers can and often do seek legal redress in cases of unfair treatment. Since labour unions in Malaysia are relatively weak, it appears that local workers’ most effective bargaining tool with respect to their employers is the fact that labour has become relatively scarce; if not treated well, they may change jobs. This right is not available to migrant workers.

As far as labour management is concerned in labour-intensive industries in Malaysia, it can be concluded that at least two different sets of factory regimes are at work. One pertains to local workers. Despite its many flaws, it tends to lean more towards what Burawoy (1985) calls a hegemonic labour regime, namely a situation in which workers are not entirely dependent on employers but are to some extent protected by the state and by legislation. The second regime applies to migrant workers and is largely based on coercion: laws do not seem to apply, and the state does not appear to be particularly keen to change this situation. Despite the clear lack of studies comparing the situation of local and foreign workers, the findings of this study seem to indicate that these two regimes are used to weaken the relative position of both groups: local workers have witnessed the dampening effect on their wages due to the arrival of foreign workers (employers seek foreign workers instead of increasing the wages of local workers and improving production systems), while foreign workers are made to understand that they will never enjoy the same benefits and treatment as local workers. Ultimately, all workers would benefit from less mutual animosity and more collective efforts to achieve uniform treatment and payment.

The migrant men and women were well aware of the power relations under which they worked. Options for changing their future for the better were construed in ways that best fit within their perceived context of structural constraints. The data reveal that unfair treatment and early dismissal influenced those Bangladeshi workers who
decided to find new employment. This finding seems to suggest an unexplored relation between unjust treatment and the relatively high incidence of ‘illegal’ workers. Although collective action was generally not an option, a relatively large percentage (an estimated 20%) changed employers despite the large risks. Some were found to abscond due to pending dismissal. Employers sometimes took on the role of the seemingly protective patriarch by dismissing migrant women who seemed to be seeing someone of the opposite sex. This patronizing act appeared to be less based on high morals and protection than on the nuisance of having to deal with pregnant employees.

The migrant workers occasionally resorted to non-structural, covert acts of non-obedience as a way to deal with the pressure of work, the monotony and their lack of power in the factory. While some authors found in their studies among women workers that these covert acts had structural effects in the long run, other authors appear to overstate the structural effects of these acts. In this study it was found that similar acts should be seen as everyday coping mechanisms rather than as acts of resistance. Although these acts usually had minimal structural effect, they were nonetheless significant as they evoked feelings of personal empowerment and of being in charge (albeit marginally so). Despite disappointments and hardships, many of the Bangladeshi women appreciated the personal gains in skills and human resources in general. In addition, our data suggest that the men, because of their gendered position, felt that they had gained less from their experience.

A further interesting finding is that employers’ desire for what in the literature on FTZs are often called ‘meek, nimble and diligent’ workers is less based on sex than is often assumed. These characteristics are generally prescribed as being inherent in females. By proclaiming the natural diligence and obedience of its local female workers, governments like the Malaysian state attracted foreign investment. Ironically, it appears that feminist scholars who focus on female workers and the consequences of their hiring due to the alleged natural characteristics of meekness and obedience, only reinforce the predominance of this image. However, employers in labour-intensive industries want obedient and diligent workers – full stop.

In the case of Malaysia, many employers appear to prefer migrant workers, including Bangladeshi men, to local women, simply because the latter have greater bargaining power than the former. This preference has little to do with sex or biological inclinations, but is largely influenced by workers’ relative social and economic vulnerability within society at large and, more specifically, vis-à-vis their employers.

The working experiences discussed in this chapter are not isolated from but intersect with migrants’ social embeddedness and experiences in Malaysia more generally. This issue is further discussed in the following chapter.