CHAPTER 8
CONCLUSION

8.1 INTRODUCTION

This final chapter recapitulates the major arguments and research issues raised in this thesis. It suggests priority areas for further research, bearing in mind the major theoretical arguments of the study, and concludes on policy implications and the final disintegration of the two-circuit system of migration.

8.2 RECAPITULATION

The structural analysis of internal migration, at the national, local, family and individual levels as undertaken in this thesis, has pointed out certain social and economic rigidities in Malaysian society which reveal themselves in a particular pattern of movement of people between jobs and territories. This had been hypothesized as taking the form of a two-circuit system of migration structured according to strata, industry and formal-informal sector classification (Chapter 1). These circuits of migration, as they are called, were a product of the historical development of the Malaysian economy since its colonial phase.

The Malaysian economy itself, because of the nature of its incorporation and integration into the world economy, had developed according to the model of a neocolonial economy specializing in the production of primary commodities for export to the industrialized markets. As a result of colonial labour and land policies, among others, the population structure took a multi-ethnic character with a close identification of race with occupation and location. Up to 1970, the indigenous population was made up largely of Malays located in rural areas pursuing agricultural activities, while their urban population, still low compared to the Chinese, was basically in government service. The non-Malays, mostly Chinese, lived mainly in the urban areas, and were engaged in the trade and services sector, as well as in the tin mines and rubber estates. The level of industrialization was still low, given the limited domestic market and the import substitution policy adopted.

The study presented here has tried to show the historical and political economic basis of this strategy. The historical evolution of urbanization and the urban system has been traced by considering two “waves” of urbanization during two periods in
the modern development of Malaysia, between 1785 and 1930, and between 1931 to 1970. The development of the urban system was characterized as a direct product of the penetration of colonial capitalism and the subsequent integration of Malaysia into the world economic system. The first two waves of urbanization, thus, were determined by the trends and cyclical rhythms of the process of articulation of the Malaysian economy in the international division of labour (Chapter 2).

The analysis of national migration streams between 1965-70 in Chapter 3 in terms of its ethnic and economic characteristics, has shown, however, that the population shifts are highly structured. They reflect basically the institutional rigidity and the lack of major transformation in Malaysia's economy up to 1970. The migration streams whether defined by the rural or urban, formal or informal dichotomy, displayed at a macro-level the Malay-Chinese differences, especially in the type of occupation and industry and rural or urban economies each ethnic group gravitated to. Despite some important universal features in each migration stream, which reflects their selectivities, such as sex, age and education, Malays remained less diversified economically. Education was their main route to breaking the two-circuits, and into the modern sector occupations.

The analysis of economic structure and migration at the village level in Chapter 4 reaffirms that there has been little change to this situation in spite of economic growth up till 1970. There were, of course, periods of population redistribution when the country was disrupted by external influences. The Malaysian economy prospered through tremendous expansion of its primary export sector which affected the smaller towns, while import-substitution introduced in the 1960s reinforced the larger towns.

The major activity, however, has been in rural areas, particularly with the implementation of rural development programmes after Independence in 1957. These programmes have successfully held back the inevitable flow of rural labour to urban areas. The lowering of rural-urban differentials by providing alternative employment opportunities, increasing productivity and wages, facilities and amenities including infrastructure (as in the Simpang Empat case study) affected the decision to migrate in a way that would not, then, create a disequilibrium in the spatial labour market. The high labour absorptive capacity of agriculture, especially the smallholding sector, combined with a traditional affinity to the land.
and the existence of a still under-utilized land frontier, have contributed much to the contemporary population distribution in the country.

These national patterns were further reinforced in the study of the padi-growing villages in the Muda region in the late 1970s. As the data were collected from purposive surveys on mobility and migration, including detailed household and individual life-histories, many of the structures and processes elucidated helped to explain the inflexibilities of the system. At the regional-local context, a typology of mobility groups provided a fuller understanding on how the scale of a study, and from the rural-end can highlight the importance of the different types of mobility and migration (and how they affect each other) and the stages of the life-cycle. The extent of commuting affects the outmigration rates; its prevalence understates the extent of outmigration, at the same time minimizing the pressure caused by inmigrants to congested urban areas.

The investment into padi-growing in the MADA areas was a typical example of how the rural population had been held back from becoming a major influx into urban areas. Bringing development into the area and improving incomes with good infrastructure, facilities and amenities meant that rural-urban migration could be held back, to be released gently and in a more controlled manner.

The entrenched nature of the two-circuits of migration had been well demonstrated in this thesis. The distributional questions of wealth ownership by the different ethnic groups, poverty, employment restructuring and population redistribution formed the basic rationale for economic development, migration policy and urban restructuring under the NEP. Urbanization and rural-urban migration became a vital instrument to restructure society and economy.

Chapter 5 examined how the industrialization policies of the government in the FTZs of Penang attracted Malay female rural-urban migrants, thus, destroying the two-circuits system and starting the third wave of urbanization from the 1970s. It demonstrated the openness of the Malaysian economy, exposing the workers, their families, the state and nation to the boom and burst of world trade cycles. Most important, these new migrants will become the nascent Malay urban industrial class.

While this chapter provided a backdrop to the industrialization process and rural-urban migration, Chapter 6 hones into the household approach and how the
interplay of complex family forces impact on the migrant and her family. Not only is household adaptive strategies important for influencing migration but the very structures of the household, and where the female is placed can determine her act of leaving to work elsewhere.

The final chapter pulls together the major strands of this thesis, the sectoral shifts in employment from agriculture to manufacturing and services, increasing women’s participation in the labour force which was displaying, for the first time, Malay inroads not only into the modern sectors, but areas previously associated with the Chinese. The beginning of the NEP in 1970 heralded the third wave of migration and urbanization, which were analyzed at macro- and micro-levels in Chapter 4, 5 and 6. Although economic growth during this period, on the whole, was exemplary, there were troughs when less-educated Malaysians left to work overseas. A small trickle of professionals left throughout as is typical of developed countries, although the vibrancy and political stability of the 1980s and 1990s drew some back. Rapid urbanization between 1970-91 culminated in about 51 per cent of the population by 1991 being urban, with Malays, again for the first time, comprising most of it. Government policies in education, rural development, land development, decentralization, industrialization, and regional development successfully increased urbanization in an orderly way. Spurred by high economic growth, a vacuum was created for a massive flood of foreign workers. Ultimately, this interplay of somewhat contradictory thrusts from the government, set in train diverse processes and led to the final disintegration of the two-circuit system. The pattern of migration has become more complicated, going beyond national boundaries.

8.3 FUTURE THEORETICAL AND METHODOLOGY RESEARCH

This thesis has argued that migration is an integral component of the major processes of structural change in a country. Therefore, it has to be studied as part of the historical and evolving process of development of the country. While migration is a response to political, economic and social forces, in itself it conditions those very structures. Therefore, migration cannot be analyzed in isolation, out of the development experience and context of the country which often tends to be the approach in large-scale migration studies.

In order to link the individual’s migration to the broader development patterns, future research must try to adopt the multi-level approach, from the international, to the national, regional, local, household and the individual. Not only should there be
these different scales, the importance of which would vary depending on that country's particular development experience, but the analysis has to also incorporate a historical perspective. The importance of the different levels may change at different times. For example, the world economy had affected Malaysia and Penang more strongly, owing to the government's policy in developing FTZs and the semiconductor industry beginning in the 1970s which immediately opened the country to trade cycle fluctuations which then affected migrant workers. Yet this impact is not felt to the same extent in the padi-growing areas of Kedah when fewer daughters of padi household had migrated to the FTZ factories in the 1970s.

While this thesis tried to tread the strands affecting the individual's decision to migrate, to that of her family, with the local, regional and national economies impacting on the processes, this could have been refined further. The critical moves analysis lent further evidence on the universality of the stages of the life-cycle in determining when individuals migrate. There are "critical" points, for example, termination of education, attainment of first job, marriage, etc. in an individual's life which would apply to most people, making her more prone to migrate. These critical points, when translated into age reflected national patterns of migration.

More refined critical moves analyses may be able to separate the life-cycle effects from the macro-economic impacts. If the political and economic influences are more powerful, they will override the socio-cultural differences between ethnic groups, as well as the stage of the individual's life-cycle. By linking life-histories to family histories, future studies may be able to quantify what was done descriptively in Chapter 6 of this study. Such investigation may be able to isolate factors in the household of the individual which conditions and sets thresholds on critical moves.

Generational migration studies would be able to encapsulate the above concerns. Large surveys would have enough cases to test the concept of critical moves. Panel studies, where all the critical moves of all family members may be analyzed against the family's life-situation, e.g. size of family, household income, occupation of head of household, etc. may be used to further explore household strategies and their relationship with the local, up to the national economic structures. A bigger database, of different countries may be able to extricate the family events, which exists for most individuals from other extraneous factors. Are these 'critical points' the same for different ethnic groups in different countries which have different developmental experiences? It is true that life-histories are very similar because of
the influence of demographic variables. The age when the events occur may vary owing to different family and other circumstances. It would be interesting to know what causes the variations and why. With larger numbers, more sophisticated analyses may be carried out. It may prove that the life-course and the family life-course can be quite predictive for migration. And if there are other cross-country studies, a more meaningful theory on migration may emerge.

To deal with such diverse issues which impact on mobility and migration, the approach in future studies has to be multi-disciplinary drawing from political-economy, development studies, and geography – the more integrative-type social sciences compared to the more discipline-based ones of economics, statistics, and to a lesser extent, demography. As discussed in Chapter 1, the various discipline-based type analyses of migration have tended to view this complicated process from mainly one angle. Perhaps this has done some disservice to the subject, by preventing the development of new more insightful and inclusive theoretical frameworks on the subject of migration.

Future research on this topic must take into account that different types of mobility, from daily commuters to weekly commuters all affect the extent of migration. For similar reasons, an urban-ended study and a rural-based one will elicit different patterns. This thesis tried to deal with this issue, by studying mobility and migration from the village-end in Muda, tracing outmigrants to both rural and urban destinations, and researching into the urban migrants in the Penang factories. This approach has certainly given a fuller perspective on mobility and migration.

Similarly, this perspective has revealed that the different types of mobility may reflect the individual’s life-cycle. Therefore, stayers were mostly the young, the dependent and the old. Intending migrants were those at the threshold of a stage of their life-cycle, to leave for further studies, to start a job or embark on a new one, or to get married. Among active outmigrants were those going for further studies or the majority, who are economically active, looking for better opportunities. It was precisely that the research was conducted at the rural-end, that it captured the large number of outmigrants who were in fact, passive ones, migrating as dependants or for family reasons.

Case studies, often criticized for their lack of representativeness will continue to play a vital role for researchers to get a broader understanding of these complicated migration processes, especially the softer data such as the reasons, perception, etc.
While large-scale studies do provide estimates of magnitudes, directions and characteristics of migrants so important for policy makers, it is still for the smaller surveys and case studies to pick up the processes.

8.4 POLICY IMPLICATIONS

The implementation of the NEP since 1970 has brought about a major transformation of the economy and a period of tremendous social change in Malaysia. A number of critical developments propelled these changes which impacted on migration and urbanization and caused major labour shortages that attracted foreign workers to fill the gap.

There were various forces operating in the rural and urban areas which “controlled” the extent of outmigration from rural areas, preventing the rural-urban flood so typical of Third World countries. In those situations, rural migrants “voting with their feet” further added to the urban unemployed, often causing the proliferation of squatters and the primate city syndrome, as for example, in Thailand and the Philippines. The constraining factors from the rural-end were initially an acceleration of rural development including the major in situ injection of capital into padi areas such as the Muda area, and the massive land development schemes like FELDA which tapered off towards the end of the 1990s.

Included in this group of outmigration restraining measures is the implementation of the regional development strategies which not only brought factories and jobs to rural areas but also to the periphery of small towns. This, allowed rural inhabitants to commute, rather than migrate, and created work in these urban centres for its own growing small-town population, thus further holding back potential migrants to the Kuala Lumpur region.

As jobs were being created or upgraded in these areas, other investments especially on education, and health were rapidly being improved as a continuation of the rural development impetus implemented after Independence in 1957 but accelerated during the NEP. This produced a cohort of potential migrants who were adequately educated for the urban areas.

From the urban-end, the public sector expanded to absorb the more educated Malays for higher government positions as well as the massive numbers in the lower echelons of the government, as petty officials, clerks and especially the
uniformed services. To this traditional pathway was added the new migrants in the manufacturing sector, specifically in the FTZs and industrial estates of smaller towns.

Owing mainly to the impact of the NEP, the two-circuit system has been broken, has dissolved, so that the circuits have merged and the boundaries blurred, with significant leakages into and out of the system through immigration and emigration. This is now producing the patterns of high mobility between urban areas, and more importantly commuting which so typifies the developed economies.

As the economy matures, the rate of urbanization will decline. As discussed in Chapter 7, towns and conurbations will coalesce. Urban-urban migration will be the most important stream with urban-rural being a suburbanization process. Commuters will increase, but not of the circular migration type, caused by impermanent work so characteristic of Third World countries. They will come from the surrounding urban centres and rural areas made accessible by the heavy investment into infrastructure such as highways and commuter trains, a mark of the 1990s government. This will further deter migration into cities. Rural areas will become more urban in character as the dispersal effects of economic development continues to spread. The nature of farming will change with capital intensification. The lower-level towns will continue to grow. In Malaysia, a large urban middle class will continue to develop comprising mainly Malays. The wants and needs of this group co-mingled with their non-Malay counterparts will become, like the pattern in developed countries, international and cosmopolitan. They will, like the rest of the global cities become recipients of the internationalization of culture and all that it stands for.

Whilst the restructuring agenda of the NEP has been successful, the eradication of poverty and income disparities have had less success. Added to this will be the issues raised in Chapter 7 of the new immigrants of mostly Indonesians embedded in the urban areas. Except for the Asian currency crisis of the 1997 and 1998, for which some of the effects are still felt today, the 1990s were characterized by exceptional economic growth driven by manufacturing and construction. Rural incomes had increased from about RM951 in 1990 to RM1300 in 1995. Poverty households have declined from 21.8 per cent to 18 per cent for the same period (Malaysia, Government of, 1996:156). The per capita income in nominal terms increased from RM1,106 in 1970 to RM9,786 in 1995. Measured in terms of purchasing power parity, improvement in the per capital income was even more
significant, rising from US$978 to US$9470 in the same period (Malaysia, Government of, 1996:4-5). The NEP, becoming the National Development Policy (NDP) after 1990 has morphed into the National Vision Policy (NVP) by 2001 where integration among the ethnic groups will be given priority through a distributive agenda to build on a united and equitable society. After all, there is a clear logic running through these 35 years of planning. With structural inequalities between races and regions, it would be impossible to foster integration. While the early years have concentrated on restructuring and alleviation of poverty, often through major investments and at great costs, the 1990s were characterized by massive infrastructural works. The first decade of the new century will see more emphasis on the softer aspects of development such as building a resilient nation by fostering unity, cultivating a tolerant, and more caring society, and raising the quality of life. The Eighth Malaysia Plan 2001-2005, clearly spells out the aim to reduce absolute poverty, bridge income imbalances between ethnic groups within rural and urban areas, and between rich and poor regions. The development of a knowledge economy powered by knowledge workers emphasize the importance of education and skills development, with IT playing a major role. As envisaged by the government, a new phase of manufacturing driven by technology stressing a shift up the value-added chain will be implemented by the Second Industrial Master Plan (Malaysia, Government of, 2001: 9-13).

Urban population in Malaysia reached 61.8 per cent by 2000 (Malaysia, Government of, 2001:87-8) with natural increase and boundary change as major contributors. The role of migration continues to diminish with commuting increasing in importance. The dissolution of the two-circuit system is complete.

Migration has been an effective policy tool in social engineering relative to other policy instruments in effecting population distribution and urbanization. It has worked best as part of a larger set of policies such as those on rural development programmes and industrialization. As an explicit development policy migration will have played its final role. It will be replaced by policies directed at income imbalances, product-driven growth, housing, logistics and transportation, employment, and new planes of industrialization, with the nurturing of appropriate human capital to support this higher level of development, and other government programmes that will have only indirect effects on migration.