Path Dependent Development of Indian Plantation Labourers in Malaysia: Unfolding the Historical Events in Understanding their Socioeconomic Problems

Sivagami Arokiam, Sivachandralingam Sundara Raja

Abstract: Given the path-dependent nature of development, it is instructive that one tracks the historical pathways and the multiple moments in time to explain the past events that resulted in the present socioeconomic state of the Indian plantation workers in Malaysia. This study aims to unfold the historical events of the Indian plantation labourers from the colonial periods until the 1990s that were instrumental in understanding the Indian socioeconomic conditions. In doing so, the narrative was build based on different development stages and the governing environment in which the Indian plantation labourers were positioned. The narrative can capture the dynamics of historical events that lead to the socioeconomic problems of plantation workers. The evidence shows that the historically prolonged neglect has contributed to the challenging socioeconomic conditions of plantation workers, which were path-dependent. Indeed, the fate of plantation workers has not changed despite the takeover of plantation estates through state intervention. The rentier politics undermined the long-term socioeconomic progress of the Indian workers. Besides, the socioeconomic situation of the workers was further impacted by the closure of estates and the influx of foreign workers, which has consequently led to forced migration to cities. Historically, the institutional role (policies and other agents) was limited to uplifting the Indian plantation labourers. The socioeconomic challenges continued during the 1990s and 2000s and marginalised the ignored Indians, i.e., the plantation labourers. The persistent institutional failures left no room for changes which resulted in the socioeconomic inequality of plantation workers.

Keywords: Indian plantation workers; estate fragmentation; socioeconomic condition, wages, education.

JEL Classification: J00; I30; J50; J81; J68

Article Received: 5 January 2019; Article Accepted: 10 February 2019

1. Introduction

---

a Corresponding author. Department of History, Faculty of Arts and Social Sciences, University of Malaya, Kuala Lumpur, Malaysia. Email: sivagamivgr@gmail.com

b Department of History, Faculty of Arts and Social Sciences, University of Malaya, Kuala Lumpur, Malaysia. Email: siva@um.edu.my
The study investigates the socioeconomic problems of Indian plantation workers and the role of institutions during different developmental stages. The early developments are crucial as it sets and unveils the future development of the Indian plantation workers in Malaysia. Past developments led Indian plantation workers to deal with two scenarios. First, the unfavourable system in which they were positioned and later the influx of foreign labour in the estate, causing their wage bill to be impaired. Second, forced migration to cities leaving the estate with family members to find a job which created a new urban poor with more pronounced unfavourable socioeconomic consequences for the Indian plantation workers.

The British brought labour from South India to Malaya to meet the needs of labourers in the sugar cane before the rubber plantation) and rubber plantation sector in the late nineteenth and early twentieth centuries. Indian workers were brought to work as porters in the rubber plantations belonging to British businessmen (Jain, 1970). These were the primary fields of employment of Indian workers. In this era, plantation labourers were economically weak and had no freedom of expression and lived in poverty (Sinappah, 1970). After independence in 1957, the fragmentation of plantations had adverse effects on Indian workers (Tate, 2008). The lack of enforcement of labour obligation and plantation sector allowance from the government can be seen in the rural development plans, which affected Indian workers. This provision led to the management of the employees’ affairs under the jurisdiction of plantation management. It also meant that the Indian plantation labourers were excluded from participating in the overall development of the country (Ramachandran, 1994).

Plantation workers’ living conditions became increasingly miserable in the 1960s when the Malaysian government introduced a work permit policy that prevented them from continuing to work in rubber plantations as most plantation workers did not have citizenship. This situation came about following a bloody May 13, 1969 incident. This ethnic riot led to the implementation of the New Economic Policy (NEP), which has affected the socioeconomic conditions of Indian workers. As many as 60,000 plantation workers have returned to their homeland while those remaining in Malaya had an uncertain fate (Netto, 1961).

*It seems obvious... that the NEP was not successful in eradicating poverty in the plantation sector between 1970 and 1990. Because of this failure, the majority of plantation workers, many of whom were Indians, were left out of the mainstream of development* (Tate, 2008, p.147).
The fate of plantation workers has not changed economically after the 1980s. Local Malay entrepreneurs owned most of the plantations. This was due to a dawn raid led by Permodalan Nasional Berhad (PNB), a government agency set up to facilitate the NEP policy. Indian plantation workers who were expecting new changes in plantation management by local managers were disappointed with their attitude (Tate, 2008). After PNB took over the rubber estates, there was large-scale recruitment of workers from Indonesia, Thailand and the Philippines. This change had a profound impact on the socioeconomic situation of Indian plantation workers who have long been a significant contributor to the growth of the rubber plantation sector (Netto, 1961). In the early 1990s, plantation labourers had to compete with Indonesian and Bangladesh foreign workers for high wages. This forced the workers to leave the field to find employment opportunities in cities. These developments had various implications, including the creation of a new urban poor in the cities. This study frames the history in detail within this context.

2. The Framework

Studying the evolution of the Indian plantation labourer requires historical narratives where the Indian labourers should be treated as a case by itself as opposed to having a comparative study (Sivachandralingam and Raymond, 2018). Investigating the environmental context in which the Indians were placed explains the socioeconomic development of the Indians in Malaysia. The framework that unveils the development of the Indians at different stages in time, especially at the early stage, offers insights into their marginal position in Malaya in which the rentier political and capitalist agents have acted. As such, the narrative in this study takes a historical perspective on the conditions of the Indians as well as the environmental context in which they are governed. The framework also helps cast light on the actions engaged by plantation owners and the contention is illustrated through historical event analysis.

The study engages in historical reasoning as a starting point for the data and information analysis by describing, comparing and explaining the events. In doing so, it implies argumentation based on historical sources and events to the historical question of the study – the path-dependent socioeconomic problems of the Indian plantation workers and its implications.

3. The Origin and Context: The Arrival of Indian Labour to Malaya
Indians have been present in Malaya since the first century up to 15 AD. There was notable migration during the Malacca Malay Sultanate until the British colonial period.

There have been Indians and Indians influences in Malaya since the beginning of the Christian era. There is also evidence that India had contact with Malaya six or seven centuries before Christ. The Hindu Puranas mention about Malaya-dvipa (Netto, 1961, p.9).

Some 2000 years ago, the Indians travelled to Malaya for trading purposes, especially in gold, spices and aromatic wood. Meanwhile, Indian-made goods were in high demand in the Malayan market. India and Malaya also played a role as an important entrepot centre in trading goods from the east and west. In this case, Indian merchants acted as the middlemen in facilitating goods trade from the west to the market in the east. This led to direct trade ties between India and Malaya.

From Malaya Indian traders secured the much-desired gold, spices, other exotic local produce, and later, tin. This was a two-way trade, participated in by Indian merchants sailing to Malaysian Ports (Sinappah, 1970, p. 2).

The Indian migration was massive about 200 years ago due to the development of the Industrial Revolution, which has opened space for Western Imperialism and thus led to the transformation of the world economy. Unskilled and inexpensive labour requirements have resulted in massive Indian labour migration to Malaya. In this regard, British imperialists played an important role in importing Indian labourers worldwide.

In addition to the British, the French and Dutch also used labour from India. Accordingly, some 28 million Indians migrated to all parts of the world from 1846 to 1932. Of these, about 1.5 million Indians migrated to the Malay Peninsula, and most of them later became Malaysian citizens (Sinappah, 1970). The initial wave of massive Indian labour migration into Malaya was in the early colonial British era of the 19th century. At this stage, Indian labourers were brought in by European plantation operators to work in sugar cane estates and then in coffee plantations, gambir and black pepper (Jain, 2009). Most of these labourers were recruited from South India and brought to the Straits Settlements, especially to Seberang Perai and Malacca.
Apart from being a plantation worker, Indian labourers were also recruited in the infrastructure construction sector such as the construction of railways, roads, ports and buildings (Parmer, 1960). In addition to labour, there is private immigration among Indians, the majority of which are upper-class and English educated. These Indians served as doctors, lawyers, teachers, administrators, clerks and technicians in Malaya (Tate, 2008). In terms of placement, most Indians lived in rural areas around the rubber plantations otherwise known as the estate, and a small number lived around the city doing business on a small scale (Jain, 2009).

3.1 Migration Systems

The migration of Indian labour to Malaya took place since the formation of the Straits Settlements under the British East India Company (SHTI). In the early stages, the British brought in prisoners from India for the construction of roads, railways, bridges, canals and piers. This situation changed in the 20th century when the British colonial government began to engage in the plantation sector. Indian workers were brought *en masse* to Malaya through three types of immigration systems known that assisted immigrant labour system, the contract system and the Kangani system to meet the needs of the British in the plantation sector (Ramachandran, 1994). Among them, the contract system and the Kangani system shaped the lives of the Indian labourers.

The contract system is the earliest system introduced by the British to recruit workers from South India. Through this system, Indian labourers are hired in coffee and sugarcane fields for a short period of three years (Anbalakan, 2008). In the recruiting process, agents assigned to recruit labour are usually made up of those appointed by their employer or private agent from India (Jain, 2009). In this case, recruiting agents use various tricks to deceive Indians into labour by giving a beautiful portrait of Malaya, promising lucrative salaries and light workloads (Anbalakan, 2008). Labourers are usually attracted by the wonderful words of the agent as they are determined to free themselves from the misery and poverty in their home country. Migration to Malaya was an opportunity for Indian labourer to start a new and more comfortable life (Jain, 2009). However, this system did not fulfil the promise, and evidence shows that the system failed to guarantee a good life for the workers.

Labourers brought to Malaya needed to go through a variety of rather burdensome processes. Firstly, they had to undergo a series of health checks to ensure they remain healthy in continuing sea travel and when working in Malaya. Many labourers brought in from South India, especially from hunger-stricken areas, could not live long in Malaya due to the inadequate inspection system carried out by health officials in India (Belle, 2015).
Secondly, these workers were required to sign an agreement with the employer upon their arrival in Malaya. By this, they were bound to the employer until the contract ends. Most labourers were illiterate and did not understand the terms contained in the agreement they sign. Third, exploitation of labour is more likely to occur in this system, and they are forced to work for two years only to repay their travel money borne by the employer or the agent.

The Kangani system is another system used to recruit workers from India through an agent called a Kangani. The system was introduced around the 1860s but failed to become the preferred system as the contracting system was more active during the rapid development of coffee plantations around the 1880s to 1890s. After the abolition of the contract system, the Kangani system began to be used widely around 1910 to 1938 (Jain, 2009). However, the abolition of the contract system has been a concern of the British High Commissioner because of opposition from plantation operators. Plantation operators were forced to rely on Chinese labourers who demand high wages following the abolition of a contracting system that brought in cheap Indian labourers. They were also concerned about the stability of the rubber industry in Malaya. Nevertheless, in reality, the elimination of the contract system did not have a serious impact on plantation operators, as most of them no longer hired contract labour (Parmer, 1941).

The fall in coffee prices in the early 20th century opened up new opportunities for the growth of a new plantation sector. Coffee plantation owners began to shift their efforts towards the rapidly growing rubber plantation industry around 1909 to 1910. The elimination of the contracting system and the need for labour led to the widespread use of the Kangani system. In 1907, labour recruitment methods through this system were managed by plantation operators. The British government was not directly involved in the recruitment of labourers. To facilitate the process, plantation operators appointed one of the experienced porters as Kangani to bring surplus labour from India with all travel covered by the employers. However, upon arriving in Malaya, the labourers simply became debtors to Kangani and plantation owners. This led to the oppression of labourers in the plantation sectors. For example, labourers were permitted to leave only after all their debts had been repaid successfully.

In addition, exploitation in the supply of food and daily necessities through the ‘Truck System’ (Parmer, 1941) and low wages led them into poverty (Jain, 2009). This situation has led Indian workers to live in misery (Belle, 2015). At large, the Kangani system has benefited the plantation owners in that the cost of recruiting labour became cheaper than the contracting system, which required professional management costs. In addition, the task of recruiting these labourers is easily handled by the so-
called Kangani within the labour community. Therefore, it is undeniable that the Kangani system played an important role in the recruitment of workers.

Although this system has weaknesses in terms of labour mobility such as seeking employment elsewhere, the system did promote a better relationship between employers and labourers. This was due to the important role of Kangani in handling and managing labour relations in the rubber estate (Ramachandran, 1994). As a result, labourers become too dependent on Kangani to resolve all matters, including their personal affairs. As a consequence, Kangani began to misuse their power when managing the workers. This situation led to workplace abuse and the formation of ‘master and servant’ relationships. The Kangani system was implemented until the mid-1930s and regarded as a profitable system. Nevertheless, the system was opposed and criticised by Indian nationalists and the Central Indian Association of Malaya (CIAM). The critics are primarily with labour recruitment methods and accusation on bribery practices in recruiting Indian labour. The falsification of the village chief’s signature to allow these labourers to migrate, for example, and false promises such as a good life, a lucrative salary and a better and more comfortable environment in Malaya. This Kangani system was abolished in 1938 (Ramachandran, 1994).

4. Socioeconomic Problems of the Indian Plantation Labourer at Different Developmental Stages

4.1 Socio-Economics of Indian Workers from 1900 - 1942

Indian plantation labourers were the backbone of the development of the rubber plantations in Malaya. However, the socioeconomic situation of the labourers was often neglected by the employer. For plantation labourers, the necessities are very important as they settle in estates located far from urban areas. While plantation owners are aware of their responsibilities in providing basic facilities for labourers, past studies prove that the basic facilities provided in most plantations are unsatisfactory and the operators ignore their misery. This situation arose because of the large majority of plantation owners ignore their responsibilities as well as the lack of government interest in ensuring the welfare of plantation labourers (Ramachandran, 1994). The problems of the plantation labourer took place not only in the colonial period but continued until after independence.

The exclusion of plantations in the developmental process and projects implemented by the government had negative consequences. For example, laws enacted to ensure the affairs of rubber plant labourers such as Rump Labour Code 1933 (Ramachandran, 1994) and the Workers Act 1966 could not be enforced due to a large plantation business protest (Ramachandran,
The next section elucidates the socioeconomic problems experienced by plantation labourers from 1900-1942.

4.1.1 Wages

The British chose to recruit South Indian labourers as they are a well-controlled labour force and can work for a very low wage compared to Chinese labour. Payment of wages to these labourers is under the management of the Indian Immigration Committee. In 1884, contract labour was paid 12 cents (Malaysian currency) a day, and their wages were usually deducted as a punishment if they were found guilty of even a minor act based on the Straits Settlement Ordinance (Belle, 2015). Based on the contractual system, labourers who signed a promise of an appointment with the employer are assured that they are paid a reasonable wage and the provision of necessary shelter and health facilities, but the fact remains that this system benefits only the owners while the labourers’ welfare was neglected (Ramasamy, 1999). As Belle (2015) puts it:

\textit{Indenture workers faced criminal (rather than civil) liability for even minor breaches of contracts - for such ‘crimes’ as deception, negligence, carelessness, or even impertinence. Failure to discharge a full day labour (often expressed in terms of completion of series of set tasks rather than hours to be worked, could result in loss of pay or extension of the period of indenture)} (Belle, 2015, p. 86).

Although this contract system was abolished in 1910, the standard system in payment of wages for plantation labourers was not introduced at that time. After the 1910s, rubber planters used various tactics to attract Indian labour to work on their plantations in the hope of rising rubber prices after the First World War. In contrast, rubber prices fell dramatically, resulting in many Indian plantation labourers losing their jobs. This situation led to the introduction of the Immigration Act 1922 by the British government in India, and the British government in Malaya accepted this act despite opposition from the United Planters Association of Malaya (UPAM). The Labour Code of 1923 empowers the Indian Immigration Committee (IIC) to fix a standard wage rate for plantation labourers (Ramasamy, 1999).

The British government in India also emphasised that Indian labourers have to be paid a reasonable wage not only for a better life but also for health and future savings (Belle, 2015). In 1924, the IIC presented two different types of wage rates by location. The first type is for locations that are better and that had a healthy environment and a low level of spending, while the
second one is for the inland areas that are hard to reach and have an unhealthy environment (Raman, 2011).

For the first location, the set rate of one day is 35 cents for men and 27 cents for women. After a year, this rate increased to 40 cents for men and 30 cents for women, and in 1927 this rate continued to increase to 50 cents for men and 40 cents for women. Aside from wages, the Labour Code 1923 introduced some changes in terms of service involving Indian plantation labourers. Among them is the repatriation of Indian labour to their homeland after completion of the contract, abolition of penalties and fines imposed for minor offences and prohibition on child labour intake. The Code also emphasised the establishment of schools, payments for maternity workers and assignments for 24 working days a month (Parmer, 1941). Before this change was fully implemented and extended to other areas, the economic downturn had taken place, followed by a drastic drop in rubber prices. As a result, plantation owners reduced the wage payments for Indian plantation labourers. The British administration in Malaya, after investigating, decided to reduce the rate of wages in good locations (Kaur, 2006).

In 1920-1922, rubber prices had fallen dramatically after the First World War and again from 1930-1934 as a result of the global economic downturn (Belle, 2015). The price of rubber was declining until 1938 as a result of a recession. Thus, the rubber industry faced double price drops. Following the recession, plantation owners had to take steps to reduce the production of rubber and reduce labour wages. For example, the Indian estate labourers’ salary is estimated to be about 40 cents in 1930. This figure dropped to 25-30 cents in 1931 and then to 20-25 cents in 1932. The recession also caused many Indian plantation labourers to lose jobs. The IIC took action by returning these workers to India as a step to overcome the problem of falling rubber prices as well as reducing payroll payments (Kaur, 2006).

After the problems of the economic downturn subsided in 1934, the British government in India had allowed labour recruitment on a limited scale to fill vacant work space. Wage rates also increased in 1937 (Raman, 2011). However, this situation did not last long because in 1938, rubber prices once again declined and led to a reduction in wage payments to Indian plantation labourers. As a solution to this problem, the United Planting Association of Malaya (UPAM) suggested that the labour wages be reduced by 5 cents a day on March 29. However, these proposals were protested by Indian nationalists and the Central Association of Malaya (CIAM) organisations as they urged the Indian government to stop the migration to Malaya as labourers through the Kangani system (Parmer, 1941).

On June 15, 1938, the Indian government abolished the handling system altogether. The abolition of the Kangani system was objected to by the British government in Malaya and the United Planting Association of Malaya (UPAM), especially after the Second World War in 1939 as demand
for rubber, was increasing. Continued negotiations were held between the British and UPAM governments, but the negotiations did not bring any results after which the Japanese occupation took place in 1941 (Parmer, 1941). Thus, it is clear that a series of events have deprived Indian labourers their decent wages in the early 20th century. The wages in no way matched the contribution and hard work of these labourers for the development of the rubber industry. Rather, they were subjected to frequent wage cuts leaving them defenceless.

4.1.2 Living Conditions

The majority of Indians who migrated to Malaya were unskilled labourers. In the early stages, labour was recruited in sugar cane and coffee plantations then absorbed into rubber plantations. In terms of placement, Indian plantation labourers were stationed in rubber estates isolated from other races from the beginning (David, 2012). Thus, Indian plantation labourers lived in an unfavourable environment with no basic facilities under the administration of the plantation operators (Ramasamy, 1999). From the beginning, Indian plantation labourers who were brought into Malaya were usually in an unhealthy condition after arriving at their destination. There are also workers who are victims of an epidemic in their travels. For those who survived the journey, poverty and infectious diseases were fatal. For example, the highest mortality rate ever recorded was during the period the contract system was practised (Sinappah, 1993). In addition, Indian plantation labourers are usually placed in rubber fields and the type of home supplied for labour is called as lines. Lines are a long and palm-leaf type of housing. Each house is divided by a high divider up to the roof. Each section of the house is divided into several small rooms, and each room is reserved for one family (Sinappah, 1993). The entire structure of lines is constructed using wood and under each room (home) there is room for cooking and storing items. Construction of such housing systems usually leads to family problems and unhealthy environmental conditions leading to the rapid spread of disease outbreaks. The situation led the government to urge the plantation operators to improve the living conditions of the rubber plantation workers as it was considered inhumane.

Beginning in the 1920s, laws were enforced to improve the living conditions of Indian plantation labourers. In 1924, a commission was established to monitor the environmental situation in the rubber estate (Kaur, 2006). The commission exposed the actual situation in relation to health, poor environment, and serious medical needs. As a result of this monitoring, the proposals submitted by the commission led to the introduction of The Health Board Enactment 1926. This proposed enactment enforces the need of the plantation operators to improve the situation in their rubber fields
urgently. Plantation owners opposed the proposed law due to cost implications and left the workers’ living conditions as is (Sinappah, 1993).

### 4.1.3 Education

Children’s education of the Indian plantation labourers was never a concern of the plantation owners. Plantation owners, from the beginning, opposed the government’s direction to establish schools. This is due to the fact that the cost of building schools should be borne by the employer with the use of estate funds. However, with the formulation of the Labour Code 1923, plantation owners were unable to refrain from establishing schools on the plantation (Sinappah, 1993). The law requires employers to build schools on their plantation if there are ten or more children at school age. However, evidence showed that often owners fail to comply with such a requirement to save costs. They were unwilling to bear the maintenance and management expenses of the schools. He owners argued that Tamil school education is the responsibility of the state government (Sandhu, 1993). For the established schools, there was no basic facilities and a standard education system before the Second World War. At this juncture, there were only a handful of qualified teachers, and a majority of school teachers are unskilled with clerks and part-time teachers who have no teaching experience managing the schools (Sandhu, 1993).

Schools were usually established in the form of huts or sheds and did not have separate class distribution by age. Children of all ages were included in one class, and only one teacher was available for all grades and subjects. The languages used in these schools include their native languages such as Tamil, Telugu and Malayalam. However, the attendance of children to school is not mandatory as most plantations still offer employment for children aged between 10 and 12 years. This situation encouraged parents to send their children to work so that daily expenses can be accommodated. In addition, many children left school after attending school for only several years (Sandhu, 1993).

Around the 1930s, there was a change in the education system as schools started receiving trained teachers (Sinappah, 1993). The state government initiated an initiative in the effort to control the organisational and administrative system in Tamil schools. In 1932, the government introduced a system known as ‘grant-in-aid’ (Tate, 2008). Through this system, the government provides grants to vernacular schools based on the number of students, attendance and student achievement in the examination. In addition, employers supported these schools by donating funds from todi sales revenue. Subsequently, students were given free textbooks and uniforms to encourage them to attend school. In addition, the British government started a scheme to train Tamil school teachers. In the city,
Christian missionaries, Hindu organisations and individuals also took the initiative to develop Tamil education (Sinappah, 1993). Before the Second World War, Tamil education in Malaya flourished only at the primary level. Most students stopped learning at level three, although schooling is for six years. The teaching and learning system operated in Tamil also made it difficult for them to continue their education in other education systems. This resulted in lack of potential, skills and talent to attain higher academic qualification (Sinappah, 1993).

Overall, the attitude of the British government and plantation owners limited the educational development among Indian plantation labourers. This is coupled with the underdeveloped school condition in terms of basic facilities, untrained teachers, lack of teaching equipment and a loose attendance system that resulted in these schools being unable to function properly (Belle, 2015). These socioeconomic problems faced by Indian labourers in the early 20th century limited the intergenerational mobility limiting any changes in the social structure of the Indian plantation labourers.

4.1.4 Todi Problem

Todi addiction is a major social problem among Indian plantation labourers. Relative to others such as gambling, todi poses the greatest ramification to the plantation workers in that it resulted in other socioeconomic conditions.

_Todi is the main cause of the collapse of the image of Indian plantation labourers in Malaya. Labourers are employed only for the benefit of British employers and for the economic gains of the rubber estates. The ban on samsu by the government caused plantation labourers to be addicted to todi. This situation lead the distributors and sellers to monopolise the sale of todi in the plantations (Belle, 2015). This weakness of the Indian labour was exploited by the sellers by setting up shops in almost all plantations. Often, its sale brought huge profits to the estate management. Consequently, the ease of getting todi encouraged them to stay in the rubber estate (Krishnan, 2014). Even though the British government made regulations that todi cannot be sold on credit, the practice was still rampant. This method of sales led to an increasing number of drinkers and debtors among Indians working at that time (Krishnan, 2014). In addition, todi is used as a method by plantation_
owners to maintain labour under their control. The lucrative profit gained through taxation led plantation management to not show an interest in overcoming the labourers’ socioeconomic problems due to _todi_. In 1935, the estimated British royalty revenue as a result of tax collection earned from _todi_ sales was about two million dollars a year (Varatharasu, 1990).

_Todi_ addiction contributed to the inability of Indian workers working without drinking. It also brought in other multiple social problems such as health, financial and poverty issues (Belle, 2015). In terms of health, excessive intake of _todi_ led to health problems among Indian labourers. This is because, _todi_ is prepared via a mix of various substances such as lime, marijuana, datura, alcohol, samsu, flour and water that increase its addiction. Additionally, the preparation of _todi_ in poor condition leads to health problems such as diarrhoea, poisoning and death to drinkers. The absence of health facilities until the 1940s also became the cause of increased mortality among plantation labourers (Krishnan, 2014). Other social problems occurred among Indian plantation labourers due to loss of self-control. There are reported cases of health problems, deaths and household collapse (Krishnan, 2014). It is undeniable that the plantation management and the British government did not put much emphasis on the negative consequences of _todi_ despite it affecting their overall well-being.

Addiction also led to financial difficulties. With low daily wages and income spent on _todi_, the workers faced financial constraints with supporting their families. The situation worsened when workers were unable to work due to the addition, which does not promise any daily wage-earning. A typical family spends about 50% to 75% of their wages to purchase food, and this is significantly affected because of the _todi_ addition and limited daily wage capability due to addition. This led to the worsening poverty problem throughout the colonial era (Krishnan, 2014). The narrowing capacity to earn forced them to borrow money from their employers and become indebted to the _todi_ shop. Debt problems also pose another dilemma; that is, the workers became a lifetime employee to employers. In other words, they needed to work a lifetime limiting any labour mobility. This situation led to the unstable economic position of the labourers, which affected the quality of their lives. Their daily lives in the plantations became increasingly difficult even to meet basic needs. It does not only affect the labourer per se but their entire family in getting necessities like food, clothing and other daily necessities (Krishnan, 2014).

4.2 Socioeconomic of the Labourers in 1942 - 1957

The Second World War brought in a new administrative system under the rule of the Japanese occupation. This affected the socioeconomic status of the entire population. Despite reports claiming that the Indian labour
situation is considered to be satisfactory in comparison to the Chinese, it is undeniable that they also faced difficulties during the Japanese occupation. The plantation workers were caught out of surprise. Due to the communication weaknesses, they were unaware of the outburst of the Second World War. The plantation managers who were aware of the consequences of the Second World War fled to Europe, leaving labour under the care of Asian staff. In the view of labour, they were under the patronage of plantation owners for so long and regarded the owners as their protectors. While labourers have facilities such as food, health and education, there were not very satisfactory yet these workers felt very safe under the patronage of the plantation owners. When the war broke out, the ‘protector’ escaped, and plantation labourers have to face the challenges themselves (Ramasamy, 1999). Also, top Indian officials in the plantation began to subdue these labourers to please the Japanese (Anbalakan, 2008).

The situation became increasingly tense for Indian plantation labourers especially in getting food and wages during the Japanese occupation of Malaya. The introduction of the Japanese currency, inflation and lack of essential goods led to rising prices. The problem was complicated further by the ineffective distribution of goods and the extent of corruption (Ramasamy, 1999). As a result, plantation labourers were forced to sell all their belongings, including clothing for food. Many of the plantation workers were also forced to leave their homes for work elsewhere. There were also families who had to move to a coal mine area in their Japanese-built environment. As a source of income, the labourers produce bullets for Japan (Jain, 1970). The presence of the Japanese in Malaya also crippled rubber production. Unemployment was widespread in the rubber plantation causing many Indian plantation labourers to live in poverty.

The Japanese army had no experience and skills in importing and distributing food to the people of Malaya. By the end of 1942, grain prices increased by about 12 to 15 times over the early 1940s. Thus, the Japanese occupation of Malaya is regarded as an era where people lacked food, medical supplies and health services as well as hygiene (Jain, 1970). Many of India’s plantation labourers had bad experiences and were constantly struggling to continue to live daily. They had problems with money and lack of daily necessities. These labourers were forced to sustain by doing their gardening and sell jewellery to get daily necessities. Almost all Indian plantation workers owned crops such as cassava as a staple food replacing rice. In addition to starvation, malnutrition also resulted in increased cases of death, especially among children (Bella, 2015).

In 1942, Japanese authorities instructed the construction of a railroad known as the ‘deadly train road’ covering 445km through the mountains, thick forest and swampy areas. Japan had to build this railroad because the air force and the Japanese sea were getting weaker due to the attacks of the
allies. Therefore, they relied on ground transportation that can shorten the distance and facilitate the transfer of the troops and supplies needed to help the Japanese army in Burma (Bella, 2015).

Indian workers were attracted and trapped through advertisements that serve as a bait to attract their interest in the construction. They were given false promises that by being a railroad construction worker, they had a good chance of returning to India (Bella, 2015). Although the duration of the railroad construction should take five to six years, the Japanese authorities instructed the completion within 18 months. Some 120,000 Indian workers from Malaya were forced to work in the construction of this railroad. Many Indians were used to build railroads from Burma to Siam known as the ‘Deadly train road’ under Japanese rule. The British report in early 1945 shows that about 80% of Tamil workers were used by Japan to build railroad tracks. Those who are still alive are unhealthy and sick (Dali, 2012). Indian plantation labourers brought to Siam had gone through a very traumatic state. As Jain (1970) claims:

We were put in tents and sent out to work from early morning until 8 p.m. our job was to clear the jungle and lay down the railway line. We carried large logs of wood on elephant back. If a man refused to work, he was asked to climb a coconut tree on the riverbank, and the tree would be cut. At the end of eight months, out of a total of 2000 workers, only 800 survived. Out of about 100 persons from Pal Melayu working with me, only three returned. Many died due to brackish water and pneumonia fever (Jain, 1970, p.305).

Records show that around 75,000 Indian workers were recruited in construction sectors between 1942 and 1943 (Netto, 1961). Others estimate that the total recruitment for all the construction projects to stand at 250,000 Indian workers (Bella 2015, 206). It was reported that nearly 45,000 labourers died and their families were abandoned. Japanese cruelty caused Indian plantation labourers to give support to those who could help them out of misery, such as the Malayan People Anti-Japanese Army (MPAJA). Also, they joined the Indian National Army (INA) established by India’s Subash Chandra Bose (Ramasamy, 1999). The involvement of these workers in INA led to changes in their thinking and attitude. After the Second World War, they began to defend and champion their rights (Anbalakan. 2008). The Japanese occupation shows that the living conditions of Indian plantation labourers had changed little as both the British and Japanese used the socioeconomic problems of the Indian workers to their benefit.
Upon the return of the British, the unstable state of communist terrorism in Malaya led the British to set up a temporary government of the British Army Administration on June 15, 1945. Indian plantation labourers were hopeful that their socioeconomic situation would gradually recover after the British return. Nevertheless, they were disappointed as the British did not take any action to improve their living standards (Ramasamy, 1999). On the contrary, the British gave priority to the recovery of the economy as spending, and the loss of war led the British to near bankruptcy. This situation urged the British to restore the rubber industry in Malaya as soon as possible (Anbalakan, 2008). The British managed to recover the economy and start gaining profit through the rubber industry, but this has not in any way change the living standard of workers or raise their wages (Ramasamy, 1999).

4.3 Socioeconomic Conditions After Independence from 1957-1969

After independence, Indian plantation labourers continued to contribute substantially to economic development through the rubber plantation sector. However, the fate of these labourers remained unchanged after independence despite the attempts of the Malaysian Indian Congress (MIC) and the National Union of Plantation Workers (NUPW) in restoring the condition of Indian plantation labourers.

Indian plantation labourers face problems from the 1950s through to the 1960s due to the plantation fragmentation exercise. This fragmentation caused labour to be left unattended by any party. Fragmentation occurred when large rubber plantations belonging to Western operators were split into parts from four to five acres and sold to local buyers. Many foreign plantation owners benefited from the fragmentation (Tate, 2008). For plantation labourers, many of them began to lose their jobs due to the fragmentation. Until 1960, nearly 300 plantations covering 230,000 acres of land were fragmented and sold to locals. This fragmentation adversely affected the socioeconomic status of Indian plantation labourers (Ramasamy, 1999).

Although the government stated that this action is for the development of the country’s economy, it harmed the Indian plantation labourers. Fragmentation of plantations created smallholders and local investors who neglected these labourers. This situation had a serious impact on them where employment and salaries for labourers working in small estate units became irregular, and they were forced to work in unsatisfactory working environments. Until 1969, there was no effort from the government to solve the problem that arose from the fragmentation of the estate (Belle, 2015). At the time of the fragmentation of the rubber plantation, some 80% of Indian workers depended on rubber plantations. However, the Malaysian government did not adopt an interventionist policy to address the problem.
(Raman, 2011). Thus, fragmentation had a profound effect on Indian plantation labourers. Additionally, facilities such as hospitals, schools, childcare centres began to be neglected and left unattended (Tate, 2008).

Apart from fragmentation problems, Indian plantation labourers also faced the problem of obtaining a permit to continue working in the plantation. Work permits introduced prior to the implementation of the New Economic Policy (NEP) are a major obstacle to plantation labourers. In 1970, 60,000 plantation labourers were sent back to India. Although many plantation labourers are eligible to apply for citizenship, most of them fail to apply. It is estimated that about a fifth of Indians eligible to become citizens do not apply and subsequently lose their jobs (Tate, 2008). In dealing with issues related to work permits, parties like MIC and NUPW failed to play their part. They failed to provide exposure and assistance to Indian labourers on the significance of petition for citizenship. Both sides also failed to influence and prevent the government in the issue of repatriation of Indian labour. Issues of working permit crises and fragmentation have caused many Indian plantation labourers to leave their homes. Most plantation labourers who have no direction eventually settled as squatters in the suburbs (Tate, 2008).

4.4 Indian Labourers from 1969-1979

In 1969, Malaysians faced a shocking event that was May 13, 1969. This incident occurred as a result of a misunderstanding between two political parties, the United Malays National Organisation (UMNO) and The Democratic Action Party (DAP). The problem arose from the defeat of UMNO in several major cities and the attitude shown by DAP supporters in celebrating their victory in an unpleasant way. This situation further led to the occurrence of a bloody tragedy that had affected the economic, political and social well-being of Malaysians. This tragedy is a black event in the history of the country because it involved the loss of lives and public property (Muzaffar, 1993). Following the tragedy, the New Economic Policy (NEP) was planned and implemented by the Malaysian government.

The New Economic Policy (NEP) was enacted in June 1971 and implemented without considering the views of other political parties such as the Malaysian Chinese Association (MCA) and the Malaysian Indian Congress (MIC) (Anbalakan, 2008). Although the implementation of the NEP is said to balance the racial economy in Malaysia, the implementation is aimed at raising the level of the indigenous society, the Bumiputera. Indian estate workers’ welfare was ignored on the grounds that rubber plantations are classified as private rights and lie outside the design of development programmes. Indian plantation labourers became worse than before independence.
This situation shows that the implementation of the NEP has failed to eradicate poverty in the plantations sector from 1970-1990. This is because the majority of plantation labourers were distanced from government development programmes (Bella, 2015). Also, at the time, approximately 46.5% of Indian plantation workers were still working in rubber estates around the 1970s. Consequently, the situation changed around 1970 to 1975 when the number of labourers began to decline from 148,000 to 127,000. The shift from rubber to oil palm, which does not require the labour force as well as the use of labour force on a contract basis contributed to the decline (Sivachandralingam, 2012).

Other drafted plans, for example, the Malaysia Plan ignored the plantation sectors. In the First and the Second Malaysia Plan, do not have any clear direction on addressing the issues related to Indian plantation labourers. Only in the Third Malaysia Plan (MP3), there were some minor attempts to solve problems faced by Indian labourers. Through MP3, the government pledged to work on resolving poverty problems faced by plantation labourers by creating new settlements. The government also promised to help the Indian youth by providing work-related training. Also, the government guaranteed improvements in the standard of living and basic amenities for Indian workers in the plantations. However, the fate of labourers remained unchanged even though plans were made to assist them under the plan (Raman, 2011).

In the late 1970s, approximately 47% of Indians in Malaysia were involved in the agricultural sector. The Indians are the largest group of people working on rubber fields. Nearly three-quarters of them are in the rubber estate. However, rapid productivity growth has led to a decline in employment in the plantation sector. This resulted in the employment of Indians experiencing a significant reduction in the plantation sector compared to other sectors. From 1963 to 1973, it was estimated that as many as 34,000 Indian workers in the rubber plantation had lost their jobs (MIC, 1974). Reductions of Indian plantation workers also occur when old workers are replaced with workers from other races as well as foreign workers. Additionally, they also lost their jobs when these rubber estates began to make room to urbanisation process (MIC, 1974). Statistics show that if the foreign recruits continue, Indian workers’ representation in 1990 will only be around 36% (MIC, 1974). The loss of plantation sectors plus the foreign worker recruitment, specifically in the rubber plantation, and the process of urbanisation constituted a new set of problems for the Indian plantation workers.

The unpleasant plantation conditions, as well as the isolation of plantations from the urban areas, posed great challenges. In most plantations, the housing conditions and facilities provided are not very satisfactory. Environmental conditions in plantations also affect the health of the children
who were born and grow up there. These plantations were found to be isolated, and there were no facilities such as schools, medical services, and electricity and water supply facilities as set in the national standard (MIC, 1974). The absence of educational facilities was a major problem that hindered the socioeconomic progress of Indian plantation labourers. Most Indian students in Malaysia are studying in Tamil schools, and about 85% of these schools are located in rubber estates. Schools located in rural areas are small and lack basic amenities. Their instructors are unqualified, untrained and have low moral obligations. Such a situation exacerbates the condition of Indian students suffering from low-income family backgrounds, poor environment and lack of motivation. This is not surprising when the *Drop-out Report* showed Indian students reaching the highest rates of dropouts at each school level.

According to the *Drop-out Report*, it is estimated that about 22% of Indian students drop out before they can finish their primary education. In addition, one-third of the students who successfully continue their secondary education drop-out at the lower secondary level. With this, at the end of the ninth year in schooling, 60% of Indian students had dropped out. Government guarantees for implementing nine-year schooling per child in the country were not achievable in the case of Indian plantations (MIC, 1974).

When these students continued high school, the group most thought to be performing badly is students from Tamil schools. Therefore, a special transition class was formed, and they were forced to take the transition class before transiting to high school. Nevertheless, these students often do not pass the transition class and drop out. The students are often neglected by the teachers who have no motivation to advance the students’ academic achievements. This situation leads to less satisfying achievements in subjects such as Mathematics and Malay. Teachers were not motivated to teach compulsory subjects like English, History and Geography, causing most Indian students to stop their education shortly after the transition class (MIC, 1974).

In 1974, the MIC for the first time conducted a study of the problems faced by Indians and organised an economic seminar themed “NEP and the Malaysian Indian”. Through this seminar, a working paper known as *The Blue Print* was produced for submission to the Malaysian government. The blue print is a testimony in which MIC has stated the problems facing the Indians in Malaysia in detail. Issues related to job opportunities, land ownership and educational needs for Indians were emphasised. However, some argued that *The Blue Print* is less than clear and the plan also failed to convince the Prime Minister at that time, Tun Abdul Razak. He considered that the problems faced by the Indians are not a problem to consider (Belle, 2015).
Nevertheless, the proposal was included in the Third Malaysia Plan in 1976-1980. This plan identified Indian plantation labourers as a target group and devised several action plans to help them out of poverty. Some of the issues raised in this plan include the relocation programme through a new government land scheme to the unemployed and poor families. Second, the provision of vocational training for poor Indian teenagers in the hope that they can accommodate employment needs in the agricultural and industrial sectors. However, follow-up measures to improve the standard of living of the Indian community failed to be carried out, and they were still marginalised from benefiting via the development process undertaken by the Malaysian government. From 1970 to 1975, their living standards have worsened. This is because the salaries paid to these labourers are still low despite an increase in rubber prices. In addition to Malays and Chinese, 39% of Indian families were below the poverty line (Ramanchandran, 1994).

In 1980, the MIC organised another economic seminar with the hope that the proposal will be incorporated into the Fourth Malaysia Plan (MP4) implemented during 1981-1985. During the seminar, MIC concluded that, in general, the implementation of the NEP did not bring any economic progress among the Indian community. Through the second seminar, MIC once again submitted several proposals regarding employment, health, medical, sanitary control requirements in urban and rural areas. However, MIC had failed to convince the government, and this reflects the weak positioning of MIC in obtaining government support for Indians (Ramachandran, 1994).

MIC also failed to highlight the problems faced by the Indian plantation workers but instead highlighted the issues faced by the Indian population in general. Instead, MIC has only submitted about the provision of housing facilities, government allocations for Tamil schools in general and provides no adequate details of issues facing the Indian plantation workers except highlight on the provision of better educational facilities for schools located in the plantation area. As a result, during the MP4, socioeconomic progress of Indian plantation labourers were extremely low and the incidence of poverty continues to rise after its implementation (Ramachandran, 1994). As a whole, it is known that the government has given more priority to improving the socioeconomic status of indigenous peoples through the implementation of the NEP. Although the NEP was successfully implemented, the programme was unable to solve the socioeconomic problems of the Indians especially those living in plantation areas.

4.5 ‘London Dawn Raid’ And Its Impact on Indian Labourers in the 1980s

The ‘dawn raid’ event is a historic event not only for the city of London but had shaken the world (Sivachandralingam, 2012). This incident took place on 7 September 1981 at dawn and was regarded as the greatest success in the
history of the Malaysian economy. The dawn raid event was designed and implemented under the leadership of Dr. Mahathir Mohamad, then the Prime Minister. The implementation was due to the grief of the Malaysian government against Guthrie’s plantation company, which dominated most of the rubber stock ownership in Malaysia at that time. The Malaysian government carefully planned the purchase of stocks. Although the implementation was considered a success of the government, the action of ‘Dawn Raid’ did not bring any change among Indian plantation labourers to raise their standard of living (Sivachandralingam, 2012). In fact, after the advent of the dawn raid in 1981, plantation worker conditions worsened. Indian plantation workers expecting change were disappointed with the local management’s attitude after its takeover by local managers (Tate, 2008).

Significant changes occurred to the ownership of rubber estates after the dawn raid. There was a transfer of ownership of most rubber estates to local owners in that rubber plantations are locally owned and controlled by the Board of Directors comprising locals. Although there are plantation managers comprising Chinese and Indians at an early stage, these plantations are fully controlled by the Malays. The major changes in property transfer and plantation management have increased the expectations of rubber plantation workers to improve their standard of living. Additionally, these changes increased the labourers’ expectations of new management to change their livelihoods. Nevertheless, they were disappointed. Based on the Management and Technical Policy information, there was not much change in rubber plantation operations as well as plantation workers in the mid-1980s given that the motives of the new management motives are no different from the old management. The management maintains loyal workers and those who do not voice their rights to the management (Tate, 2008). These workers remain in poor conditions and are in short supply, including for basic needs such as health and educational facilities. From the viewpoint of the plantation workers, the new management’s attitude towards the workers was frustrating. A review in the late 1980s found that Indian workers felt that foreign management were more humane than local managers in managing their welfare (Tate, 2008).

Evidence shows that the actual income of rubber tappers decreased from RM 3.40 per day to RM3.14 in 1960 and 1981. Meanwhile, productivity has increased by 128% over the same period (1960-1981). Respectively, the rubber tappers earned less by 19% in 1972 and less by 7% in 1981 when compared to 1960 (Marimuthu, 1993). According to the mid-term review of the Fourth Malaysia Plan, poverty rates for plantation workers increased from 35% in 1980 to 55% in 1983. Also, Indian workers faced new problems when PNB took over the rubber plantations. They brought in large-scale workers from Indonesia, Thailand and the Philippines. The inflow of foreign workers has affected the economic and social workers of India’s plantations,
which have long been a major contributor to the growth of the rubber plantation sector. Hence, it is concluded that the ‘dawn raid’ profited the Malaysian government, but has not brought any change in the socioeconomic development of Indian plantation labourers.

5. Conclusion

Overall, it can be seen that the migration of Indian plantation labourers from 1900 until after the era of independence contributed greatly to the economic development of the plantation sector. However, the fate of Indian plantation labourers in Malaysia was not seriously considered either in British colonial times or in the Malaysian government era. In the British colonial era, the socioeconomic status of Indian labourers was not addressed. They are simply used as a tool for the British to gain lucrative profits in the plantation sector. Their fate remained unchanged after independence as well as after the transition of plantation management to the Malaysian government through state intervention. Indian labourers remained marginalised and were left out from the majority of development programmes implemented by the government. Government-run programmes for the past 20 years through the implementation of the New Economic Policy (NEP) have also not made much change in the socioeconomic development of Indian plantation workers in the country. The historical events presented in the study unveil the reasons for the weak position of Indian plantation workers.

Acknowledgement

We thank the conference and seminar participants at the History Department for their critical comments on the earlier version of the manuscript. The outcome of this manuscript is part of a larger study on the History of Indian Plantation workers, which forms the master’s thesis.

Notes

1. PNB is an agency dedicated to the success of the New Economic Policy (NEP) introduced by the government. PNB has 25% stake in Guthrie. PNB is led by investment manager named Khalid Ibrahim who is tasked with formulating strategies to ensure that this dawn attack plan runs smoothly.

2. According to Parmer, ‘Truck System’ is a system practiced by European employers on Chinese and Indian labor in Malaya. Through this system, Indian plantation laborers are supplied with tickets instead of part of their wages. The tickets can be exchanged with rice in stores operated by the plantation management. Despite attempts to abolish the system through "The Truck Enactment 1909 ", this attempt was objected to by the employer until the British government in Malaya decided to continue the truck system.
Therefore, this enactment is unenforceable and this system has given tributary to plantation laborers.

3 According to Ramachandran, “Rump Labour Code” is specially formulated to protect the health needs of plantation labourers.

4 Pal Melayu refers to a big plantation estate owned by the European company situated around 35 kilometre of Kuala Lumpur that encompasses areas like Kuala Selangor, Batang Berjuntai and Bukit Rotan.

References


