

# **ECONOMIC PROFILE OF THE TAMIL WORKING CLASS IN PENINSULAR MALAYSIA**

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## **1. Introduction**

Tamil labour in Peninsular Malaysia is located in four major sectors, namely the plantations, the urban public sector, the industrial sector and the informal sector. A common tendency is to analyze the socio-economic problems of Tamil labour in these four sectors in a mutually exclusive manner. The evidence usually indicates that workers in these sectors face a multitude of socio-economic hardships beginning with low wages and culminating in a lack of basic amenities. This approach not only tends to isolate labour in the various sectors but also comes up with a common set of problems, which are relatively higher or lower in magnitude depending on the sectors. This approach merely outlines the symptoms of poverty of labour and does not address itself to its root causes. In reality, these various sectors of Tamil labour involvement are interlinked and articulate within a common network. This network is best understood in the context of historical development of Tamil Labour.

This paper begins with a discussion of the historical formation of the Tamil working class in Peninsular Malaysia. The location of impoverished Tamil labour in the plantations and relevant urban sectors is seen as a direct result of the unfolding of the global capitalist system and Colonial State strategies. The socio-economic problems of Tamil labour in these sectors are best explained in terms of this theoretical perspective, set within the Colonial, Post-Colonial and contemporary time periods. In each of these time periods the economic and social position of Tamil labour both in the plantations and urban sectors, is evaluated from various aspects. Generally Tamil workers in the plantation and urban environments are victims of the capital oriented economy, in that they earn relatively low wages, have low educational and occupational mobility and are politically powerless. In this the problems faced by Tamil workers are highly similar to those of Malay and Chinese labour. The underlying premise is that the contemporary problems encountered by the Tamil working class, have their roots in this historical process and varying State strategies employed.

## **2. Historical Overview**

### **(a) Tamil Labour in the Colonial Period**

The large-scale migration of Tamil labour to the Straits Settlements (S.S.) and Malay States marked a crucial labour strategy utilized by the British to meet their political and more specifically economic needs. This mobilization of Tamil labour for the overseas colonies coincided with the rise of monopoly capital and the launching of a new wave of British imperialism from 1880's to the First World War. It was during this phase of development of the world system, that the British expanded their economic interests in the Malay Peninsu-

lar. This economic interest was specifically linked to the rubber producing and tin mining sectors, which constituted a much needed source of raw materials. Tamil labour was induced to migrate largely on a spontaneous basis from the impoverished agricultural sector in South India, mainly Tamilnad to the rubber plantation sector in the Malay Peninsular. The British had previously established supreme economic and political control over India by the middle of the nineteenth century, during the phase of the rise of industrial capital with its need for new colonies and markets. The placement by the British of both India and the Malay Peninsular within the world economic system, facilitated the easy movement of Tamil labour between the two relevant sectors of the large economies. The British administration in both countries further facilitated easy mobilization and manipulation of these poverty stricken Tamil workers. The trading activities of the British, in turn led to the growth of town centres in the Malay Peninsular. Tamil labour was channelled to this urban-based sector, where they played a crucial role in the rise of ports, communication systems and utilities. The history of Tamil labour in both the plantations and urban public sector has its roots of poverty in this process.

The numbers of Tamil workers multiplied with the continued growth of these urban centres and the 'rubber boom' around 1905. Tamil labour in these sectors was subjected to much economic and social exploitation, by the dictates of capital. A large number of restrictive measures were also introduced to control Tamil labour and to keep the wages generally low. To begin with these Tamil workers were from the peasant sector in India and were characterized by severe conditions of poverty. Majority of them faced starvation, lack of proper clothing and housing facilities. This group had nothing more than their labour power to sell.<sup>1</sup> These characteristics coincide with Portes and Walton's view of movements from particular sectors of a nation, which are induced spontaneously and are dependent on the workers' need to sell their labour power. Such a movement is also fundamentally economic in nature and is advantageous to the British to be relieved of this floating group at little cost, since the workers often pay for their own transportation. This transfer of Tamil labour from the peasant sector in India to the plantation and the urban public sector in the Malay Peninsular, marks the transfer of labour between units operating within the same international system. The economic vulnerability of Tamil workers was utilized to create a cheap labour force, maintained within appalling working conditions. The socio-economic conditions of these Tamil workers in turn fluctuate with world market conditions, a good example of which was the World Economic Depression of 1930. Efforts to lower the cost of production resulted in drastic wage reductions and enhanced poverty. The sick, the aged, the unproductive and the unemployed were promptly shipped back to India. During the duration of the World Economic Depression around 200,000 workers were sent back to India.<sup>2</sup> Another case in point is the period of Japanese Occupation, which brought drastic economic conditions to bear on Tamil labour<sup>11</sup> in both the plantations and urban public sector. These examples throw some light on the cyclical movements of the world system experienced in terms of increasing and decreasing waves of economic growth, with their corresponding influence on Tamil labour, which constitutes a mere pawn in the global economic game.

## (b) Tamil Labour in the Post-Colonial Period

The period after independence in 1957, brought little structural transformation of the economy when compared to the Colonial period. Colonial economic policies were extended with little variation and an increasingly high dependence on foreign capital. A policy of diversification in the agricultural and manufacturing sectors stressing import-substitution resulted in steady economic growth. Public expenditure was spent mainly on rural development, utilities, transportation and other social services. This trend continued until the late sixties. In this context Tamil labour still played a predominant role in the plantation and public sectors, although there had been a general decline over the years. This was particularly visible in the plantation sector where the problem of fragmentation of plantations due to British withdrawal, resulted in unemployment and other economic hardship. Many of the unemployed Tamil workers either returned to India or migrated to the urban public sector in search of employment. This indicates again the transfer of redundant labour to other sectors in the same system capable of absorbing them. Within the Malay Peninsular there was a rural to urban migration of Tamil workers, particularly transferring between two sectors, namely the plantation and urban public sector. In this period Tamil labour still constituted the largest group in government and quasi-government utilities, transport and communication activities.<sup>4</sup> In both the plantation and public sectors there was no drastic improvement in the socio-economic position of Tamil workers, although the steady economic growth in this period aided in the upward occupational mobility of a small percentage of Tamil workers, mainly through the channel of education. However this was more of a reality for the Tamil middle and upper classes, than for labour.

The late sixties and early seventies brought a number of changes. The New Economic policy (N.E.P.) with its emphasis on export-oriented industrialization, created new sector for labour absorption. Export-oriented industrialization and the growth of Multi National Corporations (MNC's), marked a new phase of dependence on foreign capital and global market conditions. To reduce this dominance of foreign capital and to encourage local capital in industries the government devised certain special measures. To name a few, the government encouraged increased local participation in industries dominated by foreign capital, joint ventures and floating of public companies. However, even with these programmes, local capital still played a secondary role in industrialization. The implications of this are that global economic conditions and movements influence labour located in this sector, in a variety of negative ways.

This latter period saw the movement of Tamil labour into the industrial sector. Unemployed Tamil workers from both the plantation and public sectors, gravitated to the industrial sector in search of employment. Add to this the increasing number of Tamil women workers seeking employment and the natural increase in the urban Tamil community. While this increased participation of Tamil labour in the industrial sector, provided new employment opportunities, it was not without problems of its own. In the industrial sector, the manage-

ment's guiding principle is to keep production costs at a minimal level to ensure substantial profit margins. The ultimate result has been that the wages and other benefits given to these workers, have been kept at the lowest minimum possible. The retrenchment of workers, the overly specific nature of their training, which does not enable them to seek other forms of employment, increasing temporary workers, tedious shift work and occupational hazards characterize some of these problems. Inflationary tendencies, lack of proper accomodation, health facilities and other basic ammenities have further compounded the problem of industrial workers. Finally periods of world economic recession, like the current one of the eighties have multiplied the problems experienced. The closing down of many factories has resulted in widespread unemployment among this group of Tamil workers.

This in turn has contributed to the growth of a floating group of Tamil workers located in the urban centres with no proper channel for employment, low educational levels and skills. In recent years too this group has swelled in numbers due to migration from the plantation sector in search of possible industrial employment. An increasingly large percentage of these workers are located in urban slums and squatter settlements. Many of these Tamil workers are forced to seek employment of an irregular and insecure nature, with very low economic remunerations, in the urban informal sector. These urban informal sector activities are numerous in dimension and nature, ranging from tailoring, sale of food, and small-scale business to grass cutting, domestic work and road construction, among others.

The participation and prevalence of Tamil workers in the sectors discussed, is represented in the following diagram:-

**The Tamil Working Class in Peninsular Malaysia**

Tamil Working Class	Tamil Plantation Workers (1800----- 1980's) Tamil Public Sector Workers (Prevalent 1874 ----- 1970's ----- Diminishing in the 1980's) Tamil Industrial Workers (Prevalent 1970's ----- 1980's) Tamil 'Informal Sector' Workers (Prevalent 1970's----- 1990's)
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From the preceding discussions it is evident that the movement of Tamil labour to the targeted sectors, at different points in history is strongly linked to economic processess at the global level. The socio-economic problems experienced by Tamil workers in the various sectors is also inevitably tied to these processess. Consequently it is difficult to anticipate radical changes in these problems of Tamil workers.

**3. Tamil Labour in the Eighties**

This section addresses itself to the current socio-economic problems faced by Tamil workers

in both the plantation and urban environment, based on the writer's field survey data. A total of 500 Tamil workers were interviewed from the relevant sectors. The self perceptions, assessments and enumeration of problems by the workers themselves facilitates an opportunity to get an indepth view into the life of these workers, particularly during the recession period of the eighties.

#### **(a) Brief Statistics**

73 percent of Tamil workers in the plantation sector had only primary school education in Tamil while about 67 percent of them in the urban sector had received some level of secondary school education. This level of educational attainment does not open opportunities for occupational mobility and hence the majority of them are employed as workers. Correspondingly the incomes which they receive are inadequate. 96 percent of plantation workers earn incomes between \$200/- to \$300/- a month. 70 percent of factory workers earned incomes of \$350/- and below each month. In the public sector, due to relative stability 82 percent of the workers earned incomes of \$500/- a month. These income levels are insufficient to provide for the basic needs of all the household members. A large household size and inflationary tendencies further decrease the real value of the incomes earned. Subsequently this leads to an increase in financial indebtedness to money lenders and other agencies.

#### **(b) Tamil Workers in Plantations**

Tamil workers in the plantation sector have since the early periods of migration been under the power of the plantation managements which are largely foreign controlled. They have been manipulated and exploited for many generations, in all spheres of their daily lives. They have been paid extremely low wages and the vast majority of them still have not moved from primary level education. As a result better employment possibilities are non-existent. In addition to this, other social amenities are still minimal. The barrack like housing conditions have been maintained on many plantations, right up till current times. Sanitary facilities, medical aid, proper water and electricity supply while available, are still inadequate. High birth rates and correspondingly high household expenditures result in financial indebtedness. Due to the years of control many of these workers have lost or weakened the qualities of independence, initiative and confidence. This is not surprising, as the power structure in the plantations is not one, which is conducive to the growth of these qualities. In spite of these setbacks, the position of these workers, is in some respects better when compared with their counterparts in the urban sector. Even though the plantation workers earn lower wages when compared to those in the urban sector, they still have free housing and spend relatively lower amounts with regards to educational, medical and other basic facilities. They generally experience lower costs of living in the rural sector. There is also a higher level of social interaction and dependence on others within the plantation environment. There is basically a deeper awareness of a similar class background than is found among Tamil workers in the urban areas. Finally there exists a core sense of Tamil identity

and this provides emotional security, which is psychologically a positive quality in the surrounding economic chaos.

### **(c) Tamil Workers in Urban Areas**

Set against this plantation profile, Tamil workers in urban areas, while experiencing similar dilemmas are different in a number of ways. Their similarity stems from the fact that as working class members they are also caught within authoritative occupational institutions. Nevertheless a basic difference is that these workers experience a very much higher cost of living and this places a heavier economic burden on their shoulders. Many are also forced by circumstance to live in urban slums and squatter settlements. However, the cushioning effect of many of the so called modern amenities like better working environments and urban facilities, often blind these workers to the weakness of their economic situation.

In addition to these general differences, some basic differences also exist in the position of Tamil workers in the public and industrial sectors. In the public sector about 30 percent of these totally male workers originate from a plantation environment. They migrated to the urban areas mainly in search of better occupational and social facilities. The remaining 65 percent had lived in urban centres for as long as two or more generations. The fathers of many of this latter category had also been manual workers in the public sector. The age structure of the majority of these workers was located in the 35 to 55 age category. A large percentage of these workers in service, had also been employed much earlier. This indicates the lack of opportunities for the younger Tamil workers, from the urban and plantation sectors seeking jobs in the public sector. This sector seems to be monopolized by the older generation of Tamil workers, who are themselves facing employment problems in this sector, which was once their stronghold. This gives evidence to the incidence of low inter-generational occupational mobility for this category of Tamil workers.

In contrast to this kind of structural distribution in the public sector, the industrial sector is made up largely of a much younger group of Tamil workers, where women workers are also a growing phenomenon. This group of workers were located within the 19 to 34 age category. This younger age distribution is not surprising as the growth of industries on a wide scale is a relatively new process. An interesting feature of this group of workers is that almost 40 percent of them had migrated to the urban areas, from a plantation background. The remaining 60 percent of this class of workers is divided into members who descended from the working class in urban areas itself (40 percent) and members of the lower middle class (20 percent) who could not obtain any other form of employment. These industrial workers are more disadvantaged when compared to the public sector and even plantation workers. Their position is less stable financially and retrenchment is a frightening reality. For many of these workers, their job is not permanent. There is a high level of competition and upward occupational mobility is low. These workers also suffer a lack of basic amenities like housing facilities, loans and educational aid for their children. An additional prob-

lem is the segmented and dispersed nature of their employment and settlement. This prevents the social cohesion which is apparent in the plantations.

#### **(d) Tamil Workers in the 'Informal Sector'**

In Peninsular Malaysia, the phenomenon of the informal sector is fast becoming a reality. Tamil labour which is unable to find employment in the formal sector, has begun swelling the numbers in the 'informal sector'. While low educational levels and lack of skills, constitute the common explanation for this trend, the underlying cause is the link with global processes, resulting in widespread unemployment and recession. Even formal sector workers participate in the informal sector to further substantiate their incomes either on a regular basis or intermittently should the need arise. The following woman respondent succinctly describes the plight of such workers:

"I am a production operator with an electronics factory. My husband is also a factory worker. I have three children and I am 28 years old. My husband's widowed mother and younger sister live with us. I earn \$330/- a month and my husband earns \$400/-. We have a lot of expenses, since all my children are schooling. My sister-in-law is in Secondary Five and also needs money for her schooling. My mother-in-law who is a good cook, makes and bottles lime pickles at home. I help her to sell them in the factory among my friends. We can make about \$60- a month on the average. At times when we are badly in need of money, I also sell sarees to my friends and relatives. I have a brother who lives in Johor and he sends me sarees bought cheaply from Singapore. I started these part-time sales, after my second child was born, because our expenditure increased a lot. I share the profits from the saree sales with my brother. My mother-in-law and I also sell cakes during festival seasons. This is the only way we can make ends meet."

This example illustrates clearly the innovativeness of Tamil workers who struggle to survive within an increasingly difficult economic environment. Many of the workers who are unemployed involve themselves in such informal sector activities on a full time basis. These activities are varied ranging from sale of food, and tailoring to gardening and caddying on the golf course. Whatever the nature of activity, it represents the fighting spirit of the worker, in combating a harsh financial environment.

#### 4. Conclusion

This paper has attempted to view the socio-economic problems of Tamil labour located in various sectors, in an inter-related perspective. The plantation, public, industrial and informal sectors, where Tamil labour involvement is apparent, cannot be studied in isolation, as they are part and parcel of an integrated network. The movement of Tamil labour among existing traditional sectors and to new ones like the industrial sector, are best understood in the context of global economic strategies. Subsequently one cannot expect the basic problems of Tamil labour to be radically elevated. What one can logically expect are minor alterations in wages and employment prospects from time to time, again largely depending on world market conditions. While these global structural changes are difficult to realize, Tamil labour itself is combating the problem with various adaptation strategies, particularly with relation to the informal sector. Greater self-help and cooperative measures, of any nature, among Tamil labour can only enhance the potency of this struggle.

#### Footnotes

1. K.S. Sandhu, "Indians in Malaya: Some Aspects of their Immigration and Settlement 1786 - 1957." Cambridge University Press, 1969, pp.39 - 40
2. M. Stenson "Class, Race and Colonialism in West Malaysia", University of Queensland Press, 1980, p.20.
3. K.S. Sandhu, *Ibid.*, p.288.
4. Economic Report, Malaysia, 1986/87