

MOBILITY, LABOUR MOBILISATION AND BORDER CONTROLS: INDONESIAN LABOUR MIGRATION TO MALAYSIA SINCE 1900¹

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One of the most striking changes in the character of international labour migration in Southeast Asia in the second half of the twentieth century has been the great increase in the scale, complexity, and significance of Indonesian labour migration to Malaysia. In the first half of the twentieth century, Indonesians comprised the third largest migrant labour group (after Chinese and Indians), and were welcomed both as settlers and temporary indentured workers. Their movement to Malaya was also unrestricted. Since the 1980s, economic, social, and demographic changes in the region, consistent with accelerated globalisation, have profoundly affected Indonesian labour migration to Malaysia. The destinations of Indonesian labour migrants currently overlap national boundaries to a far greater extent than before, and many more Indonesians have acquired the ability to move as free workers. Migration is also consistent with network-creating and network-dependent processes and the growth of a migration industry. This in turn has led to increased regulation by government in both Malaysia and Indonesia -- to influence, control and regularise the recruitment processes; specify composition of migrants; and regulate their working conditions and remittance payments. Border controls in Malaysia have been tightened and barriers raised. Moreover, the highly visible presence, policies, and programmes of the state have also facilitated a huge increase in illegal labour migration to Malaysia.

This paper examines Indonesian labour migration to Malaysia in historical and contemporary perspectives, focussing on migration goals and changing border control regimes. It also reviews the widening economic, social and demographic gap between the two countries in the second half of the twentieth century and outlines recent migration streams, recruitment patterns and state regulatory practices, and the growth of illegal labour migration to Malaysia. An attempt is also made to analyse the role of official recruitment agencies and private entrepreneurs in providing a variety of services to migrants in both countries.

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Margins and Migration in the ‘Malay World’: Historical and Contemporary Perspectives

Introduction

The second half of the nineteenth century was marked by a period of trade liberalisation in Europe consistent with greater economic integration and increased trade, capital and migration flows. These flows coincided with reductions in tariff barriers, improvements in transport and communication, and falling transport costs. The principal driving force was industrialisation in the West, coupled with Western political and economic advances. This had two major consequences for Southeast Asian states. First, Europe began to turn to these states as sources of raw materials and markets for its manufactured goods. Southeast Asian states were thus integrated more fully into the world economy by being obliged to open up their resources to western enterprise. Second, the imperial drive was also driven by an agenda of competitive state-building overseas and, consequently, Southeast Asian states became colonies, protectorates, or part of the informal empire of European powers. This process, which began around 1850, climaxed between 1870 and 1914, resulting in the establishment of six major states, namely, Burma, Indonesia, Indochina, Malaya, the Philippines and Thailand.

Prior to this period, Britain had acquired the Straits Settlements (SS) on the Malay peninsula between 1786 and 1824 in order to gain control of maritime trade routes in the Strait of Melaka. The Dutch had also extended their influence from Java into the surrounding islands in the Malay Archipelago. Subsequently, the Anglo-Dutch Treaty concluded between the two powers in 1824 demarcated their respective spheres of influence in the Malay world and created an arbitrary political division that was at variance with the geographical concept of the ‘unity of the seas’ through which it ran.

After 1870 the British assumed control over the whole of the Malay peninsula by bringing the Malay States under formal protectorate status between 1874 and 1914. Though termed as ‘protectorates’ and still nominally under their own rulers, these Malay states were in effect governed as colonies. The Dutch, on their part, took control over most of the island realm of the Malay Archipelago. In doing so, while the geographical division of the region into British and Dutch spheres of influence reflected the political realities of the situation, the earlier historical, cultural, and ethnic ties between the two

'new' colonial states continued to shape both the movement of people and mobility from Indonesia to Malaya. Migration from Indonesia and other parts of Asia had been actively encouraged by the 'founder' of Singapore, Stamford Raffles, as part of a strategy to promote the development of Singapore. After 1870 the new British colonial state continued this policy and there were no restrictions on migration into Malaya.

Globalisation and labour flows

Malaya's integration into world commodity and capital markets engendered an accelerated demand for the country's resources and the full economic potential of some tropical products was only realised when the new technologies in industrial Europe created a demand for them. Moreover, the particular way in which the export industries developed was influenced by the availability of mineral and agricultural resources; vast tracts of land; sparse and unevenly populated areas; and the response of Malay peasants to the possibilities of export production. However, there were limits to the willingness or ability of the peasants to respond to the opportunities opened by the growing market for tropical commodities. The Malayan administration thus sourced labour from outside the country – mainly India -- and Chinese labour also moved into the region and was initially absorbed into the mining sector. A third migrant labour stream was from Java, reflecting the historical links in the Malay world.

The fact that this migration owed its origins to the labour systems under which migrants travelled allows it to be distinguished from other previous movements of people. This labour migration was also consistent with the international division of labour and laid the framework for migrant labour diasporas in the region. It involved mass migrations; both short and long-distance journeys; the organisation of travel arrangements and employment in the receiving countries; and an empire-wide sourcing of labour. It also involved two other groups in the migration process apart from the migrants. These were the private labour brokers and other intermediaries who organised travel arrangements and employment, and state officials. Particular labour regimes that relied on the use of sanctions to enforce wage labour agreements, or coercion through intermediaries, were also developed in Malaya.

The outstanding characteristic of the migration goals was the adoption of a liberal immigration policy. Immigration remained unrestricted until the 1930s when some quotas

on migration were introduced. However, these restrictions never attained the importance they did until after Malaya achieved independence. In fact, some of the restrictions on migration during the colonial period stemmed from emigration measures implemented by the sending countries that were designed to provide some sort of safeguards for workers.

Three considerations shaped colonial labour policy: the acquisition of a plentiful, diversified, and cheap labour supply for colonial undertakings and capitalist enterprise; the (limited) assurance of the labourer's freedom of movement; and the provision of a limited amount of protection for workers. Crucially, a diversified recruitment policy meant that migrant labour could be manipulated easily and ensured that workers were not easily assimilated or readily accepted by the local inhabitants.

Labour recruitment was also consistent with a rather elastic use of labour. The workers had many characteristics in common. They were young, predominantly unskilled adult males who emigrated as individuals and thus had no dependents. They also primarily comprised illiterate peasants who had spent hardly any time away from their villages. They were mainly engaged in the production and processing of commodities, in factories, in the construction and maintenance of transport systems and in the ports. They remitted capital in the form of money to their places of birth. After periods of employment, they usually, but not always, returned to their countries of origin. Moreover, the magnitudes of the labour flows were entirely dependent on the main export industries of Malaya, namely, tin and rubber. Since these industries were in turn dependent on global market conditions, labour migration, and hence labour supply, was unstable and subject to the boom and bust cycles.

The British viewed migrant workers as sojourners, to be repatriated when the demand for their services no longer existed. Nor did they confront the issue of granting full rights to the more settled migrant category. This would have been at odds with the stated policy of 'ruling' Malaya for the Malays. This policy was also consistent with the policy of placing restrictions on Chinese and Indian agricultural settlement. Interestingly, the British both viewed and treated Javanese migrants differently, since they were regarded as originating from the same racial stock as the Malays. A pattern of differential treatment for migrants based on ethnicity was thus established, which was to have major implications for labour migration into Malaya after independence in 1957.

In the post World War Two era of decolonisation and the emergence of nation states, nation-state sovereignty was equated with border inviolability. The newly-independent Malayan state thus regarded the border as a barrier mechanism for the control of population movements or flows. The border was also increasingly seen as an instrument to keep unwanted outsiders out. Consequently, the national government reversed the liberal immigration policy. This reversal reflected changes in migration goals and demographic preference, and encompassed issues such as who was permitted to immigrate; the rights of migrant workers; and under what conditions they could receive citizenship. Migration was also constrained through controls on magnitudes and the specific composition of migrants with respect to nationality, race, occupation and gender.

Nevertheless, by the 1970s, industrialising Malaysia, which had been able to break into the global market because of its low-cost labour-intensive export manufactures, once again faced labour shortages. The old pattern of reliance on cheap labour associated with market competitiveness re-emerged, and, with it, a dependence on foreign labour. Since then about a quarter of Malaysia's workforce has consisted of migrant labour. The largest percentage of this migrant labour has comprised Indonesians, consistent with the policy of hiring people from a similar racial stock.

However, although cultural and religious homogeneity issues reasserted themselves, they were not enduring. In a dramatic policy reversal during the last decade or so, the Malaysian government has now implemented a diversified recruitment policy, similar to that implemented by the British almost a hundred years ago. The main reason underlying this shift remains the same: to avoid undue reliance on any one migrant group. Consequently, the following goals have resurfaced -- cheap labour on short term contracts; and a refusal to confront the issue of granting full rights to the more settled migrants. These goals now determine and shape policies on migrant labour recruitment..

On the doorstep of Malaya: The Colonial State, Border Controls and Javanese Labour Migration to Malaya, 1900 -1957

From a comparative perspective, the broad division of the Malay Archipelago into 'labour-scarce' and 'labour-surplus' areas had implications for British policy on

Javanese labour migration. Malaya and Java represented these two extremes. In Malaya, landlessness and rural deprivation among the Malays was practically non-existent and they largely shunned wage work during the colonial period. By comparison, in Java, with its huge, poor population, non-farm employment was crucial for survival strategies, and Javanese workers shifted or moved around during the colonial period to eke out a living

It is also important to place Javanese migration to Malaya in the wider context of a long tradition of geographical mobility that was facilitated by network-creating and network-dependent relationships. Through their pilgrimages to Mecca, Javanese had established contacts with networks of pilgrim brokers (*Haji* sheikhs), who made work and travel arrangements for their employment in Malaya and Sabah via Singapore. These networks, which subsequently expanded to include Javanese settled in the latter two areas, have contributed to, and continue to contribute to, the perpetuation of Javanese migration within the region today. On the part of the Dutch, the strong demand for labour in Sumatra and the other Outer Islands after 1900 necessitated the creation of official machinery to recruit, supervise and transport migrants in order to ensure a steady and reliable supply. These new arrangements were thus either superimposed on, or co-existed with the previous arrangements and applied to Malaya as well.

In the first two decades of the twentieth century, several British administrators in the western Malay states had recommended Javanese labour for agricultural work and had lobbied for Javanese recruitment. The assumption was that Javanese workers had cultural and religious similarities with the Malays and would find it easier to assimilate with local Malay society. Subsequently, as rubber prices soared and Indian labour recruitment failed to meet the demand for labour, the Malayan authorities enacted legislation in 1908 and 1909 at the behest of European planters to cover Javanese labour migration to Malaya. This legislation, which was modelled on legislation enacted in 1904 to regulate South Indian indentured labour recruitment, facilitated Javanese labour employment on short-term contracts through the indenture recruitment mechanism. It governed Javanese labour recruitment until 1932 without any significant amendments.

Javanese plantation workers came under the *Netherlands Indian Labourer Protection Enactment 1909*, which regulated the importation of Javanese contract workers and, at the same time, aimed at providing protection and safeguarding workers

from maltreatment and exploitation. The Enactment's stipulations included labour standards and the duration of contracts. Javanese workers' contracts were usually for three years, although most employers preferred to hang on to their workers. As in Sumatra, the Enactment imposed penal sanctions on the labourer as well as the employer. Moreover, recruitment could only be carried out in Java and Madura (Jackson 1961:127). The cost of importing a Javanese worker ranged from \$57.00 to \$67.00, of which \$10.00 to \$30.00 (usually about \$15.00) was recoverable from his wages in instalments not greater than \$2.00 per month (FMS Indentured labour Commission Report 1910).

The Malayan government however, did not establish recruitment procedures to oversee Javanese recruitment and immigration. Malayan planters wanting to recruit Javanese workers had to apply for a permit to the Dutch Governor-General through the offices of the Dutch Consul-General stationed either at Penang or Singapore. Following receipt of the permits, they had to utilise the services of professional recruiters licensed by the Indonesian colonial government to obtain these workers. This process was time-consuming and most planters turned to European firms in Java to recruit workers.

Javanese labour recruitment was thus regulated by the Dutch colonial authorities, and Javanese workers could only be hired through licensed recruiters, who in turn had to provide accommodation for labour recruits both at the place of recruitment and at the port of disembarkation. In addition, recruiters could not charge the labour recruits for expenses incurred during the journey, including food and medical costs. Planters thus had to cover all these costs in addition to the recruitment fees. Some workers were hired from the *coolie* depots in Singapore where Javanese workers were housed en route to East Sumatran plantations. These workers signed indenture contracts in the presence of the Protector of Chinese based at Singapore and went to Malaya rather than Sumatra. But their numbers were small. On the whole, the process was unsatisfactory because recruiters were paid on the basis of the number of labour recruits and they often delivered 'unsatisfactory' recruits (Bahrin 1965:64).

Not all Javanese labour was recruited through recruiting firms. Jackson notes that there were four categories of Javanese workers. The first category included those recruited directly from Indonesia under the official permit system. The second comprised workers who were hired locally either in Singapore or on expiration of their previous

contracts. The third category included workers who had 'settled' in the country and worked on the plantations on a month-to-month basis. Indeed, it was fairly common for Javanese workers to acquire land from either Malay landowners or through 'squatting' upon expiry of their contracts. The fourth category comprised gangs of Javanese and Banjarese workers who, working under their own contractors, were hired to undertake tasks such as digging drains and tree-felling in the initial establishment of estates. These gangs were to be found mainly in Perak. After 1914, numbers in this category declined since most planters used their own labour to open estates (Jackson 1960: 129-30).

Despite appeals by planters on a regular basis, it appears that Javanese labour was primarily hired during periods of Indian labour shortages only. Moreover, unlike the abolition of Indian and Chinese indentured labour in 1910 and 1914 respectively, Javanese indentured labour continued into the 1930s for two main reasons. First, the Dutch colonial authorities in Indonesia (who also relied heavily on Javanese indentured workers) favoured the retention of indenture because employment contracts could be regulated and excessive abuses avoided. Second, the numbers involved were small, abuses were rare and did not raise an outcry among concerned groups (Parmer 1960:108-9). In 1927, the Dutch colonial authorities began negotiations with the Malayan authorities for the abolition of Javanese indentured labour, which was finalised in 1932 with the abrogation of the 1909 *Netherlands Indian Labour Protection Enactment*. At any rate the number of indentured Javanese workers employed on two- to three-year contracts had dwindled over the years. (In 1932 there were only seven Javanese indentured workers.) Subsequently, attempts were made to recruit free Javanese labour through the intermediary of Javanese workers resident in Malaya, but this had limited success. In 1941 the Colonial Office 'acceded to the proposal' to import more Javanese workers but these plans were thwarted by the Japanese Occupation.

The ethnic distribution of the plantation labour force in the Federated Malay States(FMS) for the period 1907-38 is provided in Table 1 below.

Table 1 : Malaya: Composition of FMS Estate Labour Force by Ethnic Group, 1907–38

| Year | Indians | Chinese | Javanese | Others | Total | Indians as percentage of labour | No of Estates |
|------|---------|---------|----------|--------|---------|---------------------------------|---------------|
| 1907 | 43 824 | 5 348 | 6 029 | 2 872 | 58 073 | 75.5 | 287 |
| 1908 | 43 515 | 6 595 | 4 999 | 1 961 | 57 070 | 76.2 | 300 |
| 1909 | 55 732 | 12 402 | 6 170 | 2 778 | 77 524 | 71.9 | n.a. |
| 1910 | n.a. | n.a. | n.a. | n.a. | 128 446 | – | n.a. |
| 1911 | 109 633 | 31 460 | 12 795 | 12 127 | 166 015 | 66.0 | 711 |
| 1912 | n.a. | n.a. | n.a. | n.a. | 188 050 | – | n.a. |
| 1913 | 142 476 | 25 081 | 12 197 | 8 496 | 188 250 | 75.7 | n.a. |
| 1914 | 120 144 | 24 000 | 10 115 | 7 120 | 161 379 | 74.4 | n.a. |
| 1915 | 126 347 | 27 446 | 8 356 | 8 592 | 170 741 | 74.0 | 719 |
| 1916 | 138 295 | 42 831 | 7 485 | 7 496 | 196 123 | 70.5 | 797 |
| 1917 | 148 834 | 55 240 | 7 746 | 8 902 | 220 758 | 67.4 | 920 |
| 1918 | 139 480 | 46 372 | 8 249 | 7 821 | 201 954 | 69.1 | 1003 |
| 1919 | 160 658 | 61 089 | 7 861 | 7 492 | 237 134 | 67.7 | 1087 |
| 1920 | 160 966 | 40 866 | 8 918 | 5 808 | 216 588 | 74.3 | 1105 |
| 1921 | 121 644 | 25 712 | 5 732 | 3 353 | 156 341 | 77.8 | 1001 |
| 1922 | 122 589 | 27 575 | 4 906 | 3 724 | 158 794 | 77.2 | 1052 |
| 1923 | 121 463 | 31 957 | 4 791 | 4 894 | 163 105 | 74.5 | 1204 |
| 1924 | 119 242 | 30 884 | 4 516 | 4 715 | 159 357 | 74.8 | 1068 |
| 1925 | 137 761 | 37 879 | 4 165 | 4 549 | 184 354 | 74.7 | 1206 |
| 1926 | 176 114 | 61 064 | 4 760 | 4 822 | 246 760 | 71.4 | 1403 |
| 1927 | 172 466 | 44 239 | 4 550 | 3 963 | 225 218 | 76.6 | 1421 |
| 1928 | 162 460 | 50 647 | 5 149 | 4 788 | 223 044 | 72.8 | 1509 |
| 1929 | 181 205 | 65 617 | 5 316 | 6 642 | 258 780 | 70.0 | 1651 |
| 1930 | 132 745 | 30 860 | 3 665 | 2 411 | 169 681 | 78.2 | 1757 |
| 1931 | 104 767 | 32 916 | 2 464 | 2 357 | 142 504 | 73.5 | 1800 |
| 1932 | 90 003 | 31 349 | 1 920 | 2 328 | 125 600 | 71.7 | 1912 |
| 1933 | 96 138 | 35 188 | 2 207 | 3 318 | 136 851 | 70.3 | 2030 |
| 1934 | 119 443 | 40 305 | 2 521 | 4 153 | 166 422 | 71.8 | 2178 |
| 1935 | 118 591 | 29 950 | 1 941 | 2 658 | 153 140 | 77.4 | 2345 |
| 1936 | 123 595 | 30 760 | 1 924 | 2 979 | 159 258 | 77.6 | 2419 |
| 1937 | 155 725 | 37 200 | 2 371 | 3 823 | 199 119 | 78.2 | 2519 |
| 1938 | 137 353 | 28 925 | 1 762 | 2 892 | 170 932 | 80.4 | 2388 |

Source: J.N. Parmer, Colonial Labour Policy and Administration: A History of Labour in the Rubber Plantation Industry in Malaya (Locust Valley: New York, J.J. Augustin for the Association for Asian Studies, 1960), p.273.

As shown above, South Indians comprised between 66 to 80 per cent of the labour force over the 31-year period. The number of Chinese and Javanese workers employed

normally increased when it was difficult to recruit Indian workers, as for example, just after the abolition of Indian indenture, and passage of the 1922 Indian Emigration Act.

In his study of Indonesian immigration to Malaya, Bahrin states that the Indonesian population in Malaya grew from 117 600 in 1911 to 346 800 in 1957 (Bahrin 1967:233-257). Interestingly, the Census Superintendent of the 1931 Census concluded in 1934 that ‘only a negligible fraction of the Malay population (of the peninsula) consists of descendants of pre-nineteenth century immigrants and ... more than half of it has less than 50 years’ prescriptive rights to the title ‘owners of the soil’ (Fisher 1969: 636). Fisher notes, however, that there were wide variations in the growth of the Indonesian population the country and that the Census Superintendent’s remarks applied primarily to the western Malay states where capitalist development of rubber and tin had taken place. In the northern and east coast states the Malay population had grown through natural increase (1969:636).

The distinction between ‘Malays’ and ‘Malaysians’ (based on birthplace in or outside Malaya), as recorded in the 1947 census, is shown in Table 2 below.

Table 2. MALAYA: MALAYSIAN POPULATION, 1947

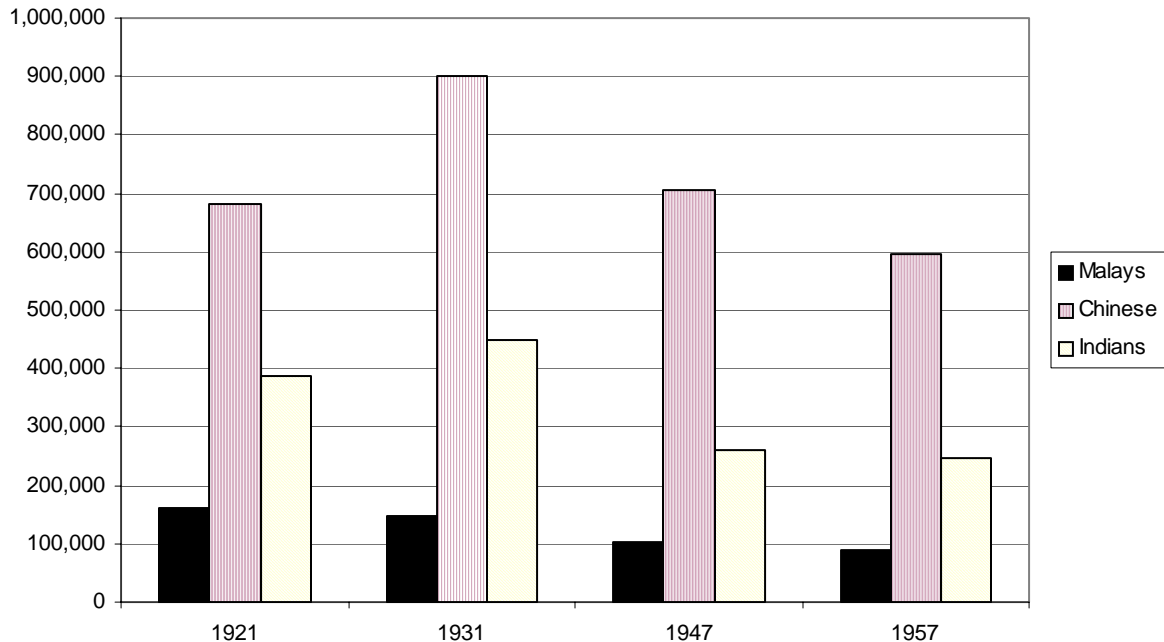
| | | |
|-------------------------|-----------------|-----------|
| Malays | born in Malaya | 2,199,598 |
| Javanese | born in Java | 187,755 |
| Sundanese | born in Java | 751 |
| Boyanese | born in Sumatra | 20,429 |
| Achinese | born in Sumatra | 1,143 |
| Menangkabau | born in Sumatra | 10,866 |
| Korinchi | born in Sumatra | 2,412 |
| Palembangan | born in Sumatra | 1,116 |
| Djambi | born in Sumatra | 980 |
| Other Sumatran peoples | born in Sumatra | 9,806 |
| Bandjarese | born in Borneo | 62,356 |
| Bugis | born in Celebes | 6,962 |
| Total other Malaysians* | | 343,971 |
| Total Malaysians | | 2,543,569 |

*Total other Malaysians, include lesser groups not separately enumerated

Source: From Fisher, C.A. South-East Asia. London: Methuan & Co. Ltd., Table 85, p. 637. Based on 1947 Census.

More significantly, colonial migration goals resulted in the creation of a plural society and Chinese and Indians had outnumbered Malaysians by 1947. The changing ethnic composition of the Malayan population for the period 1921 to 1957 is shown in Figure 1 below.

Figure 1: Peninsular Malaysia: Foreign Born Population by Race, 1921-57



Source: Swee-Hock, *The Population of Peninsular Malaysia*, p. 44.

This ethnic distribution raised concerns among the Malay nationalists and shaped national policies on citizenship, labour migration and Malay rights after independence.

Border Controls and Immigration Policy

Turning to colonial migration policy in the first half of the twentieth century, despite an earlier commitment to unrestricted immigration, legislation introduced in the 1930s placed restrictions on Chinese entry. This legislation represented the first attempts by the colonial state to use 'borders' as a means to keep out specific unwanted visitors. The rationale to exclude entry was based both on economic and security/political motives, as discussed below.

Briefly, three phases may be distinguished in colonial immigration policy and these were consistent with the general economic conditions in the country and the export demand for Malaya's export commodities and labour activism. During the first phase, 1900-1927, the country witnessed the expansion of the tin and rubber industries and the entry of thousands of migrant workers to labour in these industries. For all three groups: Chinese, Indian and Javanese, entry was completely free and unrestricted. There was, nevertheless, repatriation of some groups of unemployed workers during depressed economic conditions in the 1920s.

During the second phase, 1928-1938, the British enacted the first piece of restrictive legislation in the SS -- the *Immigration Restriction Ordinance* (IRO) -- in 1928, empowering the Governor of the SS to regulate or prohibit immigration 'for the purposes of performing domestic or manual labour whenever the influx of immigrants threatened unemployment, economic distress or was not in the public interest' (Parmer 1960:92). This legislation, though applicable to all immigrants, was directed at the Chinese, particularly those of a 'criminal type'. More significantly, it was viewed as an important instrument to deal with the matter of Chinese immigration since government had no legislation to deal with Chinese labour subsequent to the abolition of Chinese indentured labour in 1914. This legislation had two major ramifications. First, it enabled government to establish a basic framework for border controls. Second, it empowered government to control the entry of labour surplus to the labour needs of the country.

Initially, no immediate measures were taken to restrict immigration. Nevertheless, the powers conferred by the Ordinance enabled government to restrict immigration in 1930, consistent with the worsening economic conditions during the Great Depression. Following the closure of some tin mines and rubber estates and rising unemployment, government used the IRO to proclaim a monthly quota on adult Chinese male immigration from August 1930. From an initial figure of 6016 men per month, the quota was eventually reduced to 1000 men per month in the last five months of 1932. No restriction was placed on the entry of Chinese women and children under 12 years of age (Saw 1988:15). The FMS Government enacted complementary legislation and also sought to control Chinese immigration overland from Siam (Thailand) (Parmer 1960:93). This enactment therefore enabled government to restrict immigration of Chinese labour.

For the Indians, the policy that was followed was based on repatriation of the unemployed and the destitute.

It soon became clear that there were several loopholes in the IRO that prevented government from implementing it fully. First, the IRO could be resorted to only during emergencies, and second, it provided no means of control over immigrants once they had landed in the country. By this time, there were also growing calls among Malay nationalists for more restricted immigration of alien Asians. These calls coincided with competition for jobs as well, especially in the public sector.

Subsequently, in January 1933 the IRO was replaced by the *Aliens Ordinance* (AO) in the SS. This legislation was designed to 'regulate the admission of aliens in accordance with the political, social, and economic needs for the moment of the various administrations in Malaya' and 'to provide a means of registering and controlling aliens resident in Malaya' (Parmer 1960:93). This legislation was again directed at the Chinese since only non-British subjects were affected by the AO (Indians were classified as British subjects).

The AO necessitated the establishment of an Immigration Department in the SS and subsequently, complementary legislation was enacted in the FMS and the Unfederated Malay States (UMS). The creation of the Immigration Department resulted in the transfer of all matters concerning Chinese migration from the Chinese Protectorate to the former. The main aim of the AO was the registration of aliens residing in Malaya and consequently, it represented a radical departure from past policy. Although registration was not made compulsory, aliens who left the country with the intention of returning had to obtain a certificate prior to departure in order to be readmitted without being subject to any quota.

Chinese born in Malaya were exempt from the provisions of the AO. In the case of non Malayan born Indonesians, the colonial government was also able to exempt them on special grounds. The Governor-in-Council had the power to exempt any aliens from any particular place or country, and initially all Indonesians, women and children were exempted. Thus the AO exempted Chinese women initially and this was consistent with government policy of improving the gender ratio in the Chinese community. Subsequently, in 1938 growing unemployment led to government cancelling the

exemption of alien (Chinese) women. This policy change coincided with labour unrest in the country and government policy of deporting 'undesirables'. The AO thus defined more forcefully the position of alien Chinese in Malaya. Moreover, the 'aliens' included a large number of settled Chinese who still retained their Chinese citizenship. Following the outbreak of World War Two, Chinese immigration to Malaya came to an end (Saw 1988:16). Javanese labour migration, however, continued to be encouraged by the British.

Turning to the Indians, there were some interesting developments as well. Although Indians were not subject to the AO, the British deported a number of 'undesirable' labour activists in the latter half of the 1930s. In 1938 too the Indian Government banned all assisted Indian emigration to Malaya. This ban was imposed in response to the demands of Indian nationalists who sought an improvement in the working conditions and political privileges of Indian labour (Kaur 2004: ch. 4).

During the third phase, 1947 –57, the AO was replaced by the *Immigration Ordinance* (IO) of 1953. This Ordinance resulted in even stricter border controls and laid down for the first time the specific composition of migrants allowed entry into Malaya. Unlike the earlier restrictions based on nationality and gender, the IO also specified nationality and occupation and thus placed importance on the skills of the migrants. Permanent entry was restricted to, first, persons who could 'contribute to the expansion of commerce and industry'; second, to persons who could provide 'specialised services not available locally'; third to 'families of local residents; and fourth to other persons on 'special compassionate grounds' (Saw 1988:17). Clearly, this legislation was designed to appease Malay nationalists. New immigrants were also required to have a contract with a Malayan firm of at least two years and earn a salary of not less than M\$400 a month. The legislation thus spelled the end of unskilled Indian labour migration to Malaya.

Briefly, therefore, the ending of empire in Malaya saw more restrictive legislation designed to curtail Chinese and Indian immigration into Malaya. Overall, immigration policy was largely dictated by economic and political considerations and the labour requirements of western enterprise. Border controls, on the other hand were shaped by economic and political considerations and also to satisfy the aspirations of the Malay nationalists. Crucially, the British did not face up to the potential conflicts arising from

an unrestricted migration policy. After World War Two, there was a belief that new labour shortages could be resolved by importing the less troublesome Javanese, who did not demand political and economic rights.

The Malaysian State, Migration Goals and Border Controls

Introduction

The migration goals of the newly independent Malayan state were designed to further regulate the entry of Indians and Chinese and mirrored colonial policies implemented after World War Two. The Immigration Act of 1959, which came into force on 1 May 1959, replaced the 1953 Ordinance. The new legislation was designed to tighten entry under the third clause (reunification of families) outlined above by prohibiting the entry of wives and children of local residents who had been living separately from their husbands for a continuous period of five years after December 1954 and children of citizens who were six years or more of age. Migration goals also served to restrict both the quantity and influence the quality of migrants. Essentially, the principal objectives were to safeguard the employment and livelihood of Malayan residents and to bring about further assimilation in the country.

An Employment Restriction Act followed the 1959 legislation in 1968 that made access to the labour market for non-citizens contingent upon possession of a work permit. The work permit was also designed to ensure that only skilled non-citizens were permitted entry into the country. Thus the new Malaysian nation state essentially became a closed labour market and citizenship conferred both the right to reside and to work in the country. Aliens who had not taken out citizenship had to leave or were repatriated. Nevertheless, although unskilled immigration was ended, the policy of favouring Indonesians meant that unskilled workers continued to make their way to Malaya since they were not classified as aliens (Indonesian migration ceased with the outbreak of hostilities during the period of *Konfrontasi* with Indonesia).

In the 1970s, the political and economic landscape of the country changed, following the implementation of the New Economic Policy, and Malaysia's entry into global markets. In conjunction with changes in the international division of labour, and the making of comparative advantage in low-cost export manufactures, labour shortages

emerged in the rural sector in Malaysia. This coincided with the implementation of large-scale development and infrastructure projects and heralded a new phase in Malaysia's migration goals.

Essentially, the Malaysian state formulated new policies and introduced mechanisms for labour intake targets in consultation with large national employer associations, and in co-operation with the Indonesian (and other) governments. Migrant workers now comprise between 20-25 per cent of the labour force in Malaysia and are largely unskilled or semi-skilled workers. It is estimated that 83 per cent of migrant workers are Indonesian (Human Rights Watch 2004:10). Moreover, government policies are aimed at managing foreign labour flows and at the same time facilitating growth by targeting an appropriate skills mix. Nevertheless, owing to the administrative costs involved, and the insertion of quotas especially for unskilled contract labour intakes, illegal migration constitutes an important part of the migration streams. Policing people-smugglers and illegal migrants thus represents an important element in the complex and multcentred migration process in Malaysia.

International Labour Migration since the 1970s

Two developments are important for our understanding of contemporary labour migration since the 1970s and 1980s. First, Malaysia re-emerged as a labour-shortage country and labour mobilisation is associated with the global restructuring of production. Second, international labour migration needs to be understood in the context of transnational economic developments. These are essential to any analysis of the relationship of globalisation to migration, since much of the labour migration does not operate spontaneously, but takes place within networks, both within the source and receiving countries. Chain migration, for example, within family, extended kinship, or close-knit village-based groups, plays a key role in disseminating information about opportunities available in Malaysia. Moreover, it minimises both financial and removal disruption costs that migrants face.

This cost minimising factor is critical for two reasons. First, unlike the colonial period, ethnicity and social class have become even more pronounced in migration patterns, and there is both overt and covert hostility to migrants by government and some

segments of the Malaysian population. Additionally, migrants are forced into segmented labour markets that are characterised by wage discrimination, and this has led to social tensions. Second, migrants, their families and prospective employers have to bear the bulk of the financial and social costs associated with migration.

Seven factors have shaped migration patterns. First, Indonesia views labour emigration as a means of addressing domestic unemployment, generating foreign exchange and promoting economic growth. The Indonesian government has thus included targets for the number of workers it hopes to send overseas in its five-year economic development plans. These targets have risen over time. For example, in the economic development plan for 1979-84, the target was 100 000 workers; for 1994-99, the target was 1.25 million workers, and for 1999-2003, the target increased to 2.8 million workers (Hugo 2000: 3; Kaur 2004: ch.9).

Second, although poverty is not the principal determinant of migration, many migrants from Indonesia came from very poor areas such as Lombok. But they are not from the 'poorest' category, as they have to put up substantial amounts of money to get to their destinations. Rising expectations of Southeast Asians and the ability to move to labour shortage countries have thus impacted and are impacting on the region's labour market.

Third, unlike the labour migration of the colonial period, when migrants were directed largely towards the plantation and mining sectors, the new unskilled migrant workers are also employed in the tertiary sector in manual and service employment, with little direct foreign capital involvement. They are thus found in four main sectors: agriculture and forestry; construction; services, especially domestic work; and manufacturing. In 2002, approximately 36 percent of Indonesians were employed in manufacturing; 26 per cent in agriculture; 23 per cent in domestic work and 8 per cent in construction (Human Rights Watch 2004: 11; cf. Kaur 2004: ch.9).

A fourth significant feature is the growing interconnections between traditional cross-border flows and the more recent forms of migration in areas where there are shared land borders. For example, the dynamics of demography and development between Sarawak and Kalimantan have resulted in the two governments co-operating in the establishment of a number of large projects at the Entikong-Tebedu Border post area

(Agustiar 2000:235). This development is part of the growth triangle sub-regional economic zone arrangements involving Indonesia, Malaysia and Southern Philippines (Mindanao).

Fifth, unlike the earlier globalisation era, when migrant workers were predominantly young, adult males who migrated without dependants, a large percentage of the new migrant workers are predominantly women. This feminisation of the migrant labour force may be attributed to two main factors. The first is linked to general changes in the labour markets in Southeast Asia and the production niches (mass-customisation products – electronics, textiles, garments) of Southeast Asian states. The New International Division of Labour, which facilitated the increased labour force participation of women in the labour-intensive manufacturing sector, was consistent with modernisation of the agricultural sector and rural-urban migration, principally of women. There was also a trend towards migration abroad since women's employment in the urban labour market was often impermanent, irregular, and insecure. The second factor is related to the maturing of the labour market in Malaysia, coinciding with relatively high labour force participation rates of women, and general labour shortages in these countries. This in turn has created an increased demand for domestic work and childcare services, which has been met by principally by Indonesian women. According to Human Rights Watch more than 90 per cent of domestic workers in Malaysia are Indonesian (2004).

Sixth, a significant characteristic of the new labour migration is that this migration (particularly of unskilled workers) is short term and contract-bound, not unlike the labour migration of the colonial period. However, the main difference is that this migration is the migration of free persons, whether dependent on networks or organised through intermediaries. All documented workers have to pay hefty fees – agency fees (including a one way air ticket); insurance fees, a bank guarantee – in both countries, but they cannot stay in the receiving countries on completion of their contracts. Moreover, the highly visible presence of the state in regulating and policing migrant workers has led to emergence of a new labour recruitment system in Malaysia. This system has some elements of the earlier contractor system, but involves both the state and private agencies in both Indonesia and Malaysia acting as intermediaries. Unskilled workers also lead

largely isolated lives whether on remote plantations, fishing villages, or makeshift hovels on construction sites. Domestic workers who are employed in the private sphere in individual households are excluded from most labour protections. Migrant workers therefore are precluded from making the transition from sojourning to settlement under the complex migrant worker recruitment system.

Finally, as noted earlier, the high administrative costs of migration, including payments to labour agencies in Indonesia and Malaysia, and the insertion of quotas especially for unskilled contract labour intakes, has resulted in illegal migration constituting an important migration stream.

Lessons from the colonial past: Migration and border controls

It has been noted that immigration and border controls shape and have shaped government migration goals and labour recruitment policies. Essentially, the Malaysian state has alternated between tightening immigration controls and loosening them through bilateral agreements and amnesties. Four distinct phases may be distinguished since the 1970s. During the first phase, 1970-1980, government followed a liberal policy towards foreign worker recruitment. Employers either hired Indonesian labour domiciled in the country in squatter settlements or from Indonesia through private labour brokers for the plantation and construction sectors. During the second phase, 1981-1988, foreign labour recruitment was legalised, an official channel was created for labour recruitment and bilateral agreements signed with governments of sending countries. Thus in 1982 a Committee for the Recruitment of Foreign Workers was established and in 1984 the Malaysian government signed a bilateral agreement (the Medan Agreement) with the Indonesian government for the government-to government regulated supply of Indonesian workers for the plantation sector and for domestic work. Nevertheless, migrant workers continued to enter the country as irregular chain migrants using network-dependent and network –creating relationships.

During the third phase, 1989 – 1996, a legalisation programme was commenced to halt illegal immigration. Growing public disquiet against the more pronounced visibility of Indonesian migrant workers fuelled this programme, which had its origins in the economic recession of 1985-6. Thus public sentiment and ‘societal borders’ led to a

change of policy and in 1989 the further importation of foreign labour was frozen. Concurrently, a programme to legalise/regularise the status of Indonesian migrants was implemented. Employers of undocumented workers were encouraged to legalise their workers. However, this program had limited success since not many employers were willing to change the status of their undocumented workers. During this phase too, the Malaysian government implemented an amnesty programme that was targeted initially at domestic workers and then extended to workers in the plantation and construction sectors. Under this programme all undocumented ('illegal') workers were required to register themselves at special registration centres in order to remain in the country as legal workers. According to Kassim, Indonesians accounted for 83 per cent of the 442 276 workers who presented themselves for registration in 1992 (1994:15). During this phase too, the Police Field Force was deployed to guard against illegal landings on Malaysia's coastlines. This third phase was also marked by the final eradication of on-site illegal recruitment of labour and the implementation of an official migrant labour recruitment system based solely on offshore recruitment. During this period too the Indonesian government established a single company (PT. BIJAK) to oversee the labour recruitment business and to provide a measure of control over recruitment arrangements (Hugo 1995).

The fourth phase, since 1997, is distinguished by two important developments. First the financial and economic crisis of 1997-8 marked a turning point in state policy towards foreign labour recruitment. Further efforts to control undocumented migration were implemented; an amnesty programme was introduced that permitted illegal migrants to depart without penalty and a work-permit system based solely on offshore recruitment was enforced. Moreover, workers have been categorised more rigidly than before, employment permits are both location and employment specific, and legislative and police action to combat irregular migration have been strengthened. Detention camps were also established to hold undocumented workers. Furthermore, an amendment was made to the 2002 Immigration Act that resulted in harsh punishments for immigration violations. It is now a criminal offence for foreign workers to work without a work permit or visa, and punitive measures, including caning of workers has been implemented.

Moreover, errant employers are also subject to fines, imprisonment and caning (or whipping) (New Straits Times 12 October 2003).

But the major change has been in the origin of migration workers. The Malaysian government, like the colonial government, currently has a diversified recruitment policy, to reduce dependence on any one racial group; and employers are required to provide segregated housing and transport facilities. Health too has become a major issue and migrant workers are tested for pregnancy, human immuno-deficiency virus (HIV), and other infections, including malaria and tuberculosis prior to departure for Malaysia. During the colonial period migrant workers were also screened, held in quarantine and vaccinated for diseases. Unlike the colonial period, though, the costs of these tests are now borne by the workers. Moreover, random testing of migrant workers is also carried out in Malaysia. Everything changes and nothing changes.

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