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A Japanese Company and Malay Villages in the Malaysian Economic Development

— A Case Study of a Japanese Company and the Introduction of Foreign Workers in Selangor, Malaysia —

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Introduction

Since the 1970's, the Malaysian economy has developed remarkably, in the course of industrialization under the New Economic Policy (NEP) 1971-90 and the National Development Policy (NDP) 1991-2000. Under the NEP and NDP which encourage Malays to move in the modern sector, the Malays have moved from the traditional agriculture sector to the manufacturing sector and service sector. The transformation has changed Malay attitudes towards on jobs and lifestyle as well as the ethnic structure in employment.

In the process of industrialization, the economy has faced labour shortages, especially in the agriculture sector, construction sector and manufacturing sector. In the 1970's, the shortage in manufacturing sector meant a shortage of trained manpower such as engineers and technicians as well as administration staff. However, in the 1980's, the shortage of labour became serious also in respect of unskilled labour and semiskilled labour and the problem became general for the manufacturing sector, especially since the unemployment rate decreased as the recession recovered after the middle of 1980's. The unemployment rate was 2.8 % in 1993/94 and the labour supply is not easy for employers. The sectors with labour supply difficulties depend on illegal foreign labour. Because of the serious labour shortage and the existence of many illegal foreign workers in the country, the Malaysian government allowed several sectors to use foreigners as unskilled/semiskilled labour and introduced several programs to register illegal foreign workers since 1988.

This paper discusses a Japanese company, M.Co., and Malay villages (kampung in Malay) where the author conducted field work and interviewed Malay villagers in 1993 and 1994. The villages are located between the capital city, Kuala Lumpur and the big industrial estates, Shah Alam and Klang in Selangor. The labour shortage is very serious in Selangor as it is the most active and developed state in terms of business and production in Malaysia. The area of this case study is directly influenced by development. The villagers who formerly worked in the agricultural sector (i.e. rubber smallholders) have eventually moved into the manufacturing and service

sector after the 1970's and commute to Kuala Lumpur and industrial estates in Selangor. This case study deals with a Japanese company, M.Co., which started operations in the area in the early 1970's. Although M.Co. has obtained labour from the Malay villages in the area since its establishment the labour shortage led the company to consider introducing foreign labour in 1994.

This paper, a case study on a Japanese company and Malay villages in Selangor, Peninsular Malaysia, explains the changes in labour structure and the process of introduction of foreign labour in the company with a discussion of the foreign workers' background, and analyzes the changes of villagers' attitudes towards jobs and the company.

1. A Japanese Company and Malay Villages

1.1. Japanese Company and the Labour Forces

The Japanese company, M.Co., is founded in a district (mukim in Malay) in Selangor in the early 1970's. The district is located in a suburb of the capital city, Kuala Lumpur, and near Subang International Airport. Although the location is between the most developed areas like Kuala Lumpur and the biggest industrial estates, Shah Alam and Klang, the area is not seen as a developed area and is still considered as "villages" (*kampung*). There are 11 villages besides several towns in the district. Ten of the villages are Malay traditional villages formed in the 1920's and 30's, and the last one is a Chinese "New Village" (*kampung baru* in Malay; 新村 *Sin Tsun* in Mandarin) formed about 1950/51 during the period of emergency like other *kampung baru*.

The Japanese company, M.Co., was established in Malaysia in the early 1970's and was the first big company/factory in the area as there were no factories or other companies around the area. Villagers in the area started working as construction workers when the factory was built and they were hired as factory workers when the factory started production. At that time the company was the only employer which offered job opportunities in the area and the wage standards and working conditions were very good.

The factory started production with 300 workers, doubled the number of workers in the first ten years, and increased to 1200 workers in 1994. The average size of Japanese companies' employment in Malaysia in 1990 was 100-299 persons (Yoshimura, 1992), so M.Co.'s employment is bigger than the average size.

The company produces construction materials. Male workers comprise 90 % of the labour force. The female workers work only in limited sections; secretary/clerk work and light production work. While the secretary/clerk work is dominated by women, the management staff and unskilled workers are exclusively men.

The ethnic ratio of Malaysian workers is: Malay 70%, Chinese 10% + and Indian 20% -. After the introduction of foreign labour in 1994, Bangladeshis comprise 10% of the labour force. The ethnic ratio of employment overall satisfies the NEP and NDP guideline which encourages hiring Malays. However, the administration/management and technical staff are mainly Chinese and the production workers are mainly Malays and Indians.

In the case of Malay workers, about 80% are production workers and only 10%

are technical and supervisory staff. In the case of Chinese, nearly half are working in the administration section, 40% are working in the technical section and the production workers account for only 5% among Chinese employees. In the case of Indians, more than 70% are production workers.

Although the company has appointed a Malay personnel manager and tries to get Malay staff for the administration and technical sections, it is difficult to get qualified Malay college graduates in the private sector as Malay college graduates generally prefer the public sector with better conditions for Malays.

60% of administrative staff are college graduates. In the case of technical staff, 20% are junior college graduates or with diploma, 40% are upper secondary school graduates and others are lower secondary or lower. The clerks are mainly upper secondary school educated (80%). The production workers are mainly secondary school educated. Half of the skilled production workers are upper secondary school educated, 20% are lower secondary and 20% are primary school educated. On the other hand, 60% — of unskilled workers are upper secondary school educated, 40% — are lower secondary, and only a few percent are primary school educated. This gap of educational background between skilled workers and unskilled workers results from the promotion system in which the skilled workers are promoted from unskilled workers. The average age of skilled workers is eight years more than that of unskilled workers. So the unskilled workers are younger, and have a higher average level of education, as the general standard of education has become higher in Malaysia.

1.2. Labour Shortage and the Introduction of Foreign Labour

Most of the workers come from the neighbourhood and 80% of Malay workers are from the Malay villages in the neighbourhood. Recently, there are many job opportunities offered in industrial estates and Kuala Lumpur and the villagers have begun to commute to factories and offices in those areas.

The M.Co. recruits staff through English and Malay newspaper advertisements, and recruits production workers through workers' introductions and notices outside the factory.

They could get enough labour from the neighbourhood in the 1970's and early 80's. In the late 1980's, however, the factory began to find difficulties in meeting its labour requirements and had to recognize the problem of labour shortage. This is because (1) the labour situation changed from unemployment in the recession in the mid 1980's to a general labour shortage by the economy's recovery in the late 1980's, (2) M.Co. is not the only place to work for the neighbours who could commute to Shah Alam and Kuala Lumpur, (3) the M.Co.'s wage standards and benefits are not the best ones any more, and (4) working environments in factories considered "hot and dusty" are not preferred by young people in general.

The labour shortage issues in the area became visible in the 1980's and local small-size factories in Kampung Baru started using foreign labour in the 1980's, according to a survey by the author. However, the M.Co. did not think of hiring foreign labour before 1993; it tried to hire workers from other states to meet the labour demand. The company sent personnel staff to 194 locations in less developed states including the east coast of Peninsular Malaysia and East Malaysia. But the results were ineffective, so the company had no other choice besides applying foreign

labour.

The personnel section discussed employment of foreigners in 1994 and submitted a plan of employment to the executive committee meeting, as the factory could not secure its production with Malaysian workers alone. Although the executive committee permitted the plan, it was only several months before bringing foreign workers that the company announced the new employment plan to the Malaysian workers. The trade union criticized the plan and pointed out that (1) the company should reconsider the current wages whose low standard caused the problem, (2) the introduction of foreign labour might fix the low wage level, and (3) application of foreigners would bring confusion and troubles to the production line so that the disorder and miscommunications would threaten safety. The company had several meetings with workers and explained that the factory could not keep up production without foreigners and that the company had the responsibility and right with employment. The foreign workers were brought as scheduled.

The Malaysian government allowed the manufacturing sector to resister foreigners to work as unskilled and semiskilled workers in 1991 after the registration of foreigners in the estate (plantation) sector, construction sector and domestic helpers (maids) since 1989. When employers submit application forms to the Ministry of Human Resources for permissions to bring foreign workers in, they should submit the evidence of efforts to employ Malaysians such as newspaper advertisements and/or posters of appointment and should show that they can not get enough labour locally by a letter(s) from a local labour office and/or village heads.

The foreign workers are limited to nationals from Indonesia, Bangladesh, Philippines, Pakistan and Thailand (For domestic maids, only Indonesia, Philippines and Thailand national may be employed). The majority of foreign workers in Malaysia are Indonesians (they account for 40% + of foreign workers in 1996) because (1) many Indonesians historically have come to Malaysia as neighbours, (2) the languages are similar and communication is easy, (3) Indonesians are Muslims like Malays and the culture and customs are similar. On the other hand, Indonesian workers are criticized because (1) Indonesian working attitudes are sometimes found fault with, (2) Indonesians easily move to higher paid jobs such as construction jobs, and (3) there are more troubles involving Indonesians including crimes. The second biggest group (15%) of registered foreign workers is Bangladeshis. The M.Co. decided to hire Bangladeshis because (1) Bangladeshis are Muslims like Malays and they share a common religion and customs although the languages are different, (2) the working attitudes are said to be humble and good, (3) the wages are lower, and (4) they are more stable.

The company employed 128 Bangladeshis through several agents. The 86 Bangladeshi workers started working in June 1994 and 42 Bangladeshis joined in August 1994. The 128 workers were put in different sections in the factory and are supervised by Malaysians. However, only 20 or 30 out of 128 can speak Malay and/or English and the others cannot understand any foreign language besides Bengali. The administration estimated they would need half a year to understand the instruction on the line in English or Malay.

2. Bangladeshi Workers in the Factory

2.1. Backgrounds of Bangladeshi Workers

This section illustrates the Bangladeshi workers by author's interviews with 29 Bangladeshi workers. The average age of Bangladeshis interviewed was 26 years old. Two thirds (19 persons) were singles and the rest were married (10 persons). All of them left their families in Bangladesh and came to work in Malaysia by themselves. The average size of their households in the home country was 8.4 persons since married couples usually live with parents and siblings even after getting married.

About half of 29 interviewees (14 persons) did not have jobs in their country. But only one person was unemployed and the rest (13 persons) were students who had never worked before. On the other hand, jobs of the other 15 persons were various (4 paddy peasants; 4 small business; 4 factory workers; 2 service; 1 clerk). The average monthly income of the 15 persons in Bangladesh was 3891 taka (US \$ 1 = TK39.8). They claimed that the income was not enough for making a living.

The fathers of half of the sample were paddy peasants (16 persons), and the others are various (i.e. 7 civil servants (teacher, harbour worker, etc.), 3 small business, 1 factory worker, etc.). The mothers are all housewives who never worked. The average number of siblings is 6.2 persons. The brothers' jobs are various and the sisters are generally housewives and do not work.

The average schooling years of workers are 13.9 years and there are even university graduates and junior college graduates among them. The fathers took 11.4 year-schooling (average) and mothers took 8.8 year-schooling (average). Bangladeshi workers' educational backgrounds are quite good compared with Indonesian estate workers' cases. The Indonesian estate workers' average schooling years were 5.6 years and some Indonesians could not even write their names (Yoshimura, 1994).

Most of the Bangladeshi workers gave as their purpose in coming to Malaysia "to get jobs" whereas for Indonesian workers answered it was "to get money." They explained that their purpose in coming to Malaysia was to get jobs whereas Indonesian workers say they come to Malaysia for money. This shows the situation of employment and unemployment for the youth in Bangladesh. In fact, half of the interviewees were students who had never worked before and got the jobs at the M.Co. for the first time.

The unemployment and underemployment rate in Bangladesh is estimated 35.29-54.3 % by the World Bank in 1987/88 although the official unemployment rate is 1-3% according to the Bangladeshi government. The unemployment rate is higher among urban residents with higher education (high school educated and higher).

Bangladeshi overseas workers have brought more foreign currency to their country than the main export item, jute and the products since 1981/82, and the money they sent consists 3-5 % of GNP. 90% of Bangladeshi overseas workers work in the Middle Eastern countries. It is only in the late 1980's that Bangladeshis began to go to Asian countries such as the NIEs, ASEAN countries, Japan, etc. and the number is still relatively small.

More than half of interviewees did not have friends or relatives who went overseas to work. Two thirds came to Malaysia by themselves and the rest came with

friends or family/relatives. So they could make a decision to go abroad without friends/relatives who went abroad to work. Most of their families understood their plans to come to Malaysia and only three were initially stopped by the families. In any case, the families do not worry about them now.

They came to Malaysia between 1990 and 1994 and the average length of stay in Malaysia is 13 months in August 1994. Only one fourth came to Malaysia with a contract with M.Co. in May-July 1994; the others had been in Malaysia before they got contracts with M.Co.

Two thirds took flights from Dhaka to Kuala Lumpur directly (13 persons) or via Bangkok (7 persons) and one third came from Bangkok to K. L. by bus after flights from Dhaka to Bangkok. Since all of them left the country by air, all the workers had their own passports when they came to Malaysia. However, the Bangladeshis who entered the country with working visas were only one third (9 persons) and the ones with contracts with M.Co. were only 5 persons although a foreign worker has to enter Malaysia with a contract visa and cannot change his/her working place. Two-thirds arrived in the country with tourist visas even though their purpose in entering the country was to work.

The average cost of transportation was RM4457.79. Many answered that they paid 70,000 taka or RM5,000. Yet, an air-ticket from Dhaka to K. L. costs less. The difference is attributable to agents' commissions. RM5,000 equals 17.6 times their average monthly income at home, so most of them had to borrow the money from their fathers. The ones who could afford to travel with their own savings were only 3 persons.

2.2. Bangladeshi Workers Consideration on Jobs

Among the Bangladeshi workers, those who knew somebody in the M.Co. before the engagement were only one fifth (6 persons) and the others did not know anybody in the M.Co. 23 Bangladeshi workers got jobs at the M.Co. through agents and 6 persons entered through workers' introductions. The 5 persons who came to Malaysia with contracts with M.Co. were encouraged by agents in their home towns. Most of them got information about jobs through the Bangladeshi network.

The reasons they chose the M.Co. were various ("wages," 8 persons; "good working conditions," 8 persons; "jobs," 4 persons, etc.). However, "legal status" as a registered foreign worker with a proper contract and registration gave them motivation to trust the company to work. They also mentioned contracts as the means they got information about the company and jobs before they joined.

The company offers dormitories for the 128 Bangladeshi workers on company land and all of the Bangladeshi workers live in the company's dormitories including the 29 interviewees. The 29 Bangladeshis worked in various sections of the factory: the production section (16 persons), warehouse section (10 persons) and packing section (3 persons). Two thirds (20 persons) regard their work as easy and one fifth (6 persons) regard it as difficult. But 4 out of 6 persons who considered the work was difficult were formerly students who never worked in Bangladesh.

The average wages of 27 Bangladesh workers who started working in June and got payments were RM515.59 per month in August 1994 and other workers had not yet been paid. The income of RM515.59 is about double the average income they

were getting in Bangladesh. However, more than half claimed the salary was not enough. Especially those who worked in the warehouse section complained about the wage because they had no overtime and could not get the overtime payment.

17 persons saved money to send to Bangladesh while 6 persons could not save money and 6 persons were not ready for it. The average amount of saving was RM272.35 per month which was about half of their monthly income. The purposes of saving were "to make a living" (9 persons), "to start business" (6 persons), "to build a house" (2 persons). etc.

They considered their current jobs at M.Co. were appropriate to their educational backgrounds although some of them were university/junior college graduates. 4 persons said that they had no choice because there was no job in their country. 3 persons claimed that the jobs as factory workers were not enough for their educational backgrounds. Those 3 persons' education lengths were 18 years, 16 years and 10 years. Two of these persons are more highly educated than the average of 13.6-year-education and the person with 10-year-schooling is a person whose parents are highly educated (the father is graduate school educated with 24-year-schooling and the mother had 12-year-schooling).

The relations between wages and education can not be seen. It means that the Bangladeshi workers' educational backgrounds were not considered by the employer and that wages were not related to the educational background. In this case, the workers with higher education, especially higher than the average of 13.6-year-schooling, are relatively disadvantaged.

The contract at the M.Co. is a two-year contract. Two thirds of workers hoped that they could work longer than two years. Most of them planned to go home to Bangladesh after working in Malaysia while two persons hoped to keep working abroad.

After the contract at M.Co., 24 workers hope to have their own small business in Bangladesh with the money they would get in Malaysia. They hope to get better income and better living by doing their own business in their own country in the future as a result of this chance of working in Malaysia. When asked whether they would choose the same kind of job in factories in Bangladesh, 22 workers would do if they were offered good salary. 5 workers would not. The last 2 persons could not answer the question since they could not imagine factories from their current situations in their country.

Thus, the Bangladeshis came to Malaysia to seek for job opportunities due to the fact that they could not find proper jobs at home. They entered the country with tourist visas and got information about jobs through the Bangladeshi network.

However, the foreign workers' status is generally insecure, without proper contracts or registration. 10 out of 29 workers already worked as illegal workers in Malaysia before joining M.Co. They got higher salaries (RM400-1,200 per month) than the salary at the M.Co. But the jobs were not long-term employment and were not secure or protected as workers without registration. Some of them were deceived by agents and/or employers and could not get the promised salary or were fired without notice. Consequently, when they considered their jobs at M.Co., one of the main reasons for taking these jobs was the legal status as registered workers and the fact that they could trust the company, as the company offered jobs and reasonable working conditions with proper contracts and registration.

3. Malay Villagers and the Company

3.1. Villagers Consideration on the Company

It has been 20 years since the M.Co. started operations in the early 1970's. The workers mainly came from neighbourhood at the beginning and the company is considered as a local company in the area. The villagers in Malay villages know a lot about the company because the employees are their neighbours in the same community. In fact, villagers have a lot of detailed information about the company (i.e. the exact amount of first payment, the work environment, the company's introduction of foreign labour, etc.), even in cases where there are no M.Co. employees in the family; this is because the workers and their families often talk about their working place with others. So, as it is assumed that the villagers can get enough information to evaluate the company, this section discusses the villagers' attitudes to and evaluation of the M.Co. as revealed by the author's interviews with villagers.

The author interviewed 101 villagers in five Malay villages in the area. The language used in interviews was Bahasa Malaysia (Malay language).

The first question was whether they would like to work at the M.Co or not. 65% of interviewees (60 persons) would not work while 21% would like to work and the rest did not mind. But those who would not like to work did not always object to the company as a working place. 23 persons said that they "already had jobs," 9 persons considered themselves "too old" to work in the factory, and 2 persons were housewives who "never worked before." However, 19 persons did not consider the company as a suitable working place, saying that the wages were low and that the job was not good enough for him/her. On the other hand, 6 out of 19 villagers who would like to work at the M.Co. mentioned "the location" than "the working conditions." It means that they prefer working near their homes.

When asked about their children, 34 persons said that they would leave decisions about jobs to the children themselves. While 23 persons would be pleased if the children worked at the M.Co., however, one third of interviewees would not want their children to join the M.Co. (20 persons do not want it and 12 persons would prefer not). The reasons are "low wages," "no good," "not a professional job," etc. (21 persons). 8 out of 23 persons who would be pleased mentioned "the location" and this shows the same aspect as the answer to the first question.

Evaluations of M.Co. are specified on 8 factors: (a) wages, (b) working conditions, (c) cooperation and harmony in working places, (d) facilities and buildings, (e) future, (f) job security, (g) social aspects, and (h) location. Answers by factor are calculated with points; "very good," +2 points; "good," +1 point; "average," 0 point; and "bad," -1.5 points. Total points by factor are: (a) wages +4.5 points; (b) working conditions +14.5 points; (c) cooperation and harmony in working places +34.5 points; (d) facilities and buildings +27 points; (e) future +28.5 points; (f) job security +23.5 points; (g) social aspects +29.5 points; and (h) location +47 points.

The most highly evaluated factors are (h) location +47 points, (c) cooperation and harmony in working places +34.5 points, (g) social aspects +29.5 points, (e) future, +28.5 points, (d) facilities and buildings +27 points and (f) job security +23.5 points.

First, (h) location (+47 points) is highly appreciated ("very good" by 10 persons and "good" by 36 persons) because the company is located near their houses in the same community. This is their main reason for seeing the M.Co. positively as an option in choosing a place to work. On the other hand, the 6 persons who considered "the location" is "bad" are younger males. Young men in their 20's and 30's do not always prefer working places near their houses since they think that the area's average wages are relatively low.

Second, (c) cooperation and harmony in working places (+34.5 points) is rated highly ("very good" by 5 persons and "good" by 35 persons) although this question is not practical like other factors such as "wages" or "working conditions." The next (g) social aspects (+29.5 points) is rather abstract and the half (48 persons) answered "average" while 35 persons answered positive ("very good" by 2 persons and "good" by 33 persons). These two factors are similarly abstract. Yet, "the cooperation and harmony" is considered as "they heard so" and "social aspects" is considered as "they imagined."

Third, (e) future (+28.5 points) is generally well appraised ("very good" by 5 persons and "good" by 29 persons). Nonetheless, males in their 20's often evaluated "bad."

Fourth, (d) facilities and buildings (+27 points) are evaluated well ("very good" by 1 persons and "good" by 40 persons). Yet, among young men in the 20's, 7 persons gave a "bad" rating and only 3 persons rated them as "good" ("very good" by 2 persons and "good" by 1 person). Younger villagers consider that the factory buildings and facilities are "old" as they were built in the early 1970's and that the working environment is "hot and dusty."

Fifth, (f) job security (+23.5 points) did not get the high points although this is expected to be highly counted as a Japanese company. 43 persons evaluated "good," but no one answered "very good" and 13 persons answered "bad." The M.Co. did not discharge or lay off workers even during the recession in the mid-1980's, so job security appears to be very good. But they do not consider this aspect, as they heard that workers often leave the company to seek better jobs.

On the other hand, the factors which are given a low rating are (a) wages (+4.5 points) and (b) working conditions (+14.5 points).

First, (a) wages (+4.5 points) were considered "average" by of half the interviewees. And neither the positive rating ("very good" by 5 persons and "good" by 11 persons) nor the negative one ("bad" by 11 persons) were in the majority. Still, the interviewees who considered wages to be "bad" mentioned the wage levels and amount specifically as they had exact information.

Second, (b) working conditions (+14.5 points) were considered "good" by 26 persons while 9 persons (some in their 20's) considered them "bad."

Hence, the Malay villagers in the area consider the M.Co. as a local company in the same community and highly evaluate "the location," "cooperation and harmony in the working places," "social aspects" and "future." But "wages" and "working conditions" are rated poorly, so these might contribute to bottlenecks in the supply of labour from the community. In particular, young men in their 20's have more negative views on "wages", "working conditions," and working environment ("facilities and buildings") as well as "job security" and "future", compared with other generations. This shows that the company is not so attractive as a working place for

the younger generation. On the other hand, the older generations still keep the original impression and image of company from the 1970's and hold positive views on wages and benefits as well as on job security and stability.

3.2. Villagers' Attitudes towards Jobs

This section illustrates Malay villagers' attitudes towards jobs. The author asked subjects about their preferences concerning locations and types of companies in which they might wish to work.

Firstly, the location preferences are; "in or near their villages" 66%; Kuala Lumpur 14%; Shah Alam 9%; and Other Locations 11%.

Those who prefer near villages are in all the generations. This preference is stronger among women, as 70% of 36 female interviewees prefer working in/near the villages, while 60% of male interviewees give the same answer. By generation, those older than 40 predominantly prefer the villages. Among the younger generation, such as in those in that 20's, less than half prefer villages and the ratio of those who prefer Kuala Lumpur and other locations is more than in the older generation. Those who choose "Other Locations" would commute to any place if they could get good job opportunities with better wages and conditions.

The reasons for choice of locations are (multiple choices); "facilities and buildings" 27 persons; "wages" 22 persons; and "Other" 19 persons. The first factor, "facilities and buildings" is considered by men of all ages. But the second factor, "wages" is more emphasized by the younger generations. The last factor, "Other", is mainly raised by those who prefer "near villages" and they emphasize distance and convenience.

Secondly, the preferences for types of companies are: Malay private companies, 52%; Japanese companies, 31%; Malaysian public companies, 3%; and American companies, 3%; Other 3%; and No answer 8%.

The main reasons for choices are generally "wages." At the same time, they mention that they prefer Malaysian companies "because they are Malaysian." Some say that they would like to contribute to Malaysian development by working at Malaysian companies. On the other hand, Japanese companies are well evaluated since there are many Japanese companies and the positions are crucial in the Malaysian economy.

Finally, the preferences on ethnic types of companies are; Malay 51%; Chinese 6 %; Indians 0%; No Difference 30%; and No Answer 13%. The main reasons to choose "Malay" are; "the same ethnicity (*Bangsa* in Malay)" by 23 persons; "language and custom are the same" by 8 persons; "for the Bumiputera's development" by 5 persons. Interviewees who prefer Chinese companies are only 6 cases. 3 persons mention that Chinese companies are "rational in business management and wages." The local companies in the area are predominantly Chinese small- and middle-size companies and offices. Including the cases of "No Difference," the younger generation does not always prefer "Malay companies" like the older generations.

Hence, there are differences among generations in considerations and preferences on jobs and working places. The younger generation focuses on wages, working conditions and environments more than the older generation. So they do not always prefer working in/near villages like the older generation. In general, Japanese

companies are well considered although Malaysian companies are preferred. And among Malaysian companies, preference for Malay companies is very strong. They strongly consider that Malays share the same ethnicity, the same language and culture, and the same religion. Yet in the community there are many small- and middle-sized companies and factories in the area and they are Chinese. So Malays also recognize the Chinese companies, business capability and rationality.

Conclusion

The Malay villages in this case study are located in Selangor state where economic activities are most active and concentrated. The M.Co. was established near the Malay villages in the early 1970's, eventually faced labour shortages in the 1980's and finally introduced Bangladeshi workers in 1994. The labour shortage is now general in the country and the structure of employment has changed since the economy developed. The Malay villagers' views about jobs and the M.Co. have changed in a way which shows differences according to age.

This paper discussed the changes in the labour force of the M.Co., the introduction of foreign labour, the background of Bangladeshi workers and the Malay villagers' views on jobs and the company by interviews with villagers.

The labour force of M.Co. reflects the ethnic structure with Malays 70%, Chinese 20% and Indians 10% as a whole, yet the administrative staff and engineers are mainly Chinese, and 80 % of production workers are Malays (the rest are Indians). This case is not a special case and many Japanese companies try to get Malay administrative/professional staff as well as engineers/technicians because the Malays prefer the public sector. On the other hand, the foreign labour (Bangladeshi workers in this case study), are introduced into the production line as unskilled labour and their educational backgrounds and careers are not taken into account even if language abilities in Malay and English are given some consideration.

The interviews with Malay villagers indicate how the villagers consider the Japanese company in the area. The older generation thinks that the company has been an essential local company which can offer job opportunities, better wages and benefits in the region. The younger generation, however, does not think the company is an ideal working place with a good wage and good benefits any more, and prefers some other jobs with better wages and good conditions in some other places such as Kuala Lumpur, Shah Alam, Klang, etc.

In 1996, the M.Co. employed 100 Indonesian workers and 140 Bangladeshi workers. The M.Co. says that the use of foreign labour is only an emergency measure for a short period. The company does not consider of foreign labour for the core part of production, so they would like to keep foreign the labour force under 30%. The company wants to resolve the labour shortage by (1) reconsideration of wage levels, (2) automation, and (3) utilization of human resources by training and skill improvement. Yet, as the company has not explained its policy on foreign labour to the Malaysian employees, they are anxious about the company. As long as the company sees the neighbourhood as a main source of labour, it must recognize the younger generation's evaluation of the company's wages, working conditions and environments as low and realise that it might cause a bottleneck to gaining its new labour

from the neighbourhood. The result of hearings indicates that the Malay villagers prefer working in the neighbourhood and that their preference is strong (including the younger generation). Nonetheless, the younger generation understands that they could commute to "distant" places like Kuala Lumpur if they are offered job opportunities with better conditions. Also, their preference for Malay companies is not as strong as in the case of the older generation.

This survey was conducted in Selangor, where the economy is growing most energetically compared with other parts of Malaysia. The area will be directly influenced by the dynamics of development, since it is located between Kuala Lumpur and the country's biggest industrial estates, Shah Alam and Klang. This means that the Malay villagers whom I interviewed will have more opportunities for better jobs, while the M.Co. which depended on the community will have more difficulties with recruiting new workers. This is not a situation unique to the area of this case study in Selangor. Malaysian youth avoid low-paid and unskilled occupations, because living standards have improved and the educational backgrounds and lifestyle have changed. In many places in the country now factories have to introduce foreigners into the production line instead of the local workers (even in rural areas), while the Malays have changed their views on jobs and occupation as well as on lifestyle as a result of the dynamic changes of employment structure in economic development since the 1970's.

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