

THE DISPLACED PLANTATION WORKERS: A CASE STUDY OF RUBBER ESTATES IN KEDAH

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ABSTRACT

Eviction of plantation workers, due to the development of estate lands and changing land ownerships, has been a big and unresolved issue. Many plantation areas have been sold to make way either for housing projects or industrial sites. When an estate is sold, the estate workers lose not only their jobs, but also their homes and additional sources of income from farming and animal husbandry. They are also entitled to receive termination benefits. The majority of these displaced workers have skills only in the agricultural sector and many of them are old aged. The main objective of this study was to analyse the socio-economic situations of the displaced workers due to the development of the rubber estate lands in Kedah. The snowball sampling method was used to identify the respondents. The survey was based on 11 estates and 349 ex-workers of these estates were interviewed. The areas of this study were in Sungai Petani and Kulim. The results clearly showed that the majority of the evicted workers migrated to locations that were on average around 3km from their original estates. The majority of them worked with private sector companies upon their evictions. However, many of them are still in their estate houses, waiting for better compensation to be paid in the form of new houses elsewhere. It is suggested in this paper that the compensation should be in terms of home ownership, provided jointly by the government and firms. There have also been some suggestions to solve the issue through programmes provided by the Ministry of Agriculture.

Keywords: *Migration; estate workers; displaced workers.*

ABSTRAK

Pengusiran pekerja ladang merupakan suatu isu yang tidak pernah selesai disebabkan oleh pembangunan estet dan perubahan ke atas tanah ladang.

Akibatnya, banyak kawasan ladang telah dijual untuk memberi laluan sama ada ke atas projek perumahan atau industri. Apabila suatu estet dijual, pekerja estet bukan sahaja kehilangan pekerjaan tetapi juga rumah dan pendapatan tambahan daripada kebun dan haiwan ternakan. Mereka juga layak menerima pampasan akibat daripada penamatan kerja. Majoriti daripada mereka ini hanya mempunyai kemahiran dalam sektor pertanian, tambahan lagi kebanyakan mereka telah lanjut usia. Objektif utama kajian ini adalah untuk menganalisis situasi pekerja ladang akibat perubahan tanah untuk pembangunan estet getah dalam negeri Kedah. Kaedah pensampelan "snowball" telah digunakan untuk mengenal pasti responden. Kajian ini adalah berdasarkan 11 estet dan temubual dengan 349 pekerja yang telah keluar daripada estet. Kawasan utama kajian ini ialah di Sungai Petani dan Kulim. Keputusan kajian dengan jelasnya menunjukkan majoriti pekerja yang telah diusir bermigrasi secara purata tiga kilometer daripada estet asal. Majoriti bekerja dengan sektor swasta. Kebanyakan daripada mereka masih lagi tinggal di rumah estet yang sepatutnya dikosongkan untuk mendapatkan pampasan yang lebih baik dalam bentuk rumah. Beberapa implikasi yang boleh dicadangkan ialah pampasan dalam bentuk pemilikan rumah yang disediakan secara kerjasama oleh kerajaan dan firma. Terdapat juga beberapa cadangan untuk mengatasi masalah ini iaitu, melalui program-program yang diadakan oleh Kementerian Pertanian.

BACKGROUND OF THE STUDY

Malaysia is moving well along the path of modern economic and demographic transitions. It has experienced tremendous economic growth since the Independence. The current economic development in the country has transformed Malaysia from an agricultural nation to that of an industrial nation. As a result, the share of the agricultural sector (considered as a primary sector) in total GDP and the share of employment in that sector have declined steadily, while the shares of manufacturing and construction (secondary), and the services (tertiary) sectors have increased rapidly. As a consequence, not only has unemployment declined, but the share of employment in the secondary and tertiary sectors have also increased.

In agriculture, the share of employment has declined from 53.5% in 1970 to 12.9% in 2005 due to structural changes. The contribution of agriculture to employment tended to decrease 1.4% every year while the contribution of agriculture to GDP tended to decrease 0.63% every year. This implied that the agricultural contribution toward employment tended to decrease faster than GDP. At the same time, the agricultural sector had become less important to the Malaysian

economy in that time period. Although the service sector is the main contributor to GDP since 1981, its growth is less compared to the rapid growth of the secondary sector.

Consistent with the declining importance of the agricultural sector in the economy, cultivated plantation land shrunk from 906,106 hectares in 1983 to 704,127 hectares in 1992 due to an increase in property and township development activities in Peninsular Malaysia. During the Seventh Malaysia Plan for example, the rubber planted areas have declined from 1.7 million hectares in 1995 to 1.4 million hectares in 2000, due to the conversion of commodities (Malaysia, 2001). As a result, the number of employment in rubber plantations had declined from 163,577 in 1979 to 13,366 in May 2004. (Department of Statistic Malaysia, 2004) according to the Centre for Public Policy Studies, more than 300,000 Indians who worked and lived in plantations were displaced from 1980 to 2000.

Since 1987, the role of the agricultural sector as the main contributor to GDP has been taken over by the industrial sector (Asan & Mahdzan, 1999). Rapid industrialisation necessitates more land spaces for development. As a result, many plantations have been sold to make way either to housing projects or industrial sites. When an estate is sold, the estate workers lose not only their jobs, but also their houses and additional sources of income from farming and animal husbandry. Furthermore, the plantation workers, who lose their jobs as a result of these structural changes, are only entitled to receive termination benefits. The majority of these workers have skills only in agricultural activities and most of them are aged.

Even though there were several Home Ownership schemes for plantation and mine workers provided by the federal and state governments, most of them were unsuccessful. According to one report by NUPW, a scheme known as Tun Razak House Ownership Scheme was established in 1974. The objective of this scheme was to enable plantation workers to own houses through gradual payment, but it seemed that the scheme had failed.

Even though there are many studies in Malaysia focusing on the plights of displaced plantation workers, these studies failed to stress the post socioeconomic lives of these workers. Hence, this paper intends to highlight the life conditions faced by these workers and to suggest solutions that might be of some help to policy makers. The importance of this issue is now more relevant than ever, after the

Hindu Rights Action Force (Hindraf) rally on 25 November 2007 had highlighted the plights of poor Indians, many of them being estate workers.

THEORETICAL BACKGROUND AND EMPIRICAL EVIDENCE

Economic and demographic structural changes are important aspects of any developmental processes. Economic growth will affect demographic change, and demographic change will further influence the long-term growth process. A number of demographic indicators have been used to study the linkages to economic growth, such as population growth, population size, total fertility rate, density, crude birth rate, crude death rate, working age growth, dependency ratio and life expectancy. Occasionally, size, density, and migration¹ are also used as indicators.

Demographic changes will have significant macroeconomic effects and these changes will create fiscal policy challenges in the near future. Previous and current studies on population and growth suggested that population ageing will make the dependency ratio rise substantially and continuously due to the reduction in national saving rates and real output per capita (Auerbach & Kotlikoff, 1987; Miles, 1999). Besides that, the increase in the dependency ratio as a result of an increase in total fertility rates will influence negatively the labour productivity rate in the long-term (Barro, 1997). Studies on population ageing and economic growth in seven OECD countries by Fougere and Merette (1999) had shown that population ageing will have an impact not only on savings and labour force, but also on investment, human capital, and R&D.

Kelley and Schmidt (1998) had made comprehensive empirical studies on economic-demographic linkages using eight models that utilised population growth, population size, total fertility rate, density, crude birth rate, crude death rate, and working age growth as demographic indicators. Each model tried to apply the historical experiences of developing (DCs) and less developed countries (LDCs) for the period of 1960 to 1995. Evidence found by them was consistent with the impact of population growth on per capita output growth that; (1) is not statistically significant in the 1960s and 1970s; (2) is negative, statistically significant, and large in the 1980s; (3) varies with the level of economic development in the 1980s (it is negative in the LDCs and positive for many DCs); (4) population density exerts a consistently significant (positive) impact across all decades; (5) population size

exerts a positive impact in the same periods; and (6) the *net* impact of demography over the decade of the 1980s was negative.

Supply of labours can be affected by migration from other regions and from international migration. Labour will move to regions that offer higher wages. In fact, most of the professionals, technicians, administrators, and managers work in the well developed regions. Those who are educated and well experienced will migrate to the developed regions and those who are inexperienced will be left behind. Research has shown that civilisation process only happens in urban areas, rather than in rural areas. For this reason, the percentage of population growth tends to decline in the rural areas. Besides this, the less developed regions also have to deal with the problem of poverty. Migration among those aged 15-64 years old will increase the dependency ratio for those who live in rural areas. This will also increase the imbalances of the gender ratio as a large number of males migrates to developed regions (Asan, 2004a).

While rural-urban migration usually helps to reduce the over-supply of labour in the rural areas, it also tends to affect the age distribution of the rural population, since most of the migrants are youngsters. Thus, the majority of rural folk are from the old age group and those who are younger than 15 years of age. Official figures have shown that 64.1% of farmers in Peninsular Malaysia are over 45 years old. This factor, coupled with increasing production costs, has led many farmers to abandon their land; a problem that is becoming more serious of late. In addition, the old age problem has hampered new technologies from being introduced in the rural areas, thus reducing output productivity of the farmers. In fact, there is a high correlation between rural poverty and lack of younger farmers in rural areas (Asan, 2004b; 2004c).

The migration of youths has left the elderly to work on their land. Many of these youths are not interested in the agricultural sector, resulting in the lack of labours in this sector. The manufacturing sector not only offers higher wages, but also prestige and better living. It is estimated that 30% of idle rubber land exists because of lack of labours (Othman, 1998). Most of the household heads are old and supported by children that are working in other sectors. These farmers do not rely on agricultural income, resulting in low farm productivity and higher average costs (Abdul, 1998).

Low monthly income in the agricultural sector is the main rural-to-urban *push factor*.² Plantation workers, especially rubber tappers

earn lower mean monthly income than workers in other sectors. For instance, plantation workers only earned a mean monthly income of about RM258 per month, much lower compared to general labourers (RM315), production operators (RM480), watchmen (RM491), and lorry drivers (RM673) in the electric and electronic industries in 1989. Meanwhile, waiters and waitresses in the hotel industry earned a mean monthly income of about RM630, and office boys in the banking industry earned about RM492 (Ramachandran, Sevakumaran, & Shanmugam 1995). For smallholder farmers, the large fluctuations in commodity prices (especially rubber)³, was the other rural-to-urban *push factor* that causes labours to move out to other sectors especially the manufacturing sector, where the wages are high and relatively consistent (pull factor). Although the Labour Ministry has made some effort to encourage the unemployed to work in the plantation sector, the results have not been very encouraging. To overcome this problem, the government has encouraged migration of unskilled foreign workers from Indonesia to work in the agricultural sector so as to fill the shortages of workers in that particular sector (Asan, 2005).

Meanwhile, migration among the age group of 15-64 will increase the dependency ratio among those who live in rural areas. Besides this, the gender ratio will increase as large number of males migrates to other regions. Indirectly, this will lead to the inequality of development among the regions. For example, in the year 2000, the dependency ratio in the state of Kelantan (one of the less developed states) was 81.0 compared to only 50.4 in the state of Selangor. In terms of rural-urban dependency ratio in the year 2000, the dependency ratio in the rural areas was 79.0 while in the urban areas, the ratio was only 58.0 (Asan, 2006).

In Kedah (another one of the less developed states), the number of females is higher than males at a ratio of 1.3: 1 (100 males for every 130 females). The male migration has in fact caused this inequality. The inequality in gender distribution is linked to migration of males to the more developed states. Migration has been seen to reduce the population aged above 14 and to increase the number of people above 64 years old in the rural area. On the other hand, the percentage of population between 15-64 years old is greater in the urban area. The reduction of males aged between 15-64 in the rural areas is due to migration among the states. This makes the number of females in Kedah higher when compared to the males. Only at the age of 14 and below, there are more males than females (Asan, 1998a).

The population aged 25-35 mostly live in urban areas whereas many of those aged 30-40 live in rural areas. This is the result of inequality of the population distribution based on gender. For those aged below 18, the number of males is higher than females, but after the males complete their secondary education (age 17-18), they start to migrate. Later, when they reach the age of 50 and above, they will return to their homes.⁴ This is another factor that creates inequality in gender distribution (Asan, 1998a). Migration from agricultural areas to industrial areas, as well as from small to big towns will lead to a slow growth rate in the rural areas. Besides this, migration to developed states and regions will reduce the number of labour force in the agricultural sector, thus forcing the plantations to use foreign workers to overcome this problem. This will reduce the economic chains among the regions (Ishak & Asan, 2001).

The rapid process of industrialisation is taking over the agricultural land for development. As a result, many plantations have been sold to make way either to housing projects or industrial sites. A study by Sachikonye (2003) on land reform in Zimbabwe had shown that many farm workers lose their jobs due to land takeovers. This also meant that they lose their entitlement to housing and basic services, especially health and education. As such, these displaced workers have to migrate. Due to this situation, the author did a survey on the provinces affected and interviewed the stakeholders. His study revealed that the overall effect was massive job losses, which affected 70% of the original farm workforce. Some of the displaced workers received compensation, but it would only cushion them for a few months. There were others who did not receive any compensation. Furthermore, there were also *squatter camps* to provide shelter because they did not have enough savings to rent houses. Displaced workers also experience emotional distress and hopelessness about the future.

Denison (1998) also had the same findings and concluded that most of the displaced plantation workers resided in squatter houses and high-rise flats in urban centres where they faced a lot of socio-economic problems such as crime, violence, gang activities, alcohol, educational underachievement, low skills, and low income.

This was supported by Nair (n.d.) where it was noted that when an estate is sold, the estate workers lose not only their jobs but also homes and additional sources of income from farming and animal husbandry. The plantation workers, who lose their jobs as a result of these structural changes, are only entitled to receive termination

benefits as provided by the Employment Regulations 1980. According to these regulations, workers will receive a maximum of 20 days wages per year of service for those who have continuously been working for five years or more. The compensation is not adequate when compared to their services. In addition, these displaced workers are not given an alternative house or land. Our study is similar to that of Nair's study but differs in emphasis since her study stresses more on poverty in these rural areas as a whole.

Even though Nair had stressed on the displaced workers, she failed to stress the post event after the incidence of displacement. Many studies have also failed to stress on this aspect. According to a summary done by the Centre for Public Policy Studies, the socio-economic problems among Indians have already rooted in the plantation economy. Generation after generation of plantation workers has depended on plantation companies for housing and employment in the estates where they earned low wages and lived in poor conditions. In addition, due to the country's impressive economic growth since the 1980s, many Indian plantation workers became victims to national development. The Centre estimated that over 300,000 Indian poor had been displaced for property and township developments over the last two decades. These displaced workers not only lose their jobs, but also other important benefits as mentioned by Nair. Many of them face difficulties during and after the transition from plantation life to urban living. This is the result of involuntary stream of migration. They do not have any skills and their savings were too little. Consequently, these lead them to urban squatter settlements. They end up in low paying jobs where they need to compete with foreign workers.

Recently, Asan (2005) stressed that low income in the agricultural sector is a push factor in the migration process. The evidence is quite clear when looking at rubber plantation workers. These workers earn the lowest income compared to others with similar skills. According to Asan, those who migrate are of the younger generation. The majority of those living in rural areas are old and those aged less than 15 years old. Age is the main factor that influences migration.

DESIGN OF THE CASE STUDY

Objectives of the Case Study

The main objective of this study was to analyse the situation of the displaced workers as a result of changes in land ownership due to the development of rubber estates in Kedah.

Specific objectives were:

- (i) to identify where the plantation workers migrate to,
- (ii) to identify their jobs upon migration,
- (iii) to identify whether they have been paid compensation fairly, and
- (iv) to recommend relevant action to address problems faced by the workers.

Research Areas

Drawing on the information obtained in a field survey conducted in 2006 in Kulim and Sungai Petani (Figure 1), this research explored the post evicted life of the displaced plantation workers. These rubber plantations were chosen because they have gone through the economic structural changes that were required for this study. Table 1 lists the estates involved in the survey.

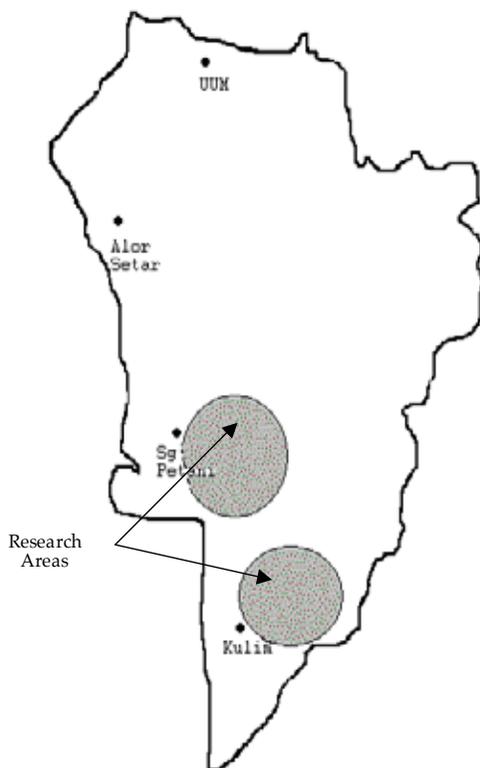


Figure 1: Location of research areas

Note: Not in authority of boundaries

According to NUPW,⁵ all 15 estates are in Kedah and Pulau Pinang. However, since our research is a case study based in Kedah, we did not include Batu Kawan Estate in our consideration since it is located in Pulau Pinang. Another estate that was not in our survey was Sungai Raya Estate, which is in Langkawi. This was due to the cost constraints that we faced. However, we believed that the other estates in Kedah were sufficient to provide the information needed for this study. From the remaining 13 estates, two estates were not included in our study since they were involved in crop conversion and not urban development. The estates were Batu Pekaka and Lebuk Anak Batu. Hence, our study only covered 11 estates as illustrated in Table 2.

Table 1: List of Estates Produced by NUPW, 1993-2004

Year	Name of Estate	Name of Company
1993	Henreitta	Henreitta Rubber Estate
1993	Sg Raya	Thye Group Estate
1993	Selamat Ayer Puteh	Selamat Ayer Puteh Sdn. Bhd.
1993	Henreitta Thye Seng	Henrietta Rubber Est Ltd.
1996	PLM Fact	Asiatic Dev. Bhd
1996	Riverside	Asiatic Dev. Bhd
1999	Jerai	Kump. Jerai Sdn. Bhd.
1999	Sg. Ular	Socfin Co. Ltd.
2000	B.M.R	Selangor Coconut Bhd
2000	Kuala Muda	Kuala Sidim Bhd.
2002	Bt Pekaka	Selangor Coconut Dev. Bhd.
2002	Lebuk Anak Batu	Selangor Coconut Dev. Bhd.
2003	Bidong Fact	Guthrie Rubber Processing Sdn. Bhd
2003	Pinang Tunggal	Rahman Hydraulic Tin Bhd.
2004	Bt. Kawan	Syarikat Pertanian Perkhidmatan Bersatu

Source: NUPW northern branch. Data obtained by interview in June 2006.

Table 2: List of Estates Selected in the Study, 1993-2003

Year	Name of Estate	Name of Company	Number of workers Affected
1993	Henreitta	Henreitta Rubber Estate	84
1993	Selamat Ayer Puteh	Selamat Ayer Puteh Sdn. Bhd.	50
1993	Henreitta Thye Seng	Henrietta Rubber Est Ltd.	18
1996	PLM Fact	Asiatic Dev. Bhd	90
1996	Riverside	Asiatic Dev. Bhd	49
1999	Jerai	Kump. Jerai Sdn. Bhd.	207
1999	Sg. Ular	Socfin Co. Ltd.	254
2000	B.M.R	Selangor Coconut Bhd	99
2000	Kuala Muda	Kuala Sidim Bhd.	54
2003	Bidong Fact	Guthrie Rubber Processing Sdn. Bhd	65
2003	Pinang Tunggal	Rahman Hydraulic Tin Bhd.	91
Total			1,061

Source: NUPW northern branch. Data obtained by interview in June 2006.

Information Sources

The method adopted in this study was similar to the one done by the Centre on the Family at the University of Hawaii. The Centre applied structured interviews among 126 families, comprising 126 women, 124 men, and 55 youths. The interviews were held one-on-one with the community interviewers covering demographic characteristics, financial situations, and other variables that were relevant to that study.

In this study, combinations of primary and secondary data were used. Primary data were based on standardised questionnaires collected from estate workers and from interviews with estates managers. The workers' questionnaires were consistent with the objectives of the study and would be divided into four sections; settler's information, household information, migration information, and land (rubber

estate) information. Secondary data were collected from National Union of Plantation Workers' (NUPW) office.

In order to collect primary micro-level data, a series of interview surveys were conducted in one of the areas in Kulim and Sungai Petani districts that were affected by structural changes. We were informed by the Secretary of NUPW for the Northern Region (Kedah, Pulau Pinang, and Perlis), Mr. Santahana Dass, that the structural changes occurred namely due to the development of those areas into housing and industrial areas, golf courses, etc.

An estimated 1,061 plantation workers lost their jobs. The survey was based on the interviews on 349 workers from 11 estates who moved out. The primary method of research for this report was field research, complemented by a detailed review of existing literature.

Interviews were conducted using questionnaires. Since the displaced plantation workers who previously stayed in the estates illustrated in Table 2 have already migrated from the estates, non-probability sampling design was used in the study while a snowball sampling method was used to identify the respondents. According to Cavana, Delahaye, and Sekaran (2001), snowball sampling is used when the elements in the population are hard to find, contact, or locate. New respondents in our study and information on them were provided by the initial respondents. The initial respondents in our study were recommended by the Secretary of NUPW Northern branch, Mr. Santahana Dass. They resided in Sungai Petani and Kulim areas. After interviewing them, we obtained further respondents to be interviewed. This process continued until the "required" sample size was achieved.

RESEARCH FINDINGS

Demographic Structure

Table 3 illustrates the number of respondents according to their age groups in Kedah, specifically in Sungai Petani and Kulim. Many of the respondents in Sungai Petani fell into the 41-50 years old age group that consists of 147 respondents or 70.33%. This was followed by the over 50 years old age group (43.1%) and the 31-40 years old age group (14.29%). In Kulim, the highest number of respondents fell into the age group of 51 years old and over (56.9%). This was followed by the 41-50 years old age group (29.67%), 31-40 years old age group

(85.71%), and 16-30 years old age group (100%). This finding seems to substantiate our assertion that the majority of displaced estate workers are old.

Table 3: Age Structure in Sungai Petani and Kulim

Place	16-30		31-40		41-50		51 and over	
	No.	%	No.	%	No.	%	No.	%
Sungai Petani	0	0	3	14.29	147	70.33	50	43.1
Kulim	3	100	18	85.71	62	29.67	66	56.9

It is interesting to note that the majority of the displaced workers were male. In Sungai Petani, there were 188 male workers, as compared to 12 female workers that were displaced. The same was true in Kulim, where 123 male workers were displaced as compared to only 26 females. Overall, the total number of male respondents was 311 while the female respondents were only 38 in number.

Table 4: Current Occupation of Respondents

Current Occupation	Sungai Petani	Kulim	Total
Rubber tapper	11	11	22
Working in public sector	2	-	2
Working in private sector	153	47	200
Odd jobs	3	8	15
Business	3	2	5
Agriculture (Farmer)	-	1	1
Retired	11	5	16
Unemployed	15	37	52
Others	2	39	36
Total	200	149	349

Current Occupation and Migrated Location

Table 4 shows the current occupation of respondents who had migrated from the plantation estates. The majority of respondents (200) have

joined the private sector. Many of them were working in industrial parks that were located near new residential areas. However, the number of respondents who were still unemployed was still large, totaling 52 people in Sungai Petani and Kulim. Meanwhile, only 22 out of 349 respondents continued tapping rubber trees.

In terms of the migration patterns of the respondents, the majority of them (208) seemed to migrate not far from their previous estates, around 1-5 km from the estates. Meanwhile, 104 respondents were found to be located within 6-10 km from the estates. Only 13 respondents migrated to more than 20 km away, while 23 respondents migrated to the nearest estates, most likely being offered jobs there.

Table 5: Migrated Location of the Respondents

Location	Mean distance	Sungai Petani	Kulim	Total
Nearest estate	-	-	23	23
1 – 5km	3km	104	104	208
6 – 10km	8km	90	14	104
11 – 20km	15.5km	1	-	1
More than 20km	-	5	8	13
Total		200	149	349

Compensation

a) Frequencies

When plantation workers lose the jobs, some of them will be given compensation while others might not receive or might reject the compensations offered. The majority of respondents admitted that the compensation received was not immediately paid to them once they were evicted from the estates. Table 6 shows that 284 respondents were not paid their compensation while 65 respondents were paid compensation in the form of cash or houses. According to the conversation held with the NUPW Secretary, Kedah Branch, most of them did not want to take the compensation offered and were waiting for better offers such as housing. That would explain the high number of respondents not being paid any compensation as shown in Table 6.

Table 6: Frequencies of Compensation

	Sungai Petani	Kulim	Total
Paid	30	35	65
Not Paid	170	114	284
Total	200	149	349

b) Cash Compensation with Working Duration in Sungai Petani

Only one respondent in Sungai Petani had received compensation in cash. The amount received by this person was RM2000 after working for 12 years. According to the Labour Act 1955, those who had been working for more than 5 years are entitled to receive compensation upon termination, the amount of 20 days wages for each year he or she had worked. Thus, if the person's average daily wage is RM25.00 (according to the calculation provided by NUPW), and he or she had worked for 12 years, then he or she is entitled to get cash compensation amounting to RM6,000 ($12 \times 20 \times \text{RM}25$).

However, each person has his own daily wage and it differs from one worker to another. When a rubber tapper completes his task in a day, he will be given a daily basic wage of RM12.50. This is followed by an incentive, scrap rate, and price bonus. Incentive is given if the milk from the rubber tree weighs more than 11 kg per task. However the incentive is different each time, depending on the current price of rubber on the market. Scrap rate is calculated according to sen per kg whilst it is still wet. This rate is also calculated based on the current price of rubber. Finally there is a price bonus, which is also based on the current price of rubber. Since there are differences in incentives, scrap rates, and bonuses, it is very difficult to get the exact figure on wages. So an estimation of current wages was used, and based on the conversation with the Secretary of NUPW, Kedah Branch, the wages were between RM25.00 to RM30.00 per day.

c) Cash Compensation with Working Duration in Kulim

Cash compensation was awarded to 15 respondents in Kulim, ranging from RM1000 to RM15,000. The working years of those respondents ranged from 10 to 36 years. Table 7 compares the actual cash compensation received by the respondents with the estimated amounts according to the Labour Act 1955.

Table 7: Cash Compensations with Working Duration in Kulim and Estimated Compensations under the Labour Act 1955

	Years	Compensation paid	Frequency	Estimated Compensation if daily wage is RM25	Estimated Compensation if daily wage is RM30
Working years	10	3,000	1	5,000	6,000
		4,000	1	5,000	6,000
		5,000	1	5,000	6,000
		10,000	1	5,000	6,000
	14	12,000	1	7,000	8,400
	15	10,000	1	7,500	9,000
		14,000	1	7,500	9,000
	16	10,000	1	8,000	9,600
	20	6,000	1	10,000	12,000
	27	2,700	1	13,500	16,200
	30	1,000	1	15,000	18,000
		13,000	1	15,000	18,000
	31	8,200	1	15,500	18,600
	35	3,000	1	17,500	21,000
	36	15,000	1	18,000	21,600
Total			15		

d) Cash Compensations in lieu of a house with Working Duration in Sungai Petani

Table 8 illustrates the cash compensation paid according to the values of houses with working years in Sungai Petani. The compensation ranged from RM25,000 to RM30,000, while the working years for those who received this benefit ranged from 10 to 26 years. There was only one respondent in Sungai Petani who received a cash equivalent of a RM25,000 house, while 14 other respondents received RM29,500 each, and 17 respondents received RM30,000 each.

Table 8: Cash Compensations in lieu of a house with Working Duration in Sungai Petani and Estimated Compensations under the Labour Act 1955

	Years	Cash Compensation	Frequency	Estimated Compensation if daily wage is RM25	Estimated Compensation if daily wage is RM30
Working years	10	29500	1	5,000	6,000
		30000	2	5,000	6,000
	11	29500	1	5,500	6,600
		12	30000	3	6,000
	13	30000	2	6,500	7,800
		14	30000	3	7,000
	15	25000	1	7,500	9,000
		29500	3	7,500	9,000
		30000	3	7,500	9,000
	17	29500	2	8,500	10,200
		30000	1	8,500	10,200
	18	29500	3	9,000	10,800
		20	29500	2	10,000
			30000	2	10,000
	22	30000	1	11,000	13,200
		26	29500	1	13,000
Total			31		

e) Cash Compensations in lieu of a house with Working Duration in Kulim

Table 9 illustrates the cash compensation paid according to the values of houses with working years in Kulim. The compensation ranged from RM1,000 to RM25,000, while the working years of respondents who received this benefit ranged from 6 to 36 years. There were four respondents who received cash equivalent of houses valued at RM1,000, RM2,000, RM20,000, and RM24,500, respectively. Meanwhile, 13 respondents in Kulim received RM 23,000 each and 2 respondents received RM25,000 each.

Table 9: Cash Compensations in lieu of a house with Working Duration in Kulim and Estimated Compensations under the Labour Act 1955

	Years	Cash Compensation	Frequency	Estimated Compensation if daily wage is RM25	Estimated Compensation if daily wage is RM30
Working years	6	25000	1	3,000	3,600
	10	2000	1	5,000	6,000
		23000	3	5,000	6,000
	12	23000	2	6,000	7,200
	15	23000	2	7,500	9,000
		25000	1	7,500	9,000
	20	23000	2	10,000	12,000
	21	24500	1	10,500	12,600
	26	23000	2	13,000	15,600
	30	1000	1	15,000	18,000
		23000	1	15,000	18,000
	32	20000	1	16,000	19,200
	36	23000	1	18,000	21,600
Total			19		

CONCLUSION

In our study on displaced rubber plantation workers in Sungai Petani and Kulim, we found that a large proportion of respondents were of age 41 years old and over. In Sungai Petani, out of 200 respondents, 147 were in the 41-50 years old age group while 50 were in the 51 years old and over age group. In Kulim, out of 149 respondents, 62 were in the 41-50 years old age group while 66 were in the 51 years old and over age group. It seems that many of these displaced workers were reaching old age and some were too old to carry on a new task. We also found out that many of these migrants were male (349 respondents) while the females (38 respondents) accounted for only a small proportion of the total respondents. This could be due to the role of males as breadwinners in the family. Thus, the males need to continue working to take care of their families.

With regard to their current occupations, the majority of the respondents were working in the private sector. Most of those below the 50 years old age groups were working in the industry while many of those aged 50 years old and above were working as security guards. However, some of them managed to continue working as rubber tappers, albeit at other rubber estates. Very few of the respondents were working in the agricultural sector other than rubber estates.

If we look at the location of migration, many of these displaced workers preferred to reside close to their previous estates. Old age and familiarity with the surroundings might be the reasons for this decision. With regard to the compensation paid, only 65 of the respondents received compensation, while 284 respondents did not receive any compensation.

In line with the National Forum on Malaysian Plantation Workers and the 9th Malaysian Plan, we would like to stress the need to include displaced plantation workers and their communities in National Rural Development Projects. This would provide jobs and security for them upon eviction from the estates. Furthermore, the government should be proactive in implementing the Home Ownership Policy, which was adopted by the Cabinet on 2nd June 1999. According to this policy, certain development of housing projects would include housing for plantation workers. However, these houses should be located near to their estates and should have access to government schools, health care services, and community facilities.

Housing could also be provided by the developers that acquire the estates for development. Compensation to these displaced workers in terms of low cost housings is possible with the help of the state and federal governments. Even though the price of low-cost houses ranges from RM25,000, to RM42,000, it can be set as low as RM25,000 since this price is determined by the government, and as such, can be implemented.

With regard to the job opportunities for displaced workers, currently, many of them are working in the private sector, such as in the manufacturing industry. However, more job opportunities should be given to these workers, especially in the agricultural sector due to their previous skills in the estates. They should be encouraged and supported to engage in farming livestock, fish, vegetables, and other agricultural activities since these activities can generate better livelihood and are in accordance with the 9th Malaysia Plan. This sector could generate employment and increase skills in agriculture.

In the long run, the agricultural sector could improve the economy by increasing exports and decreasing imports of agricultural products. In order for this sector to succeed, financial and micro credit institutions should provide credit to this group of displaced workers to start new businesses in the agricultural sector.

A complete research on displaced workers of all races could and should be done in the future to better understand their problems. The Hindraf incident and the Penans' struggle highlighted the issues that need to be addressed in any development process. This study tried to highlight some of the problems that are plaguing the Indian community. The results of this study will provide valuable information to policy makers concerning the socioeconomic impacts of structural changes in the plantations. It is also hoped that the information given can also be used to generate policies to improve the standard of living of the displaced plantation workers.

END NOTES

1. Besides that, another development indicator is "when the percentage increase in GDP per capita is greater than the percentage increase in population" (Todaro, 1989).
2. Push and pull factors are discussed in Todaro (1976) and Harris and Todaro (1970).
3. For instance, the reduction in global demand for rubber has caused the sport-market price of Rubber Smoked Sheet (RSS) to drop from RM280 per kilogram in January 1974 to only RM0.97 in November 1974 (Stubbs, 1983, p.86).
4. Return-migration occurs in both the developing and developed countries alike. In the United States, 13% of the out-migration will return to their homes (DaVanzo, 1983) whereas the figure is 87.5% in Zambia (Ogura, 1991).
5. Conversation with NUPW Northern Region Secretary, Mr. Santahana Dass.

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